UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 84th CONGRESS
FIRST SESSION

VOLUME 101—PART 9

JULY 20, 1955, TO JULY 29, 1955
(PAGES 11003 TO 12188)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1955

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 84th CONGRESS, FIRST SESSION

SENATE

WEDNESDAY, JULY 20, 1955

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Most merciful God, the unfailing refuge of all who turn to Thee for help, the source of all wisdom and goodness, save us, we pray Thee, from judging Thy ways by feeble sense, and measuring the long miles of Thy fair horizons with today's inches. As the years tell us that again and again even the wrath of men hath praised Thee, open our eyes to the emancipating truth that even "the clouds we so much dread are big with promise and will break in blessing on our head." In this forum of deliberation, with all its tangle of human relationships, may there ever be lifted an altar where a constant sense of the eternal may save us from spiritual decay, from cowardly expediency, from moral surrender, and from any betrayal of the highest public good. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. CLEMENTS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 19, 1955, was dispensed with.

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Pursuant to the order of the Senate of July 19, 1955,

Mr. HAYDEN, from the Committee on Appropriations, to which was referred the bill (H. R. 7224) making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes, reported it favorably, with amendments, on July 19, 1955, and submitted a report (No. 1033) thereon.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Tribbe, one of his secretaries.

ANICETO SPARAGNA—MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Tribbe, one of his secretaries, in which it was announced that on July 5, 1955, the act (S. 432) for the relief of Aniceto Sparagna, having been presented to the President of the United States on June 23, 1955, and not having been signed by him within the 10-day period prescribed by the Constitution, has become law without approval.

AUTHORIZATION FOR COMMITTEES TO FILE REPORTS

Mr. CLEMENTS. Mr. President, I ask unanimous consent that during the recess or adjournment of the Senate, the Committee on Agriculture and Forestry and any other standing committees may be permitted to file reports.

The VICE PRESIDENT. Without objection, it is so ordered.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. CLEMENTS. Mr. President, under the rule, there will be a morning hour for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine matters. I ask unanimous consent that any statements made in connection therewith be limited to 2 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS

The Vice President laid before the Senate the following letters, which were referred, as indicated:

REPORT ON BUDGET AND ACCOUNTING

The VICE PRESIDENT laid before the Senate a letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report of its task force on budget and accounting in the United States Government, dated June 1955, which, with the accompanying report, was referred to the Committee on Government Operations.

REPORT ON DEPOT UTILIZATION

A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, that Commission's subcommittee report on Depot Utilization, dated June 1955 (with an accompanying report); to the Committee on Government Operations.

ONE HUNDRED PERCENT OF PARITY ON WHEAT—RESOLUTION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Beulah Farmers Union Elevator Co., of Beulah, N. Dak., favoring the enactment of legislation to provide full 100 percent of parity on wheat.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

BEULAH FARMERS UNION ELEVATOR CO.,
Beulah, N. Dak., July 1, 1955.

Senator WILLIAM LANGER,
Washington, D. C.

MR. SENATOR: At the regular annual meeting of the stockholders of the Beulah Farmers Union Elevator Co., Beulah, N. Dak., assembled at Beulah, N. Dak., on Friday, July 1, 1955, the 578 members urged adoption of the following resolution and adopted same as follows:

"Whereas there is unquestionably an unfair discrimination against the wheat farmer in that he complies with curtailed acreage and is to receive only 76 percent of parity: Now, therefore, be it hereby

"Resolved, That the Congress, the President of the United States, and the Secretary of Agriculture are hereby urged and requested to take all necessary and appropriate steps to provide full 100 percent of parity; it is further

"Resolved, That the secretary of the Beulah Farmers Union Elevator Co., Beulah, N. Dak., is hereby directed and instructed to forward properly authenticated copies of this resolution to the following: President of the United States Dwight D. Eisenhower; Secretary of Agriculture Ezra Benson; Members of Congress from North Dakota; general manager of Farmers Union G. T. A., M. W. Thatcher; president of National Farmers Union, James Patton; president of North Dakota Farmers Union, Glenn Talbott."

ERNEST R. HAFNER,
Secretary.

RESOLUTIONS OF WESTERN STATES LAND COMMISSIONERS ASSOCIATION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a series of resolutions adopted by the Western States Land Commissioners Association at their annual convention held in Rapid City, S. Dak., in June of this year.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTIONS OF THE WESTERN STATES LAND COMMISSIONERS ASSOCIATION

The Western States Land Commissioners Association, representing Arizona, California, Colorado, Idaho, Montana, Nevada, North Dakota, New Mexico, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, and

Wyoming, in convention assembled at Rapid City, S. Dak., on this 18th day of June 1955, do hereby adopt by unanimous vote the following resolutions:

"RESOLUTION 1

"We propose that the Federal Government add metalliferous ores to the category of oil and gas (mineral leases) on the public domain and all other federally controlled land, and pay a percentage to States on a basis comparable to present distribution of Federal mineral leasing.

"RESOLUTION 2

"Be it resolved by the Western States Land Commissioners Association, That the laws of the United States and the regulations of the Department of the Interior be amended and modified to provide that in those cases in which a State may select land in lieu of a numbered school section, such State shall be permitted to select lieu lands which are mineral in character in place of lands which are known to be mineral in character, title to which cannot vest in the State; be it further

"Resolved, That the laws of the United States and the regulations of the Department of the Interior be amended and modified to provide that the State may select mineral lands in an amount equal to lands contained in a reservation or withdrawal, to which the State's title is inchoate or contingent because of the reservation and the fact that such lands have not been surveyed; be it further

"Resolved, That the laws of the United States be amended to permit selection by the State of lands mineral in character, as well as lands nonmineral in character, in satisfaction of all land grants, including so-called floating grants.

"RESOLUTION 3

"We recommend to the Congress that adequate appropriations be made to the Bureau of Land Management sufficient to complete original surveys as rapidly as possible.

"RESOLUTION 4

"We commend the Secretary of the Department of the Interior, the Honorable Douglas McKay, and especially the Director of the Bureau of Land Management, the Honorable Edward J. Woozley, for their aggressive and vigorous policies in furthering the solution of the problems of completing surveys and securing to all States their rightful heritage of all land grants heretofore made, and to be made, by the sovereign Government of our United States.

"RESOLUTION 5

"We urge the Congress to enact S. 2076, providing procedure for mining metalliferous ores on grant lands upon which the Federal Government has reserved the coal.

"RESOLUTION 6

"Whereas the Western States Land Commissioners Association, assembled in Rapid City, S. Dak., at its annual conference, under dates of June 17, 18, and 19, 1955; and

"Whereas an excellent program covering subjects pertaining to the interests of the land departments of the various States in attendance has resulted to the benefit of all present; and

"Whereas the success of the meeting, including the entertainment both to the ladies and to the members present has been due to the efforts of Mr. Bernard Linn, the host of the conference: Therefore, be it

"Resolved by unanimous vote of all present that the association expresses its sincere appreciation to Mr. Linn for his successful efforts in the handling of the affairs of the conference, and also the delightful entertainment furnished the membership during our stay in South Dakota.

"RESOLUTION 7

"We cordially welcome the attendance of a representative of the great State of Nebraska, Mr. Robert Hiatt, secretary, board of educational lands and funds, and extend a hearty invitation to Nebraska to become a member of our association.

"RESOLUTION 8

"We express our appreciation—

"To J. Stuart Watson, president of our association, for his vigorous efforts in promoting the welfare of our association and all of its member States.

"To Roger Ernst, secretary of the association, for the prompt and efficient recording of our proceedings and thoughtful preparation of conveniences to its officers.

"To Arthur Wilson, treasurer of our association, for prompt and businesslike conduct of our financial affairs."

Done at Rapid City, S. Dak., this 18th day of June 1955.

J. STUART WATSON,
President.

Attest:

ROGER ERNST,
Secretary.

RESOLUTIONS OF OREGON RURAL ELECTRIC COOPERATIVE ASSOCIATION

Mr. NEUBERGER. Mr. President, ever since the present Republican administration came into office, the "sloganeers" for the private utility lobby and their allies in administrative agencies of the Federal Government have been piping a tune about partnership in power development for the Columbia River Basin. They have been attempting to lead the unwary down the blind alleys of partnership in the hope of blocking support for the Federal program of river resource development, which has brought so many benefits to people of the Northwest and the Nation.

But, the real local interests in Oregon who are concerned with serving the electric power needs of their members have rejected the siren call of partnership in no uncertain terms. This was evidenced in the resolutions adopted June 21, 1955, at the business meeting of the Oregon Rural Electric Cooperative Association.

One of the resolutions adopted by this group which represents all the REA co-ops in Oregon stated:

> We recognize the partnership idea for what it is and condemn it as a scheme to turn over the rivers of the Northwest to private monopoly so that the people and the region cannot enjoy abundant and cheap power.

With regard to a proposed "partnership" plan for construction of John Day Dam on the Columbia, the association said:

> Such partnership proposal will result in higher cost power, the loss of the preference clause, and the removal from the region to the FPC in Washington of decisions on power allocation, and in establishment of preference for private utilities.

The Oregon Rural Electric Cooperative Association is to be congratulated for its refusal to submit to the administration's scheme to shackle Oregon's economic growth with high-cost, monopoly power.

I ask unanimous consent to have printed in the RECORD, as part of my remarks, resolutions adopted by the Oregon Rural Electric Cooperative Association.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTIONS OF OREGON RURAL ELECTRIC COOPERATIVE ASSOCIATION ADOPTED JUNE 21, 1955

COLUMBIA INTERSTATE COMPACT

Whereas the Columbia Interstate Compact Commission on May 26, 1955, refused to remedy the numerous deficiencies in the 1954 compact draft and decided instead to sponsor a seven-State publicity drive to sell the 1954 draft: Now, therefore, be it

Resolved, That we reaffirm our opposition to any interstate compact which proposes to allocate or control electric power.

PARTNERSHIP

Whereas the evidence is overwhelming that the partnership plan of development of our rivers will result in turning them over to private-power monopolies, to destruction of the people's preference in access to the power from such rivers and to the loss of the concept of full development of the rivers for the benefit of the Northwest: Now, therefore, be it

Resolved, That we recognize the partnership idea for what it is and condemn it as a scheme to turn over the rivers of the Northwest to private monopoly so that the people and the region cannot enjoy abundant and cheap power.

JOHN DAY DAM

Whereas the Corps of Engineers is preparing final plans for construction of John Day Dam with a view to permitting actual construction to start in 1956; and

Whereas the Army has virtually no other dams ready or about to be ready for early construction; and

Whereas Congressman COON has again introduced a bill to deauthorize John Day Dam and turn the project over to private utilities for partnership development with about 40 percent of the financing to be provided by the Federal Government; and

Whereas such partnership proposal will result in higher-cost power, the loss of the preference clause, and the removal from the region to the FPC in Washington of decisions on power allocation, and in establishment of preference for private utilities: Now, therefore, be it

Resolved, That we urge Federal development of John Day Dam, with retention of the preference clause, and that we do not endorse the Coon partnership bill.

UPSTREAM STORAGE

Whereas we went on record last year in opposition to Senate bill 3434 which would have amended section 10f of the Federal Power Act to require downstream Federal dams such as Bonneville Dam to pay upstream storage charges to proposed private upstream dams such as Bruces Eddy Dam on the Clearwater River; and

Whereas Senate bill 1574 now proposes to provide the same type of subsidy from Federal dams to private dams but to do so through the Secretary of Interior instead of amending the Federal Power Act: Now, therefore, be it

Resolved, That we urge retention of section 10f of the Federal Power Act and that we oppose Senate bill 1574 or any similar scheme for public subsidies to private electric corporations.

SNAKE RIVER DEVELOPMENT

Whereas several electric corporations propose to build the Pleasant Valley Dam and Mountain Sheep Dam which would develop only about 60 percent as much power as would be created by the Nez Perce Dam as recommended in the Army's 308 Review Report; and

Whereas these smaller dams would permanently result in underdevelopment of this

reach of the Snake River and is contrary to the principles of comprehensive multiple purpose river development: Now, therefore, be it

Resolved, That we endorse the ultimate development of the Nez Perce Dam site by construction of the Army's proposed Nez Perce Dam and that we oppose construction of any conflicting dams in the Nez Perce Reservoir.

DIXON-YATES

Be it resolved, That we reaffirm our previous opposition to the Dixon-Yates deal.

HELLS CANYON

Whereas the FPC trial examiner has found that the proposed high dam at Hells Canyon offers the most feasible and best development of the Snake River; and

Whereas Congresswoman EDITH GREEN and our two Senators, WAYNE MORSE and RICHARD NEUBERGER, are actively supporting the building of Hells Canyon Dam: Now, therefore, be it

Resolved, That we go on record in support of the high dam at Hells Canyon, and notify Mrs. EDITH GREEN, WAYNE MORSE, and RICHARD NEUBERGER that we stand behind them in their fight to preserve and develop our rivers for the benefit of the people of the Northwest.

BPA WHEELING

Whereas BPA is considering entering into agreements with non-Federal agencies for wheeling electric energy on a common-carrier basis: Now, therefore, be it

Resolved, That we request the BPA Administrator to provide public notice, adequate time for study, and opportunity for public hearings on the proposed wheeling rates and arrangements.

IDAHO POWER CO. INTERTIE

Whereas the Bonneville Power Administration has granted a 20-year power exchange contract to the Idaho Power Co. whereby BPA furnishes energy to carry the Idaho Power Co.'s August peak load; and

Whereas this valuable peaking energy is handled in the exchange account as if it were dump power; and

Whereas such depreciation of the value of peaking power is contrary to good utility practice, results in a subsidy to the Idaho Power Co., diminishes the revenue on the Columbia River Power System and constitutes poor business practice: Now, therefore, be it

Resolved, That although we endorse the principle of power exchange between Bonneville Power Administration and connecting systems, we believe that the public interest requires the adoption of accepted utility business standards in aiming at the fair and equitable value of power.

ABOLITION OF REA

Whereas the Hoover Commission has issued a report on Federal lending agencies which recommends abolishing the Rural Electrification Administration and transferring its jurisdiction to a Federal corporation which would obtain its funds from private financial sources; and

Whereas the carrying out of these recommendations would increase interest rates on REA loans from 2 percent to something like 4 percent: Now, therefore, be it

Resolved, That we deplore the recommendations of the Hoover Commission and that we urge Congress to reject these recommendations and urge that the lending agencies of the executive departments go on record against the report, particularly that the Department of Agriculture do so.

POWER SUPPLY FOR SOUTHEASTERN OREGON

Whereas most of the remaining unelectrified farms of Oregon are concentrated in the Donner-Blitzen Valley near Burns, Oreg.; and

Whereas these people have created the Harney Electric Cooperative and have applied for an REA loan and for a BPA transmission line; and

Whereas the Surprise Valley Electric Cooperative has applied to the Bonneville Power Administration for a power supply in order to provide better electric service to some 400 consumers in the Lakeview, Oreg., area; and

Whereas the Bonneville Power Administration has not made a comprehensive load forecast and transmission requirement study for these areas in southeastern Oregon: Now, therefore, be it

Resolved, That we request the Bonneville Administrator to make a study of power needs in southeastern Oregon, together with a determination of economic feasibility, and if feasible, to request transmission lines in the next budget request.

BPA POWER RATES

Whereas the Bonneville Power Administration has employed Ford, Bacon, and Davis, an eastern firm of consulting engineers, to study existing BPA rates and recommend new rate schedule: Now, therefore, be it

Resolved, That we request the BPA Administrator to provide public notice and opportunity for thorough public hearings within the Pacific Northwest of the proposed rate schedules before such schedules are submitted by the Administrator.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LEHMAN, from the Committee on Labor and Public Welfare:

S. 2081. A bill to amend the Veterans' Readjustment Assistance Act of 1952 to provide that education and training allowances paid to veterans pursuing institutional on-farm training shall not be reduced for twelve months after they have begun their training; without amendment (Rept. No. 1036).

By Mr. MURRAY, from the Committee on Interior and Insular Affairs:

S. 1534. A bill to facilitate the construction of drainage works and other minor items on Federal reclamation and like projects; with an amendment (Rept. No. 1037).

By Mr. GREEN, from the Committee on Rules and Administration, without amendment:

S. J. Res. 73. Joint resolution to establish a commission to formulate plans for a memorial to Franklin Delano Roosevelt (Rept. No. 1039);

H. Con. Res. 90. Concurrent resolution authorizing the preparation and printing of a report on the Prayer Room established in the Capitol;

H. Con. Res. 148. Concurrent resolution authorizing the printing of additional copies of the hearings held by the Joint Committee on Atomic Energy on May 9, 1955, on "Radiation Sterilization of Foods";

S. Res. 117. Resolution increasing the limit of expenditures by the Committee on Interior and Insular Affairs;

S. Res. 118. Resolution authorizing the printing of additional copies of part 1 and appendix of the hearings on operations and policies of the civil defense program;

S. Res. 119. Resolution increasing the limit of expenditures for hearings before the Committee on Armed Services;

S. Res. 123. Resolution increasing the limit of expenditures by the Committee on Agriculture and Forestry;

S. Res. 125. Resolution amending Senate Resolution 62, 84th Congress, authorizing a study of juvenile delinquency in the United States (Rept. No. 1038); and

S. Res. 128. Resolution to provide additional funds for the Committee on Foreign Relations.

By Mr. KENNEDY, from the Committee on Labor and Public Welfare:

H. R. 4744. A bill to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act; without amendment, together with supplemental views (Rept. No. 1040).

NUCLEAR-POWERED MERCHANT SHIP—REPORTS OF A COMMITTEE—REFERENCE OF BILLS

Mr. MAGNUSON. Mr. President, from the Committee on Interstate and Foreign Commerce, I report, without amendment, the bill (S. 2522) to authorize appropriations for the conversion and operation of a merchant vessel and for the construction and installation of an atomic-energy propulsion facility and auxiliary equipment, and for other purposes; and I submit a report (No. 1034) thereon. I ask unanimous consent that the bill be immediately referred to the Joint Committee on Atomic Energy.

The VICE PRESIDENT. The report will be received; and, without objection, the bill be referred, as requested by the Senator from Washington.

Mr. MAGNUSON. Mr. President, from the Committee on Interstate and Foreign Commerce, I also report, without amendment, the bill (S. 2523) to amend section 212 of the Merchant Marine Act, 1936, to authorize the construction of a nuclear-powered prototype merchant ship for operation in foreign commerce of the United States, to authorize research and experimental work with vessels, port facilities, planning, and operating and cargo handling on ships and at ports, and for other purposes; and I submit a report (No. 1035) thereon. I ask unanimous consent that the bill be immediately referred to the Joint Committee on Atomic Energy.

The VICE PRESIDENT. The report will be received; and, without objection, the bill will be referred to the Joint Committee on Atomic Energy, as requested by the Senator from Washington.

Mr. MAGNUSON. Mr. President, I may say, for the benefit of the Senate, that these two bills involve the proposed atomic ship—under both the President's proposal and the proposal suggested in the House of Representatives on yesterday by Representative BONNER, and also the proposal suggested by myself, as chairman of the Senate Committee on Interstate and Foreign Commerce, jointly with the Senator from New Mexico [Mr. ANDERSON], the chairman of the Joint Committee on Atomic Energy.

The Committee on Interstate and Foreign Commerce thought that, in view of the fact that the proposal to license an atomic reactor for a practical merchant ship, as well as the President's proposal, would be of some interest to the Joint Committee on Atomic Energy, and that the Joint Committee should have an opportunity to examine these bills, which are reported favorably by the Committee on Interstate and Foreign Commerce.

I may also say publicly that today the committee voted unanimously to report favorably the so-called Magnuson-Anderson bill, and voted 8 to 7 to report

the so-called Hickenlooper bill, and voted that the chairman of the committee be instructed to request that both bills be referred to the Joint Committee on Atomic Energy.

I hope the staff will see to it that the bills go immediately to the Joint Committee on Atomic Energy, because it is to have a meeting this afternoon, and possibly the Joint Committee will be able to have these bills on its agenda, and clear them up.

INCREASED LIMIT OF EXPENDITURES BY COMMITTEE ON APPROPRIATIONS—REPORT OF A COMMITTEE

Mr. HAYDEN, from the Committee on Appropriations, reported an original resolution (S. Res. 136) increasing the limit of expenditures by the Committee on Appropriations, which was placed on the calendar, as follows:

Resolved, That the Committee on Appropriations hereby is authorized to expend from the contingent fund of the Senate, during the 84th Congress, $15,000, in addition to the amount, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act, approved August 2, 1946.

BILLS INTRODUCED

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. NEELY (by request):

S. 2578. A bill to amend the law relating to residence of assistant assessors for the District of Columbia; to the Committee on the District of Columbia.

By Mr. NEUBERGER (for himself and Mr. MORSE):

S. 2579. A bill for the relief of Lee Poy; to the Committee on the Judiciary.

By Mr. HENNINGS:

S. 2580. A bill to amend the Contract Settlement Act of 1944 so as to authorize the payment of fair compensation to persons contracting to deliver certain strategic or critical minerals or metals in cases of failure to recover reasonable costs, and for other purposes; to the Committee on the Judiciary.

By Mr. EASTLAND:

S. 2581. A bill to authorize the Secretary of the Interior to quitclaim all interest of the United States in certain land located in Forrest County, Miss., in order to clear the title to such land; to the Committee on the Judiciary.

By Mr. EASTLAND (for himself and Mr. STENNIS):

S. 2582. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of William E. Stone for disability retirement as a Reserve officer or Army of the United States officer under the provisions of the act of April 3, 1939, as amended; to the Committee on the Judiciary.

By Mr. GREEN:

S. 2583. A bill for the relief of Helen Dolly Argyropoulos; to the Committee on the Judiciary.

By Mr. CASE of South Dakota (for himself and Mr. ANDERSON):

S. 2584. A bill to exempt sales of surplus agricultural commodities for foreign currencies from certain statutes relating to shipping; to the Committee on Agriculture and Forestry.

By Mr. ELLENDER (by request):

S. 2585. A bill to authorize an exchange of land at the Agricultural Research Center; to the Committee on Agriculture and Forestry.

By Mr. LANGER:

S. 2586. A bill for the relief of Annie Fieg Hildebrand; to the Committee on the Judiciary.

By Mr. HILL:

S. 2587. A bill to amend the Public Health Service Act to authorize the President to make the commissioned corps a military service in time of emergency involving the national defense, and to authorize payment of uniform allowances to officers of the corps in certain grades when required to wear the uniform, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HILL when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 2588. A bill to amend the Internal Revenue Code of 1954 so as to allow a deduction for certain expenses incurred by a taxpayer for the care of his children while his wife is physically or mentally incapable of caring for such children; to the Committee on Finance.

S. 2589. A bill for the relief of Yu Tseng Hsi; and

S. 2590. A bill for the relief of Paula Edith Reynolds; to the Committee on the Judiciary.

(See the remarks of Mr. HUMPHREY when he introduced the first above-mentioned bills, which appear under a separate heading.)

By Mr. KENNEDY (for himself and Mr. MARTIN of Iowa):

S. 2591. A bill to amend section 602 of the Federal Property and Administrative Services Act of 1949 with respect to the utilization and disposal of excess and surplus property under the control of executive agencies; to the Committee on Government Operations.

AMENDMENT OF PUBLIC HEALTH SERVICE ACT, RELATING TO MAKING THE COMMISSIONED CORPS A MILITARY SERVICE IN TIME OF EMERGENCY

Mr. HILL. Mr. President, I introduce, for appropriate reference, a bill to amend the Public Health Service Act to authorize the President to make the commissioned corps a military service in time of emergency involving the national defense, and to authorize payment of uniform allowances to officers of the corps in certain grades when required to wear the uniform, and for other purposes. I ask unanimous consent that a letter from the Secretary of the Department of Health, Education, and Welfare, requesting the bill, and explaining its purposes, be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 2587) to amend the Public Health Service Act to authorize the President to make the commissioned corps a military service in time of emergency involving the national defense, and to authorize payment of uniform allowances to officers of the corps in certain grades when required to wear the uniform, and for other purposes, introduced by Mr. HILL, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The letter presented by Mr. HILL is as follows:

DEPARTMENT OF
HEALTH, EDUCATION, AND WELFARE,
Washington, July 18, 1955.

Hon. RICHARD M. NIXON,
The President of the Senate.

DEAR MR. PRESIDENT: We are enclosing for your consideration a draft of a bill, "To amend the Public Health Service Act to authorize the President to make the commissioned corps a military service in time of emergency involving the national defense, and to authorize payment of uniform allowances to officers of the corps in certain grades when required to wear the uniform, and for other purposes."

The bill is designed to strengthen the personnel system governing the Commissioned Corps of the Public Health Service by providing certain authorities which are required for the effective performance of the responsibilities of the Service during war and emergency periods, by authorizing the payment of uniform allowances, and by alleviating certain problems pertaining to personnel management.

A major purpose of the bill is to carry out the proposal in the President's health message of January 31, 1955 (H. Doc. No. 81), that the Congress take steps to "strengthen the Public Health Service Commissioned Corps by improving its status." The mission of the Public Health Service, as a major health arm of the Federal Government, is one of considerable scope and diversity. Although normally its functions are civilian in character and vital to the maintenance of the health and welfare of the civilian population, the Public Health Service through special use of its Commissioned Corps is available, as a standby service of the Armed Forces, to perform in time of war or national emergency, at the discretion of the President, functions and duties relating to the responsibilities of the Armed Forces and such other defense functions as may be assigned to it. Legislation, however, is necessary in order to enable the Public Health Service to perform these functions and duties more effectively during periods of national defense emergencies.

Under present law the President is authorized to convert the Commissioned Corps to military status in time of war only. The same considerations which underlie conversion to military status during such periods obviously may prevail during periods of emergency related to the national defense. It is therefore desirable to authorize the President to convert the Commissioned Corps to military status in time of national-defense emergency as well as in time of war.

Authority for conversion of the Commissioned Corps to military status during such periods would constitute a firm basis for the full utilization of the Public Health Service, including the Inactive Reserve, in mobilization planning.

The personnel system of the Commissioned Corps needs to be strengthened in certain other respects. In the first place, as recognized by the President in his above-mentioned health message, legislation is urgently needed to provide an adequate system of survivor benefits for the dependents of deceased members of the corps, which is now lacking. A specific proposal to accomplish this has been omitted from the enclosed draft bill only because such legislation has been reported favorably by the House Select Committee on Survivor Benefits as part of a broader proposal (H. R. 7089) covering all the uniformed services.

Another needed improvement—which is covered by the enclosed draft bill—relates to uniform allowances for members of the corps. Existing law authorizes an allowance of $250 to commissioned officers of the Public Health Service in the lower three grades entering on active duty in time of war or so

serving at the commencement of a war. No such uniform allowance is at present payable despite the fact that approximately 40 percent of such officers are now required to wear uniforms during duty hours. We recommend an amendment to section 213 of the Public Health Service Act which would authorize a one-time uniform allowance for these officers regardless of the existence or nonexistence of a state of war, but which would limit payment to those who are required by directive of the Surgeon General to wear uniforms.

The bill also contains certain other proposed amendments (more fully described in the enclosed summary) designed to simplify administration and result in better personnel management, which would extend the term of Reserve commissions; equalize the provisions for crediting prior noncommissioned service of Public Health Service officers toward retirement for age or length of service with the provisions for crediting such prior service for disability retirement purposes; and extend the present authority for extramural training assignments of Regular officers to Reserve officers and round out and otherwise amend such training provisions.

In addition, the bill contains purely technical amendments, which would clarify existing authority to make reappointments to the Regular Corps without examination, delete obsolete provisions and references, etc.

The enactment of the bill would result in increased costs to this Department, with respect to the payment of the uniform allowance, in an estimated amount of $110,000 for fiscal year 1956 and $60,000 for each fiscal year thereafter. Other potential costs, such as those arising out of the proposed authority for conversion of the Commissioned Corps to military status during defense emergencies, are not susceptible to an estimate at this time.

We should appreciate it if you would be good enough to refer the bill to the appropriate committee for consideration.

The Bureau of the Budget advises that it perceives no objection to the submission of this proposed legislation to the Congress for its consideration.

Sincerely yours,

OVETA CULP HOBBY,
Secretary.

AMENDMENT OF INTERNAL REVENUE CODE RELATING TO DEDUCTION FOR CARE OF CHILDREN IN CERTAIN CASES

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to amend the Internal Revenue Code of 1954, so as to allow a deduction for certain expenses incurred by a taxpayer for the care of his children while his wife is physically or mentally incapable of caring for such children. The Internal Revenue Code provides for such deductions only in the case of a taxpayer who is a woman or a widower. However, the discriminatory nature of this stipulation is obvious, since it does not provide for the deduction of child-care expenses of a married taxpayer whose wife is hospitalized.

As is only proper, Congress spends considerable time reviewing flaws in the tax code affecting business or large blocs of taxpayers. But at the same time, we must also pay heed to the inequities in the law which affect only a few. The tax regulation governing the situation I have just described can easily lead to undue and inequitable hardship as is well illustrated by the case of one of my constituents. His wife is in a sanitarium and he finds himself with the responsibility of being both father and mother to his two small children. He is unable to continue working on a full-time basis unless he employs someone to care for his children. Unfortunately, his financial situation is such that he urgently needs some relief if he is to continue bearing the double burden of supporting his wife's hospitalization and the housekeeper which her absence makes necessary.

It is to correct this inequity that I introduce the bill, and I ask for its favorable consideration by the Senate Finance Committee.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2588) to amend the Internal Revenue Code of 1954 so as to allow a deduction for certain expenses incurred by a taxpayer for the care of his children while his wife is physically or mentally incapable of caring for such children, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Finance.

NOTICE OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS TO MUTUAL SECURITY APPROPRIATION BILL

Mr. HAYDEN submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 7224) making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes, the following amendments, namely:

On page 2, line 18, after the figure, insert "*Provided*, That at least $50 million, on a grant basis, shall be made available for assistance to Spain exclusive of technical exchange: *Provided further*, That not less than $22 million of the amount available for Spain shall be used for agricultural commodities."

On page 2, line 25, strike out "$102,500,000" and insert "$113,700,000 including not less than $26,200,000 for assistance to Greece."

On page 11, line 16, after the word "year", insert "*Provided*, That whenever the President determines that an emergency condition requires obligations and/or reservations in excess of the 20-percent limitation during the last 2 months of the fiscal year, this provision shall not prevail: *Provided further*, That whenever the President makes such a determination, he shall advise the Senate and the House of Representatives immediately."

On page 12, after line 7, insert the following:

"SEC. 108. Funds heretofore or hereafter allocated to the Department of Defense from any appropriation for military assistance (including funds consolidated with any such appropriation but excepting funds obligated directly against any such appropriation for offshore procurement or other purposes) shall be accounted for by geographic area and by country solely on the basis of the value of materials delivered and services performed (such value to be determined in accordance with the applicable provisions of law governing the administration of military assistance). Within the limits of amounts available from funds so allocated, the Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursement from such allocations, and no funds so allocated and available shall be withdrawn by administrative action until the Secretary of Defense shall certify that they are not required for liquidation of obligations so incurred, Unobligated amounts of such allocations equal to the value of orders placed with the military departments against such allocations shall be reserved and shall remain available until expended, for making such reimbursements (except in case of funds obligated directly against such allocations) only upon the basis of materials delivered and services rendered: *Provided*, That reports of items to be delivered against funds reserved as provided herein shall be furnished quarterly by the Secretary of Defense to the Committees on Appropriations of the Senate and the House of Representatives and, not less often than once each quarter, said Secretary shall make a detailed report to the Committees on Appropriations of the Senate and the House of Representatives, on a delivery or service-rendered basis, on all military assistance funds allocated and available to the Department of Defense as of the end of the preceding quarter: *Provided further*, That no reimbursements for materials or services shall be made after June 30, 1955, until the value of materials delivered and services performed shall equal the amount of expenditures made from all appropriations here and heretofore made for military assistance as of said date: *Provided further*, That in the event the President shall determine that supplies and equipment ordered against funds so allocated are required for the defense of the United States, the amount allocated for supplies and materials required for such purpose shall be returned to the appropriation from which allocated: *Provided further*, That funds appropriated in this act for military assistance (including funds consolidated with any such appropriation), shall be maintained in one account, and funds made available to the Department of Defense under section 401 of the Mutual Security Act of 1954, as amended, may be, where authorized by the President, maintained in such account, which shall be used for all transactions involving military assistance."

Mr. HAYDEN also submitted amendments intended to be proposed by him to House bill 7224, making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes, which were ordered to lie on the table and to be printed.

(For text of amendments referred to, see the foregoing notice.)

PRINTING OF CERTAIN MATTERS IN CONNECTION WITH ACCEPTANCE OF STATUE OF THE LATE CHIEF JUSTICE EDWARD DOUGLAS WHITE, OF LOUISIANA

Mr. ELLENDER (for himself and Mr. LONG) submitted the following concurrent resolution (S. Con. Res. 49), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That there be printed with illustrations and bound, in such style as may be directed by the Joint Committee on Printing, the proceedings in Congress at the unveiling in the rotunda, together with such other matter as the joint committee may deem pertinent thereto, upon the occasion of the acceptance of the statue of Chief Justice Edward Douglas White, presented by the State of Louisiana, 3,000 copies, of which 2,000 copies shall be for the use of the House, and for the use and distribution by the Representatives in Congress from Louisiana; and the remaining 1,000 copies

shall be for the use of and the distribution by the Senators from the State of Louisiana.

SEC. 2. The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer, who shall provide suitable illustrations to be bound with these proceedings.

INCREASED FUNDS FOR STUDY OF TECHNICAL ASSISTANCE AND RELATED PROGRAMS—REFERENCE OF RESOLUTION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Senate Resolution 133, submitted by the senior Senator from Iowa [Mr. HICKENLOOPER] and myself, increasing the funds for a study by the Committee on Foreign Relations of technical-assistance aid, be taken from the calendar and referred to the Committee on Rules and Administration.

The VICE PRESIDENT. Without objection, it is so ordered.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. KILGORE. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Franklin P. R. Rittenhouse, of Nevada, to be United States attorney for the district of Nevada, for 4-year term, vice Madison B. Graves, resigning.

Paul W. Williams, of New York, to be United States attorney for the southern district of New York for 4-year term, vice J. Edward Lumbard, appointed United States circuit judge.

Notice is hereby given to all persons interested in these nominations to file with the committee on or before Wednesday, July 27, 1955, any representations or objections in writing they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

GREETINGS FROM THE VICE PRESIDENT TO THE MEETING OF NATO PARLIAMENTARIANS IN PARIS

Mr. SMITH of New Jersey. Mr. President, at the request of the Vice President, I desire to read into the RECORD a copy of a cablegram sent by him under date of July 18, 1955, to Representative WAYNE L. HAYS, of Ohio, who is attending the meeting of NATO parliamentarians in Paris, as head of the United States House of Representatives delegation. The cablegram reads as follows:

On behalf of the United States Senate, I want to express deep regret that the Senate's legislative schedule has rendered impossible the participation of any of its Members in the current Atlantic parliamentary meeting in Paris. I am sure the delegations from all NATO countries will understand this situation and realize that the absence of United States Senators does not imply any lack of interest in the undertaking.

On the contrary, Members of the Senate have demonstrated repeatedly their awareness of the importance of the Atlantic relationship and the desirability of strengthening the political, military, economic, and cultural bonds that link the peoples of the Atlantic community. Moreover, the Senate expressly endorsed the principle of establishing a closer contact among members of the NATO parliamentary bodies by approving the resolution providing for participation by the United States Congress in the meeting now beginning. A number of Senators were, in fact, personally anxious to attend. Their failure to do so may be explained solely by the fact that the meeting comes at a time when final decisions must be reached on a number of important legislative proposals. Some of these legislative decisions, in fact, have a significant bearing upon the NATO program itself.

It is hoped that there will be future opportunities for Members of the United States Senate to demonstrate their genuine interest in developing closer ties with legislative representatives of other NATO countries. Meanwhile it is reassuring to know that the Congress of the United States will be represented at the current meeting by an able and distinguished delegation from our House of Representatives.

I wish the meeting every success.

RICHARD NIXON,
Vice President of the United States.

Mr. President, let me add that personally I am entirely in accord with the expressions in the cablegram from the Vice President to Representative HAYS. I deeply regret that it is impossible for me to attend the meeting of NATO parliamentarians in Paris.

RIGHTS OF WORKERS AND THE NATIONAL INTEREST—ADDRESS BY GEORGE MEANY, PRESIDENT OF THE AMERICAN FEDERATION OF LABOR

Mr. LEHMAN. Mr. President, on July 18 George Meany, president of the American Federation of Labor, delivered a very important address before the convention of the New York State Federation of Labor in Buffalo, N. Y. In the address President Meany, a long-time and greatly admired friend of mine, among other things described the conditions in Miami and Miami Beach which have led to a strike by hotel workers. He strongly protested the attitude of the employers and the unwillingness of the National Labor Relations Board to exercise jurisdiction and to call an election among the hotel employees in Miami and Miami Beach. I echo President Meany's views that the workers should be permitted "the right to free association, the right to self-organization, and the right to cast their votes in a free election for collective bargaining representatives."

The speech of President Meany is a very important one about conditions affecting the rights of workers and the national interest. I, therefore, ask unanimous consent that it be printed in the body of the RECORD at this point in my remarks.

I also ask unanimous consent that following President Meany's speech there be printed as a part of my remarks a telegram I addressed to the New York State Federation of Labor commenting on President Meany's address and on the Miami hotel strike.

There being no objection, the address and telegram were ordered to be printed in the RECORD, as follows:

ADDRESS BY GEORGE MEANY, PRESIDENT OF THE AMERICAN FEDERATION OF LABOR

The last paradise in America, according to the advertising ballyhoo, can be found among the palm trees and the balmy breezes of Miami Beach, Fla. To the tourist and vacationer, impressed by the climate and the luxury hotels of this resort, the claims may not appear exaggerated. But for those who work for a living in the hotels of Miami and Miami Beach, there is plenty of misery in this "paradise" where the law of the jungle still prevails.

The law of the jungle requires these men and women to work 7 days a week, 10 to 12 hours a day, without even being able to get time off to go to church on Sundays.

The law of the jungle prescribes wages as low as $12 a week.

The law of the jungle for years has prevented these workers from organizing into an effective union and engaging in collective bargaining with their employers for improvement of their substandard wages and working conditions.

All this, mind you, in hotels which charge their guests the highest rates in America.

Human nature being what it is, the hotel workers of Miami and Miami Beach have frequently felt stirrings of rebellion against the law of the jungle. Their resentment finally came to a head a few months ago when large numbers of them appealed to the Hotel and Restaurant Workers International Union to organize them.

The union responded willingly to this appeal, despite the failure of previous attempts in years past to organize these workers. It decided the time had come to challenge the tightly knit association of hotel owners who were determined at any cost to prevent the unionization of their employees.

The executive council of the American Federation of Labor, fully aware of the formidable opposition, issued a statement last February 10 hailing the union's decision to launch the organizing drive.

"For years," the executive council said, "these workers have been denied the benefits of trade unionism because their employers have bound themselves together against their right to organize. We are confident that the hotel workers in this area, who thus far have been unable to obtain decent wages and working conditions despite the highly profitable operations of their employers, will welcome the opportunity to join a union that can give them effective collective bargaining instrumentalities to eliminate the low wage standards under which they now work."

This confidence was not misplaced. In the next few weeks more than 3,000 hotel workers rushed to sign up as union members.

Then, as is customary, representatives of the union sought to hold collective bargaining conferences with the individual employers. They ran into a stone wall. A few of the employers own hotels in other cities where the workers are organized by the same union. They admitted they enjoy satisfactory collective bargaining relationships with the union in those cities. They said they would be willing to sign similar contracts covering the employees of their Miami or Miami Beach hotels. However, they professed fear that if they did so they would be expelled from the local hotel association and lose convention and tourist business assigned to the hotels by the association.

Thus the union collided with a closed shop—a closed shop of employers, against justice, against collective bargaining, against the basic concepts of industrial democracy.

The Hotel & Restaurant Workers International Union is a seasoned organization with long years of experience with the most dif-

ficult aspects of collective bargaining. Since it operates in the public service field, it refrains from strikes except as a last resort.

But the refusal of the employers of the Miami and Miami Beach hotels to bargain or make any concession to their oppressed employees left the union no recourse but to call a strike. It did so on April 13.

In accordance with customary procedure, the union set up picket lines in front of the struck hotels. The picket lines were conducted in an orderly and peaceful manner. The signs and banners carried by the pickets truthfully set forth the facts without exaggeration.

But the hotel owners immediately went to court and obtained injunctions banning the picketing. The injunctions were based on a provision in the misnamed Florida State "Right-to-Work" law, whose real purpose is to wreck unions.

Under this provision, before a strike could be held legal and picketing permitted, the union must first be certified as the collective bargaining representative by a majority of the workers in an election.

The joker in the law is that it provides no machinery for conducting employee elections to determine collective bargaining representatives.

Naturally, the union fought these injunctions and succeeded in getting a number of them voided by the Florida circuit courts. One judge even ruled that the provision of the State law on which the injunction was based appeared to him clearly invalid and unconstitutional. But the State supreme court has since reinstated the temporary injunctions against picketing, pending appeal of the lower courts' decisions.

Thus the union was forced to turn for relief to the National Labor Relations Board, which administers what was left of the original Wagner Act by the Taft-Hartley Act.

One of the original provisions left intact even by the authors of the Taft-Hartley Act and therefore still the law of the land is crucial to this Miami hotel situation. It says:

"It is hereby declared to be the policy of the United States to eliminate the causes of certain substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred by encouraging the practice and procedure of collective bargaining and by protecting the exercise by workers of full freedom of association, self-organization and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection."

This provision of the law, it seems to me, constitutes a clear mandate to the National Labor Relations Board to call an election among the hotel employees in Miami and Miami Beach.

The union has complied with the regulations requiring a prescribed number of signatures of workers petitioning for such an election. It cannot be held that the operation of the hotels is local in character, because the obvious fact is that more than 90 percent of their customers come from other States.

However, the regional director of the NLRB in Atlanta already has rejected the petition for an election on the basis of a rule adopted by the Board a few years ago against exercising its jurisdiction in hotel cases. This rule, let it be conceded, was adopted by the Board in compliance with requests from both the union and management in a St. Louis case.

But no administrative ruling is immune to exception. And the Miami and Miami Beach hotel situation is a truly exceptional case.

Senator PAUL DOUGLAS, of Illinois, became so aroused by the plight of the Miami strikers that he wrote to the Chairman of the National Labor Relations Board expressing the hope that the Board would reconsider its policy and not leave this particular controversy to be determined—and I quote—"by the law of the jungle."

Senator DOUGLAS declared on the floor of the Senate that the NLRB policy of refusing jurisdiction over hotel cases appeared to him to be clearly contrary to the explicitly stated purpose of the law.

Chairman Farmer, of the National Labor Relations Board, in his reply to Senator DOUGLAS, said the Board would carefully reexamine its policy in relation to the specific case of the Miami hotel strike.

With all due respect, let me say that I hope the National Labor Relations Board will not merely go through the motions of a reexamination but consider the merits of this case and weigh the consequences of its decision.

If it rejects the hotel workers' petition, these workers will be placed in a legal no-man's land. All they ask for are the rights accorded to all other free American citizens—the right to free association, the right to self-organization, the right to cast their votes in a free election for collective-bargaining representatives.

These rights already have been denied to them by a one-sided and repressive State law. Is the Federal Government also going to slam its doors in the face of these exploited workers? If the members of the National Labor Relations Board perpetrate such a cruel hoax on justice, I am convinced that they will be in violation of the very law they are entrusted with administering.

Regardless of the outcome of the legal fights in the courts and before the NLRB, let me assure you and the American people as a whole that the American Federation of Labor will give its full support to the struggle of the Miami and Miami Beach hotel workers for decency and economic justice.

We have triumphed over the law of the jungle many times in the past and we will do so again by standing together as good trade unionists, the strong helping the weak.

We think the public is entitled to know that there is a hotel strike in Miami and Miami Beach, Fla.—a strike by decent American citizens for fair play. Certainly every trade unionist should spread the word that this vacationland is not a paradise, but a no-man's land for workers.

JULY 20, 1955.

HAROLD HANOVER,
New York State Federation of Labor, Buffalo, N. Y.:

Replying to your telegram. I shall today be privileged to read into the CONGRESSIONAL RECORD on the floor of the Senate George Meany's fine fighting speech delivered before your convention. I scarcely need say I subscribe wholeheartedly to the views expressed by my old friend and yours, your great national president, George Meany. As for your request that I approach NLRB and urge Board to take jurisdiction over Miami hotel strike, I have today addressed urgent communication to Board Chairman, Guy Farmer, insisting that Board take jurisdiction in this case. Miami hotel strike clearly affects national interest. Employees of Miami hotels deserve all rights and safeguards under National Labor Relations Act, especially in absence of adequate State laws and machinery for protecting workers' rights. NLRB must act to preserve those rights.

As a member of Labor Committee, I shall urge committee to look into situation and review legal basis for examiners' recommendation against taking jurisdiction. I shall do my utmost to push any legislation found necessary to require Board to take jurisdiction in such cases.

Please convey to all those assembled my heartfelt greetings and warmest good wishes. This is a time for mobilization of all our strength for the efforts which must be made in behalf of public interest.

HERBERT H. LEHMAN,
United States Senate.

STATEMENT BY SENATOR MANSFIELD IN OPPOSITION TO RESTORATION OF CUTS IN MILITARY FUNDS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at this time I may proceed for 13 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, the Senator from Montana may proceed.

Mr. MANSFIELD. Mr. President, I have just seen a report of the Appropriations Committee relative to the mutual-security appropriation bill for 1956. In effect, the report of our Appropriations Committee restores practically all the cuts which had been voted by the House of Representatives.

Mr. President, I must oppose the recommendation of the Senate Committee on Appropriations that funds earmarked for military assistance should be restored.

I oppose this restoration, not because of any desire to lessen the military assistance which we plan to give our allies, but solely because we are giving the Department of Defense more money than it can reasonably be expected to obligate during next year.

For several years now, Congress has appropriated to the Department of Defense more money than it has been able to obligate within a year. The result has been that during the last months—indeed, during the last days of each fiscal year—the Defense Department engages in an orgy of financial manipulations to salt away excess funds, so they will not revert to the National Treasury. This leads to wasteful, irresponsible use of the taxpayer's dollar.

One year ago, during the months of May and June, the Department of Defense obligated $1.2 billion—nearly one-half—of the total of $2.5 billion available for obligation that year. This year, during the months of April, May, and June, the Department obligated, according to the best estimates I have been able to get, at least $1.9 billion—more than one-half of the some $3.3 billion available in fiscal 1955 for obligation; $932 million was obligated in the last month, and of that amount, $614 million was obligated in the last 24 hours of the last fiscal year.

Mr. President, it has been said that the House of Representatives slashed the military assistance appropriation by cutting to $705 million the President's request for $1,125,000,000 of new money. Actually, however, if we were to view the fiscal year as having begun on June 29, 1955, the Department would have available for obligation the new money of $705 million, plus the $614 million obligated in the last 24 hours of the old fiscal year. In other words, if we add to the new money the sums obligated on June 29, the Department of Defense would have available during the fiscal year 1956 $1,319,000,000—some $200 million more than the President requested.

I am fully familiar with the fact that the Department of Defense says that

money appropriated last year, but unobligated, was already programed, and that the reduction in military assistance funds will slow down the program in the year ahead. Mr. President, I do not believe that would be the case. The trouble is that the Department of Defense is about 6 months behind in obligating funds we have appropriated. And it has been at least 6 months behind for the last several years. If we keep the appropriations of new money low this year, we shall force the Department of Defense to be more realistic by having on hand only the amount of money it can reasonably expect to obligate during the next 12 months. We shall not be giving the Department the amount it expects to obligate during 18 months.

Mr. President, if I should prove in error in this judgment, there is a simple device available to the Department of Defense. If it appears, 6 months from now, that the Department is able to obligate funds faster this year than it did last year, it can ask the Congress for a deficiency appropriation. This is not unusual for other departments. But to the best of my recollection, the mutual-security program has never found itself in the situation of running out of money to obligate, with the necessity of coming to the Congress for deficiency appropriations.

I say, Mr. President, let us follow the advice this year of the House Committee on Foreign Affairs, the report of the conferees on the foreign-aid bill, and the report of the House Committee on Appropriations. Here is what they had to say about the last-minute financial gyrations of the Department of Defense and the Bureau of the Budget.

The House Committee on Foreign Affairs in its report said:

> Each year since the program began there has always been a large carryover of unobligated funds.

The conference committee stated in its report:

> The conferees were shocked at the wholesale "reservations" reported to have been made in the Defense Department during the last few days of the fiscal year.

And the House Committee on Appropriations stated in its report:

> The chaotic fiscal situation surrounding the administration of this program is once again brought forcefully to the attention of the Congress.

These committees may have been wrong, Mr. President; but I do not think so. If they were wrong—if we err here by reducing the new funds available for military assistance this year—let the Defense Department request a deficiency appropriation early next year. I am sure that course of action will not injure the program. It will have the effect, in my opinion, of requiring the Defense Department to be more candid and forthright in its dealings with the Congress and in its treatment of the tax dollars of our citizens.

Mr. President, I hold in my hands two editorials. One is from the New York Times of July 10. The other is from the Washington Post and Times Herald of July 13. Both editorials protest cuts in the foreign-aid program. Both editorials, it seems to me, miss the point.

I agree with their general conclusions that our foreign-aid programs should not be blindly slashed. But, Mr. President, the reduced military assistance appropriations are, for the most part, not blind slashes. The funds available for military assistance are simply reduced, so that the money available for obligation will be realistically related to the rate at which the Department of Defense will be able to obligate funds without wild, last minute obligations in June which I deplore.

Those of us here who seek to maintain and support a realistic foreign-aid program of military and economic assistance, and who seek to require the Executive to be responsible in the handling of funds for these programs, are often subject to irresponsible attacks. The charge that a "meat ax" approach is being used to reduce foreign aid is directed at friends of the program who protest, not at its size, but at the wastage of funds which results from last minute obligations. On July 8, for example, Under Secretary of the Army Charles C. Finucane spoke in Spokane, Wash., and, according to press reports, "countered charges by Senator MIKE MANSFIELD that the Defense Department obligated some $500 million in unspent funds at the last minute in order to prevent the money from going back to the Treasury." He added, according to the report, "The money to which Senator MANSFIELD referred was spent by the Department only after actual needs had been determined."

Mr. President, if the money was spent only after the Defense Department determined its actual needs, I ask why the Department delayed claiming these funds until the last day of the fiscal year. It seems to me that the answer clearly is that the Department well knew that if it did not move on the last day of June the funds which it had left over at the end of the year would revert to the Treasury and could be claimed again by the Department of Defense only if the Congress reappropriated them.

Mr. President, I fear that those who rise here to declaim that the Congress should restore the military assistance cuts—and I confine my remarks to those cuts—simply have not analyzed the situation that has developed in the Department of Defense.

Under our constitutional system, it is incumbent upon the Executive and Congress to work together to plan the appropriation and use of military assistance funds for certain purposes. If for some reason the Defense Department is not able to obligate the funds according to plan, the proper course is for the Department to let those funds lapse at the end of the year and then request their reappropriation on the basis of plans for next year. It is not proper, in my opinion, for the Defense Department to take the view that once Congress has appropriated funds for 1 year's operations it must blindly reappropriate any funds the Department has not managed to obligate in accordance with the plan which underlay the appropriation requested in the first place. Situations change, the needs of one country are replaced by the needs of another, savings are effected, and unusual expenses arise; but under our constitutional system it is the responsibility of Congress once each year to have a careful look at how last year's appropriations were spent and how requested funds are to be spent in the year ahead. If the Department of Defense is not able to obligate its funds on an orderly basis during the fiscal year and must instead resort, year after year, to vast obligations in the last 1 or 2 months of the fiscal year, there is something wrong with the system, because it effectively precludes congressional consideration of funds appropriated from year to year on the basis of plans presented to the Congress.

In conclusion, Mr. President, let me repeat what I said at the beginning of my remarks. I oppose the restoration of the military assistance funds not because I favor reduction in military assistance to our allies but because of the absolute necessity of getting the Department of Defense to proceed in an orderly way and according to plan in the obligation of the funds we appropriate. I predict that if we now give the Defense Department the new military assistance funds it requests, and thereby acquiesce in the Department's arrogant and outlandish June raid on unobligated funds, we shall find that the Defense Department will engage in a repeat performance of its annual, last month June buying spree. If I am wrong, Mr. President, the Defense Department may come back to Congress in 6 months and ask for a deficiency appropriation.

I ask unanimous consent to have printed in the RECORD at this point the newspaper editorials and stories to which I have referred.

There being no objection, the editorials and articles were ordered to be printed in the RECORD, as follows:

[From the Spokane Spokesman Review of July 9, 1955]

FINUCANE COUNTERS CLAIMS OF WILD DEFENSE SPENDING

There is no wild spending in the Defense Department, Under Secretary of the Army Charles C. Finucane said yesterday.

Speaking to an overflow luncheon of the armed services committee of the chamber of commerce, Finucane countered charges by Senator MANSFIELD, Democrat of Montana, that the Defense Department obligated some $500 million in unspent funds at the last minute in order to prevent the money from going back to the Treasury.

NO ANNUAL FUNDS

"There are virtually no annual funds in the Defense Department any more. The money to which Senator MANSFIELD referred was spent by the Department only after actual needs had been determined," he said.

Finucane said the Bureau of the Budget delayed allocating funds to the Department until it could be accurately determined just how much would be needed.

He termed Bureau of the Budget Director Rowland Hughes "the tightest man in America," and added that "maybe that's good for the taxpayers."

Finucane said there are always differences of opinion on how the military aid to our allies should be spent. He said about 50 percent goes for "the hardware of war" while the remainder goes for food, maintenance items on military equipment, and the like.

Under recent reorganizations, the Department of the Army handles only the military part of the aid program, he said. Requirements for each participating are determined by the United States.

Finucane said the Defense Department is apprehensive about proposed straight across the board cuts in military strength of Russia and the United States.

"We know from bitter experience that agreements with the Communists aren't worth the paper they're written on. If one side cuts its strength and the other side doesn't, then you have trouble."

He said the mechanics of policing under such a proposal are almost insurmountable.

GIVEN ROA CARD

At the outset of his appearance before bureau members, Finucane was presented a membership card in the Spokane chapter, Reserve Officers Association, by Col. Curtis A. Stone, president of the association's department of Washington.

"This is not an honorary card. It is a honorable card," Colonel Stone said. "As a former commander in the United States Naval Reserve, you are entitled to participation in ROA activities," he told the Under Secretary.

Finucane said he feels the Geneva Conference will not produce too much in the way of ending the present cold war, and "until our orders are changed, we will continue right along our present course."

[From the Washington Post and Times Herald of July 13, 1955]

SLASH IN AID

The House has passed the buck to the Senate to eliminate cuts in the foreign-aid appropriation. Although both Speaker RAYBURN and Representative MARTIN, as well as other Democratic and Republican leaders, spoke eloquently and persuasively in support of President Eisenhower's foreign-aid requests when the authorization bill was before the House, they acquiesced in a sharp cut when the appropriation bill came up Monday. The House Appropriations Committee had cut $627,900,000 from the aid program, and the administration decided to make the fight for restoration of the funds in the Senate rather than in the House. This took some pressure off those House Members who like to campaign on promises to curtail foreign assistance. The whole action is especially deplorable, however, because only 2 days before the Appropriations Committee action a House-Senate conference committee agreed unanimously to the authorization for a new $3,285 million program—just $122 million less than the President originally requested.

Harold E. Stassen, the President's special assistant on disarmament and formerly the foreign-aid chief, told House leaders Monday that, if allowed to stand, the committee cut would seriously hamper the carrying out of the President's mutual-security program. The $420 million cut in military aid, he said, "would result in an inability to fulfill urgent needs in countries where military requirements have been discussed and agreed [upon], and where countries have taken steps to meet commitments on raising forces, granting base rights, etc." Both the House and Senate seemed to recognize the force of these arguments when they voted the authorization last week. But the House Appropriations Committee apparently was not listening.

There are two important considerations. The first is that the military strength of the free world must be maintained at all costs in this period of hoped-for negotiation and compromise. The other is that the bulk of the economic aid is for the support of Asian countries most susceptible to Communist penetration. No new economic aid will go to the original Marshall plan countries. They are now self-sustaining. But those Members of Congress who support reckless cuts in the aid porgram most likely would be the quickest to blame the President or the State Department or the Army if another Asian country should be lost to communism.

[From the New York Times of July 10, 1955]

THE FOREIGN AID CONCEPT

The fact that the House Appropriations Committee has, in apparent resentment at Defense Department procedure, suddenly started slashing at the foreign-aid bill, already authorized in both Houses, does not deny the validity of the foreign-aid concept. Cooler judgment and Senate action can restore some of the unwise cuts. Meanwhile, it is significant that the authorization was adopted by a very large margin. The Senate voice vote was overwhelming. The House rollcall was almost 2 to 1.

This should indicate, first of all, a full bipartisan and nonpartisan support for the philosophy that lies behind this measure. It is apparent now that a large majority of our representatives can be said to reflect a popular support for the idea that it is right and wise that we use some of our resources in defense and aid of those who are in need.

There was nothing especially dramatic in the congressional action on this measure. The cuts that were made in the administration's original proposal were far from drastic. They could almost be called token. The course of the legislation followed a routine pattern. There was, however, close committee study of various provisions and some differences of opinion upon the weighting that should be given at one point or another.

The sum total of the action, however, is anything but humdrum. The United States has once more made a bold acknowledgment of its obligation to others and its willingness to meet that obligation. This is a far cry indeed from isolation or from the whole concept of a secure United States withdrawn from the rest of the world and walled off against it. This action, coming so soon after our Independence Day, is the perfect tribute to the validity of the idea of the world's interdependence.

We came out of the last war in a position of unique strength. We had an instant power of recovery not possessed by any of our allies. We had reserves that could be mobilized. It was decided, therefore, that some of this strength should be put at the disposal of those nations that were less fortunate. Thus was foreign aid conceived.

There is a twofold thought process at work here. We were interested, first of all, in the continuing security of a shaken and threatened world. It was necessary to rebuild shattered economies. It was imperative to give hope and incentive to whole peoples. It was essential to provide, if at all possible, a stable base upon which there could be some planning for the future. This was an emergency. It was met.

In the larger view, there was the hope also that our resources and our skills could change climates of opinion and patterns of behavior in a critically changing world—and change them for the better. The idea of foreign aid, therefore, had a positive as well as a defensive aspect. Our means were to be brought to bear in an attack on poverty, disease, misery, and what we call backwardness in a new use of money and skill.

The basis for this phase of the program must lie in a still further sense of obligation. We have enjoyed an extraordinary richness. We have had great resources and an opportunity to develop them. We have been blessed, again and again, often beyond our deserts. We cannot, in candor, lay claim to some special wisdom. We must, in equal candor, admit that our ways have been more than pleasant and that our circumstances have been more fortunate than those of many of our neighbors.

In this light, while we may rightly refuse to be called do-gooders, there is every reason why we should wish to be called share-gooders. Our obligation to share is an intangible, but it is—and should rightly be—a part of our national character. Those who are in need may call upon us, knowing that they will be heard, precisely because we have the means to satisfy that need.

The foreign-aid program is, therefore, far larger than a sector on one front of a cold war. It would be just as valid if no cold war existed. We would have reason to feed the hungry, clothe the naked, and shelter the roofless if Karl Marx had never been born.

This is not to discount the element of national and international security. We want a stable world in which to live and we are sensible to contribute what we can to that stability. We have already seen some of the fruit of our contribution. This is wisdom. But it is also wise to be generous, for our own sake. We gain in stature as we are compassionate. We expect to save our national state. We also ought to wish, not only now but always, to save our national soul.

Mr. MANSFIELD subsequently said: Mr. President, I ask unanimous consent to have printed following my previous remarks of today, a statement by me, under date of July 7, 1955, and also one under date of July 12, 1955; and, in addition, a letter, under date of July 7, from the Assistant Secretary of Defense, Mr. W. J. McNeill.

There being no objection, the statements and letter were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MANSFIELD REGARDING CARRYOVER PROVISIONS OF MUTUAL SECURITY ACT, JULY 7, 1955

I rise to discuss briefly a most disturbing situation which has come to light during congressional consideration of the Mutual Security Act of 1955. The Department of Defense supplied estimates to the Congress which were at one point more than $800 million in error. Whether that error resulted from gross negligence or from a calculated attempt to mislead the committee, I am not prepared to state. The discrepancies in estimates were so great, however, that they should serve as a warning to every Member of this body that henceforth figures and estimates supplied by the executive branch must be viewed with the utmost care.

I should like to give a chronological account of the facts and let them speak for themselves.

1. April 20, 1955: On that date the President asked the Congress to authorize a Mutual Security Program of $3.4 billion. At that time the Committee on Foreign Relations was informed that the Department of Defense estimated that military assistance funds which the Executive would not be able to obligate or reserve in accordance with provisions of law would total $100 million on June 30, 1955.

2. May 1955: During consideration of the Mutual Security legislation, the Committee on Foreign Relations noted that the Executive did not ask for simple authority to carry over this $100 million amount, but asked instead for broad language which would have permitted the carryover of any amounts not obligated or reserved by the end of the fiscal year.

3. May 26, 1955: During consideration of the bill, in the committee I offered an amendment which instead of leaving the Executive with blank-check, carryover authority, provided that unobligated and unreserved funds in excess of $150 million

should lapse into the Treasury. During discussion of that amendment, the minority leader, Mr. KNOWLAND, asked representatives of the Department of Defense whether the limitation of carryover funds to $150 million would be adequate. They indicated that they had no objections to my amendment provided the carryover amount could be fixed at $20 million. I accepted that amount as an amendment and it was written into the bill.

4. June 2, 1955: During Senate floor debate the usual criticism was levied at the Mutual Security Act to the effect that vast unexpended, unobligated, or unreserved funds would be carried over into the new fiscal year. The distinguished chairman of the committee, Mr. GEORGE, was asked why the $200 million limitation was placed in the bill. Mr. GEORGE replied:

"It was placed in the bill because the testimony was undisputed and it was unquestioned that every dollar of this money had been allocated under the statutory definition made by the Appropriate Committee of the Senate, which was binding upon that committee. It was stated there was remaining only $100 million. It was first proposed that only $100 million of the unexpended balances should be carried over. It is true we did reappropriate the unexpended balances, but in accordance with the testimony, and we limited the carryover to $200 million.

"So do not worry about the unexpended balances or the unallocated balances. That is all there is to the question. More than $200 million cannot be carried over. There is no way for more than that amount to be carried over." (RECORD, June 2, 1955, p. 7505.)

This statement emphasizes the good faith with which the chairman and the rest of us on the committee accepted the estimates of the executive branch.

The Senate passed the bill.

5. June 13, 1955: According to the report of the Committee on Foreign Affairs of the House of Representatives, information was received on June 13 that the estimated unobligated balances would exceed the $200 million limit fixed by the Senate amendment. I understand that a plea was then made to the House Committee to restore the original language—the language permitting a blank-check carryover. That change was successfully resisted by the House committee.

6. June 21, 1955: On that date, according to the House committee report, it received a memorandum from the executive branch stating that the unobligated carryover of military funds would be, and I quote, "some $600 million."

7. June 28, 1955: On this date, the distinguished chairman of the Committee on Foreign Affairs of the House of Representatives stated in presenting the Mutual Security Act to the House, and I quote him, that "on June 21, * * * we received word that the estimated unobligated balance on June 30 would be $670 million." (RECORD, June 28, p. 9389.)

8. June 30, 1955: This was a memorable day with respect to the unobligated balances of the Department of Defense.

Mr. PASSMAN of the House Appropriations Committee announced on the floor of the House that, and I quote, "They [the Department of Defense] called yesterday and said it [the unobligated balance estimate] had gone up to $932 million." (RECORD, June 30, p. 9635)

The same day, Mr. VORYS announced on the floor that he had "been informed that the amount of unobligated funds is not $600-some-odd millions but has been reduced to about $200 million."

At this point I addressed the following letter to the Secretary of Defense asking him for a report on this situation:

JUNE 30, 1955.

The Honorable CHARLES E. WILSON,
Secretary of Defense,
Washington, D. C.

DEAR MR. SECRETARY: During consideration of the Mutual Security Act of 1955 by the Senate Committee on Foreign Relations, it received information from the Department of Defense that the estimated unobligated and unreserved balance of mutual security funds as of June 30, 1955, would be $100 million. The Department asked, however, for a blanket authorization to carry over any funds that might have been unobligated or unreserved on that date.

On the basis of the $100 million estimate, I offered an amendment to the bill which provided that unexpended balances in excess of $200 million, not reserved or obligated by June 30, should not be continued available after that date. The figure was raised to $200 million on the chance that Defense Department estimates might have been optimistic.

I now understand on the basis of information obtained from House debate on the bill that about the middle of June the Department of Defense stated that the unobligated and unreserved balance would not be $100 million, as estimated to the Senate Foreign Relations Committee, but would exceed $200 million. I understand further that on June 21, the House Committee on Foreign Affairs was informed that the estimated unobligated balance on June 30 would be $670 million.

Could you tell me if this is an accurate picture of the situation and, if so, why the estimates received by the Senate Foreign Relations Committee in April were in error by $570 million?

I have noted, in the statement of Congressman RICHARDS on page 9389 of the CONGRESSIONAL RECORD of June 28, 1955, that he said the "rules governing the process of obligation of funds were changed this year by the appropriations legislation" and this change has "interfered with operations in the Pentagon." According to my recollection, however, the obligating procedures were changed during the last Congress and those changed procedures should have been known to the Department of Defense when it submitted its original $100 million estimate.

I should like to have a reply to this letter by July 6 at the latest since the Mutual Security Act will be in conference between the two Houses at that time.

Sincerely yours,

MIKE MANSFIELD.

NOTE.—As of this morning, July 7, I have not received an answer to my letter to Secretary of Defense Wilson. Should I receive it by noon, I will try to make it available.

9. July 1, 1955: On this date, at my request, a member of the staff of the Senate Committee on Foreign Relations spoke with Mr. Markley Shaw, Office of International Security Affairs Comptroller, Department of Defense. Information was received that during the last 24 hours of the month of June, $575 million had been reserved or obligated and that during the total month of June, $983 million—nearly one billion dollars—had been obligated or reserved.

That is the record. Between April 20 and June 30, the Department of Defense gave various committees and Members of Congress estimates of the unobligated carryover of military-assistance funds running from $100 million to $932 million. Then, during the last 24 hours of the fiscal year, the executive branch managed to go through the motions of reserving over half a billion dollars.

I suppose that it will be argued that my amendment limiting the unobligated carryover to $200 million had the effect of forcing the Department of Defense to commit its funds recklessly. If the amendment had that effect, it was because the Department of Defense either did not give the Congress reliable figures in the first place or because the Department sought to mislead the Congress. Certainly no objections were heard from the Department's representatives when my amendment was offered in the committee. They were there.

My amendment was not designed as an invitation to reckless last-minute obligation of funds. It was not an invitation to financial gyrations which, as I think the record will show, thoroughly confused congressional consideration of a most important matter. The amendment was designed to keep mutual-defense funds within reasonable limits so far as planning is concerned. It was designed to keep the authorization funds to those amounts that the Department of Defense can reasonably expect to obligate within 1 year. It was designed to permit excess funds to revert to the Treasury so that we might balance the budget, rather than to keep it unbalanced by giving the Defense Department a billion-dollar kitty as a backlog in the event Congress should not appropriate the funds requested.

In concluding my remarks, I want to make three points as forcefully as I can.

First. In a government of separate powers it is essential that the Congress and the Executive deal with each other with a mutuality of confidence. That means Congress must be able to accept proposals of the Executive with assurance that they are backed up by reliable figures and estimates. This Government cannot operate efficiently if Congress must view every Executive estimate with suspicion.

This Congress has been criticized in recent weeks for not acting with sufficient alacrity on the President's program. I do not accept that criticism as valid. I do say that if Congress is confronted by financial manipulations of the kind that have gone on in connection with the unobligated mutual-security funds, the interests of the American people require far more careful scrutiny of executive branch proposals than is possible if we rubberstamp them as is so often suggested.

The second point I want to emphasize is that despite 24-hour reservations of more than one-half a billion dollars, there is still opportunity for Congress to control these irresponsible actions of the Department of Defense. I hope the Committee on Appropriations will examine these June operations with the utmost care and submit its recommendations accordingly. While I would not cast any vote to cripple our mutual-security program, I cannot become a party to loose financial operations in the Department of Defense or anywhere else.

Finally, during the fiscal year just completed, the Department of Defense had available for obligation for military-assistance purposes some $3.3 billion. As I indicated earlier, $983 million was reserved or obligated during the one month of June. In other words, more than one-fourth of the funds available for obligation during 12 months was obligated in 1 month.

I think that the operations of the Department of Defense during the month of June in dealing with these unobligated and unreserved mutual-security funds deserve the most careful investigation and scrutiny by the General Accounting Office and the House and Senate Appropriations Committee.

STATEMENT BY SENATOR MANSFIELD REGARDING CARRYOVER PROVISIONS OF MUTUAL SECURITY ACT, JULY 12, 1955

As I indicated in my statement of July 7, I asked Secretary of Defense Wilson for a report on conflicting statements with respect to the size of the unobligated and unreserved funds which would lapse into the Treasury

as the result of my amendment to the Mutual Security Act. I have now received, in reply, a letter from W. J. McNeil, of the Comptroller's Office in the Department of Defense. That letter is attached. It must speak for itself. Put in its best light, however, it seems to me that it indicates that the Department of Defense and the Bureau of the Budget finally got around to taking action in the last week of June which should have been taken during the previous 10 months.

I hope that one effect of my amendment will be to encourage the Appropriations Committees to reduce the amounts available for military assistance so that our budget need not be strained simply because Defense Department estimates of the amounts they can obligate in a fiscal year are too optimistic. The Defense Department should not receive funds in excess of those which it can obligate within 1 year by orderly procedures and careful planning.

The activities of the Department of Defense and the Bureau of the Budget during this June in connection with mutual-defense funds illustrate two patterns of executive branch financial operations that deserve careful scrutiny. First is the pattern of last-minute obligation of funds to avoid their return to the Treasury Department.

This pattern is illustrated by—

1. The fact that this year, as last year, the heaviest obligations took place during the month of June—the last month of the fiscal year. Indeed, the attached letter from Mr. McNeil shows that the final 24-hour obligations totaled $614 million instead of the $575 million, as I had earlier indicated.

2. Last year the June military assistance obligations were $652 million and the May obligations $488 million. Thus, $1.2 billion of $2.5 billion available for obligation during fiscal year 1954 were obligated in the last 2 months of the year. In other words, last year nearly one-half of the funds available were obligated in the last 2 months of the fiscal year.

The second pattern that needs careful scrutiny is that of making estimates that turn out to be unreliable. The attached letter from Mr. McNeil, for example, indicates in its last paragraph one estimate that was more than 100 percent in error. My statement of yesterday described the variety of estimates submitted to congressional committees during the past 2 months in connection with the carryover funds.

I might add one more illustration of an unreliable estimate. In July of last year the Department of Defense estimated that its unexpended balance as of this June would be $5.5 billion. Earlier this spring it revised its estimates to indicate that the unexpended figure would be $6.7 billion—an error in estimates of over $1 billion.

I do not propose to press this matter further at this time. I hope that next year we can count on receiving more reliable estimates from the Department of Defense and that it will be able to avoid operations which lead it into the dangerous practice of last-minute obligations of funds.

ASSISTANT SECRETARY OF DEFENSE,
Washington, D. C., July 7, 1955.

Hon. MIKE MANSFIELD,
Committee on Foreign Relations,
United States Senate.

DEAR SENATOR MANSFIELD: Secretary Wilson has asked me to reply to your letter of June 30 regarding the estimated unobligated and unreserved balance of mutual defense assistance program funds as of June 30, 1955. On May 10, Mr. H. Struve Hensel, then Assistant Secretary of Defense (International Security Affairs), appeared before the Committee on Foreign Relations and testified that he had a program and a plan for its funding for fiscal year 1955 which, when implemented, would leave only $100 million of unobligated funds by the close of the fiscal year.

At the time he made the statement to your committee it was anticipated that full knowledge of the effect of the certification of obligations under section 1311 of the Supplemental Appropriations Act of 1955 as of June 30, 1954, would be known by no later than May 31, 1955, in accordance with the Department of Defense Directive No. 7220.6, Prerequisites for Reporting and Recording of Obligations. In order for Mr. Hensel's prediction to come true, it was necessary to have a complete certification in order to obtain allocation and apportionment of substantial blocks of funds from the Bureau of the Budget. It was Mr. Hensel's belief that once the certifications had been made that the ensuing 30 days would be ample to carry out his plans for obligating and reserving funds.

The certifications under section 1311 were not complete on the May 31 due date. When the certifications had not been received by June 13, Mr. Hensel felt that it was necessary to indicate to the Committee on Foreign Affairs of the House of Representatives, which was then hearing testimony on the current mutual security legislation, that the failure to receive these certifications were endangering his plan of obligation and reservation of funds before the close of the fiscal year, as he had previously outlined to your committee. As the fiscal year was running out and it appeared that original plans could not be carried out, Mr. Hensel estimated to the Subcommittee on Appropriations for Foreign Operations, Committee on Appropriations, United States House of Representatives, that his unobligated and unreserved balance probably would total $620 million.

Certification of obligation was finally received on June 21 thus making possible the completion of the original plan for obligation and reservation of funds. Because the necessary details of these operations had been worked out prior to June 21, the decision was made to make a determined effort to complete the original planned actions before the end of the fiscal year, thus complying with the original plan. The last series of actions was the request for apportionment which was sent to the Bureau of the Budget on June 24. The Bureau of the Budget apportionment was received on June 30 and the common item orders which had long been prepared were issued and funds reserved in the amount of $614 million to complete the plan.

When the fiscal year closed the original plan outlined to the committee had been completed and when the full detailed reports are received the unobligated and unreserved balance should be well within the $100 million estimated for your committee on May 10.

I believe you will appreciate Mr. Hensel's increasing apprehension regarding his estimates when repeated delays encountered in receiving certifications under section 1311 were apparently precluding the accomplishment of his plan for the obligation or reservation of funds before the close of the fiscal year.

You have noted Congressman Richards comments in the CONGRESSIONAL RECORD of June 28, page 9389. You are quite correct in your statement that the obligating procedures were changed during the last Congress and that the changed procedures were known to the Department of Defense at the time Mr. Hensel testified on May 10. The difficulty, however, arose from the fact that the process of certifying obligations has been a slower process than was anticipated by Mr. Hensel and others in the Department of Defense.

Early in the fiscal year the Department of Defense estimated that the certification made pursuant to section 1311 would result in a loss of $500 million of prior year funds. When the certifications were completed the loss actually amounted to $227 million and, as a result, the $1.4 billion in new obligational authority originally requested for fiscal year 1956 was reduced to $1.125 billion by a communication from the President to the Speaker of the House of Representatives, dated July 1, 1955, to offset the savings.

Sincerely yours,

W. J. MCNEILL.

TWENTY YEARS OF SERVICE TO CONGRESS BY BOB AND HELEN COAR

Mr. BUSH. Mr. President, I understand that today marks the 20th anniversary of service by Robert J. and Helen B. Coar to Senators and Members of the House of Representatives in connection with our radio and television facilities.

I can hardly think of producers of television shows who have done so well with so little. I am sure the Hollywood producers would envy Bob and Helen Coar their producing ability if they realized how slender were the resources and the talent with which they have to work.

I think one of the great assets which these two wonderful people have is that of patience. They seem to have it to an unlimited degree with Senators who struggle to produce film for the edification of the people back home and for people all over the United States.

As one Senator, I wish to say that I am very grateful to Bob and Helen Coar for their patience, for their kindness, and also for the very great help they have given to me and to others in connection with the production of radio reports and television broadcasts. I feel we owe them a very great debt of gratitude, and I wish to congratulate them upon their 20 years of service to the Senate and the House of Representatives. They have been wonderful friends to us all. I hope they may live happily and be with us for a long, long time to come.

I ask unanimous consent that there may be printed at the end of my remarks a clipping from the newspaper of Capitol Hill, Roll Call, concerning the 20 years of service of these two very remarkable people.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEMBERS TO HONOR COARS JULY 20 FOR 20 YEARS OF RADIO SERVICE

(By Al Lista)

They'll roll up the aisles in the House and Senate July 20. Congressmen and Senators, in a show of rare unanimity, will send showers of well-deserved oratory reverberating around the Chambers, toasting the achievements of a remarkable husband and wife team which has been responsible for the creation and development of what is now the Joint House and Senate Radio-Television Facility.

July 20 marks the 20th anniversary of the founding of this vital service which started out in the early days of radio's development and which today is doing a rushing business in recording and filming the portentous utterances of America's elected representatives for the enlightenment and edification of the folks back home.

The story of Robert J. and Helen B. Coar is, as anyone on the Hill can tell you, the story of this radio-television facility and in a sense reflects the saga of this Nation's

herculean progress in the field of mass communication.

As is true of many successful and long-lasting enterprises, the Joint House and Senate TV Radio Facility sprang from humble beginnings; a single room divided by a partition. In order to insure proper voice resonance the walls were draped in monk's cloth—a far cry from bright soundproofed panelings that line the present-day studios. But this pioneer studio was not then the property of the Congress, it represented the vision and enterprise of Bob Coar, who at the age of 29 had already helped pioneer much of the early sound and electronics developments of the late twenties while an engineer for the Radio Corporation of America.

While attending the engineering school at night, Bob filled in the days working with the New York Telephone Co. as an installer of electronic equipment and prior to that with the New Jersey Power & Light Co. in Summit, N. J.

His capacity for working long hours has carried over to this day. Just recently this writer had occasion to work with the TV facility on a project which did not wind up until 2 a. m. and drove out to spend what was left of the night at the Coar's home in Fairfax, Va. Thinking that I had done well in getting to the breakfast table at 8 o'clock, I found out that Bob had taken Bob, Jr., on his paper route at 6 a. m. "It's one of the few times I'm able to be with my boy," he explained.

By the time he was 20 years old, Bob Coar had earned his engineering certification, attended an installation and development school at the Bell Laboratories and held responsible positions with two of the largest utility companies in the New York City area.

At the tender age of 12 he was running the motion picture projection machine in Batten High School in Elizabeth, N. J., from which he was graduated before his 16th birthday. It is no wonder that RCA engaged him as a staff member in 1926 to teach advanced electronics and instruct in the installation and operation of motion picture equipment. This put Bob on the ground floor of the then new industry—sound motion pictures.

Later, Bob was ordered by his RCA bosses to aid in the conversion of the Orpheum circuit of vaudeville theaters to sound motion pictures—the forerunner of the present RCA studios. Despite the early glamor of Hollywood and handling the recording and sound for such musical smash hits as Rio Rita and Hit the Deck, Bob accepted the opportunity to participate in the documentation of the Chicago's World's Fair. For the first time the demonstrators of a world's fair were able to display their wares through the new mediums of motion and sound.

Adding to the richness and variety of young Coar's background is his association with the world famous sleuth, Raymond Schindler. On a flight to New York from the Chicago fair he chanced to meet Mr. Schindler and proceeded to discuss the latest in electronic developments that would aid in crime detection. Before the plane had rested its wheels on the runway in New York the famous Schindler had invited the 23-year-old Bob to address the World Association of Detective Science and Crime Detection convention that was taking place in New York City. The question period after his talk lasted for 3 hours.

Schindler, recognizing a good man when he saw one, hired Bob as his laboratory technician for the development of scientific electronic and recording devices for use in the detection of criminals. This relationship lasted until 1934 when Bob decided to go into business for himself building sound equipment.

It is at this point that Bob did another successful piece of pioneering * * * he married the lovely Helen Badgley, who as a child star in silent films was known as Little Helen Badgley, the Thanhouser Kidlet, the Best Known Baby in the World. She played roles of menaced infant innocence in thrillers produced by Thanhouser Corp., New Rochelle, N. Y. Later Helen had parts in Mary Pickford films.

That same year Bob was consulted by the FCC in setting up sound recording facilities for the transcription of hearings before the Commission. It seems that the stenographers had difficulty in transcribing the new jargon of the communications experts testifying before the committee. Such words as "megacycles" were appearing in the record as "Maggie Sickles." Hence Coar began cutting platters that could be played back slowly to shorthand and stenotype wizards so they could capture the maze of scientific terminology.

It was while serving as a consultant that Bob seriously considered opening an independent recording studio that would service Members of Congress and high Government officials. The later Senator Arthur Capper, of Kansas, is credited with giving Bob his greatest impetus toward undertaking this new project.

Capper promised to cut weekly 15-minute platters, and special jobs when he needed to sway Kansas opinion on emergency issues. To further bolster Coar's decision, Arthur Capper said, "Roosevelt's New Deal furnishes plenty of emergencies, son." The potential clientele readily suggested itself to Coar and he proceeded to pack up his New York operation and take his new bride to Washington, where they have been ever since.

The difficulty of serving the legislators who were busy answering rollcalls and attending committee meetings made it impossible to support the new operation on the small trickle of Congressmen who could make the trip down Pennsylvania Avenue for a recording.

"We had to eat," Coar recalls. "Any work that came along, we took. We cut platters for FDR, the State Department, and a redheaded fellow who had an aversion for dragging downtown to meet early morning recording schedules. The readhead goes by the name of Arthur Godfrey, I believe."

From 1936 to 1946 the Capitol Hill recording business was a side issue, with commercial studio work being the major breadwinner. Later, in 1936, at the suggestion of the then Speaker of the House Bankhead, they moved a recorder into room 414, Old House Office Building, as a convenience to the lawmakers. This ready accessibility proved to be the shot-in-the-arm that congressional recording needed. The traffic really became heavy with the advent World War II and by V–J Day Capitol Hill recordings had gotten completely out of hand. The Coars abandoned their downtown office and concentrated on the Congress entirely, but outside criticism caused the legislators to take the operation under their official wing. In 1947 Bob and Helen Coar became official employees of the Congress.

By 1948, a presidential election year, the floodgates really opened. A deluge of recording requests inundated the new radio facility by the new radioconscious lawmakers.

By 1952 the need for an expanded facility made itself most apparent. The economy-minded Congress took a reading of the financial situation and found that the facility had piled up a credit balance of $117,500.32 without being a burden upon the individual Member's pocketbooks. Before adjourning authorization was obtained to plow back a goodly portion of this increment to install TV studios in preparation for the convening of the 83d Congress. This established the present form of the joint House and Senate radio-television facility.

The value of the facility to the present officeholders will probably be best told by the Members July 20, when individual Members will rise on the floor to pay tribute to Bob and Helen Coar on the 20th anniversary of their association with the congressional family. The personal and intimate attention they have received at the hands of the Coars while they, in most cases, amateurishly approach the use of camera and lights will be gratefully acknowledged by their statements in the RECORD.

Mr. LEHMAN. Mr. President, I am pleased to be able to join with my colleagues in expressing my congratulations to Mr. and Mrs. Coar for their 20 years of outstanding assistance to the Members of Congress through the services of the joint Senate and House recording facility.

In these days of swiftly moving national and international events, there is an increasing necessity for frequent and direct communication with one's constituents in order that they may more clearly understand what we in Congress are doing. In my State of New York there are dozens of radio and television stations serving a citizenry of over 15 million persons. For a number of years I have been using the joint facilities to record monthly radio reports and periodic television broadcasts to my constituents.

I have appreciated the courteous cooperation which has always been extended to me by Mr. and Mrs. Coar and the entire staff of the joint recording facilities, and I wish to record my thanks to them.

Mr. HENNINGS. Mr. President, it is with particular pleasure that I congratulate Bob and Helen Coar as we commemorate their 20th anniversay of radio service to the Capitol. I must say that I do so with some feeling of nostalgia, for I well remember that 20 years ago when Bob and Helen were pioneering in this type of radio work many of us who were in the early years of our careers in the Congress stood somewhat in awe, as I know I did, of the tremendous potential of radio as an information and education device that was capable of reaching millions of constituents in our home districts and States. It was true, of course, that radio was already being used extensively in national political campaigns, but it was not until the Coars set up their facilities on Capitol Hill that it became a technique readily available for telling the people at home just where we stood—and why—on the many crucial issues of that period.

The Coars were unfailingly patient and helpful, and their technical skill and willingness to experiment with new ideas and production techniques made all the difference in the world in transforming what well might have been an awkward, amateur broadcast into a smooth, perfectly timed professional job.

Over the years, the original makeshift facilities have been brought up to date with the most modern improvements in sound and recording, television studios have been added, and the volume of recordings emanating from the Hill has multiplied manyfold. Yet, their crowded schedule and the success of their undertaking has in no way altered the Coars. They still exhibit the same unflagging zeal to do a good job even better. They still demonstrate the same patience and consideration with every Senator and Member of Congress who calls upon their

services, and they still insist upon turning out the best professional job that their imagination and skill and the most advanced electronic devices can produce.

Most of us in the Congress are indebted to Bob and Helen Coar for their invaluable help and advice, and all of us, I am sure, wish for them continued success and hope that their achievements in the next 20 years will surpass even those of the last 20.

Mr. ELLENDER. Mr. President, I am happy to join my good friend from Missouri and other Senators in paying tribute to Mr. and Mrs. Coar. It has been my privilege to utilize the radio facilities and services provided in the Capitol. I do not know of any more courteous people than the Coars. They have been helpful, indeed, more than helpful, at all times. I think that all Senators who have used the facility will agree that Bob and Helen Coar made the joint facility nearly a 24-hour job. They work long and hard hours in maintaining high standards of service and in seeking to constantly improve that service. They are experts in their field, but—even more important—I think they are good friends to us all. It is not easy to steer a nonpolitical, bipartisan path in Washington, particularly on Capitol Hill, but in all my experience with Bob and Helen Coar, I have never heard them breathe a political sentiment to me. They are as objective as any two humans can be.

While I cannot praise these two fine people too highly, and while they are most deserving of all the plaudits which they have received today, I would also like to compliment the fine staff they have gathered together in both the radio and television facilities. These technicians are more than competent, they are craftsmen. Their selection, of course, reflects credit upon the judgment of the Coars, and their fine work reflects great credit upon each of them as individuals.

I want both Helen and Bob Coar to know that I deeply appreciate the fine work they have done; I am grateful for their 20 years of fine service to the Congress. I hope that they are with us for 20 more years and, if they are, I know that the facility they operate today will continue to render the best of service to us all.

We should not forget that the joint facility is operated at no cost to our taxpayers. It is completely self-sustaining and the income it produces not only defrays operating costs, but also has permitted the facilities to be expanded. It is not often that two people can be found whose talents include not only competent knowledge of the intricate fields of television and radio, but also good business sense. That is why I am particularly proud that Helen and Bob Coar are with the Congress and why I think all of us need them with us for a long, long time.

Mr. PURTELL. Mr. President, I am happy to join with other colleagues in paying tribute to Bob Coar and his wife Helen on the 20th anniversary of their radio service to Members of Congress.

First I want to express my personal appreciation and thank them for the excellent work they have done for me. Their cooperation and pleasant dealings with me have been of the finest. And I think I would be remiss if I did not say a few words of praise for their ready, able, and willing staff. The considerate and helpful attitude of Bob and Helen Coar toward us Members of Congress permeates their entire staff. Certainly, those of the radio and television staffs with whom I have come in contact show the same unselfish devotion to their service in our behalf.

When I entered the 83d Congress I was told about the radio and television service which was available to Members of Congress. While I knew that I would be making trips back to Connecticut whenever I could, I realized, too, that my Senate duties would make it impossible for me to return as often as I wished. I felt and still feel that as a Member of Congress I should report to the people of my State the events taking place in their Capital, to which they sent me, the issues facing us in Congress, and my attitude on those issues. Since it would not be possible for me to report in person regularly because of Senate business and duties keeping me in Washington, I decided to broadcast to the folks back home biweekly during the sessions of Congress.

I got in touch with Bob Coar and was immediately impressed by his helpfulness. He kindly offered to be, and was, my first guest on the first broadcast. Subsequently the Connecticut newspaper correspondents who cover Capitol Hill have very kindly been my guests on the programs, which have continued biweekly since the opening of the 83d Congress.

I feel that through these radio and television facilities so expertly handled by Bob and Helen Coar, I have been able to bring Connecticut closer to Washington. I feel that it is my duty—and I might say a pleasurable duty—to furnish the people back home with all possible information on happenings in their Nation's Capital.

Again, I thank Helen and Bob and their staff for a job well done.

Mr. KERR. Mr. President, I wish to express my appreciation to the distinguished Senator from Connecticut [Mr. PURTELL] for his very appropriate remarks with reference to the joint radio and television recording facilities for the Senate and the House of Representatives. This day does mark the 20th anniversary of the founding of this vital service, which started out as a very limited facility and with very humble specifications and proportions.

Certainly, Mr. President, the dispensing of information with reference to public issues by the Members of the Congress to their constituents, and the development of that information for their benefit, is one of the important responsibilities that we have in Congress. Through the means of the joint House and Senate radio and television facility, many of us, if not most of us, have been able to be more effective in reporting and giving information to our constituents than would otherwise have been possible.

I wish to pay tribute to Bob Coar and his lovely, gracious, and fine wife for the unselfish service they have rendered in this regard. I do not think I have seen any persons who seemed to be more willing and able to devote long hours on a more unselfish basis than they have in helping us to be of effective service in this matter.

I join the distinguished Senator from Connecticut in making this expression of appreciation to them for the fine service they have rendered to the Senate and the House of Representatives, and to the people of the country, in furthering the dissemination of information and facts with reference to our work of service in Congress.

Mr. LONG. Mr. President, I should like to associate myself with the remarks of the Senator from Oklahoma, the Senator from Connecticut, and other Senators with reference to the very fine service which has been rendered by Robert Joseph Coar and Helen Badgley Coar in the recording service on Capitol Hill.

For some time—as a matter of fact, from the day I became a Member of the Senate—I have used the facilities, both over radio and television, which are afforded by this service. I have found that the work of Robert and Helen Coar is of a very high caliber, and that they work extremely long hours to accommodate those of us in Congress who desire to report back to the citizens of our States. As a matter of fact, the broadcasts which have been transcribed for us and the television films which have been made have been of a very high quality, and many individuals in my State have complimented me on them. It was only a few days ago that I learned that today would be the 20th anniversary of the inauguration of this recording facility for Members of Congress. I wish to join my colleagues in congratulating Robert and Helen Coar on a good job, and to thank them.

Mr. SMATHERS. Mr. President, it is with great pleasure that I join the Senator from Oklahoma, the Senator from Louisiana, and other Senators in paying tribute today to Helen and Robert Coar for the service they have been rendering to both the House of Representatives and the Senate, which makes it possible for Members of Congress to stay in touch with their constituents.

First by means of radio, and later through television, I have had occasion to call upon the smooth and efficient facility of the joint House and Senate recording facility. I do not know of any way it would be possible for many of us to stay in touch with our constituents if it were not for the facilities afforded us whereby we can broadcast over radio or television. We seem always to go to their office a little late and arrive a little harassed and not sure how the broadcast is going to turn out. But once we come under the direction of Bob and Helen Coar the broadcasts usually turn out to be pretty good programs, and the people of our respective States get the benefit of the information we give them. In that way they know what is going on in Washington.

I do not know of a better way to stay in touch with our constituents than through the service supplied by Helen

and Robert Coar. So, on this 20th anniversary of the service of Helen and Robert Coar I am pleased to join my colleagues in expressing to them my gratitude for their splendid service, and to wish them another 20 years of continued service.

Mr. MONRONEY. Mr. President, I should like to join my colleagues in paying tribute to Helen and Bob Coar on the 20th aniversary of their service in the joint House and Senate recording facility. I can remember when they first launched this ambitious project as a radio room with equipment and various items which hardly met the purpose they were supposed to serve, but which, with their ingenuity, met the purposes.

The facility now turns out radio broadcasts and telecasts, and as a result I think the people of the country know more of the activities of their Representatives in the Senate and the House because of the dedication to service of this fine pair which the Senate and House are so fortunate to have.

I join my colleagues in wishing them both another 20 years of successful contribution to democracy.

Mr. DANIEL. Mr. President, I wish to associate myself with the remarks which have been made in tribute to Helen and Robert Coar for the fine work they have done for the Members of Congress in enabling them to send reports of their activities in Washington to the people of their respective States.

I join in paying tribute to them and in wishing them luck on this occasion.

Mr. BIBLE. Mr. President, I likewise wish to join in the plaudits for Mr. and Mrs. Robert J. Coar on the 20th anniversary of their founding of the joint House and Senate radio-television facility.

For those of us who are comparative newcomers to these legislative halls, the names of this man and wife team seem almost tradition. Certainly, their foresight in pioneering these radio-television facilities have provided to millions of people around the country a better insight into the workings of the legislative branch of their Government.

Each day radio and television stations carry programs of individuals Senators and Congressmen into homes of their constituents. This makes it possible for detailed explanations of legislation of vital interest to voters of localized sections of a State or a district.

Today, our major radio and television networks and our news services, because of the required mass of words and the time involved, are unable to carry information of specific and detailed interest to all sections of the land. This congressional radio-television facility brings those of us who are taking advantage of it closer to our constituency.

Certainly, an informed public strengthens the bonds of democratic government and insures that legislators are able to know better the wishes of their citizenry.

To Bob and Helen Coar, on this day when they are receiving the plaudits they have so richly earned, I want to add my congratulations.

Mr. BENDER. Mr. President, I, too, should like to say a word about the service of Helen and Robert Coar, and to pay a tribute to them. In this connection, I should like to refer to a poem which reads:

If with pleasure you are viewing any work a man is doing,
If you like him or you love him, tell him now;
Don't withhold your approbation till the parson makes oration,
And he lies with snowy lilies on his brow;
No matter how you shout it he won't really care about it;
He won't know how many teardrops you have shed;
If you think some praise is due him now's the time to slip it to him,
For he cannot read his tombstone when he's dead.

Mr. President, Bob and Helen Coar are far from dead; they are in the prime of life. I knew them very well in the Old House Office Building, and I know of their splendid work. Certainly we cannot improve on the fine sentiments expressed by our colleagues about them. I merely wish to say "amen" to all they have said about the Coars' splendid service.

Mr. KNOWLAND. Mr. President, I would not wish this occasion to pass without also congratulating Bob and Helen Coar on their 20th anniversary in the Senate and House radio facility. They certainly have been courteous to the Members of both the House and the Senate, and have rendered excellent service. I wish to join in the other remarks which have been made in congratulating them on their 20th anniversary.

Mr. THURMOND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement on the 20th anniversary of the recording studio under the supervision of Mr. and Mrs. Robert Coar.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR THURMOND

I wish to join a number of my Senate colleagues today in extending congratulations to Mr. and Mrs. Robert Coar on the 20th anniversary of the Senate-House joint recording facilities. Over the past 20 years, Mr. and Mrs. Coar have rendered a great service to the public by providing the Members of Congress with facilities for making radio reports—and lately TV reports—to their constituents on the affairs of government. I am one who strongly believes that the people should be informed on the activities of their representatives in Washington, and I think that the recording facilities operated by Mr. and Mrs. Coar offer one of the best means possible for keeping the public informed on all phases of legislation which affect our Nation, our States, and our individual communities.

I wish them many years of continued success in their endeavors.

Mr. MURRAY. Mr. President, it is with great pleasure that I join with my colleagues in honoring Bob and Helen Coar on this day, their 20th anniversary at the Capitol.

Many, many times during the past few years—first through radio work and more recently through television—I have had occasion to rely on the smooth efficiency, the dependability, and the friendly helpfulness of the Joint House and Senate Radio-Television Facility.

Coupled with this excellent service which Bob and Helen and their fine staff render is the great value of having these facilities at our disposal. Through the Coar offices we are able to communicate directly with the people of our individual States, to advise them of our exact thinking, and to state the true facts as to our support and work for, as well as our opposition to, certain legislation and other matters, explaining exactly why we do or do not feel that a particular measure will be best for our States or the Nation as a whole.

And so I should like to extend to Helen and Bob my sincere thanks and appreciation for their splendid organization. They richly deserve every bit of credit and commendation which has been bestowed upon them in the Senate today.

Mr. MUNDT subsequently said: Mr. President, I was not on the floor of the Senate at the time when a number of Members were rising to speak a word of commendation and congratulation to Bob and Helen Coar; at that time I was detained in committee. But I am glad that in the other body and also in the Senate, Members have taken occasion today, which is the 20th anniversary of the services of Bob and Helen Coar, to wish them well and to commend them for the high degree of efficiency and the wonderful spirit of cooperation they have consistently displayed to all Members of the Senate and the House. I wish to associate myself enthusiastically with these felicitations.

Mr. President, it has always been a source of curious contemplation to me that in this most partisan of atmospheres in the whole wide world, we at one and the same time are able to function as sincere and hard-working partisans, and on some occasions, in the same environment, are able to eliminate partisanship altogether. I am glad that is true in the case of Bob and Helen Coar. We have found that to be true, likewise, in the case of Lew Deschler, the Parliamentarian of the House of Representatives, who sits there like a great, strong justice of the Supreme Court, and whose politics are known to none, and whose decisions are respected by all.

We have found the same to be true in the case of the Parliamentarian of the Senate, Mr. Charles Watkins, and his staff as well as in the case of the Senate reading clerks, and in the case of the Senate Official Reporters. I think it is good that all Members of this body, both Republicans and Democrats, can join in commending the service of those who assist us, and whose politics we do not know or question, but from whom both Republican and Democratic Members receive the same kind of commendable, efficient service.

Certainly in that group we should include Bob and Helen Coar, who have the remarkable faculty in conducting their radio and television facility, of presenting a program designed to be pleasant listening and viewing to Democratic audiences from Democratic Members of Congress, and 15 minutes later are able to put on their other hats, so to speak, and to render the same kind of service to Republican Members of Congress and

members of the public who have Republican leanings. I think that is desirable; and we should commend them for the splendid service they render and for the long hours of service they give, for which they receive no extra compensation, but which are greatly appreciated by the Members of this body. They are indeed an important and valued part of our congressional team.

THE PRESIDENT'S OBJECTION TO CERTAIN PROVISIONS OF THE DEFENSE DEPARTMENT APPROPRIATION BILL

Mr. CHAVEZ. Mr. President, when the Senate passed the Defense Department appropriation bill a short time ago, through the kindness of the Senate and by reason of seniority I was the chairman of the subcommittee which handled the bill. It was the largest appropriation bill passed by any Congress.

Mr. President, on July 13, 1955, the President of the United States signed H. R. 6042, the appropriation bill for the Department of Defense for the fiscal year 1956. In so doing, he sent a message to the Congress—House Document No. 218—taking exception to two provisions in that measure.

As chairman of the Defense Department Subcommittee of the Senate Appropriations Committee I rise to make a few comments on those two provisions. As for section 638, since much has already been said about this provision, I shall limit my remarks to a very brief statement later in my discussion. But as for the proviso on spun silk yarn for cartridge cloth, I feel an explanation is due, since the message of July 13 indicated either a complete lack of knowledge of the situation or a failure to understand the reasoning which prompted the inclusion of the provision.

I am sorry that the senior Senator from Massachusetts [Mr. SALTONSTALL] is not on the floor, because it was at his insistence that the provision was included, on his plea that it was necessary to protect a small industry in Boston, Mass.

No one has a higher regard for the office of the Presidency that I have. Frequently in the past I have stated my great regard for the present occupant of that office as a military leader. I regret that I must take issue with the statement which was sent to the Congress on July 13 over his name. With the President I have no quarrel. However, with the anonymous advisers who, I assume, assisted in the background documentation for the message, I am forced to take issue.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The time of the Senator has expired, under the 2-minute rule.

Mr. CHAVEZ. Mr. President, I ask unanimous consent that I may be permitted to proceed for 10 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from New Mexico may proceed.

Mr. CHAVEZ. Mr. President, it has been charged in the message of July 13 that the so-called rider to section 630 virtually precludes the armed services from considering the purchase of foreign-made spun silk yarn for cartridge cloth. I should like to point out that the provision relating to spun silk yarn for cartridge cloth is subject to the same escape clause as are the other items enumerated in the "Buy American" provision. This permits the secretary of the Department concerned to waive section 630 if a satisfactory quality and sufficient quantity of spun silk yarn for cartridge cloth cannot be procured as and when needed at United States market prices. I believe this is a fair arrangement and certainly in the best interest of the Government.

The second charge made is that the so-called rider was "attached to the bill without adequate opportunity for reasons against it to be presented." Those are the exact words of the Presidential message. In this matter the Chief Executive has been grossly misinformed. Mr. President, on April 20, 1955, representation was made to the House Appropriations Committee asking that a similar proviso be inserted in the bill. The hearings of the House committee were published on May 3, and were free to the public or foreign governments for the asking.

On May 27, the Department of Defense subcommittee of the Senate Appropriations Committee held hearings on this provision. The room, as I recall, was full of people from outside the Government. It was an open hearing. There were members of the press present. There were departmental representatives present. There was nothing secret about this. Anyone could have testified then or later in opposition to the provision. But no one—not one person from either the Government or outside the Government—appeared to voice a single objection, except to state that the amendment was not necessary so far as the Department of Defense was concerned.

On June 14, 1955—just to keep the record straight—the bill was reported to the Senate. A press conference was held, as is the committee custom. The provision was in the bill then. The press reported the fact. Still no objection was raised to the provision by any department of the Government or anyone else.

On June 17, 1955, the Senate itself began consideration of the Department of Defense appropriation bill, which contains this provision. That day I addressed the Senate on the floor of the Senate that afternoon in regard to this section. It is now—just as it was then—available for all to read. No objection was raised at that time to this proviso.

On Monday, June 20, 1955, the Senate passed the Department of Defense appropriation bill by a vote of 80 to 0. Usually it takes 2 or 3 days to pass a bill of this nature. In this instance the Senate took action in 2½ hours. This action came after considerable discussion. During that discussion no one raised objection to the proviso. Surely, as I have outlined previously, if the executive branch of Government had objections, they most certainly had ample opportunity to protest.

On June 29, 1955, the conferees met and agreed to the conference report on this bill. Still no objection was raised to this silk proviso. As Senators know, House conferees are usually very insistent on maintaining their position.

It was not until late in the day on June 20, 1955, that I received a letter from the State Department enclosing a memorandum stating objections to this proviso, including much of what has since been messaged to the Congress as the objections of the Chief Executive.

For these reasons, Mr. President, I object most vigorously to the imputation that the Senate Committee on Appropriations did not permit adequate opportunity for anyone to present reasons against the inclusion of this provision in the bill. Mr. President, the language in the President's message, which I quote, "Attached to the bill without adequate opportunity for reasons against it to be presented," does not square with the facts.

No one objected until after the Government of Italy, through its representative in Washington, had made a protest to the State Department.

The next item in the President's message I simply do not understand. The message states that it is his earnest hope that as soon as possible the Congress will repeal section 630 of the bill in its entirety. That provision, Mr. President, has been in the bill for the Department of Defense ever since June 30, 1941. That provision has stood for 14 years. It is the "Buy American" provision. What is wrong with that? It was placed in the act to protect American industry and American products from being undersold by cheap production in foreign countries.

What deeply puzzles me is this: In the President's budget message, submitted in January, on page 604, he recommends the inclusion of this very "Buy American" provision—except for the silk amendment—to which he now objects. The Congress has followed his recommendation. Now he hopes that the whole section will be repealed. As I said, Mr. President, this strange about-face in a matter of a few months puzzles me. I do not know the answer, except that I believe all American producers of wool, of cotton, of tobacco, of cheese, and food used by the Army, Navy, Marine Corps, and Air Force should take notice of this proposal and act to protect themselves against foreign intrusion.

Let me now discuss the main point of the Presidential message in regard to this silk amendment. It is as follows:

> No reason appears why foreign-made spun silk yarn, or indeed any other article or commodity of foreign origin, should be singled out for special exemption from the general provisions of the "Buy American" legislation.

Whoever told the President this, simply did not read the act. There is no special exemption for spun silk yarn for cartridge cloth from the provisions of the "Buy American" legislation. Just the contrary is true. Let me read the pertinent part of section 630 and let

Senators judge for themselves. Here is the amendment:

Spun silk yarn for cartridge cloth subject to the same conditions as apply to other commodities in this paragraph.

I repeat the last clause of the provision:

Subject to the same conditions as apply to other commodities in this paragraph.

As I have said before, whoever advised the President to include this statement in his message, did not read the act, or completely ignored the true facts.

Now let me explain why the provision was included in the act. First of all, the committee certainly had no desire to make it impossible for our friends abroad to sell us goods, nor to bring about an impairment of our relations with other nations. What the committee strenuously objects to is the use of silk-fiber products from Soviet Russia and Red China to undersell our American products, to close down our American factories, and to throw American craftsmen out of work.

The committee heard detailed testimony from all interested parties on this item. It was stated by responsible witnesses that American manufacturers of spun-silk yarn for cartridge cloth buy their silk from Japan. They process it in this country and sell it to the Department of Defense. But they also testified that their industry was threatened with extinction because foreign competitors purchase silk fiber from Red China at a price from 35 to 40 percent lower than American manufacturers can buy the silk from Japan. The American producers cannot purchase Red Chinese silk fibers, they stated, because the Foreign Assets Control Division of the United States Treasury does not permit the importation of silk yarn from Red China. They stated that the foreign yarns are imported for bagmaking without paying the usual customs duty of 25 percent; that they are produced in countries where low wages are paid and where silk-fiber production can be subsidized; and that, in short, American producers are at a terrifically unfair disadvantage.

The committee was not content with the testimony of these witnesses. It investigated the official United States statistics on the importation of silk waste from all countries to the chief competitor nation and discovered that the two largest exporters of silk waste—which is used for cartridge cloth—were Soviet Russia and Red China.

Mr. President, we understand that Italy made official representation to the State Department concerning the amendment in the appropriation bill regarding spun-silk yarn for cartridge cloth. Also, there was press coverage to the effect that Italy protested this silk proviso. I wish to reiterate what I have already said: That it is certainly not the desire of Congress to pass laws adversely affecting the international trade relations with such good friends abroad as Italy. As a demonstration of our friendship for the great Italian Nation, in the past 10 years we have contributed approximately $2½ billion to their economic and social welfare.

But, at the same time, the Congress certainly did not wish to aid Communist countries to the detriment of our own people. Official statistics indicate that Italy imported from Red China, in the years 1950 to 1954, 1,987,328 pounds of silk waste; from the Soviet Union, 1950 to 1954, 1,259,708 pounds; from Hong Kong, 1950 to 1954, 988,763 pounds. At this point, in the RECORD, Mr. President, I ask unanimous consent to insert a chart of the importation of silk waste by Italy from all countries.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Spun silk yarn, singles, not bleached, dyed, or colored:[1] United States imports for consumption, from all countries and from Italy, 1948–54

[In pounds]

Year	Total from all countries	From Italy
1948	8,725	
1949	26,062	5,038
1950	29,564	287
1951	43,275	1,799
1952	645,509	288,463
1953 [2]	1,670,439	922,453
1954 [2]	[3] 176,156	[4] 99,518

[1] Includes spun-silk yarn (schappe) made from silk waste on silk-spinning system and silk-noil yarn (bourrette yarn) made from long and short silk noils and spun on the woolen system. The latter (silk noil yarn) is the type used in the manufacture of cartridge bag cloth.
[2] Preliminary.
[3] Of total imports from all countries, 126,470 pounds were the type used for cartridge bag cloth.
[4] Of this from Italy, 86,191 pounds were the type used for cartridge bag cloth.

Source: Compiled from official statistics of the U. S. Department of Commerce.

Crude silk waste:[1] Imports into Italy by principal sources, 1950–54

[In quintals equivalent to 100 Kg.[2]]

Country	1950	1951	1952	1953	1954
China	1,171	1,936	557	3,638	1,713
Hong Kong	1,109	2,000	475	901	[3]
Turkey	1,088	2,218	841	1,910	1,091
Soviet Republics	509	1,308	------	2,075	1,882
Iran	541	2,716	929	3,113	[3]
Switzerland	470	629	337	634	1,185
Greece	259	1,781	547	[3]	751
Brazil	207	336	391	[3]	[3]
India	181	1,306	79	724	581
Japan	74	68	430	574	738
United States	1,201	396	212	84	714
Total (including others)	7,391	15,625	5,772	15,499	10,180

[1] Italian statistical class No. 2274 for "caseami de seta in massa." New classifications established in 1950.
[2] Quintal=220.46 pounds.
[3] Not available.

Source: Statistica del Commercio con Lestero, Italy.

Mr. CHAVEZ. Mr. President, silk waste is now manufactured into spun silk yarn. It is then processed into cartridge cloth. Official statistics indicate that the spun silk yarn importations from Italy to the United States have increased tremendously in recent years. In 1950, for example, 287 pounds of spun silk yarn were shipped from Italy to the United States; in 1951, 1,799 pounds; in 1952, 288,463 pounds; 1953, 922,453 pounds; in 1954, 99,518 pounds. I believe these facts speak for themselves.

Faced with this dilemma which augured extinction of the industry, the American producers came to the Congress for redress. They had no other recourse. If the Congress failed them, they told us, they could go out of business or endeavor to find some other product to manufacture. Remember, this is not a large-scale item manufactured by one of our great industrial giants. It is a relatively small product manufactured by only a few small companies in Massachusetts. The entire industry probably does not employ more than 500 people. These people had no powerful lobby to protect them, and no foreign governments to lodge official protests for them. They and their employees are a part of the "little people" of this country who help make America great. To put this amendment in the bill was to give them the protection needed to earn an honest day's wages. To strike it out meant to jeopardize their jobs and to give economic aid and comfort to the Red Russians and the Red Chinese. That is the reason the committee acted as it did.

Another item which I wish to discuss is the appropriation for the Marine Corps. The Senate acted to restore $46,351,000 to the Marine Corps appropriation. Later both Houses of Congress approved this addition. The effect of this amendment was to provide an appropriation for 22,000 troops for the Marine Corps which had been omitted in the budget request to Congress. For 1955 the Congress appropriated funds for 215,000 marines. For 1956 the President asked for funds which would have cut the 1956 end strength for the Marine Corps to 193,000 men.

The Congress thought that at this time such a reduction would be unwise. We all remember the noble chapters written in our history by those most valiant of the valiant at Guadalcanal, Tarawa, Iwo Jima, and elsewhere during World War II. We all remember the glorious stands by the Marines in Korea. Maybe the history of World War II and the history of Korea would have been a bit different if we had not had these battle-ready marines to throw into the breach. Perhaps we wonder, if—God forbid—history were to repeat itself, just how we could justify such a reduction to the boys on some beachhead of the future. In all events, Congress voted to maintain a strong Marine Corps.

Now the press tells us that the additional funds appropriated for a strong Marine Corps are to be impounded. Despite the will of the Congress, the Marine Corps is going to be cut back. I say only this: I hope the American people realize where the responsibility rests for this reduction in our military might. I hope the American people realize that it is the executive branch of the Government, in the administration, in the Department of Defense civilian structure, and in the acquiescence of the President—and not in the Congress. The Congress would keep the Marine Corps strong. The administration would reduce its power. It is my fervent hope and prayer that they will never have cause to admit they were mistaken.

I shall say only a few words on the President's action in connection with section 638 of the Defense Department bill. The message which comes to us over the signature of the President states

that to the extent this section seeks to give to the Appropriations Committees of the Senate and House of Representatives authority to veto or prevent executive action, such section shall be regarded as invalid by the executive branch of the Government in the administration of the act unless otherwise determined by a court of competent jurisdiction.

In all modesty, as a person who has some knowledge of the legal profession, I say that I believe this is the first time in the history of American and English common law that a new principle of statutory construction has been enunciated by the President of the United States; that is, that a provision of the law which has been duly enacted by both Houses of the Congress and signed by the President may be considered invalid until proved otherwise by a court of competent jurisdiction. I am sure that a thorough review of Blackstone's commentaries and all competent legal authorities since then will reveal no doctrine comparable to this. As a well-known jurist once remarked about another matter, this method is so novel and unique as to be almost patentable.

Mr. President, the Members of Congress take an oath to protect the best interests of the United States and its citizens, both big and little. The Department of Defense Appropriation Act was passed only after the most searching scrutiny and the most careful deliberation. As to all items Congress has acted in good faith. I hope, before further criticism is leveled at congressional action, that all concerned will think of the little people at home as well as the big people abroad. I hope, too, that the true facts will be laid before those responsible for making decisions, so that American interests will be fully protected.

I still think it is a mistake to impound money appropriated for the Marine Corps.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. CHAVEZ. I yield.

Mr. DOUGLAS. Is it not true that the reduction of 23,000 troops, which Secretary Wilson, presumably acting under orders, would reduce the number of combat troops by approximately 18,000?

Mr. CHAVEZ. That is correct. Not only that, but whenever funds are appropriated, they are not necessarily for combat troops. Suppose something unusual should happen. We read in the press or hear on the radio daily that there might be an emergency. Are we going to be ready?

Possibly I am somewhat favorable to the Marine Corps, but the committee heard much testimony to the effect that, as a matter of fact, the additional 22,000 were actually needed under the emergency of the moment. Furthermore, I have been thanked by Marine Corps authorities, who possibly knew more about the situation than I did, for the action taken by Congress in this matter. They had an opportunity to appear before the committee.

If there is anyone who is lenient in conducting committee hearings, it is I. I let witnesses testify whether they are for or against a measure. I permitted these witnesses to appear before the committee, and they made an excellent showing. I think the additional 22,000 men are necessary, and I still believe it would be a mistake to impound the money.

Mr. DOUGLAS. What I am trying to bring out is that the 22,000 or 23,000 men would have gone not into the so-called fat of the military services, but into the lean Marine military service, and they would have increased the combat effectiveness of our troops very much.

Mr. CHAVEZ. That certainly would have been the case. Further, they would have been supporting troops; they would have helped out units which might have been decimated on some foreign field.

CONTINUATION OF INDIAN CLAIMS COMMISSION

Mr. O'MAHONEY. Mr. President, on the call of the calendar on Monday, the Senate passed Calendar No. 857, Senate bill 1746, continuing the Indian Claims Commission to April 10, 1962. Later on Monday the senior Senator from Louisiana [Mr. ELLENDER] moved that the Senate reconsider the vote by which the bill was passed and asked that the bill be returned to the calendar. That motion was agreed to.

The bill as reported by the committee and as at first passed by the Senate extended the life of the Indian Claims Commission for 5 years. The senior Senator from Louisiana desires to offer an amendment providing for an extention of only 2 years, instead of 5. If that amendment were agreed to, he would have no objection to the passage of the bill. If the Senator from Louisiana wishes to offer the amendment, I will accept it on behalf of the committee.

Mr. CLEMENTS. Mr. President, in order that we may keep in reasonable order, I now ask unanimous consent that the Senate proceed to the consideration of Calendar No. 857, Senate bill 1746.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1746) for continuing the Indian Claims Commission to April 10, 1962.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Kentucky?

There being no objection, the Senate proceeded to consider the bill.

Mr. ELLENDER. Mr. President, as has just been stated by the junior Senator from Wyoming, I objected to the passage of the bill on the Consent Calendar for the reason that it extended the time for the continuation of the Indian Claims Commission for 5 years from 1957, its present expiration date.

I now offer an amendment on page 1, line 7, to strike out "1962" and insert in lieu thereof "1959."

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Louisiana.

The LEGISLATIVE CLERK. On page 1, line 7, it is proposed to strike out "1962" and insert in lieu thereof "1959."

Mr. O'MAHONEY. I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana.

The amendment was agreed to.

Mr. CASE of South Dakota. Mr. President, does the bill in any way affect the jurisdiction of the Indian Claims Commission?

Mr. O'MAHONEY. In no way at all; the bill simply extends the period in which the Commission may act upon a large number of claims.

Mr. CASE of South Dakota. I have no objection. I think the proposed legislation is desirable.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 23 of the act of August 13, 1946 (60 Stat. 1055; 25 U. S. C. 70v), is hereby amended to read as follows:

"SEC. 23. The existence of the Commission shall terminate on April 10, 1959, or at such earlier time as the Commission shall have made its final report to Congress on all claims filed with it. Upon its dissolution the records of the Commission shall be delivered to the Archivist of the United States."

The title was amended so as to read: "A bill continuing the Indian Claims Commission to April 10, 1959."

THE SERIOUS IMPACT OF INCREASED HIGHWAY USER TAXES

Mr. WILEY. Mr. President, like my colleagues, I have received a great many messages from all over my State expressing deep concern over the heavy new taxes which are proposed on highway users in connection with the House version of highway improvement financing.

I, too, feel that the effect of these taxes would be extremely serious, indeed, not only on the great highway transportation industry but directly and indirectly on United States agriculture, particularly on the perishable-foods segment.

The American dairy industry crucially relies, of course, on truck transportation, and I feel that the provisions of the House bill are exceedingly unfair to it.

Beyond any question, sound means must be found for strengthening the Federal-State highway network and for financing the vast modernization and expansion program. But I definitely do not believe that the House of Representatives version represents the best way of achieving this result. I greatly prefer the administration's original version of financing proposals through a Federal highway corporation and issuance of bonds.

I send to the desk the texts of representative grassroots messages which I have received from my State protesting against the House proposals. I precede them by the text of a message from the independent advisory committee to the trucking industry, to which is attached the text of testimony delivered before the House Public Works Committee by that independent advisory committee.

I ask unanimous consent that this material be printed at this point in the body of the CONGRESSIONAL RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INDEPENDENT ADVISORY COMMITTEE TO THE TRUCKING INDUSTRY, INC.,
Washington, D. C.

Declaring that tax laws should be based on the principle of raising revenues and for no other purpose, the independent advisory committee to the trucking industry (ACT) today released the copy of its testimony to the Public Works Committee of the House of Representatives in regard to tax proposals for financing the highway construction program.

The ACT committee is a labor-management committee made up of Dave Beck, general president of the International Brotherhood of Teamsters, chairman of ACT; Burt Seymour, president of Associated Transport, Inc., the world's largest truckline, and vice president of the American Trucking Associations, cochairman; Roy Fruehauf, president of Fruehauf Trailer Co., cochairman; and Walter Carey, chairman of the American Trucking Associations Foundation, cochairman. The ACT statement was signed by all four.

The statement characterized proposals of H. R. 7072 as discriminatory and unfair. The statement pleaded that the trucking industry not be tied to the past on technological improvements of the industry under terms of the proposed bill which would limit sizes and weights of vehicles to 1946 standards and asked, too, that the industry's future and that of the nearly 7 million employees of the industry not be crippled by unfair and discriminatory taxes.

Text of the statement follows:

"STATEMENT ON BEHALF OF THE INDEPENDENT ADVISORY COMMITTEE TO THE TRUCKING INDUSTRY, INC., WASHINGTON, D. C., BEFORE THE HOUSE COMMITTEE ON PUBLIC WORKS, JULY 12, 1955, RE H. R. 7072

"The Independent Advisory Committee to the Trucking Industry (ACT) has supported the highway program from its inception before the Governor's Conference last year.

"Mr. Dave Beck, chairman of the ACT committee, was a member of the Clay Committee which formulated the original program.

"ACT has sought in every way to aid the formation of the program and to keep an open mind as to compromises in method which would produce the same result—namely an improved highway system which would aid our national economy in the years ahead, and provide a highway system to back up our national-defense facilities.

"Yet today ironically, we are here to oppose methods of taxation, to finance this program, which we feel to be discriminatory and unfair. We find that one section of the proposed legislation for a modern highway system, would bind our industry to the past. We refer to the proposal to restrict weights and lengths of vehicles to 1946 standards.

"And we find a tax schedule proposed to finance these highways which would seek to limit the financial future of the motor-carrier industry and eliminate portions of the industry from the competitive scene.

"Thus the industry which employs 1 out of 11 of all American workingmen and women bids fair to be caught in a switch: On the one hand tied to the past on progress and crippled on the other as to the financial future.

"A tax schedule along the line of that suggested in H. R. 7072 would discriminate not only against the operators of our industry but against the vast army of men and women who are dependent for their livelihood on that industry. And inevitably it would discriminate against the entire citizenry of the United States who depend on the motor-carrier industry for more than three-quarters of all the traffic that supports our national population.

"Present taxes provide a greater proportion of return from motor carriers than from other highway users. The figures presented by the American Trucking Associations illustrate this point graphically. We do not seek to change the past. Nor are we seeking to avoid paying the industry's fair share toward the construction of new highways.

"We do insist that new highway taxes should be levied fairly against all highway users. The natural differences between light and heavy vehicles will adjust the amount of tax proportionately between heavy trucks and light motor cars. A light car paying taxes on gasoline, for instance, gets 18 to 20 miles per gallon of gasoline. A heavier truck may get as low as 3 or 4 miles per gallon of gasoline, thus paying 5, 6, or 7 times the revenue for the same mileage. Registration fees per vehicle produce far greater fees for trucks than for passenger vehicles. Similarly on excise taxes on tires. A light car currently pays far less per tire than motor-carrier vehicles using larger and heavier tires—even at the same basic rate.

"This then is the fair way of paying the way. Build the roads with everyone sharing the load of cost and sharing at the same time the savings—savings in the cost of everything we buy, savings in wear and tear on nerves and savings in lives.

"Incidentally the savings in lives—safety—was one of the major portions of this highway program when it was first proposed by the President.

"We have stressed our opposition to unfair and discriminatory taxes and we have stressed the willingness of this industry to pay its way.

"In summation we would like to state specifically:

"As to an increase in gasoline and diesel oil taxes: The plan proposes an increase on diesel oil above the increase suggested for gasoline. This is rank injustice. If new revenues are necessary for this program let them be raised; but not by punitive taxes against a portion of our industry which happens to use diesel equipment. The only purpose of such a tax must be to seek the elimination of competition between the heavy truck and the railroads.

"As to the increase in taxation on tires and tubes whose size exceeds 8.5 x 18: At present excise taxes on tires are based on weight of the tire. Thus trucks pay a greater tax simply because they have heavier tires and more of them per truck. But to specify that the proposed tire tax increase would be applied only to large truck is unfair. If money needs to be raised by excise tax increases let it be raised on a just basis. Set an increase on the tax per pound of all tires, then the trucking industry will pay its proportionate share of the tax increase by virtue of its greater number of tires per vehicle and the greater weight per tire.

"Fairness in taxation has always been a tenet of American philosophy.

"Technological progress in the use of trucks as a transportation medium and in the building of highways upon which they operate should be not slowed to a stop.

"Let us approach the problem with these basic American concepts in mind. In this manner the tax laws will not be used for purposes other than the raising of revenue.

"DAVE BECK.
"BURT SEYMOUR.
"ROY FRUEHAUF.
"WALTER CAREY."

WISCONSIN TOWNS ASSOCIATION,
Wisconsin Rapids, Wis., July 18, 1955.

Hon. Senator ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SIR: At the annual council meeting of the Wisconsin Towns Association, held in Wisconsin Rapids, July 16, 1955, it was unanimously voted by the councilmen to oppose bill H. R. 7072, which proposes an increase in the tax on gasoline and diesel fuel, tires, etc.

Our association (consisting of 943 of the 1281 townships in the State of Wisconsin), believes that this is an unfair tax, at this particular time, as a good many States have already voted a gas-tax increase in their respective States. This again would increase the burden of the 165 million consumers in the United States; therefore, we urge you to vote against the above proposal.

Very truly yours,

BEN A. HANNEMAN,
Executive Secretary, Wisconsin Towns Association.

MADISON, WIS., *July 13, 1955.*

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

Wisconsin Farm Bureau board resolution today urges you reject proposed additional Federal taxes on motor fuels and request exemption from motor-fuel-taxes for farm-used fuels in any event.

CURTIS HATCH,
President, Wisconsin Farm Bureau Federation.

FOND DU LAC, WIS., *July 15, 1955.*

Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

Pure Milk Products Cooperative greatly opposes bill H. R. 7072 which would increase the Federal tax on gasoline from 2 to 3 cents and diesel fuel from 2 to 6 cents.

WM. C. ECKLES,
General Manager, Pure Milk Products Cooperative.

GREEN BAY, WIS., *July 18, 1955.*

Senator ALEXANDER WILEY,
Washington, D. C.

Vote against Senate bill 1048 which will cripple the trucking industry by excessive and discriminatory taxation. See no justification to single out one industry already paying more than its share of road cost to pay additional penalties. Total annual taxes as requested in bill applied to our operation would be more than double our average profit. This is true not only of my firm but many others and in end will ruin trucking industry. Strongly urge you do everything possible to defeat passage as industry cannot continue heavy support of road program with this added burden. This bill obviously is sponsored and promoted by factions with everything to gain by breaking many trucking firms as ours.

JOSEPH POMPROWITZ,
LCL Transit Co.

MANITOWOC, WIS., *July 18, 1955.*

United States Senator ALEXANDER WILEY,
United States Senate,
Washington, D. C.:

We are vigorously opposed to the proposed additional tax boosts on diesel oil, gasoline, and truck tires to finance improved national highways. Such a law would not be fair to the trucking industry. In fact it could hobble the trucking industry so severely as to unbalance our country's economy. Let's use good judgment and fair play in setting up a plan for national road construction which we require for continued prosperity.

CLARENCE F. GASS,
President, Teamsters Local No. 619.

MILWAUKEE, WIS., *July 18, 1955.*

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

We oppose and we ask you to oppose increase in heavy tax burden already being car-

ried by employers in the truck transportation field as proposed by new legislation. There is some other way to finance national highway program than putting our employers under unreasonable taxloads with respect to increased tax on gasoline, diesel oil, tires, and tubes and excise tax on trucks increased to equal excise tax on automobiles. Your cooperation in opposing the above taxation will be appreciated.

JOSEPH CAMINITI,
Secretary-Treasurer and Business Representative, Truck Drivers and Allied Industries Local Union No. 257.

MADISON, WIS., *July 18, 1955.*

Senator ALEXANDER WILEY,
United States Senate,
Washington, D. C.:

We vigorously urge you to vote against passage of House bill 7072, Senate bill 1048 which proposes extortionate tax levies against the trucking industry of which our company is a part. Passage of any part of this proposed bill will seriously hamper the economics of our company; further the proposed increase is discriminatory and would place a confiscatory burden on our company which is already overburdened with taxes. Again, with great emphasis, we urge you to vote against passage of this fantastic tax bill.

CLARENCE NEUENDORF,
President, Neuendorf Transportation Co., Madison, Wis.

SERVICE TRANSPER & STORAGE CO.,
La Crosse, Wis., July 19, 1955.

DEAR SENATOR: It is grossly unfair that our industry whose trucks made up such a small percentage of the vehicles using the highways—only 16.5 percent, yet who pay 42 percent of all registration fees and 29 percent of all motor fuel taxes for all kinds of transportation—be forced into paying these new extortionate taxes as approved by the House Public Works Committee.

These proposals which will come out either as House bill 7072 and/or Senate bill 1048 are confiscatory and discriminatory tax bills and we, as a part of the trucking industry, submit to you that these murderous bills are designed to break the back of all trucking companies.

We are fully aware of the need for improved highways, and we are also aware that these same highways are vital to farmers, traveling salesmen, pleasure drivers—in fact the whole automotive industry.

We want to pay our fair share of taxes for these highways, but we strenuously oppose highway robbery.

Sincerely yours,

P. L. SHRIVER,
President.

OSHKOSH CITY LINES, INC.,
Oshkosh, Wis., July 19, 1955.

Re H. R. 7072, A bill which proposed to increase certain Federal excise taxes

Hon. ALEXANDER E. WILEY,
Senate Office Building,
Washington, D. C.

HONORABLE SIR: We are very seriously concerned over this legislation which proposes to increase the Federal tax on gasoline, on diesel fuel, and on tires and tubes.

This bill, if passed as presently written, would increase our gasoline tax $220 annually, our diesel fuel tax $2,560 annually, and our tire and tube tax $920 annually, or a total increase in operating cost of $3,700 annually.

We, and all other urban bus companies, are in a very precarious financial condition. The State Legislature recognized this situation recently and granted the industry some measure of tax relief. (See enclosed copy of law.)

Bill H. R. 7072 would wipe out practically all relief gained through the State legislation and, if it is passed, this added expense and continually rising costs in all other phases of operation, coupled with a steady drop in patronage, plus the fact that we have reached the limit on fares would, beyond a doubt (as shown by enclosed data prepared by the Wisconsin Governors' Committee on Urban Transportation) soon bring this company and others to the point where they would have no alternative but to cease operations.

This proposed legislation, as written should be defeated. However, if that is not advisable, then certainly it should be amended so as to exempt urban transit companies from the proposed tax increases. We believe the fact that most urban transit companies operate over Federal-aid highways only to a very limited extent provides justification for tax relief at the Federal level.

Your favorable consideration of our suggestions will be greatly appreciated.

Respectfully yours,

KARL A. SCHMIDT,
General Manager.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Is there further morning business? If not, morning business is closed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed the bill (S. 1033) for the relief of Ann Arbor Construction Co., with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 3253) to amend section 6 of Public Law 874, 81st Congress so as to provide for the continued operation of certain schools on military installations.

The message further announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 4367. An act to provide for the distribution of funds belonging to the members of the Creek Nation of Indians, and for other purposes; and

H. R. 6796. An act to provide for the conveyance to the city of Clarksburg, W. Va., of certain property which was donated for use in connection with a veterans' hospital, and which is not being so used.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5046) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1956, and for other purposes, and that the House had receded from its disagreement to the amendments of the Senate numbered 48, 50, 58, 59, 62, and 68 to the bill, and concurred therein.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 898. An act to provide for the approval of deeds executed by the heirs of Anna Hollywood Fickz;

H. R. 910. An act to authorize and direct the sale of certain land in Alaska to John Ekonomos, of the Fairbanks Precinct, Alaska;

H. R. 999. An act for the relief of Nurith Spier;

H. R. 1022. An act for the relief of Antonio Andrea Chitato;

H. R. 1159. An act for the relief of Anna Histed (nee Wiesneth);

H. R. 1160. An act for the relief of Vittorio Capano;

H. R. 1161. An act for the relief of the American Barrel Co., Inc.;

H. R. 1183. An act for the relief of Baldomero R. Garcia, Teresa Garcia y Braganza, Francisco Garcia, Teresita Garcia, and Eduardo Garcia;

H. R. 1423. An act for the relief of Raymonde Rouxel Williams;

H. R. 1481. An act for the relief of Dezso Szilagyi;

H. R. 1539. An act for the relief of Mrs. Ruthe Graves Messer;

H. R. 1544. An act for the relief of Mrs. Moli (Mali) Sobel;

H. R. 1637. An act for the relief of Sam H. Ray;

H. R. 1877. An act for the relief of Roberto Fantuzzi;

H. R. 1878. An act for the relief of Mrs. Gertrud Maria Schurhoff;

H. R. 1887. An act for the relief of Dr. Tsi Au Li (Tsi Gziou Li), Ru Ping Li, Teh Yu Li (a minor), and Teh Chu Li (a minor);

H. R. 1907. An act for the relief of James Wilson;

H. R. 1976. An act for the relief of Luigi Tomasella;

H. R. 2273. An act for the relief of Der Chuck Yee and Wu Mei On;

H. R. 2278. An act for the relief of Consuelo Calderon de Villarreal;

H. R. 2342. An act for the relief of Robert B. Cooper;

H. R. 2466. An act for the relief of Marino and Giselda Proni;

H. R. 2467. An act for the relief of Ivo and Elia Monari;

H. R. 2525. An act for the relief of Madiros Kebabjian;

H. R. 2788. An act for the relief of Miguel Sandoval-Michel (also known as Arturo Rodriguez-Gomez);

H. R. 2945. An act for the relief of Joan Frances Feeley;

H. R. 3063. An act to confer jurisdiction upon the United States District Court for the Northern District of California, to hear, determine, and render judgment upon the claims of the Bartlett Springs Co. and certain others;

H. R. 3073. An act for the relief of Sigfried Olsen Shipping Co.;

H. R. 3349. An act for the relief of Osamu Ikeda;

H. R. 3373. An act for the relief of Mrs. Zella K. Thissell;

H. R. 3501. An act for the relief of Nisan Sarkis Giritliyan and Virgin Giritliyan;

H. R. 3845. An act for the relief of Guillermo Pedraza;

H. R. 3856. An act for the relief of Leopoldine Simonetti;

H. R. 3956. An act for the relief of Elizabeth Rotics Whitney;

H. R. 4508. An act for the relief of Henry T. Quisenberry;

H. R. 4718. An act to authorize and direct the issuance of patent to Robert W. Retherford, of Anchorage, Alaska, to certain land in Alaska;

H. R. 4852. An act for the relief of Joseph Gangemi and Anthony Gangemi;

H. R. 4867. An act for the relief of Helmuth S. Heyl;

H. R. 4970. An act for the relief of Edeltraudt Margot Gallagher, nee Hackelberg;

H. R. 5546. An act for the relief of Francisca Alemany;

H. R. 5767. An act for the relief of Sally S. Shulman or Zeli Sholman;

H. R. 6002. An act for the relief of Helene Rapp;

H. R. 6036. An act for the relief of Mrs. Florentine Kintzel;

H. R. 6078. An act for the relief of Alison MacBride;

H. R. 6158. An act for the relief of the estate of Carlo de Luca;

H. R. 6532. An act for the relief of John William Scholtes;

H. R. 6790. An act for the relief of Anna K. McQuilkin;

H. R. 6794. An act to authorize certain members and former members of the Armed Forces of the United States to accept and wear decorations, and supporting documents conferred upon them by the Government of the Philippines;

H. R. 6896. An act for the relief of Luisa Guidi Miller; and

H. R. 7029. An act to establish a permanent committee for the Oliver Wendell Holmes Devise, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 26. An act for the relief of Donald Hector Taylor;

S. 36. An act for the relief of Lupe M. Gonzalez;

S. 244. An act for the relief of Anna C. Giese;

S. 467. An act for the relief of Dr. Luciano A. Legiardi-Laura;

S. 633. An act for the relief of certain alien sheepherders;

S. 758. An act for the relief of Marion S. Quirk;

S. 1139. An act to extend the existing authority for the loan of a small aircraft carrier to the Government of France;

S. 1250. An act to declare Pike Creek above the easterly side of the highway bridge at Sixth Avenue in the city of Kenosha, Wis., a nonnavigable stream;

S. 1464. An act to authorize the Secretary of the Interior to acquire certain rights-of-way and timber access roads;

S. 1550. An act authorizing the State Highway Commission of the State of Maine to construct, maintain, and operate a free highway bridge across the St. Croix River between Calais, Maine, and St. Stephen, New Brunswick, Canada;

S. 1654. An act for the relief of Eliseu Joaquim Boa;

S. 1878. An act to amend the act authorizing the conveyance of certain lands to Miles City, Mont., in order to extend for 5 years the authority under such act;

S. 2097. An act to authorize the transfer to the Department of Agriculture, for agricultural purposes, of certain real property in St. Croix, V. I.;

H. R. 122. An act to amend the Commodity Exchange Act;

H. R. 899. An act to authorize and direct the sale of certain land in Alaska to Oscar H. Vogel, of Anchorage, Alaska;

H. R. 926. An act for the relief of Bruno Michael Kiuru;

H. R. 1217. An act for the relief of Evagelos B. Tzarimas;

H. R. 1218. An act for the relief of Mira Domenika Grgurinovich;

H. R. 1338. An act for the relief of Erich Wolf, also known as Ladislov Wolfenstein;

H. R. 1405. An act for the relief of Vassiliki D. Papadakou;

H. R. 1406. An act for the relief of Sister Antonina Zattolo and Sister Antonina Cali;

H. R. 1407. An act for the relief of Henry Kraemer;

H. R. 1503. An act for the relief of Helga Kutschka;

H. R. 1504. An act for the relief of Andreas Kafarakis;

H. R. 1617. An act to amend section 622 of the National Service Life Insurance Act of 1940;

H. R. 1619. An act to amend certain provisions of the Servicemen's Indemnity Act of 1951;

H. R. 1651. An act for the relief of Lucette Helene Adams;

H. R. 1655. An act for the relief of the Wojcik family;

H. R. 1684. An act for the relief of Rev. Zdzislaw Aleksander Peszkowski;

H. R. 1869. An act for the relief of Luis Deriberprey;

H. R. 1879. An act for the relief of Luisa Gemma Toffani, Rosa Sometti, Bianca Carpanese, and Margherita Bruni;

H. R. 1897. An act for the relief of Giuseppe Tumbarello;

H. R. 1935. An act for the relief of Giuseppe Curro Tati;

H. R. 1962. An act for the relief of Miss Athena Kitsopoulou;

H. R. 1964. An act for the relief of Mrs. Hildegarde Herrmann Costa;

H. R. 2358. An act for the relief of Pietro Murgia;

H. R. 2360. An act for the relief of Gloria Fan;

H. R. 3066. An act for the relief of Robert V. Blednyh;

H. R. 3813. An act to amend the act incorporating the American Legion so as to redefine eligibility for membership therein;

H. R. 3852. An act for the relief of Angel Medina Cardenas;

H. R. 3867. An act for the relief of Iwan Bonk and Tacianna Bonk;

H. R. 4046. An act to abolish the Old Kasaan National Monument, Alaska, and for other purposes;

H. R. 4585. An act to amend the act of August 24, 1912, to simplify the procedures governing the mailings of certain publications of churches and church organizations;

H. R. 4754. An act to redefine eligibility for membership in AMVETS (American Veterans of World War II);

H. R. 4946. An act to amend title IV of the Veterans' Readjustment Assistance Act;

H. R. 5300. An act to authorize the establishment of the City of Refuge National Historical Park, in the Territory of Hawaii, and for other purposes;

H. R. 5456. An act for the relief of Emil Arens;

H. R. 5792. An act to amend the Veterans' Readjustment Assistance Act of 1952, to extend the time for filing claims for mustering-out payments;

H. R. 6295. An act to amend section 3 of the Travel Expense Act of 1940, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes;

H. R. 6419. An act to redefine the terms "stepchild" and "stepparent" for the purposes of the Servicemen's Indemnity Act of 1951, as amended;

H. R. 6832. An act to provide for payment of a reasonable attorney's fee by the insured in a suit brought by him or on his behalf during his lifetime for waiver of premiums on account of total disability;

S. J. Res. 38. Joint resolution consenting to an interstate compact to conserve oil and gas; and

H. J. Res. 273. Joint resolution to establish a commission for the celebration of the 100th anniversary of the birth of Theodore Roosevelt.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 898. An act to provide for the approval of deeds executed by the heirs of Anna Hollywood Fickz;

H. R. 910. An act to authorize and direct the sale of certain land in Alaska to John Ekonomos, of the Fairbanks precinct, Alaska; and

H. R. 4718. An act to authorize and direct the issuance of patent to Robert W. Retherford, of Anchorage, Alaska, to certain land in Alaska; to the Committee on Interior and Insular Affairs.

H. R. 999. An act for the relief of Nurith Spier;

H. R. 1022. An act for the relief of Antonio Andrea Chitato;

H. R. 1159. An act for the relief of Anna Histed (nee Wiesneth);

H. R. 1160. An act for the relief of Vittorio Capano;

H. R. 1161. An act for the relief of the American Barrel Co., Inc.;

H. R. 1183. An act for the relief of Baldomero R. Garcia, Teresa Garcia y Braganza, Francisco Garcia, Teresita Garcia, and Eduardo Garcia;

H. R. 1423. An act for the relief of Raymonde Rouxel Williams;

H. R. 1481. An act for the relief of Dezso Szilagyi;

H. R. 1544. An act for the relief of Mrs. Moli (Mali) Sobel;

H. R. 1637. An act for the relief of Sam H. Ray;

H. R. 1877. An act for the relief of Roberto Fantuzzi;

H. R. 1878. An act for the relief of Mrs. Gertrud Maria Schurhoff;

H. R. 1887. An act for the relief of Dr. Tsi Au Li (Tsi Gziou Li), Ru Ping Li, Teh Yu Li (a minor), and Teh Chu Li (a minor);

H. R. 1907. An act for the relief of James Wilson;

H. R. 1976. An act for the relief of Luigi Tomasella;

H. R. 2273. An act for the relief of Der Chuck Yee and Wu Mei On;

H. R. 2278. An act for the relief of Consuelo Calderon de Villarreal;

H. R. 2342. An act for the relief of Robert B. Cooper;

H. R. 2466. An act for the relief of Marino and Giselda Proni;

H. R. 2467. An act for the relief of Ivo and Elia Monari;

H. R. 2525. An act for the relief of Madiros Kebabjian;

H. R. 2788. An act for the relief of Miguel Sandoval-Michel (also known as Arturo Rodriguez-Gomez);

H. R. 2945. An act for the relief of Joan Frances Feeley;

H. R. 3063. An act to confer jurisdiction upon the United States District Court for the Northern District of California to hear, determine, and render judgment upon the claims of the Bartlett Springs Co. and certain others;

H. R. 3073. An act for the relief of Sigfried Olsen Shipping Co.;

H. R. 3349. An act for the relief of Osamu Ikeda;

H. R. 3373. An act for the relief of Mrs. Zella K. Thissell;

H. R. 3501. An act for the relief of Nisan Sarkis Giritliyan and Virgin Giritliyan;

H. R. 3845. An act for the relief of Guillermo Pedraza;

H. R. 3856. An act for the relief of Leopoldine Simonetti;

H. R. 3956. An act for the relief of Elizabeth Rotics Whitney;

H. R. 4852. An act for the relief of Joseph Gangemi and Anthony Gangemi;

H. R. 4867. An act for the relief of Helmuth S. Heyl;

H. R. 4970. An act for the relief of Edeltraudt Margot Gallagher, nee Hackelberg;

H. R. 5546. An act for the relief of Francisca Alemany;

H. R. 5767. An act for the relief of Sally S. Shulman or Zeli Sholman;

H. R. 6002. An act for the relief of Helene Rapp;

H. R. 6036. An act for the relief of Mrs. Florentine Kintzel;

H. R. 6078. An act for the relief of Alison MacBride;

H. R. 6158. An act for the relief of the estate of Carlo de Luca;

H. R. 6532. An act for the relief of John William Scholtes;

H. R. 6790. An act for the relief of Anna K. McQuilkin; and

H. R. 6896. An act for the relief of Luisa Guidi Miller; to the Committee on the Judiciary.

H. R. 1539. An act for the relief of Mrs. Ruthe Graves Messer; to the Committee on Finance.

H. R. 4508. An act for the relief of Henry T. Quisenberry; to the Committee on Labor and Public Welfare.

H. R. 6794. An act to authorize certain members and former members of the Armed Forces of the United States to accept and wear decorations, and supporting documents conferred upon them by the Government of the Philippines; to the Committee on Armed Services.

H. R. 7029. An act to establish a Permanent Committee for the Oliver Wendell Holmes Devise, and for other purposes; to the Committee on Rules and Administration.

EXECUTIVE SESSION

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER laid before the Senate a message from the President of the United States submitting the nomination of Dudley C. Sharp, of Texas, to be an Assistant Secretary of the Air Force, vice John Roger Lewis, resigned, which was referred to the Committee on Armed Services.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

William C. Kern, of Indiana, to be a Federal Trade Commissioner, vice James M. Mead.

By Mr. SMATHERS, from the Committee on Interstate and Foreign Commerce:

John A. Hall, of California, to be Director of Locomotive Inspection; reported adversely.

The PRESIDING OFFICER. If there be no further reports of committees, the nominations on the calendar will be stated.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The legislative clerk read the nomination of Marion B. Folsom, of New York, to be Secretary of Health, Education, and Welfare.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF THE TREASURY

The legislative clerk read the nomination of H. Chapman Rose, of Ohio, to be Under Secretary of the Treasury.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Foreign Service.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the Foreign Service nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the nominations in the Foreign Service are confirmed en bloc.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. CLEMENTS. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXTENSION OF PROVISIONS OF TITLE 12 OF THE MERCHANT MARINE ACT, 1936

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 741) to extend the provisions of title 12 of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 5 years, which were, in line 3, to strike out "12" and insert "XII", and to amend the title so as to read: "An act to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 5 years."

Mr. MONRONEY. Mr. President, I move that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

AMENDMENT OF FEDERAL AIRPORT ACT, AS AMENDED

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1855) to amend the Federal Airport Act; as amended, which were, on page 2, lines 9 and 10, to strike out "At least 3 months prior to the close of each fiscal year, the" and insert "The"; on page 2, line 11, to strike out "prepare and revise annually" and insert "prepare, and thereafter, at least 3 months prior to the close of each fiscal year, to revise,"; on page 3, line 12, to strike out "$60,000,000" and insert "$40,000,000"; on page 3, line 13, to strike out "a like sum" and insert "the sum of $60,000,000"; on page 3, line 23, to strike out "$3,000,000" and insert "$2,500,000", and on page 3, line 24, to strike out "a like sum" and insert "the sum of $3,000,000."

Mr. MONRONEY. Mr. President, I move that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

AGRICULTURAL TRADE DEVELOPMENT

Mr. CLEMENTS. Mr. President, I suggest that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 2253) to reemphasize trade development as the primary purpose of title I of the Agricultural Trade Development and Assistance Act of 1954, which had been reported from the Committee on Agriculture and Forestry with an amendment on page 3, after the word "of", to strike out "this act" and insert "the Agricultural Trade Development and Assistance Act of 1954", so as to make the bill read:

Be it enacted, etc., That section 2 of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83d Congress) is amended—

(1) by striking out "in furtherance of the foreign policy of the United States"; and

(2) by striking out "to promote collective strength, and to foster in other ways the foreign policy of the United States" and inserting in lieu thereof "and to promote collective strength."

SEC. 2. Section 103 (b) of such act is amended by striking out "$700 million" and inserting in lieu thereof "$1,500 million. This limitation shall not be apportioned by year or by country, but shall be considered as an objective as well as a limitation, to be reached as rapidly as possible so long as the purposes of this act can be achieved within the safeguards established."

SEC. 3. Section 106 of such act is amended by inserting before the first sentence thereof, the following: "To provide authority commensurate with the responsibility assigned to him in Executive Order 10560 of September 9, 1954, the Secretary of Agriculture is authorized (1) to determine the surplus agricultural commodities and the quantities thereof that may be offered for sale under this act, (2) to determine the nations with whom agreements should be negotiated, and (3) to determine the commodities and quantities thereof and the uses of the funds that accrue therefrom, which may be included in the negotiations with each such country, with the advice of other agencies of government affected and within broad policies laid down by the President for implementing this act."

SEC. 4. The act of March 26, 1934 (48 Stat. 500), as amended by the act of June 29, 1936 (49 Stat. 1987), and the act of August 26, 1954 (68 Stat. 832), shall not apply to transactions under title I of the Agricultural Trade Development and Assistance Act of 1954.

Mr. CLEMENTS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. EASTLAND. Mr. President, on behalf of myself and Mr. ELLENDER, Mr. HOLLAND, Mr. SCOTT, Mr. YOUNG, Mr.

SCHOEPPEL, Mr. THYE, Mr. HICKENLOOPER, Mr. JOHNSTON of South Carolina, Mr. AIKEN, Mr. HUMPHREY, Mr. CLEMENTS, and Mr. ANDERSON, I offer an amendment in the nature of a substitute, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause, and to insert the following:

That section 103 (b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "$700 million" and inserting in lieu thereof "$1,500,000,000. This limitation shall not be apportioned by year or by country, but shall be considered as an objective as well as a limitation, to be reached as rapidly as possible so long as the purposes of this act can be achieved within the safeguards established."

SEC. 2. Section 106 of such act is amended by adding the following: "The Secretary of Agriculture is also authorized to determine the nations with whom agreements shall be negotiated, and to determine the commodities and quantities thereof which may be included in the negotiations with each country after advising with other agencies of Government affected and within broad policies laid down by the President for implementing this act."

Mr. EASTLAND. Mr. President, the principal difference between my amendment and the bill is that the bill would make the Cargo Preference Act, which was passed last year, inapplicable to sales for foreign currency under title I of Public Law 480. The bill also would strike from Public Law 480 the provision that the sale of agricultural commodities shall be in furtherance of the foreign policy of the United States. I think such a deletion would be meaningless. It was proposed in order to obtain the support of the executive branch of the Government.

My amendment will increase the funds available under Public Law 480 from $700 million to $1.5 billion, with a provision that such ceiling not be apportioned to limit the value of the goods within that amount which can be sold for foreign currencies in any year. This year, at the instance of the State Department, the ceiling was placed at $453 million, which stymied the effect of the act.

Under another provision, the Secretary of Agriculture is given authority to determine the nations with which agreements for the sale of goods under Public Law 480 shall be made, and to determine the commodities and the quantities thereof. In other words, it places the responsibility in the Department of Agriculture, where it belongs, and takes that responsibility from the State Department, an agency which has attempted to destroy the act. It provides that the Secretary of Agriculture must consult with other agencies of Government, but that the decision shall be that of the Secretary of Agriculture.

We think this is a good bill. It has been endorsed by the executive departments; and if there is any opposition, I do not know of it.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. ELLENDER. It is a fact that under the terms of the bill, if enacted, the Secretary of Agriculture would have the sole authority to determine the primary matters to be covered by negotiations under the act. It is my belief that the proposed change would be for the better; it would permit administration of the act as we originally contemplated. Congress has already enacted a law creating the positions of agricultural attachés. These attachés, who are charged with the duty to seek expanding markets for our farm commodities, are located throughout the world. I believe that those attachés will have a better opportunity to dispose of some of our farm surpluses if the principal matters to be negotiated are determined by the Agriculture Department instead of the Department of State.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield to the Senator from Vermont.

Mr. AIKEN. I realize that there may be some who will perhaps be inclined to question the advisability of giving this authority to the Department of Agriculture. However, it is my understanding that the Department of Agriculture and the State Department have an understanding on this subject. We are very fortunate in that, at last, the State Department and the Department of Agriculture appear to be working in harmony, and both directing their efforts toward expanding the exportation of surplus American farm commodities.

As the Senator from Mississippi has said, the limitation of $453 million placed on the amount of business which could be done in surplus commodities this year proved to be a little low, although at the time it was fixed it was thought it was more than could possibly be moved in that length of time.

We have now, within less than a year, nearly used up the $700 million in allowable business for a 3-year period. Certainly, so far as the act requires that these commodities may not displace existing normal trade, but must be used to build up business where it did not previously exist, we are very fortunate indeed that we have been able to make as much progress as we have made. If this bill is enacted, we shall be able to expand the business of selling surplus farm commodities and building up permanent markets where we had none before. The bill is a good one.

Mr. EASTLAND. I thank the Senator.

Mr. AIKEN. Personally I am sorry that one section of it had to be deleted, but I realize that we must get a bill through before Congress adjourns, and it was practical politics to eliminate that section.

Mr. EASTLAND. Yes. We could not get a bill through if we left the cargo preference provision in it.

Probably I have been derelict in my duty. The distinguished Senator from Louisiana [Mr. ELLENDER] appointed me as chairman of a subcommittee which held extensive hearings. The bill was reported. We considered the cargo-preference provision in a cursory manner, but we did not hold extensive hearings and develop all the facts.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. ELLENDER. In that connection, when the bill was reported to the Senate it was my understanding that the subcommittee had held full hearings on the 50–50 cargo provision, and on the basis of that understanding I answered letters which I had received from quite a few shippers throughout the country and told them that the subcommittee had already considered the question.

When I consulted further with the distinguished Senator from Mississippi, I learned that the consideration of that question by the subcommittee had been only incidental. I have already received a number of requests asking that full hearings be held on that subject. It is my opinion that full hearings should be held, so the committee can get all the information it can. However, our time is short. Full hearings on cargo-preference provisions, as contained in the present law, could not be held in the short time remaining before adjournment. Since revisions in the substantive portions of Public Law 480 are urgently required this year, the decision was made with the consent of most of the members of the Committee on Agriculture and Forestry, to strike section 4 from the bill, as has been explained by the Senator from Mississippi. Thus, the 50–50 shipping clause remains in status quo. I feel that this is the only fair thing we can do. In view of the fact that past hearings on the provision have been but cursory, as the Senator from Mississippi has indicated, I certainly do not desire to have the repealing provision included in the pending bill. I am pleased to report that the majority of the Committee on Agriculture and Forestry agreed and approved the present amendment which strikes section 4.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. AIKEN. In view of what we hope is nearness to the end of the session, it may have been a good practical decision to eliminate that provision. Nevertheless, the fact is—and I am sure it can be amply proved—that the 50–50 shipping provision with respect to surplus American farm commodities has cost us a great deal of business which we might have had with foreign countries.

Mr. EASTLAND. Mr. President, I want the RECORD to show that no Member of this body is stronger for the repeal of that provision than I am.

Mr. AIKEN. I agree with that position. I think we made a mistake in applying that provision to sales which are made to foreign countries for their own currency. I do not particularly object to it as it applies to the "giveaway" cargo, but when we sell to another country and that country pays for the goods in money with respect to which we expect to recover full value, that country should be permitted to get the cargo at the least possible expense to it.

Mr. EASTLAND. I think it is a mistake to apply that provision to the "giveaway" cargoes. The distinguished senior Senator from Delaware [Mr. WILLIAMS] placed the facts in the RECORD showing that the rates on goods which were given away have been increased.

Mr. AIKEN. They have been increased as much as 300 percent.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. ELLENDER. I wish to give assurance that if a similar bill comes before us next year, we shall go into the question of the 50–50 cargo preference provision. That will probably be done in January or February of next year. As a matter of fact, we are now considering quite a number of bills dealing with support prices for agricultural products. It is my hope to touch upon the subject of cargo preference during the fall of this year or perhaps early next year, so as to give ample opportunity to shippers to come before us and make their case.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. CASE of South Dakota. I wish to express my complete accord with what has been said as to the desirability of eliminating the 50–50 cargo provision with reference to the sale of commodities for foreign currencies. It is my opinion that the sale of surplus commodities for foreign currencies is the most practical way to have a two-price system operate. I take some credit for having suggested the use of foreign currencies in connection with the sale of our surplus commodities in dealing with the situation which developed in Korea; and I am glad to see the extent to which it is being developed, and glad to support the pending legislation, which proposes to increase the authorized amount.

We have tried to apply the principle in military construction. In the military public works bill of a year ago we established authority for the Secretary of Defense to utilize foreign currencies in the acquisition of some foreign military installations.

We have had a report on that activity this year by assistant Secretary of Defense Floete. He told us that he found some difficulties at first in getting the method to operate, but that it is now working. He reported to us on various contracts which had been negotiated and on others under negotiation.

Having in mind this utilization for the acquisition of some of our military needs abroad, I should like to ask the distinguished Senator from Mississippi, who is in charge of the bill, whether he believes there will be any difficulty or problem created by the proposed amendment to section 106. I refer to the following provision:

SEC. 3. Section 106 of such act is amended by inserting before the first sentence thereof, the following: "To provide authority commensurate with the responsibility assigned to him in Executive Order 10560 of September 9, 1954, the Secretary of Agriculture is authorized (1) to determine the surplus agricultural commodities and the quantities thereof that may be offered for sale under this act, (2) to determine the nations with whom agreements should be negotiated, and (3) to determine the commodities and quantities thereof and the uses of the funds that accrue therefrom, which may be included in the negotiations with each such country, with the advice of other agencies of government affected and within broad policies laid down by the President for implementing this act."

Mr. AIKEN. I point out to the Senator from South Dakota that the provision has been rewritten, and it is somewhat different now. The new provision eliminates some of the language read by the Senator from South Dakota.

Mr. CASE of South Dakota. I read from the text of the amendment handed to me by the distinguished Senator from Vermont. It would make the section read:

SEC. 2. Section 106 of such act is amended by adding the following: "The Secretary of Agriculture is also authorized to determine the nations with whom agreements shall be negotiated, and to determine the commodities and quantities thereof which may be included in the negotiations with each country after advising with other agencies of Government affected and within broad policies laid down by the President for implementing this act."

I note that the language eliminates the uses to which the funds which would accrue therefrom may be put. However, it still would leave with the Secretary of Agriculture authority to determine the nations with which agreements may be negotiated.

In the negotiations which have been conducted thus far for the acquisition of our foreign military needs, one of the most successful fields has been Spain. Would the language proposed give the Secretary of Agriculture authority over the Secretary of Defense in negotiating with the Government of Spain, for example, for the sale of these commodities?

Mr. EASTLAND. I am glad to yield to the Senator from Vermont at this point.

Mr. AIKEN. The Secretary of State has the final say on making trades with foreign countries.

Mr. EASTLAND. No; the Department of Agriculture.

Mr. AIKEN. They are made through the State Department. The Secretary of Agriculture determines the kind of commodities which are available in surplus. Under the bill, if passed, he could determine the countries to whom we might sell.

Mr. EASTLAND. And the quantities.

Mr. AIKEN. And the quantities. Cooperation between the State Department and the Department of Agriculture is still absolutely necessary, or we will not do any business at all.

Mr. EASTLAND. Let us understand the matter. The authority is in the hands of the Secretary of Agriculture. The bill places it there. The State Department has agreed to that provision.

Mr. AIKEN. But the State Department consummates the final deal.

Mr. EASTLAND. The Secretary of Agriculture must consult with the State Department and with other interested departments.

Let us take wheat as an example. When a sale of wheat is negotiated, before it is announced, the State Department consults every other wheat exporting nation in the world and finds out if they have any objections. That is one of the provisions we are trying to remove.

Mr. CASE of South Dakota. I am glad to have that eliminated.

Mr. EASTLAND. Another case deals with rice. The Japanese people do not like yellow rice. They want white rice. The Filipinos also want white rice. The policy of the State Department is not to sell American rice in the Orient. That is a decision which the Secretary of Agriculture should make. I do not believe it is right and I do not believe it is just that the rice farmer of California should pay for the entire oriental foreign policy of the United States Government.

We have a great Army overseas. In Asia that Army was buying butter from New Zealand. In Europe, the Army was buying butter from Holland and Denmark. At the same time we were storing surplus butter in caves which the taxpayers already owned. The State Department took the position that the American farmer and the American Government should not sell surplus butter to our Armed Forces overseas, but instead should buy it from New Zealand and Denmark.

Mr. CASE of South Dakota. Of course that was ridiculous.

Mr. EASTLAND. The question went before the Francis Committee, and it was decided against the State Department. An appeal was taken directly to the President, and the President upheld the Agriculture Department, and let the butter be used by the Army. All that takes time. Therefore it is necessary to place the authority under title I of Public Law 480 in one agency, which is sympathetic with the program and is sympathetic with promoting markets for American farm products. That is the reason the Secretary of Agriculture, while he may listen to the objections of the State Department, must have the power of decision.

Mr. CASE of South Dakota. I certainly appreciate the point the distinguished Senator from Mississippi is making. As a matter of fact, when I was chairman of the Subcommittee on Real Estate and Military Construction of the Committee on Armed Services in the 83d Congress, and sought to make it possible to utilize surplus commodities in providing for some of our military needs overseas, I ran into such a stone wall in the same area the Senator from Mississippi has mentioned, that I asked the State Department, the Defense Department, and the Department of Agriculture to send representatives to a meeting of the committee.

We had those representatives in the committee room. Even when we had them in the same room, we found it was difficult to get them to agree on a course of action.

Therefore I wrote a letter to the President of the United States. I told him I felt it would take his influence at the top level to get them to agree to implement any program of that sort.

Mr. EASTLAND. Let me make it clear that the sales of butter to the armed services to which the Senator from Mississippi has referred were not made under Public Law 480. However, the example shows the intention and the philosophy which control the State Department. That is why we should place the matter in the hands of the Secretary of Agriculture.

Mr. CASE of South Dakota. The record of the subcommittee of the Committee on Armed Services will show that the representative of the Defense Department, Construction Division, who first came before the committee, said he did not want to bother with the matter so far as Spain was concerned, because at most only a few million dollars of surplus commodities would be sold there. Actually the negotiations resulted in between $30 million and $40 million worth sold to Spain. I recognize it takes a little patience to work out these matters.

I wish to address a specific inquiry to the Senator in charge of the bill. I have in my hand the conference report on the Military Construction Act of 1955, which I believe the President has recently signed.

I read as follows:

SEC. 407. In addition to family housing otherwise authorized to be constructed or acquired by the Department of Defense, the Secretary of Defense is authorized, subject to the approval of the Director of the Bureau of the Budget, to construct, or acquire by lease or otherwise, family housing for occupancy as public quarters in foreign countries through housing projects which utilize foreign currencies to a value not in excess of $100 million acquired pursuant to the provisions of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83d Cong.) or through other commodity transactions of the Commodity Credit Corporation.

Mr. EASTLAND. The Senator is referring to the application to be made of foreign currency, under Public Law 480. This bill will not touch the disposition of foreign currencies. The President of the United States has designated the Department of Agriculture, the State Department, the Treasury Department, and, probably, the Department of Defense to handle that. I do not know whether the Department of Defense is included; but the agencies which he has designated will still determine the uses to which the foreign currencies are put. That authority is not lodged in the Secretary of Agriculture.

Mr. CASE of South Dakota. Will the amendment curtail the ability of the Defense Department to negotiate agreements?

Mr. EASTLAND. It has nothing to do with it. It does not touch the disposition of foreign currencies.

Mr. CASE of South Dakota. The Senator means that the Secretary of Agriculture will handle the sales and their conversion into foreign currencies, which can then be made available to the Secretary of Defense?

Mr. EASTLAND. Yes; under the present law, as the President of the United States has directed.

Mr. CASE of South Dakota. The Military Construction Act further provides that the Department of Defense shall pay the Commodity Credit Corporation from appropriations otherwise available——

Mr. EASTLAND. Of course, the law prescribes how the funds shall be used and how payment is made to the Commodity Credit Corporation. This bill has nothing to do with that.

Mr. CASE of South Dakota. In other words, then, this language, the Senator thinks, will facilitate, rather than limit, the conversion, so to speak, of surplus commodities into foreign currencies which, in turn, may be applied to our military accounts overseas.

Mr. EASTLAND. Certainly, because we shall have more foreign currencies under this bill. The President will direct how it shall be spent.

Mr. CASE of South Dakota. Mr. President, I wish to express my appreciation of this bill coming from the Committee on Agriculture and Forestry, because, as I have said previously, the sale of surplus commodities for foreign currencies is a practical way to make a two-price system work.

Mr. ANDERSON. Mr. President, I think it is extremely regrettable that the substitute which has been reported does not eliminate the preference clause on shipping. In the hearing which was conducted by the able Senator from Mississippi [Mr. EASTLAND], there was a statement by the Oregon Wheat Growers' League and the Oregon Wheat Commission. I ask unanimous consent to have a portion of that statement inserted in the RECORD at this point.

There being no objection, the portion of the statement was ordered to be printed in the RECORD, as follows:

One of the most serious handicaps to 480 appears to be developing as a result of the Butler amendment. As you all know, the Butler amendment requires that 50 percent of all United States commodities which are exported under foreign-aid programs must be carried in American ships. When this amendment was passed in Congress, the farm organizations did not oppose it because they did not realize at the time what effect it would have. The way it has worked out, however, it could seriously cripple our export program.

The first way it hinders the program is that it costs more to ship products in United States ships. For that reason, the United States has agreed to pay the freight on all 480 shipments handled by American bottoms. The money to pay this freight comes out of 480 appropriations. A qualified person in the United States Department of Agriculture has estimated that it could take about 27 percent of the money appropriated for 480 to pay freight costs to American shipping lines.

This means about $190 million intended for export of agricultural commodities will go to a handful of shipping companies which only operate some 76 tramp steamers and hire about 4,000 men. This is an outright subsidy to the steamship lines which is going to be charged to agriculture.

In addition to the loss of millions of dollars which could be used to sell our wheat and other commodities, the Butler amendment has made it increasingly difficult to make foreign-aid sales. Many importing countries have their own merchant fleets and want to use them. Also, there are only about 25 American tramp freighters operating in the Pacific Ocean. If Japan and India sign 480 agreements this year, it would be impossible to ship all of the wheat they would agree to take and carry half of it in American bottoms at a reasonable rate.

We respectfully request the members of this committee to give consideration to the effect of the Butler amendment on Public Law 480. We are not opposed to subsidies if they are necessary for American shipping companies, but they should not be charged to agriculture or allowed to cripple our export program.

Mr. ANDERSON. It will be noted that the statement says:

One of the most serious handicaps to 480 appears to be developing as a result of the Butler amendment.

The statement points out that it costs more to ship products in United States ships, and for that reason the United States has agreed to pay the freight on all 480 shipments handled by American bottoms.

All through the testimony there was the same problem of not being able to implement the program because of the higher cost.

The Committee on Agriculture and Forestry sat in the old Supreme Court chamber and worked hard on the bill. I should like to commend everyone who participated in it. The Senator from Vermont [Mr. AIKEN], the Senator from Florida [Mr. HOLLAND], the Senator from Mississippi [Mr. EASTLAND] all worked very hard to try to get a bill that would be satisfactory to all concerned.

It has been said that it does not make any great difference. But it does, Mr. President. A newspaper story published early this spring reads as follows:

DANES BALK AT BUYING SURPLUS IN UNITED STATES SHIPS

COPENHAGEN, April 5.—Denmark has refused to buy $7 million worth of United States surplus foodstuffs because half of it must be shipped in American ships.

A Danish purchase of American surplus food last November brought protests from local shipowners because of the United States shipping regulation.

Turning down the latest American offer, the Danish Government said yesterday it felt that trade in the free world should flow freely and that shipping should not be subjected to clauses reserving special rights for any nation.

The American Farm Bureau at its convention opposed the cargo preference for United States-flag ships because it impairs our markets. The actual fact is that it brings the tramp steamers a few million dollars, but it costs American agriculture hundreds of millions of dollars. It simply does not make any sense. The committee, under the direction of the able Senator from Mississippi, struck it from the bill.

Mr. CASE of South Dakota. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. CASE of South Dakota. I should like to say to the distinguished Senator from New Mexico that I should be glad to join with him or with any other Senator in an effort to eliminate it, if we cannot do it in this way.

Mr. ANDERSON. As soon as we come back into session in January we shall consider this problem and try to handle it. I do not think the surplus situation will get any better between now and January. This morning's newspapers refer to cotton drops 50 cents a bale. On 11 million bales that represents from $5 million to $8 million, which comes out of the American farmer. In part it is due to the cargo preference we have written into the bill. We do it every time, and it remains in because someone says we will have a long fight if we elimi-

nate it. I think we had better have the long fight and eliminate it.

Mr. CARLSON. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. CARLSON. I wish to commend the Senator from New Mexico for the statement he has just made with reference to the cargo preference clause. I think it is important not only to agriculture in this Nation but to the taxpayers as a whole. We should look into the matter while we have an opportunity to dispose of some of the surplus commodities which are costing the taxpayers money. Here we have an opportunity to dispose of some goods, and we destroy that opportunity by reason of the preference clause.

Mr. ANDERSON. I thank the Senator from Kansas, whose interest in farming I have known for a long time.

Mr. President, some years ago Prof. John Black, of Harvard, made a study of the effect of surpluses, and it became my privilege not only to study it carefully, but to require the Department of Agriculture to start checking the figures he had used. He pointed out that a surplus of 5 percent can drop the price 10 percent, and a surplus of 10 percent can drop the price 25 percent.

Congress tried to arrange ways of disposing of surpluses. The Senator from South Dakota suggested ways, and other Members of this body have been interested in the same subject. We allow a preference provision to destroy the program, and we always come back to the idea that we will take care of it later. We cannot calculate the cost to the American farmer by counting the number of bushels sold. We shall have an 11-million bale carryover of cotton. We have tried to move the cotton.

Mr. President, I wish I had time to pay the kind of a tribute I should like to pay to the able Senator from Mississippi [Mr. EASTLAND], who has never given up trying to solve the problem of moving surplus cotton. I join with him in the endeavors he makes to get it done. We should not hamper the effort again as it has been hampered before.

Mr. CASE of South Dakota. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. CASE of South Dakota. The able Senator from New Mexico is a good businessman in his own right. Does he know of any situation where a business firm finds itself with a large inventory in any particular line of goods and determines upon having a special sale to dispose of it, and then insists that a person can buy any of the goods at the inventory sale only if the purchaser will let the seller deliver the article in some sort of a subsidized operation at a high transportation cost?

Mr. ANDERSON. No, I may say to the Senator from South Dakota, I do not know of any, and neither does he, because that is not the way business is done.

Mr. CASE of South Dakota. Or deny the right of a purchaser to come and get what he buys.

Mr. ANDERSON. I should think we would welcome someone who would come and get a commodity when we have too much of it.

The Commission on Foreign Economic Policy—and I do not intend to go into this in great detail—in its report to the President and the Congress, January 1954, page 69, had this to say:

> The Commission recommends that the statutory provisions requiring use of United States vessels for shipments financed by loans or grants of the United States Government and its agencies be repealed and that support sufficient to maintain a merchant marine adequate to our national requirements be provided by direct means, such as those provided for under the Merchant Marine Shipping Act of 1936.

That is the way to attack the problem, if we want to solve it. We ought to handle the matter by the proper route, not by a route which is depriving the American farmer, day by day, of the proper protection.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. KNOWLAND. I think the explanation which was offered by the chairman of the committee and the chairman of the subcommittee was perfectly sound and valid. I do not wish to go into the merits or demerits of the so-called section 4. The senior Senator from Washington [Mr. MAGNUSON], who is interested in the subject, is not present now; and many other Senators also have expressed some interest in the subject over the years. But I think the point which they make, namely, that this provision was written into the law by Congress on, I think, 8 different occasions, in 1 form or another, is well taken. The only point was, as I understand, that since the provision is a part of the statute, they felt that, rather than to jeopardize the bill, they were at least entitled to have full hearings, so that a complete presentation might be made.

I think that is entirely valid; and the chairman of the Committee on Agriculture and Forestry has indicated, as have the members of the subcommittee, also, that early in the next session they will be prepared to extend hearings to the various groups which are interested.

But it is also important that the American merchant marine be kept on the high seas, so far as the national defense is concerned. I am certain the Senator from New Mexico would be the first to agree to that point.

A great many representatives of organized labor have expressed deep interest in this provision, and desire to have an opportunity to be heard before section 4 is stricken.

I think, under the circumstances, that the judgment of the committee and the subcommittee was sound in offering the substitute. I hope the substitute will be adopted in the form recommended by the committee, and that the committee, in orderly fashion, will then proceed to accord full hearings to both sides, so that the subject can be adequately explored.

Mr. ANDERSON. The able minority leader has made a speech to which I, myself, could well subscribe. I say to him, however, that the question always comes up in this way. All I am hoping to do is direct sufficient attention to it so that the next time the matter is considered we will be certain to have before us a bill which has been the subject of proper hearings.

If I had thought the fact that hearings had not been held would mean that it would be necessary to accept a section of a bill to which itself we have all subscribed, I would have suggested that we not be in a hurry with the bill, but should have hearings. I think it is tragic that each time the matter comes up we are confronted with the same situation.

It is quite true that this provision has been placed in the law 6, 7, or 8 times. Each time, what is the answer? Just as we are about to pass the bill, some Member rises and asks, "But you are for America, are you not? Let us provide that half must move in American bottoms."

The bill will give the American farmer a chance. In the language we have tried to say that the Secretary of Agriculture shall have the right to move the surpluses in whatever way he desires. I subscribe to that. I think it is necessary to give the Secretary the authority to sell and to move the surpluses for the benefit of the American farmer. But when that authority is given to the Secretary, his hands must not be tied by saying that shipments must be made in American bottoms, because such a program will upset the purchasers in other lands.

What I am hopeful of is that we will take some sort of high resolve and make certain that this situation will not happen again.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. There seems to be an impression that the 50–50 provision has been in the law for the past 7 or 8 years. It is not my understanding that the 50–50 provision, which we are now discussing, has been in the law for that length of time. There has been a 50–50 provisicn in the law as it affects contributions to needy persons in other countries.

Mr. ANDERSON. Yes.

Mr. AIKEN. But I do not recall that it had been in the law until 1 or 2 years ago. It provides that when a nation buys from us and pays for what they buy with their own money, they should then be required to have half of the shipment made in American bottoms.

Mr. ANDERSON. The Senator is correct. That is what has interfered with the program.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. MUNDT. I congratulate the Senator from New Mexico on the clear-cut statement he has made on the subject this afternoon. When S. 2253 was reported, I was happy to be associated as a cosponsor of the bill. I did not cosponsor the amendment, for the very good reason stated by the Senator from

New Mexico today. I am afraid that what we are doing, under the guise of a bill to help American farmers by disposing of agricultural surpluses, is to write legislation in fact which is primarily devised to help tramp shippers throughout the country and a few favored American shipping companies.

Mr. EASTLAND. How could that possibly be true?

Mr. MUNDT. As the Senator from New Mexico has pointed out in the case of Denmark and other countries which would be happy to buy our agricultural surpluses, such countries would find themselves unable to do so if they had to pay the extra high cost of shipping in American bottoms, because American shipping costs are beyond their ability to pay.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. KNOWLAND. Does not the Senator from South Dakota recognize the fact that there are all kinds of countries and all kinds of currencies?

In one case, a country might have hard currency, and the difference in cost would mean very little to the country concerned as to whether they purchased in their own currency or purchased in American dollars.

Actually what we are doing in this case is to support legislation which has heretofore been passed. I think there is great merit to the provision, because we hope that some day the currencies of the world will be stabilized.

What we are doing is to supplement currencies which, in many cases, are very soft currencies, and are not exchangeable, in fact, for American dollars. We are using a little poetic license when we say that other countries are purchasing with their own dollars. To the extent that they are furnishing pieces of paper, that is true.

But I think, under the circumstances, certainly before language is taken out of the basic act, which, if I am not mistaken, has been approved on three separate occasions by a yea and nay vote, the representatives of the various countries which have an equitable interest in the matter should have an opportunity to appear before the committee and participate, so that both sides can be heard.

That is the reason why I understand the chairman of the committee and the chairman of the subcommittee have presented a substitute.

Mr. ANDERSON. If the Senator from South Dakota will permit me to yield at this time to the Senator from Florida, I shall appreciate it, because I have scheduled a meeting of the Joint Committee on Atomic Energy to begin at 2 o'clock, and I wanted to make two or three further observations before leaving the floor. I shall, of course, allow the Senator to conclude his statement.

Mr. MUNDT. Certainly I have no reluctance about having the question threshed out thoroughly in committee. I think it should be threshed out on the floor, also, and be made Senate policy.

I point out that this shipping preference amendment is usually added on the floor, without hearings having been held. Certainly what is done on the floor of the Senate should be subject to the basic right of repeal on the floor of the Senate, without the holding of hearings.

Mr. ANDERSON. I think that is a very good point. The Senator is correct. This amendment has never been offered within a committee. No committee ever would report it. It is always submitted at the end of the debate, just as the Senate is in a hurry to dispose of the bill. Then the amendment is presented with the statement that it must be agreed to.

If Senators will refer to the hearings on the cargo preference bill, S. 3233, in the 83d Congress, 2d session, pages 23, 24, and 25, they will find the expressions of Norway, Sweden, and country after country on this subject. I shall quote one line from one such statement:

> The Norwegian Government is of the opinion that restrictions in the form of cargo preference measures of any kind are detrimental to international trade and commerce.

This amendment has been holding up bills regularly.

I now yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, I find myself in very strong agreement, in the main, with the position the Senator from New Mexico has taken. I certainly agree with him that the matter of applying the 50–50 provision to title I of Public Law 480 was a very great departure from the application of the provision to laws enacted before that time which had to do with giving relief or aid. If the 50–50 shipping provision had been applied only to title II, which has to do with aid, we would have been following the precedent previously established.

Mr. ANDERSON. The Senator is correct.

Mr. HOLLAND. But after we passed the bill, which was signed by the President only in July of last year, additional steps were taken to those we had taken before, because in title I, which has to do with the disposing of American agricultural surpluses, through sales for foreign currency, the shipping provision has operated as a handicap to the carrying out of our purpose.

I happen to know, from a recent experience, of an important industry of my own State, that the application of the provision has operated as a severe handicap. Prior to World War II we supplied practically all of the canned grapefruit hearts used by the United Kingdom. In 1 year the shipments went as high as 1¾ million cases. We have been unable to get them to buy any canned grapefruit hearts under this act, or, for that matter, to acquire any under the Mutual Security Act, because of their irritation following the application of the 50–50 shipping requirement.

They say to us, and it is extremely hard to meet the argument, "If you are trying to increase to prewar proportions your trade in the product in which you are interested and which we need, why should you require us to break our commercial habits, and to ignore the fact that we have very large numbers of ships available ourselves to transport our purchases, in order to help your agricultural industry in its very worthy objective?" It is hard to meet that argument.

Mr. ANDERSON. It is not only hard; it is impossible.

Mr. HOLLAND. I come from a maritime State, whereas none of the other Senators who have addressed themselves to this question today do. I do not have to make any apologies to the maritime interests. I recall that I recently handled a bill on the Senate floor which provided an operating subsidy of $115 million, for fiscal year 1956, for the maritime interests of the Nation, in order to offset the difficulties they encounter in competing with foreign shipping interests, and we came out of conference with a provision for $110 million. Important subsidies were provided, likewise, having to do with granting assistance in connection with the construction of new ships.

It seems to me we have a case in which we are within our rights in defending agriculture, that branch of our economy which has been hurt the worst by developments in international trade since World War II, by giving it a chance to reestablish and regain foreign trade, which does not depend on grants, but in which we ask the people to trade with us in their own currency.

We think we are right when we ask the maritime interests to recognize this as proper, and that in attempting to increase markets for our products, agriculture should have a right to consider the habits and practices of foreign nations.

I regret it was necessary to have to strike out section 4 of the pending bill. However, in view of the recent adverse vote in the House of Representatives and the short time remaining in this session, I reluctantly agreed to the striking of this particular section from the bill. I shall certainly join the Senator from New Mexico and other Senators at the first possible opportunity in the new session in an effort to take this handicap off the back of agriculture, which is entitled to regain foreign markets it has not been able to get back since the end of World War II.

Mr. ANDERSON. The Senator from Florida struck at the heart of the problem when he used one word, and said there was "irritation." The Senator from South Dakota struck the right note when he referred to the matter of delivery. I agree with the able Senator from Florida and with other Senators that there is a handicap, but I hope that in January the problem will be taken care of, because it has cost American agriculture a terrific price which is not necessary. It will also help dairy products—to a limited degree, certainly, but, at any rate, to some degree—if the restriction is taken off, and the help to the segments of agriculture involved would be of more benefit than would taking care of tramp steamers.

Mr. HOLLAND. Mr. President, regarding the 50–50 shipping requirement, which has been debated at some length on the floor, I ask unanimous consent to have printed in the RECORD at this

point an able letter on the subject from Mr. M. E. Hearn, export coordinator of the Florida Citrus Mutual, which represents nearly all the Florida citrus growers. The letter was addressed to me under date of July 12, 1955.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FLORIDA CITRUS MUTUAL,
Lakeland, Fla., July 12, 1955.

S. 2253.
Senator SPESSARD L. HOLLAND,
United States Senate, Washington, D. C.

DEAR SENATOR HOLLAND: We understand there is a strong possibility of opposition developing on the floor of the Senate over the 50–50 proviso elimination in this bill, recently approved by the Agriculture Committee.

Insofar as fruits are concerned, we questioned the wisdom of this measure which stipulated that half the cargoes move by American-flag vessels where Mutual Security Act funds were involved, as far back as February 25, 1954, with the Foreign Operations Administration charged with handling this program. At that time, we pointed out to Mr. Arthur G. Syran, Director of the Office of Transportation in FOA what difficulties were involved in adhering to this condition.

From the practical standpoint of the fruit exporter whose merchandise must move in refrigerated space to assure sound outturns at destination, it had been found that no American shipping concern was interested in diverting scheduled vessels to Florida ports for the European run. When the Spanish citrus freeze hit in early February 1954, we contacted every American shipbroker to find suitable space for the anticipated heavy orange movement out of Jacksonville or Fort Pierce to Rotterdam; the only replies received were from agents of Scandinavian and British shipping concerns. The same thing occurred in the fall of 1954. And, with the exception of an infinitesimal volume going through New York Harbor on regular scheduled European Continent runs by American vessels, every single box of the total volume of 1,150,000 boxes of oranges and grapefruit exported by this State to Europe went by Norwegian, Danish, Swedish, or British boats during the 1954–55 season. There simply are no unscheduled refrigerated boats of United States registry to be found.

The second question raised with the FOA was the matter of freight terms and conditions of payment. In 1954 we were approached by representatives of United States merchant shipping lines operating out of Florida, with the request that we use our influence to get processors to move their canned citrus by American ships. However, United States shipping lines were not prepared either to accept "freight payable at destination by consignee" or "freight payable in currency of country of destination" terms offered by competing foreign lines. To countries overseas, anxious to harbor their dollar reserves, paying for the freight in advance in United States currency was totally unacceptable if that was the requirement of American shipping lines, consequently the overwhelming proportion of the canned citrus exported went on foreign-flag boats. Whether the strict requirements of dollar payment in advance for freight are still in force on United States shipping, we do not know, but the fact still remains that a potentially large volume of business was lost to foreign fleets in past years. And, by giving consistently satisfactory delivery, many European shipping lines are now enjoying steady repeat business from Florida processors exporting to Holland, Germany, Belgium, and other areas.

The third point we raised, and have repeatedly brought up in talks with other fruit trade organizations was that this 50–50 is without question, highly discriminatory. As you know, the fruit industry of this country has opposed discrimination in every way, shape, size, and form, not only because we are one of the major victims but also because it hampers the normal flow of international trade and the natural interplay of open competition. We were particularly fearful of the reactions of foreign countries, particularly those maritime nations, traditionally good customers for American fruit, whose international trading deficits are recouped by invisible exports such as shipping and freight receipts. Last December, Mr. J. Henry Burke warned Florida Citrus Mutual's export committee that unless this 50–50 proviso were eliminated from Public Law 480, we could not expect any business in fruits from countries like Denmark and Norway; how accruate his prediction was is shown by the fact that these two markets are closed to us except on highly involved and complicated barter deals.

This 50–50 proviso was the major stumbling block that marred the United Kingdom-United States apple deal in October 1954, and we feel sure Truman Nold will be glad to furnish you with full details on the disastrous results of this delay in the negotiations.

The main point in Public Law 480 is that it is a trading bill, not a relief or gift scheme such as section 402 of Public Law 665. In other words, this country is trying to sell some of its agricultural commodities, not give them away. And, as seller, the United States must follow the wishes of its potential customers as to the means of transportation to be used. If it refuses, then there will be no sale in a number of instances.

Assuming freight rates on different methods of transportation to be equal, we believe a buyer has the option of selecting how his purchase will move from a plant to his warehouse. Atlantic Ocean steamship rates are, we believe, the same whether it be American, British, Dutch, or any other line, as these are determined by steamship conference agreements. So, logically, the foreign buyer should be able to choose what line his purcases under Public Law 480 should travel.

One way to settle any possible controversy over the 50–50 elimination would be to make the sales of eligible agricultural commodities on an f. o. b. United States port basis (and the buyer to select his transportation as he wishes), but to stipulate that any strategic materials acquired with the counterpart funds be moved in United States-flag ships. We suggest this as a compromise in the event of a deadlock during the debate of S. 2253 on the floor of the Senate.

At all events, we should like you to know that we warmly support your position on this piece of legislation, and trust that its passage will result in an increased movement of all agricultural commodities to overseas countries.

Most sincerely yours,

M. E. HEARN,
Export Coordinator.

Mr. EASTLAND. Mr. President, let me say that the distinguished Senator from New Mexico has performed a very fine service in pointing this matter out. It is going to be gone into in January. We must face the realities of the situation. The House of Representatives defeated the cargo provision by a vote of 2 to 1. If we adopted the provision, the bill would have to go through the House. The executive branch of the Government has taken a position on the bill. I think it would be much better if the matter were taken up in January.

Mr. MUNDT. Mr. President, while I withheld my name from the proposed amendment, I was a coauthor of S. 2253. I had fully intended to offer on the Senate floor an amendment to reemphasize and reinstitute section 4 and to knock out the shipping subsidy.

I have listened to the colloquy and the debates. I do not want to retard any good which could flow from S. 2253 in its present form, although, as I said earlier, I anticipate that most of the benefits which will flow from the bill will go to the heavily subsidized maritime industry rather than the agricultural industry, to which we give the highest lip service, but for which we do so very little.

However, my colleagues seem to feel that if we were successful in the effort in the Senate, the bill would bog down in the House; and to make an effort and fail would not accomplish our purpose. So we have what I conceive to be the assurances received from the members of the Committee on Agriculture and Forestry and other Senators that this matter will be considered in January, and that there will be debate, and we shall certainly be happy to have public hearings. As I said earlier, however, I cannot follow the logic of statements made that something which has been added repeatedly on the Senate floor should not be repealed on the Senate floor without hearings, to which I cannot subscribe.

At all events, I think perhaps the question ought to be given careful and lengthy debate, and in the debate and in the hearings I think it would be well to put in the RECORD comparative columns. There should be put in one column the subsidies received by the maritime industry in America in the last 10 years. After adding up that column and adding up the totem pole figures, there should be put next to it the column of figures of subsidy payments which agriculture has received in the like period.

For some reason, on the floor of the Senate and in the country as a whole, there has gotten across the idea that agriculture has been subsidized heavily by the taxpayers, whereas the record will show that agriculture has not been as heavily subsidized as has the maritime industry, or, if one prefers to consider it, the publishing industry.

The subsidy to one magazine in the United States alone has amounted to more than a large part of the entire cost of the price-support program. So, Mr. President, if it is necessary to hold public hearings in order to bring out a special bill to correct the injustice which we are about to perpetrate and continue in the pending bill, I shall welcome the opportunity to explore the whole matter of Government subsidies, not only in terms of what it cost to maintain decent, adequate, and honest price supports, but also in terms of what we pay to the slick-paper magazines, in the case of postal subsidies; and what we give to the maritime industry in terms of the subsidy, first for the building of ships and then for the operation of the ships; and also the subsidies we give the aviation industry and the other industries which seem to be able to maintain better

public relations with the taxpayer than the farmers have been able to maintain.

As I have said, contrary to my desire or expectation, I shall desist from offering this amendment at this time, but I myself certainly will bring it up on the floor of the Senate early next year, unless we can get a committee to report proposed legislation on the subject, and unless we can actually have the hearings for which a desire has been expressed today.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). The question is on agreeing to the amendment in the nature of a substitute, submitted by the Senator from Mississippi [Mr. EASTLAND], on behalf of himself and other Senators.

Mr. THURMOND. Mr. President, I should like to take this opportunity to commend the distinguished and able senior Senator from Mississippi [Mr. EASTLAND] for his outstanding leadership in supporting our agricultural program. He has been a very able leader in this field, which is a most important one from the standpoint of the farmers. I do not know of any segment of our population which receives so little for its efforts and work as do our farmers. The United States is a great country; it is a great country of producers—industrial producers and agricultural producers. On 6 percent of the farm acreage of the world, we are producing more than 50 percent of the food of the world; and it is highly important that we take every possible step to obtain markets for this food. It is also highly important that we take every possible step to obtain markets for our cotton, tobacco, and other agricultural crops.

I feel that this program is one of great importance. Again, I wish to commend the distinguished senior Senator from Mississippi for the fine service he has rendered; and I also desire to commend the other members of the Committee on Agriculture and Forestry for their support of this important program.

Mr. PAYNE. Mr. President, the Senator from Maryland [Mr. BUTLER] had intended to be present today, but, unfortunately, he is unable to do so. He wished to make a statement in connection with this bill. I ask unanimous consent that a statement he has prepared be printed at this point in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BUTLER

Title I of Public Law 480 is a program to sell farm products. We are all familiar with the plight of the American farmer and have seen our agricultural surpluses mount while our foreign markets have diminished. If we are to have a prosperous agriculture, it is necessary to sell at least $4 billion worth of farm products every year to foreign countries.

In 1954 we were able to sell only $3 billion worth. Public Law 480 is designed to assist in the expansion of these foreign markets by selling farm products for foreign currency and by using a part of the foreign currency for the building of a permanent demand for American farm products and the developing of an ability to pay for our farm products.

My information indicates that the United States has approximately $8 billion worth of surplus farm products. Section 2 of S. 2253 proposes to authorize the use of $1 billion worth of this stock to help achieve the objectives in Public Law 480. It makes sense to me that we should use one-eighth of our present surpluses to expand foreign markets and thereby help to prevent the accumulation of greater surpluses.

Since November of 1954 agreements have been signed under Public Law 480 which total $468.8 million. This figure includes the total Commodity Credit Corporation cost in these transactions, and in reality only $328.5 million worth of farm products have been sold.

Public Law 480 authorized $700 million for this program. In less than a year of operation $468.8 million has been obligated.

It appears likely, therefore, that the original authorization will soon be completely used and that this program, which was supposed to run 3 years, will be terminated in something less than a year and a half. To me, it is unthinkable that we should let this vital farm program, which has proved its merit, be cut short.

It is encouraging to see our wheat, cotton, cottonseed oil, and tobacco moving into foreign commerce and fighting to regain forein markets for American farmers.

S. 2253 will allow even greater quantities to be sold to our foreign customers. These products are not being given away; they are being sold. They are being taken out of storage and being put to work for American agriculture.

I urge the Senate to pass S. 2253 and thereby permit this successful farm program to continue for at least 3 years, as we had originally planned when Public Law 480 was enacted.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that a statement prepared by me in relation to Senate bill 2253 be printed in the RECORD at this point.

There being no objection, Mr. MAGNUSON'S statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAGNUSON ON S. 2253, AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE PROGRAM

The basic issue before the Congress in S. 2253 is basically a very simple one.

The Federal Government currently has an investment of almost $8 billion in farm commodities. American farmers are capable of producing substantially in excess of domestic requirements. Substantial foreign markets are necessary if we are to avert catastrophic price situations.

Public Law 480 provides a mechanism for making effective use of these commodities. It avoids the adverse consequences of the alternative procedure sometimes advanced, that is, giving our farm products away, or dumping them on world markets at drastically reduced prices.

It has a second important advantage in that the foreign currencies acquired through the sales of surplus products are used to develop on a permanent basis the effective demand of consumers in other countries for American farm products.

We are not, of course, in S. 2253, advancing into a new field of public policy. S. 2253 merely implements, by an increase in the authorization for Public Law 480, the continuation of a program which has been successful in promoting and developing markets for farm products to the mutual benefit of the United States and foreign countries.

The original authorization for this program was $700 million. In less than a year's time over $450 million has been obligated. It is obvious, therefore, that if these sales for foreign currency are going to be continued for the full 3 years as initially planned, the authorization must be increased. I do not feel that a program such as this should be paralyzed for being successful. It should not be terminated because substantial sales have been made in less time than many thought would be possible. If we are to give the program a real opportunity to produce its full benefits, the program should be allowed to operate for 3 years. We should continue to try to create new markets for our farm products and to expand old markets.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute, submitted by the Senator from Mississippi, on behalf of himself and other Senators.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment and third reading of the bill.

The bill (S. 2253) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 103 (b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "$700,000,000" and inserting in lieu thereof "$1,500,000,000. This limitation shall not be apportioned by year or by country, but shall be considered as an objective as well as a limitation, to be reached as rapidly as possible so long as the purposes of this act can be achieved within the safeguards established."

SEC. 2. Section 106 of such act is amended by adding the following: "The Secretary of Agriculture is also authorized to determine the nations with whom agreements shall be negotiated, and to determine the commodities and quantities thereof which may be included in the negotiations with each country after advising with other agencies of Government affected and within broad policies laid down by the President for implementing this act."

ASSISTANCE TO FEDERAL EMPLOYEES AND MEMBERS OF THE ARMED FORCES TO EXERCISE THEIR VOTING FRANCHISE

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar 585, House bill 4048.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 4048) making recommendations to the States for the enactment of legislation to permit and assist Federal personnel, including members of the Armed Forces, and their families, to exercise their voting franchise, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. GREEN. Mr. President, this bill was passed by the House of Representatives, where it was introduced; and subsequently it came to the Senate, where it was referred to the Committee on Rules and Administration. From that committee, I reported the bill, with the recommendation that it pass.

It makes certain changes in existing legislation with respect to the exercise of the voting franchise by members of the Armed Forces abroad, or absent from their place of residence.

I doubt very much whether it is necessary to go into detail. The bill would repeal the act of September 16, 1942, as amended, and substitute other provisions which seem to be more appropriate under existing conditions.

I believe an amendment is to be offered by the Senator from Missouri [Mr. HENNINGS].

Mr. HENNINGS obtained the floor.

Mr. KNOWLAND. Mr. President, before the amendment is offered or explained, I think there should be a quorum call. I therefore suggest the absence of a quorum, with the understanding that the Senator from Missouri shall not lose his right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The bill is open to amendment.

Mr. HENNINGS. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 12, after line 17, it is proposed to strike out:

SEC. 307. The act entitled "An act to provide for a method of voting, in time of war, by members of the land and naval forces absent from the place of their residence," approved September 16, 1942 (56 Stat. 753), as amended, is repealed.

And, in lieu thereof, to insert:

SEC. 307. The provisions of titles II, III, and IV of the act entitled "An act to provide for a method of voting, in time of war, by members of the land and naval forces absent from the place of their residence," approved September 16, 1942 (56 Sat. 753), as amended, are repealed.

Mr. GREEN. Mr. President, I am ready to accept the amendment.

Mr. KNOWLAND. Mr. President, may we have a brief explanation as to what the amendment provides?

Mr. GREEN. The bill itself rewrites the whole existing law. The amendment, in effect, says, "No; we will repeal the existing law, except as otherwise provided in the amendment."

The amendment retains the first title of the law. If Senators wish, I shall read it. However, it is a minor part of the whole law, and therefore I think it better to accept the amendment, in order to have the other provisions adopted.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. GREEN. I yield.

Mr. CURTIS. In other words, the House bill, which is the bill before the Senate, repeals the existing law. Is that correct?

Mr. GREEN. That is correct.

Mr. CURTIS. The proposed amendment would repeal the existing law except for title I. Is that correct?

Mr. GREEN. That is correct.

Mr. CURTIS. Mr. President, I ask unanimous consent that the clerk may read Title I of the act of September 16, 1942. It is found in the committee report.

The PRESIDING OFFICER. Without objection, the portion of the report indicated by the Senator from Nebraska will be read.

The legislative clerk read as follows:

TITLE I

SPECIAL METHOD OF VOTING IN TIME OF WAR

SECTION 1. In time of war, notwithstanding any provision of State law relating to the registration of qualified voters, every individual absent from the place of his residence and serving in the land or naval forces of the United States, including the members of the Army Nurse Corps, the Navy Nurse Corps, the Women's Navy Reserve, and the Women's Army Auxiliary Corps, who is or was eligible to register for and is qualified to vote at any election under the law of the State of his residence, shall be entitled, as provided in this act, to vote for electors of President and Vice President of the United States, United States Senators, and Representatives in Congress.

SEC. 2. No person in military service in time of war shall be required, as a condition of voting in any election for President, Vice President, electors for President or Vice President, or for Senator or Member of the House of Representatives, to pay any poll tax or other tax or make any other payment to any State or political subdivision thereof.

SEC. 3. Nothing in this act shall be deemed to restrict the right of any member of the Armed Forces of the United States or of any other person to vote in accordance with the law of the State of his residence.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Missouri.

Mr. HENNINGS. Mr. President, will the Senator from Rhode Island yield for a question and an observation?

Mr. GREEN. I yield for that purpose.

Mr. HENNINGS. I assume that the distinguished chairman of the committee has observed that when the committee was considering H. R. 4048, through an oversight we failed to notice that the House version repealed all the titles of the existing Soldiers' Voting Act of 1942.

The chairman will agree that the committee wished to retain the provisions of Title I of the 1942 act as a part of the law. Title I of the law contains provisions which protect the general right of voting in time of war.

I believe, Mr. President, it is important that those general provisions be retained. The amendment I have offered is designed to correct the oversight to which I have referred. Instead of repealing all of the existing law on the subject, it repeals all except Title I of the Act of 1942.

I thank the distinguished chairman for yielding to me. I hope the bill will be speedily passed.

Mr. SALTONSTALL. Mr. President, will the Senator from Rhode Island yield to me for a question?

Mr. GREEN. I yield.

Mr. SALTONSTALL. In other words, the amendment, which is a perfectly proper amendment, suggests methods by which States may make it possible for sodiers and other members of the armed forces to exercise their right to vote. It does not place any obligations upon a State. I merely makes recommendations with respect to how the purpose of the law can be attained in the most proper and helpful fashion. Is that correct?

Mr. HENNINGS. The distinguished senior Senator from Massachusetts has accurately stated the proposition. For the reasons he has stated it is very important that the Senate acts speedily and promptly on the measure, so that the States, within their own judgment and determination, may follow the Federal pattern with relation to soldier voting.

I may say, too, that the Senator from Rhode Island had drawn an amendment, as had the Senator from Indiana, which contained the same provisions and subject matter contained in the amendment offered here today.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. HENNINGS].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 4048) was read the third time and passed.

Mr. LEHMAN. Mr. President, I wish to congratulate the senior Senator from Missouri [Mr. HENNINGS] for his assistance in expediting the passage of this important piece of legislation which will provide adequate arrangements for permitting absentee voting by members of our Armed Forces and overseas Government personnel.

I ask unanimous consent that a brief statement I have prepared on this measure be printed in the body of the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LEHMAN ON THE PASSAGE OF H. R. 4048, THE FEDERAL VOTING ASSISTANCE ACT

The provision of adequate and expeditious arrangements permitting the members of our Armed Forces to participate in Federal elections by means of absentee ballots is of the utmost importance if we are to maintain the broadest possible participation in our national elections.

I, for one, do not feel that the privilege of political participation in our Federal elections should be limited by the fact that one chooses to serve in the Armed Forces, or in a civilian overseas position with an agency of the Federal Government. I am heartily in favor of the broad principles expressed in the Federal Voting Assistance Act of 1955 (H. R. 4048).

On February 2, 1955, President Eisenhower wrote the Governors of the 48 States expressing his interest in making every possible

arrangement necessary for guaranteeing the full participation of members of our Armed Forces in Federal elections. The President said, in part: "In the case of individuals serving their country in the Armed Forces, the assurance of this opportunity to exercise the free right of suffrage should be a special obligation of the State and Federal Government." I believe that in New York State we will be able to adapt the machinery already in existence in the Department of State, Division for Servicemen's Voting, to the terms and procedures set forth in this mill. I hope that all States will be able to do the same in time for the national elections in 1956.

The amendment which has been adopted by the Senate is of special importance to those of us who wish to assure the right of all persons eligible under this act the right to vote.

I do not believe any member of our Armed Forces should be required to pay a poll tax as a prerequisite to voting by absentee ballot in his home State. The present Soldier Voting Act of 1942 contains a provision which exempts members of the Armed Forces from the payment of poll tax in time of war or national emergency. In addition, the Universal Military Training and Service Act of 1951, which was recently extended by the Senate on June 16, 1955, contains an exemption from the payment of poll taxes as a prerequisite for voting by persons enlisting or drafted under that act (50A U. S. C. 459).

It is my understanding that most of the States which still maintain the unfortunate poll tax requirement as a prerequisite for voting have, in recent years, adopted exemptions from such payments for persons serving in the Armed Forces. There is at least one State which has no such exemption at all, and a number of the others have laws and constitutional provisions restricting, in one degree or another, the poll tax exemption for members of the Armed Forces.

I, of course, hope that the day will soon come when all States will have abolished poll tax payment as a prerequisite for voting. However, until such a time arrives, I feel that it is important that we retain those provisions in existing Federal law which exempt members serving in the Armed Forces. This has been done in the many extensions of the Selective Service and Universal Military Training Acts. It is important that the pertinent provision in the present Soldier Voting Act of 1942 also be preserved.

I am therefore gratified with the action of the Senate today in adopting an amendment to the House bill to retain the present law on this subject. I hope that this important amendment will be insisted upon in conference and accepted by the House conferees.

PHILIPPINE TRADE AGREEMENT REVISION ACT OF 1955

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 869, House bill 6059.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 6059) relating to revisions of the executive agreement concerning trade and related matters entered into by the President of the United States and the President of the Philippines on July 4, 1946.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. BYRD. Mr. President, I wish to make a very brief statement with respect to the bill. It provides for a revision of the trade agreement between the United States and the Philippines.

Probably the most significant change which would occur in United States-Philippine trade relations under H. R. 6059 is that the Philippine tariff preferences on United States articles would disappear more rapidly, and the United States preferences on Philippine articles would disappear less rapidly than under the 1946 agreement.

The Republic of the Philippines at the present time imposes a tax of 17 percent on all sales of foreign exchange. Under the agreement authorized by H. R. 6059 this exchange tax would be eliminated and a special temporary import tax would be substituted therefor which would not exceed 17 percent and which would be gradually eliminated by January 1, 1966.

The bill would revise the quota provisions of the agreement to eliminate quotas that have proved unnecessary; to provide for the slower disappearance of duty-free tariff quotas on scrap and filler tobacco, cigars, coconut oil, and buttons of pearl or shell; and to provide for the deletion of provisions specifying how United States quotas on Philippine products are to be allocated among producers in the Philippines.

The present agreement has no provision currently effective relating to the reciprocal entry of traders and investors. Under the revised agreement, as contemplated in H. R. 6059, the Philippines would be obliged to take the necessary legislative and executive actions to enter into an agreement with the United States for the reciprocal entry of traders and investors as authorized by Public Law 419 of the 83d Congress.

Under H. R. 6059 the 1946 agreement would be amended to provide a clear statement of rights of citizens of the United States to engage in business activities in the Philippines on the same basis as Philippine nationals. These rights would be in addition to those guaranteed in the parity article of the 1946 agreement relating to the exploitation of natural resources and the operation of public utilities. This revision would also provide for the extension of like treatment to Philippine citizens to engage in business activities in the United States.

Mr. President, there was no opposition to the bill in the Finance Committee. No one appeared in opposition to it. It was reported by unanimous vote of the committee.

Mr. BARKLEY. Mr. President, I should like to make a very brief statement with reference to the measure.

As the Senator from Virgina has stated, it was reported by unanimous vote of the Committee on Finance. I wish merely to state that as a Senator representing, in part, a tobacco-growing State, I am interested in trade relations between the Philippines and the United States.

The Sugar Act will expire at the end of 1956, and, presumably, Congress will be called upon to enact legislation dealing with the importation of sugar under quotas, and either to reenact the present law or to change it so that a new act will take effect in 1957.

It is my hope, and I am sure the hope will be shared by our friends in the Philippines, who are just as much interested in the matter as we are, that when the time comes to reconsider our relationships with the Philippines in other fields in regard to trade we shall receive the same consideration from them that they are receiving from us by this measure.

I am very glad to support the bill in the Senate, as I did in the committee.

Mr. KNOWLAND. Mr. President, the bill before the Senate, H. R. 6059, relates not merely to a trade agreement between two countries. It is a measure with a message. The message is addressed to the two countries involved, the United States and the Philippines. It is also addressed to Asia and the world.

The United States declared the independence of the Philippines in July 1946, and in making that declaration we gave them a trade agreement to help strengthen their economic sinews. With those two complementary actions we could have rested our case.

Nine years later we modify the trade agreement to update it and adapt it to the changed conditions brought about by independence. We still feel a continuing responsibility over the welfare of the Philippines. We want their independence to be a healthy and vigorous one.

Our message to the Filipino people through this bill is that we have faith in them. By electing as their chief executive a man who, like President Ramon Magsaysay, is a shining example of integrity in public office and a red-blooded fighter against Communism, they have shown that they deserve the support of all those who believe in human freedom. When they sent to the Bandung Conference a Filipino statesman, Carlos Romulo, who, by his courage and ability, embodied all that is best in the free world, and commanded the respect and admiration of his fellow Asians, thus scoring a victory for democracy of far-reaching significance, again they showed that they are a people who deserve the best from us.

The message of this bill to our people is that we should take pride in the thought that we helped in the birth of a new republic that is making positive and substantial contributions to the fight for democracy. Its people have shown that they not only deserve but that they earned their freedom, and the American people should be proud of the achievements of the Filipino people. That pride we reveal in the pending bill, because it is a bill that shows our friendship for the Philippines.

The message to the world in this bill is that America stands by its friends.

Mr. President, in the long history of the Soviet Union, both under the Czars and under the commissars, there is nothing comparable to the action of the

United States in setting up a free, independent Philippine Republic. Indeed, there is nothing comparable to the action of Great Britain in setting up a free and independent Pakistan and Burma. To the contrary, during the same period of time nations which had once been free have lost their freedom to international communism. So, Mr. President, I think this is again a demonstration that we have faith in the Philippine Republic, and that we believe she is ultimately destined to be one of the great showcases of freedom in the Far Pacific.

Mr. LEHMAN. Mr. President, when the Philippine trade bill was called up on the consent calendar, I spoke at considerable length in support of it. But my admiration, and affection for and my confidence in the Philippine Republic and the Filipinos are so great that I wish to speak very briefly in support of the bill.

We know the caliber of those people. We have knowledge of their long friendship toward us and of our friendship toward them. We have seen them in action and observed how they behave both in time of peace and in time of war. We are familiar with their extraordinary heroism and determination, and of their great and unyielding adherence to the principles of democracy and freedom. They are not only the friends of the United States; they are the friends of free people everywhere.

We recall the support we had from that great representative of the Philippine Republic, General Carlos Romulo, at Bandung and the manner in which he stood up for the principles which alone would give promise of friendly relationship and relationships of confidence between the countries of Asia, the countries of Western Europe, and the United States.

I support the bill for many reasons, as I have said: First, because of my admiration of what the Filipinos have been and are now doing, and also because of the confidence I have in them.

But there is another and a deeper reason why I so strongly favor the bill. It is because I believe the relationships which exist between the United States and the Philippines offer the best evidence that the Far East and the West can live and work together and have full confidence in each other.

If we are to establish a formula for peaceful relationships with other free nations, we must have their confidence. We must be able, by our acts, not merely by our words, to show that we mean well by them; that we will fulfill our promises; and that we wish to help them raise their standard of living; but, above all, that we wish to help them to maintain their complete freedom.

For all these reasons, Mr. President, I wholeheartedly support the measure.

Mr. BRIDGES. Mr. President, I agree with the remarks which have been made by my colleagues, especially the chairman of the Committee on Finance, the senior Senator from Virginia [Mr. BYRD], in presenting the Philippine trade agreement bill to the Senate.

The relationship of the Philippines and the United States has been unique not only in modern times, but throughout history. The very unselfish attitude of the United States toward the Philippines has been demonstrated time after time. During the years prior to and after they were granted their independence, the attitude of the Philippine people toward our country has been of the friendliest nature. It has been everything we could expect of a friendly ally.

The reciprocal trade agreement proposal with the Philippines was negotiated, on the part of the United States, by a commission headed by a citizen of my State, James Langley, of Concord, N. H., an able man who has spent many months of untiring service in working out the details of the agreement. That commission presented a very forthright, able case before the House and the Senate committees. I think the high quality of their reports and recommendations has been thoroughly manifested by the decision of the committee to report the bill unanimously.

Therefore, I wish to go on record at this time as favoring the passage of the bill. I believe it will be another step in a diplomatic and economic relationship with the Philippines which will inure to the advantage of both countries.

Mr. HUMPHREY. Mr. President, I merely wish to join with my colleagues in support of the bill, and to say it is a great source of satisfaction and gratification to the people of the United States to have this very wonderful, friendly, and cooperative relationship with the peoples of the Philippine Islands.

The realization of Philippine independence—independence not only in name but in fact—will always be a living memorial to the fulfillment of the principles of American democracy.

The great Philippine nation is a stanch ally of ours in the Far East. It is truly an Asian nation, but an Asian nation which sets a pattern of democratic living. I think it is to the enduring benefit of all the world that the close friendly relationships between the United States and the Philippines be augmented and strengthened on every occasion, and that is exactly what we are doing in this proposal.

I wish to join with the committee and with the Members of the Senate who have worked for and supported the proposal, because I believe it will stand us well in the years to come.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill (H. R. 6059) was ordered to a third reading, read the third time, and passed.

REPORT BY SENATOR LANGER ON REFUGEES, ESCAPEES, AND EXPELLEES

Mr. LANGER. Mr. President, as chairman of the Subcommittee on Refugess, Escapees, and Expellees week after week I have been making a report to the Senate based on the figures furnished me by the Department of State showing the status of visa applications issued under the Refugee Relief Act of 1953.

Some weeks I have been very much encouraged, and I was convinced that all was running smoothly in the Department of State. However, this week I have paused long enough to take a good look at the overall picture, and I do not hesitate to say that my optimism is somewhat vanishing.

As is well known, under the Refugee Relief Act of 1953—Public Law 203, 83d Congress—there are to be issued 214,000 special nonquota immigrant visas. This act has been in operation for 2 years, lacking a few days. To be exact, it has been in operation since August 7, 1953, which is approximately 100 weeks. During those 100 weeks, there have been issued exactly 39,869 visas. This is at the rate of 398 visas a week. 214,000 minus 39,869 leaves a balance of 174,131 visas to be issued, and this during a period of 1 year or 52 weeks. I say during a period of 1 year, because while the technical cut-off date under the act is December 31, 1956, the actual cut-off date for all intents and purposes, will be July 1956, since approximately 6 months are required to process a case. Therefore, the Department of State will not be able to issue many visas during the last hour of the last day. So, accepting the actual cut-off date as July 1956, we have 52 weeks in which to issue 174,131 visas. This must be at the rate of 3,348 visas a week and I submit that this is far above the present rate.

When I first began to analyze these figures coming from the Department of State, I did so with an open mind. I admitted that Public Law 203 was an extremely difficult piece of immigrant legislation, and I felt that the Administrator was doing everything he possibly could. Now I am not so sure. I am not charging, Mr. President, that there is a deliberate attempt on the part of the Administrator to sabotage the act, but I do think that in many cases he has been guilty of poor judgment and of procrastination, and there is beginning to dawn in my mind the suspicion that perhaps he is not going to acomplish the task assigned to him. Unlimited money has been made available to him. He has spent millions of dollars. He has the final say in selecting his personnel, and yet the results are not so good.

To demonstrate my point, I offer for the perusal of the Senate the following figures:

Countries	Maximum number of visas to be issued under Public Law 203	Visas actually issued	Visas remaining to be issued
Italy and Trieste	60,000	23,701	36,299
Greece	17,000	6,333	10,667
Netherlands	17,000	617	16,383
Germany and Austria	90,000	7,380	82,620
Far East	5,000	1,031	3,969
Orphans	4,000	1,233	2,767
Total under the law, all countries	214,000	39,869	174,131

Mr. President, I have traveled about the country, to New York, Chicago, St.

Louis and other places. I have spoken with persons who were thoroughly familiar with the refugee relief problem, and I have invited these people to bring to me any and all cases in which they felt there was undue delay. The results have been startling. In Chicago, one man brought to my hotel 2 huge boxes containing approximately 400 names. He alleged that all of the requirements set out by the State Department had been met, that many cases had been pending for from 12 to 16 months, and that it was a red letter day for his organization when any immigrant actually arrived in the United States. This is only one incident, and I could cite many more.

Out of a total of 1,233 orphan visas issued, as of July 1, 898 orphans had actually come into this country; out of a total of 39,869 other visas issued, 20,491 relatives and only 5,771 true refugees have been admitted. I would not be entirely fair if I did not point out that after a visa has once been issued, it is not the Administrator's responsibility as to whether or not it is ever used. I am not blaming him for the difference between the number of visas actually issued and the number actually used.

However, Mr. President, if any Member of the Senate can take the figures which I submit and come to any conclusion other than that there is something wrong with the administration of the act, I wish he would do so.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a report supplied to me by the administrator of the program, dated July 15, 1955.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

Refugee relief program—Status of visa applications, July 15, 1955

	Italy	Greece	Netherlands	Germany	Austria	France	Great Britain	Belgium	Far East	Others	Total
1. Applicants notified of documents required	72,097	20,195	1,720	26,334	[1] 12,777	2,354	1,078	1,757	2,917	503	141,732
2. Visas issued	23,701	6,333	617	4,008	3,372	210	210	257	1,031	130	39,869
3. Visas refused	1,790	821	35	2,227	[1] 1,074	163	150	79	673	23	7,035
4. Canceled action	647	153	218	1,250	[1] 768	142	146	143	93	45	3,605
5. Applicants still in process	45,959	12,888	850	18,849	7,563	1,839	572	1,278	1,120	305	91,223
6. Assurances received by administrator	7,772	10,925	492	13,580	5,202	1,376	1,091	798	3,346	1,545	46,127
7. Assurances verified and sent to field	6,733	9,791	344	12,299	4,847	1,214	884	716	2,781	1,042	40,651

NOTES

[1] Unchanged pending field audit.
All figures cumulative.
Items 6 and 7 reflect principal aliens only.

Items 1 through 5, status of applicants.
Items 6 and 7, status of assurances.

DISPOSITION OF CERTAIN PUBLIC DOMAIN LANDS IN OKLAHOMA

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 881, H. R. 4001.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 4001) to provide for the management and disposition of certain public domain lands in the State of Oklahoma.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 4, line 4, after the letter "(a)", to strike out "(3)" and insert "(2)."

The amendment was agreed to.

Mr. CLEMENTS. Mr. President, H. R. 4001, if enacted into law, would provide legislative authority, now lacking, for the management and disposition by the Secretary of the Interior of any interest of the United States in the surface rights to approximately 20,000 acres of reconveyed Choctaw and Chickasaw Indian lands in the State of Oklahoma.

These 20,000 acres of land, which consist of numerous small tracts scattered throughout an area 100 miles long and 60 miles wide in eastern Oklahoma, are all that remain of the surface rights to an original area of approximately 440,000 acres of segregated lands owned in common by the Choctaw and Chickasaw Indians, which were placed under the control of the United States by the Indians pursuant to a treaty in 1898. Subsequent to the treaty Congress passed various laws providing for the disposition of these lands for the benefit of the Indians. Acting upon a claim by the Indians that the United States had not fulfilled its contractual obligations with respect to the disposal of the segregated lands and mineral deposits, the Congress, by the act of June 28, 1944 (58 Stat. 463, 483), authorized the purchase of such unsold lands and mineral deposits. Deeds were executed on November 29, 1950, conveying to the United States the various remaining interests in such unsold lands and mineral deposits, aggregating some 400,000 acres, for the purchase price of $8,500,000.

These reconveyed lands were chiefly valued for their mineral rights to coal and asphalt deposits. The remaining unsold surface rights, comprising some 20,000 acres affected by H. R. 4001, have been valued at only $150,000, not including permanent improvements made by and belonging to those using such lands.

The act of June 28, 1944, provided for the mineral development of the lands under the applicable public land mining and mineral leasing laws but did not provide for their nonmineral use, for the dedication of areas for public purposes, nor for the disposal of tracts that do not need to be retained in Federal ownership.

Title uncertainties have been experienced by private owners in the area because of inadequate surveys and from instances of the issuance of judgments, decrees, and orders of condemnation in court proceedings in which the United States did not consent to be a party to the suit. The Indian nations, as owners, have in the past issued about 100 leases and permits for various land uses. The serious difficulties as to land titles and boundaries which have arisen and the rights and equities of persons now lawfully in possession of some of the tracts, have combined to complicate greatly the problems of the administration of the lands. If enacted, H. R. 4001 would enable the Secretary of the Interior to resolve these problems.

The enactment of this proposed legislation will permit the Secretary of the Interior, with respect to the surface rights only, to sell or relinquish tracts of those lands when he finds it appropriate to provide proper use of the lands and to clear titles to the lands; to sell or lease lands to the State of Oklahoma, the political subdivisions of the State, and nonprofit organizations for recreational and public purposes; to dedicate for public purposes, tracts which were set apart under the Indian townsite laws for such use, but which were never dedicated and therefore passed to the United States under the reconveyance; and to sell or relinquish such lands in order to facilitate the administration and management of the lands.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

COMMISSION ON GOVERNMENT SECURITY

Mr. HUMPHREY. Mr. President, on June 27, 1955, the Senate unanimously passed the Humphrey-Stennis resolution, Senate Joint Resolution 21.

On June 29, 1955, the House unanimously passed a companion measure, House Joint Resolution 157, introduced by Representative WALTER.

It is usually the custom, and proper, for the bill which was passed first to be sent to conference. In this case, however, out of recognition of the fact that Representative WALTER had submitted a bill during the last Congress, I ask unanimous consent that the Senate proceed to the consideration of House Joint

Resolution 157, which I understand is at the desk.

The PRESIDING OFFICER (Mr. SCOTT in the chair) laid before the Senate the joint resolution (H. J. Res. 157) to establish a Commission on Government Security, which was read twice by its title.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Minnesota for the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 157) to establish a Commission on Government Security.

Mr. HUMPHREY. Mr. President, I move to strike out all after the resolving clause and in lieu thereof to insert the text of Senate Joint Resolution 21 as passed by the Senate on June 27, 1955.

The PRESIDING OFFICER. The question is on the motion of the Senator from Minnesota.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the joint resolution.

The amendment was ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

Mr. HUMPHREY. Mr. President, I move that the Senate insist on its amendment, request a conference with the House thereon, and that conferees on the part of the Senate be appointed by the Chair. The difference between the two versions are very slight and mostly technical. I am confident that the Humphrey-Stennis-Walter resolution will soon become law.

The motion was agreed to; and the Presiding Officer appointed Mr. KENNEDY, Mr. HUMPHREY, Mr. SYMINGTON, Mr. THURMOND, Mrs. SMITH of Maine, Mr. MARTIN of Iowa, and Mr. COTTON conferees on the part of the Senate.

AUTHORIZATION FOR THE SECRETARY OF THE SENATE TO RECEIVE MESSAGES FROM THE HOUSE DURING ADJOURNMENT

Mr. CLEMENTS. Mr. President, I ask unanimous consent that during the adjournment of the Senate after today, the Secretary of the Senate be permitted to receive messages from the House of Representatives.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT

Mr. CLEMENTS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL PAYMENTS IN LIEU OF PROPERTY TAXES

Mr. HUMPHREY. Mr. President, the National Association of County Officials is meeting this week in Richmond, Va. I have had the privilege of meeting with a number of representatives of that organization on the question of S. 1566, the bill I had the honor of introducing jointly with the junior Senator from California [Mr. KUCHEL], providing for payment in lieu of taxes. That bill was introduced in anticipation of the fact that the Senate Committee on Government Operations would act sometime during this Congress to inaugurate a broad system of Federal payments in lieu of property taxes to State and local governments.

The Congress did not act on this from the 83d Congress to date because the subject matter was referred to the Commission on Intergovernmental Relations for further study and recommendations. I had the honor of serving on that Commission, and I am pleased to inform the Senate that the Commission unanimously recommended a payment in lieu of taxes program.

I ask unanimous consent that those paragraphs in the Commission's report dealing with this question be printed in the body of the RECORD following these remarks.

I also want to bring to the attention of the Senate the fact that the Senate Committee on Government Operations is now giving serious thought to at least beginning its hearings on this subject during this session, if the schedule will allow.

Mr. President, I am happy to announce that on Monday next the Senate Committee on Government Operations will inaugurate or start hearings on this very subject. At that time we shall be privileged to hear from representatives of the National Association of County Officials, whose members are now meeting in Richmond, Va.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Minnesota?

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM THE REPORT OF THE COMMISSION ON INTERGOVERNMENTAL RELATIONS

PAYMENTS IN LIEU OF TAXES

The Commission recommends that the National Government inaugurate a broad system of payments in lieu of property taxes to State and local governments. The most important class of properties on which such payments should be made is commercial or industrial properties. Special assessment payments and transitional payments in lieu of taxes should be made in certain cases.

The Commission believes that these payments are necessary to help preserve financially healthy local governments. Present tax immunities of Federal property have weakened many local governments. The States and the National Government share in the responsibility for avoiding actions which impair the financial ability of local governments. Equity as between Federal and local taxpayers requires the National Government to make appropriate payments. These should be based largely on the property tax system, which is the main source of local revenue.

The Commission does not believe that equity requires initiation of payments in lieu of taxes on properties held by the National Government where their noncontributory status has already become integrated into the economic and fiscal patterns of the community. Therefore, no in-lieu payments should be made on any properties acquired prior to a specified cutoff date. Perhaps September 8, 1939 would be the earliest date and July 1, 1950, the latest date. These dates marked the beginning of periods of large-scale acquisition of properties for defense purposes—the properties which have been largely responsible for this problem. The Commission, recognizing that any selection must be arbitrary, is not prepared to recommend a specific cutoff date. In addition to a cutoff date, some type of arbitrary limitation on Federal payments is necessary to prevent excessive payments or windfalls to some local governments.

In the Commission's opinion, the exhaustive report of its study committee on payments in lieu of taxes and shared revenues will provide the Congress with a solid foundation upon which to build a sound program of payments in lieu of taxes on Federal properties and make such adjustments in shared revenue arrangements as may be needed.

The States sometimes contribute to the financial difficulties of their subdivisions by exempting their own properties from taxation. They may therefore want to consider the use of broad payment-in-lieu arrangements at the State level.

FIVE-YEAR TERMS OF OFFICE FOR MEMBERS OF THE SUBVERSIVE ACTIVITIES CONTROL BOARD

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 894, S. 2375.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2375) to provide for 5-year terms of office for members of the Subversive Activities Control Board, with 1 year of such terms expiring in each calendar year.

The PRESIDING OFFICER (Mr. SCOTT in the chair). The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. EASTLAND. Mr. President, this bill affects the terms of members of the Subversive Activities Control Board. It provides for adjusting the terms of the members of this Board so that one vacancy will exist each year. This is desirable in order to provide for the continuity of the work of the Board and for maintaining a quorum of the Board at all times.

To do this involves increasing the terms of members from 3 years to 5 years and providing for 1 interim term of 4 years for 1 Board member, who would be appointed this year.

So far as I know, there is no opposition to this bill, and it has the approval of the administration.

There is good reason to expedite action on this bill; for if this desirable change in the terms of members of the Subversive Activities Control Board is to be made, the time to make it is before the present session of the Congress adjourns. There is one vacancy on the Board now, for which a nomination has been submitted and is pending before the Committee on the Judiciary. Two more vacancies on the Board will be created next month. If the bill is passed before these two vacancies are filled by nomination, or by interim appointment, the

transition to the new basis can be smooth. But if the two vacancies which will be created next month are filled before the bill is passed, then we shall be faced with the alternative of either waiting at least 3 years before we attempt to change the terms of Board members, or else attempting by law to curtail the term of a member after his appointment. Either alternative appears undesirable, especially when we can accomplish the desired result by simply passing this bill at the present session.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment, the question is on the engrossment and third reading of the bill.

The bill (S. 2375) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 12 (a) of the Subversive Activities Control Act of 1950 is amended by striking out the third sentence and inserting in lieu thereof the following: "The terms of office of the members of the Board in office on the date of enactment of the Subversive Activities Control Board Tenure Act shall expire at the time they would have expired if such act had not been enacted. The term of office of each member of the Board appointed after the date of enactment of the Subversive Activities Control Board Tenure Act shall be for 5 years from the date of expiration of the term of his predecessor, except that (1) the term of office of that member of the Board who is designated by the President and is appointed to succeed 1 of the 2 members of the Board whose terms expire on August 9, 1955, shall be for 4 years from the date of expiration of the term of his predecessor, and (2) the term of office of any member appointed to fill a vacancy occuring prior to the expiration of the term for which his predecessor was appointed shall be for the remainder of the term of his predecessor. Upon the expiration of his term of office a member of the Board shall continue to serve until his successor shall have been appointed and shall have qualified."

SEC. 2. This act may be cited as the "Subversive Activities Control Board Tenure Act."

AMENDMENT OF SUBVERSIVE ACTIVITIES CONTROL ACT OF 1950, TO CORRECT STANDARD REGARDING YEARS OF PAST AFFILIATIONS

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar 895, House bill 4753.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 4753) to amend subsection (e) (1) of section 13 A of the Subversive Activities Control Act of 1950 to change from 2 years to 3 years the standard contained therein with respect to the past affiliations of individuals conducting the management of certain organizations.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. EASTLAND. Mr. President, this bill is a perfecting amendment to the Subversives Activities Control Act.

Senators will remember that one of the compromises which resulted in enactment of the Communist Control Act of 1954 involved setting up a series of criteria to be considered in determining what constitutes a Communist-infiltrated organization. A feature of this particular compromise was the fixing of a period of limitation with respect to these criteria, the period in question being 3 years; that is, the agreement was that affiliations, actions, and so forth, during the immediately preceding 3 years might be considered; but it was not provided that consideration need be given to such matters for any period more than 3 years past. This 3-year limitation was set forth in each of a number of separate paragraphs in section 13A of the Subversive Activities Control Act, as amended.

Unfortunately, by inadvertence, one of the paragraphs in this section lists the period as 2 years, rather than 3 years. This particular paragraph is thus in conflict with the general rule, as indicated in all the other paragraphs of the section, where the limitation of 3 years is set forth.

The purpose of House bill 4753 is to correct this inadvertent error, by changing the figure "2" to "3" in this particular paragraph. Doing this will bring the whole section into harmony, in accordance with the original intent of the Congress, and in the spirit of the compromise which made possible enactment of this section.

This House bill is identical with a Senate bill introduced by the senior Senator from Mississippi, which was reported favorably from the Internal Security Subcommittee of the Senate; and H. R. 4753 was reported favorably to the Senate from the Committee on the Judiciary, without dissent.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 4753) was ordered to a third reading, read the third time, and passed.

REPEAL OF CERTAIN LAWS RELATING TO TIMBER AND STONE ON THE PUBLIC DOMAIN

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar 882, House bill 4894.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H .R. 4894) to repeal certain laws relating to timber and stone on the public domain.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. AIKEN. Mr. President, may we have an explanation of the bill?

Mr. CLEMENTS. Mr. President, House bill 4894 would repeal certain outmoded timber and stone laws which are inconsistent with more recent statutes which permit the sale of the timber alone without including the land, and facilitate sustained-yield management of timbered public lands. The Public Sales Act, the Materials Act, and the mining laws now in full force and effect have rendered the old Timber and Stone Act of 1878, as amended, obsolete. The Department of the Interior has submitted this proposed legislation as necessary to prevent the recurrence of waste of timber and stone and surface resources that were incident to past disposals of land under the so-called timber and stone law.

Mr. AIKEN. Mr. President, I understand that the bill is approved by the Department of the Interior, and is, in fact, the Department's bill.

Mr. CLEMENTS. That is my understanding.

Mr. AIKEN. I simply had not seen the bill before, and I noticed that there was a reference to the forests. I understand that the bill relates to the timber and stone on land under the jurisdiction of the Department of the Interior.

Mr. CLEMENTS. That is correct.

Mr. AIKEN. Does it relate to the timber on land owned by the Forest Service? I think not. The bill is probably all right, and I am not objecting to it.

Mr. CLEMENTS. The report indicates that the bill does not apply to the land just referred to by the Senator from Vermont, since the only statement in the report is from the Assistant Secretary of the Interior, and the last paragraph of his letter reads as follows:

> The Bureau of the Budget has advised that there is no objection to the presentation of this proposed legislation to the Congress.

It is a Department bill.

Mr. AIKEN. I think that if the bill were a big, bad one, someone would have discovered that, and would have pointed it out before now. So I have no objection.

Mr. CLEMENTS. That is also the opinion of the Senator from Kentucky, who has presented the bill today.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 4894) was ordered to a third reading, read the third time, and passed.

PREFERENCE RIGHT TO CERTAIN LAND IN ALASKA TO JOSEPH BOOTH, ANCHORAGE, ALASKA

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 899, House bill 896.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 896) to provide preference right to certain land in Alaska to Joseph Booth of Anchorage, Alaska, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. CLEMENTS. Mr. President, Calendar No. 889, House bill 896, the bill now

under consideration; and also Calendar No. 890, House bill 897; Calendar No. 891, House bill 902; Calendar No. 892, House bill 904; and Calendar No. 893, House bill 905, all are bills which have been passed by the House of Representatives, and have been reported unanimously by the Senate Committee on Interior and Insular Affairs; and the bills are virtually alike in purpose. Each bill corrects an administrative error in the case of a specific individual, in order to permit him to obtain title to homestead land in Alaska.

House bill 896, which now is under consideration, would permit Mr. Joseph R. Booth, of Anchorage, Alaska, to obtain title to specifically described lands on which he has fulfilled all homestead requirements, but which were not open to such entry because of a recent law.

All mineral rights are reserved to the Territory of Alaska. Since the lands on which the homestead entry would be allowed are Alaska school lands, the Territory is authorized to make in lieu selections of other lands.

At a hearing on the measure the committee received testimony that both Mr. Booth and the administrative officials who allowed him to enter on the land and perform the work required acted in good faith. The error arose from failure to appreciate immediately the effects of Public Law 270, 82d Congress, Sixty-sixth United States Statutes at Large, page 14, which eliminated the restrictions in the then existing law under which lands known to be mineral in character could not become school lands.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 896) was ordered to a third reading, read the third time, and passed.

PREFERENCE RIGHT TO CERTAIN LAND IN ALASKA TO ROBERT HENRY SOYK, OF KENAI, ALASKA

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 890, House bill 897.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 897) to provide preference right to certain land in Alaska to Robert Henry Soyk, of Kenai, Alaska, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. CLEMENTS. Mr. President, this bill corrects an administrative error whereby Mr. Robert Henry Soyk of Kenai, Alaska, was allowed to make homestead entry on land located within a school section and thereby reserved to the Territory of Alaska, although mineral in character.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

PREFERENCE RIGHT TO CERTAIN LAND IN ALASKA TO PATRICK HAROLD JOHNSON, OF ANCHOR POINT, ALASKA

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 891, House bill 902.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 902) to provide preference right in certain land in Alaska to Patrick Harold Johnson of Anchor Point, Alaska, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. CLEMENTS. Mr. President, H. R. 902 would correct an administrative error whereby Mr. Patrick Harold Johnson, of Anchor Point, Alaska, was allowed to make homestead entry on land located within a school section and thereby reserved to the Territory of Alaska, even though mineral in character.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

PREFERENCE RIGHT TO CERTAIN LAND IN ALASKA TO BERT ARTHUR PARADAY, OF ANCHOR POINT, ALASKA

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 892, House bill 904.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 904) to provide preference right to certain land in Alaska to Bert Arthur Paraday, of Anchor Point, Alaska, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. CLEMENTS. Mr. President, H. R. 904 is a bill to do equity to Mr. Bert Arthur Paraday, of Anchor Point, Alaska, by permitting him to obtain title to the lands in Alaska on which he has fulfilled all homestead requirements. However, the lands are in an Alaska school section, although mineral in character. As school lands, they are not open to homestead entry.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

PREFERENCE RIGHT TO CERTAIN LAND IN ALASKA TO CARL E. ROBINSON OF ANCHOR POINT, ALASKA

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 893, House bill 905.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 905) to provide preference right to certain land in Alaska to Carl E. Robinson, of Anchor Point, Alaska, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to, and the Senate proceeded to consider the bill.

Mr. CLEMENTS. Mr. President, H. R. 905 corrects an administrative error whereby Mr. Carl E. Robinson, of Anchor Point, Alaska, was allowed to make homestead entry on land located within a mineral school section which by law enacted in 1952 became reserved to the Territory of Alaska.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

CONSTRUCTION, REPAIR, AND PRESERVATION OF CERTAIN PUBLIC WORKS ON RIVERS AND HARBORS

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1034, House bill 4362.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 4362) to amend the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, for navigation, flood control, and for other purposes," approved September 3, 1954.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1956—CONFERENCE REPORT

Mr. HILL. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5046) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1956, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of July 20, 1955, pp. 11054–11056, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. HILL. Mr. President, the report is signed by all the conferees on both sides of the aisle, both in the Senate and in the House.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table showing the results of the conference between the two Houses.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Appropriation title	Appropriations, 1955	Budget estimates, 1956	House allowance	Senate allowance	Conference allowance
TITLE I—DEPARTMENT OF LABOR					
OFFICE OF THE SECRETARY					
Salaries and expenses	$1,327,000	$1,527,000	$1,527,000	$1,627,000	$1,587,000
Manpower mobilization, civil defense, and promoting employment of older workers		473,000			
OFFICE OF THE SOLICITOR					
Salaries and expenses	1,450,000	1,500,000	1,467,900	1,482,900	1,482,900
BUREAU OF LABOR STANDARDS					
Salaries and expenses	735,000	860,000	817,500	845,000	817,500
BUREAU OF VETERANS' REEMPLOYMENT RIGHTS					
Salaries and expenses	300,000	392,000	346,000	375,000	360,500
BUREAU OF APPRENTICESHIP					
Salaries and expenses	3,100,000	3,200,000	3,150,000	3,200,000	3,150,000
BUREAU OF EMPLOYMENT SECURITY					
Salaries and expenses	4,792,500	5,100,000	4,942,500	5,100,000	5,021,250
Grants to States	229,500,000	250,280,000	250,000,000	250,000,000	250,000,000
Unemployment compensation for veterans	126,000,000	150,000,000	120,000,000	120,000,000	120,000,000
Unemployment compensation for Federal employees	17,500,000	40,000,000	20,000,000	20,000,000	20,000,000
Mexican farm labor program	1,756,000	1,172,000	1,035,000	1,172,000	1,135,000
Total, Bureau of Employment Security	379,548,500	446,552,000	395,977,500	396,272,000	396,156,250
BUREAU OF EMPLOYEES' COMPENSATION					
Salaries and expenses	2,030,000	2,257,000	2,147,000	2,202,000	2,174,500
Employees' compensation fund (indefinite)	[43,600,000]	[44,700,000]	[44,700,000]	[44,700,000]	[44,700,000]
BUREAU OF LABOR STATISTICS					
Salaries and expenses	5,350,000	6,845,000	5,850,000	6,325,000	6,065,000
WOMEN'S BUREAU					
Salaries and expenses	348,000	348,000	348,000	348,000	348,000
WAGE AND HOUR DIVISION					
Salaries and expenses	6,116,500	6,162,000	6,162,000	6,162,000	6,162,000
Total title I, Department of Labor	400,305,000	470,116,000	417,792,900	418,838,900	418,303,650
TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE					
AMERICAN PRINTING HOUSE FOR THE BLIND					
Education of the blind	205,000	224,000	224,000	224,000	224,000
FOOD AND DRUG ADMINISTRATION					
Salaries and expenses (general)	5,100,000	5,484,000	5,484,000	5,484,000	5,484,000
Salaries and expenses (certification and inspection services)	[1,161,000]	[1,183,000]	[1,183,000]	[1,183,000]	[1,183,000]
FREEDMEN'S HOSPITAL					
Salaries and expenses	2,880,000	2,880,000	2,880,000	2,880,000	2,880,000
GALLAUDET COLLEGE					
Salaries and expenses	410,000	539,000	539,000	539,000	539,000
Construction of buildings	259,000	2,225,000	2,225,000	2,225,000	2,225,000
Total, Gallaudet College	669,000	2,764,000	2,764,000	2,764,000	2,764,000
HOWARD UNIVERSITY					
Salaries and expenses	2,720,000	3,000,000	2,766,000	3,000,000	2,875,400
Plans and specifications		150,000		75,000	
Construction of buildings	4,808,000	122,000	122,000	122,000	122,000
Law building (liquidation of contract authority)	200,000	457,100	457,100	457,100	457,100
Biology-greenhouse building (liquidation of contract authority)	250,000				
Administration building (liquidation of contract authority)	700,000	405,500	405,500	405,500	405,500
Men's dormitory (liquidation of contract authority)		1,146,000	1,146,000	1,146,000	1,146,000
Total, Howard University	8,678,000	5,280,600	4,896,600	5,205,600	5,006,000
OFFICE OF EDUCATION					
Promotion and further development of vocational education	23,673,261	23,673,261	23,673,261	26,500,000	26,500,000
Further endowment of colleges of agriculture and the mechanic arts	2,501,500	2,501,500	2,501,500	2,501,500	2,501,500
Salaries and expenses	2,900,000	3,000,000	3,050,000	3,000,000	3,050,000
Payments to school districts	75,000,000	65,000,000	65,000,000	65,000,000	65,000,000
Assistance for school construction	118,500,000	24,000,000	24,000,000	24,000,000	24,000,000
White House Conference on Education	900,000	200,000	100,000	200,000	200,000
Cooperative research in education		200,000			
Total, Office of Education	223,474,761	118,574,761	118,324,761	121,201,500	121,251,500
OFFICE OF VOCATIONAL REHABILITATION					
Grants to States and other agencies	27,000,000	39,000,000	32,500,000	35,000,000	33,750,000
Training and traineeships	900,000	2,350,000	1,800,000	2,350,000	2,075,000
Salaries and expenses	835,000	1,223,000	1,000,000	1,100,000	1,000,000
Total, Office of Vocational Rehabilitation	28,735,000	42,573,000	35,300,000	38,450,000	36,825,000

Appropriation title	Appropriations, 1955	Budget estimates, 1956	House allowance	Senate allowance	Conference allowance
TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued					
PUBLIC HEALTH SERVICE					
Assistance to States, general	$13,000,000	$13,660,000	$12,000,000	$13,660,000	$13,660,000
Venereal diseases	3,000,000	3,000,000	3,500,000	3,500,000	3,500,000
Tuberculosis	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Communicable diseases	4,300,000	4,400,000	4,400,000	5,250,000	5,250,000
Engineering, sanitation and industrial hygiene	3,295,000				
Sanitary engineering activities		3,818,000	3,500,000	3,500,000	3,500,000
Buildings and facilities, Cincinnati, Ohio	270,000	415,000	415,000	415,000	415,000
Disease and sanitation investigation and control, Territory of Alaska	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000
Water pollution control grants		1,000,000			
Hospital construction grants	96,000,000	125,000,000	96,000,000	125,000,000	111,000,000
Surveys and planning for hospital construction	2,000,000				
Salaries and expenses, hospital construction services	1,100,000	1,400,000	1,100,000	1,400,000	1,250,000
Hospitals and medical care	33,000,000	34,378,000	34,026,000	34,378,000	34,326,000
Foreign Quarantine Service	2,900,000	3,000,000	2,950,000	3,000,000	3,000,000
Indian health activities	24,174,747	33,590,000	33,840,000	33,840,000	33,840,000
Construction of Indian health facilities	1,687,567	4,550,000	4,750,000	5,000,000	5,000,000
National Institutes of Health:					
Operating expenses	4,675,000	6,399,000	5,399,000	5,899,000	5,899,000
National Cancer Institute	21,737,000	22,328,000	22,328,000	26,400,000	24,828,000
Mental health activities	14,147,500	17,501,000	17,751,000	21,850,000	17,751,000
National Heart Institute	16,668,000	17,278,000	17,278,000	23,800,000	18,778,000
Dental health activities	1,990,000	2,136,000	2,136,000	2,136,000	2,136,000
Arthritis and metabolic disease activities	8,270,000	8,740,000	8,740,000	12,725,000	10,740,000
Microbiology activities	6,180,000	6,645,000	6,645,000	7,580,000	7,580,000
Neurology and blindness activities	7,600,500	8,111,000	8,861,000	11,850,000	9,861,000
Subtotal, National Institutes of Health	81,268,000	89,138,000	89,138,000	112,240,000	97,573,000
Gorgas Memorial Laboratory	131,000	147,000	147,000	147,000	147,000
Retired pay of commissioned officers	1,141,000	1,225,000	1,225,000	1,225,000	1,225,000
Salaries and expenses (Office of the Surgeon General)	2,780,000	2,780,000	2,762,000	2,762,000	2,762,000
Total, Public Health Service	277,172,314	328,626,000	296,878,000	352,442,000	323,573,000
ST. ELIZABETHS HOSPITAL					
Salaries and expenses	2,445,000	2,527,000	2,510,000	2,527,000	2,527,000
Major repairs and preservation of buildings and grounds	709,000	600,000	600,000	600,000	600,000
Construction, maximum security building	110,000	269,000	269,000	269,000	269,000
Total, St. Elizabeths Hospital	3,264,000	3,396,000	3,379,000	3,396,000	3,396,000
SOCIAL SECURITY ADMINISTRATION					
Salaries and expenses, Bureau of Old-Age and Survivors Insurance	[80,020,000]	[88,000,000]	[84,000,000]	[86,000,000]	[86,000,000]
Construction, Bureau of Old-Age and Survivors Insurance	[20,000,000]	[3,870,000]	[3,870,000]	[3,870,000]	[3,870,000]
Grants to States for public assistance	1,438,000,000	1,400,000,000	1,400,000,000	1,400,000,000	1,400,000,000
Salaries and expenses, Bureau of Public Assistance	1,487,500	1,595,000	1,487,500	1,595,000	1,541,250
Salaries and expenses, Children's Bureau	1,600,000	1,796,500	1,640,000	1,796,500	1,640,000
Grants to States for maternal and child welfare	30,000,000	30,000,000	30,000,000	34,156,600	34,156,600
Salaries and expenses, Office of the Commissioner:					
Appropriation	173,000	180,000	173,000	173,000	173,000
Transfer from OASI	[123,500]	[141,000]	[130,000]	[130,000]	[130,000]
Total, Social Security Administration	1,471,260,500	1,433,571,500	1,433,300,500	1,437,721,100	1,437,510,850
OFFICE OF THE SECRETARY					
Salaries and expenses (immediate Office of the Secretary):					
Appropriation	1,162,500	1,662,000	1,400,000	1,400,000	1,400,000
OASI transfer	[171,000]	[226,000]	[200,000]	[200,000]	[200,000]
Salaries and expenses, Office of Field Services:					
Appropriation	1,800,000	1,915,000	1,800,000	1,800,000	1,800,000
OASI transfer	[350,000]	[475,000]	[400,000]	[400,000]	[400,000]
Salaries and expenses, Office of the General Counsel:					
Appropriation	350,000	395,000	372,500	372,500	372,500
Transfers	[387,500]	[397,500]	[392,500]	[392,500]	[392,500]
Surplus property utilization	400,000	400,000	400,000	400,000	400,000
National Advisory Committee on Education	25,000	120,000			
Civil Defense activities	1,000,000	1,600,000			
Total, Office of the Secretary	4,737,500	6,092,000	3,972,500	3,972,500	3,972,500
Total, title II, Department of Health, Education, and Welfare	2,026,176,075	1,949,465,861	1,907,403,361	1,973,740,700	1,942,886,850
TITLE III—NATIONAL LABOR RELATIONS BOARD					
Salaries and expenses	8,400,000	8,150,000	8,000,000	8,000,000	8,000,000
TITLE IV—NATIONAL MEDIATION BOARD					
Salaries and expenses	425,500	435,000	435,000	435,000	435,000
Arbitration and emergency boards	300,000	250,000	250,000	250,000	250,000
National Railroad Adjustment Board, salaries and expenses	495,000	502,000	502,000	502,000	502,000
Total, National Mediation Board	1,220,500	1,187,000	1,187,000	1,187,000	1,187,000
TITLE V—RAILROAD RETIREMENT BOARD					
Salaries and expenses (trust fund limitation)	[6,364,000]	[6,100,000]	[6,100,000]	[6,100,000]	[6,100,000]
TITLE VI—FEDERAL MEDIATION AND CONCILIATION SERVICE					
Salaries and expenses	3,124,000	3,210,000	3,124,000	3,124,000	3,124,000
Boards of inquiry	10,000	10,000	10,000	10,000	10,000
Total, Federal Mediation and Conciliation Service	3,134,000	3,220,000	3,134,000	3,134,000	3,134,000
TITLE VII—INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN					
Federal contribution	5,000	10,000	5,000	5,000	5,000
TITLE VIII—SOLDIERS' HOME					
Maintenance and operation	[5,134,000]	[4,210,000]	[4,400,000]	[4,400,000]	[4,400,000]
Grand total, all titles of bill	2,439,240,575	2,432,148,861	2,337,522,261	2,404,905,600	2,373,516,500

PROGRAM FOR TOMORROW

Mr. CLEMENTS. Mr. President, it is the intention of the acting majority leader to call up for consideration tomorrow bills from among the following group: Calendar No. 1033, House bill 2866, to declare a certain portion of the waterway—a section of the Acushnet River—in the city of New Bedford and the town of Fairhaven and Acushnet, Mass., a nonnavigable stream; Calendar No. 1035, Senate bill 1851, to direct the Secretary of the Army to convey certain land to Mary Ann Aust; Calendar No. 1036, Senate bill 1899, to authorize the improvement of the Amite River and its tributaries; Calendar No. 1037, Senate bill 2260, granting the consent of Congress to the States of Arkansas, Louisiana, Oklahoma, and Texas to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Red River and its tributaries; Calendar No. 1038, Senate bill 2029, to change the name of Hulah Dam and Hulah Reservoir located on Caney River, a tributary of the Verdigris River, to Lake o' the Osages Dam and Lake o' the Osages, respectively; Calendar No. 1039, Senate bill 2093, to authorize the Secretary of the Army, acting through the Corps of Engineers, to undertake certain public works and grant compensation for certain property damages as a result of the construction of the Oahe, Gavins Point, and Fort Randall Dams and Reservoir projects, Missouri River. It is not to be assumed that these bills will be called up in that order.

It is the intention of the acting majority leader to bring up for consideration on Friday Calendar No. 1040, House bill 7224, the Mutual Security Act. With this important piece of business coming before the Senate on Friday, it is most likely that the calendar call will be made on Saturday rather than on Friday.

WICHITA NATIONAL WILDLIFE REFUGE

Mr. HUMPHREY. Mr. President, during the Senate floor debate July 1 on the military authorization bill, I expressed my concern over the proposed land-acquisition program for Fort Sill, especially with regard to the 10,700 acres of land the Army proposes to take away from the Wichita National Wildlife Refuge.

This measure was cleared through the Senate so rapidly that there was little opportunity to correct some misunderstandings. I want to express the hope that more consideration will be given to this proposed transfer by the Appropriations Committee.

During the colloquy on this subject July 1, it was stated that the wildlife area was quite removed from the portion being requested by the Army, and that the part to be taken is the most inaccessible part, a part used neither by the public nor for game propagation.

Conservationists who have only recently visited the area disagree with those claims. They inform me that the part of the refuge that has been used by Fort Sill for several years under a cooperative agreement, and which they now wish to acquire, actually is the most accessible. It is the land which has been serving the highest public use—it includes 6 good recreational lakes, 7 major picnic and camping areas, the only youth group camp area on the entire refuge, and many miles of scenic drives. While an effort has been made to keep most of the big game on particular areas, practically all of the different species inhabit the portion the Army wants. It is the wintering ground for the buffalo, and that remnant herd of Longhorn cattle. It includes some of the best wild-turkey habitats.

Some of us see no reason why the present cooperative agreement cannot be continued, instead of having the Army take over this land outright. During previous debate it was mentioned that the military has need for a much longer range. If they acquire 20,000 acres of private land south of the refuge, as proposed, they would have a continuous strip approximately 36 miles long and from 3 to 6 miles wide. Certainly they should be able to stay within such a range in practice firing of even the largest cannon. If they cannot shoot more accurately than that, there is probably no use of their practicing.

The Army contends that the refuge lands are needed in addition as a buffer zone. Are we sure their real desire is not to add a most unique area of hunting and fishing facilities to their domain?

Mr. President, the more I delve into this the more I am convinced that Congress is being misled.

It is apparent that realization is also dawning upon the House, after it had passed appropriations for this acquisition. The RECORD shows that responsible House Members handling this bill, when confronted with facts directly contrary to the Army's testimony, expressed the hope some alternative could be worked out. That hope hinges now upon the Senate's Appropriation Committee, and the Senate itself.

I call the attention of Senators to the CONGRESSIONAL RECORD of July 14, 1955, in which there is printed the debate in the House on this subject. The RECORD reveals that Members of the House were very much concerned about what had happened, and some of them asked explicitly that the Senate take another look at the subject before money is made available for the acquisition.

I ask unanimous consent, Mr. President, to place in the body of the RECORD at this point excerpts from the speech of Representative ROBERT L. F. SIKES, of Florida, in connection with House approval of supplemental appropriations covering this proposed acquisition.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM SPEECH OF HON. ROBERT L. F. SIKES, OF FLORIDA, IN THE HOUSE OF REPRESENTATIVES THURSDAY, JULY 14, 1955, ON SUPPLEMENTAL APPROPRIATIONS, 1956

(The House in Committee of the Whole House on the State of the Union has under consideration the bill (H. R. 7278) making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes.)

Mr. SIKES. In this connection I think I should point out that the Army testified the ground to be taken from the Wichita Wildlife Refuge is the least desirable land and the least used land in the refuge, that it has but few recreational facilities.

After the committee had completed its deliberations and had reported its recommendations to the full committee we received a request from the Wildlife Management Institute and others that they be heard on the transfer of this land from the Wichita Wildlife Refuge. Their request came very late because already the authorization bill had passed both Houses of Congress, had been cleared by the conferees, and had gone to the White House. Our committee had completed consideration and markup of the bill. Nevertheless, because of our interest in this matter, a special hearing of the committee was called to hear all those who asked to be heard on the proposed transfer.

I must point out that to my great surprise I found some of the statements made by those who oppose the transfer of this land are almost exactly opposite to the statements that have been made by the Army. They stated the land to be transferred is some of the most valuable land in the refuge, that it is used to a great extent by tourists who visit the area, and that important recreational facilities are located in the area. The committee wants to be fair to both groups. It does not believe it has enough information to change its recommendations at this time, but I do feel that I should say to the House that I personally have a great deal of interest in the matter. I feel we should do what we can within reason to protect our wildlife resources. I suggest the possibility of working out a joint use program or of writing in safeguards which would insure a continuation of the wildlife management and conservation work at the Wichita refuge, without denying needed training facilities to the Army.

Mr. SAYLOR. I want to commend the gentleman from Florida for his interest in this wildlife refuge. I would like to say as one who has been keenly interested in its preservation I am perfectly content to leave the matter in his hands and certainly will urge those who are interested in it to see to it that it is taken care of in the Senate.

Mr. HUMPHREY. Mr. President, the conflicting testimony Congressman SIKES refers to certainly bears further scrutiny.

Further information on that conflict will be presented to our Senate Appropriations Committee today, by C. R. Gutermuth, vice president of the Wildlife Management Institute, in rebuttal to an Army statement which contradicted his earlier testimony before the House committee.

Mr. President, I ask unanimous consent to have published in the RECORD at this point a copy of a telegram Mr. Gutermuth sent yesterday to the Secretary of Defense and the Secretary of the Army.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *July 18, 1955.*

The Honorable CHARLES WILSON,
Secretary of Defense.
The Honorable ROBERT T. STEVENS,
Secretary of the Army.
The Pentagon, Washington, D. C.:

The Army's attempt to refute my statements concerning the Wichita National Wildlife Refuge in Oklahoma, with incorrect and willful misrepresentations, challenges my veracity publicly and is defamatory.

Fort Sill's statement that "aproximately 80 percent of the 10,700 acres which the Army proposes to acquire has been fenced off and access is denied to the general public except under special permit," and that "the recreational facilities referred to (by me) are all in the northern 19,844 acres," and that "the portion of the refuge requested by the Army is the most inaccessible and least used part," are not right—and they know it. My statements were made in the public interest after inspecting those refuge lands personally 3 weeks ago, and my facts are confirmed by the refuge manager, and by the Chief of the Refuge Division of the United States Fish and Wildlife Service. None of the 10,700 acres is fenced off. It is all open to the public, and no permit is required. It is used by thousands of people each week, without charge. There is no fence keeping the people out of the entire area between the main road going through the middle of the refuge and the south boundary. One unimproved road, running along the south boundary fence, is closed with barriers for military use, but other roads penetrate deep into the 10,700 acres to several fishing lakes and to no less than 4 major picnic and camping areas having permanent grill-ovens, comfort stations, shelters, wells, and tent and trailer grounds, that have regular clean-up and garbage disposal service. Ask the personnel at Fort Sill, who use and enjoy that outstanding area along with nearly a million others each year, from Oklahoma, Texas, New Mexico, and elsewhere. Mr. Secretary, the Army found time to answer my July 12 statement with a detailed rebuttal the next day, and I demand an immediate retraction of those statements. Closed to the public?—a large group of Girl Scouts is starting the second week of camping in that 10,700-acre tract today.

C. R. GUTERMUTH,
Wildlife Management Institute.

Mr. HUMPHREY. Mr. President, what kind of information is the Army giving us? Either this land is fenced off and unused, as the Army says, or it is open to the public and in general public use, as Mr. Gutermuth says. Congress is entitled to have the facts, and not be misled by anyone, including the Army. It is inconceivable that the Senate would be willing to appropriate money upon such completely conflicting testimony, without some effort to find out who is right and who is wrong.

I digress to point out that the Army has attempted to demonstrate that Mr. Gutermuth's statements are fallacious. Therefore, it is entirely appropriate for Mr. Gutermuth to make the reply he made in the telegram of yesterday to the Secretary of Defense and to the Secretary of the Army. I should like to read a short excerpt from that telegram. He says:

The Army's attempt to refute my statements concerning the Wichita National Wildlife Refuge in Oklahoma, with incorrect and willful misrepresentations, challenges my veracity publicly and is defamatory. Fort Sill's statements that "approximately 80 percent of the 10,700 acres which the Army proposes to acquire has been fenced off and access is denied to the general public except under special permit," and that "the recreational facilities referred to (by me) are all in the northern 19,844 acres," and that "the portion of the refuge requested by the Army is the most inaccessible and least used part," are not right—and they know it. My statements were made in the public interest after inspecting those refuge lands personally 3 weeks ago, and my facts are confirmed by the refuge manager, and by the Chief of the Refuge Division of the United States Fish and Wildlife Service. None of the 10,700 acres is "fenced off." It is all open to the public, and no permit is required. It is used by thousands of people each week, without charge. There is no fence keeping the people out of the entire area between the main road going through the middle of the refuge and the south boundary.

Mr. President, that is a rather significant statement. The Army, an agency of the United States Government, in its presentation to the House of Representatives—and that presentation is in the CONGRESSIONAL RECORD—states that the land is inaccessible, is fenced off, and not open to the public; yet a representative of the Fish and Wildlife Service, an agency of the same Government—the Government of the United States—states that the land is not fenced off, that it is used by the public, and that it is accessible.

Someone is not telling the truth. It seems to me that before any money is made available by the Senate to purchase this area, it should take time out to determine who is falsifying the record and who is telling the truth.

I point out that this is not an argument between a public official and a private citizen. It is an argument between two services of the same Government. The manager of the wildlife refuge confirms the statement which is contradictory to what the Army says. The manager of the Fish and Wildlife Service refuge at Wichita confirms a statement which is contrary to what the Army says. I should like to know who is telling the truth. Again it appears to me, according to the evidence which I have received from those who have visited the area within the month, that the Army is not telling all that needs to be known by the Senate committee and by the House committee.

Mr. President, the Department of the Interior is charged with preservation of those public-land resources. I was interested in knowing how that Department felt about this issue, in view of all the Army assertions that it would in no way place this wildlife refuge in jeopardy.

I have obtained a copy of a letter written by the Acting Secretary of the Interior, Clarence A. Davis, last May 27, to Fred M. Packard, executive secretary of the National Parks Association.

Let me read just one paragraph:

The transfer of 10,700 acres of refuge land to provide for the expansion of Fort Sill's military program, as proposed in the Army services appropriation bill, would place the future of the Wichita Refuge in jeopardy. The loss of a large, mountainous acreage in the southern part of the refuge with its vital watershed and other important features would, in itself, greatly reduce the wildlife and recreational values of this unique area. In addition, the use of the transferred area by the military could conceivably endanger much of the remainder of the refuge.

The letter goes on to say that the Department of the Interior has made a counter-proposal to the Department of the Army with, and I quote, "the hope that a compromise can be worked out which will permit the Army to carry out their objectives and still preserve the Wichita for future generations."

Mr. President, I ask unanimous consent to have Acting Secretary Davis' letter printed at this point in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., May 27, 1955.

Mr. FRED M. PACKARD,
Executive Secretary,
National Parks Association,
Washington, D. C., May 27, 1955.

MY DEAR MR. PACKARD: Your letter of May 17 with the enclosed copy of your letter of the same date to Congressman CARL VINSON expressing the concern of the National Parks Association for the future of the Wichita Mountains Wildlife Refuge is another of many testimonials that the public is keenly interested in the preservation of public land resources.

The transfer of 10,700 acres of refuge land to provide for the expansion of Fort Sill's military program, as proposed in the armed service's appropriation bill, H. R. 5700, would place the future of the Wichita Refuge in jeopardy. The loss of a large, mountainous acreage in the southern part of the refuge with its vital watershed and other important features would, in itself, greatly reduce the wildlife and recreational values of this unique area. In addition, the use of the transferred area by the military could conceivably endanger much of the remainder of the refuge.

The Department has a responsibility to manage wisely those public lands and forests under its jurisdiction necessarily in the interest of the public as a whole. It is recognized that at the same time public lands should be made available for their best use under conditions that promote stability for communities. With this in mind, a counter-proposal has been made to the Department of the Army with the hope that a compromise can be worked out which will permit the Army to carry out their objectives and still preserve the Wichita for future generations.

We believe this can be accomplished by the purchase of some additional land to the south of the tract now under consideration. We would cooperate by setting aside a safety zone or buffer strip along the south boundary of the refuge. This would involve no transfer of refuge lands. Under this arrangement, it is contemplated that the local Army and service organizations would continue to work harmoniously as in the past. I am sure that the primary interests of all concerned will be served if the advocated plan under consideration is acceptable.

Your sincere interest is appreciated, and we hope to have your continued support.

Sincerely yours,

CLARENCE A. DAVIS,
Acting Secretary of the Interior.

Mr. HUMPHREY. Mr. President, whatever happened to that compromise proposal? That is all any of us have been asking. Yet the Army seems determined to bypass the Department of the Interior, by getting an indirect mandate from the Congress on the basis of misleading information, at least not quite frank information.

Mr. President, I also ask unanimous consent to have placed in the RECORD at this point excerpts from the Military Public Works Report No. 20, covering the House hearing on H. R. 5700, H. R. 6829.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM MILITARY PUBLIC WORKS REPORT NO. 20 COVERING THE HOUSE HEARING ON H. R. 5700, H. R. 6829

DISCUSSION PERTAINING TO THE $3,053,000 ITEM IN THE APPROPRIATION FOR THE FOURTH ARMY AREA, FOR FORT SILL IN OKLAHOMA, CONCERNING THE ARMY'S ATTEMPT TO TAKE OVER 10,700 ACRES OF THE WICHITA NATIONAL WILDLIFE REFUGE

Testimony, page 3874:

Colonel SHULER. Yes. It would be an administrative transfer, Mr. Chairman, at an estimated $1,000 and we would have to work it out with the Department of the Interior.

Testimony, page 3875:

General WILLIAMS. It is presumed, sir, that since the Budget Bureau has approved this, that we have executive approval for the transfer from the Interior Department.

The CHAIRMAN. Well, there is no money involved in the transfer at all?

General WILLIAMS. Except $1,000 administrative costs, sir.

Mr. BRAY. Mr. Chairman, you would not need authorization from this committee legally for administrative costs in that matter?

Colonel SHULER. We feel we would, sir, on an acquisition such as this. We would need authority, or authorization from this committee.

The CHAIRMAN. Anyhow, you would like the sanction of the committee?

Colonel SHULER. Yes, sir; that is what we want.

The CHAIRMAN. To be persuasive with the Interior Department?

Colonel SHULER. We are trying to be honest.

Mr. HUMPHREY. Mr. President, I believe that testimony makes it amply clear what the Army is trying to do. I must add that I am getting tired of this administration not resolving its own conflicts, before bringing these issues to the Congress.

Mr. President, the Department of the Interior and the Department of the Army are as far apart on this issue as the North Pole and South Pole are apart. They are supposed to be representing the Government. Officials of the two departments contradict each other. It appears to me that before Congress appropriates a substantial sum of money, it ought to find out who is telling the truth. When we find out who is not telling the truth, we might withdraw a little money. That seems to be effective.

A little good financial and economic discipline would bring a little more veracity and a little more frankness than is now the case with some of the statements made before committees of Congress.

Mr. President, I would respectfully suggest that the Department of the Interior and the Department of the Army get together, rather than each presenting a different case to the Congress and telling us to decide. This is not a court; it is a legislative body; and the least we can expect from the executive departments is a frank and honest statement of the facts. There can never be a decision in this issue if two departments of the Government, in the same Cabinet structure, are poles apart and telling diametrically opposed stories to the committees of Congress. I am convinced that the documentary evidence in this case is enough to warrant our Appropriations Committee taking a deep "new look" at this case. If the Secretary of Defense wants to have a new look, I suggest he start right here. This is a good place to exercise that new look and find out what has been going on. I certainly hope that the Senate Committee on Appropriations will call upon the Army either to prove its charges contradicting or attempting to contradict Mr. Gutermuth's testimony, or retract their statement.

Mr. President, I feel that this is a great and growing country. The population is expanding by leaps and bounds, and I suggest that unless for future generations we conserve what we have left in terms of wilderness areas, wildlife refuge areas, and recreational areas we will wake up some day and find that this great system which Teddy Roosevelt had the foresight to stake out and to plan for has been slowly nibbled and cut away, until some day all we will have will be pavement and urban centers, land that has been put to the plow, and no place for a busy people to play, and no place for a wholesome Nation to have wholesome recreation.

I happen to believe, Mr. President, that everyone cannot afford to spend a month at Miami Beach. Some people like to get into the plain out-of-doors and into the great national parks and great recreational areas provided by public law. If we paid a little more attention to wilderness areas and national parks we would be doing a great service not only for ourselves, but for future generations.

At this point, Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Washington Post and Times Herald, entitled "Rationing Our Parks"; in other words, trying to take care of the park system of the country and providing for the expanding need of recreation by an expanding population.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RATIONING OUR PARKS

It was something of a shock to have the director of the National Park Service, Conrad L. Wirth, remark the other day about the possible future necessity to consider "rationing" the use of our national playgrounds. Mr. Wirth of course had in mind the great upsurge in visits to the parks, especially the increase in overnight camping in such areas as Yosemite Valley where facilities are strained. Possibly some sort of space reservation system eventually may become desirable in particularly congested sectors if campgrounds cannot readily be enlarged. But with all the open space in this country, a not inconsiderable part of which is in national parks and forests, the very suggestion of restricting use of recreation areas is repugnant.

Obviously, as the population expands, and as a higher standard of living permits more enjoyment of leisure time, outdoor jaunts and vacations will appeal to more people. The fact that 48 million persons visited national parks and monuments last year—double the figure just after the war—is testimony to the appreciation of the park system. Congress itself has shown increasing interest in the parks. The appropriation for 1956 of more than $43 million, including capital outlays, takes care of immediate needs fairly well.

But a sum of less than $1 a visitor is still a ridiculously small amount to be spending for maintenance as well as for the construction of new buildings, roads, trails, and campsites—especially when some heavily used parks such as Yellowstone are in bad repair and are suffering from long years of inadequate funds. As a growing population comes more and more to enjoy the parks, proportionately greater sums per person will be imperative—not only to purchase new areas and prevent situations in which tents are jammed together like tenements in the campgrounds, but also to prevent the parks themselves from deteriorating through heavy use.

One way to do this would be for Congress to earmark a portion of the modest entrance fees, which now are paid into the Treasury, directly for the use of the park system. A small increase in certain fees, including a nominal toll for use of the magnificent Blue Ridge Parkway, seems entirely reasonable. But fees will have to be kept low in order not to discourage use, and no fee system will obviate the need for larger appropriations if the parks are to be kept, in Secretary McKay's words, "as accessible to Americans 100 years from now as they are today."

Mr. NEUBERGER. Mr. President, will the Senator from Minnesota yield at that point?

Mr. HUMPHREY. I shall be happy to yield to the Senator from Oregon.

Mr. NEUBERGER. Is it not rather strange that when the Army or some private interest wishes to take over some portion of a national park or a national monument, or wildlife refuge, that particular area suddenly becomes very worthless and practically valueless, although never before had such a fact been discussed?

Mr. HUMPHREY. It seems to me to be one of the most common discoveries. A private interest or a department of the Government finds that it wants to take over some part of the great outdoor recreational facilities which have been dedicated to the people's welfare, and all at once such an area is found to be of no good and of no value, and, therefore, why not use it?

Mr. NEUBERGER. I thank the distinguished Senator. I think we have seen that a good deal in the past several years. If they want to flood a national monument, they make a very quick finding that no one ever goes there. If they want to establish an artillery range to blast into bits part of a wildlife refuge, they discover suddenly two things, first, that visitors very rarely go to that place; second, that none of the animals for which the wildlife refuge was set aside find any forage in that particular place.

If a lumber company desires to trim the borders of a great national park, such as the Olympic National Park in the State of Washington, they find simultaneously that it would be very valuable to them to log in that area because the trees do not amount to much, anyway.

Has the Senator noticed that trend?

Mr. HUMPHREY. I have not only noticed it, but it is as obvious as a sore thumb or as a wart on one's nose. It becomes ever more evident.

Mr. NEUBERGER. The distinguished Senator, in his very appropriate remarks on the Wichita Mountains Wildlife Refuge, mentioned the name of that great conservationist, Teddy Roosevelt. Am I

correct in saying that I remember this particular reserve which the Army now wants to reduce substantially in size actually was created under the leadership of Teddy Roosevelt, half a century ago?

Mr. HUMPHREY. That is my recollection. It was one of the acts of his administration to set up this great public recreational and park system, in 1905.

Mr. NEUBERGER. Has the distinguished Senator also noticed that this particular administration has, with some fanfare and jamboree, paid great tribute to Teddy Roosevelt?

Mr. HUMPHREY. I have noticed that.

Mr. NEUBERGER. Has the Senator noticed how much easier it is for this administration to honor Teddy Roosevelt in words than in deeds?

Mr. HUMPHREY. That has become a very commonplace practice. I am convinced that the memory of Teddy Roosevelt would be much more deservedly testified to and paid tribute to by acts and deeds and evidence of conservation rather than by words and statements about conservation.

Mr. NEUBERGER. It would seem to me that the Senator is eminently correct. I never knew Teddy Roosevelt personally, and, of course, the distinguished Senator from Minnesota never knew him personally, but if all I have read about Teddy Roosevelt is correct, and if all I have read which was written by him is correct, I think that he, in some far Valhalla, would much rather have the Wichita Mountains Wildlife Refuge preserved intact in the size he originally established it, than to have some political speeches made in his honor by those who now want to reduce the size of the refuge.

Mr. HUMPHREY. May I say to the Senator from Oregon that very few men in this country have done more for conservation and have had a more intelligent understanding of the problems relating to our conservation resources than has the junior Senator from Oregon. He is an expert in his field, and is so recognized by persons in political life and by people throughout the Nation. I join with him in his efforts to try to protect what we have of the great public lands which have been dedicated for recreational purposes for the good of the people. May I say that it seems to me to be a rather difficult fight in which we are engaged.

Mr. NEUBERGER. I thank the Senator from Minnesota for his kind words, and I hope that I may some day deserve them. I am very glad to be united with the Senator from Minnesota in this effort, because I know his career in the Senate, which long precedes mine, has been largely devoted to trying to protect our great public lands.

Is it not one of the purposes of this Nation that the public lands, held in trust by the United States Government, shall be open to all people, rich and poor, high and low, regardless of creed, religion, or color, or the condition of anyone's pocketbook? Is not that the great and very profound difference between us and some of the nations of Europe, where they have king's lands or duke's lands or some viscount's lands, and an average person can be made to feel like a poacher if he presumes to go on those quasi-public lands?

Has not this administration, step by step, tried to encroach not only upon the Wichita Mountains Wildlife Refuge, but also upon our 153 national forests and many of our national parks? And are not the great conservation groups, with which the junior Senator from Minnesota has been so closely associated, constantly having to fight to hold on to what we have, rather than being able to improve and expand the great system of parks and forests in this country?

Mr. HUMPHREY. Repeatedly in the past years conservation groups have had to appeal to their friends in Congress to try to hold what we have. There has not been an opportunity as yet to determine or plan how we might do better. We have been fighting a defensive action, because repeated attempts and continuing efforts have been made to nibble at the resources of the public lands, to permit, for example, ranchers to move into the public lands and thereby to preempt certain property rights.

We have fought those efforts off, not always successfully. But I think a fairly good rear-guard action has been undertaken and sustained. However, it seems to me that somewhere along the line, as we appropriate millions of dollars to show the world what we can do with atomic energy in a sort of peace ship, a showboat, we might also show the world that we have great concern for the welfare of the yet unborn children of the fathers and mothers of generations to come, as they seek a place in the busy American economy for wholesome recreation and rest from their trials and labors.

Mr. NEUBERGER. I am glad the Senator from Minnesota spoke about holding on to what we have. Before I came to the Senate, I can recall very vividly reading the CONGRESSIONAL RECORD during 1954 and admiring, with all the enthusiasm at my command, the very forceful fight made by the junior Senator from Minnesota to keep certain grazing bills from passing last year, bills which would have greatly weakened, if they would have not taken away entirely, the rights of thirty or forty million Americans to fish, camp, and hike in the great upland meadows of our national forests.

Although I was not a Member of this body at that time, I followed that struggle very closely. I realized that no one played a keener part in that very important cause than did the junior Senator from Minnesota. That is why I have listened with such great respect today to what the Senator from Minnesota has said about the fate of the Wichita Mountains Wildlife Refuge.

I should like to ask the Senator one further question: Is it not a fact that this invasion of the Wichita Mountains Wildlife Refuge is not so important in and of itself, but that it comes at a time when there has been a new succession of attacks upon the various public land realms which belong to the United States? In other words, bad though this is, standing alone, it is particularly dangerous as an example.

Suppose the Army succeeds in diminishing by 10,700 acres the size of the Wichita Mountains Wildlife Refuge. What will then be said in other parts of the United States, where various groups, either governmental or private, hope to get into certain reserves which have been set aside for the people? What will be said at Olympic National Park, Glacier National Park, and Dinosaur National Monument? In other words, is not this a precedent which could be very dangerous?

Mr. HUMPHREY. I think so. It was for that reason that I introduced Senate bill 2101 to protect our national wildlife refuges. I hope that measure will be enacted, so as to require specific congressional approval before any of our wildlife refuges are disposed of or abolished.

Before I yield further, I wish to complete my statement. Then I shall want to discuss the subject a little more with the junior Senator from Oregon.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article written by Raymond R. Camp, relative to the Wichita Mountains area dispute, which was published in the New York Times of Sunday, July 3, 1955.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WOOD, FIELD, AND STREAM: ARMY AGAIN SEEKS WILDLIFE REFUGE LAND AFTER UNSUCCESSFUL BID 2 YEARS AGO

(By Raymond R. Camp)

Legislative predation, one of the most persistent enemies of wildlife, is more difficult to control than such natural predators as wolves, mountain lions, foxes, wildcats and skunks.

Sports and conservation groups can effect this control if they act in time. And quick action is needed to save an important part of the Wichita Mountains Wildlife Refuge.

Only 2 years ago, after trying unsuccessfully to take over 10,700 acres of this refuge by "paper transfer," the Army conceded that the land was not necessary. Sports and conservation groups were lulled into a feeling of false security by this statement of the Secretary of the Army:

"The Army has decided to endeavor to carry out its mission at Fort Sill without acquiring additional land, either privately owned or in the refuge. Accordingly, there are no plans for expansion into the wildlife refuge in the immediate future."

Now, without consulting the Department of the Interior, the Army has included in its appropriation bill an expansion of Fort Sill that would take over 10,700 acres of the refuge.

The Wichita Mountain area is the last primitive area in Oklahoma, and that State's greatest scenic and recreational area. Since the first of the year almost a million persons have visited the area, which is populated with buffalo, elk, deer, wild turkey and various species of small game.

The sector that would be taken over by the Army comprises the most important watershed in the refuge, which provides water for the lakes and insures the existence of the luxuriant prairie shortgrass which feeds the game.

The use of the area as a firing range for the atomic cannon and rockets will soon burn off that part of the refuge and undoubtedly constitute a serious fire hazard to other portions. Many species of plant life and several species of birds are found in Oklahoma only on the refuge lands.

According to conservationists who have studied the situation, the Army proposal is unnecessary. The United States Fish and Wildlife Service has suggested a compromise plan. It would close the lower two tiers of sections on the southern portion of the refuge as a buffer area when the Army is firing its big guns. The public could use the area when no firing was taking place.

So far as could be determined, the Army has made no effort to investigate this plan.

Because of its natural qualities and ample food, the portion of the refuge required by the Army was set aside many years ago as an area for preserving the disappearing big-game herds.

The House Committee on Armed Services has approved the Army's plan. Unless sports and conservation groups take immediate action the appropriation bill may be passed with this clause included.

Conservation groups urge sportsmen to write or wire protests to their Representatives or Senators immediately. Protests also may be addressed to the House and the Senate Armed Services Committees.

The Desert Game Refuge in Nevada also is being threatened. The Service granted the Air Force permission to use part of the refuge for firing and the Air Force now has announced its intention of taking over primary jurisdiction of the refuge. This would eliminate wildlife interests in the area.

The Army is seeking still another refuge, the Kofa Game Refuge in Arizona, for use in testing poisonous gas on a battlefront scale. As this is the final home of the Galliard mountain sheep and serves as a major refuge for mule deer, pygmy antelope, and other game, it takes little imagination to realize what will happen to wildlife there.

If the areas in question were vital to the defense effort, there would be no sound basis for opposition by sports and conservation groups. But in every instance alternate sites of equal value are readily available.

Mr. HUMPHREY. Mr. President, it should be noted that Mr. Camp's article in the New York Times of Sunday, July 3, 1955, has as its headline "Army Again Seeks Wildlife Refuge Land After Unsuccessful Bid 2 Years Ago."

The author of the article points out a fact which I think can be fairly well documented, namely, that one of the greatest menaces, as he puts it, or one of the most persistent enemies of wildlife is the constant administrative and legislative nibbling away at the recreational and wildlife resources of our country.

Mr. Camp also makes proper note of this fact:

The Wichita Mountains area is the last primitive area in Oklahoma and that State's greatest scenic and recreational area. Since the first of the year almost a million persons have visited the area, which is populated with buffalo, elk, deer, wild turkey, and various species of small game.

The sector that would be taken over by the Army comprises the most important watershed in the refuge, which provides water for the lakes and insures the existence of a luxuriant prairie short grass which feeds the game.

The use of the area as a firing range for the atomic cannon and rockets will soon burn off that part of the refuge and undoubtedly constitute a serious fire hazard to other portions.

Mr. President, I think it is about time to reexamine the whole subject matter.

I now ask unanimous consent to have printed at this point in the RECORD a list of the organizations in Oklahoma which are on record in opposition to the transferring of any part of the Wichita National Wildlife Refuge to Fort Sill. I make note of the fact that the list includes all the prominent conservation groups of that State or of the Nation.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Oklahoma organizations that are on record in opposition to the transferring of any part of the Wichita National Wildlife Refuge to Fort Sill:

Comanche County Landowners Association.
Izaak Walton League of America, Oklahoma Division.
Northwest Oklahoma Sportsmen's Association.
Oklahoma Academy of Science.
Oklahoma Cattlemen's Association.
Oklahoma Farm Bureau.
Oklahoma Garden Clubs, Inc.
Oklahoma Ornithological Society.
Oklahoma Outdoor Council.
Post Oak (Comanche) Mission at Indiahoma.
Tulsa Audubon Club.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD a list of the national and regional organizations which are opposing any reduction in the size of the Wichita National Wildlife Refuge.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

National and regional organizations that are opposing any reduction in the size of the Wichita National Wildlife Refuge:

Citizens Committee for Natural Resources.
Izaak Walton League of America.
National Parks Association.
National Wildlife Federation.
Nature Conservancy.
North American Wildlife Foundation.
Outdoor Writers Association of America.
Sierra Club.
Southwest Association of Naturalists.
Sport Fishing Institute.
Wilderness Society.
Wildlife Management Institute.

Mr. HUMPHREY. Mr. President, I note for the Senate's attention that the great Izaak Walton League of America, the National Wildlife Federation, the Wilderness Society, the Wildlife Management Institute, the National Parks Association, among others—I select those only because they are very well known in this part of the United States—are in opposition to the attempt to take over a large part of the Wichita Mountains Wildlife Refuge. Yet all of these organizations have been literally pushed aside by the testimony of the Army.

Next, I ask unanimous consent to have printed in the RECORD a letter written by James Munro, of Sheridan, Wyo., to the editor of the Washington Post and Times Herald, and published in that newspaper on July 20, 1955.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LETTER TO THE EDITOR—ARMY SEEKS LAND

The Army is on the march again. This time they are trying to take from the people of the United States 10,000 acres of land in the famous Wichita Mountains Wildlife Refuge in Oklahoma. This refuge contains the famous Texas longhorns, the last remnants of this interesting breed. It contains antelope, deer, and American bison.

An enlightened program of land use and good conservation has been carried on in this refuge. But the Army wants it to test A-shells and other artillery. Maybe, too, it will be useful for Army "brass" who wish to hunt on their private game preserve.

What is 10,000 acres? It's an area about 10 miles square. From the Army standpoint it is hardly more than a tiny spot of ground for artillery. Why doesn't the Army go into the arid and semiarid regions, of which there are millions of acres, now Government-owned, and set up their artillery ranges?

It is high time Congress came out with a policy declaring once and for all that national parks, monuments, wildlife refuges, national cemeteries, and historical parks are not open to exploitation by the military or the Bureau of Reclamation or any of the land-grabbing agencies of our great, but sometimes predatory, National Government.

JAMES MUNRO.

SHERIDAN, WYO.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD a letter from J. H. Lowder, general chairman of the American Train Dispatchers Association, of Wichita Falls, Tex., opposing transfer of this wildlife refuge land, and an accompanying article about the same subject from the current issue of Nature magazine.

There being no objection, the letter and article were ordered to be printed in the RECORD, as follows:

AMERICAN TRAIN DISPATCHERS ASSOCIATION,
Wichita Falls, Tex., July 17, 1955.

Subject: Fort Sill Expansion Proposal.
Hon. HUBERT H. HUMPHREY,
Hon. RICHARD L. NEUBERGER,
United States Senate,
Washington, D. C.

HONORABLE SIRS: I note that each of you questioned the Fort Sill, Okla., expansion proposal on the Senate floor but withdrew opposition when Senator MONRONEY assured you that it was needed. I also note that the appropriation for this project was cut out in the House Appropriations Committee but will probably be restored by the Senate by Wednesday, July 20.

I am enclosing for each of you a reprint from Nature magazine for June–July 1955 showing the value of the Wichita Mountains Wild Refuge and private lands affected and that the lands which the Army and Lawton, Okla., Chamber of Commerce are attempting to grab are not needed.

For your information opposition to this proposal has been filed with the House and Senate Armed Services Committees along with supporting evidence by this association, the Trades Council and Labor Council of Wichita Falls, and confirmed by the Texas State A. F. of L. in general session. By the landowners affected near Fort Sill, by the Oklahoma Outdoor Council of Norman, Okla., and by the various Indian tribes affected and by the Chief of the Choctaws of Durant, Okla. In addition we have written all the Senators and Congressmen that we had either personal or corresponding acquaintance with in opposition. We tried vainly to get a Senate subcommittee to come on the grounds and hear the people. It was proved in the House Armed Services Committee investigation the expansion was not needed and that Fort Sill already has 17,000 acres not being used but being leased out to farmers and ranchers for farm and grass purposes.

If you gentlemen can see your way clear and are successful in blocking this measure and getting a subcommittee to investigate on the ground and give the people a chance to present their side you will be doing a great public service. This is not a local matter, as you well know—it concerns the people

of the entire United States—and a great damage will be done and there will be many heartaches if the Army gets by with this deal. Do not take my word for it; investigate for yourselves.

Sincerely,

J. H. LOWDER,
General Chairman.

WICHITA MOUNTAINS WILDLIFE REFUGE IN PERIL

(By Margaret Morse Nice)

It was with the hope of finding the rock sparrow and rock and canyon wrens—that my husband and I started up the slope in Elk Mountain in Wichita Mountains National Wildlife Refuge, Okla., on the morning of April 12, 1955. Between the great granite boulders strewn down the mountainside, little flowers were blooming—a miniature blue violet, a midget cress, and a tiny bright pink verbena, as well as beds of spring beauty. A cardinal sang lustily by the clear tumbling brook, tufted tits called, and the lovely lay of the mourning dove floated down from above us. Butterflies flitted from flower to flower. Turkey vultures sailed overhead. A deer looked down at us, then vanished.

All at once we heard a nasal pur-pur-pur, loud and shrill, then a chatter something like the rattle of a kingfisher. Presently, under the shadow of a boulder, we noticed a rock sparrow, a bird found only in wild, rocky places in western Oklahoma and Texas, and in Mexico. A series of grating, varied and strange speechifyings came from a rock wren. After a few vehement phrases from the top of a boulder he would quickly pop into a crevice. In striking contrast to these two birds, with their harsh and curious vocalizations, were the wild and lovely notes of the canyon wren, which found their perfect setting in the rugged beauty of these Wichita canyons.

We should have been completely happy, that morning on Elk Mountain, but a great fear oppressed us. We knew that the unique Wichita Mountains Wildlife Refuge is gravely threatened. The United States Army wants an important part of it for an artillery and guided missile center.

Twelve days later we returned, this time to meet with the Oklahoma Ornithological Society, a group of 300 people keenly interested in nature. All the trees now had leaves of shimmering green. Again we camped at Sunset Pool at the base of Elk Mountain, there to hear the strange calls of chuck-will's widows, and the melodious songs of the summer tanager. Crested flycatchers whooped and hollered and red-bellied woodpeckers loudly complained.

Again we climbed the slope of the mountain. Here was majesty, and here was peace. Three deer sprang up a few yards away. A cottontail scampered off. Different flowers greeted us.

It was in the Wichitas that we first camped, 35 years ago, when we undertook the study of the birds of Oklahoma. Many times in the following years we camped in the Wichitas, always finding new delights, new treasures—among them, painted buntings, black-capped vireos, nesting red-tailed hawks, and brilliant summer flowers.

The Wichita Mountains were the ancestral home of the Wichita Indians. Generals McClelland, Winfield Scott, and Phil Sheridan of Civil War fame fought here against bands of Kiowas and Comanches. Quanah Parker, last chief of the Comanches, lived in these mountains. He is buried just south of the refuge, and a lake bears his name.

In 1905 an area approximately 9 miles wide by 15 long, comprising 59,099 acres, was set aside by Theodore Roosevelt as a national forest. Thirty years later it was transferred to the Fish and Wildlife Service. At the time of the forest's establishment grave fears were felt for the future of the buffalo. Congress appropriated $15,000 for an 8,000-acre enclosure, and, in 1907, 15 buffaloes, donated by the American Bison Society, were turned loose in their new home. They throve and multiplied. The rest of the preserve was badly over-grazed by domestic cattle until their exclusion in 1937. Under wise care and moderate grazing the prairie grasses are now flourishing; indeed, the refuge is the largest area of natural bluestem range left in the United States.

This April, Ernest Greenwalt, refuge manager, drove us over the preserve and told us many things. Buffaloes were met here and there all over the pastures, usually in bands, occasionally an old bull by himself. A few brownish-red calves were frisking about, waving their little tails, while one was trying its best to roll over. The herd now numbers about a thousand.

The other most conspicuous animal on the refuge is the Texas longhorn. Some are solid white, black, red or yellowish, while others are spotted in a variety of patterns. They are descendants of the Spanish cattle brought to Mexico in 1521 by Gregario de Villabolos. Coronado brought them north while searching for the fabulous Seven Cities of Cibola.

By the 1920's, because of mixture of blood with English and Brahman cattle, longhorns had all but disappeared. Two Forest Service men examined more than 30,000 cattle on a 5,000-mile trip in order to find the 20 cows, 4 calves, 3 bulls, and 3 steers that started the Wichita heard in 1927. There are now 350 of them, including 80 steers with horns more than 7 feet long. This is the largest herd in existence.

By 1875 the native elk had been exterminated in the Wichitas. The present herd of 200 are from 17 animals brought from Jackson Hole, Wyo. They keep largely to the hills and mountains. The native white-tailed deer, most abundant of the large mammals, number about 1,300. A few antelopes were introduced in 1938, but the habitat apparently does not suit them too well. At present there are 21 on the refuge.

Another persecuted mammal, now unfortunately rare, has found a refuge in the Wichitas—the prairie dog. They sit on their mounds in their town on both sides of the scenic highway; bark and flirt their tails, and run and pop into and out of their holes.

Wild turkeys strut and gobble in the groves, flying into the great post oaks to roost at dusk. Migrating ducks are common on the many lakes, mallards being particularly abundant when the acorn crop is heavy. Some winters robins form large roosts in the redcedar groves. Golden and bald eagles winter, and turkey vultures nest in the rugged mountains.

The Wichita Refuge constitutes by far the finest natural area in Oklahoma, and for hundreds of miles in all directions. People come from Oklahoma and Texas, and from far away, to camp, swim, fish, and enjoy nature. It is the site of many outdoor gatherings. Girl and Boy Scouts run summer camps at Camp Boulder. Ten to fifteen thousand visitors may visit the area on the Fourth of July and Labor Day. From thirty-two to fifty thousand spectators gather each year for the impressive Easter pageant at the foot of Mount Scott. During 1954, nearly 800,000 people visited the refuge.

Fascinating as is the splendid larger wildlife, to many it is the ancient, jumbled, fantastically weathered mountains, their cedars, blackjacks, and large-toothed maples, their little flowers, their rock sparrows, and rock and canyon wrens, that make the whole refuge priceless. And it is the finest of these mountains that the Army wants to take over and destroy.

The Artillery School at Fort Sill wants $2,320,000 to purchase 20,320 acres of privately owned land south of the refuge. This comprises homes and ranches, as well as Carterville Park, a popular amusement center in picturesque setting visited by 600,000 annually.

The Army also covets one-sixth of the refuge itself—10,700 acres along its south side, to be obtained by paper transfer. They describe this as wasteland. It is the best part of the Wichita Mountains. The Army would take beautiful Postoak and Treasure Lakes, Quanah and Bat Cave Mountains, Charons Garden, Twin Rocks and Elk Mountain, Mount Lincoln and Phantom Hill. They would also take superb Eagle Mountain with the spectacular Narrows along Cache Creek and the best camp—Camp Boulder. In short, not only would the Army take away the main entrance, it would acquire the loveliest, most superb parts of the refuge.

Two years ago the Army tried to buy blocks of land south and north of the refuge, the northern tract a huge area of 99,360 acres that include Saddle Mountain. This was a pincers movement designed to swallow the refuge. This attempt was defeated by an outraged citizenry.

The future plans of the military can be guessed. Eventually they want the whole refuge. Yet there is too little water in the region to provide a safe basis for the great expansion envisioned. Moreover, with the rapid advances in military devices, the whole refuge and surrounding countryside would almost certainly soon be too insignificant in size to meet the requirements. So the wilderness would be destroyed to no purpose.

The Artillery School at Fort Sill needs room to fire the newest weapons and guided missiles. The sensible suggestion has been made that for these tests the personnel involved could be flown to desert areas already owned by the Government in other States. There the damage would be small in comparison to that planned in the Wichita Mountains Wildlife Refuge.

The fundamental question involved is: Are our national parks, monuments, and wildlife refuges to be kept inviolate for their higher purposes, and for the happiness of all the people and for our descendants? Or are they going to be exploited by commercial and military interests? Is our own Army, our own Congress going to desecrate these God-given glories of our country?

Mr. HUMPHREY. Mr. President, I appeal to the Senate to be the guardian and custodian, faithful at all times, of these great resources, the great recreational resources of America—the parks, the playgrounds, and the refuges for game, fish, and wildlife. We have so little of them left.

It has been the privilege and the pleasure of Mrs. Humphrey and myself, and of our children, to travel extensively throughout our country by automobile. In fact, only this morning my family left by automobile to return to Minnesota. We shall be visiting many of the great outdoor recreational facilities provided by the State and Federal Governments. When I observe the tremendous number of people who go into our national parks; when I consider the yearning of millions and millions of people in the cities for places to go to fish and camp, to have a few nights and days out in the open air, away from the smoke and the smog and the hubbub of traffic and industry; it is nothing short of shocking to me that Congress seems to be so complacently unconcerned.

The Capitol is comfortably air conditioned. We have it so nice, apparently, that we forget how other people live.

Washington is a beautiful city and has many parks. Yet there are some persons who now want to destroy even Rock Creek Park. They cannot find any other place to put a road except right down through Rock Creek Park. Other land is available throughout the countryside, but some persons insist that it is necessary to have a highway go through one of the most beautiful parks in America. Not only the people, but also the squirrels, will be scared away as the big, high-powered vehicles travel through the park.

It seems that everytime we have developed a beautiful place or an area dedicated to the enlargement of man's spirit and soul, someone has to ram in a hamburger stand, a truck stop, a filling station, or a big highway.

I thank God that we were able in Minnesota, by Federal law, to establish a wilderness area known as Quetico-Superior National Forest. One does not go into that area by plane or automobile; he must go in by foot, by canoe, or by portage. Once inside, he is in an area which is as much a virgin part of America as was America itself on the first day this continent was discovered. We need some places like that in the Nation. When I see the limited, petty, little amounts we appropriate for our Park Service, I wonder sometimes if we have lost our sense of values. We are willing to appropriate more money to study, for instance, hoof-and-mouth disease, which, of course, is important; and money to study the habits of beetles, which may be important; but we always hesitate to appropriate the money we should allow to really do something about people's living conditions. These great recreational facilities are of great importance.

I know the Senate is conducting investigations into juvenile delinquency. That is quite a big subject, but I guarantee that one way to help solve the problem is to provide decent living conditions in homes in the cities and in the country, which will give the people a spirit of inspiration rather than of degradation.

If we permit a policy to be continued which carves up the great recreational resources in this country, we will not have enough jail space to take care of the people who will get out of hand, and to take care of mental cases.

The greater, the stronger, and the richer this country becomes, the greater the speed and tempo, the more recreational facilities are needed. And I am not talking about night clubs. I am talking about places where there are oak trees and pine trees, places where there are little rivers and creeks, hills and valleys, stone and sand, grass and flowers.

I think we can get along without cannon shooting in such places. There is enough wasteland in this country where cannons can be shot from now until kingdom come and not even a grasshopper would be hit. Every time the Military Establishment wants to build a project of that kind, it wants a place where a golf course can be built. I realize that golf has become a very important part of the American way of life, from Washington to Timbuktu, but I suggest that the military, in planning places to have firing ranges, should try to find places other than where recreational areas have been provided under present public law.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. NEUBERGER. Does the Senator think the military personnel will be as disturbed by the buffalo in the Wichita Mountain Wildlife Refuge as the White House personnel were disturbed by squirrels on their putting greens on the White House grounds?

Mr. HUMPHREY. Well, I am not an expert in that field. Out in my part of the country, we have always figured buffalo would be a little more disturbing than squirrels. I am afraid that if the project of the Army goes through, not only will there not be squirrels or buffaloes, but there will not be very many people who will be able to use the area.

I got a kick out of officials of the Army saying that people do not use the area. At this very moment, while I am speaking, there happen to be in that particular area some very fine persons who are using it. I refer to a large group of Girl Scouts, who are starting their second week of camping in that 10,700-acre tract of land.

Army officials have said persons go into that area only by permit. I submit the evidence is to the contrary; they do not go in by permit; they go in on foot, by car, or any way they can go in. They do not have to have permits issued to them. This is a public recreational facility.

I shall not argue further about the matter. I have taken up enough of the time of the Senate on this issue. I am seriously concerned about the conflict of testimony. If the Army officials are not telling the truth, they ought to be brought before a committee of Congress, so the truth can be extracted from them. If officials of the Department of the Interior are not telling the truth, they ought to be brought before the committee, so the truth can be extracted from them. The only way to find out where the truth lies is to have officials of the two departments brought together in the same room, so it can be ascertained which officials of which department are telling the truth.

Departments of the Government are not different principalities. They are supposed to be all part of the same Government. The Government up to now has been a rather organic unit, but in recent months, or in the last 2 or 3 years, when a controversial bill has been before Congress, one department has been on one side of the issue, and another department on the other side of the issue, and the departments ask Congress to make a choice as to which department it should believe. I submit that one of the duties of the Bureau of the Budget is to ascertain which of the departments is telling the truth, if there happens to be a conflict in statements.

When a department issues a statement regarding as respectful a group as the one Mr. Gutermuth represents, the Wildlife Society, one of the great conservation groups, either the Department of the Army ought to be able to prove the truth of its statement or it ought to apologize publicly.

I wish to thank Mr. Gutermuth for sending that statement to the Army. What the country needs is more spunky citizens, citizens who do not take everything from Government departments, citizens who will tell departments where to head in, or tell any Government official where to head in, when those officials or those departments are wrong. Mr. Gutermuth stated to the Secretary of the Army, in no uncertain terms, that he did not intend to be called a liar or a demagog, and that he did not intend to have defamatory statements made about him. He challenged the Army to present all the facts. He challenged the veracity of the Army's statements, which challenge was printed in the RECORD of July 14.

Mr. President, I have no way of knowing where the truth lies. I am no Supreme Court judge. I have not had an opportunity to look into all the details. I have looked into the matter so far as my time permitted me to do so. I repeat, if Mr. Gutermuth is correct, the Army is wrong.

I do not think we ought to be appropriating money for a certain project when a department of Government which is concerned challenges the honor and the integrity of a major conservation group in the country. That is exactly what is being done. I think this is the time for a showdown. It is time for the respective sides to present the evidence. More than that, it is time for the Committee on Appropriations not to recommend an appropriation of money for a project which is as disputed as this one is, as to which departments of Government are in open conflict, as to which one department has literally insulted or assaulted a very prominent conservation group in the United States of America.

It is for that reason that I appeal to the Senate, and it is for that reason that I have used this opportunity to bring the matter to the attention of the members of the very responsible and important Appropriations Committee.

Mr. NEUBERGER. I thank the distinguished Senator from Minnesota. I wish to express agreement with what he has said regarding the Wichita Mountain Wildlife Refuge.

Mr. President, the invasion of Wichita Mountan Wildlife Refuge takes on added significance because of the pressure by commercial interests all over the United States against national parks, national monuments, wildlife refuges, and national forests. The movement is of a piece. No one assault is isolated. The people's property is menaced.

During the past two sessions of Congress, battles have been fought to prevent big ranchers from taking over national forest grazing lands, to block a water-storage project from flooding out Dinosaur National Monument, to keep the Army from making an artillery range out of 10,700 acres of the Wichita Wildlife Refuge, to thwart big lumber companies—and only the big companies—which wanted to trade their own acreage for choice parcels in the national forests, to maintain the boundaries of the

Olympic National Park against an onslaught by Rayonier, Inc., and by other vast logging interests.

These are merely a few examples, Mr. President, but they serve to demonstrate that the efforts to invade the people's playgrounds are many and varied. They occur on numerous fronts.

I recently read of a uranium strike within that marvelous Canadian playground, Banff National Park, on the Alberta-British Columbia boundary. It was said to be a big strike. Uranium is a key mineral in the world of today. Yet the Department of Northern Affairs and National Resources, of the Canadian Government, resolutely said "no" to any suggestion that national park boundaries or standards be relaxed. Perhaps that is why Canada has become such a universal playground for so many Americans, in this year of 1955. Canada realizes that the protection of magnificent scenery and of wild areas has quite as much value as even the production of strategic uranium.

I ask unanimous consent that the letter of May 11, 1955, sent to me by the Canadian Minister of Northern Affairs and National Resources, the Honorable Jean Lesage, appear at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OTTAWA, *May 11, 1955.*

Senator RICHARD L. NEUBERGER,
Committee on Interior and Insular Affairs, United States Senate,
Washington, D. C.

DEAR SIR: I wish to acknowledge your letter of May 3, 1955, addressed to the Director, National Parks Branch, concerning applications to permit mining operations within the boundaries of Banff National Park.

All lands in the national parks of Canada, including the natural resources of such lands, are reserved from settlement or other disposal except under authority of the National Parks Act. Section 4 of this act reads as follows:

"The parks are hereby dedicated to the people of Canada for their benefit, education, and enjoyment, subject to the provisions of this act and the regulations, and such parks shall be maintained and made use of so as to leave them unimpaired for the enjoyment of future generations."

The act makes no provision for disposal of any mining rights in the parks, nor does it authorize the establishment of regulations for prospecting.

In the circumstances, it is not possible to grant permission to undertake exploration and to stake and record claims, nor is there any possibility of mining operations being permitted within the national parks.

Yours sincerely,

JEAN LESAGE.

Mr. NEUBERGER. Mr. President, in conclusion I wish to say that practically every invasion or reduction of valuable domains belonging to the American people has occurred piecemeal. The great Hetch Hetchy wilderness area, in the State of California, was taken from the people piecemeal, step by step. Today, it is proposed that the Army obtain only 10,700 acres of the Wichita Mountain Wildlife Refuge. Yet, I believe, that if these 10,700 acres are taken, that refuge will be, to all intents and purposes, forever in jeopardy. I believe it will not then be long until another 10,700 acres will be taken, because it will be said that artillery is of longer range or of greater damage to human life, and that therefore the artillery range must be expanded; and I think it will not be very long before this great natural playground, located in the State of Oklahoma, but belonging to all the people of the United States, will no longer be a vast recreational region for thousands of our people today and thousands of people yet unborn.

So I wish to join the Senator from Minnesota in protesting the action of the Army in taking the 10,700 acres from the Wichita Mountain Wildlife Refuge; and I hope that the protests of the great wildlife organizations of the Nation will prevail.

In conclusion, Mr. President, I ask unanimous consent to have printed at this point in the RECORD a telegram I have received from the Sierra Club, of California, which adds its protest to those of other groups against the proposed invasion of the Wichita Mountain Wildlife Refuge.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

SAN FRANCISCO, CALIF., *July 19, 1955.*

Hon. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

Speaking on behalf of the Sierra Club (and with an infantry officer's appreciation of the importance of artillery, even in the atomic age), I urge your support of the Wichita National Wildlife Refuge now threatened by Fort Sill expansion plans as provided by supplemental appropriation bill.

While it is probably true that extension of ranges at Sill would assist the present artillery training with respect to administrative convenience and cost, this would at best be only a temporary solution to the problems brought about obsolescence of present guns as research and development bring forth new weapons with vastly increased ranges and long range tactical requirements related thereto.

It is not in the national interest to sacrifice a dedicated refuge for a temporary military solution to a problem that can be aggressively solved elsewhere. As for example by moving maximum-range artillery field training to Fort Bliss, where there is really room.

We can have the Wichita Refuge and strong national defense too. Please do all you can to protect both.

DAVID R. BROWER,
Executive Director, Sierra Club.

DEVELOPMENTS AT THE GENEVA CONFERENCE

Mr. McCARTHY. Mr. President, it is too early in the day to form definite conclusions as to the course of the Geneva talks. But I think some tentative observations are in order at this time—which, I hope, may be of some value to our Geneva delegation. The negotiators are, to be sure, closer to the situation than are we; but by the same token, we are forced to look at the forest, instead of the trees.

First, I think the outstanding feature of the conference to date is the dismal failure, so far, of the efforts of the American delegation to focus attention on the real cause of international tension—namely, Communist tyranny and Communist imperialism. The value of this failure, if any, is that it provides an object lesson in why we should not negotiate with Communists without pinning them down in advance to talk about the real threats to world peace. And the tragedy of the failure is that it was predictable.

Let me recall a colloquy between the minority leader and myself, which took place on the Senate floor on June 16. Senator KNOWLAND made the point that Secretary Dulles had said that the question of the Soviet satellite countries would be brought up at Geneva. My reply was as follows:

> But does not the Senator know that immediately after the Secretary made that statement, the Kremlin announced that * * * the Soviet Union would not discuss the satellite countries? * * * The Kremlin has said the subject of the satellite countries will not be on the agenda.

To this Senator KNOWLAND replied:

> Merely because the Soviet Union has said that in the statement, which I think all of us saw recently, I do not think they are going to be able to write their own ticket. I do not believe the Government of the United States or the representatives of the other free nations have put themselves in the position or will put themselves in the position of allowing the Soviet Union to write the agenda as to what is going to be discussed.

I then answered:

> Mr. President, when the Senator from California says the Russians cannot determine what the agenda will be, I believe he is in error. I believe that if he will consider the matter a little further, he will realize that his error is self-evident. If the Russians say they will not discuss any area they hold, they will simply refuse to discuss it, and then it will not be included in the agenda—just as if we were to refuse to discuss Formosa, it will then not be discussed, and will not be on the agenda.

It was, of course, just for this reason—namely, that the Russians would refuse to discuss the satellites when we got to Geneva—that I urged the Senate to adopt Senate Resolution 116.

The day before yesterday, in his first Conference statement, President Eisenhower referred to the satellite issue, and called it one of the "problems" that should be discussed. Several hours later, Premier Bulganin gave the Communists' reply. Let me read Bulganin's remarks on this subject in their entirety:

> The question of the countries of Eastern Europe—the countries of People's Democracy—was mentioned here.
>
> To raise this question at the present conference means to move us toward interferences in the internal affairs of these states * * *.
>
> It is common knowledge that the regime of People's Democracy has been established in those countries by their peoples themselves through the free expression of will.
>
> Besides, nobody has authorized us to consider the state of affairs in those countries.
>
> Thus, there is no ground for discussing this question at our conference.

With that the Communists rejected the satellite countries as an issue for discussion; and the next day, when the Big Four issued a statement listing the issues

which would be discussed during the remainder of the conference, that of the satellite countries was not among them.

In passing, I call the Senator's attention to that rather curious sentence in Bulganin's remarks:

> Besides, nobody has authorized us to consider the state of affairs in those countries.

To what was Bulganin referring? He was not saying that the "people's democracies" have not authorized such a discussion, for he had just made that point in the preceding sentence, and he introduced the next sentence with the word "Besides." Instead, it seems to me he was saying that the governments which the Big Four are representing have not "authorized" discussion of this issue—in which case, he is referring directly to the refusal of the United States Senate to advise the President to take up the satellite countries at Geneva. How much better it would have been if the President had been in a position to say, "The United States Senate wants me to take up this issue, and I must respect the wishes of the chosen representatives of the American people."

Let us return for a moment to that Senate debate on June 16. I again quote from Senator KNOWLAND:

> It might also be pointed out to the representatives of the Soviet Union that if there is to be a real relieving of the tensions of the world the abolition of the Cominform is essential, not in the way they abolished the Comintern and then used the Cominform to accomplish the same purposes, but by renouncing the doctrine of world revolution, because, so long as they treat that doctrine as the gospel and so long as the representatives of their Government maintain it, there are likely to be tensions throughout the world. * * * We might have an opportunity to gain a great moral victory; and there is no telling what the ultimate repercussions might be behind the Iron Curtain itself.

To this I replied:

> The Communists will not tell the world * * * "We refuse to abandon our goal of world revolution." They will go on saying, even after Geneva, that peace is their aim.

Thus I concluded that the chances of winning a moral victory by bringing up this point were nil.

Last Monday, the President also brought up the problem of international communism. Let me read Premier Bulganin's reply on this point:

> The question of the so-called international communism has also been touched upon here. However, it is known that our conference is convened to discuss problems of interstate relations but not to discuss the activities of some of the other political parties in various countries or relations between those parties.
>
> Proceeding from this premise, we hold that raising this question at the conference of the heads of governments cannot be considered as appropriate.

Thus, once again, the Communists rejected the issue as a conference topic; and the next day it was dropped from the agenda.

Mr. President, have we won the great moral victory to which some Senators alluded?

On the contrary, by letting the subject and the subject of the satellite nations drop without even a whisper of protest, we implicitly conceded that the subversive activities of international communism and conditions in the satellite nations are not important causes of world tensions.

I make these remarks today rather than at sometime after the conference because it is not yet too late to undo some of the damage that has been done. The President can still, in the remaining days of this week, make a strong statement to the conference—and to the world at large—to the effect that the United States regards the Communist tyrannies in the satellite countries and the activities of the Cominform as incompatible with the peace with justice that the free world seeks, and that, therefore, the United States demands a showing of Communist good intentions on these points.

The Communist game at Geneva, so far, has been to convince the world that the Western alliance is the real source of world tensions. So far, we have cooperated in that game. If we are to avoid a stunning propaganda defeat, we must focus attention on the real source of trouble, the Communist slave empire.

STATEMENT BY SENATOR JOHNSON OF TEXAS REGARDING RESIGNATION OF MRS. OVETA CULP HOBBY AS SECRETARY OF HEALTH, EDUCATION, AND WELFARE

Mr. CLEMENTS. Mr. President, I ask unanimous consent that a statement prepared by the majority leader, the distinguished Senator from Texas [Mr. JOHNSON] who is now confined to the Naval Hospital at Bethesda, expressing his views on the resignation of his longtime friend and native Texan, Mrs. Oveta Culp Hobby, as the Nation's first Secretary of Health, Education, and Welfare, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JOHNSON OF TEXAS

It was with a great deal of regret that I learned of the resignation from the Government of my long-time friend, Mrs. Oveta Culp Hobby.

For many years, Mrs. Hobby has been a devoted public servant who has dedicated her outstanding abilities to our people. She has worked—and worked hard—for our country in war and in peace and we owe to her a deep debt of gratitude.

In recent years, she has pioneered in a difficult and exacting position. As the Nation's first Secretary of Health, Education, and Welfare she faced up to challenging problems and met them with the calm dignity of dedicated selflessness that has been the hallmark of her career.

As a personal friend of Mrs. Hobby and her distinguished husband, I can speak with a great deal of feeling as to her devotion to duty. As a public official who has cooperated with her in many tasks, I can testify with conviction as to her capability and integrity.

I feel a personal sense of loss because she is leaving Washington. But I understand and sympathize with the motives that compelled her decision and I know that we will always share common bonds of friendship.

I wish her well. I hope that she and Governor Hobby can look forward to many years of usefulness and contentment. They are the kind of people who make our Nation great and strong.

I attach hereto, for printing in the body of the RECORD, a number of editorials.

The editorials are as follows:

[From the Houston Chronicle of July 14, 1955]

MRS. HOBBY'S RESIGNATION

The administration loses an able lieutenant in the resignation of Mrs. Oveta Culp Hobby as Secretary of Health, Education, and Welfare, effective August 1.

Mrs. Hobby holds a unique distinction. No other woman has served the Nation in two such important positions as she. The first Secretary of the recently created Department of Government and the second woman Cabinet member in history, she also was the first head of the Women's Army Corps, serving during World War II.

As Cabinet member she performed her duties capably as head of a new department with a broad range of activities.

Under fire because of the breakdown in the polio-vaccine program, she stuck by her guns, although intending to resign soon for personal reasons, until it became clear that the major responsibility was not lodged in her or her Department.

It is unfortunate that personal reasons dictate her retirement. However, Mrs. Hobby is to be admired for putting the health of her husband, former Gov. W. P. Hobby, ahead of the position of high honor she holds.

[From the New York Herald Tribune of July 14, 1955]

MRS. HOBBY RESIGNS

President Eisenhower's tribute to his departing Secretary of Health, Education, and Welfare was warm and unqualified. Coming at a press conference called especially for the occasion, it was also dramatic and emotional, and as Oveta Culp Hobby prepares for her return to Texas it must be with a full heart and a high head. Her whole bearing made it apparent that she approached public service with a rare feeling of dedication, and the knowledge that her contribution has been so highly regarded by the President can be to her a never-ending source of satisfaction.

This newspaper was critical of Secretary Hobby because of disappointment in the way in which she handled the crises over the Salk vaccine. But it weighs the incident against the record of all she has done in a bright and useful career.

In summing up Mrs. Hobby's work for the country, the President quite rightly harked back to the war days, when as organizer of the Women's Army Corps she showed creative and organizational ability of a rare order. The contribution that her women soldiers made to the winning of the war received the highest recognition.

As a member of the Cabinet, charged with pulling together a Department of Health, Education, and Welfare out of a welter of more or less unrelated Federal agencies, Mrs. Hobby was entrusted with the task of making a tangible reality out of the President's concept of liberality in human affairs. Once again she showed talents that should be the envy of many a highly placed executive.

Mrs. Hobby was a thoughtful and skilled advocate of the President's middle-of-the-road philosophy. Her Department has functioned well as the conscience of the American free enterprise system. Now that for personal reasons she returns to private life, we are glad to salute her contributions and to wish her well.

[From the Salt Lake City Deseret News of July 14, 1955]

SECOND CRACK IN IKE'S CABINET

Oveta Culp Hobby's resignation as Secretary of Health, Education, and Welfare takes out of Government service a capable, highly respected individual who had reached about as high in official public life as any American woman has done.

It ends, however, any hopes Mrs. Hobby may have had of equaling the record of the only other woman ever to serve in the Cabinet—Frances Perkins' 12 years as Secretary of Labor under Roosevelt.

It also leaves Utah's own Ivy Baker Priest as the sole remaining example of Eisenhower's campaign promises that, since women can make great contributions, he would use them to fill high public office.

And finally, it represents only the second turnover in the Eisenhower Cabinet in 2½ years. Despite criticism of some of his Cabinet members—particularly Secretaries Benson, Wilson, and McKay—only one other of his original team, Secretary of Labor Durkin, had left before Mrs. Hobby announced her resignation. This is a remarkable record of two-way loyalty between the President and his assistants, as well as a reflection of the general satisfaction the public has shown in the administration.

By contrast, President Truman used up 27 Cabinet members in the nearly 8 years he was in office. The second Roosevelt used 24 and the first Roosevelt 22.

Mrs. Hobby has been in one of the most sensitive spots in the Eisenhower government. As the first Secretary of a newly created Cabinet post, it was her job to take over the operations of the Federal Security Agency, and it is greatly to her credit that she has been able to do away with the confusion and public mistrust left behind in that field by her predecessor.

Mrs. Hobby's public relations haven't always been the best, particularly in the current polio vaccine program. Like some other women we know, she has often spoken first and considered the effect of her words second. But, also like most women, she has had a talent for getting things done, not only as a Cabinet member, but earlier as head of the WAC's in wartime, as a newspaper publisher, and as one of the key figures in swinging Texas for Eisenhower in 1952. We wish her well as she retires—temporarily, we expect—from public life to take care of her ailing husband as any good wife should.

The successor named by President Eisenhower, Marion B. Folsom, appears to be an excellent choice. As a member of the President's Advisory Council on Economic Security in 1934–35, he helped set up the Federal social-security system. He has served on many bodies since to revise and improve it and certainly must be counted one of—if not the—country's leading experts on the system which, of course, will now come under his direction. He has had a liberal taste of public life already in the past few years as Under Secretary of the Treasury and certainly should know the ins and outs of Washington by now.

President Eisenhower has described his administration as being "liberal" in human affairs, "conservative" in money affairs. If that is really possible, certainly the Department of Health, Education, and Welfare is the first place to show how it can work in practice. Mr. Folsom's is not an enviable job.

[From the New Orleans Times-Picayune of July 16, 1955]

LOSING A "TEAM" MEMBER

As Mrs. Oveta Culp Hobby stepped down from her post as the first Secretary of Health, Education, and Welfare, President Eisenhower replaced her with a man who helped to cut the pattern of the United States social security system.

Mrs. Hobby was the second woman cabinet member in this country, and the second Eisenhower Cabinet member to leave during his administration. An Eisenhower-Democrat from Texas who strongly supported the general's candidacy, Mrs. Hobby has succeeded in gathering into one administration the sprawling Federal Security Agency plus a number of other bureaus dealing with the long title of her new department. Her supporters believe she has admirably brought balance into a department that might have been expected to remain antagonistic both to her aim of checking New Deal extravagances and of encouraging greater reliance on State and local government in the social welfare field.

Marion B. Folsom has said he would like to see social security extended, but he has also said that as successor to Mrs. Hobby he believes his biggest jobs will be in health and education rather than in welfare. One of his aims, he has reported, is to encourage extension of voluntary health insurance without Government help, particularly in the "field of catastrophic illness." He has advocated a kind of deductible medical insurance similar to the $50-deductible auto insurance, whereby a participant would pay perhaps one-fourth of the costs and the insurance company the rest.

Mrs. Hobby carried to her Cabinet post the advantages of prestige and good will. As a Democrat she was able to do in this politically exposed job what it would have been much harder for a Republican to do without making trouble. She has been an effective member of the Eisenhower "team." The President was grateful to her and, naturally, regretted the development in Mrs. Hobby's personal affairs which demands her presence in Houston.

[From the New York Times of July 14, 1955]

MRS. HOBBY RESIGNS

The resignation of Mrs. Oveta Culp Hobby as Secretary of Health, Education, and Welfare has been foreshadowed in the news dispatches for some time, and, as her letter to the President says, has been brought about by personal reasons which cannot be questioned. The President has accepted her resignation with regret and thanked her for her services. To succeed her in the Cabinet he has announced that he will nominate Marion B. Folsom, now Under Secretary of the Treasury. Mr. Folsom has had wide experience in the field of social security and served on the Presidential Commission of 1933 which drafted the original Social Security Act.

Mrs. Hobby's career in office has been at times a somewhat stormy one, but it cannot be said that she lacked enthusiasm or devotion to the task in hand. It was her responsibility to put together, out of fragments chipped from other branches of the Government, a wholly new department which is still in its experimental stages. This was her second acceptance of a call to public service. The President spoke yesterday, with warm gratitude, of her earlier service as first head, during war days, of the Women's Army Corps.

Presumably Mrs. Hobby will now turn her attention to the affairs of the Houston Post, of which she has been copublisher and coeditor with her husband. Her many friends, in the newspaper world and elsewhere, will wish her well.

[From the Washington Evening Star of July 14, 1955]

MRS. HOBBY'S DEPARTURE

Mrs. Oveta Culp Hobby has fully earned the praise and thanks heaped upon her by President Eisenhower. A capable woman, she has rendered good and faithful service to the Nation for many years past—beginning with her role as wartime organizer and commander of the Women's Army Corps, and ending now with her resignation as Secretary of Health, Education, and Welfare.

Like other fine public servants in the past, Mrs. Hobby has suffered the slings and arrows of a band of critics who all too often have been outrageously unfair. A case in point has been the effort to depict her as a reactionary opposed to putting an end to the grave stresses and strains in our American school system. Another example has been the attacks made on her in connection with the Salk vaccine and her remarks—torn out of context—on the Surgeon General's responsibility for the vaccine's distribution. Certainly, although her sense of public relations occasionally may have left something to be desired, her record is an outstanding one of jobs much too well done to have ever justified the kind of brickbats that have been thrown at her by people who ought to have known better and been more attentive to the facts.

Mrs. Hobby is returning now to private life for "personal reasons of a high order"—meaning particularly the illness of her distinguished husband. The fact that a man as outstanding as Marion B. Folsom has been named to succeed her is a measure of the importance of the work and office she is leaving. As she heads homeward to Texas, she can take proper and lasting pride in the contribution she has made.

[From the Fort Worth Star-Telegram of July 15, 1955]

MRS. HOBBY RETIRES

The resignation of Mrs. Oveta Culp Hobby as Secretary of the Department of Health, Education, and Welfare means the loss to the Government service of a woman administrator of capability and charm. She is the second Texan in high official position to announce retirement plans in recent weeks, the first being Robert B. Anderson, Deputy Secretary of Defense, who soon will return to private life.

Mrs. Hobby has served since November 25, 1952, first as administrator of the Federal Security Agency and then as Secretary of the agency's successor, the Department of Health, Education, and Welfare. She is the second woman to have been a member of a Presidential Cabinet. The first was Frances Perkins, Secretary of Labor in the Roosevelt administration.

As organizer and director of the Women's Army Corps of 100,000 members during World War II, Mrs. Hobby gained distinction and attracted the attention of her commander in Europe, Gen. Dwight D. Eisenhower. In 1952 she was a leading supporter in Texas of the Eisenhower candidacy for President. Her prior public service had been as parliamentary adviser of the Texas Legislature during two different periods. In more recent years she was a member of the Hoover Commission.

In returning to private life, reportedly because of the illness of her husband, former Governor Hobby, Mrs. Hobby will assume official connection with the Houston Post as president. Texas takes pride in the public service of this native daughter, and wishes her many more years of usefulness to State and Nation.

[From the Dallas Morning News of July 15, 1955]

MRS. HOBBY RESIGNS IN WAKE OF ANDERSON

Mrs. Oveta Hobby's resignation from the Department of Health, Education, and Welfare, which she was appointed to set up, is the second of a top Texas member of the Eisenhower official family in 3 days. It follows hard on R. B. Anderson's relinquishment of his post as Assistant Secretary of Defense, turned in Monday. Like Anderson's, Mrs. Hobby's has been amply foreshadowed. Had

she not been under fire on the polio vaccine matter, it is probable that she would have withdrawn earlier in deference to the pressing personal concerns which have occasioned her action.

The News restresses an opinion previously expressed of Mrs. Hobby's service. She has done as well as anyone except a miracle worker could have done in pioneering in a new job. Errors were to be expected but those made are by no means as serious as unrelenting politics would have the country believe. Her former deputy, Marion Folsom, who succeeds to the secretaryship, has recently paid a high tribute to her executive skill and talent for administrative organization, already proved in the successful creation of the wartime WAAC. For that matter, she had previously demonstrated both in civil life.

Whether the Salk vaccine rhubarb was the responsibility of the Department or of the rules for the Public Health Service, it was an error, almost dictated by the political character of public office which maneuvers to obtain every possible advantage from fortuitous circumstance and often must move quickly. Had the vaccine use been completely successful, the administration would have profited. When it was not, the fat was in a hot fire.

It is unlikely that the two Texas resignations will have a bearing on the 1956 presidential race in this State, assuming that Eisenhower seeks reelection. The chief considerations then will necessarily be the identity of the opposing candidate, the issues of the day and the economic situation of the Nation. The retention of responsible Texans in key posts might be helpful but would not be the determining factor.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, July 20, 1955, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 26. An act for the relief of Donald Hector Taylor;

S. 36. An act for the relief of Lupe M. Gonzalez;

S. 244. An act for the relief of Anna C. Giese;

S. 467. An act for the relief of Dr. Luciano A. Legiardi-Laura;

S. 633. An act for the relief of certain alien sheepherders;

S. 758. An act for the relief of Marion S. Quirk;

S. 1139. An act to extend the existing authority for the loan of a small aircraft carrier to the Government of France;

S. 1250. An act to declare Pike Creek above the easterly side of the highway bridge at Sixth Avenue in the city of Kenosha, Wis., a nonnavigable stream;

S. 1464. An act to authorize the Secretary of the Interior to acquire certain rights-of-way and timber-access roads;

S. 1550. An act authorizing the State highway commission of the State of Maine to construct, maintain, and operate a free highway bridge across the St. Croix River between Calais, Maine, and St. Stephen, New Brunswick, Canada;

S. 1654. An act for the relief of Eliseu Joaquin Boa;

S. 1878. An act to amend the act authorizing the conveyance of certain lands to Miles City, Mont., in order to extend for 5 years the authority under such act;

S. 2097. An act to authorize the transfer to the Department of Agriculture, for agricultural purposes, of certain real property in St. Croix, V. I.; and

S. J. Res. 38. Joint resolution consenting to an interstate compact to conserve oil and gas.

ADJOURNMENT

Mr. CLEMENTS. Pursuant to the order previously entered, I move that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 23 minutes p. m.) the Senate adjourned, the adjournment being under the order previously entered, until tomorrow, Thursday, July 21, 1955, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate July 20, 1955:

DEPARTMENT OF THE AIR FORCE

Dudley C. Sharp, of Texas, to be an Assistant Secretary of the Air Force, vice John Roger Lewis, resigned effective September 30, 1955.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 20, 1955:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Marion B. Folsom, of New York, to be Secretary of Health, Education, and Welfare.

DEPARTMENT OF THE TREASURY

H. Chapman Rose, of Ohio, to be Under Secretary of the Treasury.

DIPLOMATIC AND FOREIGN SERVICE

The following-named Foreign Service officers for promotion from class 1 to the class of career minister of the United States of America:

John M. Allison, of Nebraska.
Douglas MacArthur 2d, of the District of Columbia.
Lester D. Mallory, of Washington.
Sheldon T. Mills, of Oregon.
Joseph C. Satterthwaite, of Michigan.
Miss Frances E. Willis, of California.

The following-named persons, now Foreign Service officers of class 1 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

E. Tomlin Bailey, of New Jersey.
John Willard Carrigan, of California.
Thomas K. Wright, of Rhode Island, now a Foreign Service officer of class 2 and a secretary in the diplomatic service, to be also a consul general of the United States of America.
Douglas Jenkins, Jr., of South Carolina, now a Foreign Service officer of class 3 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

The following-named persons for appointment as Foreign Service officers of class 2, consuls, and secretaries in the diplomatic service of the United States of America:

Robert G. Barnes, of Pennsylvania.
Harry N. Howard, of Virginia.
Ernest A. Lister, of Maryland.
Howard P. Mace, of Ohio.
Rufus Burr Smith, of Montana.
Harold C. Vedeler, of the District of Columbia.
Joseph J. Wolf, of Maryland.
Anthony Clinton Swezey, of New York, for promotion from Foreign Service officer of class 4 to class 3.

The following-named persons for appointment as Foreign Service officers of class 3, consuls, and secretaries in the diplomatic service of the United States of America:

Louis Bohmrich, of Wisconsin.
William H. Byrd, of the District of Columbia.
James J. Byrnes, Jr., of Pennsylvania.
Samuel De Palma, of Maryland.
Millan L. Egert, of Maryland.
Robert A. Fearey, of the District of Columbia.
J. Bruce Hamilton, of Massachusetts.
David Handler, of New York.
Austin P. Maley, of Pennsylvania.
Charles P. Nolan, of Massachusetts.
Richard W. Tims, of Maryland.

The following-named persons for appointment as Foreign Service officers of class 4, consuls, and secretaries in the diplomatic service of the United States of America:

Arthur S. Abbott, of Illinois.
Robert S. Black, of the District of Columbia.
Mrs. Marie W. Cannon, of the District of Columbia.
Paul B. Carr, of California.
Philip F. Cherp, of Minnesota.
Kennedy M. Crockett, of Texas.
William Giloane, of Maryland.
Robert S. Hoard, of California.
Richard F. Kitterman, of Maryland.
Miss Frances H. Lafferty, of Delaware.
Henry J. Lilienfield, of Maryland.
Mrs. Ruth E. McKee, of Virginia.
John H. Morris, of Arizona.
Elmer C. Pitman, of Indiana.
Miss Françoise G. Queneau, of the District of Columbia.
Herbert Spielman, of Maryland.

The following-named Foreign Service officers for promotion from class 6 to class 5:

S. Cole Blasier, of Michigan.
Edward L. Killham, of Illinois.

The following-named persons for appointment as Foreign Service officers of class 5, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Ralph A. Booher, of New York.
Ramon M. Gibson, of Missouri.
Theron S. Henderson, of Massachusetts.
Andrew I. Killgore, of Alabama.
Raymond W. Laugel, of Ohio.
Hobart N. Luppi, of Connecticut.
William A. Mitchell, of Maine.
Anthony F. O'Boyle, of Pennsylvania.
Leon Pukach, of Maryland.
Robert B. Williams, of Kentucky.
Carlos M. Yordan, of New York.

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

James H. Bahti, of Michigan.
Martin A. Dale, of New Jersey.
Stockwell Everts, of New York.
Stephen G. Gebelt, of California.
Richard L. Gross, of New York.
Holsey G. Handyside, of Ohio.
Charles W. Henebry, of California.
Charles S. Kennedy, Jr., of California.
Samuel Lee, of the Territory of Hawaii.
John M. McIntyre, of Illinois.
John J. Mullin, of California.
Richard W. Murphy, of Massachusetts.
Herbert S. Okun, of New York.
Kenneth M. Rabin, of Massachusetts.
John Reed, of California.
Warren E. Slater, of New York.
John Sylvester, Jr., of the District of Columbia.

The following-named Foreign Service staff officers to be consuls of the United States of America:

Fentress Gardner, of Florida.
Francis J. Hejno, of Illinois.
John R. Higgins, of New York.
John A. Noon, of Maryland.
Henry T. Robertson, of Connecticut.
Larry W. Roeder, of California.

The following-named Foreign Service Reserve officers to be consuls and secretaries in

the diplomatic service of the United States of America:

Jacob D. Esterline, of Pennsylvania.
Louis P. Napoli, of the District of Columbia.

The following-named Foreign Service Reserve officers to be secretaries in the diplomatic service of the United States of America:

Leslie S. Brady, of Ohio.
W. Bradley Connors, of Pennsylvania.
Walpole Davis, of Virginia.
Joseph S. Evans, Jr., of the District of Columbia.
Thomas E. Flanagan, of Massachusetts.
Frederick T. Merrill, of the District of Columbia.
Nedville E. Nordness, of Virginia.
John E. Pickering, of Illinois.
Allan L. Swim, of Maryland.

The following-named Foreign Service Reserve officers to be vice consuls of the United States of America:

Charles M. English, of Minnesota.
Justin Sloane, of Virginia.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 20, 1955

The House met at 12 o'clock noon.

Rabbi Selig S. Auerbach, Hebrew Congregation, Superior, Wis., offered the following prayer:

Our Heavenly Father, at the beginning of this session we again turn to Thee for guidance. Be Thou, we ask Thee, with the Representatives of our Nation. Guide them in their deliberations. Lead them in Thy way, to perform their sacred task for the true benefit of this great country of ours, and to the betterment of the entire world. Give them courage and wisdom to speak the right words which at this crucial hour will give strength and council to our President and his advisers, assembled in Geneva for the purpose of restoring true peace to a stricken world. Let all those gathered there realize the truth of the words spoken by Thy prophet that two opponents can walk together only if both parties commit themselves to adhere to their agreements in truth, according to Amos 3: 3. Let the time not be distant when the words of Thy great seer will be fulfilled that the lamb will rest next to the wolf, and none will frighten them—Isaiah 11: 6. Then the time will be here when the world can be arranged as the Kingdom of God; the vision shared by Thy prophets and the Founding Fathers of our Republic. To achieve this task we ask for Thy blessing, O God, Ruler of the World, Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 59. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended; and

S. 2391. An act to amend the Defense Production Act of 1950, as amended, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 614. An act to amend the Federal Property and Administrative Services Act of 1949, as amended, to authorize the Administrator of General Services to donate certain property to the American National Red Cross.

SPECIAL ORDER GRANTED

Mr. PRICE asked and was given permission to address the House today for 20 minutes, following the legislative program of the day and the conclusion of any special orders heretofore entered.

FOREIGN AID APPROPRIATIONS

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. PASSMAN. Mr. Speaker, I have asked for this time in order to call to the attention of the House the action of the Committee on Appropriations in the other body on the foreign aid appropriation bill. That committee ignored the will of the House and reinstated about 90 percent of the cuts made in the bill by the House. I do hope the Members will take sufficient time to read the hearings of your subcommittee on the foreign aid appropriations bill and know why your subcommittee made these cuts and be in a position to back your subcommittee when this bill comes back from conference.

Mr. MORANO. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. MORANO. The other body has not acted on the bill yet. This was just a committee action; was it not?

Mr. PASSMAN. We might as well be ready, because the other body usually follows its committee's recommendations.

NOMINATION OF H. CHAPMAN ROSE AS UNDER SECRETARY OF THE TREASURY

Mrs. FRANCES P. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. FRANCES P. BOLTON. Mr. Speaker, I will not take the time of the House to repeat the fine tribute made on July 18 by the distinguished gentleman from New Jersey, Mr. GORDON CANFIELD, relative to the President's nomination of H. Chapman Rose, Assistant Secretary of the Treasury, to Under Secretary of the Treasury.

We in Cleveland are particularly proud of Mr. Rose's long service in the legal profession. Known to us first as "one of Justice Oliver Wendell Holmes' bright young men," Mr. Rose has made good in every step of his career. That he should be considered as an adequate successor to Mr. Marion Folsom, soon to be a member of the President's cabinet as Secretary of the Department of Health, Education, and Welfare, is indeed a splendid honor.

Mr. Rose has been one of the strong men of the Treasury Department in the Eisenhower administration. I know I speak for all of his Ohio friends in congratulating him and the Department of the Treasury upon this fine recognition, and that I voice their wishes in hoping that the Senate will act promptly upon his nomination.

H. CHAPMAN ROSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am very glad to join the gentlewoman from Ohio [Mrs. BOLTON] in her appreciation of the appointment of H. Chapman Rose as Under Secretary of the Treasury. To be sure, he does not come from the Commonwealth of Massachusetts, but he is an extremely able man and I know he will make a great Under Secretary of the Treasury.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes today, following the legislative business and any special orders heretofore entered.

CONTROL OF NATURAL GAS

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VURSELL. Mr. Speaker, I read in the press on yesterday that we were likely to be called upon to consider the bill to regulate gas in this session of Congress. I am glad to have this good news, because I think it is very important that this piece of legislation be given consideration by the House, and I rise today to point out that some two weeks ago public acceptance as reported by the press of the Nation was 4 to 1 in favor of the passage of this bill.

In the last 10 days it has gone up to where the press in the great cities are 10 to 1 in favor of this legislation because they know that the passage of the legislation is a protection for and will be beneficial to the consumers.

May I say also that the President's Cabinet level committee that studied the energies of our country, including oil and gas, for some 8 months last year and the early part of this year has strongly

recommended that the present controls be taken off the production of gas at the wellhead.

PRESIDENT EISENHOWER'S COMMITTEE

Now, this committee had various task forces studying this problem for many months, and they strongly endorse the principle behind the Harris bill on the grounds of national defense. This so-called Cabinet committee was headed up by Dr. Arthur S. Flemming, Director of the Office of Defense Mobilization. The committee retained the services of some of the most outstanding scientists, economists, and industrialists, and some of the ablest leaders in the gas and petroleum field, to make this important study.

On February 26 of this year, the Cabinet committee issued a report, in part, stating:

The Federal Government should not control the production, gathering, processing, or sale of natural gas prior to its entry into an interstate transmission line.

Mr. Speaker, it would seem to me, and I believe you will agree with me, that when this comprehensive study was made under the direction of the members of the Cabinet, assisted by task forces selected for their experience and ability in these fields, that the recommendation of this Committee ought to be accepted by the Members of this Congress, as a factual verdict, clear of any influence or prejudice, and should cause the Members of this House to feel, as the Cabinet-level Committee recommended, that in the interest of national defense and the building up of the industrial strength of our country, we should take their advice, along with our own good judgment, and remove these controls that are stifling, and will continue to stifle, the gas industry of the Nation.

FEDERAL POWER COMMISSION SAYS TAKE OFF CONTROLS

We find that the Federal Power Commission does not want authority to control the price of gas in the fields.

In a letter dated March 21, 1955, Jerome Kuykendall, Chairman of the Federal Power Commission, told Chairman PRIEST, of the House Interstate and Foreign Commerce Committee, why the Harris bill should be passed. I quote here some of its more important excerpts:

We support this proposed legislation because we firmly believe that such legislation will, in the long run, result in the greatest good to the largest number of people of this country.

We are firmly convinced, from every aspect of public interest, and particularly that of national defense, that Congress should not single out natural gas as the only one among those fuels over which an artificial ceiling should be placed.

The authorities I have just quoted should be enough to support the case for the Harris bill. Certainly, their statements—made after a long and serious study of the problem—should be sufficient to justify the passage of this legislation by an overwhelming vote by the Members of this body.

PROPOSED ADDITIONAL HOUSE OFFICE BUILDING

Mr. VINSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON. Mr. Speaker, as presently contemplated, the additional House Office Building will provide office accommodations for approximately one-third of the membership of the House, 6 to 8 standing House committees, 12 to 15 House subcommittees, 40 to 50 staff rooms for standing committees, storerooms for the Members and committees to be housed in the additional building, restaurant facilities, underground parking facilities, and other necessary service facilities.

It is proposed that the exterior design of the additional office building will follow rather closely the exterior design of the Old House Office Building; also, that the height of ceilings in rooms will be greater than the height of the offices in the existing New House Office Building.

A final program will not be determined by the House Office Building Commission until completion of the preliminary studies, surveys, and plans.

PROPERTY TO BE ACQUIRED

The property to be acquired for the additional House Office Building project and for enlargement of the Capitol Grounds on the House side, includes, first, the square bounded by Delaware Avenue, Independence Avenue, First Street, and C Street, located immediately west of the House parking lot; second, the small triangular square bounded by Delaware Avenue, C Street, and Canal Street; third, the square bounded by South Capitol Street, C Street, Delaware Avenue and D Street, located immediately south of the House parking lot; fourth, the square bounded by New Jersey Avenue, C Street, South Capitol Street and D Street, located immediately south of the New House Office Building; fifth, the parking lot at the rear of the Congressional Hotel in the square directly south of the Old House Office Building.

The following press release was issued by the Architect of the Capitol today:

The House Office Building Commission, composed of Speaker RAYBURN, Representative CARL VINSON, and Representative JAMES C. AUCHINCLOSS, at a meeting Tuesday, July 19, 1955, acting under authority of the act of April 22, 1955, Public Law 24, 84th Congress, selected as the architects and engineers for the additional House Office Building and other improvements and changes authorized by that act, John Harbeson, William J. Hough, William H. Livingston, and Roy F. Larson, of Philadelphia, Pa.; Jesse M. Shelton and Alan G. Stanford, of Robert & Company Associates, of Atlanta, Ga.; Roscoe DeWitt and Fred L. Hardison, of Dallas, Tex.; Alfred Easton Poor and Albert Homer Swanke, of New York City. These architectural and engineering groups will perform their services under the direction of J. George Stewart, Architect of the Capitol.

The project, as presently proposed by the Commission, includes (1) an additional office building for the House of Representatives, with underground garages; (2) underground garage, storage, and security vaults on property immediately adjacent to the additional building to be constructed; (3) alteration and remodeling of the Old House Office Building; (4) alteration and remodeling of the New House Office Building; (5) underground transportation systems between the House Office Buildings and the Capitol Building.

The estimated cost of the project, as presently contemplated, is in the neighborhood of $35 million and the project will require between 3 and 4 years to complete.

It is the purpose of the Commission that the plans shall be developed in such manner that through the construction of the additional House Office Building and the remodeling of the present House Office Buildings, the Members of the House will be provided with adequate and efficiently arranged office and committee accommodations, as well as adequate restaurant facilities, automobile parking facilities, and other urgently needed accommodations.

It is the view of the Commission that integrated planning and the utilization of the combined talents of the several architectural and engineering groups will serve the interests of the Government in the most effective manner.

Condemnation proceedings are now under way for the acquisition of four blocks and a portion of a fifth block in the immediate vicinity of the House Office Buildings, which, when acquired, will be utilized both for building purposes and for enlargement of the Capitol Grounds.

Mr. AUCHINCLOSS. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from New Jersey.

Mr. AUCHINCLOSS. I would like to join in what the distinguished gentleman from Georgia has said about the plans for a new building and emphasize the fact that the decisions that have been made have not been made lightly. They were made with a great deal of care and after careful consideration being given to all the suggestions that were made to the Commission. I would also like to express the hope that the membership of the House will not be too impatient because there is still a great deal of work to be done before actual building can begin. Plans have to be drawn, technical details have to be worked out, which your Commission, I am sure, will attend to as faithfully as they have up to the present time.

Mr. VINSON. I thank the gentleman.

EXECUTIVE VETO OF SEPARATE ITEMS OF AN APPROPRIATION BILL

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, it is Hornbook law that in constitutional processes you cannot do indirectly that which you cannot do directly.

There have been developing in the administrative and executive branch of this Government within the past 2 weeks at least 6 flagrant examples of violations of that constitutional precept. An attempt is being made by the executive

and the administrative branch of the Government to do what this Congress has always prevented the Executive from doing, that is, to veto separate items of an appropriation bill. Now the executive declares that it is not going to utilize the funds appropriated by the Congress for reasons best known to itself. That, of course, is flatly unconstitutional. At this time I do not refer to the impounding by the distinguished Secretary of Defense, Mr. Wilson, of Marine Corps funds which this House granted. The President has the right to do that. Whether or not it is an abuse of discretion is another matter.

PROPOSED NAME FOR NEW HOUSE OFFICE BUILDING

Mr. SIEMINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SIEMINSKI. Mr. Speaker, pursuant to the remarks of the gentleman from Georgia [Mr. VINSON] and the gentleman from New Jersey [Mr. AUCHINCLOSS] concerning the plans for the new House Office Building, I would like at this time to suggest that inasmuch as we now call one building the Old House Office Building and the other building the New House Office Building, one might wonder how now will we call the third building. So, to do away with the old, the new, and the super new designations, I suggest that the Architect of the Capitol consider either numbering the buildings Building No. 1, Building No. 2, and Building No. 3, or preferably, naming them after the three Speakers in whose terms building plans were approved. These Speakers are, Uncle Joe Cannon, Nicholas Longworth and the Honorable Sam Rayburn. Thus, the Old House Office Building would become Cannon Hall, the New House Office Building would become Longworth Hall, and the newest would become Rayburn Hall, or, they could stay as they are, with the newest called Rayburn Hall.

THE HONORABLE P. PIBULSONGGRAM

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend his remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, the Members of the House will no doubt remember with the greatest of pleasure the recent visit of the Prime Minister of Thailand, Field Marshal P. Pibulsonggram, who visited the House and addressed the Members on May 4 of this year, at which time he made an address that made a profound, favorable impression on all of the Members. It is a pleasure for me to read to the Members of the House a cablegram that the Speaker received from this distinguished leader of his people:

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES,
Washington, D. C.:

With grateful remembrance of the courtesy in allowing me to address the distinguished Members of the House of Representatives I wish to reiterate my cordial thanks and sincere appreciation for the honor given to my country and to me. With my best wishes to each Member of the House for continued health and happiness.

P. PIBULSONGGRAM.

RUBBER PRODUCING FACILITIES DISPOSAL ACT OF 1953

Mr. VINSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7301) to amend the Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, so as to permit the disposal thereunder of Plancor No. 980 at Institute, W. Va.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, is amended by adding at the end thereof the following new section:

"SEC. 26. (a) Notwithstanding the second sentence of section 7 (a), the period for receipt of proposals for the purchase of the Government-owned rubber-producing facility at Institute, W. Va., known as Plancor No. 980, shall not expire until the end of the 30-day period which begins on the date of the enactment of this section.

"(b) If one or more proposals are received for the purchase of Plancor No. 980 within the time period specified in subsection (a), the Commission, notwithstanding the expiration of the period for negotiation specified in section 7 (f), shall negotiate with those submitting the proposals for a period of not to exceed 60 days for the purpose of entering into a definite contract of sale.

"(c) Within 10 days after the termination of the actual negotiation period referred to in subsection (b), or, if Congress is not then in session, within 10 days after Congress next convenes, the Commission shall prepare and submit to the Congress a report containing, with respect to the disposal under this section of Plancor No. 980, the information described in paragraphs (1) to (5), inclusive, and paragraph (8) of section 9 (a). Unless the contract is disapproved by either House of the Congress by a resolution prior to the expiration of 30 days of continuous session (as defined in section 9 (c)) of the Congress following the date upon which the report is submitted to it, upon the expiration of such 30-day period the contract shall become fully effective and the Commission shall proceed to carry it out, and transfer of possession of the facility sold shall be made as soon as practicable but in any event within 30 days after the expiration of such 30-day period. The failure to complete transfer of possession within 30 days after the expiration of the period for congressional review shall not give rise to or be the basis of rescission of the contract of sale.

"(d) If, upon termination of the transfer period provided for in subsection (c), no contract for the sale of Plancor No. 980 has become effective, the operating agency last designated by the President shall continue to maintain said Plancor in adequate standby condition under the provisions of section 8 of the Rubber Producing Facilities Disposal Act of 1953."

SEC. 2. Notwithstanding the provisions of section 3 (d) of the Rubber Producing Facilities Disposal Act of 1953, the Rubber Producing Facilities Disposal Commission (hereinafter referred to as the "Commission") before submission to the Congress of its report relative to Plancor No. 980, shall submit it to the Attorney General, who shall, within 7 days after receiving the report, advise the Commission whether, in his opinion, the proposed disposition, if carried out, will violate the antitrust laws.

SEC. 3. Notwithstanding the provisions of sections 14 and 22 of the Rubber Producing Facilities Disposal Act of 1953, the Rubber Act of 1948, as amended, is hereby extended with respect to the rubber-producing facilities covered by this act, to the close of the day of transfer of possession of Plancor No. 980 to a purchaser in accordance with the provisions of section 26 of the Rubber Producing Facilities Disposal Act.

SEC. 4. Notwithstanding the provisions of section 20 of the Rubber Producing Facilities Disposal Act of 1953, the Commission established by that act shall cease to exist at the close of the 30th day following the termination of the transfer period provided for in section 26 (c) of the act, unless no sale of Plancor No. 980 is recommended by the Commission pursuant to section 26 (c) of that act, in which event the Commission shall cease to exist at the close of the 130th day following the date of the enactment of this act.

SEC. 5. Except as otherwise provided in this act, disposal of Plancor No. 980 shall be fully subject to all the provisions of the Rubber Producing Facilities Disposal Act of 1953 and such criteria as have been established by the Commission in handling disposal of other Government-owned rubber-producing facilities under that act: *Provided*, That the provisions of sections 7 (j), 7 (k), 9 (d), 9 (f), 10, 11, 15, and 24 of that act shall not apply to the disposal of Plancor No. 980. As promptly as practicable following the date of transfer of possession of Plancor No. 980 to a purchaser under this act, the operating agency last designated by the President shall offer for sale to such purchaser the end products at such plant and held in inventory for Government account on the day of such transfer of possession, together with the feedstocks then located at such plant or purchased by the operating agency for use at such plant. Sale of such end products shall be made at the Government sales price prevailing on the business day next preceding the date of transfer of possession of such plant. Sale of such feedstocks shall be made at not less than their cost to the Government. In the event the purchaser declines to purchase such end products or feedstocks when first offered to it by the operating agency, they may be thereafter disposed of in such manner as the operating agency deems advisable. In the event Plancor No. 980 is not sold under the provisions of this act, any end products at such plant and held in inventory for Government account and any feedstocks located at such plant or purchased by the operating agency for use at such plant shall be disposed of in such manner as the operating agency deems advisable, at the prevailing market price for such end products and feedstocks.

SEC. 6. The provisions of this act shall not be applicable to the disposal of any Government-owned rubber-producing facilities other than Plancor No. 980; and all action taken pursuant to the provisions of the Rubber Producing Facilities Disposal Act of 1953, or the amendment thereto known as Public Law 19, enacted March 31, 1955, prior to the enactment of this act shall be governed by the provisions of that act as it existed prior to the enactment of this act and shall have

the same force and effect as if this act had not been enacted.

Mr. BYRD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BYRD. Mr. Speaker, this bill will amend the Rubber Producing Facilities Disposal Act of 1953 so as to permit the disposal of the Government-owned rubber-producing facility at Institute, W. Va. The Members of the House will recall that, during bidding and negotiations for purchase of the 27 synthetic-rubber plants, no bids were received on the Institute facility. It is the largest of the entire group, having an annual capacity of 122,000 long tons of synthetic rubber, and it has been in standby condition since September 1953. It is the only one of the Government's copolymer facilities shut down by Federal order prior to the beginning of negotiations for sale of the synthetic plants to private ownership. It is my understanding that the standby maintenance costs amount to $250,000 per year, including taxes.

Keen interest in this facility has been expressed by different firms, and it is believed that, if this bill is passed, the Institute plant can be disposed of easily. The bill gives authority to the Rubber Producing Facilities Disposal Commission to enter into negotiations with interested bidders, and it provides for the approval by the Congress of any contract entered into. I have received favorable reports on H. R. 7301 from the Office of Defense Mobilization and the Department of Defense, and the House Committee on Armed Services approved it unanimously. If the Institute facility can be sold, it will constitute a saving to the taxpayers, it will mean additional employment for several hundred individuals in a labor-distressed area, and the rubber-producing capacity of the plant will still be available to our country in the event of another war. I wish to express my gratitude to the Armed Services Committee and its distinguished chairman, and I sincerely hope that the Members of the House will support this bill.

Mr. BURNSIDE. Mr. Speaker, I am most interested in H. R. 7301 which would authorize the sale of the Government-owned rubber-producing facility at Institute, W. Va. This plant has been in standby condition since September 1953. It was formerly the employer of a large number of people from my district in West Virginia, and I have every hope that passage of this bill will enable an interested manufacturer to purchase this facility, put it into active use and again employ some of the people in my district and in neighboring areas in West Virginia who are now unemployed.

Mr. Speaker, I have had occasion several times to point out on the floor of the House the drastic nature of West Virginia's unemployment problem. I will not repeat the statistics which I have previously presented to you. It is sufficient for me now to repeat that large numbers of West Virginia's citizens are unemployed and are suffering because they cannot find employment. Many people have had to leave the State in attempts to find jobs somewhere else. Many more are existing on surplus food. This bill, if passed, will provide jobs for people in an area of the State which has been hard hit. I cannot, therefore, too strongly urge my colleagues in the House to support H. R. 7301.

I know that my esteemed colleague and my good friend from the West Virginia delegation, the Honorable ROBERT C. BYRD, has worked very hard on this legislation. He has guided it through the necessary committee and brought it here for action. In all of this work, no objection to the bill has been raised, and I am certain no valid objection can be made now.

I have been reliably informed that several concerns are interested in buying this facility. I know that if it were put into active use, it would represent a greater asset to our national economy and our military preparedness than it can ever be in a standby status. Mr. Speaker, I wholeheartedly endorse this bill and strongly recommend its passage.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATION BILL, 1956

Mr. FOGARTY. Mr. Speaker, I call up the conference report on the bill (H. R. 5046) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1956, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The Clerk read the statement.

The conference report and statement follows:

CONFERENCE REPORT (H. REPT. No. 1272)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5046) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1956, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 6, 17, 21, 29, 32, 33, 35, 56, and 64;

That the House recede from its disagreement to the amendments of the Senate numbered 3, 8, 9, 10, 14, 15, 18, 19, 22, 25, 26, 27, 30, 31, 34, 39, 41, 42, 44, 45, 46, 47, 49, 55, 60, 61, 65, 66, and 67, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$1,587,000"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$145,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$360,500"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$5,021,250"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$1,135,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$2,174,500"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$6,065,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$2,875,400"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: ": *Provided further*, That not more than $1,500,000 of this appropriation shall be available for vocational education in distributive occupations"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$33,750,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$2,250,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$2,075,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert "June 30, 1957"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the sum named in said amend-

ment insert "$111,000,000"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$90,000,000"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$1,250,000"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$34,326,000"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$24,828,000"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "and including erection of temporary structures, $17,751,000"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$18,778,000"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$10,740,000"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$9,861,000"; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$1,541,250"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 48, 50, 58, 59, 62, and 68.

JOHN E. FOGARTY,
A. M. FERNANDEZ,
HENDERSON LANHAM,
WINFIELD K. DENTON,
CLARENCE CANNON,
JOHN TABER,
T. MILLET HAND,
BEN F. JENSEN,
Managers on the Part of the House.

LISTER HILL,
DENNIS CHAVEZ,
RICHARD B. RUSSELL,
HARLEY M. KILGORE,
WARREN G. MAGNUSON,
JOHN STENNIS,
EDWARD J. THYE,
KARL E. MUNDT,
MARGARET CHASE SMITH,
HENRY C. DWORSHAK,
CHARLES POTTER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate on the bill (H. R. 5046) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1956, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—DEPARTMENT OF LABOR

Office of the Secretary

Amendment No. 1—Salaries and expenses: Appropriates $1,587,000 instead of $1,527,000 as proposed by the House and $1,627,000 as proposed by the Senate.

Amendment No. 2—Salaries and expenses: Provides a limitation of not to exceed $145,000 for international labor affairs instead of $85,000 as proposed by the House and $185,000 as proposed by the Senate.

Office of the Solicitor

Amendment No. 3—Salaries and expenses: Appropriates $1,482,900 as proposed by the Senate instead of $1,467,900 as proposed by the House.

Bureau of Labor Standards

Amendment No. 4—Salaries and expenses: Appropriates $817,500 as proposed by the House instead of $845,000 as proposed by the Senate.

Bureau of Veterans' Reemployment Rights

Amendment No. 5—Salaries and expenses: Appropriates $360,500 instead of $346,000 as proposed by the House and $375,000 as proposed by the Senate.

Bureau of Apprenticeship

Amendment No. 6—Salaries and expenses: Appropriates $3,150,000 as proposed by the House instead of $3,200,000 as proposed by the Senate.

Bureau of Employment Security

Amendment No. 7—Salaries and expenses: Appropriates $5,021,250 instead of $4,942,500 as proposed by the House and $5,100,000 as proposed by the Senate.

Amendment No. 8—Salaries and expenses: Inserts language proposed by the Senate making it mandatory that the Department allocate $900,000 to the Veterans' Employment Service instead of language proposed by the House giving the Department authority to allocate any amount up to $900,000.

Amendment No. 9—Grants to States for unemployment compensation and employment service administration: Inserts language proposed by the Senate.

Amendment No. 10—Unemployment compensation for Federal employees, next succeeding fiscal year: Strikes language proposed by the House to prohibit payments to any person who voluntarily severs his employment with the government.

Amendment No. 11—Salaries and expenses, Mexican farm labor program: Appropriates $1,135,000 instead of $1,035,000 as proposed by the House and $1,172,000 as proposed by the Senate.

Bureau of Employees' Compensation

Amendment No. 12—Salaries and expenses: Appropriates $2,174,500 instead of $2,147,000 as proposed by the House and $2,202,000 as proposed by the Senate.

Bureau of Labor Statistics

Amendment No. 13—Salaries and expenses: Appropriates $6,065,000 instead of $5,850,000 as proposed by the House and $6,325,000 as proposed by the Senate. The amount agreed upon provides funds for the specific activities set forth in House Report No. 228, in the amounts indicated therein, and, in addition, provides $40,000 for the "Occupational outlook handbook" and $175,000 for the statistical program on labor turnover.

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

Amendment No. 14—Salaries and expenses: Authorizes the purchase of 43 passenger motor vehicles as proposed by the Senate instead of 5 as proposed by the House.

Amendment No. 15—Salaries and expenses, certification, inspection, and other services: Authorizes the purchase of 4 passenger motor vehicles as proposed by the Senate.

Howard University

Amendment No. 16—Salaries and expenses: Appropriates $2,875,400 instead of $2,766,000 as proposed by the House and $3,000,000 as proposed by the Senate. The increase of $109,400 over the amount proposed by the House is to provide an additional $59,400 for teachers in medicine and $50,000 for repair and maintenance of the physical plant.

Amendment No. 17—Plans and specifications: Strikes appropriation of $75,000 proposed by the Senate.

Office of Education

Amendment No. 18—Promotion and further development of vocational education: Appropriates $26,500,000 as proposed by the Senate instead of $23,673,261 as proposed by the House.

Amendment No. 19—Promotion and further development of vocational education: Establishes not to exceed $26,325,000 as the basis for computing apportionments to the States as proposed by the Senate instead of $23,498,261 as proposed by the House.

Amendment No. 20—Promotion and further development of vocational education: Limits to $1,500,000 the amount which may be spent for vocational education in distributive occupations instead of $900,000 as proposed by the House.

Amendment No. 21—Salaries and expenses: Appropriates $3,050,000 as proposed by the House instead of $3,000,000 as proposed by the Senate.

Amendment No. 22—Salaries and expenses, White House Conference on Education: Appropriates $200,000 as proposed by the Senate instead of $100,000 as proposed by the House.

Office of Vocational Rehabilitation

Amendment No. 23—Grants to States and other agencies: Appropriates $33,750,000 instead of $32,500,000 as proposed by the House and $35,000,000 as proposed by the Senate.

Amendment No. 24—Grants to States and other agencies: Provides that $2,250,000 is for special projects under section 4 of the Vocational Rehabilitation Act instead of $1,000,000 as proposed by the House and $3,500,000 as proposed by the Senate.

Amendment No. 25—Grants to States and other agencies: Provides that $36,000,000 shall be considered the sum available for allotments under section 2 of the Vocational Rehabilitation Act as proposed by the Senate instead of $32,500,000 as proposed by the House.

Amendments Nos. 26, 27, and 28—Training and traineeships: Appropriates $2,075,000 instead of $1,800,000 as proposed by the House and $2,350,000 as proposed by the Senate and delete earmarking by sections of the Vocational Rehabilitation Act as proposed by the House.

Amendment No. 29—Salaries and expenses: Appropriates $1,000,000 as proposed by the House instead of $1,100,000 as proposed by the Senate.

Public Health Service

Amendments Nos. 30, 44, and 46: Strike out authorization for the Service to purchase 16 passenger motor vehicles to be allocated within the Service by the Surgeon General, as proposed by the House; and insert authorization for the purchase of 13 and 72 vehicles, respectively, from funds appropriated

to the Foreign Quarantine Service and Indian health activities as proposed by the Senate.

Amendment No. 31—Assistance to States, general: Appropriates $13,660,000 as proposed by the Senate instead of $12,000,000 as proposed by the House.

Amendment No. 32—Assistance to States, general: Deletes limitation requiring that not less than $9,725,000 shall be available only for grants to States; however, the conferees are agreed that this amount should be administratively set aside for such grants. The deletion of this provision from the bill was solely for the purpose of avoiding further complication of accounting.

Amendment No. 33—Tuberculosis: Provides that not less than $4,500,000 shall be available only for grants to States as proposed by the House instead of $5,000,000 as proposed by the Senate.

Amendment No. 34—Communicable diseases: Appropriates $5,250,000 as proposed by the Senate instead of $4,400,000 as proposed by the House.

Amendment No. 35—Communicable diseases: Strikes provision that not less than $850,000 shall be available only for activities related to poliomyelitis vaccine. The conferees agreed to the total appropriation of $5,250,000 carried in amendment No. 34 with the understanding that at least $850,000 of the increase over the House amount would be for activities related to poliomyelitis vaccine. The sole reason for striking the provision from the bill is to avoid further complication of accounting.

Amendment No. 36—Surveys and planning for hospital construction: Provides that funds previously appropriated shall not remain available for expenditure after June 30, 1957, instead of December 31, 1956, as proposed by the House and June 30, 1958, as proposed by the Senate.

Amendments Nos. 37 and 38—Grants for hospital construction: Appropriate $111,000,000, of which $90,000,000 shall be for payments pursuant to part C of the act, instead of $96,000,000 and $75,000,000, respectively, as proposed by the House, and $125,000,000 and $104,000,000, respectfully, as proposed by the Senate.

Amendment No. 39—Grants for hospital construction: Inserts authority for the Surgeon General to allocate not to exceed $1,200,000 for the purposes authorized in section 636 of the act as proposed by the Senate.

Amendment No. 40—Salaries and expenses, hospital construction services: Appropriates $1,250,000 instead of $1,100,000 as proposed by the House and $1,400,000 as proposed by the Senate.

Amendment No. 41—Hospitals and medical care: Inserts language proposed by the Senate.

Amendment No. 42—Hospitals and medical care: Authorizes the purchase of one ambulance as proposed by the Senate.

Amendment No. 43—Hospitals and medical care: Appropriates $34,326,000 instead of $34,026,000 as proposed by the House and $34,378,000 as proposed by the Senate.

Amendment No. 45—Foreign Quarantine Service: Appropriates $3,000,000 as proposed by the Senate instead of $2,950,000 as proposed by the House.

Amendment No. 47—Construction of Indian health facilities: Appropriates $5,000,000 as proposed by the Senate instead of $4,750,000 as proposed by the House.

Amendment No. 48—Construction of Indian health facilities: Reported in disagreement.

Amendment No. 49—National Institutes of Health, operating expenses: Appropriates $5,899,000 as proposed by the Senate instead of $5,399,000 as proposed by the House.

Amendment No. 50—National Cancer Institute: Reported in disagreement.

Amendment No. 51: National Cancer Institute: Appropriates $24,828,000 instead of $22,328,000 as proposed by the House and $26,400,000 as proposed by the Senate. The amount agreed upon provides an increase of $2,500,000 over the amount proposed by the House, of which $2 million is for the chemotherapy research program and $500,000 is to assist in the establishment of additional cancer cytology demonstration centers.

Amendment No. 52—Mental health activities: Appropriates $17,751,000 as proposed by the House instead of $21,850,000 as proposed by the Senate and provides authority for the use of these funds to erect temporary structures as proposed by the Senate.

Amendment No. 53—National Heart Institute: Appropriates $18,778,000 instead of $17,278,000 as proposed by the House and $23,800,000 as proposed by the Senate. The increase over the amount proposed by the House is primarily for research.

Amendment No. 54—Arthritis and metabolic disease activities: Appropriates $10,740,000 instead of $8,740,000 as proposed by the House and $12,725,000 as proposed by the Senate.

Amendment No. 55—Microbiology activities: Appropriates $7,580,000 as proposed by the Senate instead of $6,645,000 as proposed by the House.

Amendment No. 56—Microbiology activities: Deletes provision that not less than $750,000 shall be for activities related to poliomyelitis vaccine; however, the conferees are agreed that this amount should be administratively allocated for such purpose. The provision was deleted from the bill for the sole purpose of avoiding further complication of accounting.

Amendment No. 57—Neurology and blindness activities: Appropriates $9,861,000 instead of $8,861,000 as proposed by the House and $11,850,000 as proposed by the Senate. The increase of $1,000,000 above the amount proposed by the House is primarily for the training program.

Amendments Nos. 58 and 59—Salaries and expenses: Reported in disagreement.

Saint Elizabeths Hospital

Amendment No. 60—Salaries and expenses: Appropriates $2,527,000 as proposed by the Senate instead of $2,510,000 as proposed by the House.

Social Security Administration

Amendment No. 61—Salaries and expenses, Bureau of Old-Age and Survivors Insurance: Appropriates $86,000,000 as proposed by the Senate instead of $84,000,000 as proposed by the House.

Amendment No. 62—Construction, Bureau of Old-Age and Survivors Insurance: Reported in disagreement.

Amendment No. 63—Salaries and expenses, Bureau of Public Assistance: Appropriates $1,541,250 instead of $1,487,500 as proposed by the House and $1,595,000 as proposed by the Senate.

Amendment No. 64—Salaries and expenses, Children's Bureau: Appropriates $1,640,000 as proposed by the House instead of $1,796,500 as proposed by the Senate.

Amendment No. 65—Grants to States for maternal and child welfare: Appropriates $34,156,600 as proposed by the Senate instead of $30,000,000 as proposed by the House.

Amendment No. 66—Grants to States for maternal and child welfare: Provides that $15,000,000 shall be available only for services for crippled children as proposed by the Senate.

General Provisions

Amendment No. 67—Section 204: Deletes limitation on funds available for expenses of attendance at meetings as proposed by the House.

TITLE V—RAILROAD RETIREMENT BOARD

Amendment No. 68—Salaries and expenses, Railroad Retirement Board (trust fund): Reported in disagreement.

JOHN E. FOGARTY,
A. M. FERNANDEZ,
HENDERSON LANHAM,
WINFIELD K. DENTON,
CLARENCE CANNON,
JOHN TABER,
T. MILLET HAND,
BEN F. JENSEN,
Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

CALL OF THE HOUSE

Mr. CANNON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 124]

Anfuso	Crumpacker	Mumma
Becker	Diggs	Powell
Belcher	Dingell	Preston
Buchanan	Eberharter	Prouty
Celler	Fernandez	Reed, N. Y.
Chiperfield	Hardy	Udall
Clark	Hays, Ohio	
Cole	Johnson, Calif.	

The SPEAKER. On this rollcall 406 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATION BILL, 1956

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 48: Page 26, line 19, after "expended", insert ": *Provided*, That such expenditures may be made through the Department of the Interior."

Mr. FOGARTY. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 50: Page 28, line 7, after "aid", insert "and to contract for supplies and services by negotiation, without regard to section 3709 of the Revised Statutes, in connection with the chemotherapy program of the act."

Mr. FOGARTY. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 58: Page 29, line 25, insert ": *Provided*, That there may be

transferred from any appropriation to the Public Health Service in the Department of Health, Education, and Welfare Appropriation Act, 1955, to any other such appropriation such amounts as the Surgeon General may determine for the cost of activities relating to poliomyelitis during the fiscal year 1955."

Mr. FOGARTY. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 59: Page 30, line 5, after the colon, insert: *"Provided further,* That subsection (g) of section 208 of the Public Health Service Act (42 U. S. C. 210 (g)) is amended by striking out the word 'thirty' and inserting in lieu thereof the word 'sixty'."

Mr. FOGARTY. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 62: Page 32, line 3, after "Fund", insert "which, together with sums heretofore appropriated for these purposes, shall establish a limit of cost of $25,370,000, such sums to be consolidated and accounted for as one fund."

Mr. FOGARTY. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 68: Page 39, line 22, after "account", insert ": *Provided,* That whenever there is duly tendered to the Board, by any person, any claim for unemployment compensation pursuant to the Railroad Unemployment Insurance Act, such claim shall be accepted by the Board without delay and appropriate administrative action for the allowance or disallowance of such claim shall be taken by the Board at the earliest practicable time."

Mr. FOGARTY. Mr. Speaker, I move that the House recede and concur in the Senate amendment, and pending that I yield 15 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Speaker, the Committee on Appropriations is again advertised by its loving friends—and we are deeply appreciative.

In the House yesterday, I am told, various strictures were pronounced on the Committee on Appropriations, on its personnel, on its procedure, its ethics, and its moral turpitude.

Now, fortunately or unfortunately, I was not on the floor. The gentleman from New York [Mr. TABER] and I were at the time conferring with the Bureau of the Budget in my office across the corridor.

It is always customary to give a Member of the House notice in advance when he or his committee is to be made the subject of criticism. But in this instance there was no notice of any kind, and I was denied the opportunity of being present, and knew nothing of it until appraised by others and until I saw it in the RECORD this morning. Consequently, this is the first opportunity I have had to acquiesce with my distinguished friend from Virginia in his high praise and richly-merited encomium of the Committee on Rules.

It must have been a very edifying proceeding, Mr. Speaker. Judging from the RECORD, they seem to have thrown at the Committee on Appropriations everything in the arsenal, including the Constitution, the Bible, and the kitchen sink.

So what I have to say this morning is purely defensive. I never strike except in self-defense. And this is certainly no exception to the rule.

Mr. Speaker, in the beginning, may I disabuse the mind of any Member of the House who may perchance entertain any such unwarranted illusions that there is on the part of any of the members of the Committee on Appropriations, so far as I am aware, any feeling of any kind whatever against the Committee on Rules, or any member of the Committee on Rules. And so far as I am concerned, I have never at any time, either on the floor or off the floor, expressed any sentiment except the warmest fellowship for the committee, and admiration for the manner in which they perform the onerous duties devolving upon them.

I pause here to afford anyone present an opportunity to suggest any possible correction of that sweeping statement.

It is to be noted that both the Constitution and the Bible are cited in the interesting dissertation delivered in this connection. It was quite a sermon, with text and exhortation. I wear no jeweled phylacteries. I am not privileged to express gratitude that I am not as other men. But if I might be permitted to add Shakespeare to the other two reference volumes, I would call to mind the admonition of Antonio to Bassanio. And if permitted also to cite Holy Writ, would recall that "The wicked flee when no man pursueth."

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that the gentleman is not speaking to the amendment.

The SPEAKER. The gentleman knows the rules. He must proceed in order.

Mr. CANNON. Mr. Speaker, I hope no technicalities will be thrown in the way of a free discussion of this matter which has been initiated by others, and to which we have had no opportunity to reply.

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the gentleman may speak out of order, if he desires.

Mr. CANNON. I thank the gentleman.

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, may I ask what was that request?

The SPEAKER. The request was that the gentleman may be allowed to proceed out of order.

Mr. HOFFMAN of Michigan. Mr. Speaker, I withdraw my reservation of objection.

Mr. CANNON. The gentleman is very gracious.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. CANNON. So, Mr. Speaker, it was a matter of some surprise to find in this morning's RECORD grave and gratuitous charges against the Committee on Appropriations.

The gentleman from Virginia [Mr. SMITH], the chairman of the Committee on Rules, with whom it has been my privilege to serve here in the House for many years, speaking apparently for his committee, and without advance notice to any member of the committee he criticized, charged, first, that the Committee on Appropriations is violating, and has been violating for many years, the rules of the House. Second, that in contravention of the law of the House, the Committee on Appropriations has been holding closed hearings. Third, that the Committee on Appropriations has refused to hear Members and citizens who desired to appear before the committee in behalf of, or in opposition to, pending bills and appropriations. Fourth, that the Committee on Appropriations is continually reaching out for power and deliberately encroaches on the jurisdiction of the legislative committees of the House.

These are serious charges, Mr. Speaker. They are grave indictments and are not to be lightly brought. And they are entitled to a painstaking and considered reply.

Incidentally, we are charged with harboring pique because the Committee on Rules failed to grant a rule requested the other day waiving points of order on the supplementary appropriation bill. That rather ridiculous charge falls when it is recalled that the Committee on Appropriations asked identically the same rule on the first bill of the session, the Independent Offices appropriation bill. The request was refused. If there had been any pique or resentment because of denial of a rule it would have been in order on that occasion. The denial of rules waiving points of order on routine appropriation bills is too inconsequential to give rise to even passing interest.

But the charge that the Committee on Appropriations chronically and consistently violates the rules of the House is quite another matter.

The gentleman from Virginia would have us believe that the rules prohibit closed hearings and that this inhibition applies to and is disregarded by the Committee on Appropriations.

Now, I have the greatest respect for the recollection of the gentleman from Virginia [Mr. SMITH]. I have always found him accurate. It is a matter of regret to find this is an exception to an otherwise flawless record.

Under the law of the House, as adopted in conformity with the Reorganization Act of 1946, the committee has the right to hold executive sessions when so authorized by a vote of the committee; and it will be recalled that immediately following the enactment of the Reorganization Act of 1946, and the incorporation of this provision as paragraph (g) of

section 25 of rule XI in House procedure, the gentleman from Illinois [Mr. DIRKSEN], who was at that time a member of the Committee on Appropriations, moved that it be the policy and practice of the committee henceforth to hold closed sessions at all hearings before the committee and its subcommittees. The motion was unanimously adopted and is a part of the archives of the committee.

This is a matter, Mr. Speaker, which is entitled to plain speaking here on the floor. The Committee on Appropriations is ready to give its reasons—to explain in detail why it holds closed sessions. In the first place, we do not have the room to hold open sessions. If you relax the rule for one you must relax it for all, and we do not have space or seats for spectators. We hardly have the room at times for representatives of the departments, not to mention casual or curious visitors. Anyone who has had an opportunity to observe the proceedings in another body in recent years knows that there is a vast retinue of people who attend these sessions largely because they have no place else to go. It is unfortunate that lack of facilities prevents our offering competitive field-day attractions.

But the gentleman from Virginia says we deny Members, citizens, and other interested applicants opportunity to appear before our subcommittees in behalf or in opposition to measures and appropriations under consideration. Nothing could be further from the fact. I must say positively, Mr. Speaker, that in all my experience—and I have served at some time on every subcommittee and in consideration of every departmental appropriation bill under the jurisdiction of the committee—never has anyone, either official or private, whatever their station in life, whether lobbyist on a salary several times that paid the members of the committee or whether patriots from remote sections of the country paying their own expenses to Washington and back home, been denied an opportunity to appear before the committee and present their cause for or against any measure or fund under consideration by the committee. Again I pause to permit anyone to offer evidence in refutation of this rather broad but accurate statement.

John Quincy Adams settled that question for all time to come when he maintained against widespread and strenuous opposition the right of petition, the right of any citizen of the United States to present his views or to appear before a committee. The Committee on Appropriations has at all times and from the beginning sedulously protected and maintained that right.

There are other reasons, Mr. Speaker, why we have not held open hearings. Not only is it physically impossible to accommodate spectators, but there are other considerations which will appeal to those who understand as eminently convincing reasons. In providing money for every activity of the Government the committee necessarily handles many explosive problems and some highly confidential information.

During World War II, by some remarkable accident, we broke the Japanese naval code and for 2 weeks the United States Navy knew in advance every move the Japanese Navy proposed to take; where their capital ships would be, where they would take on supplies, where they would receive ammunition and fuel. During those 2 weeks we secured such an advantage over the Japanese Navy that they were never able to recover or overcome it. Then what happened? I regret to say, Mr. Speaker, that there are those who will talk. A reporter found we had broken the code and telegraphed his paper. And 30 minutes after the next edition hit the streets in Chicago, the Japanese changed their code. My friends, do you not think we should have been allowed to hold closed hearings on that question?

There are three members of the Committee on Appropriations present here on the floor this afternoon who knew 2 years in advance we were working on the atomic bomb, including the gentleman from New York [Mr. TABER], the gentleman from Texas [Mr. MAHON]. We went secretly in the night to Oak Ridge. We sweated for 2 years on that nerve-wracking proposition. Do you think we ought to have had open hearings on it? If that had been the case, Germany would have beaten us to the punch. We could never have ended the war when we did. It is ridiculous to say that the Committee on Appropriations denies the House or anyone else any information we can give with safety to the country and to national defense. All testimony before the committee is transcribed by competent reporters and published in printed hearings which are available to anyone who asks for them. Copies of all of them go regularly by sealed diplomatic pouch to Stalingrad and the other chancelleries of Europe, Asia, and Africa.

But the charge is made that we encroach upon the jurisdiction of other committees. The chairman of the Committee on Rules tells the House he himself enlists the chairmen of other committees and secures their collaboration in protesting against the Committee on Appropriations taking over their jurisdictions. My friends, the committee has too much jurisdiction now to suit the members of the Committee on Appropriations. We have far more business than we want. We certainly have no desire to encroach upon the prerogatives or the jurisdiction of any other committee of the House. God forbid.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. FOGARTY. Mr. Speaker, I yield 10 additional minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Speaker, let us take as example, the bill before the House last Thursday, the supplementary appropriation bill.

The chairman of the Committee on Rules, in criticizing the Committee on Appropriations, named three committees which he claimed had been arbitrarily deprived of their rightful jurisdiction by paragraphs included in the bill as reported to the House. He cited the Committee on Agriculture, the Committee on House Administration, and the Committee on Veterans' Affairs.

Let us take up first the agricultural provision in the bill.

Here was a provision for extension of loans by the Farmers' Home Administration to part-time farmers. Two weeks before this bill was prepared the chairman of the Subcommittee on Agricultural Appropriations, the gentleman from Mississippi [Mr. WHITTEN], conferred with the chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY], and asked him if they wanted the Committee on Appropriations to take it up; and the gentleman from Mississippi [Mr. WHITTEN] was told to go ahead and hold the hearings and include the appropriation, which he did. They had the facts in advance; they were consulted, they were asked, and they acquiesced. We did not want it. But that was the only practical way to get the farmers their loans.

So far as the Committee on House Administration was concerned, we had indicated repeatedly that we did not want to take over their work. We had refused to accept sections which they asked us to process and include in this bill.

Likewise the Committee on Appropriations included the item requested by the President relating to veterans reluctantly. The item was a request by the President for $300,000 to investigate pensions to veterans to see if they were paid enough, if they were paid too much, or if they were paid too little; it was a part of the White House appropriation, and there was no other way to get it before the House.

In fact, most of the appropriations carried in the bill were parts of the administrative program of the President of the United States. They came down to us at the last minute and there was no other way to get the program over except for the committee to include them in that bill.

I do not have to call the attention of the House to the fact that owing to the vast coverage, and to the intricacy of the problems involved, every appropriation bill must necessarily carry some legislation.

In order to meet this situation, 4 years ago I had the staff go over all the bills we had passed at the previous session and tabulate the items subject to points of order. When we had classified them according to jurisdictions, we sent a list to each legislative committee. Many of them, of course, were unimportant; they had been carried in the bill for many years, but they were outside our jurisdiction. Of all the committees of the House who received them, only three gave them any attention.

But, Mr. Speaker, what is the practical effect?

The Committee on Rules by its failure to act makes it possible to deny the House an opportunity to debate these questions, many of them vital to the welfare of the country, to deny the House an opportunity to amend these propositions or to vote upon them. All that the Committee on Appropriations does in bringing in these budget estimates in a bill, is to give you an opportunity to consider, debate, modify, and vote. We do not ask you to approve

them. We merely ask you to consider them and then vote them up or vote them down. We give the House an opportunity to function—to carry out its duties under the Constitution. That is what you are here for, that is what your constituents sent you here to do.

The fact that the Committee on Appropriations puts an item in a bill does not mean that the House has to agree to it. We leave that to you. All we do is to give you an opportunity to exercise your prerogative, representing the people of your congressional districts. And the people of your congressional districts are entitled to have you pass on them, the Committee on Rules to the contrary notwithstanding.

Let us look at this in a practical way. The committees of the House—the Committee on Banking and Currency or the Committee on Appropriations—spend weeks and months holding hearings, taking testimony, studying and investigating the many phases involved by competent staffs. Volumes of hearings are printed and great care is taken in sifting the issues, and finally a bill is drawn which represents the best judgment of men versed in the subject with which they deal. Thereupon the Committee on Rules—no member of which has heard a word of testimony or read a page of the hearings or consulted any authority, meet and throw the whole product of the committee into the ashcan—as the housing bill for example. I have no personal feeling about the matter but is it common horsesense?

Now the Committee on Rules has certain functions within its province.

We were told on the floor yesterday that the Committee on Rules gives Members an opportunity to hide out, an opportunity to pass the buck if voting on a bill might embarrass them—if it would endanger their reelection. But on the Democratic side it goes still deeper than that.

What is the function of the Committee on Rules? We have traveled far afield in the interpretation and adaptation of the functions of the Committee on Rules. Let us get back to the fundamentals. There have been two great revisions of the rules of the House in modern times, the first one in 1880 and the last one in 1911. If you will read the debates on those two revisions with relation to the duties of the Committee on Rules you will find that committee was not intended to retard legislation. Wherever there was a conflict as to priority the Committee on Rules was designed to resolve the conflict. They were to make possible the consideration of a bill which otherwise could not be considered. They were never authorized, it was never intended, that they should deny the House the right to pass upon any proposition reported by other committees.

The SPEAKER. The time of the gentleman has expired.

Mr. FOGARTY. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. CANNON. Mr. Speaker, may I quote from the great Parliamentarian, Asher C. Hinds, who knew more about the procedure of the House than any man who ever lived. Asher Hinds excelled in parliamentary knowledge anyone who has ever served the United States Congress since 1789.

Here is what he said:

> The Committee on Rules officiates as to the consideration of bills only when, for some reason, the ordinary method prescribed by the rules for the order of business is not satisfactory or produces delay.

The purpose of the rules was to put the matter before the House and put it before the House now.

Hinds further said:

> The number of bills in relation to which it officiates by reporting special orders is relatively few.

It never occurred to him that the time would ever come when the Committee on Rules would arrogate to itself the authority to pass on every bill reported out by a committee of the House. And to deny it consideration as it has denied the House the right and opportunity to consider the housing bill or items objected to in the supplementary appropriation bill.

The absurdity of the situation is further emphasized by the fact that the greater number of the items will be put back in the bill by the Senate.

Members here have protested, with tongue in cheek, that the stripping of the supplementary bill contravenes the right of the House to initiate appropriation bills. That issue is not before us. The Committee on Appropriations by reporting out the bill initiated the appropriations whether the Committee on Rules makes it possible to vote on them or not. And the Senate which has always had the right to amend House appropriation bills has the right to amend this bill and will exercise that right. So what has been gained by the failure of the Committee on Rules to make it possible for the House to pass on the bill the Committee on Appropriations has reported? It is technicality gone to seed.

In 1911, when the question of rules was before the House, Mr. Norris, of Nebraska, one of the notable men of his time, said:

> One of the greatest prerogatives of the Members of this body is to be permitted to vote upon propositions material to our people and propositions material to the control of our own body.

Mr. Sherley, of Kentucky, one of the ablest men who ever served in this body, said:

> The American people are a practical people and as a practical people they will judge the House—not by the intricacies of parliamentary law but by the results that follow.

All this talk, all this circumlocution, all this tempest in a teapot here, all the parliamentary peccadillos, are beside the point. The people at home want action. They want us to vote on the questions before the country today.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. What was the purpose in making points of order against the bill when it was under consideration?

Mr. CANNON. For the reasons just given but especially to show the devious processes by which the Dixon-Yates proponents seek to cloud the issue. If the Dixon-Yates paragraph had not been in the supplementary appropriation bill there would have been no difficulty about securing a rule.

The action on the supplementary bill was designed to focus attention on efforts to avoid the Dixon-Yates item coming to a record vote in the House.

And do not underrate the possibilities of the Dixon-Yates contract still being enforced. The ranking member of the committee said when the bill was reported that there was every confidence that Memphis would not build its plant and if it did not, the Dixon-Yates contract would still be in effect.

Creeping monopoly, as exemplified by the Dixon-Yates contract, is the issue at stake in the supplementary bill and in the refusal of the Committee on Rules to vote a rule.

Mr. FOGARTY. Mr. Speaker, it is my intention to yield 3 minutes to the gentleman from Virginia [Mr. SMITH], 3 minutes to the gentleman from New York [Mr. TABER], and then move the previous question.

I now yield 3 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, I feel sufficiently chastised. There is a certain number of innings to a ball game. The Committee on Appropriations had its inning on Thursday and batted around quite a few balls. I had a feeble inning yesterday. Then the Committee on Appropriations had a little bit of an inning again yesterday. Now the chairman of the Committee on Appropriations has had his inning and normally, under the rules of the game, I would be entitled to another inning. But I forfeit my right to the final inning. I am just here taking the floor to say this, that notwithstanding everything that has been said about this matter, two questions still remain. Who scuttled the supplemental appropriation bill? The Committee on Rules did not do it. The other question is this. They do not hold any public hearings in the Committee on Appropriations. And I invite your attention again to rule XI of the Rules of the House of Representatives.

The only reason I took the floor was to say that we have all had our innings. A good time has been had by all. I am not mad with anybody and I hope nobody is mad with me. I just want to close the war. Let us forget about this little incident. Everybody has had his say. I still love CLARENCE CANNON, as I always have. I have the highest regard and respect and affection for every member of the great Committee on Appropriations. They are doing a stupendous job and a man-killing job. I love them all.

Let us get down to business and forget about this incident.

NATIONAL INSTITUTES OF HEALTH

Mr. FOGARTY. Mr. Speaker, for many years as a Member of Congress I have been concerned with funds for labor, health, education, and welfare activities of the Federal Government.

Prior to this year, I think I have never seen a keener bipartisan desire to meet the needs of medical research to the fullest possible extent consistent with the resources which the Congress could supply. Subcommittees of the Senate and the House of Representatives have worked long and conscientiously, seeking equitable and, at the same time, the truly responsible levels for the 1956 appropriations for the National Institutes of Health in Bethesda, Md. Reports of the Senate and House committees showed a substantial variance in the support recommended for these important programs.

I am pleased to report that these differences have been ironed out fairly and amicably by the conferees. There has been full agreement on the investment this year in medical research. The conferees have reached agreement that limitations on available manpower and the limited facilities presently available prevented the kind of expansion of medical research that we all favor.

I have consistently supported the growth of Federal aid to medical research. It has meant a great deal to me to see the National Institutes of Health grow into an effective research program, a program which represents—in itself and in the work and people it supports—a major part of the Nation's hope for ultimate conquest of cancer, heart disease, mental illness, and the other chronic and degenerative diseases which blight our today and threaten our tomorrow.

I have always been proud of the contributions I have been able to make in this period of growth. I like to feel that I and the other members of the subcommittee which it is my privilege to chair have done more than merely provide the dollars to make this essential medical research development possible. We have concerned ourselves particularly with just how the National Institutes of Health research activities could contribute more effectively, immediately, and ultimately, to the health of the Nation. In our committee sessions—and during the so-called off-months of the year—we have sought out the opinions of the Nation's leading scientists and eminent citizens in the fields of medicine and public health, both in and outside of Government. We have taken no action without first considering its impact on the total national medical research effort. And we have taken no action unless we felt confident that it was clearly responsive to the needs of the American people.

I speak in this vein here today because I want to avoid any possible misunderstanding of the position I have taken, with the support of my subcommittee, on the appropriations for the National Institutes of Health for fiscal year 1956.

Let me cite the evolution of the total NIH appropriations during the years that I have been a member of the committee of the House of Representatives directly concerned with its operating funds.

In 1946, the total NIH appropriation was just $3½ million. In 1947, it was $8 million. In 1948, when two new Institutes were added, it was nearly $29 million. In 1949, it was $37½ million, and in 1950, it was $55 million. The appropriation increased steadily, as new needs arose and as there was clear evidence that a gradual strengthening of medical research was of paramount public interest. In 1954, the total NIH appropriation was more than $71 million; and last year, for fiscal year 1955, NIH had a total of just over $81 million in its appropriations.

Certain facts stand out when one examines this appropriation history critically.

First, support of medical research as a key to better health has always been strongly bipartisan.

Second, the Congress has consistently shown its awareness of the needs and has always moved to provide adequate funds for such research.

Third, this has been a gradual, sustained process, planned to permit new programs to come into being and mature only as fast as research opportunity made such growth practical and desirable.

Fourth, as a result of this continuing interest and support, NIH has grown in stature and in scope, until it now covers the full range of major diseases that kill and cripple the American people today; it has added clinical research to its traditional laboratory investigation in all fields; and it has provided the kind of stimulative, additive, and nonrestrictive support for research training that has made American medical research the freest, the best, and the most productive in the world today.

Already, immediate return on this investment has become evident through dramatic advances in medicine and public health that can be attributed directly or indirectly to funds provided for NIH by the Congress of the United States. But there are many critical problems that remain unsolved. Answers to the more complex, fundamental problems of health and disease do not come easily, and the basic research attack must be sustained and strengthened.

Getting these answers is a matter of scientific manpower, and research facilities, as well as dollars. All the dollars in the world cannot, of themselves, shorten time, expand space, or double the number of trained scientists who will wage the battle against disease.

This spring, a 1956 appropriation request of $89,138,000 for the National Institutes of Health was recommended to the Congress by the President. Following extensive consideration by our Appropriation Subcommittee, some adjustments were made within that figure to provide more adequately for those fields of medical research which are the principal responsibilities of the NIH. Subsequent action by the full Committee and the House resulted in a bill which provided the full amount of the appropriation request. This was an increase of $7,870,000 above the amount appropriated for 1955. In terms of percentages, this is a 9.7 percent increase. We believe the bill covering this was good, since it was the result of careful consideration, but we were quite willing to reconsider the needs and opportunities if new information was made available to us.

Subsequently, our colleagues in the Senate reported out a bill which asked for a further increase of $23,102,000, which would have made the total NIH appropriation $112,240,000, or 38.1 percent more than fiscal year 1955.

The chairman of the Senate Appropriation Subcommittee for Labor and Health, Education, and Welfare, Senator LISTER HILL of Alabama, and his committee have a distinguished record in support of health and medical research measures and a keen perception of the issues involved. The Senate committee, like our committee, wants to leave no stone unturned in the search for measures to improve the health of the American people.

As is the custom, the two committees have met together to establish a level of support for medical research which both committees could agree would be the best possible for the fiscal year 1956. The general position we took with us into the joint committee meeting was this: We were, of course, open to persuasion where additional increases beyond the House figures were applicable to specific fields and supported by facts, but we were opposed to blanket increases unless accompanied by new or augmented programs, since beyond a certain point giving more money in itself does not necessarily buy more progress.

We have taken three major guide lines. First, there is a need to provide general support for medical research in proportion to the manpower and facilities available for utilization. This concept, that of full steam ahead within these present limitations, is a fundamental and guiding principle. Second, there is a need for the progressive expansion of our medical research resources. This can be translated into action only through an expansion of our training base for medical research. Third, there are special areas of needs for knowledge where need is combined with opportunity, so that the stimulus of increased support should yield dividends.

It was with these three principles in mind that the House committee went into conference with the Senate. These three principles should continue to guide our activities in the future and should in fact be the basic national policy in the consideration of support for medical research.

As the result of a careful survey of additional information that has become available to the Senate committee through the continued diligent work of both committee staffs, we believe there are 8 program areas where increases were clearly justified, where funds in addition to those carried in the House bill can be effectively put to use. It is desirable that the House support these increases.

The additional support your committee recommends amounts to an $8½ million increase in these appropriations for the National Institutes of Health. The Senate committee agrees with your committee both on the level of support desirable and on the distribution of this increased support.

The eight program areas agreed upon for added support are as follows:

First. Extension of demonstration program for early diagnosis of cervical can-

cer, $500,000. It is a widely recognized fact that cancer of the cervix is killing many women each year who could be saved. By a relatively simple diagnostic test, this form of cancer can be detected early in its course. Further, it was brought to the attention of our subcommittee that in a large percentage of women prompt treatment of early cervical cancer will effectively prevent further progress of the disease.

A demonstration program conducted with National Cancer Institute assistance during the past 3 years in Memphis and Shelby County, Tenn., has shown that large numbers of women can be examined by means of the vaginal smear test. Among the first 80,000 women examined, 611 cases of unsuspected cancer were found. Of this number, 314 were in the earliest stage when the chances of cure are extremely good. Among the 297 cases which were further advanced, it is likely that many can be cured or, if not, that additional years of life will result from finding the cancer before it had advanced still more.

Great interest in this public health measure has been shown by State and local health departments and cancer societies. With the additional funds, the Cancer Institute will be able to conduct similar demonstration programs in other regions and in other types of communities. In this manner, wide application of these methods will be encouraged and thousands of women, their families, and their communities will benefit. This program should be pressed so as to shorten the time between medical research discovery and its wide application for the general benefit of the American people.

I have followed this program closely because of its wide implications relative to the health of the American people and for these reasons know something of the details of the plan. It is proposed in the expansion of this research and demonstration program to place an additional unit in an eastern industrial area; one in the Midwest and one in the Far West; and in addition, to extend one program here in Washington which is making use of Government employees.

I am also happy that in the extension of this program to an industrial eastern area, my own home State of Rhode Island will probably be involved.

The Cancer Institute, I have learned, is interested in negotiating with the State health department there for the establishment of one of these demonstration units for a series of very specific reasons.

First, the National Cancer Institute has currently under way with the Rhode Island State Health Department a study of leukemia, and this collaborative study is progressing very effectively.

Secondly, the Cancer Institute is now completing agreements with the State disability insurance commission for a study of cancer disability. This study is undertaken in association with Rhode Island because the State records on disability were found to be so exceptionally well kept.

Finally, Rhode Island, and specifically the Providence area, is such a compact geographic area that the study will provide extremely wide coverage of the female population with a minimum of effort and at a minimum cost.

I trust that with these studies and with the information which is derived from them, my own State will provide a type of information which will shortly permit extensive application of this new knowledge to all women in America.

Second. Extension of the search for chemotherapeutic agents useful in the treatment of cancer, $2 million. This is a program which holds great promise for the future. It has been found in recent years that certain chemical substances have the ability to kill the cancer cell and leave the normal body cell essentially unharmed. Literally thousands of such compounds have been tested on animal tumors, and hundreds of them have shown promising anticancer activity and have been tried in man.

By 1954, it was evident that this large and important field of cancer research needed to be drawn together into an integrated national research effort, and the Congress made special funds available to the Cancer Institute for this purpose. The 2 years that have elapsed since this program was established have laid the essential groundwork, primarily in organization and communications, but with sound research components as well. The National Cancer Institute, the American Cancer Society, and the Damon Runyon Memorial Fund have joined forces in this collaborative effort.

It is time, now, to build upon this effective structure in order to hasten the day when cancer can be controlled. To this end, the increase of $2 million will be invested in cancer chemotherapy research projects among the Nation's medical schools, universities, and other private research centers. This is not the level recommended initially by the Senate; however, it seems a desirable level for the present time and the maximum that can be effectively utilized, at the same time permitting progressive expansion of the base for this program.

Third. Broadened research program in upper respiratory diseases, $185,000. We believe that this modest increase for the National Microbiological Institute will be well worthwhile. These respiratory diseases, including the common cold and influenza, are still leaders in causing absenteeism in industry, temporary disability, and economic distress. They are the most prevalent and persistent of all man's ailments. During the past year, scientists of the National Microbiological Institute made a most significant contribution to knowledge in this field. They discovered a new family of viruses, named the APC viruses, which are responsible for many of these diseases. The scientists showed that these viruses could produce widespread human disease and found evidence of their epidemic potentialities.

More intensive pursuit of this line of investigation is thoroughly justifiable and the increase of $185,000 will permit this. It will mean that the researchers can look for other viruses and make further evaluations of the importance of these viruses to disease in man. It will also permit fuurther research, which has already shown much promise, of the use of these viruses in the study of cancer. The increase will, moreover, allow inclusion of work to develop vaccines against these viruses and to test the vaccines' effectiveness through field tests.

Fourth. Expansion of biologics control, including more intensive work on poliomyelitis vaccine, $750,000. Recent developments in the poliomyelitis vaccine situation, subsequent to the House appropriations hearings this spring, revealed that a substantial increase in funds is needed for the biologics control function of the National Institutes of Health. Hitherto this program has operated as a constituent laboratory within one of the major research units at NIH, the National Microbiological Institute. The Surgeon General has asked and been given authority to expand the biologics control function to make it a separate unit called the Division of Biologics Standards, the Chief of which would report to the Director of NIH.

It was pointed out that this step is a response to new developments in the field of medicine and medical research: First, the expanding range of diseases to which biologic products may be applicable; second, the kinds of new biologics which may become available, particularly those applicable to virus diseases; third, the compressed time interval between the discovery of new biologicals and their use.

These organizational changes and the increased funds seem to us thoroughly justifiable in view of the possibility that the principles involved in the new Salk polio vaccine offer promise of a solution to a hitherto stubbornly resistant and baffling group of disease problems. We can expect that potent new biologics will be developed which will mean much for the control of virus diseases against which the antibiotics and sulfa compounds have had little or no effect.

One of the major advantages of modern medical research is that, with new techniques and instruments, it can develop and test new products in shorter and shorter periods of time. This advantage, however, poses at the same time difficulties in that it creates essentially new kinds of tasks in the field of biologics control. Under the new organizational arrangement, these tasks can be performed far more effectively than previously. There will be better opportunity to conduct the research that is essential today because of rapidly changing trends and problems—and many research advances—in the field of biologics.

Fifth. Research on arthritis and metabolic diseases, $2 million. We believe that a concentration of funds of this amount through the National Institute of Arthritis and Metabolic Diseases will pay dividends in a range of health problems that sorely need more basic as well as clinical research. Compared with the firm research opportunities that exist today, studies on rheumatic and metabolic diseases, supported and conducted by the National Institutes of Health, are receiving far too little attention.

Such opportunities are unquestionably numerous in the field of diabetes—a prevalent metabolic disorder. The notion is false that insulin and special diets are a completely satisfactory answer. The medical management of the diabetic patient is fairly satisfactory, but the complications that accompany the disease are still an important cause of death. There are an estimated 2 million diabetics in the United States today and the number is increasing.

Arthritis, too, may be expected to rise in prevalence because it is a disease of age—and the United States has an aging population. This means that just accepting present techniques of therapy for these conditions is not enough. Their treatment is often an expensive, lifelong procedure. We must learn more about their causes and underlying mechanisms and work toward preventives and cures.

Arthritis, diabetes, and other serious metabolic disorders—such as liver cirrhosis, hormonal imbalances, and nutritional diseases—are yielding very gradually to medical research. This process can be accelerated by increased research and research training—the development of talent in these special fields.

In essence, more funds for these purposes are necessary if we are ever to stop paying the vast amounts now spent for day-to-day maintenance of diabetics, arthritics, and other metabolic-disease patients. We must find the primary cause of these diseases, and discover ways to prevent and cure them; and scientists tell us that this knowledge can only be derived from fundamental biochemical studies on tissues, intact animals, and man. The increased funds, which this field is now ready and able to use fruitfully, will provide for research and training to advance our understanding of these problems which are so costly to the Nation in terms of lives, dollars, and the suffering of those afflicted.

Sixth. Increases in noncategorical research grants, $500,000. On review of testimony given before both House and Senate subcommittees, it was felt that additional funds should be made available to aid the research programs that are so fundamental or so broad that they cannot readily obtain support from sources which are concerned with research against specific diseases. It has been stated many times that our greatest national research deficiency is in fundamental study. We Americans are a practical people and we like to have specific objectives at which to direct our effort. Sometimes this causes us to overlook the fact that many of the things that are of greatest practical value had their origins in seemingly unrelated discoveries. As an example, it was brought to our attention that one of the most encouraging leads for the treatment of human leukemia resulted from studies of pigments in butterfly wings and of bacteria in the intestines of rats. Fundamental study projects which cannot be dramatized by associating them with the names of specific diseases must not be permitted to languish, otherwise medical progress will suffer.

Seventh. Establish a stronger training component and additional research in the field of neurological and sensory disorders, $1 million. We find complete accord that this field, aided by the National Institute of Neurological Diseases and Blindness, has two paramount needs which we should move more substantially to meet in fiscal year 1956. One of these is the need for training funds. Programs in research on the causes and cure of neurological and sensory disorders are faced with perhaps the most critical shortage of any field with respect to well-trained scientific manpower. This not only threatens, but actually prevents, the development of the research attack on these diseases. We feel that the focussing of $700,000 additional in the Institute will permit more adequate establishment of a well-rounded training program and will be a most productive undertaking and one that should thus be strongly supported.

The other important need in this field, one which should be met more adequately, is for additional studies in the neurological and sensory disorders. This area of research is quite new, as is the Institute itself. We have been impressed with the excellent but modest beginning made by the Institute in attacking such problems as epilepsy, multiple sclerosis, cerebral palsy, muscular dystrophy, and the various forms of blindness. There is ample evidence that this program of research, both at the NIH laboratories and through grants, can effectively utilize an additional $300,000 in their expanding effort to prevent, control, or cure these dread diseases.

Eighth. Expand and strengthen research and research training in the attack on heart disease, $1,500,000. There is no need for me to point out to you the vital need for making progress against this group of diseases, which are responsible for more than half of all deaths in the United States each year. Only if heart disease is brought under control can we achieve our goal of reducing untimely death and disability, and adding years of healthy and productive living to the life span of the average American.

Heart disease research has paid rich dividends in recent years. Some types of heart disease can be prevented, some cured; some heart disease, including some types formerly considered incurable or rapidly fatal, can be reversed; and most patients with heart disease can be materially improved by proper treatment and management. Many of the most significant advances in this field are directly attributable to funds supplied by the Congress to the National Heart Institute. On the basis of the evidence of past performance and the plans that are projected for the future, we feel fully justified in proposing a $1½ million increase in appropriations to the Heart Institute in order that its programs and resources may be used to capacity.

I want to mention specifically the mental health activities of the National Institutes of Health, because I would not want the omission of added funds for this program to be misconstrued. The mental health program is one in which both committees are tremendously interested. It attacks one of the most critical problems this country faces today, and it is doing a splendid job.

The committees recognized, however, that this program had a large increase under the President's budget. Our committee made additional funds available for a special program in mental retardation. These two increases total $3,603,500, making the Institute support increase from $14,147,500 in 1955 to $17,751,000 in 1956.

There are acute professional manpower shortages in many areas of mental health work. Research programs are young in this field, and facilities are inadequate. You can be sure that this program will be carefully watched, and that mental health activities will not be permitted to suffer because of a shortage of funds.

To recapitulate, in making available an additional $8,435,000 for the above program areas, the House and Senate conferees feel they have provided funds for the National Institutes of Health to the extent that its needs can be supported by facts and to the extent that is consistent with sound growth and development. A total appropriation of $97,573,000 for the NIH is, in our best judgment, the amount which can be properly used in fiscal year 1956.

This is a substantial increase of more than $16 million above last year's appropriation. We strongly believe it will enable the NIH to meet its present needs and responsibilities, and we ask your support in this action.

I want to make my own position on these appropriations crystal clear.

I should not need to do this. My colleagues on both sides of the aisle know, as my constituents in Rhode Island know, that I have been a consistent proponent of health and medical research measures since I was first elected to Congress more than 10 years ago. My record on these measures speaks for itself.

Yet in recent weeks I have been subjected to an attack from a small segment of the public press for my presumed lack of sympathy for the goals of medical research—labeled, I believe, "penny-pinching on health issues." The attack stemmed from my unwillingness—and that of the Appropriations Subcommittee I chair—to give automatic, blanket support to all of the NIH appropriation increases reported out by the Senate subcommittee.

I have two points to make about this charge.

First, when there is a sound opportunity for strengthening the medical research attack, and when that opportunity can be documented by convincing proof of the need, as well as evidence of a wisely planned program that will capitalize on the additional funds to be provided, I believe the opportunity should be exploited to the fullest. On the basis of the additional information I have received since the House hearings, I have put this belief into practice once more by endorsing and asking your acceptance for increases totaling $8⅓ million of the $23 million increase that was initially reported out by the Senate.

Second, I believe that in order for our total national medical research effort to advance, more attention must be given

to the development of a larger pool of trained scientists and to the creation of additional research facilities where they can work. If our money is to be wisely spent, planning must take into account that it is manpower, facilities, and money which are the ingredients for research progress, and not money alone. I believe that today the shortages of manpower and facilities restrict the level to which medical research can properly be supported by dollars, and I look forward to a concerted effort to resolve these shortages so that the total net investment in medical research can continue to increase.

I hope that the National Institutes of Health and its advisers will give serious thought to these problems in the coming months. I urge that they bring us carefully conceived plans—comprehensive for all of NIH's responsibilities—bulwarked by facts that demonstrate the validity and urgency of the needs in medical research and the ways in which new funds should be utilized.

There is ample precedent for assurance that the Congress will be not merely receptive, but will consider it a responsibility to seek and provide the funds that such plans require for effective implementation.

Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this is the first time I have spoken on this particular bill in this session. It has been my privilege to serve on the committee that has charge of this bill and to serve with the chairman of that committee, JOHN FOGARTY. We had most exhaustive hearings. We went out to the National Institutes of Health and spent a day going through their situation so that we might know what we should do in connection with that bill. And when we were through we marked up the bill, providing what we felt would meet the needs of the agencies that are covered therein.

When the bill went to the other body, it was raised, as they usually raise it, without, in my opinion, a good basis for the raises.

The chairman of the subcommittee, JOHN FOGARTY, has done a remarkable job in handling this bill intelligently, honestly, and in the interests of the Government of the United States. I just felt that I should come down here and say that.

Mr. FOGARTY. Mr. Speaker, I yield 1 minute to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, I want to support everything the gentleman from New York [Mr. TABER] has just said about this bill and about our good colleague JOHN FOGARTY. Now especially the health section of this bill is close to the hearts of the American people, that part of it which pertains to research into the cause and cure of dread diseases—heart, cancer, polio, mental, and so forth. I feel certain the committee has recommended sufficient funds to carry on this important work. I hope that the bill will receive the unanimous approval of the Members of the House.

Mr. FOGARTY. Mr. Speaker, I know of no controversy over any item that is in the conference report. It has been agreed to by all of the conferees.

As the Labor-Health, Education, and Welfare appropriations bill passed the House it provided a total of $2,337,522,261. The Senate increased this total to $2,404,905,600 or an increase of $67,383,339. The conference agreement will result in the appropriation of $2,373,516,500, which is $35,994,239 over the House bill and $31,389,100 less than the Senate bill. I think it is also significant that the total we have agreed to is $58,632,361 less than the budget requests that formed the basis for the bill.

There were a few increases made by the Senate that I feel certain were prompted largely by developments during the time that elapsed between House action and the action of the Senate. I have in mind especially the increases of $850,000 for the item "Communicable diseases" and $750,000 for "Microbiology activities" that were earmarked specifically for work in connection with polio vaccine. Similar increases might well have been made by the House had our action been taken at the later date on which the Senate made its decisions on these appropriations. Taking this into consideration, the agreement that we bring to the House is a very good one.

In addition to the items that are included in the conference report, there are six Senate amendments that we brought back in technical disagreement because they would have been subject to points of order had they been offered on the bill as it was originally considered in the House. I do not believe there is opposition to any of these amendments and I will offer motions to recede and concur with them at the appropriate time.

The printed statement of the managers on the part of the House sets forth, for each amendment involving a difference in the amount recommended to be appropriated, the sum agreed upon in conference, the amount carried in the House bill and the amount carried in the bill as it passed the Senate. Unless there are questions on these amendments I shall not go into the details that are already available to the Members.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Rhode Island.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

COMMITTEE ON THE JUDICIARY

Mr. WILLIS. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file a report on the bill H. R. 2128, the patent extension bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

FAIR LABOR STANDARDS ACT

Mr. BARDEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 7214) to amend the Fair Labor Standards Act to make the minimum wage $1 an hour effective March 1, 1956.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 7214, with Mr. FORAND in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Under the rule, the bill is considered as having been read for amendment.

No amendment shall be in order to the bill except amendments proposing to increase or decrease the hourly wage rate specified in line 7 therein and except amendments proposing to change the effective date provided in the bill.

Are there any amendments?

Mr. McCONNELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCONNELL: Strike out lines 7 and 8 and insert in lieu thereof the following: "thereof 'not less than 90 cents an hour after December 31, 1955'."

Mr. McCONNELL. Mr. Chairman, I said yesterday, and I repeat it for emphasis, personally, I do not know a single Member of Congress who does not sincerely want workers to receive high wages; no unemployment; and adequate earnings for the employer. Low wages are not a healthy condition for either individuals or for society as a whole. Many of us would experience a fine inner glow of satisfaction, if by law we could just throw aside discretion and vote a rate even higher than the highest amount suggested by anyone. But commonsense dictates otherwise. There are certain factors which limit the enthusiastic urging of our hearts. They were enumerated yesterday—such things as the ability of the small and marginal employers to absorb increases in the rate without war, deficit spending, or some other inflationary impetus; the indirect effect of the act which permeates the economy affecting exempt and covered employers alike, and the complete rigidity of the act, which allows no adjustment of the required rate if business failures and unemployment occur.

For over 16 years diligent search has been carried on to discover some scientific way to set a proper minimum rate, but no exact method has been developed. The most frequent factor mentioned is the cost of living. The Consumer Price Index of the Bureau of Labor Statistics, which best represents cost-of-living changes, shows an increase of about 14 percent since January 1950 when the 75-cent rate was adopted. On the basis of that percentage figure, the rate would be 85½ cents per hour.

President Eisenhower, for whom I have a high regard and great respect because of his sincere humanitarian instincts, and his ability, has advocated the 90-cent rate. His judgment, the advice of his consultants, the Council of Economic Advisors, and an analysis of various factors are the reasons for my offering this amendment.

I urge its adoption.

Mr. KELLEY of Pennsylvania. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it does not make me happy at all to oppose the amendment offered by my very good friend the distinguished gentleman from Pennsylvania for whom I have a very high regard, but I think there is a factor that is overlooked in this matter when he proposes 90 cents based upon the theory that the cost of living has risen only 14 percent, which would make it 89 cents, to be exact.

First of all, when the bill went into effect 16 years ago we added 25 cents. Due to inflation today the dollar is worth only 52 cents—75 cents today represents but 40 cents in purchasing power. I ask you if all you are going to do is to increase the benefits to these low-income families 15 cents? If the rate is fixed at 90 cents it will mean 47 cents in purchasing power. If it is fixed at a dollar it will be 52 cents in purchasing power.

I will leave it to your judgment whether or not a man can do much good for himself or his family with a purchasing power of 40 cents the way it is today, or 47 cents as proposed by the gentleman from Pennsylvania.

I propose $1. We think that is very modest. Many bills were introduced proposing higher rates than a dollar but we thought out of all consideration for business people, the small-business man in particular, that they could adjust themselves to a dollar just as easily as to 90 cents. For that reason we accepted an amendment offered by the gentleman from Pennsylvania [Mr. McCONNELL] to make the effective date March 1, 1956, instead of January 1, thus giving 7 months' time in which to make the adjustment.

We heard a great deal about small business yesterday. I do not think there is anyone more sympathetic for the small-business man who has got to struggle along, than I. I am convinced that many of them are compelled to pay low rates on account of the competitive conditions within their industry. If every operator within an industry must raise his hourly rate of pay to a dollar, pretty soon they will all do it and their adjustment will be made.

My own State, and that of my friend the gentleman from Pennsylavnia [Mr. McCONNELL], has 177,000 small businesses employing fewer than 19 men; 70,000 of them have but 1 employee, the owner; 91,942 businesses employ more than 1 person but fewer than 19. So Pennsylvania has a big stake in small business, and yet I have not received one line from any of those business operations in Pennsylvania asking no change in this low—not one. I know those who are affected feel they can compromise their position very well to a dollar. When we grant it here we must realize that it means only 52 cents in purchasing power. Thus you will realize that the increase to the low-income families has been but 27 cents in 16 years. I will leave it to you to decide whether that is proper compensation.

Mr. McCONNELL. Mr. Chairman, will the gentleman yield?

Mr. KELLEY of Pennsylvania. I am happy to yield to my friend.

Mr. McCONNELL. Also, my friend, and I sincerely mean it, friend, is not this a fact that we also have to consider—I do not like to introduce extraneous matters, but they have to be considered—the original recommendation from the administration which was for a 90-cent rate with an extension of coverage after proper consideration by appropriate committees?

It is generally felt that some time within the next 12 months or so there will possibly be a change of the coverage of this act where we probably will be getting into some change in the coverage of the retail establishments, maybe some of the service organizations, maybe a change as to employee coverage and employer coverage. All of that becomes a little more difficult when the rate is $1 rather than 90 cents. Would that be a correct statement of the situation?

Mr. KELLEY of Pennsylvania. On the face of it you may say, "Yes," but, remember, the purchasing power of the dollar is only 52 cents now. I hope we do get a further improvement in this act to give greater coverage and I join the gentleman in that hope.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent (at the request of Mr. KELLEY of Pennsylvania), Mr. KELLEY of Pennsylvania was allowed to proceed for 1 additional minute.)

Mr. McCONNELL. We have been hearing a great deal about the fact that the purchasing power of the dollar has been cut approximately in half. That would apply also to the earning power of the employers, particularly the small marginal employers, who would also have to pay this rate. It works both ways. The whole thing is a relative matter.

Mr. KELLEY of Pennsylvania. I cannot follow the gentleman in that statement.

Mr. McCONNELL. The gentleman says that an employer has the ability to pay a certain amount of minimum wage, based on his earning power. If he has no earnings, he would not be able to pay a certain wage. If you are going to say that the amount of money he pays is only worth so much, you must also say he only has a certain percentage value to pay; in other words, the employer has to operate on a devalued dollar, too. The employees' money is worth so much, the employer's money is worth so much.

Mr. KELLEY of Pennsylvania. Does the gentleman mean for his personal use?

Mr. McCONNELL. For his profits or whatever you may call it.

Mr. KELLEY of Pennsylvania. Unfortunately, the profits are based on inflated values also.

Mr. McCONNELL. And a change in the value of the purchasing power of the dollar affects him, too, as shown in the consumer's price index. I thought we had taken that into consideration.

Mr. KELLEY of Pennsylvania. I have not because we are dealing with the low-income families. We are trying to take care of them and it is those people we are thinking about.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

(By unanimous consent (at the request of Mr. HALLECK), Mr. KELLEY of Pennsylvania was allowed to proceed for 1 additional minute.)

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. KELLEY of Pennsylvania. I yield to the gentleman from Indiana.

Mr. HALLECK. Of course, as the gentleman points out, we have had inflation with a consequent lessening of the value of the dollar. I am just trying to understand what the gentleman has in mind when he speaks of the 72 cents or the 52 cents. In 1938 the minimum wage was fixed first at 25 cents. Subsequently it went up to 40 cents. Does the gentleman contend that 90 cents will not buy as much today as 25 cents would have bought in 1938?

Mr. KELLEY of Pennsylvania. I do not say that. I am saying 90 cents will be 47 cents today.

Mr. HALLECK. But having regard to the time when the minimum wage was put into effect, my view is that 90 cents today will buy much more than 25 cents would have bought in 1938.

Mr. KELLEY of Pennsylvania. In 1938, if I might say to the gentleman, 25 cents was worth 25 cents, but 90 cents today is worth 47 cents in purchasing power.

Mr. HALLECK. The gentleman is correct in that regard. So 90 cents today will buy almost twice as much as the 25 cents of 1938. Let me ask him one further question: The 40 cents continued until 1949; would 90 cents today buy more than 40 cents would have bought in 1949?

Mr. KELLEY of Pennsylvania. Yes; in 1949 it was 40 cents. Today 75 cents is still 40 cents.

Mr. HALLECK. That is true. I am trying to get at the comparative purchasing power of the dollar as reflected in the minimum wage because I think that is important when we consider this matter. As the gentleman has pointed out, the 75 cents was established in 1949 to become effective in 1950. I think everyone admits that 90 cents will buy more today than 75 cents would have bought in 1950.

Mr. KELLEY of Pennsylvania. I cannot agree with that because when we raised it from 40 cents to 75 cents, that 35 cents was wiped out before it ever went into effect.

Mr. HALLECK. Oh, well, of course, when the 75 cents went into effect, the 40 cents was obsolete.

Mr. THOMPSON of New Jersey. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. KELLEY] may proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. KELLEY of Pennsylvania. I yield to the gentleman from New Jersey.

Mr. THOMPSON of New Jersey. Does the gentleman believe that 25 cents was a fair minimum wage in the year referred to?

Mr. KELLEY of Pennsylvania. I think it was fair to start with that. I think it was something new and novel, and I think it was all right to begin with that, yes.

Mr. THOMPSON of New Jersey. Is it not true that there are more factors than just the increase in the cost of living involved in the consideration of the increase in the minimum wage?

Mr. KELLEY of Pennsylvania. I think so, yes.

Mr. THOMPSON of New Jersey. And we have tried to consider the factors such as increased productivity and those other factors, have we not?

Mr. KELLEY of Pennsylvania. It occurs to me that when we are talking about raising the minimum wage, we have got to give very serious consideration to the buying power of the dollar today.

Mr. THOMPSON of New Jersey. I thank the gentleman.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, at a time when this country was cursed with sweatshops, when labor was exploited, where the worker's health was impaired, when unemployment was prevalent, a desire to improve the health, spread employment, protect the welfare of our people, brought Federal wage and hour legislation.

During the debate yesterday, the gentleman from Pennsylvania [Mr. SCOTT], former chairman of the Republican National Committee, said, and I quote—CONGRESSIONAL RECORD, page 10962:

> Mr. Chairman, I submit that we never had it better in this country, and we can afford a generous and substantial and decent provision for the working people of this country.

Never, at any time, anywhere, did a people enjoy so many of the good things which man desires as do we today here in America. That we have all we need, not only for the necessities of life, but for most of the many luxuries which are available, is proven by the fact that for many years we have, year after year, in one form or another, given billions upon billions of dollars each year to assist other nations and other peoples.

The sweat shops are no more. Many a Federal and State agency, with billions of dollars at their command, are caring not only for the unfortunate but, through unemployment compensation, for the unemployed. Benefits well deserved, mounting into the billions, have been paid, are available, to veterans and their dependents. Retirement for millions of workers has been provided. Unemployment is at a minimum. Wages in practically all of the mass production industries and in many of the trades are far and away above the average compensation received by an overwhelming majority of those who toil.

With those conditions in mind, how can we today justify granting a subsidy to a small segment of our population at the expense of an overwhelming majority of our working people?

The conditions which called for wage and hour legislation no longer exist. The reason—the necessity for the law gone, the $1 an hour should not be adopted.

The reasons which would justify—if they did justify—Federal wage and hour legislation be now nonexistent. Adopting legislation turning toward more complete regimentation seems unwise.

In my judgment, wage and hour legislation are not now subjects for Federal regulation.

The condition of our country as just described seems to indicate that any futile effort to escape the inexorable results of the operation of the law of supply and demand by granting to one group a special benefit which can only be paid, in part, at least, by those who cannot hope to profit by the grant, is not only economically unsound, but basically unfair. It is but another application of the practice of robbing Peter to pay Paul.

Many of those who advocate and who will vote for a minimum wage of $1 an hour were vociferously in opposition when the question of paying a farm subsidy was before the House. True, the farm subsidy is paid directly by the Government with the dollars of the taxpayers, who ultimately pay the bill. Whatever increase in wages may be secured through the operation of this bill will be paid, in the first instance, by the purchaser of the things produced by the workers whose wages are increased, but which, in the end, means practically all of us.

THE EFFECT OF THE INCREASE

It is argued that the minimum wage should, by Federal act, be increased from 75 cents an hour to $1 an hour, in order that the man who works may have less difficulty in meeting the present admittedly high-dollar cost of living. That such will be the result of the increase is challenged. It is a matter of common knowledge that overlong, while wages have been going up, prices of practically all commodities—except, recently, farm products—have been climbing. The increase of 25 cents an hour is far greater percentagewise, as was shown by the gentleman from Indiana [Mr. HALLECK] than has been the increase in the cost of living. If it be assumed that those who are affected by this act should always be given an increase in wages to offset any increase in the price of the commodities they buy, we still cannot escape the fact that the effect of the increase in wages is inflationary.

For the overwhelming majority of our people, in fact for all of us who do not come within the provisions of this law, before we can cash our checks and reach the grocery, the clothing, or any other merchandising mart, the price of what is there will have gone up, so that any anticipated advantage will have disappeared before our purchases are made.

This increase is discriminatory, because it requires those who create and maintain job opportunities to pay a fixed labor cost regardless of their ability to pay, and without any similar legislation guaranteeing the employer the sums necessary to meet the added cost of the payroll.

Under this act, the employer is required to pay a minimum wage even though he may be conducting a business without profit. If the employer were to be given similar consideration to that given the employee by this act, we would add a provision guaranteeing to him a minimum salary for himself, a minimum profit out of the operation of his business. To carry the illustration to the limit of absurdity—we should also add a provision guaranteeing him a sufficient volume of sales at a minimum price to enable him to not only carry on his business, but to meet any unavoidable losses, make improvements made necessary by changing conditions or advancing competition.

TENDENCY TO CREATE UNEMPLOYMENT

Today, automation is lessening employment—the number of jobs, of work hours necessary to produce a given unit. Productivity on the farm, for example, has increased, though man-hours have been drastically lessened to such an extent that, despite the expenditure of billions of dollars by the Federal Government in the purchase of edible, nutritious farm products, we now have on hand a surplus which we cannot even use or give away, but for which we have difficulty in finding storage space—to say nothing of the million dollars which that surplus each day costs us for storage alone.

The motor industry, by devising and installing machinery costing hundreds of thousands of dollars—in some cases millions—is now able to produce with fewer employees per car production than ever before—710,000 cars in 1 month. That means more than 6 million new cars per year.

Just how long will people continue to buy at the comparatively high price now charged? How long will there be room on the highway if production continues at the present rate?

Will not the motor industry need an ever-lessening number of employees per car production?

Once again, we are attempting to solve all of our problems, real or fancied, through legislation. Today the remedy for any and all unfavorable conditions seems in the minds of some to be a law. Apparently we have learned nothing from history. We have forgotten the lesson learned by the old Roman emperor who, in A. D. 304, attempted by imperial decree, to fix prices, ignoring the law of supply and demand, regulate the value of his nation's currency, and pay the national debt.

Not only on the farm, but in every industrial plant, competition, increased labor costs—and labor is a very, very large part of the cost of production—management is seeking and is finding, almost day by day, new ways of increasing production and, at the same time, using an ever-lessening number of employees, a fewer number of hours.

Naturally and inevitably, the ability of the larger corporations, with billions of dollars at their command to install labor-saving machinery, is forcing, will continue to force, smaller plants out of business, while at the same time adding to the cost which every consumer must pay.

Industry in my hometown of 5,000 people has neither the capital nor the

equipment to make automobiles. It does have the capital, the know-how, and the skilled workers to produce parts of automobiles and of other machinery, but the number of skilled workers who can be so employed is limited. There are many, many workers who do not have either the skill or the opportunity to work in the factories, some of which in the fourth district are paying $2.60 an hour.

We have many food-processing plants where workers who desire to earn their own livelihood can, under present conditions, work part time and profitably—at a wage less than $1 an hour—thus supplementing the earnings from their own investments or the benefit payments made by State or Federal Government in one form or another.

If everyone who desires to employ a worker is forced to pay a minimum of $1 an hour, then it follows just as sure as night follows day that many, both women and men, who desire part-time employment, who desire to be independent, will be unable to find jobs for they cannot earn, cannot produce a dollar's worth an hour.

This bill which, if enacted, may benefit some, will adversely affect millions upon millions of others who cannot find employment where they might without undue effort earn substantial real wages.

There is many a small-business man who will be forced to either curtail his operations or go out of business. Thus increasing unemployment.

Today, even some of the larger merchandising concerns, many restaurants, avoid the overtime provision of the wage-hour law by operating for 5 or 6 days a week, by working different shifts of employees part time, and thus avoiding overtime payment. It is evident that amendment of the law calling for $1 an hour payment will add to unemployment in some fields.

Now, back for a moment to the purchasing power of the dollar, about which we have heard so much: Just a few moments ago, the gentleman from Pennsylvania [Mr. KELLEY] referred to the present purchasing price of the dollar.

Have we any assurance at all that the man who now receives, let us say, 75 cents an hour will be able to buy any more of anything if his wage goes to 90 cents or $1 an hour?

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. May I have an additional minute?

Mr. McCORMACK. Oh, well, I will not ask it, then.

Mr. HOFFMAN of Michigan. Well, I will.

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Permit me to advise the gentleman from Massachusetts that I have an additional 5 minutes.

Mr. McCORMACK. With the generosity of the gentleman from Massachusetts and all others on the floor.

Mr. HOFFMAN of Michigan. And which I greatly appreciate.

Mr. McCORMACK. Now does the gentleman yield?

Mr. HOFFMAN of Michigan. Certainly.

Mr. McCORMACK. Of course, if that is the gentleman's reasoning, we might just as well go back to the old days when we paid 5 cents an hour.

Mr. HOFFMAN of Michigan. We might. We might if we let the law of supply and demand operate and if the Government would quit pumping millions or billions of dollars of new money into the economy all the time—we would probably be able to get just as much out of a dollar as we do today, and there is a possibility that we would be just as happy, I think; certainly, more contented and constructive than we are today.

Perhaps, if we had fewer dollars, we might not be worrying about how wealthy we were, seeking ways to spend our fictitious dollars. In short, eating and living just as well.

After I got through law school and business school, I worked as a stenographer and a typist for $6 a week. But I bought eggs for 6 cents a dozen and steak for 10 cents a pound. The next year it was $8, the next year $10, and the next year $12. And then I went on my own. And believe me, I will say to my good friend from Massachusetts [Mr. McCORMACK], I did not starve.

And I had the audacity to ask, and a young lady had the unlimited courage and charity to join me in the bonds of holy wedlock, when I was getting $6 a week. We got along all right, sure we did without any help from the Government, before the Government began to mix in our living affairs and in my business. And I did not have a tax bill to pay such as I do now. For more than 56 years we have found it not only possible but enjoyable to live on what we earned and to help others to some extent.

The tendency in this type of legislation is to force employers to employ less and less labor all the time. That is what usually happens when there is a strike. Right away the employer sets about to try to learn if he can get some piece of machinery so that he can let some of the men go.

Today one of the problems we have, and one which we will have from now on for a while, is because of our ability to produce so much with so few hours of labor that we hardly know what to do with our leisure time.

Then there is another thing that happens; maybe not in the cities. All right, let the big companies, let Reuther and General Motors and Ford and steel join together as they have and force the price of everything up. While they are doing it, they force many employers in the smaller cities—I know now what I am talking about, we had one in Michigan that had to let 2,700 of their employees go because they forced the wage right up to the point where they could not do business.

So what happens? Production goes to the cities, like Detroit, and many of the workers live in pens or coops, whatever you want to call them, just in some respects like the coops and pens some people keep their poultry and their cattle in. Some city workers live in those little cooped up places, many do. They get the big wages, and when the week is over what have they left? Have they a home? Have they a bank account? Have they friends and neighbors? Many would rather have a home in a small town or city with a lesser wage but with more of what we call home and community living.

Force the machinery in, force high wages on the employer, and the number of jobs goes down. Do I know? We have some food processing factories in western Michigan. I recall one where they put up mushrooms and asparagus.

During the war, when labor was scarce and we had a minimum wage, they tried the experiment of hiring the older people, but the older people just were not able to keep up on a necesary production scale. So the company had to cut down. They brought in some Mexicans, they brought in some Oakies and Arkies, as they called them, and tried them. But they were not proficient.

What was the result? Here was a group in that community that had been self-supporting—elderly people. And when I say elderly people, I mean people past 40. They are elderly from the factory standpoint. They were out of work.

How many people are there who do not come under this law but who will be forced to contribute toward paying those who do come under it?

Mr. KELLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. KELLEY of Pennsylvania. The gentleman said that he remembers when he could buy eggs for 6 cents a dozen and he did not starve. What was the poor fellow doing who sold the eggs for 6 cents a dozen? Was he wearing the proper clothes, was he able to buy shoes and whatever he needed with those 6 cents?

Mr. HOFFMAN of Michigan. He sure was—shoes were cheap. Feed for his poultry was low in price; farm machinery was down; everything was on a lower scale and we all seemed to be getting along all right. Grandmother was one who sold eggs for 6 cents a dozen—and in trade at that—but she had potatoes in the cellar, a side of beef in the shed, and three kinds of pie for breakfast. Can you do better? Oh, we got along all right. I do not recall that I ever went hungry. Of course, my good wife did not have 3 or 4 silk dresses. We did not have any radio, we did not have any television, there are a lot of things we did not have. But still we had a little happiness and contentment enough to last us through the 56 years with a little left over for tomorrow.

My point is this: Have we any assurance, if we put the minimum wage up to 90 cents—and I can vote for that as a compromise—but if you force it up to a dollar have we any assurance that before the fellows who get the minimum wage get over to the grocery store the price of the things they want will not have gone up? Have we?

Mr. KELLEY of Pennsylvania. I do not agree with the gentleman.

Mr. HOFFMAN of Michigan. Will your dollar buy any more? Will it? Tell me.

Mr. KELLEY of Pennsylvania. The gentleman asked the question whether the inflation would cause the loss of that advance to 90 cents or a dollar. I say no, not today.

Mr. HOFFMAN of Michigan. I am asking this: Have we any assurance that the increase in wages will buy any more potatoes, any more meat, any more bread, any more butter any more and better clothing, a better home than the amount paid today will buy?

Mr. KELLEY of Pennsylvania. At a dollar it will buy about 12 cents more than it buys today.

Mr. HOFFMAN of Michigan. Not if the usual happens, it will not. The point is this, that every time you force the wage up, before the man who gets it can come forward and make his purchases the price of what he buys has gone up, so in the end he is no better off, his cost of living has not gone down, he has more dollars to jingle—but they will not buy him any more of anything.

My argument boils down to this, that inasmuch as the administration has caused this exhaustive study to be made, and the result is that the purchase price of everything will be kept relatively high, if we go to 90 cents, why do you want to shove it up to a dollar? And stop there? Why not shove it up to $1.25, if it is a good thing?

The gentlemen who support this higher rate admit that there is danger that they will unbalance the system and they will where the higher wage will cause more and more unemployment and, as was stated yesterday by the ranking minority member of the Rules Committee, one effect of this legislation, if you shove it up, will be to add to the relief rolls.

Those who insist upon Federal legislation to establish a minimum wage admit they are tinkering, monkeying, with delicate economic machinery.

They think they possess intelligence and knowledge enough so that they can, by law, establish a minimum wage, maximum hours, which they can force the employer to pay and observe without putting him out of business.

Their argument is that the employer should be forced to work to create a job; to at all times keep that job available; pay any and all taxes that may be assessed by local, State, and Federal governments—all by his own efforts, all without any help from any government, either local, State, or National.

For the benefit of the worker—and find me if you will the employer who is not a worker—they insist that the employer shall, if necessary, work unlimited hours and certainly without a guaranteed wage or a minimum wage, many times without any wage at all.

On the one hand, they insist that a man cannot be forced to work; that, if he does not like his job, he may strike—and to that I have no objection; but, at the same time, they insist that the employer shall work to create the job at which he is to employ the worker, and at a minimum wage.

Why not reverse the process—would it not be just as logical to, by law, require the worker to work a certain number of hours and at a fixed wage which would enable the employer to attain a so-called decent living standard?

Why, if we wish to avoid discrimination, unfairness, do we insist that one group of citizens—employers—provide employment for another group—workers—and at a minimum wage and only for a certain number of hours, with compensation sufficient to enable the worker to enjoy what we are pleased to call the American standard of living?

The old Roman Emperor, Diocletian, tried out this theory. Others both before and after have endeavored through legislation to get around the law of supply and demand; to bypass nature's laws; to compel a few to support the many and periodically divide the wealth, but to date it has never worked.

About all legislation can accomplish is to protect the weak from the strong, the gullible from the scheming; provide equal justice under law and an equitable opportunity to every individual, according to his ability and willingness, to strive and achieve.

If legislation can be effective beyond that, why not just provide that the Federal Government shall print the money to furnish us all what we may desire and that thereupon we shall all be happy and contented?

Mr. METCALF. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I think as this debate has been going on yesterday and today we have come to the conclusion that lots of figures and lots of statistics and lots of formulas have been cited but no one knows, as the distinguished gentleman from Pennsylvania brought out, just what the scientific formula for adoption of the minimum wage is.

Yesterday the gentleman from Indiana [Mr. MADDEN] said if the 90-cent minimum wage were adopted 691,000 people would be affected, and if a dollar minimum wage were adopted 1,271,000 people would be affected. The gentleman from Indiana [Mr. HALLECK] said that he did not know where the gentleman from Indiana got those figures, and he stated that if the 90 cents were adopted 1,300,000 would be affected and if a dollar minimum wage were adopted 2,100,000 would be affected. Both of them got the figures from the hearings that were conducted before the committee, because both of those figures are in the hearings. There are other formulas. There are other figures.

The only thing that can be determined from a close and careful reading of the hearings and listening to all the people who testified before the committee is the fact that it is very difficult to determine precisely and scientifically just exactly what a minimum wage should be. If we had a mathematical formula to do that our job would be very easy.

But we do have a guide, we have a guide in the law. In section 2 of the law we are admonished to eliminate "conditions detrimental to the maintenance of minimum standards of living necessary for health, efficiency, and general well-being of workers." If that were the only guide in the law I believe we should have a minimum wage of at least $1.50. I say to these people, who ask "Why not make it $1.50?" I would make it $1.50 or more if that were the only guide in the law. If we were only admonished to preserve the standards of living necessary for health, efficiency, and general well-being, we would have to go to that budget established by the Labor Department that says it takes at least $4,000 a year to maintain an American standard of living.

But we have another admonition that puts a brake on how much we can increase the minimum wage. We are also told that we must increase this minimum wage to preserve these living standards "without substantially curtailing employment on earning power." So we have two controlling factors there. We must try to push the wage up as high as we can to eliminate these standards of living that are unhealthful, that promote strikes, and that work to the disadvantage of the economy of the Nation, yet we must not curtail employment or our earning power so that we do a disservice to the people whom we are trying to help.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from New York.

Mr. WAINWRIGHT. May I ask the gentleman from Montana, now that he has covered the "but" clause of the wage act, how he would support the $1 figure as opposed to the 90-cent figure?

Mr. METCALF. I believe a dollar is inadequate, I believe a dollar is insufficient to preserve the standards we are admonished by this law to create. But because I respect the gentleman from New York and the gentleman from Pennsylvania and the caution they have urged upon us when they say, "Well, you are going to upset the economy of this Nation." I have consented to come down to $1. I believe that with $1 we are simply protecting these people whose employment we do not want to curtail and we are taking care of that employment, and at the same time moving toward establishing standards which will preserve the health, the decency and the dignity of the workers of this country.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield.

Mr. LANDRUM. Does the gentleman have any assurance that he is also protecting the employer who must pay that wage?

Mr. METCALF. I believe from a long study of the hearings from working out the formulas and from listening to all of the conflicting statistics that we are protecting the employers and are not substantially curtailing employment.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield.

Mr. WAINWRIGHT. I still do not see that the gentleman has made it any clearer to the Members of the House as to whether his guess, and it is just that, as to whether the figure of $1 is any

better than the figure of 90 cents. The gentleman said that he would prefer a much larger figure. Why did he guess at $1 instead of 90 cents?

Mr. METCALF. My guess of $1 is arrived at because of the caution you have urged me to adopt in this matter.

Mr. WAINWRIGHT. I thank the gentleman.

Mr. METCALF. My guess at $1 is arrived at because we had evidence before our committee and evidence in the hearings that indicates that much more than $1 should be the minimum wage.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield.

Mr. THOMPSON of New Jersey. I wonder if the gentleman from New York will answer the question whether he is so persuaded that 90 cents is as high as we can go that he, under no circumstances, could vote for $1.

Mr. WAINWRIGHT. I will be glad to answer that question. I think possibly I might be persuaded, but the persuasion would have to come after it was clear to the membership of this House that the 90-cent figure, which is a 20-percent increase over the the present minimum-wage rate, was inadequate.

The CHAIRMAN. The time of the gentleman has expired.

Mr. METCALF. Mr. Chairman, I ask unanimous consent to proceed for an additional minute.

The CHAIRMAN. Without objection, it is so ordered.

Mr. METCALF. I will say to the gentleman from New York that he is in a similar position to the one in which I am placed. He voted for $1 after his 90 cents had been voted down.

Mr. WAINWRIGHT. What was that?

Mr. METCALF. I said that you voted for $1 after your 90 cents was voted down.

Mr. WAINWRIGHT. That is correct, I supported the 90 cents first.

Mr. METCALF. My whole point is that this subject is in such a nebulous state that we cannot mathematically measure it. I believe that an examination of the record of the hearings and the testimony of the witnesses would indicate to the majority of this House that we are carrying out the purpose of this law without curtailing employment and without working a disadvantage to the people for whom this law was passed by keeping the rate at $1, and that we should not go below that.

Mr. WAINWRIGHT. Would the gentleman care to give me his opinion as to whether he is in support of broadening the coverage of the present minimum wage law?

Mr. METCALF. I certainly am.

Mr. WAINWRIGHT. Then the gentleman is in favor of the same thing that I am. Would the gentleman go further and say that his motion for a $1 will make it far more difficult for this Congress to broaden that coverage? What you are doing now is raising the minimum wage rate way beyond the law of supply and demand.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. WAINWRIGHT. Mr. Chairman, I ask unanimous consent that the gentleman be given 2 additional minutes to answer that question.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. METCALF. I agree with the gentleman that we should broaden the coverage. I moved in committee to restrict the consideration of the Fair Labor Standards Act to a change in the rate. That motion passed unanimously. Nor did anyone at any time attempt to change that procedure. But, when we come to consider coverage and to consider the effective date for the broadened coverage, and determine how this broadened coverage shall go into operation, we can certainly work out some fair and some equitable and some just method of application, and the time when it goes into effect. We can eliminate some of the rigidities in the new coverage that are not applicable to industries and labor forces that are already covered by the present law.

Mr. WAINWRIGHT. How can the gentleman do that? He still has not answered the question. How can the gentleman raise the minimum amount beyond what, we will say, the farmers can pay, and they at the present time are exempted—the gentleman would want to include the farmers, but if the minimum is raised beyond what the farmers can pay, let us say a dollar, the gentleman knows very well it could not pass this House.

Mr. METCALF. The gentleman is talking for himself and not for me so far as including the farmers is concerned.

Mr. WAINWRIGHT. Is the gentleman opposed to including the farmers?

Mr. METCALF. The farmers are not involved. You will recall that Mr. Morse, the Under Secretary of Agriculture, the other day said that increased costs incident to the increased minimum wage would not appreciably hurt the low-income farmers.

Mr. WIER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. WIER to the amendment offered by Mr. MCCONNELL: Strike out the figure "90 cents per hour" and insert in lieu thereof the figure "$1.10 per hour."

Mr. WIER. Mr. Chairman, I am inspired to offer this amendment to the 90-cent proposal of the gentleman from Pennsylvania, my very dear friend, because I was convinced by those who appeared before our committee for the $1.25 rate, made a good case for the $1.25.

I offer this amendment because as I said a minute ago I think those who favored the higher rate—and I might say there were some 30 bills in our committee on both coverage and $1.25 an hour, and we had a large number of witnesses appear in behalf of both extended coverage and the $1.25—I think they made a realistic and factual case. As a matter of fact, I had a bill of my own for that very thing.

I think we ought to set the record clear after statements that were made here yesterday on behalf of the administration. I think the record ought to be made very clear. Mr. Larson, of the Department of Labor, acknowledged and finally introduced himself as speaking for the administration. The President in his message to the Congress on the state of the Union, laid great emphasis upon his desire for an increase. As the result of this study not only did he recommend 90 cents an hour, but he also recommended a much broader inclusion of workers, and he went on and itemized industries in which coverage could be extended. These were the two things on which we hoped to approach this bill, in the first instance coverage, and in the second instance the amount to be paid.

Mr. Larson appeared before our committee and said he could speak for the administration on a three-package bill. When he was questioned on what the administration felt was a fair wage on the bill that we finally resolved to act upon, which dealt only with wages, he said it could not be broken down that way, that the administration had approached this only on the basis that coverage would be extended.

So because of the lateness of the hour in this session, after the length of time spent on the school construction bill, it was decided in the latter part of June that we should take up the wage-hour bill because it was a so-called must bill; and it was resolved in our committee that if we were to open up coverage as requested by this administration we certainly would not have a bill ready for this session of the Congress. So we limited the scope of this bill to wages and the date of effectiveness, and proceeded on that basis. When you get to talking about the wage-hour bill, let me say to you that from the standpoint of the employees of this Nation the most effective part of this bill is not the rate; the effective and the most important and necessary part is the coverage, which is indicated in the figures given by the head of this particular Department, Mr. Larson.

Mr. Chairman, I desire to read some of his statements in reply to questioning by committee members in order to clarify the picture he gave to us. He says here among other things on coverage:

The coverage of the minimum wage, as I have indicated, is tied in with and is no less important than the amount. In the United States there are an estimated 44 million privately employed wage and salary workers. Only 24 million of these today are protected by the Federal minimum wage. A very large proportion of those outside the law are low-paid unorganized workers, the very employees most in need of protection.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

(By unanimous consent (at the request of Mr. WIER), Mr. WIER was allowed to proceed for 5 additional minutes.)

Mr. WIER. Quoting Mr. Larson, he said:

I think it is very important to keep in mind that this statutory minimum wage is intended as a floor under wages, not as a prevailing wage, and not as a substitute for collective bargaining or employer-employee negotiations on the amount of pay that is appropriate for work performed.

During the course of his testimony, I tried to develop, for my own information at least, what he would arrive at if

we were to only cover employees now covered under the present act and if 95 cents, $1, or $1.10 would be the appropriate and only increase.

He goes on to say:

The first figure I gave you, as I recall, was of the 44 million wage and salary earners, 24 million are covered. That is approximately 55 percent. When you go beyond that you get into a very complicated set of calculations. You see, some are subject to the wage and not subject to the hours, etc. There are all kinds of combinations under the act. Some have limited exemptions and modified exemptions. But that is the rough figure of coverage. That is as the act now stands.

I said:

In other words then, I am gathering your figures to mean that whatever we do on the increase in income in this legislation, section 6, only 24 million of the 44 million will receive any of the benefits of this action; is that correct?

Mr. LARSON. That is right.

Mr. WIER. And the other 20 million, in your opinion, what share of those properly belong in interstate commerce?

Mr. LARSON. I think I can give you that. That is in a very approximate form and I do not want you to take this as again a final judicial statement of what is interstate commerce. But by the best guide we have we would say that about 13½ million are not directly engaged in interstate commerce or the production of goods for commerce, which is the language of this act. That means about 6½ million of those not now included are engaged in interstate commerce or in the production of goods for interstate commerce.

Mr. SADLAK. Mr. Chairman, will the gentleman yield?

Mr. WIER. I yield to the gentleman from Connecticut.

Mr. SADLAK. The testimony the gentleman is reading is very important. I would like to help him with his amendment and ask this question: The first amendment provided for 90 cents, effective December 31, 1955. I have heard no effective date in connection with the gentleman's amendment providing $1.10. Does the gentleman leave section 2 as is, making the effective date March 1, 1956?

Mr. WIER. I did not attempt to touch the date. I may have an amendment to offer on that when we come to it.

Let me say, Mr. Chairman, that considerable was said here yesterday by Members on the Republican side about the activities or the actions of the 81st Democratic Congress, and so on, and so forth.

I have been on this committee now for 7 years. No one in this House is more concerned and more interested in extending this coverage so it will be coverage for all coming within the scope of interstate commerce, than I am. And I have that great desire to do that, and my bill covers extended coverage in many of the fields listed by my friend, the gentleman from Pennsylvania [Mr. McCONNELL].

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WIER. I yield to the gentleman from Indiana.

Mr. HALLECK. Of course, as the gentleman pointed out, many of these workers are in intrastate commerce and not interstate commerce.

Mr. WIER. I am only talking about those in interstate commerce.

Mr. HALLECK. Did the gentleman know that the highest minimum wage fixed by any State is 75 cents at the present time? Of course, those would be the laws that would affect the workers in intrastate commerce.

Mr. WIER. Let me answer the gentleman to this extent, and I was coming to that in reply to the charges made yesterday by my friend from the State of Washington when he was indicting the Democrats for allowing all of these exemptions that now are in effect, partial or full exemptions, that in 1949 the late Secretary of Labor, Mr. Tobin, brought before the committee a bill covering all employees in private industry, I might say. I think his bill almost covered everybody but barbers, and I think he could not find any way where he could involve them in interstate commerce. But he did have an all-inclusive bill, and the result was when that bill got down here on the House floor, I want to say to my friend, the gentleman from Washington [Mr. MACK] that he had a lot of help from the Republican side of the aisle in allowing these exemptions that involved 6½ million workers.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. KELLEY of Pennsylvania. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. MATTHEWS. Mr. Chairman, reserving the right to object, there are a number of us who are rather eager to speak on this question. The members of the committee consumed most of the time yesterday. I will not object to the request, but I plead with the members of the committee to grant the remainder of us an opportunity to speak on this issue.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KELLEY of Pennsylvania. Mr. Chairman, if the gentleman will yield, the gentleman from Indiana said no State had over a 75-cent minimum. Alaska might not be a State, but it has a $1.25 minimum rate.

Mr. HALLECK. Mr. Chairman, will the gentleman yield further?

Mr. WIER. Yes.

Mr. HALLECK. I was led to ask that question because I have a pamphlet that I assume is authentic which points out that in New Hampshire in 1949 they raised the statutory minimum from 50 to 60 cents, with certain exemptions. Massachusetts had a statutory rate of 65 cents in 1950 which was increased in 1952 to 75 cents except for certain jobs. Connecticut since 1952 has been under a statutory minimum of 75 cents an hour, and Nevada in 1953 raised its statutory minimum from 50 to 75 cents an hour.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. McCONNELL. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. MATTHEWS. Mr. Chairman, I hate to do it, but I must object.

The CHAIRMAN. Objection is heard.

Mr. MATTHEWS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, first of all, I have to say that I regret that I had to make that objection as I did, but I was very anxious to make some comments about this very important legislation, and I know that many of you feel the same way as I do. It is very important to the people of our districts, and it is so vitally important to the people of the Eighth Congressional District of Florida that I felt it was essential for me to have the opportunity to express the views of our people.

Now, one of the great difficulties in discussing how much the minimum will be increased—and that is the only issue—is how to obtain a scientific formula which will enable us to arrive at a just decision.

The question I am worried about is this. Have we had any scientific formula for the people of the Eighth District of Florida and for people in other areas of this great Nation of ours? I do not know that any statisticians have been in my district asking the employers, No. 1: "If the minimum wage goes as high as $1 an hour, how many of the people working for you will you have to fire?"

And No. 2, asking the people who are working in these various small enterprises, "How many of you do you think will be able to keep your jobs if the minimum wage goes up too high?"

Is not that the basic problem we have to consider?

I am going to support the proposition that we increase the minimum wage now to 90 cents an hour, but beyond that, I feel that it would cause people in my district to lose jobs. I know that it would cause small business enterprises to go out of business. And in all fairness to the laboring man and the small business operator in my district and throughout the country at the present time I could not go beyond 90 cents an hour without considerable qualms of conscience as to the final outcome.

Mr. Chairman, I want to thank the members of the committee who yesterday admitted frankly that there was such a difference in the cost of living in different sections of this country. I want to tell you now, as we view this problem, that in certain areas of our country the laboring man ought to get a lot more to take care of the cost of living than in other areas. Let us take the Eighth District of Florida, for example, and compare it to the city of Washington. Just take the matter of the weather, for instance, and the cost of living because of the weather.

The laboring man needs more clothes in Washington, he needs more coats in these climates than he does down in my country. Take the matter of transportation. A laborer in a city that has a

transit crisis such as we have in Washington today, ought to have a dollar a day more to travel.

Let us consider the matter of food. In the Eighth District of Florida now, you cannot even give watermelons away. But down in the House restaurant, where I know prices are perhaps cheaper than they are in most places in Washington, a slice of watermelon costs 50 cents.

How in the world can we be fair if you gentlemen who come from these other sections of the country where the cost of living is so high do not go back and plead with your own States to give your people a cost-of-living increase in their wages that would be adequate? I tell you there is a difference between the cost of living in my district in Florida and in other sections of the country. I think that is vitally important and we ought to keep that in our minds.

Mr. Chairman, several Members have been on their feet indicating they want me to yield, but I am sorry I do not have sufficient time. If I were allowed more time I would be glad to yield, but, frankly, I do not have the temerity to ask for it.

Mr. POAGE. Mr. Chairman, I ask unanimous consent that the gentleman may be permitted to proceed for 5 additional minutes.

Mr. BOYLE. Mr. Chairman, reserving the right to object, I think we are getting pretty local in our consideration here, singling out one of the 435 congressional districts. I am constrained to object.

Mr. MATTHEWS. Mr. Chairman, finally, here are the two things that worry me in my district and throughout the country. I want to do that which is fair to the small-business man, the farmer, and the laboring man. I think right now, if we go above 90 cents an hour, it will put more of our laborers out of work. I know it will put many of our small-business men out of business. I know that the farmer will be caught in the pinch. The two groups of employers in America today who are facing the most acute financial crisis are the farmer and the small-business man. If they go out of business those who work for them are out of employment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WAINWRIGHT. Mr. Chairman, I understood that the gentleman had obtained unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. The Chair understood there was objection to the request.

Is there objection to the request that the gentleman be allowed to proceed for 5 additional minutes?

Mr. MACHROWICZ. Mr. Chairman, I object.

Mr. WAINWRIGHT. Mr. Chairman, I move to strike out the last word.

I now yield to my friend from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. I appreciate the action of the gentleman very much.

Mr. WAINWRIGHT. I should like to commend the gentleman on his statement because he speaks for many sections of the country where the impact will be tremendously felt if the dollar is put through. I would like to add that the Labor Committee, or certain members of this committee, felt that the 90-cent figure would probably hurt even a district such as the one of my friend from Florida but it was a lot better to have the 90-cent figure than the dollar figure under the circumstances.

Mr. MATTHEWS. I thank the gentleman very much.

Mr. McCONNELL. Mr. Chairman, will the gentleman yield?

Mr. WAINWRIGHT. I yield to the minority leader of our committee.

Mr. McCONNELL. I have asked before for an extra number of minutes in order to clear up the matter of State laws. I thought it was of interest, so a few days ago I asked to get the information as to what those State laws were.

There are 28 States that have minimum wage laws. There are some interesting variations in regard to them. For instance, Maine has a minimum-wage law which covers fish packing only.

Alaska, the District of Columbia, Hawaii, and Puerto Rico also have minimum-wage laws. Alaska has minimum-wage legislation providing for $1.25 per hour for both men and women. There are some laws covering only women and minors, while others cover men also.

The highest figure of any State law applies only to women, and that is in the State of Nevada. This figure is set at 87.5 cents. The Nevada law does not apply to men. The lowest figure shows up in an old Arkansas law which provides a minimum for all women of $1.25 a day.

The most recent Wage Board orders provide for a figure between 70 cents and 75 cents. There are a few Wage Board orders as high as 80 cents. Recent statutory laws providing for both men and women set a figure of 75 cents. Examples of this are in Connecticut and in legislation passed in 1955 in Idaho, Wyoming, and New Mexico.

I thought it would be interesting to the House to get the factual information about the States.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. WAINWRIGHT. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I, too, am deeply concerned about the possible effects of the placing of a minimum wage level at $1 an hour, as is the gentleman from Florida. There is no evidence which will indicate to me anything else but that the raising of the minimum wage level to that level may put out of work a good many people, especially in a strictly agricultural district. I sincerely hope the amendment offered by the gentleman from Pennsylvania will prevail. A raise to a point beyond 90 cents will have an adverse effect upon our farm economy. The spread between cost and prices today will become worse.

Mr. WAINWRIGHT. I am sure there are very many Members on the Republican side of a conservative nature to whom even the 90-cent figure is not particularly appealing, but if those Members do not support the 90-cent figure in connection with some of our colleagues on the other side we will lose an important principle.

Mr. MACDONALD. Mr. Chairman, will the gentleman yield?

Mr. WAINWRIGHT. I yield to the gentleman from Massachusetts.

Mr. MACDONALD. May I ask the minority leader of the committee if it is not a fact that recent Massachusetts law raised the minimum wage to 90 cents an hour?

Mr. McCONNELL. I really could not say. I have only this information which was handed me a few days ago. I am not familiar with the State legislation except what I have read to you.

Mr. MACDONALD. For the gentleman's information, I can make the statement that in Massachusetts the present state of the law is 90 cents as a minimum.

Mr. McCONNELL. I thank the gentleman.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. WAINWRIGHT. I yield to the gentleman from North Carolina.

Mr. BARDEN. May I ask the gentleman from Massachusetts if that 90-cent rate did not depend on the Federal Government's fixing this hourly rate at 90 cents?

Mr. MACDONALD. No; that is not quite correct. The law was passed not dependent on whether or not we passed a law, it was to take effect as of the date we passed, I hope, such a bill.

Mr. BARDEN. Then it is dependent to that extent?

Mr. MACDONALD. To some extent it is, yes.

Mr. WAINWRIGHT. I would like to ask the gentleman from Massachusetts why that law has not passed.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Chairman, I am happy to say at the outset, I think the debate on this important matter has proceeded very well and on a high level. There are differences of opinion—obviously. But everything that everyone has said so far as I can see has been said in good faith and with respect for what anyone else might believe. I am for an increase in the minimum wage. I am for a reasonable increase. I am for an increase that falls within the pattern of the statute we refer to as the Fair Labor Standards Act, which imposes upon us a responsibility to see to it as we increase or levy a minimum wage, we do not bring about unemployment or undue hardship. We have heard much talk about how difficult it is to find a formula—an exact formula, and I suspect there is no exact arithmetic by which any figure could be arrived at. But, it does seem to me that there are certain criteria that should be most compelling and persuasive. Through the years, ever since we started in 1938, we have had different minimum wages in effect. We started with 25 cents in 1938. We went up to 40 cents until in 1949 the minimum was increased to 75 cents. Now the proposal in this amendment, which I support, is to increase the minimum to 90 cents. True, we have had inflation in this country with a consequent

lessening of the dollar's value since we started on this minimum wage in 1938. But it cannot be denied in terms of purchasing power, and that is important to the people we are trying to protect, and with that policy I stand—in terms of purchasing power the 90 cents that would be provided by this amendment would buy more than the 25 cents bought in 1938 or the 40 cents would buy up to 1949 or that the 75 cents would buy in 1950. If that is true, then either the 90 cents is adequate and sufficient today or the minimums that have heretofore been fixed, have been woefully inadequate. Personally, I think the 90 cents is a reasonable increase.

Now there is another criteria. Reference has been made to State laws. The States have the responsibility for protection in this field of workers in intrastate commerce. Their responsibility to the workers in intrastate commerce is as great as our responsibility to the workers in interstate commerce. The States, other than the State of Massachusetts, have a maximum up to 75 cents—not 90 cents but 75 cents.

Mr. METCALF. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. METCALF. I know that the gentleman is familiar with the hearings. Mr. Schmidt, of the United States Chamber of Commerce, testified that these State laws were inadequate and that they amounted to an abrogation of the minimum wage law; that is, referring to the 75-cents-and-under rates.

Mr. HALLECK. That may well be, but let me just point out that the 90 cents which would be provided by this amendment is more than any State provides excepting the State of Massachusetts.

There is one other point already stated which I would like to amplify, which I think it is important to give consideration to here. The purposes of the act will be best served at a proper time and in a proper way by extension of the coverages. I say here and now I do not think that can be disputed. If you had any substantial extension of the coverage in this measure now before us, there would not be any question but that 90 cents would be the figure. If you want to project that into the future, let me just warn you that as you seek to extend the coverage to groups that many people say, and I agree should be included and protected, you get the figure too high and you will make it virtually impossible to bring about that extension.

I think it is important for us at this time to heed the admonitions contained in the act itself wherein it was stated that we wanted to raise the efficiency and well-being of the people as rapidly as practical but without substantially curtailing employment or earning power.

There is another matter I wanted to stress: The President of the United States, in his state of the Union message in January of this year advocated an increase in the minimum wage. Here is what he said:

> First, in the past 5 years we have had economic growth which will support an increase in the Federal minimum wage. In the light of present economic conditions, I recommend its increase to 90 cents an hour. I also recommend that many others, at present excluded, be given the protection of a minimum wage.

The message on the budget amplified that. As a matter of fact it was disclosed yesterday in debate that in the Joint Economic Report 90 cents minimum is advocated.

Is there any question about it that the President's position is that 90 cents is an adequate, ample figure? He would be gravely concerned as to the overall consequences to our economy and the general well-being of all of our people in the years to come if a figure greater than 90 cents were to be enacted by the Congress of the United States.

This position was taken by the President only after very careful consideration of all economic factors involved, taken by a President who has demonstrated his deep sympathy and concern and solicitude for the people sought to be protected under the Fair Labor Standards Act.

Mr. WIER. Mr. Chairman, will the gentleman yield at that point?

Mr. HALLECK. I yield briefly to the gentleman.

Mr. WIER. Does not the gentleman believe that the President when he made the statement of 90 cents also saw millions of workers who are exempted and who are today getting only 40 or 50 cents, but who should be under the provisions of this act?

Mr. HALLECK. May I say to my good friend from Minnesota that the President was looking at the many wage earners. He was concerned about them, of course, because in his State of the Union message he recommended an extension of the coverage. But again I say that if you get this figure too high you will virtually make impossible an extension of coverage.

Now, may I say to the members of the committee, we are passing through a difficult time, a transition from war to peace—a measure of peace, at least, a measure which this very day we are heartened to believe will continue after we have gone through this transition. I am convinced that it has been the result of careful planning, with much thought given to all of the economic consequences. It has not been the result of accident. Time and again here we have been urged to make more budget cuts, to cut taxes, to pay Government workers more, to do many things, extend social security more; but we tried to be reasonable, and fair. Our achievements have resulted, not by accident, but because of a planned program. That is what is helping us to bridge this gap which for any nation like ours is one of the most difficult things we ever pass through.

Therefore I say to you, let us not rock the boat; let us be reasonable about this, as we have been reasonable about these other things. Let us heed the admonition of the statute; let us not wreck the small business of this country that gives employment to hundreds of thousands of men and women. Their competitive condition is difficult; their costs are high all the way along the line; their transportation costs are higher, and many other costs are higher. You cannot afford to put them out of business.

No one wants to cause unemployment, and that is something that might happen if we get this figure too high. My district out in Indiana has a lot of big business, it has a lot of small business, it has much intrastate business as well as interstate business. We are a great farming section. May I remind my friends on both sides of the aisle that as of today one of the softest spots in our whole economy is evidenced in the farm prices, as my friend from Minnesota so well knows.

Now, then, whether there is a direct effect or not on the cost of what the farmer buys, the farmer is being very patient about this situation. He realizes that certain difficulties are upon us, but as we contemplate what we do for one segment of the economy let us be careful that we burden not too heavily certain other segments of the economy.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

(By unanimous consent (at the request of Mr. HALLECK), Mr. HALLECK was allowed to proceed for 1 additional minute.)

Mr. HALLECK. Mr. Chairman, there is another thing I think we must keep constantly before us. We have heard a lot of talk about inflation, the decrease in the value of the dollar and the impact it has had on the wage earner. We all know what that is, but, fortunately, the increase in the cost of living has been halted in the last 2 or 3 years, and has leveled off. That has been accomplished by moderation in a great many things. A lack of moderation here could well be one of the factors that might touch off another spiral of inflation which I say hurts the small wage earner worse than anybody in the country. The big fellows can take care of themselves, but the little people cannot when inflation is upon them.

Bear in mind one other criterion as we approach this problem. The minimum wage was set by this Congress in 1949 to apply in 1950 at 75 cents an hour. The increase in the cost of living since that time would indicate an increase to 85 cents an hour. I can say to you from my own personal knowledge that there were many in high places who thought that should be the figure; but out of a real solicitude and sympathy for the people sought to be protected, and having regard to all of the economic consequences, the President of the United States and his economic advisers have advocated 90 cents.

Ninety cents is a fair figure. I do not know what would happen in respect to any other figure, but I know 90 cents is a figure that can become law. I think it is fair and reasonable and in line with this overall program which has been so good for the country. I sincerely hope, without regard to any other considerations, the amendment offered by the gentleman from Pennsylvania [Mr. McCONNELL] will be adopted.

Mr. McCORMACK. Mr. Chairman, I move to strike out the requisite number of words.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Minnesota.

Mr. WIER. I think we ought to correct the gentleman from Indiana who said he hoped the amendment would be adopted. That is my amendment providing $1.10 that will come up for action first.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Indiana.

Mr. HALLECK. Of course, I am sure it is obvious from my remarks that I am opposed to the gentleman's amendment and am for the McConnell amendment.

Mr. WIER. I thought the gentleman was for mine.

Mr. McCORMACK. Mr. Chairman, my mind goes back quite a few years in the consideration of this legislation. I remember when we put through the original bill I presided over the Committee of the Whole and it required some 7 days to consider that bill. When it came out of the Committee of the Whole it was so riddled with damaging amendments that those who favored the legislation voted to recommit it to the committee in order to get out another bill.

Legislation of this kind has been on a very painful journey. There has always been the same arguments against it. We had the same arguments back in the early thirties. We have had the same arguments every time there has been an attempt to increase the minimum wage. Those arguments are nothing new to those of us who have been here over the years.

We heard the argument of inflation long ago. Is there anyone in this body who honestly believes in their own mind and in their own conscience that increasing the pay of those covered to $1 per hour in America is going to bring about inflation or a spiral of inflation? That argument, if we are honest with ourselves, falls to the ground. Those who oppose the bill ought to oppose it on other grounds and for other reasons.

My friend from Indiana said "Let us not rock the boat." Well, that is an argument I have been hearing for the past 20 years in connection with this type of legislation: It is wrong and inflationary to increase the minimum wage for the breadwinner and the breadearner of American families to $1 from 75 cents on the ground that it will bring about inflation. But, there is nothing wrong with the preferences given to corporations during the past 2 years; it is not inflationary to bring about the large profits that have been made; it is not inflationary for the preferential status given to big business by the present administration.

Mr. Chairman, the majority of the committee have arrived at a compromise which ought to meet with the approval of the great majority of the House. While I favor a larger increase—and I introduced a bill for $1.25 an hour—I am supporting the committee bill as a satisfactory measure arrived at by a majority of the committee. And I might say that I am speaking the sentiments of the Democratic leadership in the House when I say we are supporting the bill that came out of the committee as a satisfactory compromise, representing progress, reasonable progress, with justifiable consideration for a substantial group of American citizens.

Now, I have heard the argument about the effect on the farmers; I have heard some of my friends make that argument. I come from a district without a farm in it, with a 1,000 percent voting record in 27 years in this body in behalf of the farmers. Yes, we from the industrial areas have supported the farmers of this country. Many a fight has been won in this House as the result of the votes of JOHN McCORMACK and others who come from districts where there is not a farm in the district. I can look back to the first Bankhead Cotton Quota Act which passed this House by six votes. I took the floor and spoke in favor of it when my friends from the southland asked me to do it. I remember the predicament of the cotton farmers, the price-support programs, and all those great battles, because we from the cities recognized the position of the farmer in the economic life of our country only a few years ago, and they were at a complete disadvantage unless some consideration was given to them from the angle of a national policy. What I say to my friends representing agricultural districts is that we from the city districts, without a farm in them, have lifted ourselves above our local political considerations and have voted for the best interests of the country by voting for legislation and saving it on more than one occasion because it was for the best interest of the agricultural communities of our country.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Illinois.

Mr. ARENDS. I only want to say to the gentleman from Massachusetts, speaking as one who represents an agricultural district, that we are not looking at it from the standpoint of the agricultural man versus the city man, but rather, looking at the possible effect this substantial rise in hourly wages might well have on the economy of the whole Nation should the purchasing power of the American farmer continue to decline.

Mr. McCORMACK. I am simply calling attention to the fact that when the agricultural community was in distress and needed legislation we did not think of it from the angle of the city person or the farm person; we thought of it from the angle of the country as a whole.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. BASS of Tennessee. Mr. Chairman, I ask unanimous consent that the gentleman from Massachusetts be permitted to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. McCORMACK. I thank my friend.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Briefly.

Mr. FRELINGHUYSEN. I should like to read one sentence from the President's economic report to the Congress in January, and ask if the gentleman agrees with the position which the President has taken:

> A minimum that would benefit the wage earner materially may put a heavy burden on the small farmer or the small-business operator, not only of higher prices for what he—like the uncovered wage earner—buys, but also of the higher wages he must pay if he hires assistance.

Does the gentleman think that is a fair statement of a very practical problem that will face the small-business man and the small farmer?

Mr. McCORMACK. The gentleman asks if that is a fair statement. If the gentleman asks me whether I agree with the statement, that is one thing, but if the gentleman raises the question of fairness, that might mean that if I do not agree then the author of the statement is unfair and I would not want to be placed in the position of saying that about anybody, let alone the President of the United States.

Mr. FRELINGHUYSEN. Does the gentleman agree with the statement?

Mr. McCORMACK. No, I do not agree with it, because we heard that same statement when the rate was 25 cents an hour years ago. That is the old argument we have been hearing throughout the years.

Now we are talking about the American standard of living. There are about 165 million Americans. There are about 38 million to 40 million American families. How many American families have a total family income of $1,000 a year or less today? Somewhere between four and five million American families; husband, wife, and children, that have a total family income of a thousand dollars a year or less. How many American families have a total family income of $3,500 a year or less, embracing all from a few hundred dollars up to $3,500? Around 15 to 17 million American families.

So, Mr. Chairman, this is another battle in the step of progress, progress in the interest of the people of America as a whole. Just as I voted for legislation to develop the great natural resources of our country, whether north, south, or west—there are some few in the East, but very few, because the great resources exist in other parts of the country in the main—I did so not to benefit a locality or a community, but I did so to benefit our country as a whole. I voted consistently for legislation to improve the lot of the agricultural community, so that they would not be economically liquidated as a result of the vicious forces of exploitation, and I did that in order to make my country stronger.

This is another bill on the road of progress, but this one applies to the forgotten class of Americans who are getting less than a dollar an hour.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. There has been some talk here about what was the minimum wage in Massachusetts. I would like to say that on State highway contracts the average is $2.07 an hour. That is for laborers. Carpenters and masons

and other skilled help get rates of pay as high as $5-plus. So the question of a 90-cent-an-hour rate in Massachusetts is not of great significance, because we are paying the average laborer on roads $2.07 an hour.

Mr. McCORMACK. And that means that my friend from Massachusetts is going to vote for the $1-an-hour rate?

Mr. NICHOLSON. Yes, I am.

Mr. McCORMACK. Wonderful.

So, in conclusion, Mr. Chairman, this is another fight that we have been through. We are moving on the road of progress. It is inevitable. It is only fair to pay a dollar an hour to an American breadwinner of a family, working 40 hours a week, so that he would get as a minimum $40 a week. In the America of today, I respectfully submit that that is fair.

I hope that the 90-cent amendment will be defeated. I favor the $1.10 proposal, but I am going through and vote for the bill reported out by the committee.

Mr. BARDEN. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Illinois.

Mr. MASON. I just want to serve notice that after the gentleman gets through there will be no more extensions of time, because I shall object right along. We have to get this bill through.

Mr. BARDEN. Mr. Chairman, I think it is healthy that we have a thorough discussion of this matter.

I was interested in the colloquy between the two gentlemen from Massachusetts. The best I can gather from their exchange is that they will not make any great sacrifice in voting for a dollar, because going rates are already above a dollar in that State.

I must comment, too, on the earlier exchange, in which one Member said he was not concerned about rocking the boat. I would not be concerned about rocking the economic boat either if all my folks could swim, but some of them will not be able to swim in the uncharted waters they may be forced to sail.

I know of no man living who would not like to see every person in America making, not just $1 but $2 or $5. The issue is not whether we want them to do so or not. That is not it. The responsibility on the Members of this House is to take some action that will not take away from them what they are now getting, but which will stabilize this economy and, if possible, carry such a raise as we can safely absorb. I would like my children to have $1,000 a month, but I have sense enough to know that their father cannot provide it. This Congress must look at this problem from that point of view.

We have had much discussion about how prices go up and what money buys. Of course, we have had inflation. Everybody knows it. Everybody knows inflation is popular. Everybody knows we needed a little inflation back yonder when our national bloodstream was about to dry up and was not flowing properly. But, remember, somewhere along the line we must develop and provide a normal blood pressure and translate that into terms of financial pressure.

Much has been said about what the dollar will buy. Let us get down to the meat and bread of it. I received some very interesting figures the other day through the Legislative Reference Service of the Library of Congress. The figures are keyed to the average factory worker's hourly pay of approximately $1.68.

These figures begin in 1914. I think we can certainly say a dollar was worth a dollar in 1914. Then that scale took it on up through the years, and it has taken fewer minutes each year to provide a day's food than it did the year before. That is fine. I want that. Everybody wants that. So here are some interesting figures:

In 1914 it took 15 minutes to earn a loaf of bread; in 1955, 6.

In 1914 it took 60 minutes to earn a pound of steak; in 1955, 30.

In 1914 it took 103 minutes to get a pound of butter; in 1955 it took 23 minutes.

In 1914 it took 24 minutes for a quart of milk; in 1955 it took 7 minutes.

In 1914 it took 93 minutes for a dozen eggs; in 1955 it took 20 minutes. Why, it would take a hen longer than that just to lay the eggs.

In 1914 it took 5 minutes for 1 pound of potatoes; in 1955 it took 2 minutes. It would take you almost 2 minutes to pick up that pound of potatoes.

In 1914 it took 15 minutes for a pound of sugar; in 1955 it takes 3 minutes.

In my view, that is the practical way to look at inflation. Money is no good except for what it will buy.

Now we get to the 90-cent provision. I support the 90 cents. I listened to all the testimony before our committee. I say to you, it is my very sincere judgment that the evidence presented to that committee did not justify going beyond 90 cents—unless you want to add 10 cents every hour in inflation for every worker covered by this law. Inflation cannot be checked by more inflation. This new rate will bear down heavily on civil-service employees, on retired employees, on retired railroad employees, on those retired from private business. There are many millions of them. There are also those who are living on subsistence from social security, and those living on veterans' pensions. The squeeze has been on them for some time, and it is getting tighter all the time. When you add 10 cents more in inflation, remember you are hurting every single one of them.

I know I am in an unpopular spot in the eyes of some people when I talk about my section of the country. But I know my people. I know agriculture from the plow handles up. I know and you know that agriculture is going down. There are approximately 75 million pounds of tobacco grown in my congressional district. Cigarettes have gone from 10 cents to 25 cents and there has not been an increase of 1 cent in the price of a pound of tobacco. Look at the price paid the farmer for food at his gate, and look at the cost to him to produce it. You say, "Well, he is not under this act." He most surely is under it. He is the bottom man under it, and the one who gets no benefit from it.

Everything is added on. I have already been told by the cotton ginner, for instance, that there will be about $2 more added to the ginning of a bale of cotton. Where will that be placed? It will be placed on the farmer that brought that bale of cotton to the gin. Can he tell the cotton exchange to give him more money? No; he will just have to absorb it.

Can the little man who makes his own crates to carry his vegetables to market demand compensation for his increased costs? No. He must still ask, "What will you give me?"

I do not accuse anyone of bad faith or bad intentions. But you from the big cities simply do not understand our way of life and the hardships people must undergo in the great section I represent. Before your wake in the morning, when the sun begins to show, they have been long at work. They are providing the food and fiber for America. They have fed us well and bountifully. I do not like to hear a Member say of us, "Oh, I have voted for them, and now they ought to do this." I cannot go along with that view. To the best of my belief, for all the years I have been in this House, I have tried to vote for America. And I will continue to vote for America. When we strike a blow at small business, we hurt more people than we could possibly hurt in any other manner.

I favor the 90-cent minimum. I hope the $1.10 will be voted down.

Mr. RHODES of Pennsylvania. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RHODES of Pennsylvania. Mr. Chairman, I support the Wier amendment because I believe that legislation such as we are considering today provides the opportunity for the Congress to make possible a greater share of the Nation's increased productivity and prosperity to those in the greatest need. This amendment calls for a minimum of $44 for a 40-hour week. That to me is not too much in this era of surpluses and stock-market prosperity.

I can understand the importance of broader coverage. As a matter of fact, I have introduced a bill—H. R. 6697—to extend coverage to the employees of large interstate retail chain stores and department stores. It would affect approximately 1,700,000 such employees, who are among the lowest-paid workers in the country today. While the problem of coverage is not being considered at this time, it is my hope that prompt action will be taken early in next year's session to extend minimum wage protection to these and other groups of workers.

I realize, Mr. Chairman, the increased difficulty in broadening coverage of the act if the minimum is increased. But I cannot understand the logic of those who support the administration on this issue that $1.10, or even the $1, an hour should be opposed until legislation is considered to include other groups under the act. If that kind of logic would be followed then it would make no sense to suggest an increase from 75 cents to 90 cents an hour. The inconsistency of those who oppose an increase above 90 cents is further evidenced by the fact that neither the White House nor any of the administration leaders have taken affirmative action for the enactment of such legislation in connection with the increase of the minimum rate.

There can be no doubt but that legislation could have been passed in this session which would have increased the minimum rate and would have also broadened the coverage if there would have been substantial support from the Republican side. There are plenty of votes on this side which would have assured the enactment of such a bill if we had a little help from the administration. Action, not words, is the real test of how we stand on this matter.

It has been suggested that we wait until a scientific formula has been worked out before we act on proposals to broaden the coverage or increase the amount above 90 cents. If we wait until we have a formula that would satisfy those who raise such arguments, I am afraid we would do nothing at all. The same arguments were made in the past and if applied then there would not be anything such as a minimum-wage law.

It was also suggested by some that this legislation is not in the best interest of the laboring man. There is little logic in such an argument because the overwhelming majority of the Nation's workers are in favor of the increased minimum as well as a broader coverage. Who is in the best position to decide what is best for the laboring man other than the laboring man himself?

The opposition to this legislation comes largely from individuals and groups who in the past have opposed all kinds of measures such as this and all social reform measures which have lifted the level of living of the average American citizen.

I can shed no tears for those who cry about the danger of inflation. Such cries have not been heard when steps were taken by the administration on tax legislation which helped big corporate interests and monopolies and those in the high-income groups. But the tears come fast and long from some of our opponents on this bill almost every time suggestions are made that will do something for the fellow at the lower end of the economic scale.

I have little hope that the Wier amendment will pass. I understand the temper of the House but I do hope that the 90-cent proposal from administration supporters will be defeated. A dollar minimum is little enough at this time.

Mr. Chairman, most Americans realize that the existence of substandard wage levels creates a drag on the entire economy, threatens to debase the living standards of higher paid wage earners, and acts as an unfair method of competition in commerce as was pointed out in the original 1938 act.

The type of legislation which I support along with others of my colleagues can do much to stimulate our economy and bring about a greater share of the abundance with which our Nation is blessed. It would help those Americans now in an inferior economic position as a result of depressed wages and below-normal living standards.

The continued growth of our economy is hampered because of substandard wage levels. Millions of workers are denied a living wage for themselves and their families. Lacking adequate purchasing power, they cannot afford to buy the goods and services produced in such abundance by our vast industrial potential for the betterment of all. This lack of purchasing power has a crippling effect on the entire economy. The principle of the minimum wage is economically and morally sound in the long-range best interests of all. What is best for the greatest number is always best for America.

We all remember some of the extravagant statements of opponents of a minimum wage increase in 1949 when the present 75 cents an hour minimum was enacted. Some charged it would have an inflationary effect on the economy. Others predicted a limitation of competition in industry, increased unemployment, and bankruptcy of many businesses.

All of these arguments have been thoroughly disproved in the years which have intervened. We have seen an unprecedented growth of our economy by all terms of measurement. National prosperity, output, employment, workers' efficiency, and our standard of living have all risen to new heights. Yet today we hear these same old arguments from the same groups and individuals who continue to overlook the facts of our economic life.

A study of the effects of the last minimum wage increase was conducted by the United States Department of Labor, concentrating on five low-wage industries where substantial numbers of employees were receiving less than 75 cents an hour in 1949. The study found that the wage increases following the new minimum wage law had no appreciable effect on employment and that the industries showed a very high degree of adjustment to the increased minimum wage. The Labor Department study proved that, despite protests by affected industries, even the lowest-wage industries were easily able to absorb the 75 cents an hour minimum wage 5 years ago.

Since that time the minimum wage has remained unchanged, but wages in manufacturing industries have gone up by about 30 percent. Most industries, particularly in the South, have improved their financial positions and are now better able to pay a higher minimum wage than they were 5 years ago.

Mr. Chairman, I am convinced that an increase in the minimum wage from 75 cents to $1.10 or to $1 an hour, at least is thoroughly justified, solely on the basis of upward changes in our economy over the past 5 years.

If we consider only the upward changes in the cost of living and increased output of American workers, a minimum wage of about $1.03 would be needed just to put these workers in the same economic position they were 5 years ago. That is not enough. Already we have seen the emergence of new wage patterns in the recent contract signed by major unions and the basic steel and auto industries. These contracts provide a 15 to 20 cents an hour increase in wage, pension, and other fringe benefits. We must not permit minimum-wage legislation to become obsolete even before it has been enacted by Congress.

We must also consider the general wage improvements over the past 5 years as a criteria in establishing a new minimum wage. Wages in the bituminous coal industry have increased 52½ cents an hour, in the rubber industry wages have risen 45 cents an hour, in the meatpacking industry 41.3 cents an hour, in the steel industry 38½ cents an hour, or an average of about 40 cents an hour in all manufacturing industries since 1950.

If this average increase is added to the already mentioned $1.03 cents an hour minimum justified merely on the basis of increased cost of living and increased productivity, we would have a good case for at least a $1.43 an hour minimum wage. Even this would not take into account the new wage patterns being established.

Thus, a $1.10 minimum wage is not unreasonable in the light of the economic facts. It would provide a basic salary of only $44 a week for a worker receiving the minimum wage. This is little enough for the support of a family, considering the heavy tax burden, our standard of living, and the other financial demands of our modern society.

Mr. Chairman, I will support amendments to raise the minimum rate as proposed in the Wier amendment, and hope that the House will afford American workers the economic justice to which they are entitled by adopting the $1.10 rate.

Mr. THOMPSON of New Jersey. Mr. Chairman, I rise in opposition to the amendment.

Mr. BARDEN. Mr. Chairman, will the gentleman yield without its being taken out of his time? I will ask that the gentleman have a little additional time if the gentleman from Illinois [Mr. MASON] will agree.

Mr. MASON. I will have to object to any requests for additional time.

Mr. BARDEN. The gentleman could not afford to leave the room and tell a story, could he?

Mr. MASON. I have done it.

Mr. BARDEN. I will not make the request.

Mr. THOMPSON of New Jersey. Mr. Chairman, we have heard a lot of discussion today about living conditions. We heard how the gentleman from Florida came here without an overcoat but now has one. The cost of living in Jacksonville, Fla., according to the Bureau of Labor Statistics, for a family of 4 is $4,281 a year, which would necessitate a

wage earner's getting $2.14 an hour to live down there. In the city of New York it is $4,224.

Then we have heard much about the increased cost of living, of inflation, and we get back to the chief spokesman for the administration, the Under Secretary of Labor, Mr. Larson, who testified for the administration before the committee. In response to questioning by me, I asked him whether he felt that there were fears expressed in 1938 and in 1949 when the other increases were made in the minimum wage. He said: "I believe that is true."

Then I asked him whether he thought it would have any adverse effect on our economy or whether the economy had absorbed it rather well. He said: "Yes, it has absorbed it rather well."

Now we have heard about this 90-cent figure that is so sacred, and this is the chief spokesman for the administration, Mr. Larson. I asked him whether he could use the factors of general productivity, general wage increase, general economic prosperity, and the growth of the country, as being helpful background material for raising the minimum wage and for their application to a mathematical formula. I asked him whether it is not so, that there is no way to use those as limiting by expressing a general fear that the application of them might have an adverse effect when he did not know precisely what the effect would be. Mr. Larson answered:

> That is true; there is no mathematical precision in this kind of calculation; it is our best judgment.

In other words, the administration arrived at the 90-cent figure by guesswork.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Indiana.

Mr. HALLECK. Speaking of the power of the country to absorb the increase, is it not true that after the minimum wage was voted in 1938 and as it started to go up at that time, World War II intervened which made it easy to bring about the absorption and when the increase was made in 1950, there followed the Korean war and the production necessities of that time absorbed the increase?

Mr. THOMPSON of New Jersey. That is true and I might point out to the distinguished gentleman that appropriations for military purposes in this cold war are billions above those at the highest point in the Korean war. If the gentleman is predicating his entire argument on the ability or the inability of industry to absorb this on the basis of a wartime economy, then I say to you, be at ease, although I reject that thinking, because we are now in a wartime economy.

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentlewoman from Oregon.

Mrs. GREEN of Oregon. Is it not true that in the testimony which was given by Mr. Larson before the committee he said if the minimum wage were raised to 90 cents the total impact on the total payroll of the United States would be less than one-half percent?

Mr. THOMPSON of New Jersey. It is true Mr. Larson said that, and, incidentally, when we hear gentlemen like our distinguished friend from Florida, arguing, it is strange that when the postal employees increase came up for consideration he did not come in here and say: Please do not give us this, we do not need it, we do not even need overcoats.

Mrs. GREEN of Oregon. Is it not also true Mr. Larson testified if it were raised to $1 the total impact on the total payroll of the entire United States would be less than 2½ percent?

Mr. THOMPSON of New Jersey. That is exactly correct.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Is it not also true as a result of the testimony of Mr. Larson it was made plain that the impact would be twice as great at a dollar on the employers as it would be at 90 cents?

Mr. THOMPSON of New Jersey. Yes, and he also said it could be absorbed. He indicated no fear whatever of the impact which the gentleman refers to.

Mr. BARDEN. Mr. Chairman, I ask unanimous consent that all debate on the pending amendments and all amendments thereto close in 20 minutes.

Mr. CHRISTOPHER. Mr. Chairman, I object.

Mr. BARDEN. Mr. Chairman, I move that all debate on the pending amendments and all amendments thereto close in 35 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from North Carolina [Mr. BARDEN].

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Chairman, if you do not happen to be a member of the committee that brings a bill to the floor of this House, what little time you are able to secure costs more than it is worth. That is evident here today. To attempt to discuss a question like this in 3½ minutes is just another one of the impossible situations that we encounter on the floor of this House.

Now, I am a farmer, as many Members of this body know; not a city farmer, not a town farmer, not the kind of farmer who has a farm as a place to spend the money he makes somewhere else. I have always lived on a farm, and the only way that I can hope to be able to sell my beef, pork, milk, eggs, and wheat is to have customers in the United States who are drawing a weekly pay check large enough to buy and pay for the food and fiber that I produce on that farm. That is the reason I am going to vote for a $1 minimum wage here today.

There is one thing that I observed here yesterday and today that I am very glad to see. I do not see the violent opposition to a minimum wage on the left-hand side of the aisle that I saw on the floor of this House when we sought to raise that minimum wage from 40 cents to 75 cents. Even the great statesman from Indiana, who I think is the minority whip in the House at the present time, got up here today and spoke in favor of a 90-cent minimum wage. Now, you people on the left-hand side of the aisle are improving, and I want you to know that I realize it, and I want to compliment you, every one of you, because I can remember when you did not feel about any minimum wage, the vast majority of you at least, like you do today.

Now, I realize that the farmer is not able to pay any higher wages than he is paying at the present time, but it is not the fault of the little men and women in the United States who are drawing less than $1 an hour that the farmer is not getting a decent price for the things he sells. It is not the fault of the minimum wage law. It will help him in the price he will get if this minimum wage is set at $1. I am awfully glad that the laboring people and their representatives in these United States are willing for the farmer to have something like the cost of production for the food and the fiber that he produces on his farm. Now, I know the reason that the American farmer is not faring as well today as he did 3 years ago. His prices are down at least 20 percent from what they were. He has taken a $10 billion inventory loss in the last 3 years, and our present Secretary of Agriculture says, "Cheer up, gentlemen on the farms. Your average prices will not sink more than another 10 percent lower during the coming year than they are at the present time."

I realize that the small farmer in the United States today is the forgotten man, and there are between 1.5 to 2 million farm families represented in that class with an average net annual income of less than $1,000 per family. They have been referred to by some who are high in the council of this administration as "submarginal and inefficient." It was suggested that they get out of agriculture and seek employment elsewhere, but those who made that suggestion did not tell them where to go nor how to feed, clothe and educate their families after they got there.

I agree with what President Eisenhower said when he was only a candidate that he stood for 90 percent of parity and believed it should be 100 percent. Just why he should permit the present Secretary of Agriculture, who seeks by every decision he makes to drive farm prices lower and lower, to remain as head of that Department is beyond comprehension.

In the past campaign it was the strategy of the Republican Party to convince the farmer that his ills sprang from the fact that laboring men in industry were drawing good wages; and at the same time they were seeking to convince the working people in our industrial centers that farm price supports was the chief reason for the high cost of living, disregarding completely the fact that there is only 2.5 cents worth of wheat in a 22 cent loaf of bread; that there is less than 2 cents worth of corn in a box of corn flakes costing 26 cents; and that there is less than 40 cents worth of cotton in a $4 shirt.

The gentleman from Michigan [Mr. HOFFMAN] referred to the time when he could—and I quote—"buy a dozen eggs for 6 cents or a pound of steak for 10 cents," and seemed to infer that he would like to go back to that time. He must have been referring to conditions which existed during 1931 and 1932. At that time there were 15 million unemployed in the United States, more than 9,000 banks had gone broke during the 12 years just preceding this time, our railroads were in the hands of receivers, breadlines and soup kitchens were everywhere, foreclosure and sheriff sales were the order of the day.

The gentleman from Michigan said that things were all right in this country before the Government began to meddle. Conditions had become such in the early thirties that the Government had no choice. If the gentleman wants to return to the day of Harding, Coolidge, and Hoover, I want him to go alone. I do not care to accompany him. One passage through a period such as that is sufficient in my lifetime.

This raising of the minimum wage to $1 per hour will only effect the lower paid fringe of labor, but it will grant them a purchasing power that will permit them to be better customers of the manufacturer, the dealer, the farmer and the professional men and women who serve them. I hope to see the day when the American farmer can sell his food and fiber for 100 percent of parity. If that can be accomplished we will have a national income of $500 billion per year and both farmers and those who labor off farms can have a standard of living which will permit every American family to enjoy the necessities of life and also some of its conveniences and luxuries.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. SIEMINSKI].

Mr. SIEMINSKI. Mr. Chairman, I rise only to express here today to my people and to others who may be interested, the hope that we in this House do not subscribe to a theory that makes the people of the United States victim of any formula set by men expert with a slip stick. If you will remember, in the war, the best engineering brains of the United States computed that it would take 4 years to open the Burma Road, and yet the motivation in man opened that Burma Road in 9 months.

I hope that if this formula is set, if we must live by economic formulas, that they be geared to the needs of the people, as those needs are created by the most powerful advertising machine and mechanism that this world of ours has ever seen. And if men have money to advertise, to create desires and needs, there must be a counterpart in the consumer to keep that needed industry, product, or service going.

As to a dollar an hour, I say that probably before we pass out of the picture it will be $2 and $2.50. And to deny that is to deny the fact that we can move beyond the bread and butter and housing stage and go into the creative stage. Automation is doing it for industry. We will have the 4-day week and there will be the sidelines created by that leisure time. People want this dollar because they can use it.

The chairman of the committee said yesterday that he comes from a section of the country that is not going to pull itself out by any phony inflation, that they want to earn what they have. But what is wrong with giving a man a wheel and taking the shovel away from him, if the wheel will make his labor lighter? What is wrong with having a Federal Reserve policy that will make sound money available, so long as we put that money to use and permit it to get out? Like blood in flow, it is beneficial. But money on the shelf in the bank is not necessarily productive.

Mr. Chairman, in closing, I think the issue in this bill—and I am going to vote for the $1 amendment—is simply this. We will reach that golden era, that golden mean, when the citizen of the United States, the consumer, can plan his future with the same degree of confidence that the investor or the manufacturer or the hirer of labor can plan his profits. We build in America. And that is the challenge that we throw out to the world. We do not pull down. When a man who works for a living can plan his future with the confidence that a man has in business, who can plan his profits, then we move in parallel lines toward prosperity. Otherwise, one is the victim of the other.

I shall vote for the $1 amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. MCCARTHY].

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. MCCARTHY. I yield.

Mr. BARDEN. Mr. Chairman, I ask unanimous consent that I may yield the gentleman 1½ minutes of my time.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. MASON. Mr. Chairman, I have to object.

Mr. MCCARTHY. I thank the chairman of the committee, in any case.

Mr. BOYLE. Mr. Chairman, I ask unanimous consent that I may yield the gentleman the time allotted to me.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. MASON. I object.

Mr. MCCARTHY. I thank the gentleman from Illinois [Mr. BOYLE].

Mr. Chairman, we have had exposed here the other side of the coin of the argument that was used in the last campaign by the Republicans when they went abroad in the country and argued in support of their farm program, attempting to justify the decline in farm income in city districts by pointing out to the working people and the consumer that it was to their advantage to have a declining farm income. The Secretary of Agriculture raised the cry, "When will the 140 million consumers rise up against this farm program?"

On the one hand there was an attempt to develop opposition to the agriculture program. It was at least implied that city dwellers and consumers gained an advantage from lower farm prices. Here today we have the other side of the argument, namely, that if we raise the wages of the low-paid people in the cities, the wage earners in the cities, such action will be to the disadvantage of the farmers. If we carry this through in a series of steps we can accomplish a progressive depression in agriculture and a depressed state also among the wage earners in the city districts. I recommend that all Members of Congress give serious attention to the two sides of this procedure, by which depressed farm income is used to justify low wages for workers, and then the argument is made that we cannot raise the income of the city workers because that would be to the disadvantage of the low-income farmers. This is truly a vicious circle.

No new arguments have been raised on this question today. The old argument of inflation has been brought up. I was somewhat distressed to see the chairman of the committee, the gentleman from North Carolina, stating how worried he was about the possibility that this bill would result in inflation.

It has been stated, that consumer purchasing power would be increased by about $240 million to $300 million or maybe even $400 million if this bill passed. If I am not mistaken, the gentleman from North Carolina supported the Democratic move to give a $20 income tax credit to every taxpayer in this country earlier this year. Consumer purchasing power which would have been increased by several times the estimated increase anticipated from the passage of this bill.

The argument with regard to the inflationary effects of increasing the minimum wage to $1 an hour would likely have upon our economy does not have much substance.

The argument that this bill will ruin the small-business man is equally weak. It is an old argument raised every time the minimum wage question has been raised, but not proved by history. I suggest to the southern Members that they look at the record of industrialization in the South and recall the conditions under which the South has begun to make some real progress towards balancing its economy.

Then my good friend the gentleman from Florida [Mr. MATTHEWS] raised the old argument of the differential with respect to the cost of living in the South.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The Chair recognizes the gentlewoman from Oregon [Mrs. GREEN].

Mrs. GREEN of Oregon. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Chairman, I yield to the gentleman from Minnesota.

Mr. MASON. I object to any yielding, Mr. Chairman.

The CHAIRMAN. The gentlewoman from Oregon has the floor and can yield to the gentleman from Minnesota if she so desires.

Mr. MCCARTHY. I appreciate the gentlewoman's yielding to me.

I should like to speak on the argument with regard to the differential in the cost of living between the South and other sections of the country, and to raise this question with the gentleman from Florida, who spoke so eloquently on that point, or anyone else who is sustaining his position on the bill on this basis. I ask them to explain why when we had the postal pay bill up no one from the South got up and said it would be unfair to give rural mail carriers or clerks in the South this increase because the cost of living in the South is much lower than it is in any other part of the country. I do not recall that anyone has ever taken the floor when we have had under consideration the question of support for agriculture and said, "You ought to have a higher support in the North because the cost of living is higher in the North, but our cost of living is lower, so cut supports down to say 85 percent of parity on this crop, which is raised in the South." We have never had that argument by anyone representing any part of this country.

Mr. METCALF. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Montana.

Mr. METCALF. May I suggest to the gentleman from Minnesota that it was brought out in the hearings that if the minimum wage were increased to 90 cents, 14 percent of the additional wage would be spent for food, and if it were increased to $1 an hour, 24 percent would be spent for food. Does the gentleman think that that would be inflationary if we could put some purchasing power in the hands of the low-income group so as to enable them to eat up some of these food surpluses?

Mr. McCARTHY. It would certainly have an advantageous effect with regard to the agricultural economy of this country, which is so much in need of help at this time.

Mr. METCALF. Would it be inflationary if we had an increase in purchasing power of 24 percent of those groups?

Mr. McCARTHY. It would not, in my opinion, have any significant effects in terms of inflation whatsoever.

Mr. METCALF. It would be of great benefit so far as consuming the surpluses which are piling up to the embarrassment of some of the heads of the Department of Agriculture.

Mr. McCARTHY. I think it would. I will say to the gentleman we seem to be following the state of affairs in which if we achieve a low income of farmers and workers, that we have established justice. Universal injustice is not the equivalent of justice. I would like to recall to my Republican colleagues a slogan which they have used, I think with some effect in the past on taxes as well as on other questions, "One cannot strengthen the weak merely by weakening the strong."

The $1-per-hour proposal is reasonable, justifiable, is a fair wage, and economically defensible.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. FRELINGHUYSEN].

Mr. FRELINGHUYSEN. Mr. Chairman, we have had considerable discussion on this complex question today, and I think we are in general agreement on many parts of the overall problem. One is that the rate of increase and the effective date of the Federal minimum wage is only a part of a larger problem. A great many of us on both sides of the aisle would like to see discussed at an early date the possibility of extending coverage as well as a possible rate increase. The two things do go together and the fact that we are proposing a rate increase now without discussing coverage may mean we will not be able to extend the coverage at a later date because we have raised it, perhaps, too high.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield.

Mr. THOMPSON of New Jersey. The gentleman is talking about coverage. I think we all agree we would like to see that done. But does the gentleman recall that on the motion of the gentleman from Montana [Mr. METCALF] to limit this in order to expedite it that there were no negative votes including his own vote, and that there was no motion to discuss coverage in this session?

Mr. FRELINGHUYSEN. I think we agree on the reasons for that. The question is a complex one, and we would not have the bill here today on the rate alone if we had discussed coverage as well.

Mr. THOMPSON of New Jersey. That is right.

Mr. FRELINGHUYSEN. But the problem still remains that we may have to exempt workers covered by this increased minimum wage which, I think, is an undesirable tendency. What you need is a broad, adequate base for any minimum wage, if you want to make it a success.

Mr. THOMPSON of New Jersey. I agree with the gentleman. I was trying to establish the fact that neither side in the committee made motions to extend the coverage and the gentleman has confirmed that statement.

Mr. FRELINGHUYSEN. I thank the gentleman. I think both sides, generally speaking, are definitely in favor of an increase in the Federal minimum wage. We are very much in favor of a reasonable increase. The question you may ask is—what is a reasonable increase?

Mr. McCONNELL. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield.

Mr. McCONNELL. Continuing your statement about the problem of exemptions and coverage, and the complexity of it, I believe it is a fact that after the rate was increased to 75 cents in 1949, there was a large increase in the number of permits granted by the Secretary of Labor to handicapped people and learners—all evidence of a desire to somehow adjust to the new rate. Also, there was an increase in exemptions enacted at that time which was an indication on the part of the Congress that they wanted to be sure that no hardship would ensue on the raising of the rate to 75 cents.

Mr. FRELINGHUYSEN. I thank the gentleman. That certainly is the case.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield.

Mr. HALLECK. If I understood the gentleman from Missouri correctly, he spoke of my opposition to the increase in the rate to 75 cents in 1949. I checked my recollection and had the record looked up, and for the information of the committee, I want to point out that I voted "yea" on the bill and I voted for the increase to 75 cents.

Mr. CHRISTOPHER. Mr. Chairman, I wish to apologize to the gentleman from Indiana.

Mr. FRELINGHUYSEN. Mr. Chairman, yesterday I urged caution in considering this whole problem of a possible rate increase. I think we have ample reason for approaching this question cautiously.

I should like to point out that as a member of the committee I voted in favor of the 90-cent rate in committee and then after that was voted down by a very close vote, 15 to 15, I voted for the $1 rate. On this question the committee vote was 21 to 9 in favor of $1.

I should like to explain briefly my reasons for these two votes. Those of us who come from high-wage areas such as New Jersey are faced with a real dilemma in voting on this legislation. We have on the one hand substantial evidence submitted by representatives of the executive branch advocating no more than a 15-cent increase. We have also a specific recommendation from President Eisenhower recommending this moderate increase. As the result of extensive testimony, we know also that any increase above the 90-cent rate will cause a considerably greater impact on low-wage industries and the men and women whom they employ. If this impact on employers should be too heavy, these people face possible unemployment and loss of earning power.

As a practical matter, many of us from high-wage areas have received letters and telegrams urging us to support a substantially higher minimum wage. Generally we are urged to do so, not to benefit the residents of our own State by increasing their own wages, but to slow down the migration of industry to low-wage areas.

This kind of pressure is not easy to resist. All of us want to benefit our constituents, and the residents of our own State. Although one could argue about the effectiveness of a substantial increase in the Federal minimum wage in averting interstate migration of industry, it would undoubtedly have some effect.

And yet the problem is not so simple. The basic question is to determine the effect, nationwide, of the various increases which have been proposed. How much can be authorized without risking that substantial unemployment to which the act refers? At what point would the increased burden on employers be reflected in price increases and inflationary pressures?

A Federal minimum wage varies greatly in impact in different areas of our country. What would have no appreciable effect in New Jersey might

prove disastrous, for example, in Georgia. If we are legislating in the national interest, we must look beyond the interests of our immediate locality.

No one, I recognize, can say with any assurance that a 25-cent increase would be disastrous, on a nationwide scale, whereas a 15-cent increase would not. It is for that reason primarily that some of us on the committee, though with some misgiving, went along with the higher figure though preferring the smaller. It seems reasonable to expect that the vote today will reflect this same feeling. If the 90-cent figure could first be authorized, with a provision that a $1 minimum be established a year later, we might reach a reasonable compromise on this point.

The CHAIRMAN. The gentleman from Illinois [Mr. BOYLE] is recognized.

Mr. BOYLE. Mr. Chairman, I stand before you today as probably one of the newest Members to talk on this particular piece of legislation that is before us, yet as I take the well of the House I do so having in my past experience tried more cases under the Fair Labor Standards Act than any individual in this entire House. While I may not know too much of the legislative history of this act, I do know a great deal about its operation and its ramifications and some of the benefits that resulted from putting it into operation.

I do not have to tell anybody here that when the minimum, or Fair Labor Standards Act, was first placed on the books the wage was raised to the staggering total of 25 cents an hour. Imagine, if you can, the most prosperous nation in the world going out of its way to find the commerce clause as a means of justifying a minimum wage in interstate commerce of 25 cents an hour. And I do not deprecate the effort of those individuals who through their fine work succeeded in writing that much needed legislation. But is it not a shame in this age of enlightenment and progress that you had to resort to this type of legislation to give the average man and the average woman an opportunity to meet the economic problem he faces day after day? I for one would not take much credit for giving the American citizen a total of $1.50 a day as late as 1938. No wonder fields of grain were left unlifted, unharvested, train after train never left its terminal, and boats were permitted to go into decay while at their moorings. Evolution has now sent the minimum up to 75 cents an hour. That was accomplished in 1949.

How in the name of goodness can anybody stand up and look America in the eye and say: "Why, I am guaranteeing those of you who work in interstate commerce the sum total of $6 for 8 hours' work."

I do not like the idea of saying that we are living in an economy that is going bankrupt; I do not like those individuals who are selling America short. I have a lot of regard for the minority whip on the Republican side, but he cannot sell me on the idea that America cannot stand a dollar an hour wage; he cannot tell me that the prosperity that I see around me would not have been brought about by American industry, American intensity of purpose, American know-how, and American ambition.

I do not think we did not need another war, a second world war, or a Korean war; I think we are living in a dynamic and positive era. I think you ought to be glad to pass a dollar an hour wage because in an expanding economy that is one more method to make America healthy and wealthy.

The CHAIRMAN. The gentleman from Arizona [Mr. RHODES] is recognized.

Mr. RHODES of Arizona. Mr. Chairman——

Mr. CRETELLA. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Connecticut.

Mr. CRETELLA. Mr. Chairman, during the course of debate here a great deal has been said about the position of of the Democrats as against the Republicans on this legislation. Let me say that many of us on this side of the aisle and all of the Connecticut delegation are supporting the committee bill and the report for the dollar minimum effective as provided in the bill. Let the Members of the Democratic side realize that without the Republican support this bill could not pass. I might say to some of the people who have been talking and crying before the House of the plight of the farmer that the farmers of my district have gone on record as being opposed to this bill and being opposed to any form of Government subsidy or supports.

Mr. Chairman, I urge passage by this body of H. R. 7214 to amend the Fair Labor Standards Act to make the minimum wage $1 per hour. The minimum wage standards have not been changed since 1949. During the past 6 years our economy has been bolstered by spending precipitated by the Korean war. These Federal expenditures have quite naturally been reflected by spending in all other segments of the economy, including that of the average consumer. Thus the rise in the cost of living index has been appreciable and it is only recently that it has shown signs of stability. The years 1954 and 1955 have produced all-time high records in peacetime prosperity. The indications are that 1956 will continue with factory wages at a high average and industry production booming. This all points to better things for more Americans as our transition from a war economy to a peace economy went practically unnoticed with a minimum of unemployment and layoffs.

This is all very nice for the majority of workers and employees who would not be affected by increasing the minimum wage law by reason of their present wages far over $1 per hour. But there still remain over 2 million workers who are not profiting by the healthy climate of our economy. These are the workers who are compelled to work for less than $1 per hour and try to provide adequately for themselves and their families in the face of increased prices for food and other essentials.

In the Third District of Connecticut which I represent, I know there are very few of these people who would benefit by the $1 minimum. I am certain the average wage there is closer to $2 an hour. My district is highly industrialized and the center of many small businesses in addition to which help produce a relatively high average wage. I can say that even babysitters and high-school boys there who cut the neighbor's grass during the summer months have little trouble in getting $1 an hour for their efforts.

Main opposition from this proposal before us seems to come from the so-called small-business owners. But small business too has over recent years enjoyed the fruits of a record gross national product, the total amount of goods and services produced in our economy. Certainly most of them have passed on part of their prosperity to their employees through increased wages, and to consumers through reduced prices. In both instances they are helping themselves in effect by placing more money in the hands of workers—or consumers—who buy more and enable the small-business man to sell for less but at increased volume. There are undoubtedly some businessmen, however, who will exploit their positions by being located in an area of low average wages. These are the businesses which are in direct competition with employees who feel it is their responsibility to provide their workers with a decent living wage.

Other representatives from New England have brought out the plight of the textile mills in that area. A great number of them have been compelled to shut down or relocate in the South to take advantage of the tremendous wage differential between the two areas. It is tragic indeed when the great majority of wage earners in a given New England town, who have derived their living from the textile mills, face the consequences of no work from closedowns or relocations. There is no doubt in my mind that lower wages in other parts of the country is the main contributory factor to this effect, notwithstanding the threat of foreign imports and cheaper power in the South.

This is but one industry which would be aided by the passage of a minimum-wage law which would tend to equalize the differential and lessen incentive to abandon the small New England towns. This bill would kill the rampant competition and piracy from sweatshops where workers are earning less than $2,100 a year, and allow business in general to flourish on a true and fair competitive basis.

I am of the firm opinion, Mr. Speaker, that the overwhelming majority of businesses all over America are in a position to absorb a minimum-wage requirement of $1 per hour in view of our present sunny economic climate.

Because of these convictions, I feel it my duty as a representative to protect the people of Connecticut from businesses elsewhere paying substandard wages. I, therefore, shall support the provisions of H. R. 7214.

Mr. RHODES of Arizona. Mr. Chairman, yesterday I touched on a point

which I would like to elaborate. That is the fact that when you are talking about a minimum wage you are necessarily dealing in averages. You are averaging the amount of money which it costs to live throughout the United States. Now, the cost of living, as we know, is higher in some areas than it is in other areas and when you are dealing with an average you hurt one area and you do not help the other area.

The gentleman from Pennsylvania brought forth a very important point that 28 States have laws covering minimum wages. It was also brought out that in only one of those States was the law as high as 90 cents an hour. It seems to me it is a much more effective way and a much more efficient way to legislate on minimum wages to let the States themselves legislate, let them move into this territory and let them make their own minimum wages. I am not advocating that we repeal this law at this time. We should keep the Federal law until the States have enacted more comprehensive laws. I say to the gentleman from Missouri, by good friend [Mr. CHRISTOPHER] that I am in favor of this type of legislation. I think we have to have a minimum-wage law either at the Federal or State level as long as we have employers who willfully pay substandard wages. I think it is necessary to protect the average workingman from some predatory employers.

However, when we go into the realm which is ordinarily reserved for collective bargaining, then we are going too far. When we start taking into consideration the increment of wage which comes from an increase in production and say: This is a part of the minimum wage, then we are going too far. We are selling short the very system of collective bargaining which so many people in this country have tried for many years to bolster up.

This system is a good system. It has worked. In fact, since 1949 the industry of this country has increased wages far beyond the 20 percent which we would have under the McConnell amendment for the minimum wage. This has been done by the system of collective bargaining and individual bargaining where there are no unions. Let us not put the cart before the horse and try to legislate wages which should logically be paid only after collective bargaining. I am in favor of the McConnell amendment and I hope it will pass.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, to me this is a moment of great emotion. Forty-two years ago it was my privilege to be associated with a movement that resulted in the enactment of the first State minimum wage laws. This came about when fortunate circumstances placed me as chairman of a commission investigating the problems of womanhood in the State of Illinois.

This commission brought out in the testimony that in the most fashionable stores on State Street women were being paid $1.50 and $2 a week. In the large factories and in the offices of the great State of Illinois a woman who was receiving as much as $5 a week was regarded as a most fortunate person. This despite the fact that the employers themselves had conducted an investigation to establish the minimum cost for a woman to support herself in the Chicago of that period and had found that $8 a week was the very least upon which she could keep body and soul together. One of the witnesses was the president of a large mail order company, Mr. Julius Rosenwald, a very fine man, a man of good heart and a philanthropist. I said, "Mr. Rosenwald, how do you justify the practice of paying women workers less than they can live on?" "Well," he said, "Governor, it is the operation of the law of supply and demand. I would like to pay more, other employers would like to do so, but in business we have to live with the law of supply and demand."

Now, Mr. Chairman, I have heard that excuse of the "Law of supply and demand" many times in the debate yesterday and today. Times do not change, it would seem. Well, I said to Mr. Rosenwald, "What was the profit of your company last year?" The profit was something over $6 million. "Now," I said, "get out a pencil and some paper and let us figure up how much it would cost to raise the lowest paid of these girls to at least a breadline wage of $8 a week."

We went on down the line and the total figure was half a million. That would have placed every worker on at least the breadline. Then I said, "Mr. Rosenwald, how can you say that you are prevented from paying at least a living wage to these women because of the operation of the law of supply and demand?" He could not answer. It would have reduced the profits of that corporation from $6 million to $5.5 million. I know he was sincere just as are those in this debate who are talking about a law of supply and demand that usually is as realistic as a catch phrase.

Now, my friends, the American people are a great people. When they realize a problem and a situation, they respond. This matter I referred to received great publicity at that time, and all over the United States of America employers started voluntarily to raise wages. State legislatures started passing minimum wage laws. All because when the American people started thinking about it the thing that counted was that in this great country of ours the least able of our men and women industrially were entitled at least to a living in return for their toil. The supply available to us must be spread to assure to the least the minimum demands of human existence. That is the law of supply and demand in its finest moral aspects and in its soundest economic application. A minimum wage of $1 an hour for a 40-hour week is $40. Can we deny this to the least of our countrymen, seeking to support his family?

The CHAIRMAN. The time of the gentleman from Illinois has expired.

The Chair recognizes the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. Mr. Chairman, I do not propose to use the 3½ minutes. I would not even use one if it were not to set the record straight for one who may have confused it in his discussion of the Massachusetts labor laws. According to Mrs. Hattie Smith, Massachusetts' assistant commissioner of labor, the State of Massachusetts, on July 12, agreed to raise its minimum rate to 90 cents if the Federal Government goes up to 90 cents. Otherwise their 75-cent law will remain in effect, with 60 cents for service trades where there is tip income.

Mr. FISHER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. FISHER. Mr. Chairman, I shall vote for the McConnell amendment, which would make the minimum wage 90 cents instead of $1, as proposed in the pending bill.

As I see it, when we undertake here in Congress to fix wages we are invading the province of private industry. And by raising the so-called minimum wage to a prevailing level in certain industries the wage level is no longer a minimum—it becomes a going or a fixed wage. And I think that is both unfair and unsound, both to the employers and the employees. The Government thus becomes the wage fixer, the dictator. On the one hand, we undertake to tell the employer what he must pay in wages, whether he is able to do so or not, and, on the other hand, we do nothing to assure him that he will be financially able to stay in business and be financially able to make such payments.

Moreover, there should be a parity between all employees, whether they are engaged in interstate work, to which this bill applies, or in intrastate, over which the Congress has no jurisdiction. The record shows that there is presently no State in the Union that has a minimum wage that exceeds 75 cents per hour. To set a higher Federal rate, applicable to comparatively few employees, will result in confusion and hardships to which this Congress should not be a party.

Mr. Speaker, it is fine to have high wages. I am sure we all agree on that. But when we get into that realm of wage rates beyond what should be considered a floor or a minimum, such as is proposed here, we tamper with the ability of certain employers to keep them employed and meet the payroll. I do not want to arrogate to myself the right to decide for employers in my district what they can afford to pay. They are in a much better position to judge that than I am. I am opposed to price fixing during peacetime, and I am opposed to wage fixing. That marks a dangerous intrusion into private affairs which is basically unsound as a policy and which can do serious harm not only to employers but likewise to employees.

HIGH WAGE FIXING IS DIRECTED AT SOUTH

Another consideration that should not be overlooked is that the present drive for wage fixing, as proposed in this bill, is inspired by the demands of the high wage areas of the country. The CIO, for example, which admits that not a single

member of that union will be directly benefited by this bill, is a chief sponsor of it. Why? Because its passage will put the squeeze on small business where only limited numbers of employees are unionized.

Still another reason behind the drive comes from the big cities and metropolitan areas where high wages in a number of instances have priced union labor out of the labor market. There has been a tremendous exodus of business from the North to the South for that reason. And they want to stop it. Recently Governor Harriman, of New York, held a meeting with New York Congressmen to discuss minimum wages on a Federal level. Following the meeting the Governor told the reporters, according to the New York Times:

> We were in complete agreement that there should be a minimum wage higher than 90 cents an hour. * * * It was the consensus that the minimum was necessary to protect the State's industries from unfair wage competition in other States.

Now, why has industry moved south? It has been because of the advantages offered in the southern part of the country, better tax arrangements, lower wages made possible because of lower cost of living. I dare say that a worker making 75 cents can live better in Texas than a similar worker making $1.50 in New York City. And I am not about to vote to reduce that advantage of job opportunities and employment which natural conditions make possible. Nor am I about to vote in a way that will result in layoffs and loss of job opportunities in small industries. I cannot do so and be fair to both the employees and employers. Our economy is highly competitive, and it is unfair to force one industry to pay a wage higher than a neighbor who is not producing interstate products.

Mr. WILLIAMS of Mississippi. Mr. Chairman, certainly no Member of this House would wish to see anyone compelled to work for less than a living wage. I am sure, also, that practically everyone would be willing to see the present minimum-wage rate increased, so long as it is not increased so much as to result in the closing of businesses or reduced employment.

As has been pointed out before, big business is not concerned with the minimum wage. They are able to pay much more than the legal minimum. It is small business which stands to suffer from the enactment of an unreasonably high minimum. Small-business men have testified before the Committee on Labor that they can live with a 90-cent minimum, but they fear the consequences of a dollar minimum. Some have said they would have to close their businesses; others have said they would have to lay off employees in order to meet the additional cost. Surely no one in this body would want to become a party to bringing about business failures, or to creating unemployment.

Mr. Chairman, I am going to vote for the McConnell amendment to reduce the minimum-wage rate in this bill from a dollar to 90 cents. Also, it is my understanding that—should this amendment be defeated—attempts will be made to provide for an escalation, a deferment of the effective date so as to provide a stepup of the minimum over a 2-year period, the purpose of which would be, of course, to give small businesses time to make the necessary adjustments in meeting the additional labor costs. Without either of these amendments, Mr. Chairman, I am certain that a sudden increase to a dollar minimum could have nothing by a seriously damaging effect on many small industries now operating on narrow margins of profit. While I take the position that some increase in the present minimum-wage rate may be in order and desirable, I hope the House in its wisdom will not go overboard in its enthusiasm for raising wages that will jeopardize the positions of those little-business men who must actually pay the bill out of their small margins of profit.

Mr. FLYNT. Mr. Chairman, I rise in support of the amendment which would provide a 90-cent minimum wage. I will support this amendment and should this amendment fail of passage, I will then support a subsequent amendment with an escalator clause, which will provide for an increase on January 1, 1956, to 90 cents per hour and an increase 1 year later, on January 1, 1957, to $1 per hour, which is proposed in the bill reported out by the House Committee on Education and Labor. I have always believed and shall continue to believe that every employed person is entitled to and should receive the best wage commensurate with his ability to produce and the ability of his employer to pay.

There are many small businesses not only in the 4th District of Georgia, which I have the honor to represent, and in the State in which I live but also throughout the Nation, which cannot immediately absorb the shock of the increase contemplated by the bill reported out by the committee. This will have the inevitable effect of causing unemployment and a drop from payroll of marginal employees. It will also have the effect of causing certain small businesses to suspend operations and in some instances to terminate operations and therefore cause their employees to seek other jobs.

Big business is not concerned with this bill. It will have no effect whatsoever upon their operations. It is my firm belief that we must give full consideration to small businesses, to employers of a limited number of employees and also to a vast number of employees who will find themselves without jobs if the shock of this bill is too great. I have received many communications from persons on every level of employment on this measure, and the overwhelming consensus of the opinion expressed in these letters to me has been in favor of the position which I believe is sound, reasonable and just.

An immediate increase of 33⅓ percent, which the committee bill provides, will make necessary certain adjustments which every small business cannot make. These small businesses are entitled to every protection which can be afforded to them just the same as any other phase of American economy. An immediate increase in this amount could possibly have a disastrous effect upon agriculture in every section of the country and if those persons who are engaged in agricultural pursuits suffer and are forced to either operate at a loss or suspend operations, then the entire economy of our Nation will suffer, perhaps irreparable damage. I shall vote for and support both these amendments and I hope that they will pass in the order in which they are voted on; and if the amendments are rejected, I shall still vote for the bill on final passage.

The CHAIRMAN. All time has expired.

Mr. BARDEN. Mr. Chairman, I ask unanimous consent that the amendment be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk again read the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. BARDEN and Mr. WIER.

The Committee divided; and the tellers reported that there were—ayes 93, noes 198.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentlemen from Pennsylvania [Mr. McCONNELL].

Mr. BARDEN. Mr. Chairman, I ask unanimous consent that the amendment be again reported.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read as follows:

> Amendment offered by Mr. McCONNELL: Strike out line 7 and 8, and insert in lieu thereof the following: "thereof 'not less than 90 cents an hour after December 31, 1955'."

Mr. KELLEY of Pennsylvania. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. KELLEY of Pennsylvania and Mr. McCONNELL.

The Committee divided; and the tellers reported that there were—ayes 145, noes 188.

So the amendment was rejected.

Mr. McCONNELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. McCONNELL: Strike out lines 7 and 8 and insert in lieu thereof the following: "thereof, not less than 90 cents an hour after December 31, 1955, and not less than $1 an hour after December 31, 1956."

Mr. McCONNELL. Mr. Chairman, there is nothing very involved about this amendment; it logically flows from the course of action which has just taken place. I have stated very strongly, because I have deep convictions in that respect, that the one serious defect of the Fair Labor Standards Act is its complete rigidity; there is no flexibility about it. If there should happen to be a hardship case in which an employer will be forced to lay off workers or even

go out of business, or where you have an employee who wanted to work for a lesser amount than the required rate rather than lose his job, there is nothing that can be done about it; there is no appeal whatsoever.

Therefore, the important thing, as I see it and about the only means we have before us in order to be sure that the least hardship results from the $1 rate, which apparently the House wishes, the only means of alleviation would be an adjustment in the effective date.

The present bill which is before the House which is for $1 becomes effective March 1, 1956. My amendment would move the effective date up to January 1, 1956, but would make it 90 cents, and in January 1957, the full dollar rate takes effect and continues in effect until Congress makes a change.

Since we have already put in the bill the date March 1, I see no serious objection to making the effective date January 1, 1957, for the $1 rate. At the same time instead of paying 75 cents an hour until March as would be the case under the pending bill. Let us make it 90 cents in January of 1956. I do not want to prolong this discussion, but I do feel if we are going to have a dollar rate we want to be sure that the small marginal producers, the farmers and others, who may be affected by the dollar rate will have an opportunity and plenty of time in which to adjust. That is the essence of my amendment, and I urge its adoption.

Mr. KELLEY of Pennsylvania. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Pennsylvania [Mr. McCONNELL].

Mr. Chairman, we just defeated an amendment providing 90 cents. Here is an attempt to carry it on. The dollar that we voted for, now accepted by the committee by a big majority, is deferred for almost a year under the gentleman's amendment. I am opposed to that. I do not believe what the gentleman attempts to do about rigidity is a bit helpful. The effective date of the bill as it now stands is March 1, 1956. That allows 7 months for any concerns to make adjustments. Therefore, I cannot see the advantage of the amendment offered by the gentleman from Pennsylvania [Mr. McCONNELL].

He does do this: It certainly postpones the effective date of the dollar rate which we voted for.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. KELLEY of Pennsylvania. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The Committee of the Whole has by a rather decisive vote showed that it wants the increase to $1. The gentleman from Pennsylvania says that his amendment logically flows from the course of action just taken. It seems to me that my friend in offering his amendment is in an illogical position with the previous amendment he offered and with the arguments he made in support of it. The gentleman from Pennsylvania, whose views I thoroughly respect, from his angle was on sound ground when he offered the 90-cent amendment, although I disagreed with him; but when he offers the pending amendment it very strongly savors of expediency. So the gentleman's amendment is inconsistent with his previous amendment and the arguments in support of it.

Mr. McCONNELL. Mr. Chairman, will the gentleman yield?

Mr. KELLEY of Pennsylvania. I yield to the gentleman from Pennsylvania.

Mr. McCONNELL. I fail to follow that line of reasoning. For all those who were present yesterday I made the statement that the one serious defect of the act was its rigidity and, therefore, care had to be taken not only to provide for some type of adjustment period, not only on that score but also I felt we had to be very careful as to the amount we selected. There is no provision for certain hardship cases, and with no appeal available for any employer, in the present act; therefore you had to be very careful as to the amount you select. Since they have decided to select a higher amount the only other avenue open to me is let us be careful that we give a longer period of adjustment since we are adopting the $1 rather than the 90 cents. I think that logically follows.

Mr. KELLEY of Pennsylvania. As the act stands, it does not become effective until March 1, 1956, and the gentleman proposes to add 10 more months to that.

Mr. McCONNELL. That is right.

Mr. KELLEY of Pennsylvania. I cannot see that.

Mr. McCORMACK. May I call the attention of the gentleman from Pennsylvania to the fact that they would have to make two adjustments in the next year and a half. The Committee of the Whole has acted with decisiveness. The same question basically is involved. The gentleman's amendment clearly places him in an inconsistent position, and those who voted for his amendment before, in light of his inconsistent position, may well vote against the amendment which he has just offered.

Mr. KELLEY of Pennsylvania. The 75 cents is applicable until March 1, 1956. That gives the employers a chance to adjust themselves during this 7 months' period. I cannot see any logical reasoning in the amendment.

Mr. McCONNELL. Mr. Chairman, will the gentleman yield?

Mr. KELLEY of Pennsylvania. I yield to the gentleman from Pennsylvania.

Mr. McCONNELL. I think the gentleman and I have discussed this before and I think I am correct when I say that I believe he is also desirous of having some way of avoiding the rigidity and the inflexibility of this act to take care of some hardship cases.

Mr. KELLEY of Pennsylvania. That is true, but not in this way and I do not think the gentleman's amendment does it at all.

Mr. BARDEN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I fear that those of us who are exposed to the Washington atmosphere soon begin to minimize the problems of employers. The average employer in this country must still meet a payroll. He must adjust his production, and see that the people working for him are not denied employment.

I would like to remind the Committee that this is the fastest jump we have ever been asked to take. Consider a man who made 3 or 4 percent profit or a small operation last year, and who will now face a vertical jump in labor costs. It places him in a serious situation. Time and time again small business appeared before the committee and said, "We think we can make 90. We think we can substitute some machinery and, of course, we may have to get rid of a few employees who are not really producing." But, they said, "We just simply cannot see $1." And, as one witness put it, "I own my home and my farm, and I will not jeopardize my home or my family or my farm, in order to continue running a small sawmill, when I see it is going to jeopardize my interests."

Now, a minimum-wage increase to 90 cents on January 1, followed by a 10-cent raise a year later, can be safe financing, good business, and cautious procedure. If we do something to give our economy a shot in the arm, then we could look more optimistically toward it, but I have the gravest fear of throwing a lot of good, deserving people out of employment if the increase is directly vertical to $1 next January 1. As the result of that firm belief, I support the graduated increase to 90 cents on January 1, 1956, and $1 on January 1, 1957. But the businessman who has to raise that payroll, adjust his business, and literally hang on with his teeth will have much more difficulty than we will have in passing the bill.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from California.

Mr. ROOSEVELT. I think our good chairman misspoke. As I understand, our committee bill says March 1, not January 1, as the effective date of this act.

Mr. BARDEN. I think my good friend from California misunderstood the amendment, because the amendment offered by the gentleman from Pennsylvania specifies January 1.

Mr. ROOSEVELT. That is true. If it is defeated, the effective date is March 1.

Mr. BARDEN. Yes; unless some person thinks he can really make it next January 1, and offers an amendment to change that. But, I just do not feel like taking a chance with a group of people I know so well, with their business that I know so well. I will say that for the benefit of anyone who might think I have, that I have no stock in small business, but I do know them and know the problems they are up against.

Mr. Chairman, I submit that for the consideration of the House.

Mr. HOLT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was one of those Republicans who voted for the $1 minimum wage, and I believe in it. There was an amendment similar to the amendment offered by the gentleman from Pennsylvania, that had an escalator clause from 90 cents to 95 cents to $1. We did not think that was suitable. But, this amendment of his is, and on the basis of the testimony I have heard and the research I have made I think it is a good

amendment and would surely help out the self-employed among others.

There are a great many self-employed people in this country, about 1 out of 4, in the income bracket of about $1,500. There are a lot of farmers and agricultural people who are not unionized. It would give them a chance to adjust, if we left this at 90 cents an hour in 1956, and then had a dollar in 1957.

I support the amendment. It has a lot of merit.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. HOLT. I yield to the gentleman from California.

Mr. ROOSEVELT. The gentleman referred to the self-employed people. They are not covered under this bill.

Mr. HOLT. Many are and all will be affected by it.

Mr. ROOSEVELT. How would they be affected by it?

Mr. HOLT. That is evident.

Mr. ROOSEVELT. But I think the gentleman would also agree that there would be more money for them to pay for what they had to buy.

Mr. HOLT. The fact is nobody really knows what will happen. I think we will all agree from what we have heard today on both sides of the aisle that nobody has a formula or a set of plans so that we can tell really what will happen.

Mr. McCONNELL. Mr. Chairman, will the gentleman yield?

Mr. HOLT. I yield.

Mr. McCONNELL. I do not know what the gentleman from California [Mr. ROOSEVELT] meant by the self-employed, because many small-business men are covered under this act. The self-employed are certainly covered—many of them.

Mr. METCALF. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the issue here is the same as it has been all afternoon. Are we for 90 cents or are we for a dollar? We have in the bill now 7 months of time for readjustment of the new minimum wage, the longest period that we have had to readjust to the minimum wage.

Mr. KELLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield.

Mr. KELLEY of Pennsylvania. What it does, however, under this proposal, is this: It will take 10 months longer to get the dollar. That is the difference between the pending amendment and the situation as we just voted in the committee.

Mr. METCALF. The gentleman is correct. It postpones the effective date of the $1 minimum wage for a year and a half instead of 7 months.

Mr. McCONNELL. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from Pennsylvania.

Mr. McCONNELL. There is one little variation. It is really just a matter of adjusting the effective date. You can come up with all kinds of combinations. I am not opposing the dollar proposition. I am just saying let us work it out according to a certain type of procedure. What I am proposing is, instead of having the 75-cent rate continue until March, which is in the bill, that we make it 90 cents on January 1, 1956, and then $1 January 1, 1957. So the 10-month period that is argued about does not give a complete portrayal of the situation.

Mr. METCALF. I thank the gentleman from Pennsylvania.

But as I say, the issue is, Do we have enough confidence in the economy of this country so that we shall increase the minimum wage to a dollar now, or are we going to have to wait a year and a half before we increase the minimum wage? Some of the Members of the House may feel that this is a way by which they can vote for a dollar and still have the 90 cents. I repeat, the issue is, Are we for a dollar now or are we for a dollar a year and a half from now? If we vote for this amendment, we are for the 90-cent rate on the 1st of January 1956, and then we have to wait until 1957 to get it up to a dollar.

I urge that Members do not vote for this graduation process, this escalation process. Show your confidence in the economy of this country and vote for a dollar and vote for it now.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from Illinois.

Mr. YATES. Is not the gentleman from Pennsylvania [Mr. McCONNELL] more interested in frigidity than rigidity, seeking to keep this raise in cold storage for a longer period of time?

Mr. METCALF. I thank the gentleman.

Mr. ZELENKO. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from New York.

Mr. ZELENKO. Does the gentleman from Pennsylvania realize that the double acceleration will practically throw this law into utter confusion? Within a few months there will have to be an adjustment in business, and an adjustment in the Government enforcement agencies. Thereafter, as soon as that is started, there will have to be another readjustment. If you consider all the elements involved in the enforcement of the law and in the adjustment of business to it, you will see that the proposed amendment will result in complete confusion. That is why, among other reasons, I oppose the amendment.

Mr. FRELINGHUYSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hesitate to take this time, but I do think it was a very unfair comment to describe the proposal of the gentleman from Pennsylvania as a gimmick. I think it is a reasonable compromise. During the debate I was going to give reasons why I voted for the 90-cent figure when it was presented in committee, and then voted for a dollar. Coming as I do from a high-wage area it is a lot easier for me to satisfy the folks back home by voting for a higher figure, and I would like to vote for that, but I had some misgivings about the impact it will have. It is for that reason I think the committee agreed we should postpone the effective date, even under the proposal as reported out by the committee, until March 1. I think it is a very reasonable compromise to give some increase at the end of December and then 12 months later make a further adjustment. For that reason, I fully intend to support the amendment offered by the gentleman from Pennsylvania.

Mr. METCALF. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman, in spite of the fact that he was unable to yield when I asked him to yield.

Mr. METCALF. I regret the fact that the gentleman spoke of me as referring to it as a gimmick. I said I hoped the Members did not regard this as a gimmick that would permit them to vote for a dollar and then vote for 90 cents. But I do not see why a dollar, which was so awful a few minutes ago and was going to be so horrible before we started on this amendment, is going to be fine and just and proper now.

Mr. FRELINGHUYSEN. Nobody said the dollar was so horrible. It obviously has considerable political apeal, and nobody knows the disaster that faces the economy of this country if it is adopted.

Mr. HALLECK. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I think it is well to take stock of the situation as it now exists. I am one of the many who feel that the minimum wage should be increased. Awhile ago I expressed my misgivings about the dollar. That there are many people who have those same misgivings is demonstrated by the fact that a change of 17 votes in the Committee of the Whole on the 90-cent amendment would have made that amendment prevail.

Let us keep this in mind. We want an increase in the minimum wage. If the figure comes out at a dollar everyone must choose between staying with 75 cents on the vote he casts, thereby giving an impression at least that he is against raising the minimum, or going to a figure he believes is higher than is reasonably justified and that might be detrimental to the overall economic situation of the country and to many of the very people we are seeking here to help. This is one of those situation in which the good must be weighed against the bad. But, now, in retrospect, let us not forget when we put the original minimum wage law on the books it started at 25 cents and provided for an increase gradually to 40 cents over a period of 7 years. It recognized, as we all recognize here, that when you raise the minimum wage of the country it creates an impact on the economy and particularly on the small-business employers affected thereby.

What is wrong with going to 90 cents, which is an increase from the 75 cents, the first of the coming year, and then on to a dollar the next year? In that time it does not mean any additional bookkeeping, it simply means that for the year after the 90 cents takes effect the people who will have to absorb that increase will have an opportunity to adjust their operations in that regard.

I must say I was quite surprised to hear the gentleman from Massachusetts argue as to points made by the gentleman from Pennsylvania [Mr. McCONNELL], who certainly holds the respect and ad-

miration of every Member of this body, that there is something politically expedient in offering this amendment, that there is something illogical about it or inconsistent in what he did. Of course, there is nothing inconsistent and nothing illogical about the amendment. The committee has voted for $1 instead of 90 cents. There has always been a question in the consideration of this measure: When should an increase become effective? Can we not as reasonable people recognize that the effective date can be a very, very important matter? Again, may I say, Members have urged that the matter of coverage should be explored. If you want to explore coverage next year, you might do much better in extending the coverage during the operation of the 90-cent minimum than you would during the operation of the $1 minimum. Of course, if you have the votes, it is possible to ride roughshod over any proposition no matter how reasonable it is. But I say here is a reasonable proposition that could well be definitely in the best interests of all of the people of the country—the people we are trying to help, the small-business people, and the overall economy in general, upon which we are all dependent. So I say this amendment should be adopted. I am sorry that the Members in charge of the bill were not ready to accept this amendment, because you get the $1 at the end of next year. You have won your fight for the $1. Give the people who are going to have to pay that $1 a chance to adjust their operations to meet the impact. That is all we are asking. It is not a matter of political expediency, and it is not illogical and it is not in opposition to anything that has been done. It is just a fair and square approach which continues the practice that we have followed in this minimum-wage law all the way through.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. THOMPSON of New Jersey. If it is not a political expedient, why, then, were you not in favor of the $1 10 minutes ago, and why are you in favor of the $1 10 months from now? Where is the expediency?

Mr. HALLECK. If the gentleman cannot understand the import of what I said, I am very, very sorry, because the effective date and the time at which you put it into effect is always an issue. You recognized that fact when the committee took March 1 instead of January 1 next year. So, I say, I could be for the 90-cent amendment, as I was, and I would still be for it—I would vote for it—but when we lost that amendment we were faced with the difficult choice of voting against any increase in the minimum wage or supporting the $1 figure. I say you ought to be reasonable enough to agree to start the 90 cents on January 1 and then go to the $1 in another year. I do not think there is anything illogical about that.

Mr. PHILBIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the same old, threadbare arguments are heard against the minimum wage and social security but they have lost their force. Time and events have conclusively demonstrated that the fears of opponents of these great, forward-looking measures were both exaggerated and groundless.

There are always those who try to halt the wheel of progress. There is a certain inertia which under natural law sometimes obsesses people and causes them to question change of any kind. This is perhaps a very salutary thing. It usually results in or prompts extended deliberative consideration of new proposals that are presented to a legislative body which may greatly revise existing patterns. It enables us, as we move forward to progress in each generation, never to discard the experience of the past, never to devaluate or overlook basic constitutional principles as we implement our Government and economy in adjustment and response to developing needs of change and progress.

It is one of the great assets of democratic government, one of the outstanding reasons for the vitality of our institutions that we manage to adapt ourselves to all the requirements imposed by scientific and technological advancement, to new social, economic, and cultural frameworks and mechanisms without destroying or diminishing the basic freedom of the average American. Social-security laws and the minimum wage are impressive examples of this rationale of modern social and economic adaptation.

There were few of us pioneers indeed when social security and the principle of the minimum wage were first broached and presented to the Congress. From many sides there came rabid opposition, bitter denunciation, unfair attacks. In some places our advocates were branded with the tag of socialism and communism and other derogatory terms. But time and experience has disproved these unfounded fears and discredited these unwarranted, embittered attacks.

Today social security and the minimum wage principles are accepted, approved and supported by practically every American and only a relatively few still deny the undoubted benefits which these progressive policies have brought to the rank and file of the American people as the approaching vote on this bill will demonstrate.

I can remember when the Supreme Court itself questioned some of these socially beneficial proposals but that day and that attitude has also been changed. No one can deny that now the Congress, the courts, and a truly overwhelming majority of our people are squarely and unequivocally behind these basic features of the modern social justice program.

I will not here enumerate the great benefits, past, present, and future, of these laws. Hardly a voice is in dissent among us that women, children, and disabled persons should be accorded the special, most indulgent, and sympathetic consideration of this Congress. The Nation with a national product moving toward $500 billion a year certainly can afford to apportion a few billion dollars in order to assure our fellow citizens against the normal, natural hazards of advanced years, injury, sickness, and misfortune.

We do not hesitate to lavish many billions for welfare purposes in foreign countries. Should we fail to give at least the same consideration to our own citizens? Of course, the answer is plain, namely, that we should be primarily concerned as a matter of fundamental principle with the real interests of our own Nation and the welfare of our own fellow citizens of every class and creed.

In my humble view, this Congress cannot be too scrupulous in its efforts to improve the living standards and promote the social benefit of our own great Nation. The health, efficiency, mental, physical, and social well-being of the American people must ever be the unfailing concern of this body, because the steady progress and advancement of the Nation as a whole vitally depends upon the prosperity, welfare, and happiness of our people, in fact, the stability of the Government and the strength of the economic system can only be insured by a contented, well-employed, prosperous, satisfied, and happy people who have confidence in our institutions, love of our way of life, and the willingness and determination to protect these great American legacies.

The debate over 90 cents, $1, and $1.25 hourly minimum-wage proposals leaves me with the distinct feeling that it is in a sense at least somewhat academic. This Congress is not endeavoring in this legislation to fix prices or wages, which we could do only in an emergency. We are merely setting up a standard of decency and welfare and human dignity and national welfare below which we believe certain American workers should not be required to work. The statistics on the current bottom subsistence level, available to all of us, are most impressive. But Members of Congress, so well informed, so well versed, so well equipped by ability, experience, and knowledge to judge, should not need cold figures, however impressive, to convince us that a considerably higher minimum wage is indicated by current prices and cost-of-living levels.

What will 90 cents buy today? What will $1 or $1.25 buy in the stores and markets of the Nation? Take a $10 bill on a shopping tour some day and see how far it will go in purchasing staple commodities of life essential in every household. The evidence of the present monetary value of the dollar and its meager purchasing power in the greatest period of inflation and high-price levels this country has ever known is conclusive on the point that a higher minimum wage is needed to insure even a frugal standard of living for large numbers of American workers.

Of course there are some here who oppose a higher minimum wage because they hope to reap advantages for their low-standard industries in the national competitive markets. It is most regrettable, and I think it is also very unsound as a matter of economics and politics, that any section of the country should seek economic benefits by low standards of wages, of living, and working conditions. That is the practice of peonage

and indenture, of the coolie system of the Orient.

My own experience with leaders of industry in my own district has shown me that these men are generally in strong support of high labor and social standards. They realize their responsibility to the workers and to the Nation, and for the most part demonstrate a high social consciousness.

Of course there are always timid, but sincere souls who are afraid of progress, afraid of change. They know only one path and will travel no other. They will not venture a new way until it is broken by others. I can understand this philosophy. It is the anchor of conservatism. It prefers stability to progress. It doubts the new and the novel. It suspects the venturesome and the pioneer. But no class or group can sweep back the onrushing tide of human advancement and the vigorous implementation of democratic government to swift-moving progress in science, technology, and social adaptation.

I strongly favor the increased minimum wage and will vote for it in the House. It is sound, morally, socially, and economically. It contains in the organic law ample safeguards for our economy. It is dictated by the needs of the American people for decency, for progress, for social betterment, for the true wellbeing of the Nation. I am sure that the bill will receive strong support from Members of the House and be enacted into law.

Mr. GAVIN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I am rather hesitant to take the floor at this time knowing the temperament of the House and the anxiety of everybody to complete this bill; however, I do believe after listening to the debate yesterday for 3 hours and all of this afternoon, while the committee monopolizes the general debate and then monopolizes the discussion on the amendments that we should be given an opportunity to present our thinking on this proposed legislation. So I ask your kind indulgence at this time. I want to call particularly to the attention of my good friend, the gentleman from Massachusetts—I do not know whether he is on the floor or not, but I hope he is as I want him to hear what I have to say. I cannot understand the attitude of the speakers on the other side of the House—you would, after listening to them talk, think that they have a monopoly on this legislation for a minimum wage scale of $1 an hour. To hear them talk it would appear that nobody on the Republican side is interested in developing this program to pay a higher minimum wage. So I just want my good friends to know that without the votes of the Republicans on this side, you might experience considerable difficulty in passing the legislation. So do not be taking all the bows because I think there are some of us over on the Republican side who are entitled to a little consideration for the position that we have taken on this legislation.

Mr. Chairman, on this discussion as to whether this increase should be granted now or paid a year from now, I might say I think it should be granted when this legislation becomes a public law, and not a year from now. We have heard a great deal of talk about inflation and its effects on the economy of the Nation. Well, it means 10 cents an hour or 80 cents a day for 5 days a week or $4 a week. I think it was pointed out to us that there are only about 1,500,000 or 1,600,000 people involved—so at $4 a week it would be about $6 million a week or for 52 weeks about $300 million. Say it was twice the amount or $600 million, with an economy in this country of ours of approximately $400 billion a year, with 64 million people at work, I cannot see how it is going to create such a sizable stir on the economy or create any great inflation in the country.

The facts are that if this legislation is passed and the maximum increase to $1 an hour is granted, a man working 8 hours a day, 5 days a week would earn $40. Generally they take out his withholding taxes, social-security tax, unemployment insurance, hospitalization insurance, dues and perhaps other deductions, and he is struggling along with a small family trying to get along. Certainly this increase, in my opinion, is justified and has been for sometime.

Now there is another point I want to call to the attention of the House, and that is the fine attendance on the floor today. I attribute it to the fact you know the folks back home will watch for the position you take on this legislation which involves, I would say, involves several million dollars which will come out of the economy of the Nation and not out of the budget of the Federal Government. I wish you had been just as interested in being on the floor of the House when we had under consideration the mutual-security program for $3½ billion that the American taxpayers will have to pay. When this legislation was before the House, we had but a handful of Members on the floor. The mutual-security program had $8,717,000,000 authorized but not expended. And we authorized and voted another $3.2 billion and the other body put back the cuts made in the House and brought it up to about $3.5 billion which now gives the mutual-security-foreign-aid programs about $12 billion to spend. Nobody seemingly was concerned about that. Nobody seems concerned about the $280 billion national debt. Nobody seems to be concerned about taxes or balancing the budget. However, when several million dollars—which is a small amount in comparison to $12 billion—is involved, money that will go into the pockets of the American working man and into the economy of this country and not paid out of the Federal budget, the Members seem greatly concerned.

The point I am trying to make is that when the income of the American people, of some several million dollars, is concerned, hours of debate take place and it is given a very careful screening. But when it comes to foreign aid, we pass after a few hours of debate, bills for $3½ billion even though there is $8 billion authorized but unexpended and that would take several years to spend.

So it is my opinion that this amendment, which would delay the granting of this minimum-wage increase of $1 an hour, should be defeated and when the bill is passed it should become effective immediately. Therefore, I think this amendment should be voted down and the bill passed. It will be helpful not alone to the American people but to the economy of the Nation as well.

Mr. KELLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. Yes; but before I yield to my good friend the gentleman from Pennsylvania, I just want to say to my good friend from North Carolina, who was talking about 75 million pounds of tobacco produced in his district: We produced 50 million pounds of finest tobacco grown anywhere in one county in Pennsylvania, Lancaster County, up in the Pennsylvania Dutch country, the district of my good friend PAUL DAGUE. Now, Pennsylvania is a great agricultural State as well as a great industrial State; so I just wanted to merely mention that to my good friend from North Carolina.

Mr. KELLEY of Pennsylvania. I do not want the gentleman to have the impression that we over here do not appreciate the support we get from the gentleman's side of the aisle.

Mr. GAVIN. Well, from what I have heard, it sounds that way, the way my good friend, whom I greatly admire, the gentleman from Massachusetts, JOHN MCCORMACK, was talking.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. Surely.

Mr. McCORMACK. Quote me.

Mr. GAVIN. Quote you?

Mr. McCORMACK. Yes; what did I say?

Mr. GAVIN. I cannot quote you; I mean just your general attitude, your general remarks. I feel certain the votes will show as much Republican interest in this legislation as Democratic interest, as both sides are greatly concerned that this legislation be passed.

Mr. LANHAM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not trespass upon the time of the House very often and hope I shall not take the full 5 minutes to which I am entitled. I would not say anything except for the fact that the gentleman from Minnesota [Mr. MCCARTHY] said something about the wage differential between the North and the South.

I am a southerner and proud of it. I am proud of the South's history and of its traditions. I am proud of its resurgence after we got fair freight rates and came out from the shadow of reconstruction. I am proud of the economic development that is going on in my native South.

But I have not voted on a sectional basis, as I think all of you will agree, except on those issues where the traditions of the South—the mores of the South are threatened without justification. So far as I have been able I have tried to approach all legislation on the basis of what is good for the entire country. I voted the other day for the development of a reclamation project in

California, and I am going to vote for one on the northern Colorado pretty soon.

I have been told that somebody said today he was going to vote for this $1 minimum wage because it would be a slap at the South. I hope nobody said that; I did not hear it. But do not think you can slap the South down by adopting a minimum wage of a dollar, or a dollar and a quarter for that matter. I think all of you know the unflagging fight I have made for the industries of the South to try to protect them from this infamous agreement that has been entered into with Japan that is threatening the textile and industries not only in the South but throughout America.

Now, there is another movement on foot to sell a lot of cotton overseas at 3 cents to 6 cents lower than our mills have to pay for it in America. I am not going to oppose that if at the same time quotas will be imposed that will protect our American industry. As a matter of fact I endorse this crop disposal program, but it would be the final blow to our textile industry if quotas are not imposed at the same time.

But I did not start out to talk about that. I remember recently that the General Electric Co. built a big plant in my home city of Rome, Ga. Some of my colleagues in the House and Senate and some of the labor unions fought us when we tried to get a tax amortization certificate for the GE plant. They did not want to see it go to the South. That was a mistake on their part because when they built that industry in the South GE did not move from Massachusetts the big plant they had there. As I understand it, they have expanded their production in Massachusetts. We won that fight because our cause was just and the General Electric Co. was entitled to the tax writeoff.

I want to say that my own State has not attempted to get industry to the South by offering any tax bait and we have not attempted to get industry to the South because of cheap labor. Our Southern labor is not cheap labor in any sense. So I say that there is no reason for any differential between the wages that are paid to labor in the North and those that are paid to labor in the South. As a matter of fact, those industries that have moved to the South have found that the southern laborer is more efficient than, and just as loyal as the laborer anywhere in America. They are entitled to the same pay for their labor as those in other sections of our country. As much as I want to see industry come to the South, and as hard as I shall fight for that industry against anybody who tries to cripple it, I shall not approve of any attempt to maintain a wage differential between the worker in the South and the worker in the North. We have in Georgia many attractions that should and are bringing new industries to the South, but cheap labor is not one of them.

I wonder if we cannot forget sectionalism for a little while? We folks in the South have forgotten—at least the younger generation of us—some of the indignities that were imposed upon us after the Civil War. I have tried to forget them and I think I have pretty well succeeded. At least I do not act on whatever trace of resentment may linger in my mind, and I hope that Members will not continue to condemn the South because we have made a splendid economic recovery. We do not want to do it at the expense of any other section of America. We will be your rivals if we can get new industry by fair means and if the things we have to offer appeals to those who want to establish new industries, but we do not want to do it at the expense of any other section of the country. This is now one great country and each of us should be anxious to promote the Nation's welfare as a whole.

Let us forget whether we are from the South or the East or the North or the West, and let us vote for what we think is for the best interests of the country.

It is in that spirit that I have voted consistently this afternoon to sustain the action of the committee in reporting the increase in the minimum wage to $1. And it is my hope that all of you who can conscientiously do so will vote with me on the final passage of the bill to take this step which I sincerely believe is for the best interests of our economy and our Nation.

Mr. McCONNELL. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I want to make a few statements that I have wanted to make on the floor of the House for some time. First of all, this has been a very wholesome debate. It has been conducted on a high plane, and, regardless of who wins or loses, I cannot help but say, and I say it from the bottom of my heart, that I have nothing but a deep affection for those on the other side of the aisle. They have at all times treated me fairly and decently. This is something I have wanted to say for quite a period of time, regarding not only this legislation but other legislation in the committee, all of which is of an emotional type which could cause a great deal of trouble. I have much to be thankful for in the type of people I am associated with on the other side of the aisle in the committee and also on the floor.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. McCONNELL].

Mr. McCONNELL. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. McCONNELL and Mr. KELLEY of Pennsylvania.

The Committee divided; and the tellers reported that there were—ayes 168, noes 173.

So the amendment was rejected.

Mr. VANIK. Mr. Chairman, although I was among those Members of Congress who sponsored legislation to increase the minimum wage from 75 cents per hour to $1.25 per hour, I will heartily support this legislation to raise the minimum wage to $1 per hour because of my belief that it is the maximum increase which this Congress will consider.

I know that this increase of the minimum wage will have a varying effect in the several different sections of the country. But the general effect will be to the national good.

In my testimony before the House Committee on Education and Labor, I was asked what formula was used in seeking the $1.25 per hour increase in the minimum wage. It seems to me that a fair and reasonable formula would be based upon that hourly wage which would produce a weekly minimum sufficient to provide for a normal family of four under the minimum conditions of decency in which we can permit Americans to live. An hourly wage of $1.25 per hour would produce a gross wage of $50 for a 40-hour week and a take-home pay after tax and deductions of approximately $37. In my opinion, there is no place in America, north or south, east or west, where a family could exist at a decent standard of living with less than $37 per week. The $1 minimum wage will, of course, produce considerably less for family support.

The need for increasing the minimum wage is not only an economic question. There is a vital question of morality involved. Americans cannot permit their fellow citizens to live under inhumane conditions. Goods produced under conditions in which the worker does not earn a sufficient income to decently provide for his family are better not produced at all.

The minimum-wage law is in effect a code of fair play between the States which provides that the States shall not compete against each other on the basis of indecent wage levels. We in America must avoid destruction by sectionalism. It is tragic to see one part of America competing with another when the competition between regions is not in the quality of the product—but in the differential which may exist in labor costs. It is competition at the expense of the living standards of the workers and it thereby becomes unfair. Production regions in America should compete on the availability of resources, utility facilities, skills, and markets, but never on the basis of cheap labor forces. This kind of labor competition could sap the strength of the country.

An increased minimum wage in essential to stable family life. Today, in addition to the employed heads of families, there are millions of working wives and other family workers. These additional workers have left their vital home responsibilities in order to supplement the family budget. Their loss to the home is irreparable in the costly development of juvenile delinquency and family delinquency. These working mothers would prefer to dedicate their efforts to family care instead of supplementing family income by their necessary employment. However, the increased costs of living demand their employment. A minimum-wage increase would increase the income productivity of the head of the family and thereby permit the return of millions of working wives and mothers to their families and their vital household responsibilities. Their places in industry would be thus opened to the increasing numbers of our expanding working force.

Concern has been expressed about the inflationary effect of an increase in the minimum wage. The increase would hardly be noticed in our growing economy. The principal effect would be to lift the workers at the lowest income-productivity levels to a more dignified plateau. The cost of an increased minimum wage would be more than offset by the savings in the high cost of community social services to this group. But an equally important gain would be achieved in reducing the tension of regional competition between areas of production. An increased minimum wage is, in effect, a code of fair play between the several States for the benefit of the marginal worker.

Although this legislation is limited to workers who are engaged in employment by employers engaged in interstate commerce, it will have a widespread effect upon raising the plateau of intrastate and local employment wage levels.

It is regrettable that the increased minimum wage must be deferred to March 1, 1956, to meet existing contracts. It is also regrettable that this legislation does not provide a minimum-wage increase for Puerto Rico and the Virgin Islands. The deplorable labor and living conditions of the islands is the proximate result of the inaction of the American Government on this vital subject.

Mr. BOLAND. Mr. Chairman, H. R. 7214 amending the Fair Standards Act making the minimum wage $1 an hour deserves the support of this committee. It represents the conclusions of a majority of the members of the Committee on Education and Labor obtained after exhaustive hearings of some 17 days' duration. For myself, I would have preferred a recommendation of $1.25 per hour but am prepared to support the proposal now before this body. I am cognizant of the difficult task that confronted the legislative committee and am aware of the action that was necessary to bring this bill to the floor. A reading of the hearings indicate that our economy can support this recommendation. Those hearings also demonstrated the necessity for this recommendation.

Mr. HAYS of Arkansas. Mr. Chairman, as the debate on this difficult subject proceeded yesterday I could not help reflecting on the difference between what we might call the political climate of today and that in which the first minimum wage legislation was presented. In spite of some sharp cleavages in these discussions it is obvious that we have come a long way since 1938.

I am only one of a number of Members who have experienced some soul searching in an effort to balance regional and national interests in our economic policy. I suppose there is no such thing as pure economics. Inevitably, social and moral considerations become involved in the equation and that is as it should be. The test of statesmanship in many situations—and this is one of them—is the use of restraint when emotional pressures are involved. Basing my judgment on the performance of yesterday, I cheerfully concede that if the final action of the Congress on the minimum wage issue does not do full justice by my criteria, it will be due not to emotionalism or politics but to lack of full information on the damaging effects of too high a minimum upon some important segments of our economy. I have no doubt what the verdict would be if each Member of the House could go to certain parts of the South where this damage will be done. I am not saying that the damage cannot be repaired, but I am insisting that it will mean a postponement of the perfecting of a rounded-out national policy with respect to labor standards, a delay in reaching social goals which were in the minds of those who framed our first minimum wage legislation. We should consider, in other words, not only the matter of minimum rewards for labor but the matter of minimum damage to those affected by an inordinate increase in wages. We cannot do a good job if we overlook the great disparities in the industrial life which spans the continent and covers millions of people with wide differences in social practices and job opportunities.

There is no disagreement about the statistical formula. It should be about 86 cents if we apply the cost-of-living increase to the 75-cent minimum promulgated in 1949. The slight addition of 4 cents is justified; it can be absorbed. But there is sound economic advice from students of this problem against using mere productivity as a factor in fixing statutory minimums. Productivity should be used in the determination of wage policy generally, and certainly collective bargaining takes it into account, but law should not replace the bargaining process in industry. Its function should be related to rule making. Otherwise the element of freedom which is the pride of American industry would be unduly restricted. We can deal with the exploiters by a national minimum but this device should not be permitted to destroy employment opportunities that are inherent in sectional differences.

This is not to advance a provincial point of view nor to disagree with the basic arguments advanced by representatives of the higher rated areas. It is only to insist that 90 cents in Danville, Ark., provides a living standard quite comparable to a much higher wage in an expensive area, even areas within the South.

It seems to me that we have not yet focused upon the conflict between agriculture and industry or, more precisely, the small farmer interest against expanding industrial interest in this controversy. The conflict between agriculture and industry is to my mind more important in this particular discussion than that which exists between one region and another, big business and little business, or even between labor and employer. To be sure, all of these conflicts appear and they are not easily composed, but the agricultural areas which are not dominated by commercial farming are going to be hurt if the minimum goes too high.

And now back to the basic problem of coverage. I referred in yesterday's extension to my own experience in the early days of the effort to advance wage standards in my State. One incident of the NRA period comes to my mind. I served for a while as legal adviser to the State organization, and while NRA as a whole was hardly compatible with the American standard, it did bring some benefits. At least for a while it was the symbol of efforts to secure widespread employment and a living wage. I recall having in the State office 1 day an employer; he owned one of the "peckerwood" mills which the gentleman from Mississippi [Mr. WILLIAMS] referred to yesterday. He was accused of paying less than code wages. There were three of us from the Government's side against this little hill-country employer, a sawmill operator. When we had related to him what the law required, he came up with a comment that I have never forgotten. He said, "Wait, you tell me what I have to do and you threaten me with the law. You three men have no problem about food for your family; you get your salary the first of the month and those who work for you are sure of a salary check, for it comes from the Government. What do I have to do? I have to go back home and figure out a way to keep that sawmill running so 13 families will have food on their table. I have to keep 13 men employed in that little mill or some children will go hungry. That's what I have to do."

Now under the exemptions which my friend the gentleman from Washington [Mr. MACK] complained of yesterday, and his complaint is understandable, the little sawmill operator could fire one individual and be free to pay whatever he pleases, but I do not like that arrangement and I think the coverage problem must be confronted sooner or later. I still insist, Mr. Chairman, that a wise policy is a reasonable minimum and wide coverage, but there is no escape from the fact that a questionable minimum will add to the pressures for exemptions and will obstruct the effort to bring within coverage many neglected groups.

For these reasons I have adhered to the view that a 90-cent minimum under existing conditions is the course of wisdom. If the minimum is established at $1 I trust that the Committee on Education and Labor will make a thorough review of the problem of coverage particularly as it applies to the area of production and that small employers will not be forced by restrictive legislation to lay off workers. Such a review by the committee would give us a better understanding of the complex problems of agricultural sections today experiencing unemployment and underemployment. We must continue to work on wage legislations. Our problems in this field cannot be solved merely by progressive increases.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 7214) to amend the Fair Labor Standards Act to make the minimum wage $1 an hour effective March 1, 1956, pursuant to House Resolution 308, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. KELLEY of Pennsylvania. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 362, nays 54, answered "present" 2, not voting 16, as follows:

[Roll No. 125]

YEAS—362

Adair	Davidson	Hoffman, Ill.
Addonizio	Davis, Ga.	Holifield
Albert	Davis, Tenn.	Holmes
Alexander	Davis, Wis.	Holt
Allen, Calif.	Dawson, Ill.	Holtzman
Andresen, August H.	Dawson, Utah	Hope
	Deane	Horan
Arends	Delaney	Hosmer
Ashley	Dempsey	Huddleston
Ashmore	Denton	Hull
Aspinall	Derounian	Hyde
Auchincloss	Devereux	Jackson
Avery	Dies	James
Ayres	Diggs	Jarman
Bailey	Dixon	Jenkins
Baker	Dodd	Jennings
Baldwin	Dollinger	Jensen
Barden	Dolliver	Johansen
Barrett	Donohue	Johnson, Wis.
Bass, N. H.	Donovan	Jonas
Bass, Tenn.	Dorn, N. Y.	Jones, Ala.
Bates	Dorn, S. C.	Jones, Mo.
Baumhart	Dowdy	Jones, N. C.
Beamer	Doyle	Judd
Belcher	Durham	Karsten
Bennett, Fla.	Edmondson	Kean
Bennett, Mich.	Elliott	Kearney
Bentley	Ellsworth	Kearns
Betts	Engle	Keating
Blatnik	Evins	Kee
Blitch	Fallon	Kelley, Pa.
Boggs	Fascell	Kelly, N. Y.
Boland	Feighan	Keogh
Bolling	Fenton	King, Calif.
Bolton, Frances P.	Fernandez	King, Pa.
	Fine	Kirwan
Bolton, Oliver P.	Fino	Klein
	Flood	Kluczynski
Bonner	Flynt	Knox
Bosch	Fogarty	Knutson
Bow	Forand	Landrum
Bowler	Ford	Lane
Boykin	Fountain	Lanham
Boyle	Frazier	Lankford
Bray	Frelinghuysen	Latham
Brooks, La.	Friedel	Lesinski
Brooks, Tex.	Fulton	Lipscomb
Brown, Ga.	Gamble	Long
Brown, Ohio	Garmatz	McCarthy
Brownson	Gary	McConnell
Buckley	Gavin	McCormack
Budge	George	McCulloch
Burdick	Gordon	McDonough
Burnside	Granahan	McDowell
Bush	Grant	McGregor
Byrd	Gray	McIntire
Byrne, Pa.	Green, Oreg.	McVey
Canfield	Green, Pa.	Macdonald
Cannon	Gregory	Machrowicz
Carlyle	Griffiths	Mack, Ill.
Carnahan	Gross	Mack, Wash.
Carigg	Gubser	Madden
Cederberg	Hagen	Magnuson
Celler	Hale	Mailliard
Chatham	Haley	Marshall
Chelf	Halleck	Martin
Chenoweth	Hand	Matthews
Christopher	Harden	Meader
Chudoff	Harris	Merrow
Church	Harvey	Metcalf
Clark	Hays, Ark.	Miller, Calif.
Cooley	Hayworth	Miller, Md.
Coon	Hébert	Miller, N. Y.
Corbett	Henderson	Mills
Coudert	Heselton	Minshall
Cramer	Hess	Mollohan
Cretella	Hiestand	Morano
Cunningham	Hill	Morgan
Curtis, Mass.	Hillings	Morrison
Curtis, Mo.	Hinshaw	Moss
Dague	Hoeven	Moulder
Multer	Richards	Thomas
Murray, Ill.	Riehlman	Thompson, La.
Natcher	Riley	Thompson, Mich.
Nelson	Roberts	
Nicholson	Robsion, Ky.	Thompson, N. J.
Norblad	Rodino	Thompson, Tex.
Norrell	Rogers, Colo.	Tollefson
O'Brien, Ill.	Rogers, Fla.	Trimble
O'Brien, N. Y.	Rogers, Mass.	Tumulty
O'Hara, Ill.	Rooney	Utt
O'Hara, Minn.	Roosevelt	Vanik
O'Konski	Rutherford	Van Pelt
O'Neill	Sadlak	Van Zandt
Osmers	St. George	Velde
Ostertag	Saylor	Vinson
Passman	Schenck	Vorys
Patman	Scherer	Vursell
Patterson	Schwengel	Wainwright
Pelly	Scott	Walter
Perkins	Scrivner	Watts
Pfost	Scudder	Westland
Philbin	Seely-Brown	Wharton
Phillips	Selden	Wickersham
Pillion	Sheehan	Widnall
Polk	Shelley	Wier
Powell	Sheppard	Wigglesworth
Preston	Shuford	Williams, Miss.
Price	Sieminski	Williams, N. J.
Priest	Siler	Williams, N. Y.
Prouty	Simpson, Ill.	Willis
Quigley	Simpson, Pa.	Wilson, Calif.
Rabaut	Sisk	Wilson, Ind.
Radwan	Smith, Wis.	Withrow
Rains	Spence	Wolcott
Ray	Springer	Wolverton
Reece, Tenn.	Staggers	Wright
Reed, Ill.	Steed	Yates
Rees, Kans.	Sullivan	Young
Reuss	Talle	Younger
Rhodes, Ariz.	Taylor	Zablocki
Rhodes, Pa.	Teague, Calif.	Zelenko

NAYS—54

Abbitt	Gathings	Poage
Abernethy	Gentry	Poff
Alger	Gwinn	Rivers
Allen, Ill.	Harrison, Nebr.	Robeson, Va.
Andersen, H. Carl	Hoffman, Mich.	Rogers, Tex.
	Ikard	Short
Andrews	Kilburn	Smith, Kans.
Bell	Kilday	Smith, Miss.
Berry	Kilgore	Smith, Va.
Broyhill	Krueger	Taber
Burleson	Laird	Teague, Tex.
Byrnes, Wis.	LeCompte	Thomson, Wyo.
Chase	Lovre	Thornberry
Clevenger	McMillan	Tuck
Colmer	Mahon	Weaver
Cooper	Mason	Whitten
Fisher	Miller, Nebr.	Winstead
Fjare	Murray, Tenn.	
Forrester	Pilcher	

ANSWERED "PRESENT"—2

Harrison, Va. Herlong

NOT VOTING—16

Anfuso	Dingell	Mumma
Becker	Dondero	Reed, N. Y.
Buchanan	Eberharter	Sikes
Chiperfield	Hardy	Udall
Cole	Hays, Ohio	
Crumpacker	Johnson, Calif.	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Sikes for, with Mr. Herlong against.

Mr. Hardy for, with Mr. Harrison of Virginia against.

Until further notice:

Mr. Anfuso with Mr. Becker.

Mr. Hays of Ohio with Mr. Johnson.

Mr. Udall with Mr. Crumpacker.

Mr. Dingell with Mr. Dondero.

Mr. Eberharter with Mr. Chiperfield.

Mrs. Buchanan with Mr. Cole.

Mr. HARRISON of Virginia. Mr. Speaker, I have a live pair with the gentleman from Virginia, Mr. HARDY. If he were present, he would have voted "aye." I voted "nay." I withdraw my vote and vote "present."

Mr. HERLONG. Mr. Speaker, I have a live pair with the gentleman from Florida, Mr. SIKES. If he were present, he would have voted "aye." I voted "nay." I withdraw my vote and vote "present."

Mr. COON changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

Mr. BARDEN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2168) to amend the Fair Labor Standards Act of 1938 in order to increase the national minimum wage, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "Fair Labor Standards Amendments of 1955."

SEC. 2. Subsection (d) of section 4 of the Fair Labor Standards Act of 1938, as amended, is amended by adding at the end thereof the following: "Such report shall contain an evaluation and appraisal by the Secretary of the prevailing minimum wages established by this act, together with his recommendations to the Congress for any changes in such amounts as he may deem desirable. In making such evaluation and appraisal, the Secretary shall take into consideration any changes which may have occurred in the cost of living and in productivity and the level of wages in manufacturing, the ability of industries to absorb wage increases, and such other factors as he may deem pertinent."

SEC. 3. Effective January 1, 1956, paragraph (1) of subsection (a) of section 6 of such act is amended by striking out "75 cents" and inserting in lieu thereof "$1".

SEC. 4. Subsection (c) of section 6 of such act is amended to read as follows:

"(c) The provisions of paragraph (1) of subsection (a) of this section shall be superseded in the case of any employee in Puerto Rico or the Virgin Islands engaged in commerce or in the production of goods for commerce only for so long as and insofar as such employee is covered by a wage order heretofore or hereafter issued by the Secretary pursuant to section 8 of this act."

SEC. 5. Effective July 1, 1956, subsection (a) of section 8 of such act is amended by inserting at the end thereof the following: "Minimum rates of wages established in accordance with this section shall be reviewed by such a committee at least once each fiscal year."

SEC. 6. Subsection (d) of section 8 of such act is amended by striking out the second sentence and inserting in lieu thereof the following: "Upon the filing of such report, the Secretary shall publish such recommendations in the Federal Register and shall provide, under appropriate regulations or by order, a reasonable period in which interested persons may submit affidavits with respect to facts and file written statements of views or contentions on matters of law or fact which the Secretary is required by this section to consider in acting on such recommendations, and a reasonable further period in which such persons, before the effective date of any order or orders proposed by the Secretary to carry such recommendations into effect, may file exceptions to the order or orders proposed. After the termination of such periods the Secretary shall by order approve and carry into effect the recommandations contained in such report, if he finds that the recommendations are made in accordance with law, are supported by the evidence, and, taking into consideration the same factors as are required to be considered by the industry committee, will carry out the purposes of this section; otherwise he shall disapprove such recommendations."

SEC. 7. Section 8 of such act is further amended by redesignating subsections (e) and (f) as subsections (f) and (g), respectively, and by inserting a new subsection (e) as follows:

"(e) Notwithstanding the preceding provisions of this section the Secretary of Labor shall issue such orders as may be necessary in order that minimum rates of wages to be paid under section 6 by employers in Puerto Rico or the Virgin Islands or in Puerto Rico and the Virgin Islands shall—

"(1) in the case of any such rate which has not been increased during the calendar year 1955, be increased effective January 1, 1956, by an amount equal to 33⅓ percent of such rate;

"(2) in the case of any such rate which has been increased during the calendar year 1955, be increased to the extent necessary in order that such rate shall, effective January 1, 1956, be 7½ cents an hour greater than it was on July 1, 1955, and shall, effective 1 year after the effective date of the last increase in such rate during the calendar year 1955, be 33⅓ percent greater than it was on July 1, 1955; and

"(3) in the case of all such rates, be increased to the extent necessary in order that any such rate shall on January 1, 1958, be 25 cents an hour greater than it was on July 1, 1955.

In computing rates to be established in accordance with this subsection, the Secretary shall, if the amount of such rate is not a multiple of one-half cent, increase or decrease such amount to the next multiple of one-half of 1 cent, except that multiples of one-quarter of 1 cent shall be increased to the next multiple of one-half of 1 cent."

SEC. 8. The Secretary shall submit a special report to Congress after January 1, 1957, but not later than June 1, 1957, with respect to the operation of the amendments made by this act affecting minimum wage rates in Puerto Rico and the Virgin Islands, and such report shall include an appraisal of the progress being made toward the achievement of the 25 cents per hour increase in minimum wage rates provided for in section 8 (e) (3) of the Fair Labor Standards Act of 1938, as amended by this act.

SEC. 9. The first sentence of subsection (a) of section 10 of such act is amended to read as follows: "Any person aggrieved by an order of the Secretary issued under section 8 of this act (other than an order so issued under subsection (e) thereof) may obtain a review of such order in the United States Court of Appeals for any circuit wherein such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia, by filing in such court, within 60 days after the entry of such order, a written petition praying that the order of the Secretary be modified or set aside in whole or in part."

SEC. 10. The term "Secretary" as used in this act and in amendments made by this act means the Secretary of Labor.

Mr. BARDEN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARDEN: Strike out all after the enacting clause and insert the provisions of H. R. 7214 as passed.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The proceedings by which the bill H. R. 7214 was passed were vacated, and that bill was laid on the table.

Mr. BARDEN. Mr. Speaker, I move that the House insist on its amendment to the bill S. 2168 and ask for a conference with the Senate thereon.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The SPEAKER. The Chair appoints as conferees the gentleman from North Carolina, Mr. BARDEN; the gentleman from Pennsylvania, Mr. KELLEY; the gentleman from New York, Mr. POWELL; the gentleman from Pennsylvania, Mr. MCCONNELL; and the gentleman from New York, Mr. GWINN.

GENERAL LEAVE TO EXTEND

Mr. BARDEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks in the RECORD on the bill just passed, and that such Members who so desire may extend their remarks in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

RUSSIAN GOLD BONDS

Mr. FEIGHAN. Mr. Speaker, there has been a great deal of speculation in connection with the Four Power Conference now taking place at Geneva, Switzerland. Our able and energetic free press has carried feature articles on practically every possibility suggested by the latest Geneva Conference. Members of Congress have also contributed their views with every shade of opinion and covering most all the worthwhile prospects of such a meeting. All of this has served to keep the American people informed and more interested in what may actually come out of the Geneva meeting which can contribute to our objective of peace with freedom for all mankind.

With all this speculation and public examination of our prospects the strange case of the Russian gold bonds was overlooked. That is, it was overlooked by all except the New York Times, which carried an informative article in its issue of July 8 concerning that intriguing subject. The essence of that news report is that the speculators in foreign dollar bonds are confident that the United States and the leaders of the Kremlin will reach a meeting of minds on financial issues at the Geneva Conference. In fact their optimism has reached such a summit as to cause brisk trading in the long defunct Russian gold bonds purchased by certain United States banking interests during and following World War I. So brisk was the trading that reported gains on those dusty bonds reached the highest level in 10 years.

The speculators apparently have hopes that the Russian Communists will now agree to assume the financial obligations incurred by the tzar and those political opportunists who tried to hold the decadent Russian empire together after its collapse in 1917.

The Russian gold bonds stand as the symbol of those obligations as well as a record of what it costs anyone who bets on an imperial horse. It also seems apparent that the current speculators in Russian gold bonds feel the time has arrived when the United States will make further concessions to the Russian tyrants providing they are willing to pay off the debts of the autocrats who preceded them.

The American people should be better informed on the intriguing case of the Russian gold bonds. They should be told the full facts surrounding their issue, who purchased them originally, who comprise the chain of subsequent owners and who—directly or indirectly—holds an interest in them today. This would make a fine subject for the inquiring pen of an enterprising member of the free press. It should also be a subject of inquiry by the appropriate committee of the House.

EQUAL RIGHTS FOR WOMEN

Mrs. ST. GEORGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. ST. GEORGE. Mr. Speaker, 107 years ago today at Seneca Falls, N. Y., on July 20, 1848, there was held a meeting presided over by Susan B. Anthony "to discuss the social, civil, and religious condition and rights of woman."

As a result of that meeting the Constitution was amended, and women were given the right to vote.

Mr. Speaker, since being in the Congress I have worked long and quite hard, I may say, for the equal rights amendment. I think this is an appropriate time to tell the House that on February 8 of this year we had 156 sponsors in the House of Representatives for the amendment. Today we have 198, which shows that we are making progress, though very slowly. The sponsors come from both sides of the aisle, this is not a party matter.

Mr. Speaker, I would like to put the names of these new sponsors in the RECORD, and I would also like to include in my remarks some of the laws still governing the United States which would be changed for the advancement and betterment of the condition of women if this amendment goes into effect.

(The matter referred to follows:)

On February 8, 1955, there were 156 sponsors of the equal rights amendment listed in the CONGRESSIONAL RECORD. Since that time 42 Members have added their names to that list. These additional sponsors are:

California: WILLIAM S. MAILLIARD; JOHN J. ALLEN, JR.; CHARLES M. TEAGUE; EDGAR W. HIESTAND.

Connecticut: HORACE SEELY-BROWN, JR.; ALBERT W. CRETELLA.

Florida: JAMES A. HALEY.

Illinois: WILLIAM E. MCVEY; SID SIMPSON.

Iowa: KARL M. LECOMPTE.

Kansas: MYRON V. GEORGE.

Missouri: A. S. J. CARNAHAN.

New Hampshire: CHESTER E. MERROW.

New Jersey: FRANK S. THOMPSON, JR.; PETER FRELINGHUYSEN, JR.

New Mexico: JOHN J. DEMPSEY.

New York: FRANK J. BECKER; HENRY J. LATHAM; ARTHUR G. KLEIN; SIDNEY A. FINE; ISIDORE DOLLINGER; CHARLES A. BUCKLEY; PAUL A. FINO; ADAM CLAYTON POWELL.

North Carolina: THURMOND CHATHAM.

Ohio: A. D. BAUMHART, JR.

Oklahoma: ED EDMONDSON; JOHN JARMAN.
Oregon: SAM COON; HARRIS ELLSWORTH.
Pennsylvania: JAMES A. BYRNE; SAMUEL K. MCCONNELL, JR.; ALVIN R. BUSH.
South Carolina: L. MENDEL RIVERS; ROBERT T. ASHMORE.
Texas: JOHN DOWDY; CLARK W. THOMPSON.
Washington: THOMAS M. PELLY; HAL HOLMES.
West Virginia: ROBERT C. BYRD.
Wisconsin: LESTER JOHNSON.
Virginia: RICHARD H. POFF.

Total number of sponsors is 198.

The following changes have taken place recently: Texas has changed its laws since then and there will be a referendum vote on this subject in West Virginia in 1956.

Also, according to the law now in effect in North and South Dakota, a husband is not owner of his wife's earnings.

SOME NOTABLE DISCREPANCIES IN OUR STATE LAWS

Regardless of her health or safety, a woman may work 8 hours a day and 48 hours a week in one of the enumerated industries and then work as long as she wants to in an unenumerated industry or occupation in California. According to an opinion of the State attorney general, she can. California restricts women's working hours in specified industries to not more than 8 hours in 24 and not more than 48 hours in any 1 week. Special permits, however, may be issued by the Governor extending the working hours in defense industries, provided "such extension does not adversely affect the health or safety of the female employee involved"—but these provisions have no application to industries and occupations not enumerated in the law. Just how logical can the legislatures get in protecting women?

The husband gets half of the wife's personal property outright after debts are paid, and use of her real property for life, if a married woman dies without leaving a will in Alabama. The wife, however, if the husband dies without a will, is entitled to only a life interest or dower in half of his real property, if the estate is solvent and there are no descendants. If descendants or the estate is insolvent, the share is reduced. If there is personal property, the wife gets it all after debts are paid only if there are no children. If there are children, she gets a child's share.

The father has preference as guardian of the children during marriage and the law gives him first right to the custody of the minor child's person, services, and earnings in Alabama, Georgia, Michigan, North Carolina, Oklahoma, and Texas.

Because of sex, the appointment of a woman to positions of trust, such as executor or administrator, is limited in Idaho, Nevada, Oklahoma, and South Dakota.

Court sanction and, in some States, the husband's written consent are necessary before a wife may go into independent business if she is to keep the profits for her own account in five States: California, Florida, Nevada, Pennsylvania, and Texas. These are known as free-trader statutes.

Clean and pure water and drinking cups or sanitary fountains where women are employed are required by Delaware law in every mercantile, mechanical, transporting, or manufacturing establishment, laundry, bakery, printing, and dressmaking establishment, place of amusement, telephone or telegraph exchange, hotel, restaurant, or office. Furthermore, no employee shall be charged for ice or water furnished for drinking purposes. Apparently the law was not concerned with thirsty male employees.

Where females are employed in establishments in which poisonous fumes or gases are present, or in which poisonous or injurious dust, lint, or particles of material are created by the machinery, or by the material in the process of manufacture, there shall be provided proper hoods and pipes connected with exhaust fans of sufficient capacity and the fans shall be kept running as long as necessary to keep the harmful fumes and materials out of the air. This is in Delaware, too, with all its chemical plants. It seems a bit odd there is no similar law safeguarding male employees.

A wife is required to prove ownership of her earnings in Virginia in any contest between her husband's creditors and herself.

A wife is required to place on public record a list of her separate personal property in order to protect her rights of ownership if the property is seized by the husband's creditors on the assumption it is his property in Arkansas, California, Idaho, Massachusetts, Montana, Nevada, Oklahoma, and South Dakota.

Texas limits the right of a wife to sue and be sued on her separate property, and the husband must sue for or with the wife even though he has no right of ownership in the separate property, except that she may, on court authority sue alone if he neglects or fails to do so.

To make a valid will a woman must be 21 years old in Missouri, but a man can will personal property at 18 years.

The widow may have a life interest in only a part of the husband's lands if he dies without leaving a will and there are children or their descendants in Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Illinois, Kentucky, Montana, New Hampshire, New Jersey, New York, North Carolina, Oregon, Rhode Island, Tennessee, and Wisconsin.

The widower may have a life interest in all the wife's lands in Alabama, District of Columbia, Missouri, New Hampshire, New Jersey, North Carolina, Rhode Island, Tennessee, and Wisconsin.

LEGISLATIVE PROGRAM FOR THE BALANCE OF THE WEEK

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I would like to ask the majority leader if he is in a position to inform us as to the further program for this week.

Mr. McCORMACK. I will be very happy to. Tomorrow there are two bills: H. R. 5614, to amend the Communications Act of 1934, and H. R. 6373, extension of the Minerals Program Act. With the completion of those two bills, that will complete the legislative program for this week. If those two bills are completed, and I expect they reasonably may be, I shall then ask unanimous consent for the House to go over until Monday.

Mr. ARENDS. I thank the gentleman very much.

COMMITTEE ON BANKING AND CURRENCY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tonight to file a report on S. 1894, the International Finance Corporation bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SPECIAL ORDERS GRANTED

Mr. ELLSWORTH asked and was given permission to address the House for 15 minutes tomorrow, at the conclusion of the legislative business of the day and any special orders heretofore entered.

Mr. SMITH of Mississippi asked and was given permission to address the House for 15 minutes on Thursday, July 21, at the conclusion of the legislative program and any special orders heretofore entered.

Mr. FEIGHAN asked and was given permission to address the House for 5 minutes today, at the conclusion of the legislative program and any special orders heretofore entered, and to revise and extend his remarks.

Mr. WILLIAMS of Mississippi asked and was given permission to transfer the special order granted him for today until tomorrow.

SPECIAL ORDER TRANSFERRED

Mrs. ROGERS of Massachusetts asked and was given permission to transfer the special order granted her for 5 minutes today to tomorrow, following any special orders heretofore entered.

COMMITTEE ON AGRICULTURE

Mr. ALBERT Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file reports on the following bills: H. R. 6815, S. 1166, S. 1759, and H. R. 7302.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

TWENTY YEARS OF PUBLIC SERVICE

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. KELLEY], the gentleman from Colorado [Mr. ASPINALL], the gentleman from Michigan [Mr. HAYWORTH], and the gentleman from Louisiana [Mr. HÉBERT] may be permitted to extend their remarks at the conclusion of my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I find it one of the most rewarding experiences of a long, and I like to think, arduous and fruitful public life, to reach down among modest and unsung servants of the public interest and single them out for special commendation. This month of July 1955 marks the 20th anniversary of an extraordinary record of service for the Congress of the United States—both the House and the Senate—by two remarkably gifted and dedicated people. Twenty years ago Robert Joseph Coar came to Washington on a private mission involving the installation

of a recording unit for the Federal Communications Commission. The late Senator Arthur Capper, of Kansas, was perhaps the first to persuade Coar to set up shop in Washington for the convenience of Members of Congress who saw in radio and—later—television, a new and compelling approach to the American people. Today I like to boast that I was among those who out of a wide variety of contacts recognized the special proficiency both of Mr. Coar and his wife and teammate, Helen Badgley Coar. This proficiency—which expressed itself in attention to detail—made them invaluable for Members of Congress in the highly technical new devices of modern communication.

Those of us who found the microphone strange and often baffling—especially in its early days—received from Bob Coar and Helen Coar the kind of guidance and even respectful criticism called for by the needs of the situation. They provided a form of schooling for many of us in just how to get the most intelligent results out of the new phenomenon so that we could, at one point, record the human voice, and at another, as needed, broadcast it to a district, or a State, or the whole Nation. Many of us today know full well how indispensable this service is to the difficult and continuous task of informing the American people on the problems and the operations of their Government. It is an added liaison between the Congress and the people of the United States that has performed an extraordinary role in bringing Government and Government leaders nearer to the American people. It has enabled us to get directly to the people, free of the peril of distortion, exactly what we think and not what others say we think. The words are our own words in our individual voice, and not our words reported by those who, innocently or wantonly, misrepresent our utterances.

ROBINSON-PATMAN ACT

The first bill, which was introduced, which resulted in the passage of the Robinson-Patman Act, was H. R. 8442, introduced June 11, 1935.

In June and July of 1935, efforts were made by me and others to launch a campaign for this proposal on a nationwide basis. We had the help and cooperation of a number of groups, including retail druggists and grocers, wholesalers, agricultural groups, and others.

One of the first jobs performed by Bob Coar, when he came to Capitol Hill, July 20, 1935, was a recording, which was used to make duplicates to be sent to radio stations throughout the country, advocating the passage of this bill. From that very day until the law was finally enacted, June 19, 1936, the radio facilities under the direction of Mr. and Mrs. Coar were used generously in this campaign. I cannot say that we would not have won without the use of these facilities, but I can say that it is doubtful that we would have won so quickly on such an important fight and it is possible we would not have won at all. Our main problem was getting the message over to the people. Radio was one of the best means of communication at that time and greatly aided and assisted our efforts in that direction, so it can be truthfully said that one of the first jobs performed by the radio facility made a substantial contribution that led to the passage of the Robinson-Patman Act.

The Capitol of the United States and this Government would have had radio and television to serve it, in any event. But the transition for many Members of Congress from the printed word and the direct and visible audience, to radio and television, would have been enormously more difficult, less effective, more cumbersome, and hopelessly frustrating and irritating, without the special contribution that the Coars have made during the past two decades. They gave us the best that the science of electronics had to offer on the technical side, and they combined that with encouraging the best results from the standpoint of voice, delivery, and often the spoken content. Mrs. Coar was certainly helpful not only in the needed arts of makeup which sometimes is demanded by television, but she was also, with Mr. Coar, useful in the editing of literary material to meet time limitations and other considerations.

What particularly brought their unique expertness to our attention was the contrast between the results they achieved and the consequences of appearances and recordings where their special ministrations were absent. It was because of the Coars that the Congress of the United States had early and always at the peak of developments the service of radio and television for the dissemination of governmental information in the public interest. I wish it were possible to estimate in some tangible form, like a statistic, the superb role the Coars played in the last 20 years in raising the level of public education in public affairs. It is precisely because of the strategic job they did in building the patterns for radio and television broadcasting by Members of Congress to their constituencies that I found it useful for the country to help them as much as I could, with others, in becoming established here in the Capitol. We all know how much they did in the way of innovations that gave us panel discussions when, as of then panel discussions from the Capitol were practically unheard of. They made the arrangements. They did the programing. They did the administrative work. And after that they did the sound and engineering jobs that had to go with it, or they superintended their details.

I doubt if today, relatively, there are many radio stations in the whole country busier than the congeries of studios over which the Coars now preside in the Capitol. It was in the nature of their achievement when radio and television were transformed in 1947 from a private fee-receiving function to a separate legislative Government agency, that the Coars should be retained as the managerial team. The wisdom of that 1947 decision, made by the Congress, has borne fruit in the remarkable improvements that have been instituted since then with Mr. Coar as coordinator and Mrs. Coar as director of the Joint Senate and House Recording Facility.

It was inevitable, of course, that the stress and strain of the job, the need for speed and accuracy, the attrition of an accumulation of requests and conflicts of schedules, should have their impact on this tireless and dedicated couple. It is perhaps in this area where they deserve the greatest tribute. For who knows better than the Members of this House the meaning of pressure, justified pressure, pressure that is inevitable, that is inherent in the circumstances, but pressure nevertheless. The Coars met this problem, too, and did their best in such a manner as to win the respect and admiration of their congressional clients. More than that their basic sense of the rightness of things kept both Mr. and Mrs. Coar free of political involvements or partisan bias. Both Democrats and Republicans found them correct in their deportment and impartial in their service.

I repeat that I find it one of the most rewarding experiences, as a veteran in public life, to stand here on the floor of the Congress and acknowledge the contribution to public information and the enlightenment of the people made in the last 20 years by Robert Joseph Coar and his wife, Helen Badgley Coar.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BROWN of Ohio. Mr. Speaker, I join with the gentleman from Texas in paying tribute to Robert and Helen Coar on the completion of 20 years of service to the Members of the Congress in the field of radio and later, of course, in the field of television. For the past 17½ years, I have used regularly each week the facilities of the radio and television center here on Capitol Hill, under the control and direction of Mr. and Mrs. Coar. I recall very vividly, as though it were yesterday, the early days of making recordings here on Capitol Hill to send back home to my State and district in which I attempted to discuss what had gone on in the Congress and in our Nation's Capital. In those days there was one room up on the fourth floor, as I recall, which was partitioned off with burlap drapes or cloths to quiet the sound. There was an old-fashioned microphone on a little bit of a desk in one corner of this partitioned-off room, and then through a glass panel you could see, of course, the transcribing equipment on which the radio talks were transcribed on the old-fashioned platter or disk which sometimes broke in the mail in transit back to our home districts. Of course, that was quite a catastrophe. But I have watched this facility develop and grow and expand as the demands not only of the Members of the Congress, but the demands of the public caused it to grow. I think, perhaps, one of the best things we do here on Capitol Hill is to use these facilities to send back to the people at home a message each week at least as to just what we are doing because we do represent our people in this representative body and we are responsible to our constituents for our actions. To send back to them a report on the things which they are interested in and on the activities in which we are engaged, I think makes

for closer contact between the Members of the Congress and the people they represent. Any closer contact between the people and their representatives in the Congress of the United States is a good thing. It is a helpful thing. It brings about a mutual understanding. It enlightens, I think, quite often the people back home as to what some of the real national problems are which confront us here on Capitol Hill. It has been my experience, Mr. Speaker, that such reports, which are usually made in a nonpartisan way, are very helpful to our national life. Certainly, throughout the years, those of us who have used this radio and telecasting facility here on Capitol Hill have found that often we are placed in a rather embarrassing position as to time limitations. Sometimes we are required to change our engagements for recordings or televising.

Perhaps that is necessary because of votes on the floor or late sessions or because of travel arrangements, but it has always been my experience that Mr. and Mrs. Coar have always been very thoughtful and helpful in their efforts to work out these situations for the benefit of the individual Members of Congress.

I remember that one time I had the misfortune to fall and break a leg and was confined to my apartment. Lo and behold, without any request upon my part, rather than see me miss my weekly broadcast back to my home folks, Mr. Coar brought out equipment that could be moved handily in a car, lugged those heavy cases in and set up his equipment in my own apartment and I made the broadcast record. He did that not once but several times.

I recall another time when I was in the hospital following an operation. They came to the hospital to get my voice recorded.

These two fine people have been very helpful to me and I think it is a splendid thing. I want to congratulate the gentleman from Texas on taking time out of our busy schedule to compliment these good folks and pay tribute to them on 20 years of really valuable service not only to the Members of Congress but also to the people of the United States.

Will the gentleman yield for a consent request?

Mr. PATMAN. I yield.

Mr. BROWN of Ohio. I ask unanimous consent that the gentleman from California [Mr. SCUDDER] may extend his remarks at this point on this subject.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SCUDDER. Mr. Speaker, I wish to add my congratulations and appreciation to Mr. and Mrs. Bob Coar in commemoration of the 20th anniversary of their faithful and conscientious service to Members of Congress.

Under their able leadership and direction, the radio-recording facility has grown from a small beginning to a major activity which, in later years has seen the addition of television.

I am among those who make regular use of the radio and television facilities. The people of my district look upon these broadcasts and telecasts as a desirable public service activity of their Representative in Congress—a sort of personal explanation and diagnosis of what is taking place. Surely a real example of the importance of this information facility developed largely through the efforts of Mr. and Mrs. Coar.

Many times Helen and Bob Coar have given freely and graciously of their advice and assistance in the preparation and improvement of these programs.

To them I extend my thanks, and the anticipation for many more years of pleasant association.

Mr. THOMPSON of Texas. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I am glad to yield to the gentleman from Texas.

Mr. THOMPSON of Texas. It is an unusual pleasure for me to be able to join in this tribute to Bob and Helen Coar, who have become not only my very wonderful helpers, but also my very warm friends. As I look back over the years I have been in Congress and realize that had it not been for them I would never have been encouraged to send my transcriptions back to my district each week—as I look back on that I have a great feeling of gratitude to them.

Many nice things have already been said about the Coars; if I should repeat those which have happened to me I think it would be fulsome. I do want to point out, however—and I think this is quite important—that we have at our command a new medium of communication, television. Those of us who have been using radio for some little time regard ourselves as old masters, but television that goes to our local stations and into the homes of our constituents is something that can trip you up.

When the history of what the Coars have done is written, the page covering television is going to be written in brilliant letters because they have made it possible for us to go and sit down in the living room with our constituents and talk with them just as though they were across the desk from us. Truly they are friendly and helpful. If you go in there with a friend to go on your television program, Helen looks her over if there is a lady—maybe she looks the men over too, but I am speaking particularly of ladies—and if there is a little shine on the nose Helen guides her very gently into a room across the hall and touches her up and brings her in looking exactly right.

Truly I hope that some day we will write the whole story of the Coars. I think it will be said that without them we would never have had the contact with our people through either radio or television that we have today. I have never known a truer public service than that which they render, not for personal profit to themselves, because they are paid salaries and that is all, but for love of the work and for the feeling that they are rendering a service. I am happy to be with them on this 20th anniversary to help them celebrate it. I hope they serve here for 20 years more and I hope I will be here to celebrate with them at that time.

Mr. SCOTT. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Pennsylvania.

Mr. SCOTT. I also want to congratulate Bob and Helen Coar on their 20th anniversary with us, putting up with the Members of this body and the other body, with all of our problems, cancellations, and difficulties in meeting schedules. I want to pay tribute to their courtesy, to their thoughtfulness, to their patience, and to mention that in addition to the services which have already been referred to in the preparation of the broadcasts and telecasts to one's home district, there are some of us who come from the cities where it is difficult for us to have a regular program. There we are more apt to call on them for help in forums, group discussions, or acting as guests on some other Member's program or doing some brief short, either as a public service or for some purpose related to our district or to our State. In all of these manifold matters the help and the guidance, the advice and readiness to be available to all of us, is invaluable and I know that we all sincerely appreciate and warmly congratulate Bob and Helen Coar on the completion of the second decade of their useful service.

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Missouri.

Mr. BOLLING. Mr. Speaker, it gives me great pleasure to participate in this recognition of the invaluable service that Bob and Helen Coar have rendered not only to individual Members of the House and Senate but also to the districts and States represented by those who have used the radio and television in reporting to their people. Their services to me, their friendship and advice, have been absolutely invaluable. I cannot express too strongly my thanks to them for their great help and service. I am delighted to join briefly in the remarks of the other gentlemen who have spoken.

Mr. SCHENCK. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Ohio.

Mr. SCHENCK. Mr. Speaker, I want to associate myself with the splendid remarks that have been made by the distinguished gentleman from Texas and my other colleagues here in the House on the anniversary of Helen and Bob Coar and this great system of broadcasting which they supervise. These two people have done a great job not only for us in the House but, as has already been ably said, for the people of the country.

I would like to express my personal appreciation for their warm friendship, for their assistance and for their ability to surround themselves with a technical staff that has always been willing to assist in every possible way. So may I join with my colleagues in an expression of sincere appreciation for the work and service of Mr. and Mrs. Coar and for the opportunities that we have had with them here in the Congress of the United States.

Mr. PHILBIN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Massachusetts.

Mr. PHILBIN. Mr. Speaker, I am pleased to join with my colleagues in paying a well-deserved tribute to the Coars, Bob and Helen, on this 20th anniversary of their work on Capitol Hill for Members of the House and the Senate.

The vision, the untiring labors, the enthusiasm of Bob Coar in bringing about the splendid radio recording and film making facilities to which the Congress now has access have proved to be not only a good investment for the Members, but also for the American people. Those Members who furnish the radio and television stations in their districts with weekly broadcasts have been able to keep their constituencies fully abreast of Washington events. The American people have the opportunity to obtain firsthand information about Washington developments which have a specific and direct bearing on the area in which they live. They are kept informed on key congressional issues and Federal policies which affect them.

While the radio and television industries have been most cooperative in making free public service time available to Members of Congress for such broadcasts, it should be made clear that these recordings and films for television use must be paid for by the individual Congressman from his own funds. The establishment of the joint recording facility by Bob and Helen Coar has made it possible for Congress to make these films and recordings for radio use with the least interference in the normal working day. Instead of losing time by going downtown to one of the recording companies, a Member can adjust a broadcast of this kind between his regular duties with very little loss of time.

I do not make regular use of the joint recording facility. Many Members use it once or more a week while the Congress is in session. Others do not use it at all. But it is a service for Congress that is there, ready for immediate, convenient use whenever the occasion demands it. Naturally, those Members with regular broadcasts have got to know how cooperative, how efficient, what exceptionally fine people the Coars are. The Coars know the sound business, whether it be recordings for radio use or sound on film for television use. Their talents and abilities are there for Congress to command and we are all fortunate to have their services available to us.

As an occasional but very appreciative user of the radio broadcast facilities on the fifth floor of the Old House Office Building and the film making studio on the first floor, I am literally amazed how quickly and expeditiously the joint recording facility does its job. Perhaps if I were making use of the facility on a regular basis, I would take it for granted that the service is efficient and rapid.

I can recall one occasion when one of the radio stations in my district sent me a telegram for my recorded views on some issue then facing the Congress. The wire arrived shortly before noon, a few minutes before the call of the House. A phone call to the recording facility disclosed that one of the broadcast booths was free and a recording engineer available. A 5-minute recording on tape was made by me and then played back to me before packaging. On my way to answer a quorum call shortly after 12 o'clock noon, I was able to drop off at the House post office the package of tape airmail special delivery to the radio station. The broadcast was aired by this station the next morning.

Another example of the fine cooperation I have received from Bob and Helen Coar and all the people of the joint recording facility is brought to mind at this time. It was late afternoon during a session of the House, and it was necessary for me to complete a short film interview for one of the Massachusetts television stations. A rollcall was in progress and it was impossible for me to get to the film studio for the time of my appointment.

The Coars rearranged my appointment for filming to the Senate studio in the Capitol, and I am thankful to this day to Ken Adams, the cameraman who has since gone to a better job, and Ed Potter, the soundman, who waited for me beyond their normal working day so that I might comply with the request I had received from the television station for a film. Ken Adams left the facility in February in order to take advantage of a better paying job in private industry. He is a Massachusetts boy, and I know that all his friends on Capitol Hill join me in wishing him well.

In joining my colleagues in this tribute to Bob and Helen Coar, I would be remiss indeed if I did not mention the other good folks who make up the staff of the joint recording facility. In the radio recording part of the facility, there is my friend, Clarence "Pete" Bouchard, who comes from New Bedford, Mass. He is recognized as one of the best sound men in the business and is especially adept at tape editing and the dubbing in of background music on a sound track. He is ably assisted by Paul Clark and Fred Lopez in the sound room. Max Esper is the cameraman who has replaced Ken Adams and with Ed Potter, the soundman for films, these two are responsible for the excellent work being turned out by the film studio.

Way down in the basement of the Old House Office Building is the cubicle housing the film laboratory. There Bill Koster, a young man whose friends claim was born with a film splicer in his hand instead of the proverbial silver spoon in his mouth, does all the editing required before the films are ready for final projection and shipment to the television stations. Joe Johenning does the film processing and between these two, it is a common occurrence to see anywhere from 10 to 15 completed film shows turned out in 1 day, an accomplishment which is difficult to achieve by some of the largest film laboratories with far more elaborate equipment and personnel.

The joint facility staff on the House side is rounded out by Joe Peltes, projectionist and handyman in the sound room; Charles Campbell, the man who sees to it that all Congressmen are regularly billed for the facility's services; and charming Mrs. Betty Johenning, the receptionist who assists Mrs. Coar in working out the congressional appointments for radio recordings or films.

Congress is fortunate indeed to have such employees as these. We can well be proud of them. Let me congratulate the Coars and their staff upon this very happy anniversary and wish for them all very many more years and constructive work for the Congress and good health and happiness in the years to come.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. Mr. Speaker, I am very happy to join in this tribute to two wonderful people, Mr. and Mrs. Robert Coar. Prior to 1949 I had received letters about their work and suggestions that I participate in the making of programs for back home. I was rather reluctant to do so at first. I must admit that I suffered a little from microphone fear.

In 1949, however, after talking with Mr. and Mrs. Coar I decided to try it. From then on I have received all kinds of encouragement and help from both of them.

In the beginning when I did not know what to do about an interviewer, Mr. Coar, when I had difficult programs or ones that might be difficult, acted as my interviewer. If I got into trouble he would take me out immediately. I do not recall having to make a platter or record over. It was not very long before, under his tutelage, I was able to use my secretary, Millard Carlisle, as my interviewer. I am still doing that. I always feel, however, that at any time I want advice or suggestions on what to do I can go to either Bob Coar or Mrs. Coar or to any member of their wonderful staff of helpers in the radio room here in the House Office Building.

The same thing applies to the few times I have appeared on television, and I just cannot be too grateful for the wonderful assistance they have been to me. Possibly I will be pardoned by Mrs. Coar for stating what happened in a conversation I had with her up at the studio several years ago. I had learned that as a child or early in life she was an actress. She had been in the movies in Hollywood. And, I said to her, "Mrs. Coar, I understand you used to be in the movies. Which did you find the most interesting? Which did you like best, your work in Hollywood or your work here?" And instantly she said, "Oh, my goodness, there is no comparison. This, by all means. Hollywood is just make believe. This is the real thing. Why, you Members are all actors, and you do not realize it." I thought that was quite a tribute and quite a compliment to all of us. I did not ask her permission to say this, but I know she will not object. I wanted to pass it on to you.

In closing, I want to pay another tribute to them, and that is that their radio and television recording studios combined is one agency of the Government operating in the black. What they do is not only not costing the taxpayers any money, but it is making, I understand, over $10,000 a year for the United States

Government. That, in itself, aside from their being two wonderful people, is a great tribute, and I am happy to join in wishing them well for all time.

Mr. PATMAN. I thank the gentleman.

Mr. Speaker, I yield to the gentleman from Alabama [Mr. BOYKIN].

Mr. BOYKIN. May I say to the gentleman from Texas [Mr. PATMAN] that I think this is a great thing to do for two of the finest people I have ever known in my life. I met Bob and Helen when they first came to Washington. They were not married then, but years ago they were and now have four very beautiful children. I have never used the facility, but I go to see them all the time. Bob is a wonderfully fine father, and Helen is a marvelous mother.

I want to tell you some of the things that they have done that have made it easy for all of us, and I consider they are just a part of this Congress. I do not know how we could get along without them. I see the gentleman from Massachusetts [Mr. MARTIN], that wonderful man, over there that I always said would make such a great President of the United States. I see him smiling. I know what he thinks of them. We had a party for JOE about 4 or 5 weeks ago, and Bob was there with his little son, who was not born when Bob first started here, and he helped make the recording. Joe has not heard it yet, because he could spend only an hour with us. And, as we went down the Potomac and got well underway, about 55 to 60 Members, Democrats and Republicans, talked about JOE MARTIN. It happened, too, on that particular trip that we also talked about Bud Delano, a great man who has meant so much to us, and the next day when we returned he made a great recording about Bud Delano. Bud later had a stroke, and I do not know whether he has as yet heard it or not. But you all recall the party that I gave for that great leader, SAM RAYBURN. We had there what Vice President BARKLEY said were men who represented about a billion and a half people. Well, we made a recording of everything that was said. When Joe was Speaker we gave him a party on Bud Delano's yacht. Well, on the great party we gave for Sam we tried to get everybody together, not only the Democrats and the Republicans, but we had representatives there of every nation on earth, and even invited the Russians. Practically all present made speeches and it was wonderful. I have never had such a great time and had so many thrills in my life. Sam did not know that we were making a recording of it. There was JOE MARTIN'S speech; there was JOHN MCCORMACK'S speech, and all the great leaders of this earth. There was the great Chief Justice, now deceased, Mr. Vinson. And, DEWEY SHORT was there and made a great speech, and you know he can make it better than anybody else on earth, and he was talking about everything imaginable. Well, Sam had never heard the recordings. So, we had this great and able leader who is sick, LYNDON JOHNSON, and he said, "Sam, do not listen to them. You know those speeches were never made." And, I said, "Bob, where is Lyndon's speech?" And, Lord bless you, you know there was Lyndon's speech, and then we put on the recording he made about SAM RAYBURN. I want to tell you that none of these recordings could have been made had we not had both Helen and Bob.

Now we have four more of the Coars. They were all in my place the other day. I gave the children a little rocking horse. They all came back to see if they could each get one. I did not have but one horse, but I am going to get them all one.

Helen and Bob are really and truly two of the finest people I have ever known. I should like to tell you another little story that my friend, Mr. Cunningham, told me about Helen when she was in the movies. She is still in the movies because she is still doing such a great job. But it is not "put on," it is natural. But I should like to tell you this. Right where the gentleman from Texas [Mr. PATMAN] is standing, we christened their first child, right here in the well of the House. It was against the rules, but we had Bob's father here, who was a preacher, and he christened this baby in the well of the House.

After we did it, they passed a rule that it could not be done again. But that is what happened.

It has been such a pleasure to work with these fine people and to work with all the great men here. They have helped us. They are two people on this earth who have not hurt anybody, but who have helped everybody. I hope we can go along with them not only in this world but in the world to come. God bless them and God bless you, Mr. PATMAN, for making it possible for us to have a record of a few of the things that these two great people, Bob and Helen Coar, have been doing for so long.

Mr. PATMAN. I thank the gentleman from Alabama.

I yield to the gentleman from Oregon [Mr. ELLSWORTH].

Mr. ELLSWORTH. Mr. Speaker, I want to add some words of mine to what has been said about Mr. and Mrs. Coar on the occasion of the 20th anniversary of the installation of the radio and television recording room here on Capitol Hill.

I have never worked with nor known nicer or more friendly people in my life than Mr. and Mrs. Coar. I can say the same for the splendid associates and assistants they have in this radio-recording room.

I, like the other gentlemen who have spoken here, was a neophyte, and I still am, in the matter of making radio recordings or television recordings. But the Coars were so helpful and so courteous and so cooperative that they have made the job of beginning to be seen on a television film interesting and sometimes even enjoyable.

Also I think it is remarkable that this institution that they operate, running it as they do, so efficiently, and giving such wonderful service, is being run and the service is being rendered to the Members of the House of Representatives and the Senate of the United States without any cost to the taxpayers. The individual Members, of course, pay for their recordings. But this service does not cost the people of the country in taxes a single penny.

As the gentleman from Iowa [Mr. CUNNINGHAM] has stated, there is a little left over that goes into the United States Treasury, because of the excellent management by Mr. and Mrs. Coar of this facility. I think that in itself is an achievement in addition to the excellence of the product that they put out. I want to say that I believe the television film that they are making now compares favorably with the very best that is made in the entire industry. I have been told that by the television station operators who run the film that I sent them.

So again, Mr. Speaker, I want to say that the Members of Congress are fortunate indeed to have Mr. and Mrs. Coar here operating this service. I think we ought to be congratulated upon this 20th anniversary, as well as congratulating the Coars.

Mr. PATMAN. I thank the gentleman from Oregon [Mr. ELLSWORTH].

I yield now to the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Speaker, I want to congratulate the gentleman from Texas [Mr. PATMAN], for making it possible for us to have this opportunity to pay tribute to Mr. and Mrs. Coar, to Robert and his lovely wife Helen. It is proper that that should be done, because we should give honor to whom honor is due. They have done a lot for us.

Recently, as we all recall, we had the Flag Day ceremonies here. I went to their quarters and we made a telecast of the Flag Day ceremonies. In that telecast we had the Archivist of the United States, the heraldyman from the Army, for the showing of the flags, and we had the presentation of the song that was written for the occasion by Irving Caesar. Then we took them out to the barracks and the Singing Sergeants sang that song accompanied by the Air Force Band.

I sent this transcription to the Detroit News, station WJI, and yesterday I received a letter from them praising it, saying it was a wonderful public contribution, ranking with anything they receive.

So the work of Mr. and Mrs. Coar is really scientific. It is well done. It is complete. We are very fortunate to have the two of them.

Yesterday I placed in the CONGRESSIONAL RECORD the article that appeared this week in Roll Call, this new little paper that is being published covering activities on the Hill, that was written by Al Lista. It more or less covers their lives from the time they started in this type of work, and the difficult days they had before they took up this work on the Hill. But today they are on top of the world, and everybody in both bodies of Congress respects them, admires them, and finds them real coworkers in the tasks at hand.

Mr. PATMAN. I thank the gentleman.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Massachusetts.

Mr. MARTIN. I am delighted to join with the distinguished gentleman from

Texas and others in paying just tribute to Mr. and Mrs. Robert Coar. For 20 years they have served Congress and the country with faithfulness and a conscientiousness seldom seen in public service. I think they have done a remarkable job as they have sold—and I say it advisedly—the work of the Congress to the American people, because through their efforts we have been able to tell the story of what is going on in this great institution of ours.

These people who have blazed the way and made it possible for us to tell that story to the American people deserve our warmest congratulations upon this their 20th anniversary. I am sure it is the ardent wish of all of us that they live 40 years longer and continue to be fine, faithful, upstanding American workers.

Mr. PATMAN. I thank the gentleman.

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KELLEY of Pennsylvania. Mr. Speaker, may I join with my colleagues and extend heartiest congratulations and all good wishes for the future to my friends, Helen and Bob Coar, true pioneers of radio and television, who celebrate their 20th anniversary in this field.

The tables have turned and we salute them. They have done so much to help us make the best appearance before our constituents and are therefore most deserving of our appreciation and true affection.

Mr. ASPINALL. Mr. Speaker, I should like to add just a few words of praise to the many that will be offered today to Bob and Helen Badgely Coar as we take note of their 20 years of service here on Capitol Hill.

Seldom do individuals become so well accepted in their time as to be almost an institution, but the service of the Coars to the Members on the Hill has become so much a part of the scheme of things here that it would not seem—and indeed would not be—right without them. For those not acquainted with the press of conflicting calls upon one's time here on the Hill, there may be less appreciation of the special talents it takes to earn the place that this man and wife team has achieved, but for those of us here who have canceled appointments, dashed in late for others, and wanted some on short notice, this service has a special place.

I wish to compliment the initiative, the energy, and the outstanding service that the Coars have rendered in their self-supporting radio and television facility for the Congress. I wish for them the best that can be had, even to the extent of a few days that run on schedule.

Mr. HAYWORTH. Mr. Speaker, for two reasons I am eager to join in this commemoration of the work of Mr. and Mrs. Robert J. Coar. In the first place with 4 radio and television programs a week during the past 6 months I have seen a great deal of both Mr. and Mrs. Coar and of the Joint Senate and House Recording Facility.

In the second place, I have had a deep interest in radio and television throughout almost all the years we have known these two mediums—going back to 1925 when I first served as a radio announcer.

As one who was once a technician in the field let me point out that in the modest surroundings of the Joint Senate and House Recording Facility we enjoy a technical competence for which we, as users of this facility, ought to be everlastingly grateful. Microphones and tape machines and turntables, like other delicate machinery, are constantly in need of attention. In our studios the equipment is always in tip-top condition. I also like that clean precision with which tapes and film are edited, and opening and closing announcements dubbed in. In both radio and television I have seen Mr. Coar refuse to accept something most people would consider entirely satisfactory, but which he knew was not quite up to the exacting standards of the profession. Others might have said, "That's good enough to get by." But not Bob Coar. When we Members send a tape or a film back home we know that we are sending a product that measures up technically to the best the industry has to offer.

But there is something even more important than technical competence—something infinitely harder to achieve. That is the spirit which Mr. and Mrs. Coar have built into the organization. It is a friendly outfit. I like to go into their studios—their offices. Over the past 6 months, while in the midst of recording programs, I have been guilty of many mistakes—little foolish fluffs of one kind or another—which threw the whole thing off, and made it necessary to go back and pick it up again. And even though the studio may have been behind schedule, and other Members waiting to record their programs, no one on this very capable staff of Mr. Coar ever gave the slightest indication of impatience. Rather, my self-confidence was picked up, perhaps, by a bit of humor and a wisely cheerful voice, so that the next time through the words of the script fell easily into a meaningful pattern. And believe me, this friendly, tolerant spirit has nothing in it of lackadaisical inefficiency. I know you, like myself, have been amazed at the alertness and manual dexterity of the young men presiding over the battery of tape machines in the attic of the Old House Office Building. I have been behind the scenes in scores of radio and television stations—some of the best the industry has to offer. And nowhere will you find a more efficient operation than we have in our joint Senate and House recording facility.

Beginning with the famous fireside chats of President Roosevelt down to this year of 1955 when President Eisenhower initiated televised news conferences we have seen an increasing awareness of the tremendous value of radio and television to the principles of democratic government. I am confident that Members of Congress have scarcely made a beginning in using these media to give the people in their districts week-to-week developments taking place in this legislative body. As the years go on the joint Senate and House recording facility will be used more and more to bring to the voters a greater understanding of the problems facing us in this Chamber.

Mr. and Mrs. Robert Coar, in their devoted service, are making a mighty contribution not only to us, but to the cause of democratic self-government. My understanding is that plans are now in the making so that the House of Representatives may have more office space. In those plans I hope the growing needs of radio and television will not be forgotten.

Mr. HÉBERT. Mr. Speaker, it has been good knowing Bob and Helen Coar.

For the past 20 years they have contributed to the membership of this House far more than the membership can return to them even with this most fitting and merited tribute.

Many Members who are here today owe their presence to the assistance which the Coars have given them through the medium, first of radio and now in television. Television, in particular, I believe, we will readily admit has revolutionized the art of politics and the conduct of campaigns. Bob Coar did not wait for television to come to the Members of this House. He brought television to them with the same progressive spirit in which he brought radio to them 20 years ago.

I know because I had the privilege of being among those who stood in the dinky little room on the fourth floor of the House Office Building, flanked by simple monk's cloth for acoustical effect and spoke my piece before the old fashioned round microphones of the period.

I feel like I grew up with the Coars in this business. I ran the whole gamut of the radio. First the weekly reports from Congress and then the daily reports and now the television show, a show, which incidentally was given high praise in an edition of Variety several weeks ago.

There never has been a time when either Bob or Helen Coar was not ready and willing to cooperate and assist any Member, Democrat or Republican, in doing a good show for the folks back home. Many are the radio shows on which Bob Coar appeared as the Voice From Washington for the constituency back home. Many are the radio and television productions which Bob Coar arranged with the fine finesse of the expert he is.

Personally I have had far more of my share of cooperation both from Bob and Helen Coar and those splendid and talented assistants in the radio and television rooms who do the actual recording televising. They all make a great team.

Long would be the recitation of the special effort which Bob Coar has given to my problems and while personal in nature to me and my programs, I think they reflect the general rule of the radio and television facility under the Coars.

Let us never forget that it was Bob Coar who brought radio and television to Capitol Hill. Let us remember that it was Bob Coar who, at the proper time, set forth the plan to make the facility a

Congressional operation under the jurisdiction of the Congress.

We, as Members of Congress, have a pact with the Coars, a pact which I hope will be strengthened through the years as their work becomes more and more evident and the fruit of their labors becomes more and more abundant.

Words, phrases, accolades—all are so feeble and inadequate to say what I would really like to say about Bob and Helen Coar today.

Suffice it to say that they have become an institution of Capitol Hill, a part of the Congress and its daily life. I hope that the future will further cement the ties which bind us to them.

These have been twenty wonderful years for both the Coars and the Congress, 20 golden years. I hope to share with them their silver anniversary of 25 years on Capitol Hill and I hope those who are younger and who are here today will be here to acclaim their golden anniversary of 50 years of service to the Members of Congress, to all Members of Congress past, present and future whether they are Democrats or Republicans or, even Independents. We all look alike to Bob and Helen Coar. They are our friends. We are their friends.

I salute them and pay homage on this most memorable of days in their lives.

Mr. BENNETT of Florida. Mr. Speaker, I want to add my word of thanks to the many other expressions of gratitude here today for the work of Bob and Helen Coar in the joint Senate and House recording facility. Their services are rendered under difficult, nerve-racking circumstances as we Members of Congress try to meet deadlines in making acceptable radio and television presentations. The Coars and their able and conscientious assistants deserve great credit for the fine assistance they give us.

Mr. VAN ZANDT. Mr. Speaker, it is with great pleasure that I join my colleagues in commemorating the 20th anniversary of the establishment of the radio-TV facilities by Congress under the leadership and direction of Bob and Helen Coar.

When I first came to Congress in January 1939 I recall my introduction to Bob and Helen Coar. Not only did I find them two real go-getters but also persons who really understood the radio field and its related problems. With such a professional background I found their opinions authoritative and practical to the extent that during my many years in Congress I have leaned heavily upon them seeking their guidance and counsel.

Personally, I owe a lot to Bob and Helen Coar because it was through their advice on many occasions that I found an answer to my problems in reporting my activities to my constituents through the medium of radio and television.

Members of Congress owe a lot to Bob and Helen Coar and I want to be among the first to acknowledge my debt of gratitude to them and to wish them many more happy years on Capitol Hill. I salute Bob and Helen Coar and their four little "encores" on this joyful occasion wishing them many more years of happiness and a full measure of contentment.

Mrs. PFOST. Mr. Speaker, I am glad to have the opportunity to say a few words about Robert and Helen Coar. As coordinator and studio director of the joint radio studios, they have given truly indispensable service to Members of Congress for 20 long years.

Nothing is too much trouble for the Coars. We all know the extent to which they adjust tight schedules and often inconvenience themselves personally to accommodate us. We also know how wholeheartedly they put at our command their years of experience and their vast technical knowledge.

And through it all they never seem to run out of patience or courtesy. I hope they will be with us for many years to come.

Mr. POFF. Mr. Speaker, I want to join wholeheartedly in this most deserved tribute to Mr. and Mrs. Robert J. Coar commemorating the 20th anniversary of the use of radio by Congress. I have had the pleasure of using both the radio and television facilities in my weekly report to my constituents, and I can sincerely say that nowhere in Washington have I received more capable and courteous cooperation and assistance than I have received at the hands of Bob and Helen Coar. Knowing them as I do, I am sure they would join me in similar commendation of their staff of employees.

They have dedicated their time, their energies and their generous skills, tirelessly and unselfishly, to their work, and the contribution they have made to public understanding of the public's business is an enduring monument to their chosen profession.

Mr. ZABLOCKI. Mr. Speaker, I want to join my distinguished colleagues in extending my sincere congratulations to Mr. and Mrs. Robert Coar on the occasion of the 20th aniversary of the founding of the Joint House and Senate TV radio facility.

The founding and the subsequent history of this important service have been closely associated with the lives, the efforts, and the accomplishments of this remarkable couple. They pioneered in making available to the Congress the recording facility which has become so vital with the passage of time, and they guided its development during the years that followed.

Their pioneering spirit and their record of service are to be commended. I am certain that I reflect the sentiments of many of my colleagues when I say that Mr. and Mrs. Coar's cheerful, friendly helpfulness with regard to the many technical problems that arise in conjunction with the recording of reports, interviews, and so on, have been greatly appreciated.

In congratulating them upon their long years of service to the Congress, I also want to extend to Mr. and Mrs. Robert Coar my best wishes for the years that lie ahead.

Mr. HOEVEN. Mr. Speaker, best wishes and heartiest congratulations to Bob and Helen Coar on this 20th anniversary occasion. I have never known of two people more kind and cooperative in dealing with Members of Congress. Personally, they have been most considerate of me in all of my dealings with them. They have a wonderful record of achievement behind them and I wish them well in the days that lie ahead. They have discharged their service to the Members of Congress in such a way as to win the high respect of all of us.

Mr. REUSS. Mr. Speaker, as a new Member of Congress, I have a special reason for appreciating the fine work of Bob and Helen Coar. They have cooperated with me as though I had been here for years. Each time I have worked in front of the camera or a microphone, either Bob or Helen Coar have offered those little suggestions in format that do so much to help improve our reports to our constituents.

I feel certain that the American people are better informed about the workings of their Government because of the devoted and imaginative work of the Coars in operating an efficient Joint Senate and House Recording Facility.

Working with the Coars is a staff of proficient technicians who are always racing with the Members against a deadline. By some miraculous feat the Coars and their staff always managed to get a film or tape-recording made on time.

Such good professional standards and cooperative spirit are a welcome thing for any new Member of Congress to find. It means that even the youngest Member can begin his duties on Capitol Hill confident that he can communicate to the people of his community hundreds of miles from Washington with the most advanced techniques of television and radio at his disposal.

And making this possible has been the guiding genius of Bob and Helen Coar, as much a helpful counselor to a new Member as to our senior colleagues.

Mr. ENGLE. Mr. Speaker, it is with pleasure I join my colleagues in congratulating Bob and Helen Coar on their 20th anniversary of outstanding service to Members of the House and Senate.

The radio, film, and television facilities are run so smoothly and efficiently by Bob and Helen I suppose once in a while some of us are apt to take for granted their excellent service and perhaps overlook for the moment the tremendous amount of work and thought they have contributed throughout the years in making this enterprise the success it is.

I am one of the many Members of the House who are very much in debt to Bob and Helen Coar for their uniform kindness and assistance throughout the years in handling my radio and television work. I know that Bob and Helen have been as helpful to others as they have to me when we started to cut film for television programs. That was a tricky new field in which some of us had had no experience whatever. Their experienced advice in setting up my first programs contributed immeasurably to their success in the district and my own sense of well-being in putting them on.

It is reassuring to know that Bob and Helen Coar are on hand when a radio or television program is being set up and worked out, and I want to personally and publicly express my appreciation to them, and I compliment my colleague for arranging for this time on the floor of

the House so that I and others who are grateful to Bob and Helen Coar could pay them some measure of the tribute they deserve.

Mr. YOUNGER. Mr. Speaker, one of the most refreshing experiences for a Congressman is the efficient and courteous manner in which Mr. Robert Joseph Coar and his wife, Helen Badgley Coar, operate the radio and television room.

On this 20th anniversary of the day when Mr. and Mrs. Coar took over the leadership and direction of this most important congressional auxiliary, I want to express my personal thanks for the kindly cooperation which I have received at the hands of Mr. and Mrs. Coar and their staff.

Mr. LANHAM. Mr. Speaker, I am happy to add my congratulations to those of other Members of the House for Mr. and Mrs. Robert Coar on the completion of their 20th year of splendid service to the Members of the House and Senate. Almost as soon as I came to Congress, I began to make weekly radio reports to my constituents through the facilities of the Joint Senate House Recording Facility operated so efficiently and effectively by the Coars. My contacts with them have been uniformly pleasant and they have been most cooperative.

Incidentally I may say that my belief is that these weekly reports have been at least partly responsible for the fact that I have had no opposition for reelection to the House since I was first nominated and elected in 1946.

One rather unusual incident occurred when once I returned to my home in Rome, Ga., and got into a taxi to be driven to my office. At the moment one of my recordings was being played over the taxi driver's radio and he remarked that he was astounded to see me in Rome since he was just listening to my report and thought I was in Washington.

The addition of television facilities has, of course, added much to the service rendered by the Coars to Members of the House and Senate. I have not used it myself but many other Members do and are loud in their praise of the splendid service rendered in this field of publicity by Mr. and Mr. Coar. My good wishes go with the Coars as they continue their fine work in the field of publicity for the Members of Congress.

CAB DESTROYS COMPETITION IN THE AIR TRANSPORTATION FIELD

The SPEAKER pro tempore (Mr. MURRAY of Illinois). Under previous order of the House, the gentleman from California [Mr. HOLIFIELD] is recognized for 20 minutes.

Mr. HOLIFIELD. Mr. Speaker, on the 23d of June, the United States Circuit Court in the District of Columbia rendered a decision in which it found that North American Airlines was entitled to use the word "American" in its title. On July 1, the Civil Aeronautics Board issued an order revoking the operating authority of this same carrier, North American.

What this amounts to is that one branch of the Federal Government has given the air carrier the right to have its legal name on its tombstone. North American can take bitter solace in the fact that it will not be buried in Potter's Field anonymously. Nay, it apparently will have a full, elaborate, and expensive Federal—not State—funeral.

To project this grim picture a little further, I should like to suggest in such case a fitting epitaph: "Here lies North American Airlines. Founder and pioneer of aircoach. Done in by the Civil Aeronautics Board for flying too many people, too often, too cheaply, and without subsidy."

And nearby, we might as well ready the tomb for low-cost aircoach, because, as everybody in the aviation industry knows, the major airlines are only waiting for the demise of North American to proceed to increase fares. Each year such a move has been prepared and then abandoned, because the presence of North American, continuing to reduce its aircoach rates while improving equipment and service, has established an unchallengeable yardstick. The aircoach rate schedule set by North American is closely imitated by the major lines.

Actually, Mr. Speaker, what is being buried by the Civil Aeronautics Board is not just a company, albeit a fine company with a perfect safety record. What is being interred is the last great good hope that any American can ever enter the air transportation business on a competitive basis with any of the 13 grandfather carriers. The Board is saying that the sky belongs, is exclusive property of certain companies, and that this tremendous new frontier belongs to those companies for their sole exploitation.

In 1938, there were 17 airlines comprising the industry and their gross revenue was $35 million. Last year the industry grossed a billion and a quarter dollars. Current projections show that by 1960, the industry will gross an additional billion dollars annually. Air transportation is the fastest growing major industry in the United States. The question is, are we ready to hand this additional billion dollars annually to the exclusion of all others, to the 13 particular companies? By eliminating North American, the Board is permanently closing the right of entry to all but the select carriers who may now set up turnstiles in front of the sky and collect revenue in proportion to what the traffic will bear.

In my opening remarks I referred to a recent circuit court decision. This was the decision in which the court reversed the CAB majority, and sustained Board Vice Chairman Joseph Adams' lonely dissent. The CAB had contended that North American had infringed on American Airlines by using "American" in its corporate title. In the eyes of the majority of the CAB "American" is a private word, identifying an airline company, and not something in the public domain along with Uncle Sam, the flag and the Star-Spangled Banner. Interesting enough, the Board did not think the Pan-American was also guilty of infringing on American Airlines—there seems to be a certain courtesy inside the club; but for the outsider, the new, veteran-owned company, which receives no mail pay, no subsidy, and which paid $1,700,000 in transportation taxes last year, the Board's majority had only short shrift.

It is well to remember that the Board's majority has generally found itself right only in the confines of the Board room, but when its decisions have to stand the test of practical experience or the test of the courts, they just do not stand up too well. For years the Board and the certificated airlines, took a dim view of aircoach. The present management of North American pioneered this field and offered $99 transcontinental fares in 1946. Four years later the CAB bowed to public demand and the major airlines slowly and grudgingly inaugurated a few flights.

In the North American name case, the circuit court's decision was more than a reversal of the Board, it was a rebuke. The CAB was found to be "fishing in murky waters": it was found to be exceeding its authority in its efforts to foster monopoly.

The arguments offered by the majority of the Board maintain that the Board cannot condone violations of regulations—that its primary responsibility is to see to it that all carriers operate in an orderly manner in compliance with the Government's regulations.

On the face of it, this sounds correct. However, the Board's regulations are deliberately drawn for the purpose of discriminating against certain enterprises. And, in the words of Senator SPARKMAN:

> The Board is guilty of strangulation by regulation.

The bias and the prejudice which have characterized the majority opinions on major policy questions is clearly apparent. The pattern has been repeated too often to escape notice.

I am concerned when Board Member Adams says:

> I dissent from the majority's refusal to accept any settlement short of outright and complete revocation no matter how stringent the sanction might be; particularly since the majority has refused even to confer with officials of North American Airlines (the name under which respondent operated) regarding a possible settlement.

I feel that there is no question but that there has been a violation of the Civil Aeronautics Act, but I am not certain as to who has been the violator, considering the economic hobbles laid down by the CAB. There may be a technical violation by the North American Airlines Co., but in terms of the broad interests of the Civil Aeronautics Act, we have prima facie evidence that the Board has flouted the interests of Congress and clearly perverted its power to foster a Government-protected monopoly by courtesy of the Federal Government.

It would seem to me that several committees of the Congress should be directly alerted to this situation. To enumerate: First, this entire question should be of particular interest to the Interstate and Foreign Commerce Committee and an overall investigation of the CAB and its compliance with the spirit and letter of the act needs thorough investigation. The administration by the Board of the act should be probed; secondly, there is a decided

monopoly angle. I am fully aware that the Civil Aeronautics Act suspends certain aspects of the antitrust laws. However, there is a definite suspicion that there has been some cosy collusion between the regulatory agency and the dominant major airlines, either directly or through their trade associations. It would seem to me that the House Judiciary Subcommittee and members of the Antitrust Monopoly Subcommittee on antitrust matters should probably go into this. There have been some excellent preliminary hearings conducted by this subcommittee under the chairmanship of the distinguished Representative from New York [Mr. CELLER]; thirdly, the small business aspect of this is one which deeply disturbs me. At the end of the war there were over 200 small, independent enterprises in the air transportation field, and the entire service to Alaska was pioneered by these small enterprises. Today, the only surviving airline in the field of common carrier passenger services with an application for certificate pending is North American Airlines. The other companies have remained in existence doing contract and charter business where they have to operate on a tramp-steamer basis. This situation is the result of the process of ruthless extermination which the CAB has pursued. We cannot sit by and permit the Board to complete its plan for the destruction of all independent enterprise in air transportation. Congress must reassert its position. We must take the responsibility now—if we fail to act, the consequences will be permanent and negative.

If we assert ourselves, we can redeem the original intentions of the Civil Aeronautics Act and provide a tremendous impetus to the free enterprise system.

Any issue which involves freedom is not just an economic issue—it is also a moral issue. Because of this I feel that our patience has been tried too long. Congress, through its proper committees must act. In the meantime the CAB should allow a stay of its revocation order.

TRUMAN FOREIGN POLICY AIDING IN WINNING THE PEACE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. PRICE] is recognized for 20 minutes.

Mr. PRICE. Mr. Speaker, an optimistic magazine article by Paul G. Hoffman pays glowing tribute to the record of the American people and American government in the years since World War II. Mr. Hoffman thinks we are at the point of being able to win the peace we fought for. Let the record show that nine of the 13 great milestones to peace cited by Mr. Hoffman were milestones reached and passed when the country was led by the man from Independence, Mo., former President Harry S. Truman.

I do not care to argue extensively about Mr. Hoffman's naive belief that because President Eisenhower, our present Chief Executive, happens to be a former soldier, he can resist pressures for rash and provocative action more easily than a civilian. But the record shows that a civilian with the necessary qualities of mind and heart can be just as strong, against clamorous but unwise pressures, as any professional military man. A civilian with the necessary qualities of mind and heart can take the bold, decisive actions on his own initiative that sometimes have been necessary to win the peace. As it happens, Harry S. Truman was a combat artillery man in the First World War, and one might suppose that he, too, had proved his courage in battle. But the essential thing is that he had the qualities of mind and heart, and he would have had them had he never heard a shot fired in anger.

It was Harry S. Truman who had the cold nerve and determination to force the Russians in 1946 to live up to their promises and withdraw their military forces from Iran, which Hoffman lists as the first milestone toward peace.

It was Truman who came to the Congress, sometimes a politically hostile Congress, and successfully demanded the necessary economic measures that brought recovery to Europe—the British loan, the Marshall plan.

Harry S. Truman made the politically daring decision in 1948, with a Congress not controlled by his own party, to aid Yugoslavia after Marshal Tito's break with the Kremlin.

Run down the other "milestones" Mr. Hoffman lists—the Berlin airlift that broke the Soviet blockade, the armistice in the Jewish-Arab war, the invention and creation of the North Atlantic Alliance, the American intervention against the Communists in Greece, and the final defeat of the conspiratorial Communist effort to conquer Greece in the guise of rebellion. They were Harry Truman's milestones. So was the settlement of the Dutch-Indonesian war in November 1949.

We all know what the principal milestone toward peace was. It was the raw courage and quick wisdom of Harry S. Truman in deciding, in the loneliness of his heart, that the Communist aggression in Korea could not go unresisted, and that the lesson must be taught once and for all that the United States meant what it said when it promised to help defend world security against aggression.

The partisans labeled it "Truman's war," Mr. Speaker, and exploited the tremendous event for political purposes. The present Chief Executive, Mr. Eisenhower, himself misrepresented facts in the Far East when, in his first state of the Union message, he pretended that Mr. Truman had placed the Seventh Fleet in the Formosa Straits to shield Communists from the attack of Chiang Kai-shek.

The 7th Fleet was never placed near Formosa to shield Red China, Mr. Speaker, and every honest man knows it. It was placed there to shield and defend Chiang Kai-shek from Red assault that otherwise might have overwhelmed him and spread the war already raging in Korea. It is still a major element in whatever "position of strength" we have in the Far East.

Mr. Hoffman thinks that the cease-fire in Indochina was a great milestone toward peace. If so, it was a milestone which this administration played no part in reaching. The incredible vacillation of American policy regarding Indochina—the Vice President's trial balloon about sending American troops and then the hasty, frightened retreat from any affirmative policy at all—showed in dismal contrast to the sharp, bold, decisive actions of Harry Truman in the Korean crisis that leaped at him.

One suspects that Mr. Hoffman reached desperately for something with which to credit the present administration when he listed the Kashmir settlement, the Trieste settlement, Indochina, and the agreement on German rearmament as milestones passed under Eisenhower.

The Trieste settlement was so badly botched that it had to be revised under the guns of Marshal Tito's army. The Kashmir dispute is not settled yet, although the shooting has stopped. The agreement on West German rearmament bogged down in near-disaster and had to be salvaged by the diplomatic skill of Anthony Eden, now Britain's Prime Minister.

The whole NATO concept was a Truman administration concept, in any case, and what has been achieved later came about through building on the firm foundations laid by Truman regarding the North Atlantic Alliance with a German contribution of troops. It may be logically argued that this administration always gets into trouble, and has to twist and revise and retreat, when it leaves the paths toward peace boldly marked in the administration of Harry S. Truman. On its own initiative, the chief thing it has done is to dodge the Indochina issue and refuse to yield to the warcries of its own partisans for a blockade of Red China—a blockade that Harry S. Truman also rejected.

I do not know whether the Russians have been brought to change their policies of aggression and conquest by penetration and terror. I do not know whether the peace we fought for is so nearly within view as Mr. Hoffman assumes. But if it be so, Mr. Speaker, if it be so, it is because the policies created for this country under President Truman have proved themselves, because these policies were wise, courageous, and sound ones. What General Eisenhower did as a soldier, he did as an agent of the high civilian command. What he has done as President is to learn, slowly and reluctantly, that the high civilian command that directed him as an agent was wiser, bolder, and stronger than he knew. Let the record be stated clearly.

LEAVES OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HINSHAW, for the balance of today and tomorrow, on account of official business.

Mr. MAILLIARD, for July 21 to 25, inclusive, on account of official business.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. PRICE and to include an article.

Mr. SIEMINSKI.

Mr. FLYNT and include an address by Mr. FORRESTER.

Mr. FRELINGHUYSEN and to include extraneous matter.

Mrs. FRANCES P. BOLTON and include extraneous matter.

Mr. KING of California (at the request of Mr. MCCORMACK) and to include extraneous matter.

Mr. MULTER and to include extraneous matter.

Mr. PHILBIN in two instances and to include extraneous matter.

Mr. VELDE and to include a magazine article.

Mr. BURDICK.

Mr. WHARTON and to include extraneous matter.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 59. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

S. 2391. An act to amend the Defense Production Act of 1950, as amended, and for other purposes; to the Committee on Banking and Currency.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 122. An act to amend the Commodity Exchange Act;

H. R. 899. An act to authorize and direct the sale of certain land in Alaska to Oscar H. Vogel, of Anchorage, Alaska;

H. R. 926. An act for the relief of Bruno Michael Kiuru;

H. R. 1217. An act for the relief of Evagelos B. Tzarimas;

H. R. 1218. An act for the relief of Mira Domenika Grgurinovich;

H. R. 1338. An act for the relief of Erich Wolf, also known as Ladislov Wolfenstein;

H. R. 1405. An act for the relief of Vassiliki D. Papadakou;

H. R. 1406. An act for the relief of Sister Antonina Zattolo and Sister Antonina Cali;

H. R. 1407. An act for the relief of Henry Kraemer;

H. R. 1503. An act for the relief of Helga Kutschka;

H. R. 1504. An act for the relief of Andreas Kafarakis;

H. R. 1617. An act to amend section 622 of the National Service Life Insurance Act of 1940;

H. R. 1619. An act to amend certain provisions of the Servicemen's Indemnity Act of 1951;

H. R. 1651. An act for the relief of Lucette Helene Adams;

H. R. 1655. An act for the relief of the Wojcik family;

H. R. 1684. An act for the relief of Rev. Zdzislaw Aleksander Peszkowski.

H. R. 1869. An act for the relief of Luis Deriberprey;

H. R. 1879. An act for the relief of Luisa Gemma Toffani, Rosa Sometti, Bianca, Carpanese, and Margherita Bruni;

H. R. 1897. An act for the relief of Giuseppe Tumbarello;

H. R. 1935. An act for the relief of Giuseppe Curro Tati;

H. R. 1962. An act for the relief of Miss Athena Kitsopoulou;

H. R. 1964. An act for the relief of Mrs. Hildegard Herrmann Costa;

H. R. 2358. An act for the relief of Pietro Murgia;

H. R. 2360. An act for the relief of Gloria Fan;

H. R. 3066. An act for the relief of Robert V. Blednyh;

H. R. 3813. An act to amend the act incorporating the American Legion so as to redefine eligibility for membership therein;

H. R. 3852. An act for the relief of Angel Medina Cardenas;

H. R. 3867. An act for the relief of Iwan Bonk and Tacianna Bonk;

H. R. 4046. An act to abolish the Old Kasaan National Monument, Alaska, and for other purposes;

H. R. 4585. An act to amend the act of August 24, 1912, to simplify the procedures governing the mailings of certain publications of churches and church organizations;

H. R. 4754. An act to redefine eligibility for membership in AMVETS (American Veterans of World War II);

H. R. 4946. An act to amend title IV of the Veterans' Readjustment Assistance Act;

H. R. 5300. An act to authorize the establishment of the City of Refuge National Historical Park, in the Territory of Hawaii, and for other purposes;

H. R. 5456. An act for the relief of Emil Arens;

H. R. 5792. An act to amend the Veterans' Readjustment Assistance Act of 1952, to extend the time for filing claims for mustering-out payments;

H. R. 6295. An act to amend section 3 of the Travel Expense Act of 1940, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes;

H. R. 6419. An act to redefine the terms "stepchild" and "stepparent" for the purposes of the Servicemen's Indemnity Act of 1951, as amended;

H. R. 6832. An act to provide for payment of a reasonable attorney's fee by the insured in a suit brought by him or on his behalf during his lifetime for waiver of premiums on account of total disability; and

H. J. Res. 273. Joint resolution to establish a commission for the celebration of the one-hundredth anniversary of the birth of Theodore Roosevelt.

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 26. An act for the relief of Donald Hector Taylor;

S. 36. An act for the relief of Lupe M. Gonzalez;

S. 244. An act for the relief of Anna C. Giese;

S. 467. An act for the relief of Dr. Luciano A. Legiardi-Laura;

S. 633. An act for the relief of certain alien sheepherders;

S. 758. An act for the relief of Marion S. Quirk;

S. 1139. An act to extend the existing authority for the loan of a small aircraft carrier to the Government of France;

S. 1250. An act to declare Pike Creek above the easterly side of the highway bridge at Sixth Avenue in the city of Kenosha, Wis., a nonnavigable stream;

S. 1464. An act to authorize the Secretary of the Interior to acquire certain rights-of-way and timber access roads;

S. 1550. An act authorizing the State highway commission of the State of Maine to construct, maintain, and operate a free highway bridge across the St. Croix River between Calais, Maine, and St. Stephen, New Brunswick, Canada;

S. 1654. An act for the relief of Eliseu Joaquim Boa;

S. 1878. An act to amend the act authorizing the conveyance of certain lands to Miles City, Mont., in order to extend for 5 years the authority under such act;

S. 2097. An act to authorize the transfer to the Department of Agriculture, for agricultural purposes, of certain real property in St. Croix, V. I.; and

S. J. Res. 38. Joint resolution consenting to an interstate compact to conserve oil and gas.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 122. An act to amend the Commodity Exchange Act;

H. R. 899. An act to authorize and direct the sale of certain land in Alaska to Oscar H. Vogel, of Anchorage, Alaska;

H. R. 926. An act for the relief of Bruno Michael Kiuru;

H. R. 1217. An act for the relief of Evagelos B. Tzarimas;

H. R. 1218. An act for the relief of Mira Domenika Grgurinovick;

H. R. 1338. An act for the relief of Erich Wolf, also known as Ladislov Wolfenstein;

H. R. 1405. An act for the relief of Vassiliki D. Papadakou;

H. R. 1406. An act for the relief of Sister Antonina Zattolo and Sister Antonina Cali;

H. R. 1407. An act for the relief of Henry Kraemer;

H. R. 1503. An act for the relief of Helga Kutschka;

H. R. 1504. An act for the relief of Andreas Kafarakis;

H. R. 1617. An act to amend section 622 of the National Service Life Insurance Act of 1940;

H. R. 1619. An act to amend certain provisions of the Servicemen's Indemnity Act of 1953;

H. R. 1651. An act for the relief of Lucette Helene Adams;

H. R. 1655. An act for the relief of the Wojcik family;

H. R. 1684. An act for the relief of Rev. Zdzislaw Aleksander Peszkowski;

H. R. 1869. An act for the relief of Luis Deriberprey;

H. R. 1879. An act for the relief of Luisa Gemma Toffani, Rosa Sometti, Bianca Carpanese, and Margherita Bruni;

H. R. 1897. An act for the relief of Giuseppe Tumbarello;

H. R. 1935. An act for the relief of Giuseppa Curro Tati;

H. R. 1962. An act for the relief of Miss Athena Kitsopoulou;

H. R. 1964. An act for the relief of Mrs. Hildegard Herrmann Costa;

H. R. 2358. An act for the relief of Pietro Murgia;

H. R. 2360. An act for the relief of Gloria Fan;

H. R. 3066. An act for the relief of Robert V. Blednyh.

H. R. 3813. An act to amend the act incorporating the American Legion so as to redefine eligibility for membership therein;

H. R. 3852. An act for the relief of Angel Medina Cardenas;

H. R. 3867. An act for the relief of Iwan Bonk and Tacianna Bonk;

H. R. 4046. An act to abolish the Old Kasaan National Monument, Alaska, and for other purposes;

H. R. 4585. An act to amend the act of August 24, 1912, to simplify the procedures governing the mailings of certain publications of churches and church organizations;

H. R. 4754. An act to redefine eligibility for membership in AMVETS (American Veterans of World War II);

H. R. 4946. An act to amend title IV of the Veterans' Readjustment Assistance Act;

H. R. 5300. An act to authorize the establishment of the City of Refuge National Historical Park, in the Territory of Hawaii, and for other purposes;

H. R. 5456. An act for the relief of Emil Arens;

H. R. 5792. An act to amend the Veterans' Readjustment Assistance Act of 1952, to extend the time for filing claims for mustering-out payments;

H. R. 6295. An act to amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes;

H. R. 6419. An act to redefine the terms "stepchild" and "stepparent" for the purposes of the Servicemen's Indemnity Act of 1951, as amended;

H. R. 6832. An act to provide for payment of a reasonable attorney's fee by the insured in a suit brought by him or on his behalf during his lifetime for waiver of premiums on account of total disability; and

H. J. Res. 273. Joint resolution to establish a commission for the celebration of the 100th anniversary of the birth of Theodore Roosevelt.

ADJOURNMENT

Mr. BOLLING. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 2 minutes p. m.) the House adjourned until tomorrow, Thursday, July 21, 1955, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1011. Under clause 2 of rule XXIV, a letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 9, 1955, submitting a report, together with accompanying papers and illustrations, on a review of reports on Great Lakes connecting channels. This investigation was requested by resolutions of the Committee on Public Works, House of Representatives, and the Committee on Public Works, United States Senate, adopted on September 27, 1951, June 24, 1953, and March 25, 1953, respectively, was taken from the Speaker's table and referred to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McMILLAN: Committee on the District of Columbia. S. 1093. An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes; with amendments (Rept. No. 1273). Referred to the Committee of the Whole House on the State of the Union.

Mr. FRAZIER: Committee on the Judiciary. H. R. 6247. A bill to amend subdivision a of section 66—unclaimed moneys—of the Bankruptcy Act, as amended, and to repeal subdivision b of section 66 of the Bankruptcy Act, as amended; without amendment (Rept. No. 1274). Referred to the House Calendar.

Mr. FRAZIER: Committee on the Judiciary. H. R. 5047. A bill to increase the compensation of trustees in bankruptcy; without amendment (Rept. No. 1275). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 6914. A bill to amend the Bankhead-Jones Farm Tenant Act, as amended, to modify, clarify, and provide additional authority for insurance of loans; with amendment (Rept. No. 1276). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H. R. 7228. A bill to amend title II of the act of August 30, 1954, entitled "An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes"; without amendment (Rept. No. 1285). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H. R. 6775. A bill to provide for the regulation of the business of making loans of $600 or less in the District of Columbia, to regulate the pawnbroking business, and for other purposes; with amendment (Rept. No. 1286). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. S. 667. An act to exempt meetings of associations of professional hairdressers or cosmetologists from certain provisions of the acts of June 7, 1938 (52 Stat. 611), and July 1, 1902 (32 Stat. 622), as amended; without amendment (Rept. No. 1287). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOPER: Committee on Ways and Means. H. R. 291. A bill to extend the retirement income tax credit to members of the Armed Forces; with amendment (Rept. No. 1288). Referred to the Committee of the Whole House on the State of the Union.

Mr. KEOGH: Committee on Ways and Means. H. R. 542. A bill to amend the Internal Revenue Code; with amendment (Rept. No. 1289). Referred to the Committee of the Whole House on the State of the Union.

Mr. IKARD: Committee on Ways and Means. H. R. 3437. A bill to amend the Internal Revenue Code of 1954 to provide for a maximum manufacturers' excise tax on the leases of certain automobile utility trailers; with amendment (Rept. No. 1290). Referred to the Committee of the Whole House on the State of the Union.

Mr. BYRNES of Wisconsin: Committee on Ways and Means. H. R. 3712. A bill to extend the period during which claims for floor stocks refunds may be filed with respect to certain manufacturers' excise taxes which were reduced by the Excise Tax Reduction Act of 1954; with amendment (Rept. No. 1291). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H. R. 6887. A bill to extend for 1 year the application of section 108 (b) of the Internal Revenue Code of 1954 (relating to income of a railroad corporation from discharge of indebtedness); without amendment (Rept. No. 1292). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORAND: Committee on Ways and Means. H. R. 7148. A bill to amend the Internal Revenue Code so as to provide a personal exemption with respect to certain dependents in the Republic of the Philippines; without amendment (Rept. No. 1293). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Alabama: Committee on Public Works. S. 1210. An act to amend the Public Buildings Act of 1949 to provide a 5-year limitation on the period of leases of space for Federal agencies in the District of Columbia; without amendment (Rept. No. 1294). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. S. 1166. An act to amend section 6 of the act of August 30, 1890, as amended, and section 2 of the act of February 2, 1903, as amended; without amendment (Rept. No. 1295). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 6815. A bill to provide for the orderly disposition of property acquired under title III of the Bankhead-Jones Farm Tenant Act, and for other purposes; without amendment (Rept. No. 1296). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. H. R. 2128. A bill to authorize the extension of patents covering inventions whose practice was prevented or curtailed during certain emergency periods by service of the patent owner in the Armed Forces or by production controls; with amendment (Rept. No. 1297). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. S. 1759. An act to consolidate the Hatch Act of 1887 and laws supplementary thereto relating to the appropriation of Federal funds for the support of agricultural experiment stations in the States, Alaska, Hawaii, and Puerto Rico; with amendment (Rept. No. 1298). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. S. 1894. An act to provide for the participation of the United States in the International Finance Corporation; without amendment (Rept. No. 1299). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 197. An act for the relief of Vincenzo Santagata; with amendment (Rept. No. 1277). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 198. An act for the relief of Filipo Mastroianni; with amendment (Rept. No. 1278). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 254. An act for the relief of Giussepina Cervi; without amendment (Rept. No. 1279). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 326. An act for the relief of Leopoldine Maria Lofblad; without amendment (Rept. No. 1280). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 714. An act for the relief of Alfio Ferrara; with amendment (Rept. No. 1281). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1014. An act for the relief of Henry Duncan; with amendment (Rept. No. 1282). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1337. An act for the relief of Joseph Vyskocil; without amendment (Rept. No. 1283). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 550. An act for the relief of John Axel Arvidson; with amendment (Rept. No. 1284). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H. R. 7493. A bill to amend the Agricultural Adjustment Act of 1938, to exempt certain wheat producers from liability under the act where all the wheat crop is used for food on the farm, and for other purposes; to the Committee on Agriculture.

By Mr. DONDERO:

H. R. 7494. A bill to provide for the completion and financing of the National System of Interstate Highways uniformly throughout the Nation, in the interest of defense, travel, and commerce; to amend the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented; and for other purposes; to the Committee on Public Works.

By Mr. DORN of New York:

H. R. 7495. A bill to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. GEORGE:

H. R. 7496. A bill to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. MAGNUSON:

H. R. 7497. A bill to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. MULTER:

H. R. 7498. A bill to provide for the proper observance of the 250th anniversary of the birth of Benjamin Franklin; to the Committee on the Judiciary.

By Mr. OSTERTAG:

H. R. 7499. A bill for the establishment of a Commission on the Aging; to the Committee on Education and Labor.

By Mr. CELLER:

H. R. 7500. A bill to establish a Commission and Advisory Committee on International Rules of Judicial Procedure; to the Committee on the Judiciary.

By Mr. PATTERSON:

H. R. 7501. A bill to amend the act of April 28, 1953, relating to daylight-saving time in the District of Columbia; to the Committee on the District of Columbia.

By Mr. WRIGHT:

H. R. 7502. A bill to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mrs. CHURCH:

H. R. 7503. A bill authorizing the Postmaster General to include certain indirect costs in determining the total costs of the parcel-post service; to the Committee on Post Office and Civil Service.

H. R. 7504. A bill to establish a Joint Committee on Foreign Intelligence; to the Committee on Rules.

By Mr. GRANAHAN:

H. R. 7505. A bill to provide that Mikveh Israel Cemetery, in Philadelphia, Pa., shall be a national shrine; to the Committee on Interior and Insular Affairs.

By Mr. KING of California:

H. R. 7506. A bill to amend the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. MILLER of California:

H. R. 7507. A bill to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. YATES:

H. R. 7508. A bill to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mrs. CHURCH:

H. R. 7509. A bill requiring the Commodity Credit Corporation to make periodic inspections of the agricultural commodities held by it and to report thereon to the Congress, discontinuing loans by the Corporation on agricultural commodities, and for other purposes; to the Committee on Banking and Currency.

By Mr. WITHROW:

H. R. 7510. A bill to amend section 5051 (a) of the Internal Revenue Code of 1954 to aid small business and discourage continued concentration in the brewing industry; to the Committee on Ways and Means.

By Mr. HOLIFIELD:

H. R. 7511. A bill amending section 21 of the Atomic Energy Act of 1954, relating to the privilege of the members of the Commission on Atomic Energy; to the Joint Committee on Atomic Energy.

By Mr. PILLION:

H. R. 7512. A bill to amend the Organic Act of the Territory of Alaska, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LOVRE:

H. Con. Res. 192. Concurrent resolution to study the question of dispersion and relocation in the interior of the country of industries and facilities essential to national defense and security in case of atomic attacks; to the Joint Committee on Atomic Energy.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARTLETT:

H. R. 7513. A bill to authorize the conveyance of certain lands in Alaska to the Matanuska Valley Lines, Inc., and to Russell Swank and Joe Blackard; to the Committee on Interior and Insular Affairs.

By Mr. BEAMER:

H. R. 7514. A bill for the relief of Clyde Highley; to the Committee on the Judiciary.

By Mr. DONOHUE:

H. R. 7515. A bill for the relief of James E. Driscoll; to the Committee on the Judiciary.

By Mrs. FARRINGTON:

H. R. 7516. A bill for the relief of Mrs. Kame Gusukuma; to the Committee on the Judiciary.

H. R. 7517. A bill for the relief of Eishin Tamanaha; to the Committee on the Judiciary.

By Mr. FEIGHAN:

H. R. 7518. A bill to authorize the appointment and retirement of Darrell C. Williams as a lieutenant commander, United States Navy; to the Committee on Armed Services.

By Mr. LATHAM:

H. R. 7519. A bill for the relief of Mrs. Fakhiri Vaziri and Keyounars Vaziri; to the Committee on the Judiciary.

By Mr. PHILLIPS:

H. R. 7520. A bill for the relief of Gregario Gasman Ancheta; to the Committee on the Judiciary.

By Mr. SCHENCK:

H. R. 7521. A bill for the relief of Frank J. and Mae T. W. Burger; to the Committee on the Judiciary.

By Mr. YATES:

H. R. 7522. A bill for the relief of Yotsu Yusawa Heim; to the Committee on the Judiciary.

By Mr. SHELLEY:

H. J. Res. 395. Joint resolution to authorize the Secretary of Commerce to sell the steamship *La Guardia*; to the Committee on Merchant Marine and Fisheries.

EXTENSIONS OF REMARKS

Anniversary of the Radio-Television Facility

EXTENSION OF REMARKS
OF
HON. FRANCES P. BOLTON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 20, 1955

Mrs. FRANCES P. BOLTON. Mr. Speaker, a very busy congressional office—in close touch with the public but seldom receiving public attention—observes its 20th anniversary today. On July 20, 1935, Mr. and Mrs. Robert J. Coar partitioned a small room, hung monk's cloth on the walls, and offered radio recording service to Members of Congress. Today Robert and Helen Coar are still operating the service, now called the Joint Senate and House Radio-Television Facility, and they have built it into a major public service arm of the Congress.

The Coars' studios produce Members' shows which go to some 1,700 radio and 100 television stations each week. They operate with a staff of 13 who are currently handling the broadcasts of some 269 Members of the House and 80 Senators. Since Members must pay for these services out of private funds, the facility operates at no cost to the taxpayer. When the Congress authorized the expansion into television studios in 1952, it drew only part of the facility's credit balance of $117,500, which had mounted up over the years.

In this age of mass communications, newspaper, radio and television correspondents in Washington are hard pressed to cover even the "top of the news" in full. But it is vital to our system of government that the average citizen be fully informed about the work of his own Representative in the Congress and about issues that are of local importance. The radio-television facility has given the

Members an opportunity to report to their constituents with much of the personal flavor of a neighborhood speech. It has enabled many of us to bring the sights and sounds of the Nation's Capital into the homes of our people, and it has awakened in these citizens a new interest in the working of their Government.

As for the Coars themselves, I have always found them a joy to work with. Although the pressure of work must often be impossible, they always seem to have time for a pleasant word and quiet bit of advice on how to improve the technical quality of the broadcast.

It has been a delight to know the Coars and I add my warm personal congratulations to the many they will be receiving today.

The Vote Is Not All

EXTENSION OF REMARKS
OF
HON. PETER FRELINGHUYSEN, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 20, 1955

Mr. FRELINGHUYSEN. Mr. Speaker, under leave to extend my remarks, I should like to insert in the CONGRESSIONAL RECORD a newsletter entitled "The Vote Is Not All," prepared by my colleague, the Honorable ROBERT W. KEAN, of New Jersey. In his column Representative KEAN, whom many of us on this side of the aisle look to as our party's expert in the field of social security, very ably discusses the pros and cons of the social-security bill which this body passed earlier this week. Representative KEAN clearly expresses the problem which confronted many of us in voting on this measure as a result of the unusual manner in which the bill was handled by those in charge of the legislation.

THE VOTE IS NOT ALL

(By Hon. ROBERT W. KEAN, of New Jersey)

WASHINGTON.—There is a courtroom scene familiar to many Americans. We have viewed it in the movies, in plays, on television, and sometimes in real life. The scene is the lawyer, facing the witness and demanding a "yes" or "no" answer to a question.

If the scene is fictional, often the author has seen to it that he holds his audience by making sure they realize a "yes" or "no" answer can't tell the full story and will create a false impression on the jury.

A lot of you, I feel sure, at such a moment experience the sensation of wishing the witness would just ignore the lawyer and blurt out the whole story.

By this time you may be wondering why I am writing about theatrics; the answer is that I am about to draw an analogy of this to experiences in Congress.

That which I described above is not at all unlike the emotions a Member of Congress may feel at certain times when he casts a "Yea" or "Nay" vote. The Member knows the "Yea" or "Nay" does not always do justice to his convictions about the legislation and, unfortunately, the vote may be the sole yardstick by which a segment of the people will judge him on that issue.

When I vote on the new social-security bill Monday (this column is being written July 15) I am going to feel like that witness who has many words to say but must limit his pronouncement to yes or no.

Therefore, in this space, I wish to report the full story—tell why I plan to vote "Yea" for this social-security bill after severely criticizing the fact that the Democracts in control of ways and means refused to hold full public hearings on the legislation.

SHADES OF MERIT

All legislation is a matter of compromise. It is rare that a bill is all black or all white; bills are usually gray. Hence, a Member must weigh the good against the bad. Then he must vote according to which predominates.

Let us take this social-security bill. Even though it provided for an expenditure by the system's trust fund of more than $2 billion annually on an average, the Democrat majority insisted on considering it without public hearings. In fact, their initial suggestion was to have the committee report the bill out with only 3 days of executive session.

However, committee leadership soon found there were so many unanswered questions that their first suggestion was impossible. An additional 3 days were granted for consideration of the bill. Thus, it was sent to the floor of the House without the advantage of any expert consultation except from those in the Social Security Administration after a mere 6 days of executive session.

The Democrats also insisted that the House consider the bill under a procedure known as suspension of rules, allowing only 40 minutes of debate in all. Only 40 minutes on a bill which will tax the people of this country next year and in succeeding years $1,700 million, of which Essex County will pay more than $13 million annually.

It is true those covered by social security will be entitled to further benefits under certain conditions. These benefits may (we can't be certain because of lack of adequate hearings) prove to be hazardous, however, because the people of the country may or may not feel they can afford to pay the price for the insurance as the social-security tax keeps increasing.

Here is a typical example of the difficult decision I faced in deciding how to vote on this bill:

The legislation broadens social-security coverage which I have long advocated. It would bring lawyers and dentists into the system for the first time, thus carrying out the proposal I have made in bills this year to that effect—a proposal I have been making for many years.

It provides for continuance of benefits to totally disabled children after they reach the age of 18—something I think is highly advisable.

It lowers the benefit age for widows. This I have long advocated.

It lowers the retirement age for all women to 62. There is some danger here that this will cause industry to force the retirement of women at that age who still want to work. This section is very expensive, costing the trust fund approximately $1 billion a year.

MOST CONTROVERSIAL ITEM

The most controversial item is the payment of full social-security benefits to those reaching the age of 50 who become totally disabled. This is a worthy objective. But there is a catch—no one knows or can estimate its true cost.

The social-security actuary estimates that the disability-payment provision will cost approximately $1 billion annually. However, he will not guarantee his guess. The insurance people say it may cost twice as much.

Another point is that no one knows how the necessary certification of disability can be handled. Doctors say State certification cannot escape abuse. It should have been of paramount importance to have given most careful consideration to this proposed new field of social-security benefits.

Of course, when you increase benefits, the tax to pay for them should be raised at the same time. This is a sound principle. In the proposed bill, the present tax will be raised by one-half percent January 1, 1956, becoming 2½ percent on employee and 2½ percent on employer.

Following out the pattern in raises in social-security taxes, which increase about every 5 years to a maximum under this bill of 4½ percent on employee and 4½ percent on employer 20 years from now, we may be making the tax so high that it will preclude the possibility of other needed improvements to the social-security system.

On the other side of the balance sheet, I am certain that Senator BYRD of Virginia, chairman of the Finance Committee, will insist that full study and public hearings be held on the bill before it goes to the Senate floor.

That's the story behind the vote. It's a gray bill. A shade grayer than I like when I vote for legislation. In my final analysis I decided the good slightly outweighed the bad in the bill. Therefore, I made the compromise and decided to yote "Yea."

The witness doesn't get out his full story by answering in one word.

There is much more behind that "Yea" than generally meets the eye.

Eisenhower and the General Welfare

EXTENSION OF REMARKS
OF
HON. MELVIN PRICE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 20, 1955

Mr. PRICE. Mr. Speaker, some of us have been fascinated by the short list of so-called must bills reported last week by Republican leaders as representing President Eisenhower's present demands on the Congress. The things the list includes, the things that it omits, force us to wonder what the President feels about legislation involving the health, security, and well-being of all our 165 million people—legislation involving, if you please, the general welfare.

The must list included just five items—the military Reserves bill, a bill to authorize the mislabeled atom-powered merchant ship, some kind of highway bill, some kind of housing bill, some kind of school-construction bill.

Now three of these items are military or quasi-military. The Reserves bill is strictly a military concern. The President's personal highway program, emphasizing Federal spending primarily for interstate—or military—highways, involves national defense. The atom-powered ship would be an intended demonstration in the field of international relations, an effort to prove that in regard to atoms for peace our hearts are in the right place.

Only two things on the must list, therefore, involve strictly domestic affairs—the housing bill and the school-construction bill.

Now is it possible, Mr. Speaker, that the White House is not informed of the facts regarding school legislation and housing legislation?

The housing bill was held up because all four Republican members of the Rules Committee declined to vote to clear it

for action. I am not criticizing the sincerity and judgment of the gentlemen; I am merely saying that responsible Republican House Members declined to support their President on the public housing section of the bill reported by the legislative committee.

There is a school-construction bill pending in another legislative committee, already approved with what is reported to be bipartisan support by a subcommittee. It is more generous in regard to Federal aid than the President's own recommended program, but he cannot blame us if we exercise our judgment and act more responsibly toward school children than his banker-advisers think wise. The point is, the bill is pending—and a push by the White House on the specific bill might help us get action.

Mr. Speaker, let us observe what was omitted from the must list.

We could not expect the President, perhaps, to come out in favor of the bill to improve and liberalize the social-security system which Mrs. Hobby, his Welfare Secretary, who has just resigned, busily opposed.

But the President omits from his "must list" even things that he himself has requested in the past—minimum wages, free polio shots for the children of needy parents, the inadequate health reinsurance program he has recommended.

On all these matters—housing, schools, polio shots, minimum wages, health legislation, social security—the Congress could quickly act if it got the proper guidance from the White House.

But we get no such guidance. These proposals directly affecting the well-being of the people are not the things which this administration seems to classify as "necessary." The administration gives no adequate guidance even to congressional spokesmen of its own party, so that all these welfare measures are hung up in committee.

Members know that I am deeply concerned for national defense. They know that I have stood in this House and urged more money for defense, more for atomic research, an end to reckless and dangerous cuts in our armed services.

But the strength of this country rests in more than its arms. It depends on the health, economic security, and sense of justice among all our people. It depends on the Government's attitude toward the general welfare. And on the simple matter of vital legislation for the general welfare, the President's "must list" lets the people down.

He Fights for Conservation

EXTENSION OF REMARKS
OF
HON. HAROLD H. VELDE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 20, 1955

Mr. VELDE. Mr. Speaker, I was very happy while reading my July 1955 issue of Sports Afield magazine that tribute was paid to our distinguished colleague from Pennsylvania, the Honorable JOHN P. SAYLOR, in an article entitled "He Fights for Conservation."

Following is the article which, under unanimous consent, I include in its entirety in the CONGRESSIONAL RECORD:

HE FIGHTS FOR CONSERVATION

Representative JOHN P. SAYLOR, Republican, from Johnstown, Pa., is one of the most determined and effective fighters in the Congress. His tenacity against the most discouraging odds on difficult issues has held the line for conservation principles, giving time for support to develop and show its strength.

When Representative SAYLOR gets his teeth into an issue, he digs deep for the facts, and comes up with the answers that have stopped specialized experts.

As a stanch supporter of national parks, he has fought against the proposed Echo Park Dam which would flood Dinosaur National Monument. Representative SAYLOR came up with documented evidence from almost forgotten Government documents to back up his analysis. Reclamation Bureau experts and engineers had to admit fuzzy and slipshod methods, and Representative SAYLOR won support for his views among his congressional colleagues.

Representative SAYLOR is a high-ranking member of the western-dominated Interior and Insular Affairs Committee, which has legislative jurisdiction over a large share of natural-resource subjects. Representing an eastern district, and as a conservationist, he serves on this committee as an effective spokesman for natural-resource conservation.

His is the kind of representative service that is a real benefit to his own constituency and to the whole national interest.

The Atlantic Union Peril

EXTENSION OF REMARKS
OF
HON. PHILIP J. PHILBIN
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 20, 1955

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and include therein an excellent editorial which appeared in a recent edition of the Sunday Standard-Times, New Bedford, Mass.

This editorial points up the current excesses and extremes of some internationalists in our midst, who are embracing all kinds of weird and unsound formulae for world organization. We cannot even settle our problems with the Russians, problems which constitute so much of a threat to the peace and stability of the whole world. Yet we have some among us, who are urging that we surrender our sovereignty or a large part of it to world organizations that could not possibly embrace the whole world.

There are, undoubtedly, many sincere people enlisted in these movements. They have the right to their opinions and views. On the other hand, it certainly would be pertinent for the Congress to find out the genesis, the financial support and the political outlook of the sponsors of some of these groups to determine what influences prompt and guide their activities.

The infiltration of subversion into many of our American institutions is more or less an accomplished fact. Noble pretexts are frequently used by the infiltrators to throw up a smokescreen around their activities. Peace, democracy, social advancement, world betterment, and universal brotherhood are often the shibboleths and the instruments of those who are endeavoring to spread the poison of communism.

I would not contend for a moment that all extreme internationalists are Communists for they are not. But I think that many extreme internationalists' proposals and activities should be examined with the view to estimating the extent, if at all, that they are influenced and guided by those who do not believe in our American system and are working to discredit and overthrow it.

In that connection, discrediting parliamentary institutions is one of the principal techniques of Communists and left-wing affiliates, and there is a constant propaganda designed either to deprecate or to lampoon our Government in every branch, particularly the Congress, which exemplifies the strength and power of representative government and, consequently, is the chief butt of the railleries, preachments, and scurrilous lies, which so often accompany communistic attacks.

This Nation has never been unaware of its obligations to mankind but certain other police-state nations are certainly not aware of their obligations to respect and honor our right to our way of life. We stand for sincere, wholehearted international cooperation with those willing to cooperate for disarmament and peace, for expansion of economic and cultural relationships.

But our way of life is dear to every American. It is cherished by our people, who intend to guard and protect it. No internationalist doctrines can ever replace our allegiance to our own great Nation, and no unsound proposals for the surrender of our sovereignty can ever blind the American people to the realities of the hour and the imperative need for defending their institutions.

To be a patriotic American is not only the highest political privilege in the world, but is the sacred duty of all who love our country. We should not stand by idly while subversionists heap insult upon insult upon those who adhere to vigorous Americanism. We should let it be known to those people and to the whole world that we intend to preserve our constitutional freedoms against sinister conspiracy and propaganda attacks, as well as against threats to our security.

The editorial follows:

THE ATLANTIC UNION PERIL

Advocates of world government—whose arguments are based on emotion rather than logic—are showing alarming strength in the United States. Sundry organizations with memberships comprising, in the main, loyal but misguided Americans, are waging a never-ending propaganda campaign in behalf of world federation under a single governmental authority.

Atlantic Union, one of the most active of the world governmental groups, is seeking congressional approval of a resolution that calls for a convention of the 15 North Atlantic Treaty Organization countries "to ex-

plore and to report to what extent their peoples might * * * form, federally or otherwise, a defense, economic, and political union."

Atlantic Unionists openly state that a federal world republic is their ultimate objective, and a federation of the NATO countries would be a means toward that end.

World government promoters are winning adherents by associating their cause with such lofty ideals as universal peace and world brotherhood of man. They fail to realize—or emphasize—that union of the world is the means by which the Kremlin hopes to dominate the earth. Stalin as early as 1922 was calling for "amalgamation of all nations in a single world economic system." A world union of Soviet Socialist Republics is the goal toward which Russia has been working for more than three decades.

Under whatever name or form it might be attained, world government inevitably would reduce the country to the status of a province ruled by an international governmental organization whose authority would be supreme. The United States, with less than 7 percent of the earth's population, obviously would have a minority voice in any world government formed.

The United States today needs less emphasis on internationalism and more on Americanism. This country, by virtue of its military and industrial might, should, of course, accept a share of leadership in world affairs, but this does not justify a sacrifice of the principles and traditions upon which it was founded and has prospered.

Foundation stones of the great American heritage, the priceless possessions of every United States citizen, are national independence, individual freedom, and the highest standard of living in the world. All three would disappear if the United States sacrificed its sovereignty to a world government.

One would be naive, indeed, to believe that ruthless Communists, masters of infiltration who already rule half of all mankind, would not eventually gain control of any world government that might be created.

The growing murmur of world government forces in the United States warns of the need for greater appreciation of the blessings that are ours because of the sacrifices of our forefathers. It's time the forces of worldism were challenged, and put to rout, by exponents of genuine Americanism.

There was a time in America when "patriot" was a coveted label, and he who earned it was held in highest esteem. It is not too late for a stirring revival of patriotism.

Were the Facts on the Beria Death Given the President by Zhukov the Same as Those Given the Congress Over a Year Ago?

EXTENSION OF REMARKS
OF
HON. ALFRED D. SIEMINSKI
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 20, 1955

Mr. SIEMINSKI. Mr. Speaker, in the New York Times of Thursday, July 28, 1955, reference is made to information given the President at Geneva by Zhukov.

One wonders whether the facts on the death of Beria, former NKVD chief under Stalin, were the same as those to which I referred in my extension of remarks reported in the CONGRESSIONAL RECORD, volume 100, part 1, page 154. Both articles follow:

THE MAN WHO SENTENCED BERIA

(Extension of remarks of Hon. ALFRED D. SIEMINSKI, of New Jersey, in the House of Representatives, Monday, January 11, 1954)

Mr. SIEMINSKI. Mr. Speaker, can the man who sentenced Beria give us a clue to what might happen in Russia? Liquidation of the Bolshevik clique by the professional military?

Reports indicate Beria was sentenced to death by the man he made eat crow in 1945–46, General Konev, Soviet opposite number to Gen. Mark Clark, on the allied commission in Austria. Konev, proud, old-time professional, took his orders from Zheltov, bullnecked Beria hatchetman in Vienna.

Konev, short, well liked by his troops, was friendly to the West. He didn't last long in Vienna. Zheltov saw to that. Then, the tables turned. Stalin died (?), Beria is tried. Konev sentences him. Where's Zheltov?

Does this mean that the professional military of Russia has had its fill of the crumbums in the Kremlin? Does it spell a better break for the Russian, his wife and family—for all the men and women whose kin spilled blood in the hopes of a better tomorrow? One wonders. One hopes. One prays.

[From the New York Times of July 28, 1955]

KREMLIN FACTS GIVEN PRESIDENT BY ZHUKOV

(By Harrison E. Salisbury)

WASHINGTON, July 27.—President Eisenhower has received an amazing personal briefing on inside Kremlin secrets from Marshal Georgi K. Zhukov.

The President revealed at his White House news conference today that the Soviet Minister of Defense had offered him a first-hand account of what had been going on within the inner barriers of the Iron Curtain.

General Eisenhower did not outline in detail the report Marshal Zhukov made to him. But he implied it had been a persuasive account, particularly in the stress it laid on the current doctrine of collective leadership.

The President referred specifically to the four at Geneva—Marshal Zhukov, Marshal Nikolai A. Bulganin, Soviet Premier; Nikita S. Khrushchev, First Secretary of the Soviet Communist Party; and Vyacheslav M. Molotov, Foreign Minister. All of these except Marshal Zhukov are members of the Presidium of the Central Committee of the Communist Party.

ZHUKOV PLAYS LEADING ROLE

It seemed clear from President Eisenhower's account that Marshal Zhukov was playing a leading role in the present leadership of the Soviet Union. It also was plain that the President placed considerable credence in Marshal Zhukov's report, particularly so far as collective leadership was concerned.

As the President described this system, a method of rule by committee or junta has been substituted in the Soviet Union for the one-man dictatorship of Stalin.

General Eisenhower said that the new system had been demonstrated under working conditions in Geneva, where he noted the Soviet group of 3 or 4 men had conferred constantly and produced a common viewpoint.

The President—as has been his consistent practice—spoke with some warmth of Marshal Zhukov as his old friend and postwar military associate in Berlin. He left little doubt that Marshal Zhukov's intimate picture of what was going on behind the scenes in the Soviet Union—and what had gone on there in recent years—played a major role in the administration's current appreciation of the Soviet's "new look" as something more than skin deep.

SEVERAL CONVERSATIONS HELD

The President had a number of conversations with Marshal Zhukov in Geneva. He indicated, however, that the principal briefing he had received was in the course of a private 2½-hour talk that apparently covered the whole scope of Soviet affairs from Marshal Zhukov's personal fortunes to the present policy of the Soviet Government.

The President was asked how he had got along with Marshal Zhukov. He replied with a smile that he had got along excellently, of course, and went on to emphasize the good manners and good personal relationships of the Geneva discussions.

Naturally, he noted, his relations with Marshal Zhukov were colored by their 6 months of association in Berlin—cooperative work in Berlin, was the way he put it.

He explained that Marshal Zhukov had been desirous of talking about the general situation in the Soviet Union, about his own personal life, and about the course of Soviet developments.

The President assured Marshal Zhukov that he would regard the conversation as completely confidential and that it would not become a part of the official records of the conference. However, Marshal Zhukov replied that General Eisenhower was perfectly free to repeat any part of the conversation, that he had not come to talk in secrecy.

The general purpose of the conversations was to impress upon him the deep desire of the Soviet Union for peace, President Eisenhower said.

The discussion went on to many topics, among them the question of collective leadership, the President added. This particular subject occupied about an hour of Marshal Zhukov's time, he said.

While the President gave no more than general hints of the nature of his talks with Marshal Zhukov it is possible on a basis of what is known—and not known—about the Soviet political situation to reconstruct some of the ground they must have covered.

The President implied that Marshal Zhukov had brought him up to date on his own personal situation in the Soviet Government.

While the concept of "collective leadership" began to be emphasized by the Soviet press within 2 or 3 weeks after Stalin's death it is not believed to have been firmly established until after the trial and execution of Laurente P. Beria, head of the Ministry of Internal Affairs. Marshal Zhukov's briefing could hardly fail to cover the surprising events of last February when George M. Malenkov was deposed as Premier and Marshal Nikolai A. Bulganin was named as his successor. The marshal, morever, hardly would be able to describe "collective leadership" in realistic terms without explaining the nature of the relationships which now exist between himself and Bulganin, Mr. Khrushchev, Mr. Molotov, and the other leading members of the Soviet Government.

The Geneva Conference

EXTENSION OF REMARKS
OF
HON. PHILIP J. PHILBIN
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 20, 1955

Mr. PHILBIN. Mr. Speaker, our Nation is chiefly distinguished from the Soviet by our faith and belief in a Supreme Being.

It is natural, therefore, that in this crucial hour when great decisions are being made that will vitally affect the future lives of all peoples, that we should turn our thoughts and our fervent prayers toward Geneva, asking the Almighty to imbue the leaders gathered there with the courage, strength, and wisdom to come to satisfactory and successful agreements which will insure the future peace of the world.

I earnestly believe with all my heart that the time is at hand to lay all our cards on the conference table and to ask the Soviet to do likewise. The results of this conference may well decide, whether we shall have peace, or whether we will have to continue to live in an armed camp for the rest of our lives, in a world filled with suspicion, distrust, hostility, and fear.

There are many great issues to settle. The unification of Germany and the establishment of collective security are vital. Disarmament and effective control of atomic and hydrogen energy and weapons are of great importance.

Some questions not on the agenda are of utmost importance. Foremost among these is the problem of coming to some agreement with the Soviet to stop the worldwide conspiracy being conducted by world communism and directed by Moscow.

And what American does not attach greatest importance to the question of liberating the oppressed peoples and all the victims of imperialism and colonialism who continue to be kept in a cruel bondage?

What American honestly believes that there can be a just, lasting peace on this earth so long as millions of worthy human beings are held in slavery under an abominable tyranny which to many is worse than death?

Every true American hopes and prays for the success of the conference and for divine guidance of our great President and his associates and all others at the conference.

Let no one minimize the problems which our leaders face in trying to deal with Communist negotiators whose point of view is so far away from our own. Their responsibility is surely grave.

But it is my opinion that if our leaders are inspired by the great principles and the great heritage of freedom which they represent at the conference, if they will be firm and uncompromising in the right, even as they strive earnestly for conciliation and understanding, if they persist with faith and devotion to the cause of humanity and liberty, and the great inarticulate peoples they speak for, in that course will lie the best chance for success.

And in that event, if they do their best to uphold our cause, and yet do not secure all we had hoped for because of the bad faith and aggressive designs of others, we shall at least know where we stand.

And if all the leaders of the conference will but listen to the pleas of the peoples of the world they will hear one great voice crying for peace. Pray God that they will harken to that voice and to the spirit of brotherhood and understanding and faith which alone can lead all nations out of the dark shadows of fear into the sunlight of friendship, tolerance, and security.

The Taipei Conference May 1955

EXTENSION OF REMARKS
OF
HON. USHER L. BURDICK
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 20, 1955

Mr. BURDICK. Mr. Speaker, with all the conferences that have been going on this year I feel the attention of the House should be called to a genuine anti-Communist meeting which was scheduled for May of 1955. This was the Taipei Conference which was held informally instead of officially due to a last-minute technicality. Since this Conference has received little publicity and little information about it has been made available, I desire to call a few facts about the Conference to the attention of the Members:

The Asian Peoples Anti-Communist League was formed at the instigation of the Republic of Korea for the purpose of welding all anti-Communist peoples of Asia into a united force against communism. Although the organization is ostensibly nongovernmental, the Governments of the Republic of Korea and the Republic of China have taken a great interest in its activities. The League held its first conference at Chinhae in the Republic of Korea in June, 1954. The conference was attended by delegations from Vietnam, Formosa, Thailand, the Philippines, the Ryukyu Islands, and Nationalist Chinese delegations from Hong Kong and mainland China. It was in an address to this first conference that President Syngman Rhee offered to send 2 Korean divisions to aid in the fight against Communist aggression in Indochina. The conference elected Dr. Kyu Nam Choi of Korea as secretary general and determined to hold its second conference in Taipei, Formosa during 1955.

The Taipei meeting was scheduled to commence on May 23, 1955. In addition to representatives from Korea, the Republic of China, the Philippines, Vietnam, Thailand, the Ryukyus, Hong Kong and Macao, the countries which had joined the League, observers were expected from 8 other countries including Japan, Turkey, Cambodia, Laos, and Malaya. In addition the conference was to be attended by 2 representatives of an organization known as the Anti-Bolshevik Bloc of Nations which has its headquarters in Munich, Germany. These were Yaroslow Stetzko, formerly Prime Minister of the Ukraine, and Domitro Waltsheff, a former Foreign Minister of Bulgaria. Chiang Kai-shek was scheduled to address the conference.

At the last minute the conference was indefinitely postponed due to the objection of the Republic of Korea to the scheduled attendance of observers from Japan. According to the Chinese News Service Information Bulletin Korea also objected to the admission of Japan and India to the League on the grounds that these two countries were "flirting with communism" and were "pro-Communist."

Even though the conference was postponed many of the delegates were already en route to Formosa. An informal conference was therefore held at Taipei on May 30 and 31, 1955. There were 26 delegates from Formosa, Japan, Hong Kong, Pakistan, Turkey, Burma, the Ryukyus and the National Alliance of Russian Solidarists.

It was announced that the conference determined upon positive action to increase their resistance to communism through such means as exchange of information. The delegates reportedly branded peaceful coexistence, neutralism and isolationism as suicidal means of combating implacable communism.

This information was compiled by the Reference Service of the Library of Congress.

Another Reason for Not Building the Upper Colorado River Project

EXTENSION OF REMARKS
OF
HON. CECIL R. KING
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 20, 1955

Mr. KING of California. Mr. Speaker, the project will damage the Nation's agricultural economy. The project would grow crops already in agricultural surplus. The upper Colorado River project would supply irrigation water for high altitude land in Colorado, New Mexico, Utah, and Wyoming. It is very important to consider what crops would be grown on this land.

Among the crops now being supported by the Nation's taxpayers are the following: Corn; cotton; wheat; butter; oats; butter oil; cheese; milk, dried; wool; rye; barley; beans, dry; cottonseed oil; grain sorghum; seeds, hay, and pasture; soybeans. Sugar beets are under the restriction program of the Sugar Act of 1951, and the price is held up to a desired level. What are called proportionate shares are established by the Secretary of Agriculture. Thus, if more sugar-beet land is brought into production, shares of all others must be decreased accordingly.

From Reclamation Bureau reports, a table has been compiled showing the type of crops which would be grown on each of the 33 proposed projects, and whether or not they are supported crops.

The table follows:

Name of project	Acres to be irrigated	Crops to be grown	Crops supported
La Barge	7,970	Hay	
		Small grains	Yes.
		Pasture	
		Dairy cows	Yes.
		Sheep	Yes.
Seedskadee	60,720	Dairy cows	Yes.
		Sheep	Yes.
		Hay	
		Pasture	
		Small grains	Yes.
Lyman	40,600	Hay	
		Pasture	
		Small grains	Yes.
		Dairy cows	Yes.
		Beef cattle	
Silt	7,300	Alfalfa	
		Small grains	Yes.
		Sugar beets	Yes.
		Potatoes	
		Dairy cows	Yes.
		Beef cattle	
		Sheep	Yes.
Smith Fork	10,430	Hay	
		Small grains	Yes.
		Pasture	
		Dairy cows	Yes.
		Beef cattle	

Name of project	Acres to be irrigated	Crops to be grown	Crops supported
Paonia	17,040	Grain	Yes.
		Fruit	
		Dairy cows	Yes.
		Beef cattle	
Florida	18,950	Dairy cows	Yes.
		Beef cattle	
		Small grains	Yes.
		Alfalfa	
Pine River	15,150	Dairy cows	Yes.
		Beef cattle	
		Hay	
		Small grains	Yes.
Emery County	24,080	Alfalfa	
		Grains	Yes.
		Beef cattle	
		Dairy cows	Yes.
		Fruit	
		Sheep	Yes.
Central Utah	60,380	Alfalfa	
		Grains	Yes.
		Fruit	
		Sugar beets	Yes.
		Dairy cows	Yes.
		Beef cattle	
		Sheep	Yes.
Hammond	3,670	Alfalfa	
		Grains	Yes.
		Beans	Yes.
		Fruit	
		Dairy cows	Yes.
		Sheep	Yes.
Gooseberry	16,400	Alfalfa	
		Pasture	
		Grains	Yes.
		Dairy cows	Yes.
		Beef cattle	
		Sheep	Yes.
Navaho	137,240	Alfalfa	
		Grains	Yes.
		Pasture	
		Fruit	
		Vegetables	
		Dairy cows	Yes.
		Sheep	Yes.
San Juan-Chama	225,000	Alfalfa	
		Grains	Yes.
		Pasture	
		Dairy cows	Yes.
		Sheep	Yes.
Rabbit Ear	19,190	Hay	
		Pasture	
		Small grains	Yes.
		Beef cattle	
		Sheep	Yes.
		Dairy cows	Yes.
Troublesome	13,640	Hay	
		Pasture	
		Small grains	Yes.
		Beef cattle	
		Sheep	Yes.
		Dairy cows	Yes.
West Divide	65,610	Alfalfa	
		Small grains	Yes.
		Pasture	
		Beef cattle	
		Sheep	Yes.
		Dairy cows	Yes.
Savery-Pot Hook	31,610	Alfalfa	
		Small grains	Yes.
		Pasture	
		Dairy cows	Yes.
		Sheep	Yes.
Dolores	66,000	Alfalfa	
		Small grains	Yes.
		Pasture	
		Beans	Yes.
		Dairy cows	Yes.
		Beef cattle	
Sublette	84,000	Hay	
		Pasture	
		Small grains	Yes.
		Beef cattle	
		Sheep	Yes.
Fruitgrowers	3,850	Alfalfa	
		Grain	Yes.
		Fruit	
		Dairy cows	Yes.
		Beef cattle	
Bostwick Park	6,870	Hay	
		Pasture	
		Beef cattle	
		Sheep	Yes.
Dallas Creek	21,940	Alfalfa	
		Small grains	Yes.
		Pasture	
		Beef cattle	
		Dairy cows	Yes.
		Sheep	Yes.
East River	2,750	Hay	
		Pasture	
		Beef cattle	
		Dairy cows	Yes.
		Sheep	Yes.
Fruitland Mesa	19,400	Hay	
		Pasture	
		Small grains	Yes.
		Beef cattle	
		Sheep	Yes.
		Dairy cows	Yes.
Grand Mesa	25,300	Alfalfa	
		Small grains	Yes.
		Pasture	
		Fruit	
		Dairy cows	Yes.
		Beef cattle	
		Sheep	Yes.
Ohio Creek	16,910	Hay	
		Pasture	
		Small grains	Yes.
		Beef cattle	
		Sheep	Yes.
Tomichi Creek	27,580	Hay	
		Pasture	
		Small grains	Yes.
		Beef cattle	
		Sheep	Yes.
		Dairy cows	Yes.
Battlement Mesa	6,830	Hay	
		Pasture	
		Small grains	Yes.
		Beef cattle	
		Sheep	Yes.
		Dairy cows	Yes.
Bluestone	10,875	Alfalfa	
		Grain	Yes.
		Vegetables	
		Fruit	
		Sugar beets	Yes.
		Beef cattle	
		Sheep	Yes.
		Dairy cows	Yes.
Eagle Divide	10,875	Hay	
		Pasture	
		Small grains	Yes.
		Beef cattle	
		Sheep	Yes.
		Dairy cows	Yes.
Parshall	27,510	Hay	
		Pasture	
		Small grains	Yes.
		Beef cattle	
		Sheep	Yes.
		Dairy cows	Yes.
Woody Creek	2,965	Hay	
		Pasture	
		Small grains	Yes.
		Beef cattle	
		Sheep	Yes.
		Dairy cows	Yes.

Control of Bank Holding Companies

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1955

Mr. MULTER. Mr. Speaker, the following statement which I made before the Subcommittee on Banking of the Senate Committee on Banking and Currency on July 14, 1955, on bank holding company legislation, may be of interest to our colleagues:

STATEMENT OF ABRAHAM J. MULTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. MULTER. Mr. Chairman and members of the committee, I appreciate the privilege of coming here this morning and hope that I may contribute something of value to your deliberations.

I do not have a prepared statement but with your permission will submit a complete statement to be made part of the record.

Senator FREAR. Without objection, it will be made part of the record, sir.

Mr. MULTER. I am presumptuous enough to come here and think that I can be of some help to the committee, not merely because as a member of the Banking and Currency Committee of the House I sat through the same hearing that you are conducting. I either heard or read every bit of evidence submitted there. I have read, I believe, almost every word of evidence submitted to this committee thus far by officials of our Government. I have read, I believe, almost every word that was submitted to the Judiciary Committee of the House by officials of our Government on the question of merger and consolidation of banks.

In addition, I bring to bear my own experience of some thirty-odd years of practice of the law in the city of New York, where much of my work has been devoted to representing banks, insurance companies, finance companies, and business enterprises of almost every nature.

The bill before you, I believe, is of tremendous importance. I, like many others, have from time to time said that I am not opposed to big corporations or big banks just because they are big, but as a result of all of this testimony I think we must amend our vocabulary, or at least the use of it, to a certain extent and possibly borrow from the motion-picture industry their words "stupendous" and "colossal" when we talk about bigness in the banking industry. I think we must differentiate between the "stupendous" and the "colossal" and the "big."

Without spending too much time on the philosophy behind the necessity for this legislation, I believe that everybody will agree that one thing that will lead to nationalization of our banks and the banking industry would be a concentration of wealth and a concentration of credit power. I think that is the history of nationalization of the Bank of England. That is what happened there. If we review the history of what they did in Russia, you will recall what happened when the Kerensky government was driven out by the Bolsheviks whom we now know as the Soviets. They tried to nationalize their banks and insurance companies and industries.

They very soon saw they could not just move in and take everything over, so they gave those enterprises back to private industry but concentrated each industry in the hands of a few. And after the enterprises got working smoothly in the hands of the few, the government was then able to walk back in and nationalize. And that is the way they operate there and in almost every satellite country.

I am sure that no member either of this committee or of the Congress wants to see anything like that happen. But it can happen here if we do not do something to prevent the concentration of economic power in the hands of the few.

Now, it is not necessary in order to support the bill that is before you or any one of the bills before you to determine that holding companies in and of themselves are bad or have done bad things, but if the potential for evil is there, then I think we must legislate on the subject.

May I recall to you that in 1945 the Federal Deposit Insurance Corporation issued a unanimous report, and they said this with reference to holding companies, and I quote:

"Holding companies not only tend to become monopolistic but increase the problem of supervision. The ease with which assets may be transferred from one affiliated corporate unit to another and the possibility of the manipulation of the accounts of these enterprises make adequate examination of affiliated banks and the appraisal of their condition and capital position extremely difficult. The Corporation," meaning FDIC, "recommends that Congress enact legislation which will prohibit the future creation of holding companies and which will require the liquidation of existing holding companies after allowing a reasonable time for orderly distribution to their own stockholders of the bank stock which they now hold. The Corporation," meaning again FDIC, "believes that such legislation is distinctly preferable to the enactment of further regulatory laws in the bank holding company field."

There is some division of opinion in the FDIC today. That was a unanimous report. None of the legislation proposed now goes as far as that recommendation.

The legislation now before you does not recommend the complete liquidation of holding companies, but it does seek to regulate them both as they exist today and as they may exist in the future, as they may attempt to expand in the future, and I think that that is important.

One reason I believe that the Federal Reserve Board and the Comptroller of the Currency and the FDIC have not heretofore come in strongly urging regulatory legislation—and I get this from reading all of their testimony before this committee as well as before our committee on the House side and before the Judiciary Committee—I think might best be expressed in the words of Mr. Gidney, the Comptroller of the Currency, when testifying before the Judiciary Committee. He said in so many words that he was not always conscious of and indicated that he is not familiar with the antitrust legislation on our statute books. In his entire testimony there—and I think it is reflected by his testimony here and that too of Mr. Martin as Chairman of the Federal Reserve Board—there has been no attempt on the part of any of those Government officials, either the Comptroller of the Currency's Office, the FDIC, or the Federal Reserve Board, to examine into the extent to which holding companies evade the banking laws.

You will remember that there was written into the law provisions giving jurisdiction to the Federal Reserve Board to review those matters and take action with reference to any possible attempts to create a trust or monopoly in the banking field. There has not been a single recommendation all through the years by the Federal Reserve Board to the Attorney General for prosecution in that field. There has not been a single attempt all through the years by the Federal Reserve Board to do anything or, for that matter, by the Comptroller of the Currency to attempt to restrain expansion of banks. Not a single application for permission to merge or consolidate has been disapproved by either of them.

Now, what did I mean when I said a few moments ago that there has been an evasion of the banking laws? If the principle that is written into the statute is a good one, I think this must determine what you will do with this legislation. There has been writen into the State laws and into our national laws that banks should be restricted to banking, that they should not engage in any other business enterprises, and, further, that banks should be restricted to operating within the geographic limits of their own States. Neither State banks nor national banks under those laws are permitted to engage in any business except the banking business, and they are restricted to acting within their own States.

Now, if those principles are good, then you must enact this holding-company bill with restrictions that will apply the same way to bank holding companies. If they are bad or we do not agree with them any longer, then let's change the law and let's say banks can engage in any other enterprise and let's say they can spread out over the country and across State lines. But if we are going to adhere to those principles as they now exist in the law, then you must implement them by this bill.

The testimony as submitted shows that a bank holding company can go into my State or your State or any place in the union and qualify their dummies by buying stock for them.

Their applications to the Comptroller of the Currency show that a bank holding company—now let me strike out the word "bank"—that a holding company, because many of these holding companies do more than just banking business, will go into a community and using all of their own funds will recruit the personnel, stockholders, and directors and organize a bank, and the Comptroller of the Currency, the Federal Reserve Board, and the Federal Deposit Insurance Corporation all have gone along with that practice.

Now, again, if the statute is intended to mean what it says—it says that only individuals may be organizers of banks and only individuals may be directors who own enough stock to qualify them. True, it is a minimum; it is only a thousand dollars. But if the statute means what it says—that only individuals can organize banks and the individual directors must own qualifying shares—then I say to you that the Federal Reserve Board and the FDIC and the Comptroller of the Currency have been permitting through the years evasion of that statute. They have told us that when a holding company comes in with an application to organize a bank it sets forth the fact in its application that "we will put up all the capital and we will control this bank," and they get approval and open up new banks that way.

And, what is worse, they open new banks where branches have been denied to existing banks.

Again, if the law is intended to mean what it says, then we must see that it is enforced that way and that individuals from the community, as intended, are the majority of the owners of the bank and individuals from the community are the directors who will exercise their independent judgment.

I say to you, with all due deference to the gentlemen who testified here, that they were less than frank with you, Senator DOUGLAS, and with you, Senator LEHMAN, when in answer to your questions about option stock they did not tell you the full facts.

The fact of the matter is that in most instances of holding companies controlling the directorate, either they have the stock assigned back to them by the director, the qualifying shares, or they take from him an agreement requiring him to sell that stock back to them any time they want to buy it back. Not only must he sell it back to them when he resigns and ceases to be a director, but his agreement requires that he sell it back to them whenever they call upon him to do so.

Senator DOUGLAS. Would you pause for just a minute?

Mr. MULTER. Yes, sir.

Senator DOUGLAS. May I ask the clerk of the committee, Mr. Yingling, whether the Comptroller of the Currency has furnished the material on the so-called stock-option plan which I requested him to furnish, and which he promised to provide?

Mr. YINGLING. I do not believe it has come in yet.

Senator DOUGLAS. Mr. Chairman, may I suggest this: That the committee immediately request, by telegram or otherwise, the Comptroller of the Currency to immediately transmit this material. He has now had 10 days in which to furnish it.

Senator FREAR. Is there any objection?

Would you first like to have the clerk of the committee call and see what the prospects are?

Senator DOUGLAS. Yes.

Senator FREAR. Then if it is not forthcoming we will follow your instruction.

Senator DOUGLAS. Yes; that will be all right. (See p. 93.)

Mr. MULTER. You will be told by representatives of the bank holding companies, I am sure, as we were told in our committee, that they make sure that the directors are out of the community and exercise their independent judgment. But I am sure that you will agree with me that any director sitting on a board of directors of a bank or of any other organization who can sit there only as long as he owns some stock and who can sit there only so long as the owner of the stock does not require him to turn it over, either with or without a return, either with or without getting the thousand dollars, which may have been advanced by him or may have been advanced by the holding company for him, the man's job is dependent upon the owner of the stock who controls his right to sit there, and whether he does it consciously or unconsciously he looks to his boss to find out what policies he wants followed.

Senator DOUGLAS. Mr. Chairman, may I ask a question?

Senator FREAR. Senator DOUGLAS.

Senator DOUGLAS. Congressman, these are very interesting statements that you are making. Have you developed the facts behind these statements as a result of hearings in the House or your own independent investigation?

Mr. MULTER. I think that the hearings on the House side will substantiate to a large part what I have said, and my own experience in the field substantiates those facts, too.

I am sure that very few holding company representatives will dispute the fact that somehow or other, either through the option to buy or an out-and-out agreement they have the right to buy back the stock of the director. Once they buy a director's stock, they do not have to wait for an annual meeting. There is a vacancy immediately. The directorship is vacant once he surrenders his stock.

You will be told, as I have indicated, that these directors are left on their own, that they are free to exercise their own free judgment. Well, I say no man can exercise his own free judgment when he knows he is subject to removal by a call for his stock.

Senator FREAR. Senator DOUGLAS, the Congressman when he started his testimony said that he would give to this committee a full statement, which I am sure will substantiate the remarks he made.

Mr. MULTER. Yes; I will indicate it with examples wherever I can, sir.

Now, with that background, and having in mind the extensive hearings that have heretofore been conducted by this committee in prior years, I think everyone will agree that this legislation is essential, and I think we then must come to what form it shall take.

Your staff has done a very fine piece of work in the preparation of their tabular comparison for the use of your committee. I ask permission to have a copy of it and have it in front of me. I would like to now address myself briefly to a few of the differences between the bills that are before you that were introduced on the Senate side and the bill as passed by the House.

I start with the definition. We thought on the House side we were following the practice originally laid down by the Federal Reserve Board when we put into the definition the words which meant that a holding company owning a single bank would be exempted from the provisions of the act. We did that because under the limited jurisdiction the Federal Reserve Board has had through the years to control holding companies, and that was in their granting them a permit to vote the bank stock which they owned if they applied for it when they wanted to vote the stock. The Federal Reserve Board through the years has made a blanket exemption in favor of all holding companies that owned a single bank.

Possibly we should have inquired more closely into why they did it and whether there was a good reason for it. Instead, we proceeded on the assumption that there was good reason behind it, and that is why we exempted in our bill, in the House bill, holding companies that own a single bank.

Senator FREAR. Well, Congressman, in your experience do you think that the bill that came from the House is quite an appropriate and a proper one? In other words, do you believe that single banks should be exempted?

Mr. MULTER. I would not raise any serious objection to a single bank owned by a holding company, that is, the holding company which owns a single bank, coming within the jurisdiction or under the provisions of the laws.

Senator FREAR. Giving the Federal Reserve the authority to exempt it?

Mr. MULTER. Yes.

Senator FREAR. I mean your experience has not proven anything but what you would go along with that?

Mr. MULTER. I cannot think of a single instance where it is needed. But, of course, what will apply to 2 banks may very well apply to 1 bank. But where we are talking about the concentration of power, economic power, across State lines in the main, and going into nonbanking businesses, I do not think it applies as much to a holding company owning a single bank as it does to the ones that own more than one bank.

But I can easily see where it can be developed and might become the implement of evading the statute.

As I say, if it is going to engage in business other than the banking business, let it divest itself of its bank interest and engage in any business it pleases other than banking. But if it is going to be in the banking business, it should be solely in the banking business and divest itself of other business interests. It could easily become an implement of evasion of the statute where a corporation does own other interests and also own a single bank. That probably could happen only where branch banking is permitted.

Now, there have been some instances where, for instance, the Grace Line owns a single bank, and there are other companies of the same kind. A company would open a bank because nobody else would come into the area and open it, and they needed it for the convenience of their own customers in the area who could not otherwise get banking facilities, or they needed it for the convenience of their own employees.

Now, the philosophy of that I am not going to argue, but I can see that in those instances it is good and rendering a public service. But I also can see that there may be instances where it will be used for evasion.

So I think if you give the Federal Reserve Board, so far as members of the Federal Reserve System, or the Comptroller of the Currency, or the FDIC as to State banks which are insured but are not otherwise subject to the jurisdiction of the Federal Reserve Board the right to say yes or no to the holding company that owns the single bank, I think we may close a possible loophole.

But I do not think that you do violence to the principle if you should exempt the holding company that owns a single bank.

Now, the next provision is on the question of exemptions. The Federal Reserve Board indicated that they wanted no discretion with reference to this particular matter and preferred that you set forth precisely who should be exempt and who should not be exempt and indicated their objections to various exemptions.

In S. 2350 you have a provision requiring corporations owning a majority of the stock, while in the bill as passed by the House it has less than a majority of the outstanding stock. As far back as 1947 the distinguished ranking minority member, who was then chairman of the House Banking and Currency Committee, Mr. Wolcott, introduced a bill in which he provided that as little as 10 percent of ownership of bank stock should make them subject to this bill. I think what he had in mind was that one large holding company which crosses State lines, engages in both business enterprises and banking, with as little as 11 percent of the outstanding stock, controls the election of directors. And that is possible because, as we know, many stockholders neither sign proxies nor attend annual meetings at which the directors are elected, and once a quorum is established a majority of the quorum elects.

That is why I think it is important that the House bill provision be continued or be adopted by this body, which will permit the supervising agencies to determine whether or not there is actual control of the bank even though there is less than a majority of the stock owned by the holding company. Without that kind of provision, you will not reach the holding companies that you want to reach under this bill.

Going to item 5 as listed in the comparative analysis, you have a provision in S. 2350 which does not appear in the House bill. I think it should be incorporated in the House bill. That provides for a merger or consolidation of bank holding companies with any other bank holding company being prohibited without approval of the Board. That is the provision that is in S. 2350. It does not appear in either of the other two bills. Frankly, I think it was overlooked. No one on the House side suggested that that provision be inserted. I think it belongs in the bill or you will have evasion of the principle.

I noted that the Chairman of the Federal Reserve Board indicated that there was no need to have a provision in this bill, and there is none in S. 2350, requiring approval of the Board before acquisition of bank assets. I think that is as important a provision as acquisition of bank stocks. As a matter of fact, the matter was pointed up very strongly when the Congress enacted, the amendment to the antitrust laws, so as to include acquisition of assets as well as stock.

At the present time I think the House Judiciary Committee is ready to report a bill which will have the same restriction as to banks. There is now a restriction in the Clayton Act against acquiring bank stocks if it is going to lessen competition. We seek to amend the law and I trust it will pass both Houses so it will apply also to acquisition of assets.

If that principle is good there, it is just as important that it be applied to the holding companies.

Senator DOUGLAS. Mr. Chairman, may I ask a question?

Senator FREAR. Senator DOUGLAS.

Senator DOUGLAS. In other words, what you are saying is that you should apply to the bank holding companies the same principle as in the Celler-Kefauver Act, for industrial companies?

Mr. MULTER. Yes, sir. And I believe there is a similar bill on this side now as to acquisition of bank assets, which is similar to the Celler bill on the other side which is about to be reported there.

Senator LEHMAN. May I ask a question even thought I am not a member of the subcommittee?

Senator FREAR. Surely, Senator LEHMAN.

Senator LEHMAN. As to these large mergers that have taken place in New York over the last few years, how were they effected? Was that through a purchase of the stock or through the acquisition of the assets of one bank by the other?

Mr. MULTER. It is my recollection, Senator, that it was done mainly by stock acquisition. And where informal representations were made that they could not do it on the national level because they involved a national bank and the Federal authorities might oppose it, they did it on the State level and became a State bank and got out of the national bank system.

But there it was done I believe in the main by stock purchase. But it can be just as easily accomplished by acquisition of the bank assets.

Since testifying before your committee, on July 15, 1955, United States Deputy Comptroller of the Currency Jennings, told the House Banking and Currency Committee that in 1954 there were voluntary liquidations of 58 banks after their assets were sold. I believe a large part of that was by State banks taking over the assets of national banks in order to evade the necessity of getting approval to merge or consolidate.

Now I pass on to item No. 8 in the comparative analysis. There we have the Federal Reserve Board, and I believe the FDIC chairmen also, recommending that the Board shall be required to consider the views of the interested State and Federal agencies before approving an acquisition of bank stock or assets by a holding company, while in the House bill, which is the same in large part as S. 880, before approving the acquisition of bank stock the Board must notify the Comptroller of the Currency as to national banks, and if he vetoes it that is the end of it. As to State banks it must notify the State banking authority, and if the State banking authority says "No," the Board would go no further.

I think that the provision in S. 2350 giving discretion to the Federal Reserve Board to review and take into account what the Comptroller of the Currency may say or what the State superintendent of banks may say in a particular instance and merely consider it is a bad provision.

You must bear in mind that what we have tried to do is keep the dual system a dual system.

If a State banking authority says, "This State bank subject to our State laws and our State supervision should remain a State bank and should not become part of a holding company," I do not think the Federal Reserve Board should be vested with the power to override that. And if the Comptroller of the Currency is properly vested with the right to say when a new bank should be organized and when it may or may not have branch banks, then the Federal Reserve Board should not be in a position to overrule that as to holding companies. If these authorities have decided that a bank does not need another branch or there should not be another national bank in an area, the bank holding company device should not be availed of to get around that kind of a ruling, and it has been done many times.

In many instances where the Comptroller of the Currency has ruled or a State banking authority has ruled there is no need for any additional banking facility in a particular area, that decision has been evaded by the device of the bank holding company. If we are to maintain the right of a State to supervise its State institutions and the right of the Comptroller of the Currency to determine when and where new banks should be organized, then we must give them the same right as to bank holding companies.

Now, it may be that it will be necessary to have very sympathetic administration to accomplish the legislative intent, but I think in writing the principles we should assume we will get sympathetic administration of the principles that we write into the bill.

Senator DOUGLAS. Congressman, it is sometimes said that one reason why the veto power being given to the State bank authority in the case of State banks and the Comptroller of the Currency in the case of national banks is preferable to ultimate discretion and decision on the part of the Federal Reserve Board is that the Federal Reserve Board is not as solicitous about small banks as the local banking authorities would be at least in the case of State banks. What do you think of that contention?

Mr. MULTER. I think there is much substance to the charge, Senator, that the smaller banks do not get the same consideration as the big banks.

Senator DOUGLAS. From the Federal Reserve?

Mr. MULTER. Yes. I am of the opinion that the Federal Reserve Board entirely overlooked their duties as imposed upon them by the Clayton Act through the years until the clamor arose against bank mergers and bank consolidations as they are happening in the present era. I think they entirely overlooked the fact that they had the right to say "There shall be no merger or no consolidation because of the provisions of the Clayton Act." Their entire tendency as indicated by their constant approvals, their failure to stand up and say, "No, this merger shan't go through, and that consolidation shan't go through," indicates a sympathy for the colossus, for the stupendous, in the banking industry.

Senator DOUGLAS. In justice to Mr. Eccles, however, should it not be said when he was Chairman of the Board of Governors of the Federal Reserve he called attention to the danger of bank companies and did his best to check at least some of the difficulties in that field?

Mr. MULTER. Yes; you are quite right that he did, sir. I think his was the lone voice in the Federal Reserve Board on the subject.

Senator DOUGLAS. And in recent years the ardor of the Federal Reserve Board has diminished on this subject?

Mr. MULTER. I think you are right, Senator?

I have not taken the time to indicate the tremendous concentration of banking in the various cities as a result of these mergers and consolidations, because I am sure your record is already full of it and will be filled even more before your hearings close. But there cannot be any doubt that there is an overconcentration of banking within large units in the various metropolitan communities.

I think back in 1900 four banks controlled 20 percent of the deposits and assets in the city of New York, and today 4 banks in New York City control more than 60 percent.

Senator DOUGLAS. Excluding mutuals?

Mr. MULTER. Yes, excluding mutuals. You have the same thing in Philadelphia. You have the same thing in Washington, D. C. Through the holding company device you have the same thing throughout the entire country, and I do not think it is good for the economy of the country.

Senator DOUGLAS. May I interrupt for a few minutes?

Senator FREAR. Yes.

Senator DOUGLAS. Congressman MULTER, may I ask you another question?

Mr. MULTER. Yes.

Senator DOUGLAS. It is sometimes said that the holding company device is only a fraction of the problem of concentration of economic power in banking. That in addition you have the problem of branches, you have the problem of mergers, you have this curious problem of trusteeship which affects one State, personal trusteeship, and therefore we should spend our time on these other problems rather than take up bank-holding companies. What do you say to that, Congressman?

Mr. MULTER. I say all of the problems are part of an overall problem. They all require our attention. I think we should give them as much attention as possible, but we should not say, "Let's push this bill aside now and take up a bill dealing with some other segment of our economy."

Let's take them one at a time and do the best we can with each of them as we go along and eventually try to correct the entire situation as it affects the overall economy.

With reference to that specific matter, I think it is important to emphasize that with the strengthening of the antitrust laws so far as banks, bank stocks and bank acquisitions are concerned, and if our Federal agencies will now be alerted to their duty to step in and make sure that there are no violations of the antitrust law—and the whole history of it up to date shows that there has been no attempt to look at this situation up to the present moment so far as banks are concerned with any view as to whether or not they will be monopolistic or in violation of the antitrust laws—the minute we strengthen those laws and the minute our enforcement agencies begin to look into this situation of bank-stock acquisition and bank-asset acquisition and begin to bring to bear the full force of the antitrust laws, then bank holding companies must become the device to evade the law unless we enact a bill such as this. They can accomplish the identical thing through the bank holding company that you are seeking to prevent by regulating bank acquisitions and bank-stock acquisition.

Senator FREAR. Senator BENNETT.

Senator BENNETT. I have been puzzled by a statement you made, Mr. MULTER, a little while ago, and I would like to have you clear it up.

As I understand it, you testified that if the State banking authorities decided that a particular area could not support another State bank and if the Comptroller of the Currency decided that the same area could not support a national bank, the bank holding company device could be used, presumably, to get another bank into the area. I would like to know how that can be worked.

Mr. MULTER. It can be worked only with the cooperation of the Comptroller of the Currency or the State authority.

Senator BENNETT. Well, that clears it up. It is impossible for the device by itself to put a bank in there. That seems to me obvious.

So it is your point then that the bank holding company has sufficient improper power that it can exert influence on the Comptroller or on the State banking authority to persuade them to put a bank holding bank in where they would not put a privately operated bank in?

Mr. MULTER. Let's not say "improper" but say "they have enough influence." And let me make this clear: If both the Comptroller of the Currency and the State banking authority were in agreement that there should be neither a State bank nor a national bank in the area, I do not think the holding company could get in with a new bank. But if the State banking authority says there is no need for another banking facility here and by that they do not mean another national bank or another State bank but they mean there is no need for an additional banking facility either national or State they still have no right to tell the Comptroller of the Currency what to do and they can only recommend to him what to do. The State will turn the application down, as has happened in New York State many times. The banking authority, the banking superintendent, has gone in and made a complete study and he said, "There is no need for an additional banking facility in this area." Then the same people came down to the Comptroller of the Currency and got a new national bank charter or another existing national bank in the area got a new branch bank from the Comptroller of the Currency.

Sometimes it has happened just the other way. The Comptroller of the Currency has said, "You do not need another bank there, national or State." But he has no right to tell the State authority what to do.

Senator BENNETT. Is not that situation inherent in our dual banking system?

Mr. MULTER. Yes; and I say keep that inherent in the bank holding company situation by continuing to give the State authority the right to say whether a bank holding company which is a State corporation may come in. There are no national holding corporations. None of them are chartered by the Federal Reserve Board or the Comptroller of the Currency or by any Federal statute. They are creatures of the State. And if a State says, as it has a right to say, "We want no holding company in here," or "We want our holding companies regulated in accordance with the same way we regulate our banks," then we should let the State do that as to the State institutions.

Senator BENNETT. I do not think this bill changes that; does it?

Mr. MULTER. S. 2350 says that the Federal Reserve Board will review the matter, having in mind the recommendations of the State authority, but it gives the Federal Reserve Board the right to overrule the State banking authority if the Board so desires, and I say that is wrong.

Senator BENNETT. Well, I have got to get straightened out on that one step deeper. If the State authority says no bank, no State bank, should go in this area and the Comptroller agrees with him and says that no national bank should go in this area, then the Federal Reserve has no power to overrule either of those or both of those and put a bank in there just because it is owned by a holding company; does it?

Mr. MULTER. No; the Federal Reserve cannot put a bank anywhere.

Senator BENNETT. That is the point I wanted to make, and I think your testimony left the inference—at least it did with me—that there was a device that the holding company had by which it could overrule both the State and the Comptroller and get a bank in an area when these people said no bank should go in.

Mr. MULTER. No; I am sorry if I created that impression. I am very happy you called my attention to it, because I did not want to create that impression.

But I do want to make clear that the holding company device can be used to evade a State bank authority's veto of a new bank there as to the State bank. It can be used to evade on the State level, with State cooperation of course, the national bank veto.

Senator BENNETT. In other words, it can only operate through cooperation with the agency that does not refuse?

Mr. MULTER. That is right.

Senator BENNETT. All right.

Mr. MULTER. And I say that when the agency refuses a bank holding company the right to acquire an additional bank in its State, the Federal Reserve Board should not be able to say, "You, Mr. Holding Company, a New York State corporation, go in nevertheless and acquire a State bank in New York."

Senator BENNETT. That is a different problem.

Mr. MULTER. Yes.

Senator BENNETT. That is a completely different problem.

Mr. MULTER. Yes.

Senator BENNETT. We must not get them mixed up.

Mr. MULTER. No, we should not.

Senator BENNETT. All right.

Mr. MULTER. I think if I have indicated now precisely why H. R. 6227 is better than S. 2350 in that respect, I have made my point.

In other words, S. 2350 gives the Federal Reserve Board the discretion to do what it pleases with bank holding company acquisitions.

Senator DOUGLAS. That is, existing banks.

Mr. MULTER. Of existing banks, yes. And we will have to strengthen the law—it is not in this bill—so as to prohibit or at least we can say in our report that we mean the National Banking Act means exactly what it says and holding companies cannot organize new national banks as they are now permitted to do by what I call administrative misinterpretation of the law.

Now, you can write into this provision that a bank holding company shall be pro-

hibited from organizing new banks. I think you could. It is not there now.

Senator DOUGLAS. New national banks?

Mr. MULTER. Yes.

Now going on to item 11 in the comparative analysis, S. 2350 provides for an exemption of companies which manage or control banks. If that language remains in any bill that is passed, you defeat the entire purpose of the bill. It is not in H. R. 6227 or S. 880, and I do not think it should be in either bill as finally passed.

Senator DOUGLAS. Would you develop that point, Congressman?

Mr. MULTER. Yes, sir. The language in S. 2350 will permit a company to manage a bank. Now, it is my understanding of the very principle and very purpose of this legislation that it will be to stop just that kind of activity. If the holding company without owning the stock is going to actually operate and manage the bank, you do not get the kind of personal management that the banking laws are intended to require of banks. The stockholders should elect directors responsible to them, and those directors should be men who will exercise their independent judgment in accordance with the statute and the regulations of the various regulatory bodies and their best judgment, in order to do a good banking job. If you are going to have some holding company, whether it owns the stock or not or is just hired to manage the bank, you are supplanting the discretion and the judgment of the individual directors by some other authority that is not responsive to the stockholders.

If our theory is that bank directors should run the bank and be responsible for the exercise of their own discretion and judgment, then you cannot countenance any other company being called in to manage or operate the bank.

Oh, yes, when it gets into difficulty and FDIC must come in to supervise and try to bring it back to a solvent position or prevent it going into insolvency, you have a different situation, but there it is a Government agency coming in and saying what should be done. It is not some private company.

Senator BENNETT. Then that is a weakness of H. R. 6227 because it provides for the same thing.

Mr. MULTER. You are quite right, sir. It is a weakness in both bills. There should be no outside company permitted to manage the bank. The directors of each bank should be charged with and fulfill their responsibility of directors using their own judgment and not look to some outside company as to what they should do, how they should do it, or when and where they should do it, and I suggest its elimination from any bill that is enacted.

Senator LEHMAN. May I ask a question?

Senator FREAR. Senator LEHMAN.

Senator LEHMAN. I wanted some education on this point. The provision is made that a holding company can operate a bank if it has even a minority ownership of the bank.

Mr. MULTER. Yes, sir.

Senator LEHMAN. The amount of stock varies. Twenty-five percent, I believe you mentioned, and even as low as 10 percent.

Mr. MULTER. Eleven percent in one instance, sir.

Senator LEHMAN. In either case a majority of the stock is not necessarily held in certain cases by the holding company.

Mr. MULTER. That is correct.

Senator LEHMAN. How can the bona fide owners of the stock in a majority amount assert themselves?

Mr. MULTER. Only by attending the annual meeting or sending a representative there as their proxy to represent them. But you see the difficulty is that much of this stock is held in small sums, in small quantities, by diversified interests. Much stock is held in pension funds and by foundations. The practice seems to be among the pension funds, the trustees of pension funds, and the trustees of foundations not to get involved in management.

They will buy the stock for investment because of its potentiality of continued good return, the potentiality of capital increment, and they do not want to get mixed up in the management. By and large, you will find they do not execute proxies and do not send a representative to vote their shares.

That is one reason why you get in large corporations and in large banks a small minority actually in control of the institution. These trustees will step in occasionally when their attention is specifically called to the fact that there is something very bad about the management. Then they reluctantly sometimes will get into the picture and authorize somebody to vote their proxy.

Senator LEHMAN. Do you know whether the proxies are sent out to the stockholders of the bank by the holding company or by the alleged management of the bank?

Mr. MULTER. The holding company would not have to send out any requests for proxies except in those instances where they controlled a minority of the stock of the bank. In most instances you will find the holding company owns a large portion or percentage over and above a bare majority of the bank stock. It will only be necessary in those instances where they own less than a majority that they solicit proxies.

I believe that you raised the question of proxy solicitation during the course of this hearing, and I think the regulations with reference to solicitation of bank proxies, proxies for bank stock, require strengthening. I do not think that is the subject of this bill, but I think attention must be given to that and possibly——

Senator LEHMAN. I was not referring to those cases in which the company holds a majority or more than a majority of the stock. I am referring to those cases in which the bank holding company holds 25 percent, 15 percent. What I am getting at is this: Let's assume a bank holding company owns 25 percent, leaving 75 percent in other hands. What recourse have the 75 percent of the owners of the stock to take a bank out from under the hoding company?

Mr. MULTER. Only to attend an annual meeting and make their voices heard and offer an appropriate operational procedure to the stockholders and ask for action on it.

Now, in some instances it might require their getting control of the board of directors first. In others it may be possible for them to take action directly at a stockholders' meeting. But that would depend upon the bylaws and the State statutes in each particular instance.

I do not see that there is any way of their doing it effectively, except that they actually attend the stockholders' meeting and assert their rights at an annual meeting when it comes to the election of the directors and then follow through with the election of directors who would respond to their will.

Senator LEHMAN. Thank you.

Mr. MULTER. I have taken much more time than I know this committee has to devote to me. You have many other witnesses you want to hear. I will try to hurry along and finish up on this analysis of the bills.

S. 2350 has no provision against so-called self-dealing.

Senator BENNETT. Will you identify the number you are talking about?

Mr. MULTER. Yes. Under item No. 15. That is the provision against self-dealing—that is, a holding company borrowing from the bank it controls or the bank lending to the holding company.

I believe that a provision of that kind is important and should be contained in any legislation that is passed.

The matter of judicial review in item 16 I think is extremely important. I believe that it works both ways. There may be a holding company that seeks the right to go in and acquire a bank and the supervising agency says no. They certainly should have the right to go in and urge that the supervising agency, whether it be the board or the comptroller or the State supervising authority, has erred and made a mistake and they should have that right of review.

On the other hand, where they have granted the right to a holding company to go in and acquire a bank, I think if a stockholder of the bank has come in before the granting of the application and has submitted good and substantial objections to the acquisition and the supervising authority nevertheless overrules that objection, that stockholder has a vital interest in the matter and should have the right to have the matter reviewed just as much as the holding company should have a right to review an adverse decision.

I disagree with Chairman Martin of the Federal Reserve Board when he says that this provision will let "everybody and his brother" come in and review the matter. The act does not permit "everybody and his brother" to come in and butt into it. The man who comes in and objects will have to have some substantial interest in the matter. If I am not a stockholder in either the holding company or in the bank, I have no right to be heard. But if I am a stockholder, I have a right to be heard. If I come in with a substantial objection that has been capriciously or arbitrarily shunted aside, I should have a right to have it reviewed.

The same way if the bank holding company making the application has been denied the right to acquire the bank and there is good reason why it should and the action in denying the application has been arbitrary or capricious, there should be review.

Therefore, I say that the H. R. 6227 and S. 880 provisions in that regard should be incorporated in any bill that is finally passed.

Now, then, passing on to item No. 19, technical amendments to existing law. The provisions of existing law as to voting permits I believe will become obsolete and unnecessary if we have this legislation enacted. We do not have a similar provision in S. 2350. If you have this complete regulation of the holding company activity, then I do not think you need burden the Federal Reserve Board with the right or the duty of passing on whether or not a holding company should vote the stock of the bank it holds.

Now, on item No. 20, which is the last item in the matter of reports, S. 2350 requires a report sometime before 5 years after the enactment of the law. H. R. 6227 has a provision requiring such a report within 1 year and requires the report to state practically the same matters as S. 2350 does. I think because of the newness of this approach, not in our review of the situation but of the legislation, we ought to sit on it rather closely and watch it carefully, and I think that the 1-year report provision is much better than waiting for 5 years.

I am sorry I have taken so much time, gentlemen. I appreciate the opportunity of being heard. If I can be of any further assistance to the committee, I will be very happy to respond.

Senator FREAR. Thank you, Congressman. We are very happy that you came over and gave us your views, and I am sure the subcommittee and the full committee will be interested in your testimony.

Mr. MULTER. Thank you.

Senator DOUGLAS. May I express my appreciation to you, Congressman MULTER, for your able testimony.

Mr. MULTER. Thank you, sir.

Senator FREAR. Congressman, the testimony should be corrected and any additional

testimony that you would like to present should be in by 4 p. m. tomorrow. The subcommittee will meet next Tuesday, and in order to have this printed the deadline has been established at 4 p. m. Can you do that?

Mr. MULTER. I will do my best. I may have to shorten my statement very much. I will try not to add too much to what I have already said, but my corrected testimony surely will be back by that time.

Senator FREAR. Thank you.

Mr. MULTER. Thank you very much.

In view of the pressure of time, I will merely correct my testimony and will be compelled to forego the opportunity of submitting a complete statement for the record.

Dixon-Yates

EXTENSION OF REMARKS

OF

HON. J. ERNEST WHARTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1955

Mr. WHARTON. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I wish to include some very excellent factual data on the subject of Dixon-Yates as expressed by our colleague, Hon. CHARLES A. HALLECK, of Indiana, on the Dave Garroway program last Thursday morning. A transcript of his interview follows:

Mr. BLAIR. Good morning, sir.

Mr. HALLECK. Good morning, Mr. Blair.

Mr. BLAIR. Mr. HALLECK, why did the President cancel the Dixon-Yates contract?

Mr. HALLECK. Well, fundamentally he canceled the Dixon-Yates contract not because of any victory for the opponents of Dixon-Yates but because the city of Memphis finally agreed to do what they should have done in the first instance by saying they would build their own steam generating plant.

Now, before I get any further, Mr. Blair, I want to thank you for having me on this program. There have been so many misleading charges, and not only misleading but I say downright false, that on occasion it seems to me that they are trying to work up some issue that would be about the equivalent of the squirrels on the White House lawn.

Now, the fact of the matter is that the people of Memphis came up here almost 2 years ago. They saw the President. And he said to them then, Why don't you build your own steam generating plant? Well, they said, you don't understand; this is a way of life down here. Well, I suppose it is a way of life, and certainly with 140,000 homes down there being heated with electrical energy that is subsidized by the taxpayers of all the country, I can understand that, too.

You see, in the TVA area we are getting up to where 70 percent of the power will be generated by steam plants, not by falling water in hydroelectric plants.

Well, in any event, the people of Memphis said that they weren't going to build their own steam plant. Then of course, there was a shortage impending, and the President—at the President's direction began through the Budget Bureau and the Atomic Energy Commission the negotiation of a contract, two of which similar contracts had been negotiated by the Atomic Energy Commission, one at Portsmouth, Ohio, and another at Paducah, Ky., to supply power in that Memphis area. And that progressed until in the House of Representatives, the President having said that he would not ask for a further appropriation to build further steam plants in the Tennessee Valley, the Appropriations Committee put in a provision to commit the taxpayers of all the country to spend another $100 million to build another TVA steam plant. And when that came on the floor of the House of Representatives, it was decisively defeated.

And so the city of Memphis said, well, we will build our own steam plant. Now, if they had said that in the beginning, there never would have been any Dixon-Yates contract.

Mr. BLAIR. Of course the other side claims, Mr. HALLECK, that the White House knew about the Memphis plant beforehand. You disagree with that?

Mr. HALLECK. I certainly do. As a matter of fact, the President in his budget message in January 1954, a year and a half ago, specifically said that plans were under way to acquire from private utilities 500,000 or 600,000 kilowatts of power in that area. So those people knew all the time this whole program was being developed. They knew what the score was. The representatives of Tennessee, and I don't blame them for fighting for what they want down there, came up here and demanded that we put up another $100 million to build another steam plant in the Tennessee Valley.

Now, I think that the people of this country ought to understand what the real issue is here, not a lot of cheap things that have been talked about.

The issue is whether or not we would go along with a just, fair, and decent contract, openly arrived at, good for the people of Tennessee, the people of Memphis, and good for the country, or, would we appropriate another $100 million on to a billion, $500 million we have already sent down there out of the taxpayers' money to build another steam generating plant, to produce subsidized, below-cost power to the advantage of that section of the country against all other sections of the country which do not have such a favorable arrangement.

Mr. BLAIR. The way you are talking this morning, Mr. HALLECK, it certainly sounds to us like you feel the issue is not completely dead?

Mr. HALLECK. Well, the issue of Dixon-Yates is dead. Memphis has said it is going to build its own steam plant. Well, that is what my little town of Rensselaer, Ind., did when I was just a kid. That is what Los Angeles did.

Now, if they want to borrow $100 million, pay interest on it, and build their own plant, that's fine. You see, TVA doesn't pay interest on the money the taxpayers of this country have advanced. They have had $1,500 million for power purposes already; at 3 percent a year that is $45 million that the taxpayers are putting up every year for the production of the energy down there.

Now there is quite a revolt on in Memphis, I understand. A lot of solid citizens there think that this is a tragic mistake as far as Memphis is concerned. But certainly they have burned their bridges. They have said they are going to build their own steam plant, which will mean that the Atomic Energy Commission can get the power it needs from the TVA and go on with its business.

Mr. BLAIR. You know it has been charged by the other side of this question that it was improper for Mr. Adolph Wenzell to advise the Bureau of the Budget in this matter when his company, the First Boston Co., was to be a financing agency in the project. Would you clarify that for us?

Mr. HALLECK. Well, Mr. Blair, that is another one of the things that really have nothing to do with the issue. Wenzell, I don't know what part he played. I never saw the man in my life, but I would like the people of this country to know that as one of the congressional leaders, I sat in on White House meetings when the President was there, and Joe Dodge, the former Director of the Budget, and Rowland Hughes, the present Director, Admiral Strauss, Chairman of the Atomic Energy Commission, this whole program of the contract was outlined for us. And I approved of it. I think it was a good contract to meet existing circumstances—even as the Paducah and Portsmouth contracts entered into in the time of President Truman were good contracts for the Atomic Energy Commission.

Now, as the President pointed out in a letter to STERLING COLE, of New York—Congressman COLE—here is what he said as to the fundamental issue: "My general thinking on the subject is this, it seems to me that all arguments for the construction by the Federal Government for the additional steam plant ignore this one and very important truth. If the Federal Government assumes responsibility in perpetuity for providing the TVA area with all the power it can accept, generated by any other means whatsoever, it has a similar responsibility with respect to every other area and region and corner of the United States of America."

In other words, the Wabash River in Indiana is quite famous. It goes through my district. Suppose we got the Federal Government to put up a little money to build a few Federal dams. We couldn't generate much power. We would generate a little. And then, after we got that going, we would come on down here and say you have got to build steam plants. We get the money. We pay no interest on it. Keep that in mind. The TVA doesn't pay normal taxes, so we could avail ourselves of the same right that is had in the Tennessee Valley region. And of course we would have this cheap subsidized power. But I ask you, who is going to pay those bills? And wouldn't that result in final socialization of the whole power industry?

Now, if that is what people want, why they can have it that way, but as far as I am concerned, I don't want it that way, and I know the President of the United States doesn't want it that way. And I must say, at this point, that some of these charges that even attack his integrity, coming from the area down there where we have gone along putting up a billion, five hundred million dollars to give them a more advantageous position than the rest of us, for them to attack the integrity of the great President of the United States, Dwight Eisenhower, at this very hour when he is going over to Geneva at what may be one of the most momentous conferences of all time, I say it comes with poor grace.

Mr. BLAIR. Of course, this is a domestic issue, Mr. HALLECK, and I fail to see too much connection with the Geneva Conference on it.

Mr. HALLECK. Well, possibly it has no connection with the Geneva Conference——

Mr. BLAIR. But let's talk about the——

Mr. HALLECK. That may be true, but at the same time, speaking for myself, that is the way I feel about it.

Mr. BLAIR. How about the 1956 elections? Do you think this business is going to have any effect on that?

Mr. HALLECK. Well, I would say that in the areas, I don't know what the effect will be in Tennessee. I suppose that their frantic efforts to try to force us to put up another $100 million to build another steam generating plant was a kind of frantic effort, because if I may say so, it looks maybe as if the gravy train is running out down there. And I think the time has come for TVA to mature.

Mr. BLAIR. What do you mean by "mature," Mr. HALLECK?

Mr. HALLECK. Well, are we to go on, ad infinitum, as the President says, to pump more of the taxpayers' money, without interest, down there, to spread out, I don't know how far in their operations?

Now, then, as far as the issue is concerned, you know the reason we won that fight in the House of Representatives, and it did not involve the Dixon-Yates contract. It involved the simple question: Are we going to appropriate another $100 million to build another steam generating plant at Fulton, Tenn.? The reason we won was that all over this country Members of Congress are beginning to hear from back home; they are beginning to find out that their people are just getting a little tired of continuing to pour money into this operation which in the final analysis, with its subsidized below-cost power, actually is siphoning off industries from New England, from New York, from Pennsylvania, and other areas where we have to build our own plants, borrow our own money, pay interest on it, pay taxes—but through a private utility—and do all of the other things.

If there is any issue, I will say that outside of the State of Tennessee or those immediate adjacent areas—and I am not even so sure of that down there—the people of the country will applaud the stand that the President of the United States has taken—that the Republicans in the Congress of the United States, aided by a lot of Democrats all over the country, who likewise see this thing as we do——

Mr. BLAIR. Charlie——

Mr. HALLECK. I say, the issue would be on our side.

Mr. BLAIR. Charlie, just time for one more question. I wonder, why don't you propose that the Government sell the TVA to private power interests?

Mr. HALLECK. No one has proposed that, may I say, in our plan. Maybe some have proposed it. We realize that the TVA which started out as a hydroelectric proposition—and may I refer to the original act of 1933 which says it is primarily for navigation and flood control, with the incidental development of power—of course the incidental now is 70 percent. But no one seeks to sell the TVA so far as I know.

Mr. BLAIR. Well, we certainly thank you, Mr. HALLECK, for being our guest this morning and giving us the other side of an issue that has been debated and that seems to still be raging in our Nation's Capital. Thank you very much.

Address of Hon. E. L. (Tic) Forrester, Member of Congress, to American Legion Auxiliary for the State of Georgia, July 15, 1955

EXTENSION OF REMARKS
OF
HON. JOHN J. FLYNT, JR.
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 20, 1955

Mr. FLYNT. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, it is my pleasure to include an address by my distinguished friend and colleague, Hon. E. L. FORRESTER, Member of Congress from the Third Congressional District of Georgia. This address was delivered to the American Legion Auxiliary of the Department of Georgia on July 15, 1955. It was received by a large and enthusiastic audience and drew favorable comments from all parts of the State. Many of the members of the American Legion Auxiliary who heard this address were so impressed with its contents and its substance that they feel as I do that it should be made available for widespread dissemination and distribution through this means.

The address follows:

Madam President, my friends, this is a fine occasion for me. It affords me the opportunity of seeing many of my true friends; it allows me the privilege of thanking you personally for the great affection and honor you have so generously conferred upon a distinguished lady of the district I have the honor of representing, when you conferred the presidency of your organization upon Mrs. R. T. Ragan; also, to again express my pleasure that the American Legion saw fit to bestow its highest office upon the capable shoulders of a man from our district, Erle Cocke, Jr., who was so liberal and generous in his introduction of me; also, it presents the opportunity to speak to one of the greatest groups in all this world. Also, I wish to convey to you the hearty greetings and felicitations of the entire Georgia delegation, all of whom specifically requested me to tell you that they appreciate your great work, your complete patriotism and loyalty, and that they are sure that this convention will be one of the most successful you have ever had.

I am delighted to come in your midst, as a Legionnaire, and as a public servant to give you to some extent an account of my stewardship and as a private in the ranks, discuss with you matters of moment and concern.

Mrs. Ragan submitted to me two subjects that I might speak upon:

1. Building America Under God.
2. Strengthening Our Country.

I like both subjects so well that I decided to talk on both of them. The truth is, both subjects so parallel each other that I think that a discussion of one would necessarily cover the other.

We will build America under God, or we will not build. We will march under God's banner, or not at all. History conclusively proves that fact.

It is said with reliable authority that Columbus was 400 years late in his discovery of America, and that Lief the Norseman had touched our shores in the 10th century. Lief did not realize he had done anything, and did not tell anyone. During the intervening years, great political and religious persecution developed, and men and women of courage, character, and faith longed for religious and political freedom. They were not looking for security, they were not asking to be made wards of the Government, they simply wanted freedom, the right to work, the right to build, and the right to work out their own destinies. God approves people of that kind. The time was ripening for God to do something with and for valiant and worthwhile people. In the 14th through the 16th centuries, political and religious persecution, fraud, and corruption had gained such ascendency in Europe, that the only way for good people to begin anew would be to find a new continent. God had that unknown continent ready and waiting. Columbus came, Columbus saw, and Columbus talked. In the 16th century, brave and resolute men and women came to blaze a trail in America, and to build a civilization by cutting down the wilderness, building homes, schools, and churches, and pulling themselves up by their own efforts. These people loved God and freedom, and were willing to die for their beliefs.

God gave them a leader. This was the new Canaan, and this country had a spiritual birth. The physical proportions of Joshua and Washington were almost identical. Both were privileged to see the land they were to fight for before being called on to do battle. Both were commanders in chief of their respective armies. Both fought a 7 years' war. Boht were selected heads of their governments. Both established 13 colonies. You say there were only 12 tribes of Israel? You are right, but Joseph's inheritance was divided between Ephriam and Manessah. Both gave God the credit for their victories, the indispensable ingredient in their successes.

Both men encountered misunderstanding and opposition from some of their people. How many of us have ever understood why the Tories opposed us in our battle for freedom? I was always curious about that, and to such extent that I found some of their speeches, and I want to tell you what their argument was: They said, no democracy has or can exist more than 200 years; that greed, fraud, intoxicating power, unreasonable demands upon the part of the people, will pull down the pillars supporting the temple of democracy. Our people never argued history with the Tories. Our people said, your history is true, but God is on our side, and God will be our leader, and God will preserve our form of government. Our ancestors realized that the country they were founding on democratic principles was God's last experiment as to whether man could be depended upon to govern himself, that without God they were sunk, with God they could not fail, that they must make good because there were no other new continents to settle.

From that humble beginning, our country became the greatest and the richest the world has ever known. Whether it will remain so, depends on whether we are and will continue to be a Godly nation. The future will be decided on our faith and what we do.

In my lifetime we have fought three major and devastating wars, each accompanied by a lowering of the spiritual level. The greater the war, the greater the moral sag or deterioration. In those wars we have lost much of the cream of young American manhood. Few realize that in Korea we lost those outstanding young men that this country had educated to become its generals and its admirals. Yes, we lost thousands and thousands of our boys, boys who were once as vibrant with life as we are, and who responded to friendship's glow as we do. They gave their lives to bank the fires of hell, but they left for us, the living, the responsibility to put that fire out. Surely we should know now that the price of liberty is high. Our dead comrades only made the downpayment, and we must complete the purchase price.

Instead of these wars solving our problems, and swords being beaten into plowshares and spears into pruning hooks, we find ourselves in the greatest dilemma of human history. Thirty-five years ago communism could have been wiped out as easily as passing your hand over a candle to snuff out its feeble flame. But we did not. The magic word was "tolerance." Tolerance of evil, tolerance of crime, tolerance of ideas repulsive to God, and to right. We have extended tolerance to a group calling themselves liberals, who are the most intolerant people ever spawned. People who, if they had the power, would crush you, your sentiments, your Constitution, and your way of life, as they would crush an ant. It is my considered opinion based on my experience as a public servant that this group is the most prejudiced and malicious group of people this world has ever known. May the do-gooder realize this, before it is too late. Communism hates God and hates morality. God says man "is a little lower than the angels." Communists say man is like the brute that perishes.

As Joshua said to the proud and ungodly people of Israel, "By the hand of God you have been carried from bondage in Egypt to a land of milk and honey." Joshua reminded them that God said, "I have given

you a land for which you did not labor, and cities which ye built not, and ye dwell in them; of the vineyards and olive trees which ye planted not do ye eat." After that solemn reminder, Joshua said to the children of Israel, "Choose you this day whom ye shall serve." I say to the world today, which could easily be the last century of a departing civilization, Shall it be Karl Marx with his deadly philosophies, or Jesus Christ, with everlasting life to nations and men and women who serve him? That question cannot be answered in a parrotlike manner. It must be answered: We will be true to Christ with all our hearts, souls, and beings, and He will be our leader, no matter the personal cost. Indeed, Paul, the apostle, saw the great need of the human race when he said, "I will preach nothing but Christ and Him crucified." I would to God that every one of his ministers and servants made the same resolution, for it is Christ or chaos. Common honesty requires me to tell you, though I know it will be disputed, that the rank and file of our people know less about Christ and our Constitution, even our philosophy of government, than ever before in our history. No wonder so many are confused and accept leftwing ideas. In 1783 Washington surrendered his commission as Commander in Chief of the Revolutionary Army at Annapolis, Md., saying to his faithful men, "The job is done, well done." It was then, but I am wondering what will be said as to the job we have done when the 200 years which the Tories said would bring to a close a democratic government rolls around in 1983?

Today we owe $281 billion, twice as much as every farm, with all its equipment and crops, is worth on the market. The budget is not balanced, and we continue annual deficits. We have 18 million veterans, and more to come. We have an obligation to them and we must perform it. We have our armies and military machines to support, and we are told that the Communist military machine far exceeds ours in striking power, even including the air, and in every way except the atomic and hydrogen bombs, and in this field we are told that if we are superior, Russia is speedily catching up.

The overriding problem is survival. The four horsemen—the atomic bomb, hydrogen bomb, bacteriological warfare, and chemical warfare—are riding high over this world. President Eisenhower says, "This is the age of peril." Churchill says, "In all history, this is the most difficult century in which to be born."

It is my opinion that any person who would advocate a war is out of his senses. Thirty carefully placed bombs would theoretically blanket the 3 million square miles of the continental United States. Additionally, each day brings evidence that military science is progressing at a geometric rate, and packing more than millions of tons of TNT power into a single bomb. Guided missiles may be shot from one continent to another, and this field is only in its infancy. At the same time, my friends, despite the facts just stated, anyone who treats lightly the possibility of war is deliberately or ignorantly ignoring the facts. Certainly war must be looked upon as an unmitigated horror, but slavery under communism would be a worse horror. I am certain there is no one in this audience who would not, if the showdown came, be willing to risk war, terrible as war would be, in order to save this Republic and to prevent Christianity from being wiped from the face of the earth.

We must use our ingenuity and our God-given brains in conjunction with our allies, to make sure that this war, if it comes, will not be because of something we did or did not do, and if it then comes, by the grace of God, we must win it.

I do not know what the talks being planned will produce. Maybe not much, maybe nothing, but I am glad our leaders are willing to sit down and talk, and willing to reason and willing to do everything honorable without compromising our fundamental principles, to preserve the peace.

If the Communists have any regard for humanity, the witnessing of one hydrogen bomb explosion should bring them to their senses. I wish every American could see one of those awful experiments, and see the death-dealing devices man has made, and how shocking and devastating science can be without God in command. I am certain that the awful indifference that has made civil defense a joke in this country would disappear. It is bewildering to see how little our Nation's Capital and our great cities have done in that respect. Now is the accepted time to provide that defense. Do not forget this fact. It is my judgment that if we realize what we are facing, and what the terrible cost will be exacted of us for victory, we would be different. I believe it would change our ideas from which we can get from our Government to what we can do for our Government. Wouldn't that be healthy? We would be more careful with the taxpayers' dollars. We would demand a dollar's worth of service for every tax dollar. We would quit being so patient with those screaming for their claimed rights, and we would finally demand that they consider and rise to the performance of their obligations to the greatest country that ever existed on this earth. We would become realistic to the enemy within our gates.

A few days ago we voted out a Reserve bill in the House, and I supported that bill. It was one I hated to vote for, and one that is hard to defend support of, but harder to defend opposing. Only 250,000 boys can annually come under that program, though we have a million boys becoming of eligible age yearly. You say that is discrimination? I admit that, but the Government simply cannot train all of those young men as they become of age. A huge Army over the years will wreck the economy of this Nation. This Reserve must be the answer, for we must be realistic. It would be interesting for you to know the history of this Reserve bill upon the floor of the House. This bill was under the leadership of our Hon. CARL VINSON, whose generalship upon the floor is unsurpassed. An amendment, as you doubtless know, was offered which had the effect of destroying the States' sovereignty over their National Guard, and that amendment was accepted by the House. Congressman VINSON did the only possible thing when he moved that the Committee arise, which had the effect of leaving the bill suspended in the air. I affectionately told Congressman VINSON "Robert E. Lee never executed a more sucessful retreat." Mr. VINSON in a few days had regrouped his forces, so he took the bill again to the floor and the Reserve bill was passed, leaving the States' right to maintain their National Guard unimpaired. A few years ago General Eisenhower, in testifying before a congressional committee, suggested that the drafting of our women might become imperative. I certainly hope not, but without an adequate Reserve, that could some time become an actual fact.

During this age of peril, certain groups have used our dangers as opportunities to change our way of life and to destroy the rights of the States, and to build up an awful centralized Government with limitless control. You and I know that unlimited power is extremely dangerous, and that we cannot grant that power. In this Reserve bill that I have just discussed, this bill was threatened with defeat, unless we accepted an amendment that would destroy the constitutional right of the various States to maintain and control their National Guard.

I pledge to this great and patriotic organization and to the people of America, that I will oppose with every ounce of my being every attempt to break down our landmarks and traditions. I will never agree to permit a bloodless revolution win in our country as the price for so-called cooperation in the battle for our existence.

No human agency should have unlimited power. A good man does not want it. It is exceedingly dangerous for a bad man to have it. The reason our United States Supreme Court does not have the respect of law-abiding people as it so universally had and deserved at one time is perhaps to be found in one of their rulings to the effect that there is no restraint placed upon it that they do not choose to impose. I challenge that statement. They have oaths. They have the Constitution. They have a duty to God and man. No wonder with such puffed up notions they talk psychology and sociology and substitute psychology and sociology for the Constitution. No wonder they say the Constitution means one thing today and another thing tomorrow, and that they, and they alone can change it with impunity through construction. No wonder they have repeatedly voided State appellate court decisions on questions of fact instead of law. No wonder so many criminal convictions have been reversed and there is practically no end to appeals on convictions for crime. No wonder the Rosenbergs' conviction was reviewed in the courts approximately 14 times, and the day before their electrocution the execution was ordered stayed by one Supreme Court Justice, who, contrary to law, entertained a petition by a person who was not an attorney for the Rosenbergs, and who was not a practitioner of that Court, despite that Court's own rule that an attorney desiring admittance to their Court must submit a certificate from the chief justice of his State appellate court that he is licensed to practice in that court and must additionally submit certificates from two attorneys licensed to practice in the Supreme Court that the applicant is of good character, etc.

Believe it or not, the United States Supreme Court has no appellate jurisdiction of any class of cases that Congress sees fit to withdraw from its jurisdiction. Our forefathers had sense and wisely inserted that check and balance. Last year Senate Resolution 44 was introduced in the Senate, and passed the Senate. That bill came before the Judiciary Committee in the House, of which I am a member. I discovered that inserted in that bill was a provision depriving the Congress of any power or right to make exceptions or regulations regarding constitutional questions, which would have placed our Constitution in the hands of nine men, with all power to regulate taken from the people. I lead the fight to kill that bill, and we killed the bill, and if I never do anything else, that was worth going to Congress for. It might interest you to know that this year I introduced a bill which would leave to the respective States the administration of their school facilities. Whether I can pass it in my lifetime I do not know, but it would be a wonderful emancipation if we could.

Perhaps you are aware that our Supreme Court has held that a treaty or even an executive agreement made by the President will override and annul any State law and even the Constitution. The Bricker amendment would cure that terrible decision. Yet few amendments have been so viciously attacked. Mr. Truman was against it. Mr. Eisenhower and Mr. Dulles thought it wonderful when Mr. Truman was President and Acheson was Secretary, but when they got in the driver's seat, they also turned against it. The amendment is sound and imperative. I intend to support it. The only way you will ever get it, however, is to demand it.

Do you know that in some quarters and in entirely too many, the word "conservative" has become a word of opprobrium? I am a conservative, and I will tell you why. That word means "preservative," "within safe bounds," "moderate." I always want to be

conservative in dealing with your money, your lives, our Constitution, and our country. A conservative believes that if we are to fight communism effectively, we must fight it at home with the same fervor we mobilize our youth to fight it overseas. A conservative believes it is important that Communists be removed from Government jobs, and from other positions where they can and have molded sentiment against our way of life. A conservative does not think that a person who drew your money and worked in our Government though a Communist, when our boys were dying in the battlefields fighting communism, should receive the praise and popularity many are receiving, when years later and after the statute of limitations has prevented any prosecution, and without fear of any punishment, admits that he was a Communist. A conservative thinks that person is at least unstable, and besides praise should be withheld from traitors. A conservative does not think that a Communist should broadcast news and opinions over the radio and television to the loyal people of the land, and a conservative happens to believe that no newspaper should have as editor any person who admits that once he was a Communist. A conservative does not believe that this Government should be prevented from tapping the wires of persons planning to commit sabotage or espionage against this country, nor does he believe that the Government should be so hamstrung with restrictions that would render useless that medium of detection.

A conservative does not believe that organizations such as the DAR, UDC, GAR, American Legion, and other patriotic organizations should be held in contempt by groups oppposed to the country they or their ancestors brought into being, and who were liberal enough to let those groups sit at the table and eat of the fruit believing they would not despise the country that was so good to them, but would be loyal and patriotic.

This is a dark hour—but a challenging hour. Our problems are colossal—but our opportunities for service are unlimited. These opportunities are not for the timid. The foe is confident, and arrogant, for they believe their battle is almost won.

We must rise up to our opportunities and our responsibilities. It is great to be living now. Our fallen comrades who died for America expect us to do our best. I know you will, so my request to you is, insist that others do so. You people are a wonderful inspiration to me. You are entitled to the best that is in me, and if I know my heart, you shall have it.

The greatest speech I ever heard was from the lips of Captain Carlson, the commander of the *Enterprise* that battled the seas though half overturned, for 13 days, Captain Carlson riding with it. He was being honored in Washington and was called upon to say a few words, and this is what he said:

"I deserve no honor or praise. I am simply a humble seaman who was trusted with a little piece of America. It was a great privilege and I did my very best to bring that piece of America back home."

I promise you, as your servant, I will do my very best to protect America and its people.

SENATE

THURSDAY, JULY 21, 1955

Rev. Robert E. Lee, pastor, St. Luke Evangelical Lutheran Church, Silver Spring, Md., offered the following prayer:

Almighty and eternal God, before whose perfection so much of our human striving seems frail and fruitless, we thank Thee for the sense of duty which spurs us on when the responsibilities of life appear insurmountable. Grant us, as a nation, wisdom to remember that when we have done our best to serve Thy purposes, we have no judgment to fear. Continue, we beseech Thee, to guide and uphold the Members of the Senate as they go about their work, and grant them strength and moral courage equal to every decision. We pray through Jesus Christ, Thy Son, our Lord. Amen.

THE JOURNAL

On request of Mr. CLEMENTS, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, July 20, 1955, was dispensed with.

REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

Pursuant to the order of the Senate of July 20, 1955,

The following reports of committees were submitted:

By Mr. ELLENDER, from the Committee on Agriculture and Forestry:

S. 1621. A bill to authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed or subject to the act of August 11, 1939, as amended, and for other purposes; without amendment (Rept. No. 1042).

By Mr. AIKEN, from the Committee on Agriculture and Forestry, without amendment:

S. 1915. A bill to provide for further effectuating the act of May 15, 1862, through the exchange of employees of the United States Department of Agriculture and employees of State political subdivisions or educational institutions (Rept. No. 1041).

By Mr. AIKEN, from the Committee on Agriculture and Forestry, with an amendment:

H. R. 3822. A bill to amend title V of the Agricultural Act of 1949, as amended (Rept. No. 1045).

By Mr. CLEMENTS, from the Committee on Agriculture and Forestry, without amendment:

S. 2297. A bill to further amend the Agricultural Adjustment Act of 1938, and for other purposes (Rept. No. 1043).

By Mr. CLEMENTS, from the Committee on Agriculture and Forestry, with an amendment:

S. 2295. A bill to amend section 313 of the Agricultural Adjustment Act of of 1938, with respect to tobacco allotments (Rept. No. 1046).

By Mr. CLEMENTS, from the Committee on Agriculture and Forestry, with amendments:

S. 2296. A bill to amend section 313 of the Agricultural Adjustment Act of 1938, with respect to tobacco allotments (Rept. No. 1044).

By Mr. EASTLAND, from the Committee on Agriculture and Forestry, without amendment:

S. 2170. A bill to permit sale of Commodity Credit Corporation stocks of basic and storable nonbasic agricultural commodities without restriction where similar commodities are exported in raw or processed form (Rept. No. 1047).

By Mr. JOHNSTON of South Carolina, from the Committee on Agriculture and Forestry, without amendment:

H. R. 4280. A bill to direct the Secretary of Agriculture to release on behalf of the United States conditions in 2 deeds conveying certain submarginal lands to Clemson Agricultural College of South Carolina so as to permit such college, subject to certain conditions, to sell, lease, or otherwise dispose of such lands (Rept. No. 1048).

By Mr. HOLLAND, from the Committee on Agriculture and Forestry, with amendments:

S. 661. A bill to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts (Rept. No. 1049).

By Mr. GREEN, from the Committee on Foreign Relations, with amendments:

H. R. 6382. A bill to amend the International Claims Settlement Act of 1949, as amended, and for other purposes (Rept. No. 1050).

By Mr. PASTORE, from the Joint Committee on Atomic Energy:

Proposed agreements for cooperation concerning the civil uses of atomic energy between the United States and Belgium, the United States and Canada, and the United States and Great Britain, and Northern Ireland (Rept. No. 1051); and

Proposed agreements for cooperation regarding atomic information for mutual-defense purposes between the United States and Canada, and the United States and Great Britain, and Northern Ireland (Rept. No. 1052).

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. CLEMENTS, and by unanimous consent, the Committee on Government Operations was authorized to meet during the session of the Senate today.

On request of Mr. CLEMENTS, and by unanimous consent, the Committee on the District of Columbia and its Subcommittee on Public Health, Education, Welfare, and Safety were authorized to meet during the session of the Senate today.

On request of Mr. CLEMENTS, and by unanimous consent, the Judiciary Committee was authorized to meet today during the session of the Senate.

On request of Mr. GORE, and by unanimous consent, the Subcommittee on Rivers and Harbors and Flood Control of the Committee on Public Works was authorized to meet at 2:30 p. m. today, during the session of the Senate.

On request of Mr. GORE, and by unanimous consent, the Antimonopoly Subcommittee of the Committee on the Judiciary was authorized to meet this afternoon during the session of the Senate.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. CLEMENTS. Mr. President, under the rule, there will be a morning hour for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine matters. I ask unanimous consent that all statements made in connection therewith be limited to 2 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

INCREASED BORROWING POWER OF COMMODITY CREDIT CORPORATION

A letter from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation to increase the borrowing power of Commodity Credit Corporation (with accompanying papers); to the Committee on Agriculture and Forestry.

REPORT ON EDUCATIONAL EXCHANGE ACTIVITIES

A letter from the chairman, United States Advisory Commission on Educational Exchange, Department of State, transmitting, pursuant to law, a report of that Commission for the period January 1 through June 30, 1955 (with an accompanying report); to the Committee on Foreign Relations.

MARY VIOLA JONES

A letter from the Secretary of the Army, transmitting a draft of proposed legislation for the relief of Mary Viola Jones (with an accompanying paper); to the Committee on the Judiciary.

REPORT ON CLAIMS PAID BY TREASURY DEPARTMENT RELATING TO CORRECTION OF MILITARY RECORDS OF COAST GUARD PERSONNEL

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, a report of claims paid on account of the correction of military records of Coast Guard personnel, during the 6 months' period ended June 30, 1955 (with an accompanying report); to the Committee on the Judiciary.

GRANTING OF APPLICATIONS FOR PERMANENT RESIDENCE FILED BY CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

ADMISSION OF DISPLACED PERSONS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Alexander Villem Tuum from a report transmitted to the Senate on February 15, 1954, pursuant to section 4 of the Displaced Persons Act of 1948, as amended, with a view to the adjustment of his immigration status; to the Committee on the Judiciary.

PETITION

The VICE PRESIDENT laid before the Senate a joint resolution of the Legislature of the State of Alabama, which was referred to the Committee on Interior and Insular Affairs, as follows:

House Joint Resolution 42

Whereas Hon. ALBERT RAINS, Member of Congress from the Fifth District of Alabama, has introduced into the House of Representatives, H. R. 288, which bill provides for the establishment of the Horseshoe Bend National Military Park, in the State of Alabama; and

Whereas an organization composed of interested citizens has been formed, known as the Horseshoe Bend Battle Park Association, which organization is composed of people who are bending every effort to encourage the passage of H. R. 288; and

Whereas the members of the Alabama House of Representatives are convinced that the Battle of Horseshoe Bend, fought on March 27, 1814, between United States forces under the leadership of Gen. Andrew Jackson and the warriors of the Creek Indian Nation, led by Chief Menawa, was one of the most significant military engagements in American history; and

Whereas the conclusive victory at this great battle was responsible for the opening up of a large area of the southwestern United States for settlement by the white man; and in addition, gave impetus to and support of the careers of Andrew Jackson, Sam Houston, John Coffee, and others who were destined to play an important role in the history of this mighty nation: Be it

Resolved by the Legislature of Alabama (both houses thereof concurring), That:

1. The Legislature of the State of Alabama approves the efforts of the members of the Horseshoe Bend Battle Park Association to procure the establishment of a national military park at Horeshoe Bend in Tallapoosa County, and commends them for their interest and good work;

2. The Legislature of Alabama hereby memorializes Congress to enact into law H. R. 288, which legislation would create a military park at the site of the Battle of Horseshoe Bend, assuring the Congress that it is the belief and opinion of this assemblage that the Battle of Horseshoe Bend is one of the most far-reaching encounters ever fought by American arms in the establishment of our Republic, and deserves to be forever commemorated, honoring the courageous men who fought and fell there for principles to which they had dedicated themselves.

Resolved further, That the clerk of the house be directed to transmit copies of this resolution to:

1. The Clerk of the House of Representatives, United States Congress.

2. The Secretary of the United States Senate.

3. Each member of Alabama's delegation in Congress.

4. Each member of the Committee on Interior and Insular Affairs, House of Representatives, United States Congress.

5. The Secretary of the Department of Interior.

Adopted by the House of Representatives of Alabama July 6, 1955.

Concurred in and adopted by the senate July 8, 1955.

Approved by the Governor July 15, 1955.

PROPOSED DEACTIVATION OR REORIENTATION OF THE NINETY-SIXTH INFANTRY DIVISION—RESOLUTION, ETC.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the 96th Infantry Division Association composed of personnel from Montana, Utah, Idaho, and Arizona which I received 2 days ago, and which was signed by over 500 members of the 96th Infantry Reserve Division from Montana; a letter from Brig. Gen. C. J. Hauck, Jr., relative to queries I made concerning the proposed deactivation or reorientation of this division, and two other items on the subject which accompanied General Hauck's letter to me.

There being no objection, the resolution, letter, and other related matters, were ordered to be printed in the RECORD, as follows:

RESOLUTION PASSED BY 96TH INFANTRY DIVISION ASSOCIATION

Whereas the 96th Infantry Division comprises residents and citizens of the Rocky Mountain States; and

Whereas the 96th Infantry Division has repeatedly been the strongest of the 25 Reserve divisions in the United States; and

Whereas thousands of officers and men of the Mountain States have contributed their time and talents to organizing and training a Reserve division representing their community of States; and

Whereas the Rocky Mountain States provide a natural defense line for the American Continent which is relatively free from atomic attack, and for which there should be provided a Reserve division composed of and commanded by citizens of the Mountain States; and

Whereas in the imminent reorganization of the Reserve divisions of the United States Army there is danger that the Mountain States may be ignored and set aside in the allowance of a fully constituted Reserve division for this important community of States: Now, therefore, in consideration of the premises and the great and essential needs for the defense of our Nation and community: Be it

Resolved, That we, the undersigned citizens of the Mountain States of Montana, Utah, Idaho, and Arizona, do urgently request that the 96th Infantry Division as now constituted, be retained as one of the principal Reserve divisions of the United States Army and that no emasculation of the important defenses of the Nation at the western bastion of the Mountain States be permitted or tolerated.

In witness whereof, we the undersigned have below set our names in expression of urgent purpose and desire.

JULY 20, 1955.

Hon. MIKE MANSFIELD,
United States Senate.

DEAR SENATOR MANSFIELD: In accordance with your recent request there is forwarded herewith information pertaining to the change in status of the 96th Infantry Division, United States Army Reserve.

Prior to the development of the National Reserve plan the Department of the Army Reserve forces troop basis was predicated on a mobilization requirement extending from M to M+12 months. To meet this requirement a 52-division force structure was developed and organized within the Reserve components. Under the early ready concept in the national Reserve plan, the services were directed to limit their Ready Reserve requirements to those needed to meet M to M+6 months requirement. A complete reexamination of our mobilization requirement resulted in the development of a 37-division force structure and a total Ready Reserve of 1,692,235 men. This force contains the essential combat and support units, AAA units, mobilization base units, and the trained individuals needed to meet mobilization requirements, during the first 6 months of war. The Army requirements have been approved by the Joint Chiefs of Staff after careful review to insure service conformity with the overall strategic concept.

As a matter of additional information it should be indicated that the new Army Reserve troop basis was submitted to the General Staff Committee for National Guard and Reserve Policy for their comments and recommendations with respect to Reserve implementations. This statutory committee, comprised of senior National Guard and Army Reserve officers, endorsed the new troop basis.

This 37-division force structure included provision for the existing 27 National Guard divisions, and 10 of the existing 25 USAR divisions.

Of the 15 Reserve divisions which could not be justified under the new troop basis, 12 were retained as cadre divisions to meet the requirements for replacement training centers. The three remaining divisions were retained to form the headquarters for maneuver area commands. It should be emphasized that all 15 affected divisions will retain their unit designations. While

these divisions will perform the missions indicated above during the early stages of mobilization, it is anticipated that they may well be developed into and utilized as combat divisions at a later stage in the war.

To implement the new troop basis in the continental armies, each Army commander was given authority to select in his command, in accordance with guidance given him by the Department of the Army, those divisions to be designated as combat divisions, replacement training centers, and maneuver area commands.

It is incorrect to infer that maneuver area commands do not play a very important and vital mission in the Reserve program. This type division will conduct and support the training of Army units during their final training cycle before combat, and will have the following responsibilities:

(a) Plan and prepare maneuver problems.

(b) Direct and control the conduct of maneuver problems.

(c) Provide logistical support for the troops undergoing maneuver training.

To accomplish the above mission a maneuver area command will have attached to it a minimum of three logistical commands and attached troops necessary to support such an area command. The troops under their control after mobilization will be greater in strength than that of an Infantry division.

The Sixth Army commander selected the 96th Division to be a maneuver area command. This division will retain its present designation as an Infantry division as indicated above, but will be changed in structure and those units no longer necessary in the division will be converted to other type units required in the program. Two other Army Reserve divisions have been selected for maneuver area commands, one in the Fourth Army area and one in the Third Army area. Both of these divisions have been notified by their respective Army commanders of their change in status and no repercussions or complaints have been received by the Department of the Army from those affected.

Basically, the Army's problem in this matter was to develop the right combination of units and individuals to provide the best balanced and most effective forces under the limitations imposed by personnel and time.

It was fully recognized that the implementation of the new Reserve forces troop basis would cause certain repercussions and inconveniences to certain individual reservists. To reduce this to the minimum, the Department of the Army took certain actions which are outlined in inclosure No. 1.

Today we have approximately 4,500 company-size units in the Army Reserve program with a requirement for an expansion to approximately 7,300 such units as an objective, and the new troop basis has been adjusted to the mobilization requirements of the Army. To meet this manpower requirement in the Army Reserve it can clearly be seen that a strong national Reserve plan is imperative. It can also be seen that over 2,800 additional units must be activated in the program and those now grossly under strength must be brought up to strength with trained personnel.

It should also be noted that in the directive to the field regarding the troop basis, it points out that activation of units and transfer of personnel to such units should take place before deactivation of units are made to conform therewith. The new troop basis was made necessary by adjustment of this troop list to conform with the M+6 months' mandate.

The reasons given by the Sixth Army commander for his selection of the 96th Division as a maneuver area command are attached (inclosure No. 2).

It is hoped that the above information will give you an adequate and detailed picture of the reorganization of the Army Reserve divisions based on the new mobilization concept M+6 months.

Sincerely,

C. J. HAUCK, Jr.,
Brigadier General, GS, Chief of Legislative Liaison.

DEPARTMENT OF THE ARMY,
OFFICE OF THE ADJUTANT GENERAL,
Washington, D. C., June 3, 1955.

Subject: Orientation of reservists on new Reserve Forces troop basis.

To: Commander in Chief, United States Army, Europe; Commanding Generals, United States Army, Alaska; United States Army, Caribbean; United States Army, Pacific; Continental Army Command, Continental Armies.

1. Reference is made to:

(a) Reserve Forces troop basis, January 1, 1955.

(b) DA Reserve Forces plan (RFP–1–54), November 15, 1954, as changed.

(c) Letter, AGAC–C (M) 320.2 (January 7, 1955) RES, Department of the Army, January 12, 1955, subject: Implementation of New Reserve Forces Troop Basis. (U.)

(d) Message, DA 974641, Department of the Army, January 22, 1955.

2. While no overall release of the Reserve Forces troop basis is authorized (reference 1c) each addressee will initiate appropriate action to insure that Army reservists are adequately informed of:

(a) Reasons for recent changes in the Reserve Forces troop basis.

(b) Training opportunities available to Army reservists.

3. The following points relative to the recent changes in the Reserve Forces troop basis will be emphasized to Army reservists:

(a) The numbers and types of units of the Reserve Forces are predicated upon mobilization requirements which do not remain static, but change in accordance with world conditions, as well as with the development of new techniques, tactics, and organizational structures. As mobilization requirements change, so do the numbers and types of units in the Reserve.

(b) Changes in active Army troop basis are made continuously. However, the last major change in the Reserve troop basis took place in 1950. The development of new weapons, the lessons learned in the Korean action, and changes in the composition of the active Army have for some time indicated the need for a revision of the Reserve troop basis. The current troop basis is, therefore, the result of long-term evaluation and planning, and represents those units which are currently and for the foreseeable future considered necessary to meet mobilization requirements. It is reasonable to expect that this troop basis, as well as the active Army troop basis, will change gradually over the years as weapons and conditions change.

(c) Changes in the Reserve troop basis are related to the organizational structure of the active Army which is now considerably larger than it was in 1950. Many units listed as Reserve requirements in 1950 are now included in the active Army troop basis and have been deleted from the Reserve troop program. In like manner, the number of certain types of units in the Reserve has been increased, while some others have been decreased.

(d) Time to mobilize, deploy, and meet a determined, aggressive foe is now shorter than in 1950. Reserve units now must be prepared for active service, refresher training, and deployment within a few months of the beginning of an emergency.

(e) The new troop basis establishes a requirement for approximately 7,000 company-size units, as compared to the 4,500 units now in being.

(f) The new troop basis provides TOE vacancies in units to which most of the personnel assigned to units no longer required may be transferred.

(g) The need for activation of new units by qualified reservists will be particularly stressed.

4. Assurance will be given to Army reservists that every effort is being made, and will continue to be made, to provide training opportunities for personnel for whom a unit assignment is not readily available. It will be emphasized, also, that the mission of the United States Army Reserve is to provide trained units and trained individuals both of which are equally essential to the success of the Army Reserve mission. Training opportunities for reinforcements are as follows:

(a) The United States Army Reserve school system, which is being expanded.

(b) An annual 15-day tour of active duty for training.

(c) Fifteen-day refresher courses, conducted throughout the year at Army service schools.

(d) Attendance at resident associate courses of the Army service schools.

(e) Army area schools.

(f) Mobilization designee positions.

(g) Extension courses.

5. Each addressee will insure that orientation of reservists in accordance with this letter stresses local application of the considerations set forth in paragraphs 3 and 4.

By order of the Secretary of the Army:

JOHN A. KLEIN,
Major General, United States Army,
The Adjutant General.

MESSAGE

1. Under the reorganization the 4 cadre type USAR Infantry divisions currently in this army are changed to 2 T/O & E Infantry divisions (full officer and reduced column enlisted strength), 1 Infantry division (RTC), and 1 Infantry division, Headquarters and Headquarters Company (MAC).

2. A detailed study of the military manpower potential in the States of Montana, Idaho, Utah, and Arizona, phased through 1960, indicated that these States could not support a full strength officer and reduced column enlisted T/O & E Infantry division after deducting from the manpower potential the increased authorized strengths for units of the Army, National Guard, Air National Guard, Navy Reserve, Marine Corps Reserve, Air Force Reserve, and proportionate share of personnel from the active forces.

3. The geographical spread of the 96th Division over an area of 1,200 miles by 600 miles in the States of Montana, Idaho, Utah, and Arizona does not lend itself to proper command and staff supervision. It has been impossible for the commanders of the 96th Division to supervise properly inactive duty training with regiments split over 4 States and with the division headquarters split over 2 States.

4. The geographical spread of the division precluded its assembly as a unit for unit field training except at the sacrifice of training time. The division has only been assembled once as a division for unit field training. This was accomplished last year at Hunter Liggett Military Reservation but was done at the sacrifice of 5 days' travel time for some units.

5. Of the divisions in this army, the geographical location of the 96th Division causes it to be the most remotely located from the 2 major field training sites in this army (Camp Roberts-Hunter Liggett Military Reservation complex and Yakima Firing Center) which are suitable for training an Infantry division with all its weapons. The 104th Division in the States of Washington and Oregon is ideally located to take advantage of the Yakima Firing Center. The 63d Infantry Division in the Los Angeles area and the 91st Infantry Division in the San Francisco Bay area are ideally located to take advantage of the Camp Roberts-Hunter Liggett Military Reservation complex.

6. The 63d Division in the Los Angeles area and the 104th Division in the Washington-Oregon area both could be adequately supported by the population potentials in their areas for full strength officer and reduced column enlisted T/O & E division. The San Francisco Bay area, together with its large number of other military units, could adequately support the 91st Division as cadre unit. The locations of all three of these divisions offer sufficient concentration to effect proper command and staff supervision and relationships.

7. The decision of this headquarters to recommend the conversion of Headquarters and Headquarters Company, 96th Infantry Division to Headquarters and Headquarters Company, 96th Infantry Division (MAC) and to inactivate the remaining elements of the division generally for reconstruction in other organizations is not based on present status of organization or state of readiness or training of the division. The present strength of the division of only 2,749 officers and men could not be considered when we are currently thinking in terms of USAR division of 14,735 officers and men.

FEDERAL AID TO EDUCATION—RESOLUTION OF DEPARTMENT OF MASSACHUSETTS AMVETS

Mr. KENNEDY. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted at the annual State convention of the Massachusetts AMVETS, held at Holyoke, Mass., on June 17–19, 1955, relating to Federal aid to education.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF MASSACHUSETTS,
AMVETS OF WORLD WAR II,
Boston, Mass., July 12, 1955.

To: Senator JOHN F. KENNEDY.
From: The Department of Massachusetts, AMVETS.

The following resolution was presented and adopted at the annual State convention assembled at Holyoke, Mass., June 17–19, 1955:

"Whereas the subject of education is of vital concern to veterans, the vast majority of whom are parents of schoolchildren; and

"Whereas it is a matter of public record that educational facilities throughout the United States are inadequate to meet the need of the fast-growing population of young Americans; and

"Whereas the Federal Government has been spending billions of dollars for foreign aid, for atomic research, for new massive weapons of destruction and for other projects: Therefore be it

"*Resolved*, That this convention record itself in favor of Federal aid to education, as a further means of strengthening the culture of America, of continuing the ever-constant battle against juvenile delinquency; and be it further

"*Resolved*, That this convention inform the two United States Senators from Massachusetts and the Department of Education in Washington that it strongly favors financial aid from the Federal Government for public schools."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GREEN, from the Committee on Rules and Administration, with an amendment:

S. 2346. A bill to establish a permanent committee for the Oliver Wendell Holmes Devise, and for other purposes (Rept. No. 1053).

By Mr. GREEN, from the Committee on Rules and Administration, with amendments:

S. Con. Res. 44. Concurrent resolution to erect on the Capitol Grounds a memorial bell tower in memory of Robert A. Taft (Rept. No. 1054); and

With additional amendments:

S. Res. 93. Resolution appointing a subcommittee to work toward the goal of world disarmament (Rept. No. 1055).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, without amendment:

S. 1834. A bill to authorize certain retired commissioned officers of the Coast Guard to use the commissioned grade authorized them by the law under which they retired, in the computation of their retired pay under the provisions of the Career Compensation Act of 1949, as amended (Rept. No. 1056);

S. 2432. A bill to permit the use in the coastwise trade of the barge *Irrigon* (Rept. No. 1057); and

H. R. 5875. A bill to amend title 14, United States Code, entitled "Coast Guard," for the purpose of providing involuntary retirement of certain officers, and for other purposes (Rept. No. 1058.).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, with amendments:

S. 2566. A bill to amend title 14, United States Code, so as to provide for compensatory absence of Coast Guard military personnel serving at isolated aids to navigation, and for other purposes (Rept. No. 1068).

By Mr. KILGORE, from the Committee on the Judiciary, without amendment:

H. R. 2949. A bill for the relief of Jose Armando Quaresma (Rept. No. 1064); and

H. R. 4044. A bill for the relief of Burgal Lyden and others (Rept. No. 1059).

By Mr. O'MAHONEY, from the Committee on the Judiciary, without amendment:

H. J. Res. 359. Joint resolution to authorize the designation of October 22, 1955, as National Olympic Day (Rept. No. 1060);

S. Con. Res. 40. Concurrent resolution to designate the period from September 17 through September 23 as Constitution Week (Rept. No. 1061); and

H. Con. Res. 50. Concurrent resolution commemorating the 200th anniversary of the migration of the Acadians from Nova Scotia to Louisiana and other areas (Rept. No. 1062).

By Mr. BEALL, from the Committee on the District of Columbia:

H. R. 6259. A bill to amend section 8 of the act entitled "An act to establish a District of Columbia Armory Board, and for other purposes," approved June 4, 1948; with an amendment (Rept. No. 1069).

By Mr. BIBLE, from the Committee on the District of Columbia:

S. 2568. A bill to amend title I of the act entitled "An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes"; with an amendment (Rept. No. 1070).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, without amendment:

S. 1683. A bill to amend the act of June 13, 1949 (63 Stat. 172), and for other purposes (Rept. No. 1065).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, with an amendment:

S. 926. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Ventura River reclamation project, California (Rept. No. 1071); and

S. 1194. A bill to provide for construction by the Secretary of the Interior of Red Willow Dam and Reservoir, Nebr., as a unit of the Missouri River Basin project (Rept. No. 1066).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, with amendments:

S. 730. A bill granting the consent of Congress to the States of Kansas and Oklahoma to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Arkansas River and its tributaries as they affect such States (Rept. No. 1067);

S. 1689. A bill to authorize the Secretary of the Interior to execute a repayment contract with the Yuma Mesa Irrigation and Drainage District, Gila project, Arizona, and for other purposes (Rept. No. 1072); and

S. 2442. A bill to provide for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects, and for other purposes; with individual views (Rept. No. 1073).

By Mr. MONRONEY, from the Committee on Banking and Currency:

S. 463. A bill to authorize the issuance of commemorative medals to certain societies of which Benjamin Franklin was a member, founder, or sponsor in observance of the 250th anniversary of his birth; with amendments (Rept. No. 1063).

By Mr. SPARKMAN, from the Committee on Banking and Currency, without amendment:

S. 2351. A bill to authorize the conveyance of certain war housing projects to the city of Norfolk, Va. (Rept. No. 1086).

By Mr. SPARKMAN, from the Committee on Banking and Currency, with an amendment:

H. R. 5512. A bill to provide for the conveyance of certain property under the jurisdiction of the Housing and Home Finance Administrator to the State of Louisiana (Rept. No. 1088); and

H. R. 6980. A bill providing for the conveyance of the Old Colony project to the Boston Housing Authority (Rept. No. 1089).

By Mr. SPARKMAN, from the Committee on Banking and Currency, with amendments:

S. 2513. A bill to authorize the sale of Welles Village war housing project in Glastonbury, Conn., to the housing authority of the town of Glastonbury (Rept. No. 1087).

By Mr. RUSSELL, from the Committee on Armed Services, without amendment:

H. R. 4886. A bill to provide that active service in the Army and Air Force shall be included in determining the eligibility for retirement of certain commissioned officers of the Navy, Marine Corps, and Coast Guard (Rept. No. 1080);

H. R. 6277. A bill to amend subsection 303 (c) of the Career Compensation Act of 1949 relating to transportation and storage of household goods of military personnel on permanent change of station (Rept. No. 1081); and

H. J. Res. 251. Joint resolution to authorize the President to issue posthumously to the late Seymour Richard Belinky, a flight officer in the United States Army, a commission as second lieutenant, United States Army, and for other purposes (Rept. No. 1083).

By Mr. STENNIS, from the Committee on Armed Services, without amendment:

H. R. 4717. A bill to provide for the release of the express condition and limitation on certain land heretofore conveyed to the trustees of the village of Sag Harbor, N. Y. (Rept. No. 1079).

By Mr. STENNIS, from the Committee on Armed Services, with an amendment:

H. R. 2107. A bill to amend the National Defense Facilities Act of 1950 to provide for additional facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes (Rept. No. 1084).

By Mr. SYMINGTON, from the Committee on Armed Services, without amendment:

H. R. 2150. A bill to further amend section 106 of the Army-Navy Nurses Act of 1947 so as to provide for certain adjustments in the dates of rank of nurses and women medical specialists of the Regular Army and Regular Air Force in the permanent grade of captain, and for other purposes (Rept. No. 1076); and

H. R. 4106. A bill to authorize the crediting, for certain purposes, of prior active Federal commissioned service performed by a person appointed as a commissioned officer under section 101 or 102 of the Army-Navy Nurses Act of 1947, as amended, and for other purposes (Rept. No. 1077).

By Mr. SYMINGTON, from the Committee on Armed Services, with an amendment:

H. R. 2109. A bill to authorize permanent appointments in the United States Navy and in the United States Marine Corps (Rept. No. 1085).

By Mr. SALTONSTALL, from the Committee on Armed Services, without amendment:

H. R. 4218. A bill to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment, and to provide certain services to the Girl Scouts of the United States of America for use at the Girl Scout Senior Roundup Encampment, and for other purposes (Rept. No. 1078).

By Mr. SALTONSTALL, from the Committee on Armed Services, with an amendment:

S. 1261. A bill to authorize the conveyance of certain lands within Caven Point Terminal and ammunition loading pier, New Jersey, to the New Jersey Turnpike Authority (Rept. No. 1075).

By Mr. ERVIN, from the Committee on Armed Services:

H. R. 7194. A bill to authorize subsistence allowances to enlisted personnel; without amendment (Rept. No. 1082).

FAMILY HOUSING FOR CHAIRMAN OF JOINT CHIEFS OF STAFF—REPORT OF A COMMITTEE

Mr. STENNIS. Mr. President, from the Committee on Armed Services, I report favorably an original bill to authorize the providing of family housing for the Chairman of the Joint Chiefs of Staff, and I submit a report (No. 1074) thereon.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

The bill (S. 2603) to authorize the providing of family housing for the Chairman of the Joint Chiefs of Staff, was read twice by its title, and placed on the calendar.

INCREASED LIMIT OF EXPENDITURES BY COMMITTEE ON THE JUDICIARY—REPORT OF A COMMITTEE

Mr. KILGORE, from the Committee on the Judiciary, reported an original resolution (S. Res. 137) increasing the limit of expenditures by the Committee on the Judiciary, which was placed on the calendar, as follows:

Resolved, That the limitation of expenditures under Senate Resolution 67, 84th Congress, agreed to March 18, 1955, is hereby increased by $20,000.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CLEMENTS (for himself and Mr. KNOWLAND):

S. 2592. A bill to increase the mileage allowance of United States marshals and their deputies from 7 cents per mile to 10 cents per mile.

(See the remarks of Mr. CLEMENTS when he introduced the above bill, which appear under a separate heading.)

By Mr. MARTIN of Pennsylvania:

S. 2593. A bill to abate certain taxes and duties on spirits owned by Kasser Distillers Products Corp. which were stolen from customs bonded warehouse; to the Committee on the Judiciary.

By Mr. LEHMAN:

S. 2594. A bill for the relief of Wan Ngo Lim; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 2595. A bill for the relief of George Henry MacDonald (formerly Frederick William Arthur); to the Committee on the Judiciary.

By Mr. McNAMARA:

S. 2596. A bill for the relief of Renza Marsale Bartlett; to the Committee on the Judiciary.

By Mr. MORSE:

S. 2597. A bill to terminate after a period of 1 year the franchise rights of the Capital Transit Co. within the District of Columbia, and to authorize the Commissioners of the District of Columbia to provide such additional public transportation during such year as may be necessary for the convenience of the public; to the Committee on the District of Columbia.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

By Mr. KENNEDY:

S. 2598. A bill for the relief of Rosina Di Placido Colantino; to the Committee on the Judiciary;

S. 2599. A bill for the relief of John J. Griffin; and

S. 2600. A bill to increase the education and training allowances under the Veterans' Readjustment Assistance Act of 1952; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. KENNEDY when he introduced the last above-mentioned bill, which appear under a separate heading.)

By Mr. FULBRIGHT (for himself, Mr. HILL, Mr. SPARKMAN, Mr. MCCLELLAN, Mr. CLEMENTS, Mr. LONG, Mr. STENNIS, Mr. SYMINGTON, Mr. KEFAUVER, and Mr. GORE):

S. 2601. A bill authorizing the Secretary of the Interior to make a comprehensive survey and study of the ground-water resources of the Mississippi Valley embayment area; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. FULBRIGHT when he introduced the above bill, which appear under a separate heading.)

By Mr. NEUBERGER (for himself, Mr. LANGER, Mr. MANSFIELD, Mr. MCNAMARA, Mr. MORSE, and Mr. HUMPHREY):

S. 2602. A bill to extend the educational and vocational assistance benefits of the Veterans' Readjustment Assistance Act of 1952 to persons who serve in the Armed Forces after January 31, 1955, and who agree to participate actively in a Reserve component of the Ready Reserve after the expiration of their active service; to the Committee on Labor and Public Welfare.

By Mr. STENNIS:

S. 2603. A bill to authorize the providing of family housing for the Chairman of the Joint Chiefs of Staff; placed on the Calendar.

(See the remarks of Mr. STENNIS when he reported the above bill from the Committee on Armed Services, which appear under a separate heading.)

By Mr. MAGNUSON:

S. J. Res. 93. Joint resolution authorizing the acceptance of a gift from the Ericsson Memorial Committee; to the Committee on Rules and Administration.

TERMINATION OF FRANCHISE OF CAPITAL TRANSIT CO.

Mr. MORSE. Mr. President, I introduce, for appropriate reference, a bill to terminate after a period of 1 year the franchise rights of the Capital Transit Co. within the District of Columbia, and to authorize the Commissioners of the District of Columbia to provide such additional public transportation during such year as may be necessary for the convenience of the public. I wish, very quickly, because I must leave the floor, to say that the first section of the bill carries out the recommendation of the Commissioners that the franchise be lifted.

The second section of the bill authorizes the District Commissioners, during the years it will be necessary to take action, to enter into whatever contract authorizations may be necessary to supply the people of the District of Columbia with transportation. In other words, the section provides that Congress places this responsibility where it should be, in the laps of the District of Columbia Commissioners, and says that the problem is really a problem of home rule.

The third section makes it clear that under the provisions of the act, the Commissioners shall not be deemed to have the right, power, or jurisdiction to seize the property and transportation facilities of the company.

I hope that will end any concern in the Congress regarding the program of seizure. The program, under my bill, authorizes the Commissioners to enter into a contract, even with the Capital Transit Co., if necessary, while the process of liquidating the franchise is underway and afterward, in order to provide transportation facilities in the District of Columbia.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2597) to terminate after a period of 1 year the franchise rights of the Capital Transit Co. within the District of Columbia, and to authorize the Commissioners of the District of Columbia to provide such additional public transportation during such year as may be necessary for the convenience of the public, introduced by Mr. MORSE, was received, read twice by its title, and referred to the Committee on the District of Columbia.

INCREASED EDUCATION AND TRAINING ALLOWANCES UNDER VETERANS' READJUSTMENT ASSISTANCE ACT OF 1952

Mr. KENNEDY. Mr. President, I introduce, for appropriate reference, a bill to increase the education and training allowances under the Veterans' Readjustment Act of 1952. Specifically, this proposal would increase veterans' educational benefits by approximately 14 percent over the 1952 level.

In view of the continuing rise in educational costs, it seems to me that such increase as mentioned above is clearly warranted. One can easly see, by viewing the various cost indexes, that although the cost of living has continued at approximately the same level since 1952. The cost of education has, in the same period, increased by more than 10 percent and is expected to rise to over 14 percent of its 1952 level in the next school year.

It has been argued by some that inasmuch as the basic philosophy of the 1952 act was one of assistance and not complete subsidy, any increase would not be in harmony with this underlying philosophy. This argument is irrelevant to this bill, which would only increase veterans' allowances in proportion to increases in the cost of education since 1952. On the contrary, I feel that my bill will, if enacted, erase many of the inequities presently existing under the 1952 GI bill of rights. Korean veterans presently enrolled in institutions of higher learning should not be rewarded for their services to a lesser extent than veterans who enrolled during the early days of the act.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2600) to increase the education and training allowances under the Veterans' Readjustment Assistance Act of 1952, introduced by Mr. KENNEDY, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

SURVEY AND STUDY OF GROUND-WATER RESOURCES OF MISSISSIPPI VALLEY EMBAYMENT AREA

Mr. FULBRIGHT. Mr. President, on behalf of myself, the Senators from Alabama [Mr. HILL and Mr. SPARKMAN], my colleague, the senior Senator from Arkansas [Mr. MCCLELLAN], the Senator from Kentucky [Mr. CLEMENTS], the Senator from Louisiana [Mr. LONG], the Senator from Mississippi [Mr. STENNIS], the Senator from Missouri [Mr. SYMINGTON], and the Senators from Tennessee [Mr. KEFAUVER and Mr. GORE], I introduce, for appropriate reference, a bill authorizing the Secretary of the Interior to make a comprehensive survey and study of the ground-water resources of the Mississippi Valley embayment area.

I ask unanimous consent to have printed in the RECORD a statement which outlines the need for this comprehensive study.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 2601) authorizing the Secretary of the Interior to make a comprehensive survey and study of the ground-water resources of the Mississippi Valley embayment area, introduced by Mr. FULBRIGHT (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The statement presented by Mr. FULBRIGHT is as follows:

STATEMENT OF NEED FOR A COMPREHENSIVE INVESTIGATION OF THE GROUND-WATER RESOURCES OF THE MISSISSIPPI VALLEY EMBAYMENT

The Mississippi Valley embayment as here considered consists of 90,000 square miles in the Mississippi River Valley extending from about the latitude of the 32d parallel northward to the confluence of the Ohio and Mississippi Rivers, as shown on the attached map. It includes parts of eight States—eastern Arkansas, northwestern Alabama, northern Mississippi, southwestern Kentucky, northern Louisiana, southeastern Missouri, western Tennessee, and northeastern Texas. Because the area extends into the related coastal part of the Gulf Coastal Plain the southern boundary is not clearly defined and has been drawn arbitrarily along county lines.

For many years in the geologic past this area was an embayment covered by an arm of the sea, during which time several thousand feet of sediments were deposited in the embayment. Included in these sediments are deposits of sand and gravel which now form the huge ground-water reservoirs of the embayment, and make the area one of the most important ground-water provinces in the United States. The reservoirs consist of water-bearing formations, or aquifers. Water enters these geologic formations where they are at or near the surface, and moves considerable distances to points of withdrawals, in some places passing under State lines. Thus the area is underlain by a natural hydraulic system which should be studied as a unit.

Large surface streams cross the area at various points. However, this supply is not available where it is needed most, as the use of these streams for irrigation is economically limited in most instances to the proximity of the streams.

The most valuable resources of the area are the soil and the water that makes the soil productive. The average annual precipitation is 45 to 50 inches. However, droughts are common during the growing season.

The importance of ground water can best be realized when one considers that the water supply of almost every farm, town, and city in the region comes from wells. More than 90 percent of the water used for domestic, industrial, and irrigation supplies comes from wells and springs, because ground water is nearly everywhere available and costs less to develop and treat than surface water. Also, ground water has a relatively constant temperature and quality, and is silt free.

Large quantities of ground water are pumped from the water-bearing formations of the embayment for irrigation, municipal, and industrial supplies. It is estimated that in the Grand Prairie region of Arkansas 400 million gallons of water a day is pumped for rice irrigation during the 3-month growing season. With the expansion of the area of rice irrigation northeast and east of the Grand Prairie region, the consumption of water for irrigation in that part of the State is more than that for the Grand Prairie region. In part of the Grand Prairie region the rate of withdrawal of ground water exceeds the rate of replenishment by natural recharge, and therefore further studies are needed to determine whether it is feasible to replenish the aquifers by artificial recharge. Within the last few years the area of rice irrigation has been extended into Mississippi and Missouri. In Mississippi the number of irrigation wells in the Mississippi alluvial plain increased from about 25 to 350 between 1949 and 1954. The volume of water pumped for rice irrigation in Mississippi almost doubled each year during this period. In 1954 the total pumpage of ground water for irrigation in all of northern Mississippi was estimated at 325 million gallons a day, average for the entire year. For the 3-month growing season in the delta the average pumpage was at the rate of 1,210 million gallons a day.

Supplemental irrigation of row crops and pasture is increasing rapidly, and will continue to increase, as a result of the present drought conditions and the fact that recent research by agricultural experiment stations has demonstrated that supplemental irrigation is practical as a means of saving the crops and also of increasing their yields even in seasons of normal rainfall. The extension of the Bankhead-Jones Farm Tenant Act to include the entire United States and the passage of the Hope-Aiken bill will tend to further the use of supplemental irrigation. Recent experiments by Louisiana Agricultural Experiment Station in northern Louisiana show that the yield of such crops as sweet potatoes can be increased considerably by irrigation, and that use of water from underground sources eliminates the danger of plant disease carried by surface water. It appears reasonable to conclude that eventually such a large number of farmers will install irrigation systems that the resulting demand for ground water will become greater than the supply.

In addition to the use of water for irrigation, industrial plants and municipalities in the embayment area down to the 32d parallel in Mississippi use a total of about 134 million gallons of ground water a day. Also, in the Memphis area more than 135 million gallons of ground water a day is used for municipal and industrial purposes.

Industrial expansion and increased agricultural prosperity therefore are dependent to a considerable extent upon the availability, amount, and quality of ground water, and the extent to which the supply may be reused as a result of adoption of methods of natural or artificial recharge.

Ground water in the Mississippi Valley embayment occurs in four principal aquifers, all of which extend under more than one State. All yield water to wells in more than one State. Water may enter the aquifers in one State and move to centers of pumping in other States. In each aquifer the effects of pumping may extend across State boundaries. For example, effects of heavy pumping from wells in the Memphis area extend into Mississippi and Arkansas, and part of the water pumped into Memphis comes from these States. Likewise, large withdrawal of water in Mississippi and Arkansas may affect the parts of ground-water reservoirs that underlie Tennessee. None of these aquifers is sufficiently investigated so that the availability, amount, and quality of the ground water can be evaluated. It would be unwise to attempt a large-scale development without this information. Also, the proposed investigation will yield information needed to assure wise conservation and regulation of water.

The present investigations being made by the United States Geological Survey in cooperation with the States of Alabama, Arkansas, Kentucky, Louisiana, Mississippi, Tennessee, Texas, and the city of Memphis give valuable information on parts of embayment. However, they do not cover the entire area, and they do not treat the study on a regional basis. The Mississippi Valley embayment includes parts of eight States, and is underlain by a geologic and hydrologic system that must be studied as a unit. Therefore, in view of the major importance of ground water to the welfare of the area, a comprehensive regional study of the ground-water resources is needed, and should be conducted either as a Federal program or as a joint, coordinated Federal-State cooperative program, in contrast to the group of generally unrelated Federal-State cooperative programs in each of the States.

In studying the occurrence, quantity, and quality of ground water it would be necessary to map the acquifers both on the surface and in the subsurface. Where an acquifer crops out and is subject to recharge, the size and shape of the recharge area would be determined. The possibility of increasing the recharge through recharge wells or spreading of surface water on the recharge area would be studied. The relationship of ground water to flood control and drainage projects and to the use of excess rainfall for recharge, thus saving flood water otherwise lost to the gulf, would be considered. In areas where water is discharged from the acquifer, the relationship between the acquifer and streamflow would be studied, both to determine the effect of decreased discharge from an acquifer into a stream brought about by increased pumping from wells and to predict the base flow of the stream when there is no direct surface runoff.

The extent of the water-bearing formations, the continuity of the different formations, the capacity of the ground-water reservoirs to transmit water, the storage capacity of the acquifers, the amounts of pumping, the configuration of the water tables, and the quality of water would be determined. By combining all of the information as to the outcrop area, the amount of recharge to and discharge from the acquifer, and the continuity and ability of the acquifer to transmit water, it would be possible to estimate the perennial yield of each water-bearing formation.

All available information, both from the Federal projects now in operation and from State surveys, would be used. It is estimated that such a program would require 5 years and cost $900,000; the cost during the first year would be $100,000. A large part of this money would be spent on an exploratory program of test-well boring and conducting pumping and other aquifer tests, and making electrical and radioactivity logs of wells to determine the character, thickness, and extent of the aquifers. By the end of the third year the major part of the exploratory drilling and boring program would be completed and emphasis would be placed on pumping tests and other quantitative studies, and on the chemical analyses of the water. Observations on the fluctuations of the water to determine storage effects and quantitative changes in storage should be started as soon as practicable, and continued indefinitely.

Progress reports covering the results of the work would be prepared annually, with a comprehensive report on the geology and hydrology to be included in the report at the end of the third year. A final report analyzing all the data obtained and giving information in regard to the perennial yield of the area, the areas of overdraft, and the areas in which additional water could be developed would be prepared at the end of the fifth year.

AREA BY STATES

Alabama

All or parts of six counties in the northwestern part of Alabama are included in the embayment region. The water-bearing formations (aquifers) which underlie this part of Alabama are some of the most productive in the State, and extend into Mississippi. Some of the water which enters these formations in Alabama moves into Mississippi. Studies are needed to determine how much water is available in Alabama, and the quantity that moves into Mississippi.

None of these aquifers in Alabama have been sufficiently investigated, so that the availability, amount and quality of ground water can be evaluated. It would be unwise to attempt a large-scale development without this information. Also, the proposed investigation will yield information needed to assure wise conservation and regulation of water.

Arkansas

About one-half of the State consisting of all or parts of 46 counties in eastern and southern Arkansas is included in the project. This part of the State is the source of some of the largest ground water supplies in Arkansas. In the Grand Prairie region, Arkansas, more than 400 million gallons of water a day is required for rice irrigation during the 3-month growing season. With the expansion of the area of rice irrigation northeast and east of the Grand Prairie region the consumption of water for irrigation in that part of the State is more than that for the Grand Prairie region. Also, the use of ground water to irrigate crops such as cotton, corn, and oats is increasing. It appears reasonable to conclude that eventually such a large number of farmers will install irrigation systems that the resulting demand for ground water will become greater than the supply. Industrial expansion and increased agricultural prosperity therefore are dependent to a considerable extent upon the availability, amount, and quality of ground water, and the extent to which the supply may be replenished as a result of adoption of methods of natural or artificial recharge.

In a large part of the area in Arkansas none of these aquifers are sufficiently investigated to make possible a sound evaluation of the availability, amount, and quality of ground water. It would be unwise to attempt a large-scale development without this information. Also, the proposed investigation will yield information needed to assure wise conservation and regulation of water.

Mississippi

Fifty-one counties in Mississippi are included in the embayment region. More than 95 percent of the public water supplies are from wells. In the Mississippi alluvial plain (Yazoo delta) the number of irrigation wells in operation increased from about 25 to 350 between 1949 and 1954. The volume of water pumped for irrigation almost doubled each year during the period. In 1954 the total pumpage of ground water for irrigation was estimated at 1,225 million gallons a day during the growing season.

The use of supplemental irrigation from wells for row crops and pasture is growing rapidly, and will continue to grow, as a result of the passage of the Hope-Aiken bill. In addition to the irrigation development, several industrial plants in the Mississippi alluvial plain are using a total of about 100 million gallons of water a day.

Some of the aquifers in Mississippi are not sufficiently investigated, so that the availability, amount and quality and quantity of water can be evaluated. It would be unwise to attempt a large-scale development without this information. Also, the proposed investigation will yield information needed to assure wise conservation and regulation of water.

Kentucky

All or parts of 11 counties in the western part of Kentucky are included in the Mississippi Valley embayment. About 90 percent of the municipal supplies are from ground water. This is one of the most productive ground-water areas in Kentucky. This region has the greatest potential for ground-water development of any area in Kentucky, with the possible exception of glacial alluvium along the Ohio River, known as the Jackson Purchase region. It is an area of rapid industrial growth, and information on the quantity and quality of water available is urgently needed. It would be unwise to attempt a large-scale development without this information. Also the proposed investigation will yield information needed to assure wise conservation and regulation of water.

Missouri

All or part of nine counties in southeastern Missouri are included in the embayment region. This forms a part of a large area in which large quantities of ground water are used for rice irrigation. Further studies of the area are needed to determine the quantity and quality of water available.

Louisiana

Fourteen parishes in northern Louisiana are included in the embayment region.

Tennessee

Most of Tennessee west of the Tennessee River—all or parts of 19 counties—is included in the embayment. This is the most productive ground-water area in Tennessee. Large quantities of water from wells are used for domestic, public, and industrial supplies. In the Memphis area more than 135 million gallons of ground water a day is used for municipal and industrial purposes.

In most of this area these aquifers are not sufficiently investigated, so that the availability, amount, and quantity and quality of ground water can be evaluated. It would be unwise to attempt a large-scale development without this information. Also, the proposed investigation will yield information needed to assure wise conservation and regulation of water.

Texas

Four counties in northeastern Texas are included in the embayment region.

AVAILABILITY OF CERTAIN AGRICULTURAL COMMODITIES TO PERSONS IN NEED IN AREAS OF ACUTE DISTRESS—AMENDMENT

Mr. WILLIAMS submitted an amendment, intended to be proposed by him, to the bill (S. 661) to make agricultural commodities owned by the Commodity Credit Corporation available to persons in need in areas of acute distress, which was ordered to lie on the table and to be printed.

INCREASED LIMIT OF EXPENDITURES BY COMMITTEE ON APPROPRIATIONS—REFERENCE OF SENATE RESOLUTION 136

Mr. CLEMENTS. Mr. President, I ask unanimous consent that Calendar No. 1042 (S. Res. 136), increasing the limit of expenditures by the Committee on Appropriations, be taken from the calendar and referred to the Committee on Rules and Administration.

The VICE PRESIDENT. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. BYRD:

An account of the proceedings, including the statements made on the occasion of the first American Rochambeau birthday ceremonies held at the Rochambeau statue in Lafayette Park, Washington, D. C., on July 1, 1955.

CHRIST, OUR HOPE—MEDITATION BY ROBERT F. RICH

Mr. MARTIN of Pennsylvania. Mr. President, the Honorable Robert F. Rich, a former Member of the House, has a meditation in the Upper Room for Wednesday, June 29, which has impressed me greatly.

Bob Rich, a great American and an outstanding former Member of Congress, has truly lived up to his ideals. He has always advocated a strong and decent America.

I ask unanimous consent that his meditation be printed in the body of the RECORD as a part of my remarks.

There being no objection, the meditation was ordered to be printed in the RECORD, as follows:

CHRIST, OUR HOPE

(Wednesday, June 29)

Read Romans 12: 9–16.

"Not slothful in business; fervent in spirit; serving the Lord" (Romans 12: 11).

My father and his brothers had taken God into their business as their unseen partner. When I entered business with them, they requested me to do the same. We opened all meetings with prayer. This gave us a feeling of security, of mutual helpfulness. Prayer has proved a source of uplift and has created a feeling of mutual understanding.

Our business was operated for 100 years as a partnership. In 1930 it was incorporated. After the election of officers, we elected a chaplain. All meetings of the corporation are opened with prayer. We are certain that Christ is our hope. We are confident that our officers and employees believe in the Golden Rule. We work together with the assurance that we are copartners with God. It is our privilege to contribute a part of our net corporate earnings to God's work.

We count it a privilege to have Christ as the unseen partner in our business enterprise.

PRAYER

Our Father, we put our hope in Thee—for love for our fellowman and for all blessings Thou seest fit to bestow upon us. May we use our talents for the upbuilding of Thy kingdom. In Christ's holy name we ask it. Amen.

THOUGHT FOR THE DAY

To discover that Christ can be my hope and help, I will take Him into partnership today.

ROBERT F. RICH,
Manufacturer (Pennsylvania).

WILDLIFE CONSERVATION FUNDS

Mr. WILEY. Mr. President, one of the most heart-warming features on the American scene is the extent to which outstanding Americans are willing and eager to give their time and effort in support of worthy private drives. I am not simply referring to charity, worthy as that is, but to great causes like preservation of the outdoor heritage of America. One such drive is the 1955 United Conservation Fund, which is raising funds in Wisconsin and elsewhere in America. Mr. Robert A. Uihlein, of Milwaukee, is, I am pleased to note, 1 of 33 distinguished Americans who are sponsors of this 1955 drive.

I send to the desk the text of an article which was carried in the Milwaukee Journal on this drive. I wish it every success.

I ask unanimous consent that the text of the article be printed in the body of the CONGRESSIONAL RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NAME UIHLEIN DRIVE SPONSOR—WILL AID CONSERVATION

Robert A. Uihlein, Sr., 3252 North Lake Drive., vice president and secretary of the Jos. Schlitz Brewing Co., Wednesday was named to the national sponsors committee of the 1955 United Conservation fund.

He is one of 33 nationally prominent persons who have agreed to serve as sponsors of the campaign for funds to finance special projects of 15 national conservation organizations.

* * * * *

Sigurd F. Olson, Ely, Minn., national president of the fund, will speak to about 50 campaign workers and a group of Wisconsin conservation leaders.

STATE SEEKS $120,000

The fund seeks $5 million nationally to aid wild life conservation. The Wisconsin goal is $120,000. * * *

In announcing the appointment of Uihlein to the sponsors committee. Olson praised the Milwaukeean as "an outstanding sportsman, whose interest has extended into many scientific aspects of wild life and resource management."

He cited particularly Uihlein's sponsorship of expeditions to the American southwest, Alaska and the Arctic for the Milwaukee museum. Uihlein personally participated in an Arctic expedition last year.

HEADS NATIONAL GROUP

Olson, called the "watchdog" of the Quetico-Superior international wilderness area in northeastern Minnesota and Canada, is wilderness ecologist for the Izaak Walton league and is president of the National Parks association. His visit here is part of a midwestern speaking tour in behalf of the fund.

Haskell Noyes, Jr., Milwaukee county fund chairman, said that 20 percent of the gross funds raised in Wisconsin would be used for scholarships to conservation short courses for Wisconsin teachers. Wildlife Preserves, Inc., one of the conservation groups participating in the fund, has earmarked $100,000 for purchase of Wisconsin wetlands for duck resting and feeding areas in their migrations, Noyes said.

The VICE PRESIDENT. Is there further morning business? If not, morning business is concluded. The unfinished business will not come up automatically until 2 o'clock.

AUTHORIZATION FOR STANDING COMMITTEES TO FILE REPORTS DURING ADJOURNMENT

Mr. CLEMENTS. Mr. President, I ask unanimous consent that all standing committees be authorized to file reports and take other legislative action while the Senate is in adjournment.

The VICE PRESIDENT. Without objection, it is so ordered.

NOTICE OF HEARINGS ON NOMINATION OF FRANCIS L. VAN DUSEN

Mr. O'MAHONEY. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a special hearing has been scheduled for Saturday, July 23, 1955, at 10:30 a. m., in room 155, Senate Office Building, on the nomination of Francis L. Van Dusen, of Pennsylvania, to be United States district judge for the eastern district of Pennsylvania.

This special hearing has been scheduled to accommodate and receive the testimony of Mr. Philip T. Sharples, who would otherwise not be available for a period of time after the above-mentioned date.

Mr. President, I desire to give further notice that on Thursday, July 28, 1955, at 10:30 a. m., in room 424, Senate Office Building, the regular hearing will be held, at which time all persons interested in the above nomination may make such representations as may be pertinent.

The subcommittee consists of myself, chairman, the Senator from Missouri [Mr. HENNINGS], and the Senator from North Dakota [Mr. LANGER].

CONSTRUCTION, REPAIR, AND PRESERVATION OF CERTAIN PUBLIC WORKS ON RIVERS AND HARBORS

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1034, H. R. 4362.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 4362) to amend the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, for navigation, flood control, and for other purposes," approved September 3, 1954.

Mr. CLEMENTS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). Without objection, it is so ordered.

INCREASED MILEAGE ALLOWANCE FOR UNITED STATES MARSHALS AND THEIR DEPUTIES

Mr. CLEMENTS. Mr. President, on behalf of myself and the distinguished minority leader [Mr. KNOWLAND], I introduce a bill to amend the mileage allowance for United States marshals and their deputies.

In view of the circumstances, it is our intention to request immediate consideration of this measure, so that Congress may act upon it before adjournment.

H. R. 6295, the Travel Expense Act, increased per diem and mileage allowances for Federal employees, and was finally approved on July 12 by the House, and on July 13 by the Senate. This legislation establishes mileage allowance at 10 cents for all other Federal employees; but by an oversight, section 553 of title 28 of the United States Code was not amended to provide a similar allowance for United States marshals and their deputies.

After consulting with the Senate Parliamentarian, the leadership concluded that the simplest and most effective way of correcting this omission was by means of a new bill amending the existing legislation covering mileage allowances for United States marshals, rather than by attempting to recall H. R. 6295 for amendment.

Accordingly, the bill I have introduced simply amends paragraph 3 of section 553 of title 28, so as to substitute an allowance of 10 cents per mile for the present 7 cents authorization in the law. This brings the mileage allowance provisions of law for United States marshals completely in line with those for other Federal employees.

It should also be added that the procedure being followed here has been cleared with, and has the approval of, the chairmen and ranking minority members of the Committees on the Judiciary, Post Office and Civil Service, and Government Operations, each of which has jurisdiction in the field of Federal employees. The bill also has the approval of the Department of Justice.

I am very hopeful that the Senate can act on this matter immediately and favorably, so that this bill can be passed by both Houses before the adjournment of this session of Congress.

Mr. President, I should also like the RECORD to show that the junior Senator from Florida [Mr. SMATHERS] introduced a similar measure on March 10, 1955; and I wish the RECORD to show that he is very much interested in the passage of the bill I have just introduced, which is along the line of the bill he introduced at that time.

So, Mr. President, in introducing the bill at this time, I now request unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The bill will be received, and will be read by its title.

The bill (S. 2592) to increase the mileage allowance of United States marshals and their deputies from 7 cents per mile to 10 cents per mile, introduced by Mr. CLEMENTS, for himself and Mr. KNOWLAND, was read twice by its title.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky for the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2592) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That paragraph (3) of section 553 of title 28, United States Code, is amended by striking out "7 cents" and inserting in lieu thereof "10 cents."

AUTHORIZATION FOR JOINT COMMITTEE ON ATOMIC ENERGY TO FILE REPORT

Mr. ANDERSON. Mr. President, I ask unanimous consent that the Joint Committee on Atomic Energy shall have until Monday night to file a report on disposition of communities of Richland, Wash., and Oak Ridge, Tenn.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTIONS IN CONNECTION WITH THE DIXON-YATES CONTRACT

Mr. ANDERSON. Mr. President, for a great many months—in fact, it is now more than a year—the country has been hearing a great deal about the controversy over the Dixon-Yates contract. Steadily, throughout that period, members of the Joint Committee on Atomic Energy have been searching as hard as they could, in an effort to ascertain whether a deliberate coverup was dictated to the Atomic Energy Commission by the Bureau of the Budget, and whether Mr. Adolphe Wenzell, whose name finally showed up, was actually a participant in the negotiations, and what his role in the negotiations was.

At the present time we have had supplied to the joint committee a statement by the Atomic Energy Commission, dated July 21, 1955. I ask unanimous consent that the entire statement be printed at this point in the RECORD.

There being no objection, the statement was ordered to be prinited in the RECORD, as follows:

UNITED STATES
ATOMIC ENERGY COMMISSION,
Washington, D. C., July 21, 1955.

Hon. CLINTON P. ANDERSON,
Chairman, Joint Committee on Atomic Energy.

DEAR SENATOR ANDERSON: On July 16, 1955, the Atomic Energy Commission received a call from Senator KEFAUVER's office which was later confirmed by a letter from Senator KEFAUVER on July 18, 1955. A copy of this letter is enclosed for your information.

After discussion of the letter by the Commission on July 19, 1955, a response was prepared to Senator KEFAUVER, a copy of which is also enclosed for your information.

In a telphone discussion on July 18, Mr. Arthur John Keeffe indicated to the general manager that the information desired particularly was that available in the Commission records pertaining to Adolphe Wenzell and Paul Miller of the First Boston Corporation.

On June 29, 1955, Mr. Frank Cotter, Director of Security for the Joint Committee on Atomic Energy, in response to your request obtained photostats of cards indicating visits to the Commission of Adolphe H. Wenzell and Paul L. Miller of the First Boston Corporation. The visits are summarized as follows:

January 18, 1954 (2:10 p. m.–3:04 p. m.):
Adolphe H. Wenzell visited John Mackenzie.
January 19, 1954 (4:11 p. m.–5:25 p. m.):
Adolphe H. Wenzell visited Walter Williams.
January 19, 1954 (4:11 p. m.–5:25 p. m.):
Paul L. Miller visited Walter Williams.
January 20, 1954 (10:50 a. m.–4:10 p. m.):
Adolphe H. Wenzell visited Walter Williams.
January 20, 1954 (10:50 a. m.–4:10 p. m.):
Paul L. Miller visited Walter Williams.
February 8, 1954 (3:53 p. m.–4:55 p. m.):
Adolphe H. Wenzell visited Mr. Nichols.
February 23, 1954 (12:32 p. m.–1.14 p. m.):
Adolphe H. Wenzell visited Mr. Nichols.
April 3, 1954 (12:29 p. m.–1:26 p. m.):
Adolphe H. Wenzell visited Mr. Nichols.

In response to Senator KEFAUVER's letter, a review of our records was made which indicates, in comparing the "Sequence of Principal Events in Connection with Power Supply for Paducah to Replace Power Now Being Furnished By TVA" which was released on Saturday, August 21, 1954, against the internal chronology of events, that for the above document to completely reflect all the information in our files, whether or not a "Principal Event," it should contain the additions or corrections shown in Attachment A.

No attempt was made to keep a precise record of the conferences that eventually led to the Dixon-Yates contract although at the time of preparation of the "Sequence of Principal Events in Connection with Power Supply for Paducah to Replace Power Now Being Furnished by TVA" our effort was to assure that every principal meeting that could be recalled was recorded. In this regard, draft copies of the proposed AEC issuance were exchanged with the Bureau of the Budget to try to assure that any meetings in which the principals were involved were covered. As can be seen from items listed in attachment A, items which were considered unimportant were not included. In addition, the question arose as to whether or not Mr. Wenzell's or Mr. Miller's name should be included. Since neither one of them participated in any degree whatsoever in the negotiations leading to the present contract which developed from the April 10 proposal from Messrs. Dixon and Yates, their names were not included, in accordance with the practice the Bureau of the Budget said they were going to follow of only including the principals concerned in the matter in their chronology and which the Bureau recommended to the AEC.

In my statement of July 13 before the Joint Committee on Atomic Energy, I covered the visit of Mr. Wenzell on January 18. Attachment A covers his visits on January 19 and 20, 1954. There is no record other than the Visitor Record of his visit on February 8, 1954, and February 23, 1954. On April 3, 1954, the date of his last visit to the Commission, the search just made as a result of Senator KEFAUVER's letter disclosed that on this date Mr. Wenzell was advised by Mr. Nichols that it appeared the Dixon-Yates people were now getting within the range of possible discussion and suggested that Mr. Wenzell encourage the Dixon-Yates group to refine their figures and come up with a proposal that was based upon a fixed price for the construction of the new facilities and would spell out clearly the basis on which the demand and energy charges were calculated including the base and escalation provisions for labor and fuel as well as the proposed cancellation provisions. He indicated he thought the Commission could not consider a proposal that was not firm as to capital cost nor with cancellation provisions that were not completely justifiable. He pointed out that he would be very glad to meet with Adams[1] and the Dixon-Yates people whenever they were prepared for further discussions. Mr. Nichols, Mr. Cook, and Mr. Wenzell attended this meeting.

This letter is written to give you a complete picture concerning any questions that may be raised on the Sequence of Principal Events issued by the Atomic Energy Commission on Aug. 21, 1954, as well as what our records reveal with regard to Adolphe H. Wenzell and Paul L. Miller of the First Boston Corp.

If any further data may be required, we shall try to furnish it.

Sincerely yours,

W. F. LIBBY,
(for Chairman).

JULY 19, 1955.

December 2: Mr. Williams called Mr. McAfee and arranged a meeting with him on December 4 or 5 to discuss the interest of

[1] Mr. Francis L. Adams, Director of Power Division, Federal Power Commission, acting as a consultant to the BOB.

Electric Energy, Inc., or some similar corporation, in furnishing additional power to AEC.

December 4: Mr. McAfee's office called and reported that he would not be able to make the appointment on December 4 or 5, but would like to meet in Mr. Williams' office on Tuesday, December 8.

December 7: Mr. McCandless was informed that Mr. McAfee would attend a meeting in Mr. Williams' office on Tuesday, December 8.

December 9: Insert as the first sentence, Mr. Williams called Mr. McAfee and told him of the discussion with Mr. Strauss.

December 11: Mr. Williams called Mr. McCandless and told him Mr. McAfee had been requested to write a letter indicating his interest. Mr. McCandless said that when the letter arrived he would like a copy to show Mr. Dodge (copy of letter attached).

January 6: Mr. Williams accompanied Mr. Zuckert from Commission meeting to Mr. Zuckert's office. One of the items discussed was the letter from Mr. Hughes concerning the furnishing of power to AEC. Mr. Zuckert was shown a copy of the letter.

January 14: Mr. Williams called Mr. McCandless and told him Mr. McAfee would attend a meeting on the 20th in Mr. Strauss' office and suggested that Mr. McCandless and Mr. Hughes attend the meeting. Mr. McCandless indicated that in all probability it would not be possible for Mr. McCandless and Mr. Hughes to attend the meeting.

January 14: Mr. Williams called Mr. Strauss and told him the meeting had been set up for January 20, but there was considerable doubt that Mr. McCandless and Mr. Hughes could attend the meeting.

January 14: Mr. Williams called Mr. McAfee and confirmed the date of the meeting on January 20.

January 19: Mr. Williams met with Mr. Wenzell, Mr. Miller, Mr. McKenzie, and Mr. Cook to inform Mr. Wenzell of the substance of the discussions with Mr. McAfee and Mr. Dixon.

January 20: Mr. Williams received a call from Mr. McAfee's pilot indicating he could not make the 11 o'clock meeting, but expected to arrive by train between 11:30 and 12. Bad weather did not permit his arrival by air.

January 20: The names of Mr. Wenzell and Mr. Miller should be inserted after Mr. Dixon's name.

January 20: The name of Mr. Wenzell and Mr. Miller should be inserted after Mr. Williams' name.

June 14: Meeting at White House attended by Mr. Strauss re power proposals. This meeting is recorded in BOB "Record of Procedure and Development of AEC Power Contract" released on August 21, 1954.

The entries shown for April 6, 1954, April 16, 1954, April 17, 1954 and April 22, 1954 were not in the original chronology and were added at the time the principal sequence of events was prepared.

UNITED STATES SENATE,
COMMITTEE ON ARMED SERVICES,
July 18, 1955.

Mr. KENNETH E. FIELDS,
General Manager, Atomic Energy Commission, Washington, D. C.

DEAR MR. FIELDS: Confirming the telephone conversation our counsel, Mr. Arthur John Keeffe, had with you today, Senators O'MAHONEY, LANGER and I wish you to deliver to us at your earliest convenience the following:

1. Any prior drafts of the AEC chronology published in August 1954;

2. Any memoranda relating to the chronology;

3. Any reports made either to the Commission or any individual commissioner with respect to the Dixon-Yates matter.

In supplying the above documents we are anxious to have all of the documents in the Commission which include the name of Adolphe Wenzell and Paul Miller or First Boston Corporation. In this connection we would like to have the names of the people who worked on the published chronology of August 1954.

Mr. Keeffe has called to my attention several reports and memoranda prepared in 1955 with respect to the Dixon-Yates contract which you referred to in your telephone conversation this morning. We would like to see these also as our subcommittee is intensely interested in all matters leading up to the cancellation of the contract.

Sincerely,

ESTES KEFAUVER.

UNITED STATES
ATOMIC ENERGY COMMISSION,
Washington, D. C., July 21, 1955.

Hon. ESTES KEFAUVER,
United States Senate.

DEAR SENATOR KEFAUVER: This is in reply to your letter of July 18, 1955, requesting certain documents with respect to the Dixon-Yates matter.

The documents to which you refer constitute internal working papers within the Commission and reflect staff discussions prior to final action. They do not constitute official actions by a Government agency or a Government official. I hope you will appreciate, therefore, that they constitute privileged communications within the executive branch under the well-recognized doctrine of separation of powers, a principle which was recently reiterated by the President. Under the circumstances, therefore, the Commission has instructed me to advise you that we must respectfully decline to comply with your request.

However, I can provide you with information on Adolphe H. Wenzell and Paul L. Miller of the First Boston Corporation that has previously been furnished the Joint Committee on Atomic Energy.

The AEC visitor record is summarized as follows:

January 18, 1954 (2:10 p. m.–3:04 p. m.): Adolphe H. Wenzell visited John Mackenzie.

January 19, 1954 (4:11 p. m.–5:25 p. m.): Adolphe H. Wenzell visited Walter Williams.

January 19, 1954 (4:11 p. m.–5:25 p. m.): Paul L. Miller visited Walter Williams.

January 20, 1954 (10:50 a. m.–4:10 p. m.): Adolphe H. Wenzell visited Walter Williams.

January 20, 1954 (10:50 a. m.–4:10 p. m.): Paul L. Miller visited Walter Williams.

February 8, 1954 (3:53 p. m.–4:55 p. m.): Adolphe H. Wenzell visited Mr. Nichols.

February 23, 1954 (12.32 p. m.–1.14 p. m.): Adolphe H. Wenzell visited Mr. Nichols.

April 3, 1954 (12:29 p. m.–1:26 p. m.): Adolphe H. Wenzell visited Mr. Nichols.

With respect to the above visits, a search of the records indicates,

(a) Mr. L. L. Strauss in his statement of July 13 before the Joint Committee on Atomic Energy covered the visit of Mr. Wenzell on January 18, 1954.

(b) January 19, 1954: Mr. Williams met with Mr. Wenzell, Mr. Miller, Mr. Mackenzie, and Mr. Cook to inform Mr. Wenzell of the substance of the discussions with Mr. McAfee and Mr. Dixon.

(c) January 20, 1950: Mr. Wenzell and Mr. Miller attended the meeting in AEC Building on this date.

(d) January 20, 1950: Mr. Wenzell and Mr. Miller attended the meeting at the Bureau of the Budget on this date.

(e) February 8 and February 23, 1954: There is no record other than the visitor record of the visit of Mr. Wenzell.

(f) April 3, 1954: Mr. Wenzell was advised by Mr. Nichols that it appeared that the Dixon-Yates people were now getting within the range of possible discussion and suggested that Mr. Wenzell encourage the Dixon-Yates group to refine their figures and come up with a proposal that was based upon a fixed price for the construction of the new facilities and would spell out clearly the basis on which the demand and energy charges were calculated including the base and escalation provisions for labor and fuel as well as the proposed cancellation provisions. He indicated he thought the Commission could not consider a proposal that was not firm as to capital cost nor with cancellation provisions that were not completely justifiable. He pointed out that he would be very glad to meet with Adams[1] and the Dixon-Yates people whenever they were prepared for further discussions. Mr. Nichols, Mr. Cook, Mr. Wenzell attended this meeting.[2]

No attempt was made to keep a precise record of the conferences that eventually led to the Dixon-Yates contract although at the time of the preparation of the Sequence of Principal Events in Connection With Power Supply for Paducah To Replace Power Now Being Furnish by TVA, our effort was to assure that every principal meeting that could be recalled was recorded. In this regard, draft copies of the proposed AEC issuance were exchanged with the Bureau of the Budget to try to assure that any meetings in which the principals were involved were covered. The question arose as to whether or not Mr. Wenzell's or Mr. Miller's name should be included. Since neither one of them participated in any degree whatsoever in the negotiations leading to the present contract which developed from the April 10 proposal from Messrs. Dixon and Yates, their names were not included, in accordance with the practice the Bureau of the Budget said they were going to follow of only including the principals concerned in the matter in their chronology and which the Bureau recommended to the AEC.

The visitor record shows that Mr. Wenzell's last visit was on April 3, 1954. The proposal from Messrs. Dixon and Yates which formed the basis for discussions leading to a definitive contract was dated April 10 and was received by the AEC April 12, 1954.

The analysis of the April 10 proposal from Dixon-Yates was submitted to the Bureau of the Budget on April 13, 1954. On June 16, 1954, the BOB transmitted to the Commission the instructions of the President to proceed with the negotiations with the view of signing a definitive contract. On June 30, 1954, the Commission authorized the staff to proceed with negotiations.

I sincerely hope that the above information is responsive to the questions that you raised in your letter of July 18, 1955.

Very truly yours,

K. E. FIELDS,
General Manager.

Mr. ANDERSON. Mr. President, this is a letter which resulted from a request by the senior Senator from Tennessee [Mr. KEFAUVER] and the other members of the Antimonopoly Subcommittee for information as to why it was that there were certain deletions from the official chronology issued by both the Bureau of the Budget and the Atomic Energy Commission.

It was not until an examination was made of the records of the Atomic Energy Commission—in particular, a record of the admissions to the Commission offices, as shown on the regular cards which individuals have to sign on entering the Commission building—that we found that Mr. Wenzell and Mr. Paul Miller, representing the First Boston Corp., had frequently been in-

---

[1] Mr. Francis L. Adams, Director of Power Division, Federal Power Commission, acting as a consultant to the BOB.

[2] The search made as the result of your request disclosed this information.

side that building. In this statement, which now will appear in the RECORD, the Atomic Energy Commission has pointed out that draft copies of the proposed Atomic Energy Commission chronology were exchanged with the Bureau of the Budget, to try to assure that any meetings in which the principals were involved were included.

I now quote directly from the letter:

As can be seen from items listed in attachment A, items which were considered unimportant were not included.

Mind you, Mr. President, I am not indulging in speculation on my own part; this is the official admission of the Atomic Energy Commission.

I read further:

In addition, the question arose as to whether or not Mr. Wenzell's or Mr. Miller's name should be included.

This was not a question of whether or not the persons concerned had actually been present. This was not a determination as to whether or not they had a part in this proposal. This was a high-level discussion between the Atomic Energy Commission and the Bureau of the Budget, at a time when both were planning to issue to the American public supposedly full and factual statements as to what had happened in connection with the Dixon-Yates contract. At a time when that subject was under discussion, the question arose between them as to whether or not certain names should be included.

Mr. GORE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the junior Senator from Tennessee.

Mr. GORE. Does the junior Senator from New Mexico recall that Mr. Rowland Hughes, Director of the Bureau of the Budget, testified under oath that he consulted with Mr. Lewis Strauss, Chairman of the Atomic Energy Commission, as to the contents of the chronology which was eventually released to the public?

Mr. ANDERSON. I thank the able Senator from Tennessee. That is the point I tried to make. This was not a casual meeting between clerks. This was a meeting between top officials of agencies of the American Government, trying to decide whether the American public should be deceived. This was a decision as to whether or not names were to be excluded because they would tip off those who were trying to find out how this transaction had been arranged.

To continue with the statement:

As can be seen from items listed in attachment A, items which were considered unimportant were not included. In addition, the question arose as to whether or not Mr. Wenzell's or Mr. Miller's name should be included. Since neither one of them participated in any degree whatsoever in the negotiations leading to the present contract which developed from the April 10 proposal from Messrs. Dixon and Yates, their names were not included, in accordance with the practice the Bureau of the Budget said they were going to follow of only including the principals concerned in the matter in their chronology and which the Bureau recommended to the AEC.

In more polite terms that statement says the Bureau of the Budget decided it was not going to include these names, and indicated to the AEC what it should do.

I understand that this afternoon, in a hearing before the Subcommittee on Monopoly of the Senate Judiciary Committee, Mr. Dick Cook, Deputy General Manager of the Atomic Energy Commission, is to be questioned. I hope he will answer frankly, because if he does he will have to testify that he carried the document to the Bureau of the Budget and came back to the Atomic Energy Commission and said, "I was told to leave those names out." I hope he will not claim the privilege when he comes before the committee.

I am delighted to note the presence in the Chamber of the senior Senator from Tennessee [Mr. KEFAUVER], who will do the questioning this afternoon. I say to him now that I fear that when Mr. Dick Cook comes before the committee, even though he was handling these negotiations, he will say, "Under the privilege I will not answer whether anyone in the Bureau of the Budget ordered me to eliminate those names."

I point out that the record, in the official statement of the Atomic Energy Commission itself, prepared by its Chairman and signed this morning by the Acting Chairman, because the Chairman had gone to Groton for the launching of the *Sea Wolf*, shows that, having considered that question—I am not now using the exact language—as to whether or not the names of Mr. Wenzell and Mr. Miller should be included, they then decided that their names were not to be included and I quote their report, "in accordance with the practice the Bureau of the Budget said they were going to follow of only including the principals concerned in the matter in their chronology and which the Bureau recommended to the AEC."

Mr. GORE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. GORE. Does the Senator, in fact, have before him a photostatic copy of the minutes of the meeting of January 19, 1954, in which the names of Adolphe Wenzell and Paul Miller appear? Does the Senator have the chronology prepared by the Atomic Energy Commission?

Mr. ANDERSON. I will say to the junior Senator from Tennessee that I have before me, and have just placed in the RECORD, the document supplied to the Joint Committee on Atomic Energy by the Atomic Energy Commission, listing the deletions which had been made. That document shows that, as of January 19, Mr. Williams, who was then very active in the Commission, and who is now no longer with it, met with Mr. Wenzell, Mr. Miller, and Mr. MacKenzie, who is the personal assistant to the Chairman of the Commission, and Mr. Cook, who was the Deputy Administrator, to inform Mr. Wenzell of the substance of the discussions with Mr. McAfee and Mr. Dixon.

Mr. GORE. Mr. President, will the Senator further yield?

Mr. ANDERSON. I yield.

Mr. GORE. The Senator has just given irrefutable proof that there was deliberate concealment of the names of Adolphe Wenzell and Paul Miller.

Mr. ANDERSON. Not only have I given it, but the Atomic Energy Commission, in its letter, admits it.

Mr. GORE. Mr. President, will the Senator further yield?

Mr. ANDERSON. I yield.

Mr. GORE. Will the Senator reread, for the benefit of the Senate, the purpose of the meeting of January 19, with respect to which there was a remarkable lapse of memory?

Mr. ANDERSON. It was to inform Mr. Wenzell, who on that day, as a representative of the First Boston Corp., had signed the card required for admission to the building of the Atomic Energy Commission of the substance of the discussions with Mr. McAfee and Mr. Dixon.

Mr. GORE. Would the Senator not think that would indicate that Mr. Wenzell did participate in the negotiation of the Dixon-Yates contract?

Mr. ANDERSON. Not only does it indicate that, but there will be a subsequent reference which proves it beyond any question of doubt.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. KEFAUVER. I should like to ask some advice of the distinguished Senator from New Mexico.

Beginning last Saturday, Mr. Keefe, counsel for our antimonopoly subcommittee, called the general manager of the Atomic Energy Commission and asked for certain papers and documents with reference to the chronology. I understand that these were promised for Monday. This conversation was followed by a letter which I wrote to the general manager, Mr. Fields, and which was sent to him Monday by special messenger.

We were informed on Monday that the Commission was meeting to discuss the question of furnishing us with the documents we wanted, and that we could expect them Tuesday morning.

Tuesday morning came, and we were informed that the Commission was meeting again, that there would be another session, and perhaps we would get the documents Tuesday afternoon.

Tuesday afternoon came, and we were informed that there was to be another meeting, and perhaps we could get them Wednesday.

Wednesday came, and still no documents. There was still another meeting of the Commission. We were informed that perhaps we could get the documents Thursday morning.

Thursday came and still no documents. There was another meeting. Finally, at noontime today, we were informed that no documents would be available. However, I have just been informed that in my office is a letter from Mr. Fields, or someone else at the Atomic Energy Commission.

We have asked Mr. Cook and Mr. Fields to come before us and testify this afternoon. I should like to obtain the advice of the Senator from New Mexico, chairman of the Joint Committee on Atomic Energy, as to how we are to get the documents to present to these witnesses this afternoon, and what remedy he can suggest, in view of the fact that

the documents have been promised to our committee for 4 or 5 days, but it is now apparent that the Atomic Energy Commission does not intend to furnish them.

Mr. ANDERSON. Perhaps I should not give advice to the Senator from Tennessee; but I will tell him that I can release to him information which I hope he will be able to get by direct testimony. I am sure all the witnesses will speak frankly about the matter when they come before him. If they do, he will find that even as late as 8 o'clock last night there was a discussion at a high policy level about this matter, in an attempt to decide what should be included in the letter which was delivered to me, as chairman of the Joint Committee on Atomic Energy, and what should be included in the letter delivered to the senior Senator from Tennessee, as chairman of the Antitrust and Monopoly Subcommittee.

In that discussion representing the Bureau of the Budget was Mr. McCandless, and representing the White House was Dr. Gerald D. Morgan. If they wish to deny that fact under oath, let them deny it. However, I say to the senior Senator from Tennessee that if he will try again to get the chronology, we will be glad to help him. I must say to him that the full chronology is available now by adding what the Bureau of the Budget and the Atomic Energy Commission released last August to what they now discover as of July 21 of this year that they could have released.

Mr. GORE. Mr. President, will the Senator yield?

Mr. ANDERSON. I should like to say that by putting the two together, we now can get the full story of what took place. It is something that we were never able to do before.

Mr. KEFAUVER. I hope the distinguished Senator from New Mexico will be at the Committee meeting this afternoon at 2 o'clock.

Mr. ANDERSON. I will be there, certainly, because I think I know something about the reason why certain language went into this document. Months ago I had in my possession a copy of the chronology prepared by Walter Williams. I did not succeed in retaining it, but I had it in my possession long enough to know the items which should have gone into the chronology. We have examined Mr. Walter Williams, and we know what his notes reveal. I know what the original chronology shows.

Mr. KEFAUVER. Before the Senator leaves the matter of the chronology, and its lack of completeness, I should like to say that I have not seen what the Senator has to add now to the previous chronology which has been released. However, I doubt very much if even that would be complete, because we found yesterday afternoon that in August 1954, there was a very important high policy meeting held between Mr. Campbell, of the Atomic Energy Commission, Mr. Demmler, of the Securities and Exchange Commission, and Mr. Armstrong of the SEC, and others of the Atomic Energy Commission, and they discussed how the matter should be presented to the Securities and Exchange Commission, so as to try to get approval of their financing plan. I find that that is not in the chronology either. That meeting was held on August 3, 1954.

Mr. ANDERSON. In their chronology there appears, on the third day of April, a very significant statement. That statement was picked up by the merest accident. There was a photostatic copy made of a minute which showed conclusively that Mr. Wenzell was in on the negotiations. Either I will read it or perhaps the junior Senator from Tennessee will desire to find it and read it. However, it indicates what took place at that meeting. I merely wish to say to the senior Senator from Tennessee that if he has trouble getting that document of April 3, which I think is the most important single document in this case—because in it Mr. Wenzell, who is supposedly a consultant for the Bureau of the Budget, is told to go back to Dixon-Yates and negotiate with them and bring back a different statement, showing he was a participant for that purpose, and a week later, as the junior Senator from Tennessee well knows, he came back to Dixon-Yates with the final proposal. If the senior Senator from Tennessee is not able to get that minute, which exists in the Atomic Energy Commission files, and which was thumbed over a thousand times last night by the men I mentioned in trying to make up their minds whether it should be made public, then I will undertake personally, as a member of the Joint Committee on Atomic Energy, to see if we cannot compel the presentation of that document.

It should be remembered that the Joint Committee on Atomic Energy is on a different basis with the executive department than any other committee. I read from an opinion of our attorney:

> The Joint Committee is not a standing committee of either House, but is a committee which was established by the Atomic Energy Act of 1946, and which has been continued by the Atomic Energy Act of 1954.
>
> Section 201 of the Atomic Energy Act of 1954—

Signed by the present occupant of the White House—

> is the section which presently establishes the Joint Committee as a statutory committee. As a statutory committee the powers of the committee flow from the statute establishing the committee. Section 202 of this Atomic Energy Act of 1954 specifically requires:
>
> "The Department of Defense—

We were having a discussion with the Department as to what it would supply us with in connection with the use of atomic materials—

> "The Department of Defense shall keep the Joint Committee fully and currently informed with respect to all matters in the Department of Defense, relating to the development, utilization, and application of atomic energy."

When the Department of Defense said, "We do not have to do it," we presented them with a brief which said they did have to do it, because when the executive department accepts a waiver of privilege, that is binding, too.

If the senior Senator from Tennessee continues to have difficulty, I suggest that we find out whether the laws of this country mean what they say, and whether the acceptance of the waiver of privilege by the Executive, including even the present Executive, when he signed the law, means that we have the right to determine these things, and can determine them.

Mr. KEFAUVER. I should like to inform the Senator from New Mexico that apparently we will have difficulty, because since I engaged in the last colloquy with the Senator, I have received the letter to which I referred a few moments ago. It is signed by Mr. K. E. Fields, General Manager of the Atomic Energy Commission. The second paragraph states:

> The documents to which you refer constitute internal working papers within the Commission and reflect staff discussions prior to final action. They do not constitute final actions by a Government agency or Government official. I hope you appreciate, therefore, that they constitute privileged communications within the executive branch, under the well-recognized doctrine of separation of powers, a principle which was recently reiterated by the President. Under the circumstances, therefore, the Commission has instructed me to advise you that we must respectfully decline to comply with your request.

Apparently they will not bring the documents.

Mr. ANDERSON. I merely wish to say to the able senior Senator from Tennessee that as I read the chronology, which they now have to fill in, and as the Senator read that letter, I was reminded of the line of verse that reads:

> Oh, what a tangled web we weave
> When first we practice to deceive.

If away back when Dick Cook carried the correct chronology to the Bureau of the Budget he had not been instructed to strike out the names of Wenzell and Miller, and if he had not been instructed to omit entirely mention of the meeting of January 19, all that followed would not have followed. But when first we practice to deceive, then anything can happen thereafter.

Mr. GORE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the junior Senator from Tennessee.

Mr. GORE. I congratulate the Senator from New Mexico for finally bringing to light a part of the irrefutable proof for which he and I and many other Members of the Senate have been seeking.

Mr. ANDERSON. And many, many others, I am happy to say.

Mr. GORE. He has now supplied for the record of this body the chronology from the Atomic Energy Commission from which there was deleted, before it was published, all reference to the meeting of January 19, about which Mr. Miller had such a remarkable and complete lapse of memory. It contains a reference to the names of Mr. Wenzell and Mr. Miller, and I should like to point out to the Senator the significant fact that it also states the purpose of the meeting to be "to inform Mr. Wenzell of the substance of the discussion with Mr. McAfee and Mr. Dixon."

I should also like to point out to the able Senator that even yet we have an incomplete chronology. The Senator has

just referred to the meeting of April 3. There is no reference to the meeting of April 3 in either the original AEC chronology or in the chronology published by the Bureau of the Budget. There is a description, however, in the letter which I hold in my hand of that meeting of April 3, which I should like to read, if the Senator will yield for that purpose.

Mr. ANDERSON. I am happy to yield.

Mr. GORE. I am reading from a letter from the Atomic Energy Commission:

> On April 3, 1954, the date of his last visit to the Commission, the search made as a result of Senator KEFAUVER'S letter discloses that on this date Mr. Wenzell was advised by Mr. Nichols that it appeared the Dixon-Yates people were getting within the range of possible discussion and suggested that Mr. Wenzell encourage the Dixon-Yates group to refine their figures and come up with a proposal based upon a fixed price upon the construction of the new facilities and would spell out clearly the basis on which the demand and energy charges were calculated.

Mr. President, this is remarkable, indeed:

> He indicated he thought the Commission could not consider a proposal that was not firm as to capital cost nor with cancellation provisions that were not completely justifiable.

Mr. ANDERSON. Read the last sentence.

Mr. GORE. I continue to read:

> He pointed out that he would be very glad to meet with Mr. Adams and the Dixon-Yates people whenever they were prepared for further discussion. Mr. Nichols, Mr. Cook, and Mr. Wenzell attended this meeting.

Mr. President, not only has the Senator from New Mexico today shown irrefutably that there has been a deliberate coverup of the participation of Mr. Wenzell, but he has also released to the Senate evidence in the form of a letter from the Atomic Energy Commission which shows that Mr. Wenzell was the agent for Dixon-Yates, because it was 1 week later that the Dixon-Yates proposal was submitted to the Atomic Energy Commission in written form according to the suggestions the General Manager of AEC had made to Mr. Wenzell, with the further suggestion that he encourage the Dixon-Yates group to comply therewith; and the Dixon-Yates group did comply therewith.

Mr. ANDERSON. That is not only true, but we see Mr. Wenzell finally appearing in three different roles. He was the representative of the Bureau of the Budget; he was the vice president of the First Boston Corp.; and he was the negotiator for Dixon-Yates.

The strange thing is that this letter of the Atomic Energy Commission, though, as I say, carefully prepared with expert assistance by representatives of the Bureau of the Budget and the White House staff, states in one paragraph that Mr. Wenzell was not a principal nor a negotiator, and in the next paragraph tells how he was a negotiator.

Mr. HILL. Mr. President, will the Senator from New Mexico yield for a question?

Mr. ANDERSON. I yield.

Mr. HILL. I have been attending a comittee meeting all morning, and was not present on the floor when the distinguished Senator from New Mexico began his remarks. Did I correctly understand the Senator to say that the official record had been deleted, that the chronology compiled by the AEC, giving the facts with reference to Dixon-Yates, had been deliberately tampered with, and certain references to Mr. Wenzell and an important meeting of January 19, had been willfully deleted from the chronology when it was given out to the public?

Mr. ANDERSON. Yes, I read from the official letter of the Atomic Energy Commission itself, which said that "In addition, the question arose as to whether Mr. Wenzell's or Mr. Miller's name should be included."

In other words, were they to be left in, and thus tip off the fact that the First Boston Corp. had its agents in the Bureau of the Budget, or was that to be kept quiet?

Mr. HILL. Then, am I to understand that the chronology was so distorted that the public would not know that Mr. Wenzell and Mr. Miller were present?

Mr. ANDERSON. It was deliberately designed to make certain that the public would not know.

What happened when Mr. Miller went on the stand? He testified before the committee headed by the able senior Senator from Tennessee on July 6. He came with his attorney, Mr. Arthur Dean, a member of a very able law firm in New York. Mr. Miller knew exactly what his testimony was to be. The testimony appears on page 161.

Mr. Keeffe, of the committee, asked Mr. Miller if he had received a telephone call from Mr. Wenzell on January 18.

Mr. Miller said, "No"; that he had received it "On January 19, 1954."

Mr. Keeffe asked, "Are you sure of that date, Mr. Miller?"

Mr. Miller replied, "Yes; I am."

Mr. Keeffe then asked, "Are you certain that the date you received the phone call was the 19th?"

Mr. Miller said, "Yes, sir."

Mr. Keeffe inquired, "What time on the 19th, and how are you sure of it?"

I may say, Mr. President, that this is the most fantastic testimony I ever listened to.

Mr. Miller said, "I have reconstructed it from the fact that I took a trip the next day"—the next day being the 20th.

Mr. Keeffe asked, "Were you in Washington on the 19th?"

Mr. Miller answered, "No, sir; I was in New York on the 19th."

I was bouncing up and down like a cork on a fishline with a good bite. Mr. Keeffe saw that I was in deep distress, so he turned the witness over to me. I produced his registration card at the Atomic Energy Commission, showing that Mr. Miller had checked in at the Atomic Energy Commission in Washington, D. C., on the 19th and had attended a conference. This information the Atomic Energy Commisssion had been instructed by the Bureau of the Budget to delete from the chronology. The chronology was so altered and that name was left out. Mr. Miller thus knew what he was supposed to testify to. He had been well coached to testify that he was not there on the 19th, because if he had testified that he was there on the 19th, he would have given the whole thing away. We would have asked what had happened on that day.

But Mr. Miller went further than that. He had reconstructed his visit so well that he remembered getting the telephone call from Mr. Wenzell who was in such great distress that he wanted him in Washington. Mr. Miller said he jumped onto a plane without having his suitcase or a clean shirt and came to Washington, where he participated in the conference; then he went back to his duties in New York.

The interesting thing is that he did not do any such thing. He talked to Mr. Wenzell in New York on the 18th in the office of the First Boston Corp. Mr. Wenzell said, "The deal is good; let us go to Washington."

Mr. Miller came to Washington on the 19th. The airplane ticket stubs so indicate. He went to the Carlton Hotel and registered. He brought his bag with him. All the story he told about not having a clean shirt with him was a fabrication, and he must have known it as he stood before the committee.

When I produced his registration in the Atomic Energy Commission on the 19th, he looked at Mr. Dean. Mr. Dean could not help him. Mr. Miller was beyond the aid of counsel at that time. He said, "I can't explain it. I can't explain it."

The senior Senator from North Dakota [Mr. LANGER] asked Mr. Miller, "How old are you?"

Mr. Miller answered, "I am 35, sir."

Senator LANGER asked, "Are you in good health?"

Mr. Miller responded, "Yes, sir."

Senator LANGER looked right at the witness and said, "You have never suffered from amnesia?"

Mr. President, there has been more amnesia in Washington in the last few months over Dixon-Yates than there ever has been in the whole history of the medical profession throughout the world.

There came into the meeting that day at the Atomic Energy Commission, according to the testimony, Mr. Nichols, Mr. Cook, and Mr. Wenzell. They were all there for the "last supper"—all the disciples together—but none of them was ever able to remember it. Not a soul could remember the meeting until they were confronted with the fact that a member of the Joint Committee on Atomic Energy had in his possession a copy of the chronology showing that fact. So they decided that if that were true, it might be just as well to acknowledge it.

Mr. HILL. There was willful deception, then, in the release of the chronology—the deception of striking from the chronology this very material and vital information. Is not that true?

Mr. ANDERSON. I should think so. Those chronologies were printed all over the country. We were in a hard battle over Dixon-Yates. Some of us had been accused of indulging in a filibuster. Of course, I could not have been. A filibuster is a cowboy who breaks in female horses. I had no part in anything of that nature. [Laughter.] I was engaged, as the senior Senator from

Alabama occasionally has been engaged, in protracted debate. I was trying to make it possible for the American public to realize that the Dixon-Yates contract was full of fraud all the way through.

Mr. HILL. Had not the President announced that he had given instructions that all the facts—full and complete facts—and all the details and data in connection with the Dixon-Yates contract were to be made public and available to the press of the world?

Mr. ANDERSON. Oh, yes; he had so announced.

Mr. GORE. But that Executive order did not refer to amnesia.

Mr. ANDERSON. We did not know at that time that so many amnesia victims were connected with the Dixon-Yates deal.

The Senate passed a bill a day or two ago relating to percolating water in the State of Arizona. We heard a full description of how that water was different from the water which flows in an irrigation ditch. It was not easy to prove which kind percolated.

But apparently the instruction of the President directing that information with respect to Dixon-Yates be made public never percolated far down; it was kept in the rooms of those who knew a great deal about it but did not talk about it.

Mr. HILL. The Senator from New Mexico may recall that I made an inquiry of Mr. Hughes, Director of the Bureau of the Budget, as to Mr. Wenzell, and the nature of Mr. Wenzell's employment with the Bureau of the Budget. The Senator will recall that in reply to that inquiry, Mr. Hughes, in a letter to me dated February 11, 1955, willfully concealed the true nature of Mr. Wenzell's employment with the Bureau of the Budget, and willfully concealed the fact that Mr. Wenzell was the man who was really the great negotiator and the lead man in bringing about the Dixon-Yates deal.

Mr. ANDERSON. Yes, that is correct. If I had been the author of that letter, I would have felt a little ashamed of myself to have written such a letter. But to have written a letter which would have made me feel a little ashamed of myself would not have been half so dangerous as testimony given under oath.

Mr. Hughes' testimony under oath before the Kefauver subcommittee, page 29 of the hearings, in response to the question whether Mr. Wenzell worked up the Dixon-Yates deal, was:

> No, his purpose or his function in that was strictly as a consultant on technial questions. We did not have any people in the Budget Bureau who knew, for example, about the price of money for these things and that sort of thing.

When Mr. Miller was on the stand, he admitted his firm had received $150,000 in one case, and that $75,000 was "riding" as late as April 1955, for special fees. So they were talking about the price of money for that sort of thing.

Mr. Hughes further said under oath:

> We wanted to get somebody to check on the question of whether this could be done at such and such a rate or items of financial transaction. He never had anything to do with the policy of Dixon-Yates or anything of that nature, as far as we were concerned.

But the Atomic Energy Commission today makes it possible for us to have a statement saying that on April 3 Mr. Wenzell was called in and advised by Mr. Nichols that Dixon-Yates were then getting into the range of possible discussion, and he sent Mr. Wenzell back to negotiate with Dixon-Yates.

I suggest that if I were Mr. Hughes I would think about that, because, at page 41, he was questioned again by the Senator from Tennessee [Mr. KEFAUVER], who asked if he had come to work up the details of what led into the Dixon-Yates contract. I read from Mr. Hughes' sworn testimony about Wenzell:

> No, he sat in and advised us, so far as I know, at no time on policy. His function was to check up on the statements that were being made with regard to whether this was feasible and whether this could be done, and so forth and so on.

I do not know whether the meeting of April 3 came in the "and so forth or the so on," but it was a discussion of Dixon-Yates. If the Senator from Alabama wants to start tying things together, he may be interested to know that on April 3 Mr. Wenzell was told to go back to Dixon-Yates, and find out what had to be done, and on April 10 the contract came back from Dixon-Yates fixed up just the way he was supposed to do it. But Mr. Hughes swore Wenzell did not have anything to do with it; he was just "and so forth and so on."

Mr. GORE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. KENNEDY in the chair). Does the Senator from New Mexico yield to the Senator from Tennessee?

Mr. ANDERSON. I yield.

Mr. GORE. I should like to point out that I asked a member of my staff to ascertain the period of employment of Mr. Wenzell by the Bureau of the Budget. It was ascertained that he was employed by the Bureau of the Budget on April 3, 1954. Is not that the same date upon which he was instructed by the general manager of the Atomic Energy Commission to convey certain messages to Dixon-Yates?

Mr. ANDERSON. Yes, it is the same day; exactly the same day.

Mr. HILL. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. HILL. The release of the data contained in the chronology, the letter which Mr. Hughes wrote to the Senator from Alabama on February 11, and the whole record, show a pattern of willful concealment so far as the Bureau of the Budget is concerned, of the information concerning Wenzell and his part as the lead man in the Dixon-Yates deal. Is that not true?

Mr. ANDERSON. Yes; but I say to the Senator from Alabama that if I had stood on this floor and made that charge, it might have been said that I was one of those public power advocates who was sounding off and trying to make it look bad. But this was information from the Atomic Energy Commission. It was prepared by Admiral Strauss. It was signed by Dr. Libby. It was prepared by the man who wore three hats, the President's adviser on atomic energy, member of the National Security Council on Atomic Energy, the chairman, by appointment of President Eisenhower, on the Atomic Energy Commission. It could not have been said that the information was from an advocate of public power.

Mr. HILL. The document about which the Senator speaks is the official document of the Atomic Energy Commission.

Mr. ANDERSON. Yes; obtained after a great deal of pressure. The inclusion of the item of April 3 was not intentional; it came in only when it was discovered that a member of the Joint Committee on Atomic Energy knew of it and intended to crucify somebody if it was not put back in the record, because it belonged there as a part of the record.

Mr. HILL. Mr. President, will the Senator yield for another question?

Mr. ANDERSON. I yield.

Mr. HILL. Is it not true that Mr. Hughes testified that he read the speech the Senator from Alabama made on the floor of the Senate on February 18 in connection with the letter which he wrote the Senator from Alabama on February 11, and that he had advised the President that what the Senator from Alabama had said was not true?

Mr. ANDERSON. He is an authority on what is not true.

Mr. HILL. He is an authority on what is not true. The official records show he was not telling the truth. Is not that true?

Mr. ANDERSON. Precisely.

Mr. GORE. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. GORE. The able junior Senator from New Mexico has suggested that Mr. Hughes should think about and consider the conflict in the sworn testimony. I suggest to the able Senator that the Attorney General should think about it, examine it, and consider action.

Mr. ANDERSON. The Attorney General has the burden of negotiating with Dixon-Yates and seeing that they get out of this deal with a few million dollars, and he will be very busy for a long time. Maybe he will not have time to take the other matter up.

Mr. Hughes was sworn before the Joint Committee on Atomic Energy on November 4, 1954, and the Bureau of the Budget chronology, as a result of that meeting, was put in the RECORD. I do not know anything about the relevancy, but if Mr. Hughes added to his testimony, which was given under oath, by putting in what he knew was a dishonest chronology, and what he was instructed to put in as dishonest chronology, it is a pretty bad situation. It is why I say:

> Oh what a tangled web we weave,
> When first we practise to deceive.

Here was a member of the Atomic Energy Commission going to the Bureau of the Budget with all the facts. That same man is to be before the committee of the Senator from Tennessee [Mr. KEFAUVER] this afternoon. He will not be permitted to say a word, I predict, because if he were permitted to say a

word, he would have to say who in the Bureau of the Budget instructed him to edit out those notes. He went back to the Atomic Energy Commission and talked. I hope we may produce the people to whom he talked. But look what this sort of thing gets people into. The President of the United States, in a press conference, tried to make a clean and clear statement on the matter. The President had no desire and no intention to deceive. But at the press conference he said, and I am reading now from the New York Times of June 30, 1955, at page 1:

President Eisenhower today dashed cold water on Mr. KEFAUVER'S charges. Mr. Wenzell, he said, "was never called in or asked a single thing about the Dixon-Yates contract."

That is the President of the United States speaking in a press conference, saying Wenzell was never called in.

Today I put into the RECORD the signed statement of the Atomic Energy Commission that he was called in, and that on April 3 his was the last, final touch that brought the Dixon-Yates into being and into the shape they wanted it.

Mr. GORE. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. GORE. I suggest to the able Senator from New Mexico that the law of the land requires the Atomic Energy Commission to keep the Joint Committee on Atomic Energy, of which the Senator from New Mexico is chairman, fully and currently informed. The Senator has read the Atomic Energy Commission's description of what happened on April 3. I suggest that the chairman demand the original notes as to what transpired on April 3. Let us see the actual notes rather than the Commission's description of those notes.

Mr. ANDERSON. I approve that suggestion from the able junior Senator from Tennessee, but when I received the document this morning I phoned to the acting chairman of the Commission, Dr. Libby—who is a very fine man and a very fine scientist—and I asked him if he thought he was going to get away with sending us a version of the notes of June 3. My memory may play me tricks, but I think I have seen something that purports to be the proceedings of June 3, and the word "encourage" was not in them. The word is in the document I received today. I would like to see the original document. I said, "If you do not produce it, I am going to try to get it." I now tell the junior Senator from Tennessee I am going to try to get it, and I am going to try to get a lot of other things which I think are pertinent to the discussion.

Mr. GORE. Would the Senator from New Mexico agree that without the original document, even with what the Senator has submitted for the RECORD, the official chronology is as yet incomplete?

Mr. ANDERSON. It is as yet incomplete.

Mr. GORE. I suggest to the Senator from New Mexico that the April 3 meeting may be the single most important piece of evidence which we have yet partially uncovered.

Mr. ANDERSON. I agree with the Senator from Tennessee.

In view of the fact that he was quoting from the act, I call his attention to a few more words from it, as follows:

The Commission—

That is to say, the Atomic Energy Commission—

shall keep the joint committee fully and currently informed with respect to all the Commission's activities.

Oh, Mr. President, if they would only tell us what took place last night, if they would only tell us of the long, bitter battle as to what language should be employed with Jerry Morgan standing there and telling them what should go in here, and Mr. McCandless suggesting another form of language there, that would be illuminating to all of us. I say we would then have the whole story.

Mr. President, the counsel for the Joint Committee on Atomic Energy sent to the executive director on January 25, 1955, a comment or opinion on the refusal of the Department of Defense to disclose files. There is no classified material in this opinion, and I should like to have it—not all of it, because the first part is merely a recital, but the opinion—placed in the RECORD at this point, in order that Members of the Senate may know on what basis, I think, the Joint Committee on Atomic Energy may make the proper request of the Atomic Energy Commission for the full notes of the meeting of April 3.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

OPINION

In my opinion the Department of Defense cannot refuse to give this committee any information that may be requested by this committee.

1. STATUTORY COMMITTEE

The Joint Committee is not a standing committee of either House but is a committee which was established by the Atomic Energy Act of 1946 and which has been continued by the Atomic Energy Act of 1954. Section 201 of the Atomic Energy Act of 1954 is the section which presently establishes the Joint Committee as a statutory committee. As a statutory committee the powers of this committee flow from the statute establishing the committee. Section 202 of this Atomic Energy Act of 1954 specifically requires:

"The Department of Defense shall keep the Joint Committee fully and currently informed with respect to all matters in the Department of Defense, relating to the development, utilization, or application of atomic energy."

This sentence is new in the Atomic Energy Act of 1954 but it follows the sentence in the act which has been in since the Atomic Energy Act of 1946, which requires:

"The Commission (Atomic Energy Commission) shall keep the Joint Committee fully and currently informed with respect to all of the Commission's activities."

The obligation resting on the Department of Defense is identical now with the obligation always resting on the Atomic Energy Commission. In addition, section 202 has the new provision in it that "any Government agency shall furnish any information requested by the Joint Committee with respect to the responsibilities of that agency in the field of atomic energy."

This section amplifies the right of the committee to request any information it desires from any Government agency. Section 205 of the act has the provision: "The Joint Committee is authorized to utilize the serv- of the departments and establishments of the Government," which was in the Atomic Energy Act of 1946. Therefore, the Atomic Energy Act has in it three separate provisions whereby the Joint Committee can obtain any information it desires from the Department of Defense. The Atomic Energy Act was passed by both Houses of Congress and then was signed by the President on August 30, 1954. There is, therefore, a statutory duty resting on the Department of Defense to furnish any information which this committee may require.

As has been pointed out immediately above, the obligation on the Atomic Energy Commission to furnish information to this committee and the obligation of any department or establishment of the Government to furnish information and services to the committee were continued in this act from the Atomic Energy Act of 1946. The new provisions in the Atomic Energy Act of 1954 were widely circulated—the provision relating to the obligation of any Government agency to furnish any information on request was in the Atomic Energy Act of 1954 from the very first draft printed up as the Joint Committee print. The specific obligation of the Department of Defense was incorporated in the committee print of May 21, 1954, and was included in H. R. 9757 and S. 3690 when they were introduced at the end of June. At no time in any hearing before this committee—either executive or open—did the Department of Defense or any other executive agency raise any objection to the requirements on keeping this committee informed of its activities in the atomic energy field.

2. ACCEPTANCE OF PROVISIONS OF THE ATOMIC ENERGY ACT OF 1954 BY THE DEPARTMENT OF DEFENSE

The representative of the Department of Defense, who appeared before this committee in testifying on the bill, was Donald A. Quarles, Assistant Secretary of Defense for Research and Development. On July 9, 1954, Mr. Quarles wrote to Mr. Cole the following letter:

"The Department of Defense has welcomed the opportunity it has been afforded by the Joint Committee on Atomic Energy to present the views and recommendations of the Department in respect to revision of the Atomic Energy Act of 1946. The proposed amendment to the act, as incorporated in H. R. 9747 and companion bill S. 3690, covers many changes which the Department of Defense believes are important and in fact essential to the performance of its mission in which atomic weapons play such an important part. This point of view is strongly endorsed by the Joint Chiefs of Staff.

"The Department of Defense endorses and urges the enactment of the proposed legislation."

Mr. Quarles attached another note in his own handwriting to the above letter. This note reads:

"DEAR MR. COLE: While I wanted to give you an unequivocal endorsement, I am still in trouble on the 142d proviso, and to a lesser degree on one or two other paragraphs. If you find the situation opening up so you can give us relief on this it would help a lot. If not we buy the package.

"Yours,

"DONALD QUARLES."

By both of these letters of July 9, 1954, the Department of Defense accepted the provisions of the Atomic Energy Act of 1954.

3. POWER TO WITHHOLD INFORMATION IS DISCRETIONARY

In the opinion of the Attorney General, 40 Opinion of Attorney General, page 455, Mr.

Jackson, the then Attorney General, makes the following statement:

"This discretion in the executive branch has been upheld and respected by the judiciary."

"This opinion buttresses what I believe to be the true law, namely, that the ability of the executive branch to withhold information from the legislative branch is not founded on any constitutional prohibition but is founded on a waivable discretion inferred from the constitutional separation of powers.

4. EXECUTIVE DISCRETION HAS BEEN WAIVED FOR THE JOINT COMMITTEE

When the President signed Public Law 703 on August 30, 1954, he accepted the terms of the Atomic Energy Act of 1954 on behalf of the executive branch of the Government. By doing so he accepted the terms incorporated within section 202, which required the Atomic Energy Commission, the Department of Defense, and any Government agency to furnish any information requested by this committee. In addition, the Department of Defense, by the letters indicated above, specifically accepted the terms of the Atomic Energy Act of 1954 and waived any right they might otherwise be able to assert that the Department of Defense should not furnish this committee with information.

If the President thought that this bill interfered unduly with his powers he could have vetoed it. But he did not veto this bill; he accepted it. Therefore, he waived any right he might be able to claim in this discretionary ability in withholding information from this committee, and he waived it on behalf of all departments and agencies of the executive branch.

5. THE CASES IN SUPPORT OF DEPARTMENT OF DEFENSE POSITION

The cases cited by the Attorney General in his opinion are not applicable in this case. Not one of the opinions deals with the ability of a statutory committee to obtain that information which the executive branch is, by statute, required to furnish to this committee. The cases all turn on other questions of law:

(a) *Marbury* v. *Madison* (1 Cranch 137) establishes, in dicta, the principle that Mandamus will lie to require an official of the United States to perform an act which he is required to perform by law, when there is no discretion on his part. This case was, of course, the famous case arising out of the failure of the Secretary of State to sign and deliver the Commission for certain judges, being the judges appointed by President Adams in the "midnight appointments" and confirmed by the Senate just before Thomas Jefferson became President.

(b) *Totten* v. *United States* (92 U. S. 105) prohibited the collection in the Court of Claims on a contract for secret services rendered during the Civil War by a claimant acting as a spy behind the Confederate lines.

(c) *Kilbourne* v. *Thompson* (103 U. S. 168) prohibited the Congress itself from punishing a witness for contempt who refused to answer questions. The Supreme Court held such punishment could only be meted out in the courts on action brought by the Attorney General.

(d) *Vogel* v. *Gruaz* (110 U. S. 311) established that no action for libel will lie for the charge of a commission of a crime made to a State's Attorney.

(e) *Quarles* v. *Butler* (158 U. S. 532) permitted a private citizen to bring an action against those who intimidated him to prevent him from exercising his right of informing a marshal of the United States of a violation of the internal revenue rules.

(f) *Boske* v. *Comingore* (177 U. S. 459) permitted the United States Collector of Internal Revenue to refuse to give, in response to a subpena issued by a State court, information that had come to him as an official of the United States.

(g) *In re Huttman* (70 Fed. 699) permitted a collector of internal revenue to refuse to testify in a criminal hearing in a State court on information which had come to him as an official of the United States.

(h) *In re Lamberton* (124 Fed. 446) again applied the same rule of law.

(i) *In re Valencia Condensed Milk Co.* (240 Fed. 310) established the same rule in reverse, namely, that the Federal courts cannot compel a State official to disclose information that came to him in his official capacity.

(j) *Elrod* v. *Moss* (278 Fed. 123) again applied the rule that the Federal courts will not require State officials to disclose information that came to them in their official capacity.

(k) *Arnstein* v. *U. S.* (296 Fed 946) held that statements made to the Federal assistant district attorney in his official capacity were privileged and could not be required to be disclosed in a court.

(l) *United States* v. *Regan* (180 F. (2) 321) held the files of the Federal Bureau of Investigation cannot be required to be produced in court when the Attorney General has issued an order that such files are to be kept confidential pursuant to title 5, United States Code, section 22.

(m) *United States* v. *Kohler* (9 Fed. Rules Dec. 289) held that the defendant in an antitrust suit cannot obtain, by a subpena, information collected by the Department of Defense and Federal Bureau of Investigation in preparation of the anti-trust action.

(n) *Gray* v. *Pentland* (2 Sargent & Rawle's (Pa.) 22) held that libel will not lie for a charge of criminal actions made to an official of the State.

(o) *Thompson* v. *German Valley R. Co.* (22 NJ Equity 111) held that the Governor of New Jersey need not be compelled to testify in a court, that he has a discretion on producing documents which he thinks ought not to be produced. No statutory obligation of executive to produce materials requested by the legislature was involved.

(p) *Worthington* v. *Scribner* (109 Mass. 487) held that libel will not lie for false accusation for a Federal official of a Federal offense.

(q) *Appeal of Hartranft* (85 Penn. 433) held that the governor of Pennsylvania could not be required to testify before the grand jury.

4. *2 Burr Trials* 533–536 in which Chief Justice Marshall presided at the trial of Burr and said that the President has the discretion in producing papers which the President believes may be harmful to the interests of the Nation. However, Chief Justice Marshall passed over the point and found no necessity for deciding the issue, and said he hoped the point would never require decision.

Therefore, no case has been offered which indicates that the executive branch can withhold from this committee information which it is required by statute to furnish and which, in accepting the terms of the President, it agreed to furnish. On the contrary, the opinion in *Marbury* v. *Madison* says, in dicta, that Mandamus will lie to compel the executive branch to perform its duties that is required by statute to perform and in which he has no discretion.

Mr. ANDERSON. Mr. President, let me also say that in this chronology there are references, here and there, to a witness whom the joint committee has interviewed; and the references are not in exact accordance with the statements of the witness. Therefore, I am going to ask for all the notes they have on the other meetings, in order to see whether they are in accord with what we understand the facts to be.

Mr. President, a moment ago I asked what had been said about the speech by the Senator from Alabama. When Mr. Hughes was on the witness stand—as appears at page 56 of the hearings—the following occurred:

Mr. KEEFFE. Was the omission of Miller and Wenzell intentional?

Mr. HUGHES. Not any more than all the other names that are not listed.

Yet, today we have placed in the RECORD the official statement of the Atomic Energy Commission that the subject of discussion, when they got to the Bureau of the Budget, was whether the names of Wenzell and Miller should be included.

I read further from page 56 of the hearings:

Mr. KEEFE. Who prepared this chronology, Mr. Hughes?

Mr. HUGHES. The staff of the Budget Bureau.

Mr. KEEFE. Can you give me their names? Under whose direction did you turn this job over?

Mr. HUGHES. I will take the responsibility, because I approved it all.

When we had a discussion in the Joint Committee on Atomic Energy, the junior Senator from Tennessee asked the Chairman of the Atomic Energy Commission about the chronology; and the Chairman said, "I assume full responsibility for it, personally." But the other members of the Commission had not been consulted. That is why at this time there is pending before the Congress a bill which would change the duties of the Commissioners, and would make it necessary that all members of the Commission be kept informed of what is going on inside the Commission.

Only a few days ago, when we had a discussion of the Dixon-Yates contract and the possibility of its termination, we discovered that the attorney of the Commission was submitting a memorandum to the Attorney General of the United States, trying to show that the Dixon-Yates contract was a good one; but one of the Commissioners did not even know about it. When I asked at whose direction it was done, he said it was done at the direction of one of the Commissioners—one of the members of the Atomic Energy Commission.

In the bill I have provided—as suggested a long time ago, and it is long overdue—that all members of the Commission shall have a right to know what the Commission is doing: I hope such a provision can now be attached as a rider to the appropriation bill for the Commission, which bill will come before us when the Commission seeks $100 million of additional funds.

Mr. Hughes subsequently said in the hearings—I read now from page 57:

As far as we were concerned—our action of it, anyway—the First Boston had no function in that particular situation.

"No function," Mr. President? The Atomic Energy Commission found plenty of function for the First Boston Corp.

I hope the attendance in the Kefauver subcommittee this afternoon will be extensive. I hope that as Mr. Cook testi-

fies he will be very frank and very free in his comments.

We had a discussion as to who is to succeed General Nichols as General Manager of the Atomic Energy Commission. I had personally felt that Mr. Cook had not been the best negotiator the Government could have had in the Dixon-Yates matter. I had felt that he had gone out of his way to try to help the Dixon-Yates group in every possible fashion, and when the question of appointment of a new General Manager came up, that he, Mr. Cook, had been rapidly shoved up to the position of Associate General Manager. As chairman of the Joint Committee on Atomic Energy, I took rather violent objection and exception to the possibility that Mr. Cook might be appointed General Manager.

Inside a staff meeting, a statement was made that because of the objections of the chairman of the Joint Committee on Atomic Energy, it was unfortunate that Mr. Cook could not be made General Manager at this time. I say he can be judged very quickly this afternoon when he testifies. I say that if he tells the truth regarding what happened when he went to the Bureau of the Budget, we shall know more about his qualifications; and out of all this long series of endurances, there may finally come some good to the American people.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House insisted upon its amendment to the bill (S. 2168) to amend the Fair Labor Standards Act of 1938 in order to increase the national minimum wage, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BARDEN, Mr. KELLEY of Pennsylvania, Mr. POWELL, Mr. MCCONNELL, and Mr. GWINN were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a bill (H. R. 7301) to amend the Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, so as to permit the disposal thereunder of Plancor No. 980 at Institute, W. Va., in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 350. An act for the relief of Siegfried Rosenzweig;

S. 614. An act to amend the Federal Property and Administrative Services Act of 1949, as amended, to authorize the Administrator of General Services to donate certain property to the American National Red Cross;

S. 824. An act to authorize and direct the Secretary of the Interior to convey certain lands erroneously conveyed to the United States;

H. R. 65. An act to revise the boundary between the second and fourth judicial divisions of Alaska;

H. R. 962. An act for the relief of Maria Louise Andreis;

H. R. 1044. An act for the relief of Teresa Alice Townsend;

H. R. 1155. An act for the relief of Solomon Wiesel;

H. R. 1245. An act for the relief of Marianne Anita Zelinka;

H. R. 1275. An act for the relief of Gennaro Savarese;

H. R. 1333. An act for the relief of Ebolya Wolf;

H. R. 1463. An act for the relief of Rudolfo M. Gomez (Capaz);

H. R. 1538. An act for the relief of Jean Isabel Hay Watts;

H. R. 1540. An act for the relief of Mrs. Joan Craig Newell;

H. R. 1541. An act for the relief of Mrs. Maria Dicran Simon;

H. R. 1549. An act for the relief of Salvacion Carbon;

H. R. 1551. An act for the relief of Gualberto Estralla Alabastro, Pura Zarco Alabastro, and Arlene Alabastro;

H. R. 1648. An act for the relief of Sister Luigia Pellegrino, Sister Angelina Nicastro, and Sister Luigina Di Martino;

H. R. 1661. An act for the relief of Kim Dong Su;

H. R. 1693. An act for the relief of Barbara Knape;

H. R. 1750. An act for the relief of Elena Gigliotti;

H. R. 1801. An act to authorize the purchase, sale, and exchange of certain Indian lands on the Yakima Indian Reservation, and for other purposes;

H. R. 1802. An act to authorize the leasing of certain lands of the Yakima Tribe to the State of Washington for historical and for park purposes;

H. R. 1868. An act for the relief of Ernest Tomassich and Yoko Matsuo Tomassich;

H. R. 1883. An act for the relief of Margarete Gartner;

H. R. 1929. An act for the relief of Eufemia Bencich;

H. R. 1954. An act for the relief of Ingrid Samson;

H. R. 2073. An act for the relief of Bengt Wikstam;

H. R. 2274. An act for the relief of Alejandro Florentino Munoz;

H. R. 2353. An act for the relief of John Odabashian, doctor of medicine;

H. R. 2406. An act to amend subsection (e) of section 1 of title 5 of the District of Columbia Revenue Act of 1937, as amended;

H. R. 2495. An act for the relief of Antoni Rajkowski;

H. R. 2721. An act for the relief of Mihai Indig;

H. R. 2724. An act for the relief of Miss Elvira Bortolin;

H. R. 2756. An act for the relief of Frank Scriver;

H. R. 2911. An act for the relief of Max Steinsapir;

H. R. 2925. An act for the relief of Carmelo Rodriguez Perez, also known as Carmelo Rodriguez Fenald;

H. R. 2929. An act for the relief of Lazara Camargo Bernoudy;

H. R. 3071. An act for the relief of Eleanor Ramos;

H. R. 3123. An act to modify the acts of August 12, 1935 (40 Stat. 571, 584), May 15, 1936 (49 Stat. 1274), July 1, 1946 (60 Stat. 357), August 8, 1946 (60 Stat. 923), and June 30, 1947 (61 Stat. 211), with respect to the recoupment of certain public school construction costs, and to amend the act of August 17, 1950 (64 Stat. 459), relating to the expenditure of funds for cooperating with the public school board of Walker, Minn.;

H. R. 3193. An act for the relief of Evelyn Hardy Waters;

H. R. 3253. An act to amend section 6 of Public Law 874, 81st Congress, so as to provide for the continued operation of certain schools on military installations;

H. R. 3560. An act to provide for the relief of certain members of the Army, Navy, and Air Force, and for other purposes;

H. R. 3853. An act for the relief of Guadalupe Zuniga (also known as Benita Chaparrao-Venegas or Guadalupe Acosta);

H. R. 3972. An act for the relief of Anthonius Marinus Kronenburg;

H. R. 4225. An act authorizing the Administrator of Veterans' Affairs to convey certain property of the United States to the city of North Little Rock, Ark.;

H. R. 4245. An act for the relief of Mrs. Esther Rodriguez de Uribe;

H. R. 4367. An act to provide for the distribution of funds belonging to the members of the Creek Nation of Indians, and for other purposes;

H. R. 5559. An act to extend for a period of 2 years the privilege of free importation of gifts from members of the Armed Forces of the United States on duty abroad;

H. R. 6086. An act for the relief of certain relatives of United States citizens or lawfully resident aliens;

H. R. 6331. An act authorizing the Territory of Hawaii, through its duly designated officers and boards, to negotiate a compromise agreement, exchange with, sell or lease to the owners of certain shorelands, certain tidelands, both in the Territory of Hawaii, and to make covenants with such owners, in settlement of certain damage claims and for a conveyance of littoral rights; and

H. J. Res. 256. Joint resolution providing for an objective, thorough, and nationwide analysis and reevaluation of the human and economic problems of mental illness, and for other purposes.

EDUCATIONAL BENEFITS RATHER THAN COMPULSION FOR A READY RESERVE FORCE

Mr. NEUBERGER. Mr. President, before the return to the Senate of the conference report on the Reserve Forces bill—which I understand is to be discussed by Senate and House conferees this afternoon—I wish to take this opportunity to say that I have concluded I voted wrong when I voted for H. R. 7000 on last Thursday, July 14. I desire to introduce what I believe to be a constructive alternative to the compulsory Reserve provisions of the bill; and I hope my bill may at least be considered by the conferees before they decide whether to adopt those compulsory provisions.

I have reached my conclusion after much study and thought during the week since the yea-and-nay vote on H. R. 7000. It may fairly be said that the normal time for such study and thought is before a vote. But, Mr. President, let us recall that the printed hearings and committee report on the Reserve bill were not available to Members of the Senate until noon of the very day when the vote took place. The transcript of the hearings runs to 393 pages, and the committee report another 33 pages.

At the time of the vote, I tried to exercise my best judgment in the light of the discussion of the Military Reserve program on the Senate floor. Subsequent study of these documents, and thoughtful consideration of the issues at stake and of subsequent events, impel me to state to the Senate that if the conference report contains a provision for enforcing compulsory Active Reserve

duty on future draftees who have completed 2 years of active service, I wish to be recorded in opposition to final passage of the Reserve Forces bill.

I regret having had to change my mind, but I would rather be open to conviction than to cling to fixed opinions on any issue. After all, even the President of the United States has recently altered his position on such matters as the desirability of a meeting at the summit, the Dixon-Yates contract, and a major appointment to the Atomic Energy Commission. If the President can change his mind, a mere Senator should enjoy the same privilege. I should like briefly to outline the reasons why I have concluded that I cannot support a compulsory Reserve obligation at this time.

BILL DRAFTS MEN FOR 3 ADDITIONAL YEARS OF SERVICE IN RESERVE

Mr. President, H. R. 7000, as it came before the Senate, imposes upon young men who are drafted for 2 years of active service an additional obligation to participate in active training in a Ready Reserve unit for 3 years. There are alternative ways of fulfilling that additional obligation, I think, without imposing a substantial new burden; and I desire to outline those ways to the Senate this afternoon.

For many years now, we have accepted the principle that our young men could be drafted for full-time active service in such numbers and for such length of time as has been necessary to give us the armed strength-in-being which the Nation's safety requires. But we have not previously drafted men to give part of their civilian time to continued military service for several years, over and beyond their years of active service. Thus, the present Reserve Forces bill presents a radical departure, not only in degree, but in kind of military compulsion. Let us not pretend to the American people that it is less than that. There has been some suggestion that the obligation to participate in Active Reserve training has existed for several years, and that compulsion has been made necessary only because discharged men have shirked that obligation. To dispose of this point, let me quote from the opening statement of the distinguished chairman of the Committee on Armed Services, Senator RUSSELL, at the hearings on H. R. 7000. He said:

As chairman of this committee and speaking, I believe, the thoughts of some of my colleagues at least on the committee, I must insist that this obligation be imposed as a new requirement and not as something casually adopted under the guise of putting some teeth into existing law, and implementing an alleged congressional intent that is more fantasy than fact.

Yet, I believe it has been adopted with inadequate publicity, without real public discussion and understanding, and without that kind of protracted debate in the Senate that the importance of the issue warrants. For myself, I must admit that I was surprised when the vote actually came last Thursday evening—only a few hours after the committee reported the bill. Mr. President, at this point I ask unanimous consent to have appear in the RECORD with my remarks an article by Mr. Richard L. Strout in the Christian Science Monitor of July 16, 1955, which is descriptive of these facts.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RESERVES FACE ENFORCED DUTY

(By Richard L. Strout)

WASHINGTON.—Every American family with a growing boy is affected by the armed services bill which has now passed the Senate and House in two different versions.

The differences will be reconciled in conference, and then the completed bill, including provisions affecting American family life, will be passed and signed by the President.

President Eisenhower advocates the Reserve bill so strongly that he has made one of his rare appeals over the heads of Congress to the Nation to get the measure passed.

The Reserve bill is a companion piece of legislation to the administration's recommended cuts in manpower of the Regular services. The administration has gone ahead with these cuts on the assumption that the Reserve measure will pass and take up the slack. There has been some objection to the manpower cuts in the armed services, notably that of Gen. Matthew B. Ridgway, retiring Army Chief of Staff.

The Senate passed its version of the new Reserves bill, 80 to 1, at an evening session July 14.

LITTLE DISCUSSION

The debate preceding the vote indicated that some of the Senators had not followed the technical controversy and were going along with legislative leaders with no very clear idea of the provisions involved.

It is believed also that the public at large so far has paid relatively slight attention to the big new bill. Because of its complicated nature and the absence of protracted congressional debate, one way or another on the issue, relatively little space has been devoted to it in periodicals or in radio discussion.

Here is what happens in the typical Smith family, with a boy of draft age, under the present laws, and under the proposed law according to the version of the new Senate bill.

COMPULSORY DUTY

Under present law young John, Jr., is drafted, and after finishing his 2 years' Regular service is theoretically liable to 6 years' service in the Reserves (including the National Guard). But this postdraft service is more conjectural than real. He is not compelled to serve with a training unit and most boys don't. John, Jr., is the average youth and is one of those to whom the 6 years' Reserve service means little. Indeed, of the 2,200,000 John, Jrs., now carried under the so-called Ready Reserve only around 700,000 take part in regular training and even of this number many are not in organized units.

The John, Jrs., of America will find a somewhat different story after the new Reserves bill passes, in either the Senate or House version.

The two versions are alike in requiring the hypothetical John, Jr., to spend 6 years or more in the Reserves after his initial period of active service is concluded.

Suppose John, Jr., is drafted or enlists, under the new Senate bill. Then he can be forced to take active Reserve training on completion of active duty. Total military obligation will no longer be theoretical but will be actual, and will extend, for 8 years.

OPTIONS ALLOWED

A number of variations of this proposed 8-year service are provided. He might spend 2 years in active service, 3 years in Ready Reserve service (with weekly reports or appearances) followed by 3 years spent in the Standby Reserve. It is the first 5 years which comprise the chief difference under the proposed new system and the present. Some combination of active service and Ready Reserve service is obligatory.

John, Jr., gets a number of options under the pending Senate version. For example the Senate bill and the House bill alike provide a basic point asked by Mr. Eisenhower. If he is between 17 and 20 the draftee can volunteer for 6 months of active training (rather than wait to be drafted) followed by 7½ years in the Ready Reserve (as distinct from the inactive or Standby Reserve). If he decides to do this he will be exempt from regular draft.

The big issue in both versions of the new bill is the compulsion put on men who have completed their active military service as draftees or volunteers, to do additional training with the Reserve units.

PROPOSALS DILUTED

There are unusally wide variations between Senate and House bills so that the conferees will be able to write a compromise that may almost be a new bill.

Usually a conference report is accepted fairly quickly by the two Houses. Here again there is the prospect that relatively little public debate will precede final legislative action.

Both the Senate and House versions water down the original Eisenhower proposals, with the House version the most diluted.

RADFORD TESTIFIES

Adm. Arthur W. Radford, Chairman of the Joint Chiefs of Staff, bluntly testified this week that rather than take the House bill he would prefer to have no Reserve bill at all.

Congressmen show reluctance to pushing the new Reserve system with its effect on freedom of movement of young men in peacetime. But they have weighed the global dangers which face the United States in the cold war, and come up with a compromise.

Senator RICHARD B. RUSSELL, Democrat, of Georgia, chairman of the Senate Armed Services Committee, observed July 13 that his bill is "a compromise between what the administration suggested and nothing."

Congressmen have also gingerly skirted the delicate question of racial integration.

Mr. NEUBERGER. I should like to draw the attention of the Senate to two paragraphs of this article. Mr. Strout wrote:

The debate preceding the vote indicated that some of the Senators had not followed the technical controversy and were going along with legislative leaders with no very clear idea of the provisions involved.

It is believed also that the public at large so far has paid relatively slight attention to the big new bill. Because of its complicated nature and the absence of protracted congressional debate, one way or another on the issue, relatively little space has been devoted to it in periodicals or in radio discussion.

Mr. President, I do not hesitate to admit that I was among those to whom these statements refer. Yet, as I have said, a program that involves issues as fundamental as years of compulsory participation in active Reserve training should have received the most searching scrutiny. Many of us have not forgotten that, for many years, all compulsory military service was considered alien to American traditions of freedom. In modern times, our emergence from isolation to a position of great international leadership has made such a view untenable. Yet, as long as we value the freedom of individual men, we will re-

tain a fundamental jealousy toward the demands of compulsory military service.

NEED TO BALANCE NATIONAL SECURITY AGAINST TRADITIONAL FREEDOM

Mr. President, what we—the Congress and the people—are called upon to do always is to balance the needs of national security against the freedom of our young men. Before the Second World War, regrettably, the balance was often unthinkingly loaded against national security. But I wonder whether in recent years the pendulum has not swung too far in the opposite direction—whether, because of the great dangers and horrors of modern war, we do not accept too uncritically whatever is demanded in the name of national security.

I have concluded that, in the Reserve forces bill, inadequate value has been attached to the tradition that the compulsions of military life shall intrude as little as possible into civilian life. I believe that 3 years of compulsory participation in a Reserve unit is more of an invasion of civilian life than, for instance, an additional 6 months of full-time active service would be.

I have voted and I expect to continue to vote for the standing forces and for the appropriations our country needs to remain strong. On June 30, I voted for the extension of the draft. I supported the Senator from Missouri [Mr. SYMINGTON] and others in adding to the budget the $46 million in additional funds to keep Marine Corps strength at 215,000 men instead of the 193,000 provided for in the administration's budget.

ADMINISTRATION IS REDUCING MARINE CORPS AND ARMY PERSONNEL

The Marine Corps does not rely on compulsory service. It has no trouble securing volunteers. Yet the Secretary of Defense, Mr. Charles E. Wilson, has announced that the administration will not spend the money which the Congress has provided to give us the added strength of this elite fighting service.

Furthermore, Mr. President, at the same time that we are asked in the name of national security to impose additional compulsion on future draftees, the record of the hearings discloses that the overall strength of our armed services is being reduced from 3,200,000 men in January of this year to about 2,850,000 by July 1, 1956. And the principal reduction will take place in the size of the Army—a reduction of about one-third of a million officers and men, about 25 percent of its strength as of last January.

Mr. President, it is conceded that the entire Active Reserve problem about which we have heard, and for which we are asked to draft young men over and beyond their years of active duty, is the problem of the Army. The other services do not ask for compulsory reservists. The actual, specific dimensions of the so-called Reserve problem were concisely stated by the able chairman of the Senate Committee on Armed Services [Mr. RUSSELL] at the beginning of the hearings on H. R. 7000 and I ask unanimous consent that an excerpt from his statement, appearing on page 5 of the printed committee transcript, be included in the RECORD at this point of my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

There has been so much comment and discussion over the past 8 or 10 months that an impression has been created in the public mind that the Nation's military Reserve has been deteriorating, and that it has suddenly become dangerously weaker than at any other time in our history.

As a matter of fact, this not the true situation, for, with all the flaws—and they are many, but let us not forget they are old flaws—with all of its flaws, the Nation's military Reserve today is larger and more efficient than at any time in our history.

More officers and more enlisted men are participating in its training programs; the Reserve is better equipped; its training armories and camps have been vastly improved and expanded; its overall readiness is better than at any time in the past; and, of course, this is all as it should be because we are today spending far more money on the Reserve than at any previous time. The $700 million now being spent on the 700,000 men participating in Reserve training is by any standard a respectable sum of money, and we might bear in mind that it is more than the entire military budget of this Nation in the year 1934.

The next point is that the so-called Reserve problem is not 1 problem; it is a different problem in each of the 4 different services and, as a matter of fact, at least if we are to accept the testimony given before the House committee, the Navy, the Marine Corps, and Air Force all feel that they can meet their total Reserve commitments without this bill.

* * * * *

But, in any case, we have this dilemma: That in spite of the fact that the Army currently operates, and on a purely voluntary basis, a Reserve program which is larger than that of all the other services combined, the Army is the only service which cannot meet its Reserve requirements.

To put it another way, the acute part of the Reserve problem is almost exclusively the Army's Reserve problem.

Within the Army Reserve structure the problem, in reality, is pretty much the same as it is in the Active Army—the problem of getting privates and privates first class and junior noncommissioned officers for the difficult and dangerous but highly essential job of manning the ground combat units.

Mr. NEUBERGER. As the distinguished Senator from Georgia pointed out, Mr. President, the purpose of the compulsory reserve provisions of H. R. 7000 is not to retain a skeleton of skilled officers and senior noncoms to serve as a cadre for a future expansion of the Army. Rather, its purpose is to retain in Active Reserve units for 3 years, beyond their active service, the privates and corporals who must do the dirty work of ground warfare. Yet, at the same time, the Army is being cut down 25 percent below its strength in January of this year. This is truly ironic.

Mr. President, I have supported the draft and shall do so as long as it is necessary. But I believe that when a draftee has served his 2 years and is released for normal civilian life, he should be free to place his uniform in mothballs until the Nation's safety requires his return to active duty. Of course, every discharged soldier is free to volunteer for the Active Reserve and should be encouraged to do so. But to many who look forward to returning to civilian life, after completing their 2 years active duty as Army privates or privates, first class, even an additional 6 months of active service—if absolutely necessary—will seem preferable to the limbo of 3 years of civilian life interrupted by compulsory weekly or biweekly military drill or by weeks of military training every summer. If it were necessary for adequate national strength, I would support such an extension in the length of active duty in preference to tying the military tether of 3 years compulsory Reserve duty onto the lives of draftees who have ostensibly been released to civilian life. And we may well expect that the compulsion provided by H. R. 7000 will considerably reduce the Army's incentive for trying to develop a Reserve program that would attract volunteers among privates and privates, first class.

STANDING RESERVE SYSTEM WILL PERMANENTLY CHANGE PATTERN OF AMERICAN LIFE

We may also well be concerned, Mr. President, whether we shall ever be able to abandon the system of years of enforced, compulsory Reserve duty after we have once instituted it. If we try, the men in the Pentagon will tell us that to deprive them of draftee reservists will destroy the entire structure of the Army and jeopardize the national security. Moreover, we will have developed thousands of small vested interests in the many new organized Reserve units that are to be created throughout the country—and I seriously question the desirability of any act toward creating new vested interests, which would have a stake in the expansion of militarism in our society. This has not been the American pattern of fulfilling the duty to serve in the defense of one's country; rather, it has been the continental European military tradition, which has long been rejected in this country.

Finally, Mr. President, I believe that in a different way, a moral issue is at stake here. Equality of sacrifice is essential in a free society such as that of the United States. We are asking the Nation's young men to give up substantial portions of their careers, to fit years of their civilian lives into the straitjacket of periodic military service and its disciplinarian demands. Yet, while we are making these additional demands on the youth of the Nation, profits on military and other defense contracts are soaring to the highest levels in history.

I remember, when I was growing up, that there used to be frequent resolutions from veterans' organizations about capital as well as men being drafted for the next war. The American Legion spoke frequently about "no more war millionaires." Where are those suggestions today?

TAX CONCESSIONS HAVE TAKEN LID OFF ARMAMENT PROFITS

During the vote on H. R. 7000, the Senator from North Dakota [Mr. LANGER] proposed the imposition of tax demands to match the demands on our young men. The point he sought to make is important, and it is valid. The excess-profits tax is off the books. Generous concessions were granted to corporations and to the recipients of corporate dividends in the tax bill of 1954.

The incomes and the shares of the corporations that furnish us with most of our defense materials stand higher than ever.

During World War II we sought conscientiously to capture in taxes the excess profits pumped into the economy in the war effort. Those kind of taxes have been abandoned. For instance, perhaps 95 percent of all outstanding aircraft construction orders represent military purchases. In 1945, at the end of the war, the average value of the eight leading aircraft stocks had risen about 30 percent over their prewar level. The excess-profits tax expired on December 31, 1953. The average value of these eight stocks for 1954 was 371.8 percent of prewar. Last February, when the danger of war in the Pacific seemed high, they reached 617.8 percent.

Among the greatest suppliers of the Government in connection with defense expenditures are General Electric, whose stock has risen from a level of $37–$50 in 1945 to a high equivalent to $144 in 1954—after the excess-profits tax died; General Motors, climbing from $31–$39 in 1945 to $99 in December 1954, and still rising; and big suppliers of petroleum products, such as Standard Oil of California and of New Jersey, whose shares have quadrupled in value between 1945 and the present time. At least in part, these unprecedented financial increases reflect income from our continued immense defense budgets. During the past year, all corporation income has risen an average of 16 percent. During the same period, the income of working people has gone up 7 percent, and that of America's farmers has deplorably gone down 6 percent.

I cite these facts to show that, while we ask additional sacrifices of our young men, all the fine talk about drafting dollars as well as men seems to have been totally forgotten.

As the final straw, we have permitted the President to terminate the great benefits of the GI bill of rights, so that the all-important educational and vocational-training provisions of that splendid piece of legislation are no more. Thus, young men who are to accept military obligations for a longer time than any other Americans ever have in peacetime will not have the schooling opportunities which were of such unparalleled value to millions of their predecessors—and to the Nation—after World War II and the Korean aftermath. Our whole sense of social justice seems to have evaporated in the legislative process that produced H. R. 7000.

GI BILL SHOULD BE RENEWED AS INCENTIVE FOR VOLUNTARY RESERVES

Mr. President, I believe the educational benefits of the GI bill of rights could well and properly have been used to furnish a fair and effective incentive for voluntary participation in the Ready Reserve program which we are told we must have. I should like to suggest this idea as a constructive alternative, consistent with the best traditions of our American attitude toward military personnel. It is an alternative to the far-reaching innovation of years of enforced service in the Reserves which we are about to impose on the men we draft into the Army.

The legislative counsel's office has prepared for me a bill which I now introduce on behalf of myself, the Senator from North Dakota [Mr. LANGER], the Senator from Montana [Mr. MANSFIELD], my colleague, the senior Senator from Oregon [Mr. MORSE], the Senator from Michigan [Mr. MCNAMARA], and the Senator from Minnesota [Mr. HUMPHREY]. It puts into effect this alternative.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2602) to extend the educational and vocational assistance benefits to the Veterans' Readjustment Assistance Act of 1952 to persons who serve in the Armed Forces after January 31, 1955, and who agree to participate actively in a Reserve component of the Ready Reserve after the expiration of their active service, introduced by Mr. NEUBERGER (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. NEUBERGER. Mr. President, it is a very simple proposal. It would reenact the educational and vocational training benefits of the GI bill of rights for all present and future servicemen who have completed their 2 years of active duty and who either have carried out or are in the process of satisfactorily carrying out their required period of participation in the Ready Reserve program. Servicemen would also be eligible if a service-connected disability forced their retirement from the service before completing the full period.

The adoption of this program would imply the repeal or abandonment of the compulsory Reserve provisions in the present bill. In other words, a young man who had been drafted for 2 years of Army service would be eligible for schooling under the GI bill if he entered an Active Reserve unit and satisfactorily carried out his Reserve obligations. On the other hand, he could be free to choose to leave the Army for civilian life, and he would be under no further compulsion to participate in Active Reserve training. Such a program, Mr. President, would offer meaningful incentives to the privates and privates, first class, of the Army ground forces. In addition, it would reinstitute an educational program that has been of great value to the Nation. It would eliminate the novel and far-reaching element of additional compulsory Reserve duty which is imposed by H. R. 7000.

In conclusion, I ask unanimous consent that there appear in the RECORD after my remarks an editorial from the Boston Post of July 18, 1955, entitled "Still Time To Be Fair"; an analysis of the Reserve bill by Hanson W. Baldwin, military editor of the New York Times, of June 9, 1955, and a letter by Mr. Walter Millis appearing on the editorial page of the Times on July 3, 1955.

There being no objection, the editorial, article, and letter were ordered to be printed in the RECORD, as follows:

[From the Boston Post of July 18, 1955]

STILL TIME TO BE FAIR

Although they are anxious to adjourn by July 30, Members of Congress are not likely to pass any of the vital bills now pending without a good deal of thought.

There is still time enough for the Congressmen to scrutinize carefully and to alter, in the interest of fairness, the Army Reserves bill. As passed last week by the Senate, it is more equitable than when it came from the House of Representatives. But, as it stands, it would still impose an unfair burden on a small group of young American servicemen.

It includes now a provision under which draftees and volunteers would be forced to join the Ready Reserve and serve in it for 3 years, after they had concluded their regular 2-year hitch.

In this Reserve, the veterans would have to drill 1 hour a week for 42 weeks a year. In addition, they would be required to spend 17 days each summer in camp, for 3 years.

This would add immeasurably and inequitably to the burden now carried by a comparatively few young men. It is estimated that only 1 in every 10 men of draft age has to serve with the Armed Forces. Now they join for 2 years. If the Reserves bill becomes law as it now stands, they would not only have to give up these 2 years, but also part of 3 additional years.

There is time enough—and a real need—to revise this bill so that the Reserve service is made voluntary. Failing that, it should be compensated on an entirely fair and reasonable basis.

[From the New York Times of June 9, 1955]

THE MILITARY RESERVE BILL—AN ANALYSIS OF PRESENT OBJECTIONS TO DEFENSE MEASURE BEFORE HOUSE

(By Hanson W. Baldwin)

The compulsory military Reserve bill was the subject of intensive artificial respiration by the administration this week.

But the breath of legislative life appeared to have vanished, at least for this session, from a law that had been intended to be one of the cornerstones of the administration's new military policies.

The immediate causes of death were amendments barring segregation in the National Guard, but the bill was sick—almost to the point of death—even before these amendments caused it to be withdrawn from House consideration.

The Reserve bill in the form in which it was presented to the House is a compromise, a hybrid, about which nobody, not even the Pentagon, was really happy. If it should prove to be dead for this session, the outcome need not be the disaster so freely predicted; the interval between now and next January can be used to draw up legislation more in keeping with the military realities of the atomic age.

There are many objections to the current legislation. One of them is the inherent hostility of many Americans to any form of universal military training. Representative DEWEY SHORT, of Missouri, senior Republican on the House Armed Services Committee, and a conscientious and enlightened legislator, voiced this objection in a speech opposing the current bill:

"This may not be UMT (universal military training)," he said, "but it is an attempt to get a foot in the door."

EQUITY OF SERVICE DOUBTED

Another objection to the current legislation is that it would not accomplish one of the purposes it was intended to accomplish: to provide equity of service for all.

The bill would permit, as amended, the voluntary enlistment of youths for 6 months' training, followed by 7½ years in the Reserve. No fewer than 100,000 annually, nor more than 250,000 would be so enlisted.

At the same time, regular draft calls for 2 years' active service would continue, and voluntary enlistments in the Regulars for various periods would be accepted—both to be followed by commitments to Reserve duty.

The manpower pool of the Nation is increasing steadily with increasing population.

The induction age for draftees is steadily being pushed back into older age brackets as draft calls are reduced. The budget and active-duty manpower for the regular services are being reduced.

There are elements of incompatibility in these facts that the Pentagon will not admit but that make it certain that the new bill cannot provide equity of service. Indeed, the chances are that some able-bodied men may not have to serve at all.

The cost of the new program is another factor that has aroused misgivings.

By the fiscal year 1959 the proposed program would cost a minimum of more than $2 billion annually—more than double the cost of the present Reserve program. This increased Reserve cost would provide still another "squeeze" on the Regular forces, if the balanced budget concept was retained. If the current Reserve plan should be adopted, our commitment to greatly increased Reserve costs would probably mean further cuts in the Regular services.

The greatest and most important objection to the Reserve plan is the emphasis it places on the "militia" concept in an age when military professionalism of the highest order is the primary requirement.

WEEKEND WARRIORS

The program would provide eventually a Ready Reserve of 2,900,000 men, with a Standby Reserve of perhaps 2 million more. Undeniably this Reserve would be in a better state of organization and training than our Reserve today. But it would necessarily be a half-trained Reserve, an organization of weekend warriors. The bulk of it would still need an additional 3 months or so of active training after war started before commitment to battle.

And it would be organized and trained for what? World War II battlefields? Repulse of ground invasion? A force as large as this could not be transported overseas for many months after mobilization, if then.

Its primary use, therefore, at least in the initial stages of any war, would be to stiffen and strengthen our civil-defense organization.

Yet there is to be no real training provided for this purpose, and the tactical organization of the new Reserve, strictly tailored to the battlefield, would not seem to fit civil-defense needs.

We should take a leaf from Britain's book and specially train and specially organize Reserve components for civil-defense duties.

But most important is to remember the preeminent role of the specialist, the highly trained soldier, sailor, and airman in the atomic age. Brig. Gen. Dale O. Smith, United States Air Force, in his provocative study "United States Military Doctrine," very rightly stresses professionalism as one of our fundamental necessities today. If any Reserve bill strengthens the Reserves at the expense of the Regulars it is not worth the price.

[From the New York Times of July 3, 1955]

LETTERS TO THE TIMES—CREATING MILITARY RESERVES—PURPOSE AND EFFECT OF PENDING MEASURE ARE EXAMINED

(EDITOR'S NOTE.—The writer of the following letter, consultant to the Fund for the Republic, was editor of the Forrestal Diaries.)

To the EDITOR OF THE NEW YORK TIMES:

Your editorial of June 24 on the National Reserve plan bill confirms a feeling that there is a great deal of misconception about this measure. It is at least difficult to accept either your suggestion that the matter of UMT was merely dragged into the background of debate or the President's contention that the Powell antisegregation amendment was extraneous to the subject.

While it is of course true that the present bill differs widely from previous UMT proposals, the fact remains that its effect, and apparent major purpose, are to impose a substantially universal compulsion to military training. So, far from being background matter, this is the one most salient feature of the bill. It would at the least greatly widen the already onerous and somewhat arbitrary claims which the Department of Defense now asserts over the time, the careers, and freedoms of American citizens. And this being so. Representative POWELL's insistence that it be nondiscriminatory in operation seems anything but extraneous; it really comes close to the heart of the whole matter.

VALUE OF AMENDMENT

The Powell amendment may not represent the best, the wisest or the militarily most practicable way of dealing with the question of racial discrimination in the National Guard of the Southern States. But the question is not peripheral.

I think the amendment has already rendered a national service by recalling us to a realization that compulsory military duty is in fact a serious tax, not on property perhaps but on individual liberty; that as such it is bound to raise issues of human relationships like those involved in the problems of segregation and that the State—all-powerful as it is tending to become—still has obligations to the individual in these matters possibly as important as the individual's obligations to the State.

In presenting the National Reserve plan it seems to me that the State (or the administration acting for it) has neglected its obligations to the individual in ways even more important than those concerning segregation. In asking these new powers to conscript young men's time and liberties it has failed to explain the real need for or purpose of the measure and has been less than frank in such justifications as have been offered.

The stated objectives are two: To fill an estimated military requirement for a trained Ready Reserve of 2,950,000 men by 1960; and in the perhaps intentionally obscure gobble-dy-gook of a Department of Defense spokesman, "to maximize the equitable sharing of military obligation by those militarily qualified to serve."

TRAINING UNDER PLAN

That there is a military need for a Reserve system is hardly disputable. But it is astonishing that no one has even asked how this 2,950,000-man figure has been arrived at, why just this number is needed, what they are needed for or how well the Reserve plan is calculated to train them for the duties in which they might be required.

Hardly anyone has asked what is really meant by maximizing the equitable sharing of obligation or how it would work out. If there has been any real probing by Congress or the public on either of these surely crucial points, I believe that by this time it would have brought the National Reserve plan into quite a new light.

At any rate, nearly everything about the plan, the arguments for it and the official statistics, is consistent with the view that the basic purpose is not to draft men in order to create a needed Reserve, but to create a Reserve in order that we may continue to draft men. The Department's dilemma is surely quite obvious. The active establishment is far too large to be maintainable without compulsion—indeed, much of the volunteering which now fills the ranks and reduces draft calls would collapse if the shadow of the universal obligation were removed—but it is also, unhappily, too small by many hundreds of thousands to receive the floods of qualified young men now annually entering the manpower pool. And no military system based upon a universal obligation can long survive unless the obligation is really universal and enforceable.

INDUCTION AGE

It is not always understood that a reduction in draft calls releases no one from his duty to serve; it simply pushes forward the age at which he can get in and get his service over with. The excess of men has already pushed the average age of induction up from 18½ to about 21—undesirably high from a military no less than from the individual's point of view.

But the prognosis is that by mid-1959, at the present rate, we shall have something like 1,790,000 young men waiting their turn in active forces which will then be absorbing only 490,000 men a year. It will present an impossible situation. Either it will have to be admitted that most of them will never serve at all—which would wreck the whole present system by removing its compulsory foundation—or they will have to be taken up by hook or crook into some kind of Reserve duty which will at least look like the equivalent of the 2 years' active service imposed upon those who are caught in the draft.

The details could be discussed at much greater length. I think this is enough to lend color to my contention that the bill has not been frankly presented; it has not been well understood; that congressional and public comment has not been keen in analysis and has suffered far too much under the "papa knows best" theory of Government, and that Representative POWELL, even if unintentionally, did a genuine service by forcing the Nation to stand and take thought in a matter which does reach close to all issues of individual liberty and civil right in a democratic society.

WALTER MILLIS.

NEW YORK, *June 28, 1955.*

THE MILITARY RESERVE BILL

Mr. McNAMARA. Mr. President, I am now opposed to the Reserve bill, because it makes a drastic change in the American way of dealing with military service, without having exhausted the possibilities of dealing with it in accordance with our traditions and our customary attitudes.

Compulsory military service on a scale here proposed has been characteristic of many other countries of the world in which democratic traditions have faded. Before moving in this direction in America, we ought to try every possible way of building up whatever reserves are necessary on a voluntary basis. If serving their country is not attractive to many of our young people, we should examine thoroughly the reasons why. To the extent that such service can be made attractive, that should be done before we adopt a compulsory Reserve program of the magnitude now proposed. Wherever the absence of financial support is responsible for the shortage of manpower in our National Reserve units, Congress owes it to the American people to provide the necessary money before fastening this program on our young people.

No matter how carefully we plan it, a program of this magnitude will carry widespread injustices. I do not believe that it is wise to legislate a program of this size without first gaining as much experience as possible with a carefully thought-out voluntary plan, and without testing whether such a large Reserve is needed, whether it can be handled equitably, and whether it must be recruited by compulsion. When I am satisfied that a program of the kind here proposed is unavoidable and that this is the best way to get it, I will support such a program. Until then, I shall continue to urge that voluntary methods receive the

support of Congress instead of a compulsory plan.

Let no one be deceived. In the event of war, all the manpower of the Nation would be made immediately available for service. Why, then, must we have a measure riveted upon the necks of the young men of our country, when we have not exhausted, or even well tried, the full possibilities for voluntary Active and Reserve service?

CONSTRUCTION, REPAIR, AND PRESERVATION OF CERTAIN PUBLIC WORKS ON RIVERS AND HARBORS

The Senate resumed the consideration of the bill (H. R. 4362) to amend the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, for navigation, flood control, and for other purposes."

The PRESIDING OFFICER. The bill is open to amendment.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

CONSTRUCTION OF CERTAIN PUBLIC WORKS ON THE MISSOURI RIVER

Mr. KERR. Mr. President, I move that the Senate proceed to the consideration of Order No. 1039, Senate bill 2093.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2093) to authorize the Secretary of the Army, acting through the Corps of Engineers, to undertake certain public works and grant compensation for certain property damages as a result of the construction of the Oahe, Gavins Point, and Fort Randall Dams and Reservoir projects, Missouri River.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Public Works with amendments on page 1, line 7, after the word "by", to strike out "him" and insert "the Secretary, or by a court of competent jurisdiction"; on page 2, line 1, after the word "which", to strike out "have been destroyed as a result of" and insert "will be rendered inoperative or be otherwise adversely affected by"; in line 6, after the word "exceed", to strike out "$340,000" and insert "$400,000"; in line 10, after the word "of" where it appears the second time, to strike out "such" and insert "the Oahe"; in line 18, after the word "Dakota", to strike out "sewer facilities" and insert "by facilities to provide for treatment of sewage or connection to the city system"; and after line 24, to strike out:

(c) The Secretary of the Army, acting through the Corps of Engineers, is further authorized and directed to cooperate with the State of South Dakota in restoring the water level of McCook Lake, Union County, S. Dak., which water level has been impaired and surrounding residential properties damaged by the reduced flow of the Missouri River due to the construction of the Oahe, Fort Randall, and Gavins Point Dam projects: *Provided*, That the cost to the United States shall not exceed $150,000: *And provided further*, That the State or local agencies shall contribute an equal amount to the cost of the restoration works.

And in lieu thereof to insert:

(c) The Secretary of the Army, acting through the Corps of Engineers, is authorized to reimburse business and industrial firms for expenses necessarily incurred by them in moving to new locations when such removal was necessitated by the construction of the Oahe, Gavins Point, and Fort Randall Dams and Reservoir projects, Missouri River: *Provided*, That such reimbursement shall not exced 25 percent of the value of the goods, furnishings, and equipment required to be moved as such value may be determined by the Secretary acting through the Corps of Engineers: *Provided, however*, That with respect to rural telephone and rural electric lines, the authority of this paragraph shall cover the fair and reasonable costs of the required relocation.

So as to make the bill read:

Be it enacted, etc., That (a) the Secretary of the Army, acting through the Corps of Engineers, is authorized and directed (1) to pay to any bona fide lessee or permittee owning improvements situated on a railroad right-of-way or on Indian tribal land the fair value, as determined by the Secretary, or by a court of competent jurisdiction, of any such improvements which will be rendered inoperative or be otherwise adversely affected by the construction of the Gavins Point, Fort Randall, and Oahe Dam and Reservoir projects, Missouri River, and (2) to pay to the Pollock Independent School District, Pollock, S. Dak., such sum, not to exceed $400,000, as may reasonably be required to enable such independent school district to reestablish and relocate elementary and high school facilities presently located in such school district but required to be moved as a result of the construction of the Oahe dam and reservoir project.

(b) The Secretary of the Army, acting through the Corps of Engineers, is further authorized and directed to undertake the construction and to provide suitable sewer facilities, conforming to applicable standards of the South Dakota Department of Health, to replace certain existing water or sewer facilities of (1) the St. Joseph's Indian School, Chamberlain, S. Dak., by facilities to provide for treatment of sewage or connection to the city system not exceeding $35,000 in cost; (2) Fort Pierre, S. Dak., sewer facilities not exceeding $120,000, and water facilities not exceeding $25,000; and (3) the city of Pierre, S. Dak., sewer facilities not exceeding $210,000.

(c) The Secretary of the Army, acting through the Corps of Engineers, is authorized to reimburse business and industrial firms for expenses necessarily incurred by them in moving to new locations when such removal was necessitated by the construction of the Oahe, Gavins Point, and Fort Randall Dams and Reservoir projects, Missouri River: *Provided*, That such reimbursement shall not exceed 25 percent of the value of the goods, furnishings, and equipment required to be moved as such value may be determined by the Secretary acting through the Corps of Engineers: *Provided, however*, That with respect to rural telephone and rural electric lines, the authority of this paragraph shall cover the fair and reasonable costs of the required relocation.

SEC. 2. The Secretary of the Army is authorized to provide the sums necessary to carry out the provisions of this act out of any sums appropriated respectively for the construction of the Oahe, Gavins Point, and Fort Randall Dams and Reservoir projects, Missouri River.

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent that I may include in the RECORD a statement dealing with the provisions of the bill. The committee gave very careful consideration to the provisions of the bill and conducted hearings on each section. The purpose of the bill is explained by its title.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY MR. CASE OF SOUTH DAKOTA ON S. 2093

Mr. President, in explanation of the bill, I submit as a statement the following excerpts from the official committee report (No. 1032) on the bill (S. 2093) which I introduced:

"PURPOSE

"The purpose of this bill is to authorize the Secretary of the Army, acting through the Corps of Engineers, to undertake certain public works or compensate for certain consequential damages resulting from the construction of dams and reservoirs as a part of the Missouri River Basin project, and where existing Federal laws do not permit equitable compensation with respect to such damages.

"GENERAL STATEMENT

"The Corps of Engineers is presently engaged in construction of the Missouri River Basin program for purposes of navigation, irrigation, hydroelectric power development, and control of floods from Sioux City downstream to the mouth of the Missouri River. The reservoirs included in the program will create a chain of large lakes extending through South and North Dakota and into Montana.

"In South Dakota there are three major dams presently under construction. The Fort Randall Dam is nearing completion, and the Gavins Point Dam is scheduled for closure at a very early date. The largest of the projects, the Oahe Dam, is under construction. The dam site is located immediately upstream from the State capital in central South Dakota, and will create a reservoir of about 24 million acre-feet, extending upstream 200 miles to Bismarck, the capital of North Dakota.

"PROBLEMS CREATED

"A large portion of the area required for the reservoirs consists of Indian tribal lands. Other minor areas consist of townsites where buildings and structures have been erected

on railroad rights-of-way by easements. The Corps of Engineers state that they are authorized to acquire property that would be inundated by the reservoirs, but are without authority to purchase buildings or structures located on Indian tribal lands, or railroad rights-of-way by leases, licenses, or permits. These easements have been fully recognized although they are revocable. The permittee who constructed buildings on tribal land or on railroad right-of-way expected to remain there for the life of the building, dealing only with the landowner. Such property is now being taken by the United States in certain instances through no fault or failure on the part of the landowner or the person holding the easement.

"Operation of the Oahe Reservoir would necessitate the relocation or abandonment of the small town of Pollock, S. Dak. The town is being relocated on a new townsite outside the effects of the reservoir, with all its community facilities. The Corps of Engineers has authority to make a settlement with the Pollock Independent School District for the school facilities in the reservoir area, but its authority is limited to payment to the school district for the depreciated value of the present school building based upon its original cost. It is recognized that a school building built several years ago could not be duplicated today even at the total amount of its original cost at the time of construction.

"Since time immemorial the cities and institutions along the Missouri River have used that stream for disposal of their sewage. The South Dakota State Board of Health has served notice on Pierre and Fort Pierre, S. Dak., that they will no longer permit such discharge directly into the river, since instead of now being a flowing river it has become a lake. It is contemplated that the basin development on the Missouri River will result in a higher use classification, particularly with respect to recreational use, both above and below the main-stem dams. Public-health officials of South Dakota are making strenuous efforts to improve the sanitary qualities of the surface water supplies. In the case of the St. Joseph's Indian School at Chamberlain, S. Dak., on Fort Randall Reservior, there was a direct injury to the sewage facilities when their disposal lines were severed during construction activities by the Corps of Engineers in the area.

Under present acquisition procedures, business and industrial property is acquired on the basis of the depreciated value, when removal is necessitated by the projects. Such firms are not reimbursed for expenses necessarily incurred by them in moving to new locations with respect to goods, furnishings, and equipment. The same is true relative to small rural telephone and electric lines. Such reimbursements have been made in the past to owners and tenants for residential or agricultural purposes, but business properties were excluded in 1951. Equity requires all properties to be treated alike.

"DISCUSSION

"The committee held hearings on this measure on July 12, 1955. Data was presented relative to the work underway, the problems encountered in connection with land acquisition and relocations, and estimates of cost for various features involved. Consideration was given to the equity of the procedures being followed in each case.

"The committee believes that any bona fide lessee or permittee owning improvements situated on a railway right-of-way or on Indian tribal land should be compensated for the fair value of such improvements destroyed as a result of construction of a reservoir project. These improvements are usually established under what amounts to a perpetual lease or lifetime permit, investments are made, businesses are conducted and expanded, yet the whole enterprise is lost during the progress of the river-development program, without restitution to the owner of such improvements.

"The relocation of the town of Pollock to a new townsite about 1½ miles distant has been satisfactorily accomplished. The Control Act of 1954 authorized compensation to the town for water and sewage facilities. The Pollock school building is a brick structure built about 1937, which should have a remaining life of 50 years or so. The Corps of Engineers have assessed the present value of the structure at $200,000, which would obviously be insufficient to replace the structure in the new townsite. The committee recognizes the inequity of this case where the school district would be paid for the depreciated value of the present school building based upon its original cost. It believes that the United States should absorb the difference between this assessment and the estimated cost of the new building. It does believe, however, that the Corps of Engineers should review the plans and bids for the new building by agreement among the parties concerned, in order that the Government may obtain any benefits derived from such competitive bidding on the new structure.

"The committee is aware of the changed conditions in the flow of the Missouri River that will be occasioned by construction of the dams. Where the stream now has a high base flow and the sewage can be discharged directly therein, such flow can later be regulated at the dams, with consequent reduced flows by the water that goes through the powerplants. This is particularly true with respect to the cities of Pierre and Fort Pierre located immediately below the Oahe Dam. The large fresh-water lakes that will be created, and their large use for recreational purposes, will develop a health hazard by discharge of raw sewage into such lakes. The South Dakota State Department of Health has recognized this situation by requiring treatment of the sewage before discharge into the river. The existing sewage facilities of the St. Joseph's Indian School at Chamberlain have been damaged by construction of bank revetment thereat. Some adjustments have been made but a health hazard is still present on the playground of the 250 students at the school. The committee believes that a more satisfactory solution might be obtained by connecting the sewage facilities of the school to the city sewage system of Chamberlain, and has amended the bill to include such provision.

"The committee has also amended the bill to authorize reimbursement to business and industrial firms for expenses necessarily incurred by them in moving to new locations, with provisions that such reimbursement shall not exceed 25 percent of the value of the goods, furnishing, and equipment required to be moved. The amendment would cover the fair and reasonable costs of the required relocation of rural telephone and rural electric lines. This amendment would remedy existing law, and bring these civil projects under the same provisions as for military projects, and with certain past procedures with respect to residential and agricultural property. Section 512 of the military construction bill of 1955 repeals previous limitations on matters such as this.

"The original section (c) of S. 2093 has been deleted since the public works appropriation bill for 1956 included language that would take care of the McCook Lake water-level adjustment.

"The committee recommends enactment of S. 2093. It recognizes the inequity that now exists and believes that a combination bill such as this is more desirable than individual bills to take care of such individual cases. The committee has recommended amendments to the bill to protect the Government's interests and obtain the most economical but fair methods of settlement of the cases involved in this huge program of development of the Missouri River Basin program."

DECLARING A SECTION OF THE ACUSHNET RIVER, MASS., A NONNAVIGABLE STREAM

Mr. KERR. Mr. President, I move that the Senate proceed to the consideration of Order No. 1033, House bill 2866.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (H. R. 2866) to declare a certain portion of the waterway (a section of the Acushnet River) in the city of New Bedford and the towns of Fairhaven and Acushnet, Mass., a nonnavigable stream.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma.

The motion was agreed to; and the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN LAND TO MARY ANN AUST

Mr. KERR. Mr. President, I move that the Senate proceed to the consideration of Order No. 1035, Senate bill 1851.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1851) to direct the Secretary of the Army to convey certain land to Mary Ann Aust.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Public Works with amendments, on page 2, after line 5, to strike out:

SEC. 2. The conveyance authorized by this act shall be conditional upon Mary Ann Aust paying into the Treasury of the United States, in return for the land conveyed, an amount determined by the Secretary of the Army, which shall be equal to the cost to the United States of acquiring such land.

And in lieu thereof to insert:

SEC. 2. The conveyance authorized by this act shall be conditional upon Mary Ann Aust paying into the Treasury of the United States, in return for the land conveyed, the current appraised fair market value thereof as determined by the Secretary of the Army.

And, after line 16, after the amendment just above stated, to insert:

SEC. 3. The cost of any surveys necessary as an incident to this conveyance shall be borne by the grantee.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Army shall convey by quitclaim deed to Mary Ann Aust, of Marshall County, Okla., all right, title, and interest of the United States in and to a tract of land situated in Marshall County, Okla., which is that portion of the north half southeast quarter

northwest quarter northeast quarter of section 7, township 7 south, range 7 east, Indian Meridian, more particularly described as follows: Beginning at a point in the north line of such north half southeast quarter northwest quarter northeast quarter 285 feet east of the northwest corner thereof; thence south 183 feet; thence east 330 feet; thence north 183 feet; thence west along the north line of such north half southeast quarter northwest quarter northeast quarter 330 feet to the point of beginning, containing 1.4 acres more or less.

SEC. 2. The conveyance authorized by this act shall be conditional upon Mary Ann Aust paying into the Treasury of the United States, in return for the land conveyed, the current appraised fair market value thereof as determined by the Secretary of the Army.

SEC. 3. The cost of any surveys necessary as an incident to this conveyance shall be borne by the grantee.

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

IMPROVEMENT OF THE AMITE RIVER AND ITS TRIBUTARIES

Mr. KERR. Mr. President, I move that the Senate proceed to the consideration of Order No. 1036, Senate bill 1899.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (S. 1899) to authorize the improvement of the Amite River and its tributaries.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Public Works, with an amendment, on page 1, line 8, after the word "report", to strike out "now being prepared by the Corps of Engineers entitled 'Amite River and Tributaries, Louisiana' " and insert "entitled 'Survey Report of Amite River and Tributaries, Louisiana,' of the district engineer Corps of Engineers, New Orleans district, dated June 8, 1955, approved by the division engineer, Corps of Engineers, lower Mississippi Valley Division, and submitted to the Board of Engineers for Rivers and Harbors on July 5, 1955, at an estimated first cost to the United States of $3,008,000: *Provided*, That local interests comply with the provisions in the district engineer's recommendations, including contribution of 24.7 percent of actual construction cost in cash or equivalent work as approved by the Chief of Engineers, for Amite River and Bayou Manchac, presently estimated at $892,000, and 18.6 percent of actual construction cost in cash or equivalent work, as approved by the Chief of Engineers for Comite River, presently estimated at $67,000.", so as to make the bill read:

Be it enacted, etc., That improvements in the interest of flood control and drainage be undertaken in the Amite River, Bayou Manchac, and the Comite River, such work to be prosecuted under the direction of the Secretary of the Army and the supervision of the Chief of Engineers, substantially in accordance with a survey report entitled "Survey Report of Amite River and Tributaries, Louisiana," of the district engineer, Corps of Engineers, New Orleans district, dated June 8, 1955, approved by the division engineer, Corps of Engineers, Lower Mississippi Valley Division, and submitted to the Board of Engineers for Rivers and Harbors on July 5, 1955, at an estimated first cost to the United States of $3,008,000: *Provided*, That local interests comply with the provisions in the district engineer's recommendations, including contribution of 24.7 percent of actual construction cost in cash or equivalent work as approved by the Chief of Engineers, for Amite River and Bayou Manchac, presently estimated at $892,000, and 18.6 percent of actual construction cost in cash or equivalent work, as approved by the Chief of Engineers, for Comite River, presently estimated at $67,000.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COMPACT BETWEEN THE STATES OF ARKANSAS, LOUISIANA, OKLAHOMA, AND TEXAS FOR AN APPORTIONMENT OF THE WATERS OF THE RED RIVER

Mr. KERR. Mr. President, I move that the Senate proceed to the consideration of Order No. 1037, Senate bill 2260.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (S. 2260) granting the consent of Congress to the States of Arkansas, Louisiana, Oklahoma, and Texas to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Red River and its tributaries.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Public Works, with an amendment, on page 2, line 5, after the word "the", to insert "President of the United States and the", so as to make the bill read:

Be it enacted, etc., That the consent of Congress is hereby given to the States of Arkansas, Louisiana, Oklahoma, and Texas to negotiate and enter into a compact relating to the interests of such States in the development of the water resources of the Red River and its tributaries, and providing for an equitable apportionment among them of the waters of the Red River and its tributaries, and for matters incident thereto, upon the condition that one qualified person appointed by the President of the United States shall participate in such negotiations as chairman, without vote, representing the United States, and shall make a report to the President of the United States and the Congress of the proceedings and of any compact entered into. Such compact shall not be binding or obligatory upon any of the parties thereto until it shall have been ratified by the legislatures of each of the respective States, and approved by the Congress of the United States.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CHANGE OF NAME OF HULAH DAM AND HULAH RESERVOIR

Mr. KERR. Mr. President, I move that the Senate proceed to the consideration of Order No. 1038, Senate bill 2029.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2029) to change the name of Hulah Dam and Hulah Reservoir located on Caney River, a tributary of the Verdigris River, to Lake O' the Osages Dam and Lake O' the Osages, respectively.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Public Works with an amendment to strike out all after the enacting clause and to insert:

That the Hulah Reservoir back of Hulah Dam, which is located on the Caney River, a tributary of the Verdigris River in Oklahoma, shall hereafter be known as Lake O' the Osages and any law, regulation, document, or record of the United States in which such reservoir is designated or referred to under the name of Hulah Reservoir shall be held to refer to such body of water under and by the name of Lake O' the Osages.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to change the name of Hulah Reservoir above Hulah Dam, Caney River, Okla. and Kans., to Lake O' the Osages."

ORDER FOR ADJOURNMENT TO 10:30 A. M. TOMORROW

Mr. CLEMENTS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10:30 a. m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CALL OF THE CALENDAR

Mr. CLEMENTS. Mr. President, I should like to state at this time that immediately following the morning business tomorrow there will be a call of the calendar. This is at least somewhat in line with previous arrangements; but,

for fear that it may be slightly out of line, I ask unanimous consent that following the morning hour tomorrow there be a call of the calendar of bills to which there is no objection.

Mr. WILLIAMS. Mr. President, has the Senator from Kentucky discussed it with the minority leader?

Mr. CLEMENTS. I have discussed it with the minority leader. The acting majority leader and the minority leader have discussed it just as we discuss all other matters incident to the program. We are both in accord with desiring to push matters along as rapidly as we can, looking toward adjournment at the earliest possible date.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECORDATION OF SCRIP

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 887, House bill 2972.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 2972) to require the recordation of scrip, lieu selection, and similar rights.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with amendments on page 2, line 9, after the word "within", to strike out "three" and insert "two"; in line 18, after the word "of", to strike out "three" and insert "two"; on page 3, after line 4, to insert:

SEC. 5. Within 30 days after the effective date of this act, the Secretary of the Interior shall cause to be published in the Federal Register a notice setting forth the recordation requirements of this act. Within 1 year after the effective date of this act the Secretary shall also cause notices of the recordation requirements of this act to be published in such newspapers, posted in such public offices, and given publicity by such other means as he deems feasible and appropriate for the dissemination of information concerning the recordation requirements of this act to persons who may have holdings or claims that are subject to such requirements.

And in line 17, to change the section number from "5" to "6."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. LONG. Mr. President, I should like to say in connection with the bill that its purpose is to require that scrip on various public lands be filed as a condition of its validity for the future. There is a vast quantity of unrecorded scrip, giving the holders thereof the right to file on unappropriated and unclaimed public lands. This has caused great confusion for many years, and the purpose of the bill is to require that the script must be filed in order to keep alive the rights of the individuals to claim property by use of it.

If it should be found that the property claimed is not subject to the scrip, then, of, course, the Department will undertake to find some property which can be claimed by the individual or some other way in which an equitable adjustment can be arranged to settle the problem.

EXCHANGE OF EMPLOYEES OF THE UNITED STATES DEPARTMENT OF AGRICULTURE

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1054, Senate bill 1915.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1915) to provide for further effectuating the act of May 15, 1862, through the exchange of employees of the United States Department of Agriculture and employees of State political subdivisions or educational institutions.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. CLEMENTS. Senate bill 1915 was prepared by a joint committee of the land-grant colleges and the Department of Agriculture to overcome certain personnel difficulties in cooperative work with the States and provides for the interchange of employees by the Department of Agriculture and State and local governments. Department employees interchanged would be either, first, on detail, entitled to salary and all other benefits from the Department, but subject to such State or local supervision as might be agreed upon; or, second, on leave without pay, with all rights of that status plus (a) such annual and sick leave as approved by the Secretary, (b) credit toward periodic and longevity step increases, (c) credit toward retirement upon payment of the appropriate percentage or State pay into the retirement fund, and (d) benefits under the Federal Employees' Compensation Act, unless they elected to receive similar State or local benefits. Transportation expenses in moving employees on either a detail or leave basis to their State assignments and back to their Federal official stations would be paid by the Department, but travel while on State assignment would not be paid by the Department.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Congress hereby declares that the objectives of this act are to aid in the dissemination of useful information on subjects connected with agriculture and to provide a means whereby the Government of the United States and the several States may better cooperate in problems arising as a result of the interrelationships of their work in the field of agriculture.

SEC. 2. For the purposes of this act, the term "Department" shall be deemed to mean United States Department of Agriculture; "Secretary" shall mean Secretary of the United States Department of Agriculture; and "State" shall mean a State, county, city, municipality, land-grant college, or a college or university operated by any State or local government.

SEC. 3. In carrying out this act, the Secretary is authorized through cooperative agreements or otherwise to provide for the interchange of employees of the Department and employees of States. The period of assignment under such an interchange arrangement shall not exceed 2 years.

SEC. 4. Employees of the Department participating in an exchange of personnel as authorized in section 3 may be considered during such participation to be (1) on detail to a regular work assignment of the Department, or (2) in a status of leave of absence from their positions in the Department. Employees who are considered to be detailed shall be entitled to the same salary and benefits to which they would otherwise be entitled and shall remain employees of the Department for all other purposes except that the supervision of their duties during the period of detail may be governed by agreement between the Department and the State involved. Employees who are in a leave-of-absence status as provided herein shall be carried on leave without pay: *Provided,* That they may be granted annual leave to the extent authorized by law and may be granted authorized sick leave only in circumstances considered by the Secretary to justify approval of such leave. Except as otherwise provided in this act, such employees shall have the same rights, benefits, and obligations as employees generally who are in such leave status but notwithstanding any other provision of law such employees shall be entitled to credit the period of such assignment (1) toward periodic and longevity step increases, and (2) upon payment into the retirement fund of the percentage of their State salary which would have been deducted from a like Federal salary for the period of such assignment, to credit such period as service within the meaning of the Civil Service Retirement Act. Any employee who participates in an exchange under the terms of this section who suffers disability or death as a result of personal injury arising out of and in the course of an exchange, or sustained in the performance of duties in connection therewith shall be treated, for the purposes of the Federal Employees' Compensation Act, as amended (5 U. S. C., sec. 790), as though he were an employee, as defined in such act, who had sustained such injury in the performance of such duty, but shall not receive benefits under that act for any period for which he elects to receive similar benefits from a State agency.

SEC. 5. Appropriations of the Department shall be available, in accordance with Standard Government Regulations, as amended, for the expenses of travel of employees assigned to States on either a detail or leave basis, expenses of transportation of their immediate families and expenses of transportation of their household goods and personal effects to the location of the posts of assignment and for such expenses for the return of employees to their official stations, but shall not be available for expenses of travel of the employees during such period of assignment.

SEC. 6. Employees of States who are assigned to the Department under authority of this act may (1) be given appointments in the Department covering the periods of such assignments, or (2) be considered to be on detail to the Department. Appointments of persons so assigned may be made without regard to the civil-service laws or regulations. Persons given appointment in the Department shall be paid at rates of compensation in accordance with the Classification Act of 1949, as amended. State employees who are

assigned to the Department without appointment shall not be considered to be employees of the Department, except as provided in section 7, nor shall they be paid a salary or wage by the Department during the period of their detail. The supervision of the duties of such employees during the assignment may be governed by agreement between the Department and the State involved.

SEC. 7. Any State employee who is given an appointment while assigned to the Department or who is assigned to the Department without appointment and who suffers disability or death as a result of personal injury arising out of and in the course of such assignment, or sustained in the performance of duties in connection therewith shall be treated, for the purpose of the Federal Employees' Compensation Act as amended (5 U. S. C., sec. 790), as though he were an employee, as defined in such act, who had sustained such injury in the performance of such duty, but shall not receive benefits under that act for any period for which he elects to receive similar benefits as a State employee.

SEC. 8. The appropriations of the Department shall be available in accordance with the Standardized Government Travel Regulations, Travel Expense Act for 1949, for the payment of expenses of travel, for persons assigned to, but not given appointments by, the Department under authority of this act during the periods of such assignments on the same basis as if they were employees of the Department.

AUTHORIZATION FOR THE SECRETARY TO RECEIVE MESSAGES FROM THE HOUSE DURING ADJOURNMENT

Mr. CLEMENTS. Mr. President, I ask unanimous consent that during the adjournment of the Senate the Secretary be authorized to receive messages from the House.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLEMENTS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MUTUAL SECURITY APPROPRIATIONS, 1955

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1040, H. R. 7224.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 7224) making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. ELLENDER. Mr. President, is it the intention of the acting majority leader to have the bill considered today?

Mr. CLEMENTS. It is not the intention of the acting majority leader to have the bill considered today, nor is it my intention to have it considered until after the call of the calendar of unobjected-to bills tomorrow.

It is planned to have the Senate convene at 10:30 tomorrow morning, in the hope that the business of the morning hour and the call of the calendar of bills to which there is no objection, as well, can be concluded by 12 o'clock.

RELIEF OF CERTAIN DESERT LAND ENTRYMEN

The PRESIDING OFFICER (Mr. KENNEDY in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1177) for the relief of desert land entrymen whose entries are dependent upon percolating waters for reclamation, which was, to strike out all after the enacting clause and insert:

That the requirement of section 1 of the Desert Land Act of March 3, 1877 (19 Stat. 377), that the right to the use of water by a desert land entryman "shall depend upon bona fide prior appropriation" shall be waived in the case of all desert land entries which have heretofore been allowed and are subsisting on the effective date of this act, which are dependent upon percolating waters for their reclamation, and which are situated in the State of Arizona under the laws of which the percolating waters upon which the entiries are dependent are not subject to the doctrine of prior appropriation but are usable under State law for irrigation and reclamation purposes.

Mr. ANDERSON. Mr. President, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

THE NARCOTICS PROBLEM

Mr. SPARKMAN. Mr. President, I have in my hand a series of articles from the Evening Star of Washington, written by Miss Miriam Ottenberg, relative to the hearings which are being conducted by the Senate Judiciary Subcommittee on Narcotics, under the chairmanship of our distinguished colleague, the Senator from Texas [Mr. DANIEL]. I ask unanimous consent to have these articles printed in the body of the RECORD at this point, for the purpose of further directing attention of Senators both to the need for such an intensive investigation into the narcotics problem and also to the comprehensive and constructive approach of the subcommittee.

Several officials have already testified that the activities of this subcommittee have spurred them on to positive action to halt the illicit narcotics traffic, and to get the drug addicts off the streets and confined in appropriate institutions for treatment. Moreover, I was surprised, and I believe that most of the other Senators will be equally surprised, to learn of the great number of improvements which could be made in existing Federal law for controlling the traffic in illicit narcotics and for dealing with narcotics addicts. Much of the legislation now on the statute books is obviously too weak and too cumbersome to deal swiftly and effectively with narcotics traffickers.

For example, I note from these articles that the District of Columbia alone needs at least a dozen new laws, or amendments to old laws, to cope with the narcotics problem here in the Nation's Capital. Mr. Harry Anslinger, United States Commissioner of Narcotics, reports that there are more than 950 known addicts on the streets of Washington.

In conclusion, I wish to congratulate the chairman of this subcommittee, the other members of the subcommittee, and the staff, for the work they are doing. In my estimation, the conduct of the subcommittee is exemplary of the finest type of congressional investigating committee.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama?

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Star of July 10, 1955]

SENATE TO PROBE DISTRICT OF COLUMBIA DRUG RACKET—ADDICTS AND PEDDLERS FACE CALL TO INQUIRY ON TUESDAY—EFFORTS DUE TO PLUG HOLES IN LAWS HERE

(By Miriam Ottenberg)

A full-scale Senate investigation of the narcotics traffic in Washington—with testimony from both addicts and dope peddlers—will be launched here Tuesday, the Star learned yesterday.

The inquiry, aimed at uncovering the loopholes in District law through which addicts maintain their sources, will be conducted by the Senate Judiciary Committee's narcotics subcommittee.

Senator DANIEL, Democrat of Texas, subcommittee chairman, told the Star that Washington was chosen as one of the target cities for the nationwide investigation because "on a population basis, Washington rates high in addicts, arrests and convictions." The subcommittee has been told that the latest count showed 887 known addicts here.

Senator DANIEL said that preliminary investigation shows that enforcement officials are handicapped here in their attack on the dope traffic because the District lacks some of the laws that aid enforcement in the States.

ROOM FOR IMPROVEMENT

"We will probably come up with more recommendations dealing with the narcotics problem in the District than in any other place," he declared. "A lot can be done here in the way of new legislation. Congress has failed to provide the city with everything that could be hoped for to deal with the narcotics problem."

Here are some of the targets of the 2-day public hearings:

1. Doctors who knowingly or unknowingly are keeping addicts supplied.

2. Peddlers who escape prosecution because the District's Uniform Narcotics Act fails to cover barbiturates and synthetic drugs used by addicts.

3. Operation of the District's pioneer law for compulsory commitment of addicts, including the reason why the narcotics ward at District General Hospital has never been used for addicts; what if anything the Commissioners have done to provide the narcotics facilities the city is supposed to have by next June and how much supervision is given to addicts returning here from the Federal Narcotics Hospital at Lexington, Ky.

4. Court rulings that tie the hands of prosecutors, particularly on search and seizure.

5. Why the narcotics form which the Board of Pharmacy was supposed to prescribe under the 1938 law to check on distribution of narcotics has never been issued.

6. The lack of a clear-cut procedure for disposing of drugs confiscated by police and the resultant danger that the drugs will get back to the addicts.

7. What the Parole Board does about releasing addicts.

ADDICTS INTERVIEWED

The subcommittee's chief investigator, W. Lee Speer, who was an agent for the Federal Bureau of Narcotics for 18 years, has been interviewing addicts in preparation for the hearings and it is understood that some may be willing to name their sources of supply.

C. Aubrey Gasque, chief counsel of the subcommittee, indicated that the subcommittee may also call certain members of the medical profession who have been supplying addicts.

Commissioners Samuel Spencer and Robert E. McLaughlin have both been asked to testify, along with United States Attorney Leo A. Rover and members of his staff, Police Chief Robert V. Murray, and his narcotics experts, Parole Executive Hugh Rivers, F. Royce Franzoni, of the District Board of Pharmacy; Dr. Thomas E. Griffin, of the Health Department's Division of Legal Psychiatric Services; and Dr. John D. Schultz, chief psychiatrist at District General Hospital.

The subcommittee, first authorized by Congress to make a nationwide investigation of the narcotics traffic, already has held hearings in Philadelphia and New York.

ON-THE-SPOT INQUIRIES

"Our plan," explained Senator DANIEL, "is to make on-the-spot investigations in cities where the narcotics problem is most severe. Three-fourths of the narcotics traffic is in 10 of the larger cities, including Washington.

"Much has been done in the District on the narcotics problem but, as in many other cities, there still remains a lot to be done. In the District, apparently the difficulty is with the laws. We want to strengthen the laws here and get them more in line with the rest of the country.

"We will go into enforcement here in developing what can be done in the way of legislation."

Senator DANIEL said he is particularly interested in the District's compulsory commitment law to determine whether such a law would be feasible for other places.

[From the Washington Star of July 11, 1955]

SENATE TO OPEN DISTRICT OF COLUMBIA NARCOTICS QUIZ TOMORROW

Senator DANIEL, Democrat, of Texas, said today that all officials and other citizens with evidence or suggestions to aid a Senate Judiciary subcommittee's investigation of dope traffic in the District will be given a chance to testify.

The subcommittee, headed by Senator DANIEL, will open hearings tomorrow at 10 a. m. in room 457 of the Senate Office Building.

Senator DANIEL said he will call a number of drug addicts and peddlers who may shed new light on operations in the District.

The District figured prominently in subcommittee hearings here June 2 when Commissioner Harry J. Anslinger of the Federal Bureau of Narcotics said the District, with 887 known drug users, had the highest concentration of addicts measured against population in the country.

Mr. Anslinger said, however, that Washington was much more prompt and thorough in reporting addicts to the Narcotics Bureau than other cities and the figures might not reveal an accurate comparison on a population basis.

The subcommittee, nevertheless, will make a full investigation of Federal and local laws controlling the narcotics traffic here with an eye to making recommendations for stiffer legislation.

The Washington Criminal Justice Association will joint District officials in testifying on the present situation and discussing what can be done to improve enforcement and assure compulsory treatment for addicts.

[From the Washington Star of July 12, 1955]

SIX AREA DOCTORS TRADE IN NARCOTICS, PROBE TOLD—POLICE WITNESS SAYS 200 TO 300 GOT DOPE PRESCRIPTIONS WITHOUT CHARGE

(By Miriam Ottenberg)

A police witness today told the Senate Judiciary Narcotics Subcommittee about 6 Washington area doctors—1 described as an Alexandrian "with political standing"—who are either dope addicts themselves or are helping addicts to get narcotics.

Capt. Todd O. Thoman, head of the police narcotics squad, cited one case where a doctor-addict had given narcotic prescriptions to between 200 and 300 addicts on 800 different occasions. Captain Thoman said he believed some of the addicts peddled narcotics they got through these prescriptions.

In the case of the Alexandria doctor, Captain Thoman said he was informed by Virginia police that they could not do anything about the physician because of his political standing.

None of the doctors was named.

HIGHLIGHTS IN PROBE

There were these other highlights as the Senate narcotics probe opened hearings on the District's narcotics traffic:

1. Senators conducting the investigation expressed criticism of the District for having failed to make any plans for long-term treatment of addicts in the 2 years since the law providing for compulsory treatment of District dope addicts was passed by Congress.

2. District Commissioner Robert E. McLaughlin, after a prepared statement attempting to justify the District's postponement of any action to get treatment facilities, finally told the subcommittee that he could see this was a bigger problem than he had previously been told and "we should coordinate this thing."

3. Police Chief Robert V. Murray testified that because of a stepup in narcotics enforcement between 250 and 300 narcotics peddlers have been removed from Washington streets each year for the past 3 years.

EIGHT HUNDRED AND EIGHTY-SEVEN KNOWN ADDICTS

4. Both doctor and police witnesses called for strengthened laws, particularly to control the dispensing of synthetic drugs and barbiturates.

Senator DANIEL, Democrat of Texas, subcommittee chairman, referred repeatedly in his questioning to reports that there are 887 known addicts in the District. He made it clear through his questioning that he wants stronger laws to get the addicts off the streets. From Chief Murray and Capt. John B. Layton he drew statements that addicts directly contribute to the volume of crime and that addicts spread the addiction to others.

"To say we can't do much about it and let the situation continue as it is, doesn't satisfy this committee," he told Commissioner McLaughlin. "We want to make the District a good model for the country instead of the model of confusion that exists here today."

Mr. McLaughlin told the subcommittee in its prepared statement that there were 31 District addicts at Lexington, the Federal Narcotics Hospital at Lexington, Ky., at the end of the third quarter of fiscal 1955, and the estimated cost for treatment of District addicts under the commitment law would total $33,584 for the year. He argued that with a few addicts under treatment the city heads thought it would be unrealistic to set up a rehabilitation center here.

"But you have 887 known addicts here," protested Senator DANIEL. "The few at Lexington are only a drop in the bucket. It seems to me that the Commissioners and Congress ought to do something to take care of the great number now on the streets."

Senator DANIEL pointed out that the law enabling the District to commit addicts to Lexington was a temporary measure to expire in June 1956 and that the law specifies that by that time the District should have its own facilities. Commissioner McLaughlin said the Commissioners plan to ask for an extension after June 1956.

"I can see now," said Commissioner McLaughlin, "that we should face the question of setting up facilities and working with police."

Dr. John D. Schultz, chief psychiatrist at the District General Hospital, particularly urged stronger controls over barbiturates. He said juveniles had told him they could easily get barbiturates out of medicine cabinets and could peddle them on the streets. He said he was shocked when he came here to find the lack of controls and he pointed out that the barbiturates are now one of the most common methods of suicide.

TRAFFIC LOCALIZED

The subcommittee got down to cases with Captain Thoman. He testified that the dope traffic was localized here in the area bounded on the north by Euclid Street, on the south by the Mall, on the west by 15th Street NW., and on the east by First Street NW.

He testified that there was one location—at Ninth and N Streets NW.—where police had 135 cases of narcotics sales and seizures between January 1952 and June 1955. There were 102 sales and seizures in the same period on 10th Street between M and O Streets, 95 at 12th and U Streets NW., and 70 in Freedmen's Court, he told the subcommittee.

[From the Washington Star of July 13, 1955]

WOMAN ADDICT BLAMES DOCTOR—SAYS HE LED HER TO DOPE, PROSTITUTION—TELLS SENATE PROBE SHE PAID $45,000 TO DISTRICT OF COLUMBIA PHYSICIAN

(By Miriam Ottenberg)

A 42-year-old woman today told Senators investigating the narcotics traffic here that a Washington doctor made her a dope addict and that she turned to prostitution to pay him between $40,000 and $45,000 over a 3-year period to keep her in drugs.

The woman, an attractively dressed blond whose name was kept secret, accused Dr. Harry Friedenberg, 53, whose office is at 1726 I Street NW.

DOCTOR SUBPENAED

The Senate Judiciary Narcotics Subcommittee, before whom Dr. Friedenberg was accused, announced that he has been subpenaed in Miami, Fla., and is expected to arrive here to face the subcommittee tomorrow.

Dr. Friedenberg went on trial last year on charges of failing to keep proper records of narcotics he dispensed. The charges were dropped by the Government after the trial resulted in a hung jury.

Before the blond accuser took the witness stand today, Detective Sgt. Joseph A. Gabrys testified that Dr. Friedenberg personally administered more narcotics drugs to patients during 1953 than were used that year by Casualty Hospital and nearly as much as were used by District General Hospital.

Sergeant Gabrys said Dr. Friedenberg claimed he was using the narcotics to treat alcoholism but that a check of alcoholic treatment centers brought the unanimous conclusion that narcotics should not be given to alcoholics.

FEELING BADLY

The blond testified that in 1950 she called Dr. Friedenberg on her landlady's advice because "I had been drinking and felt badly." She said her landlady's husband was a heavy drinker and a patient of Dr. Friedenberg's but she was sure her landlady did not know the nature of Dr. Friedenberg's treatment.

"He came to my apartment," the witness said. "He gave me an injection in the vein. I didn't know what it was. For about a year he came to my apartment once or twice a month. Then it got to the point where I was seeing him 3 to 5 times a day.

"After a couple of years I saw morphine written on the box from which he had taken a pill to prepare the solution," she said.

When she testified that by that time the doctor's visits were costing her between $20 and $25 a day at the rate of $5 a visit, Senator DANIEL, Democrat, of Texas, the subcommittee chairman, asked her if she engaged in any particular type of work to pay for it.

"Yes," she replied, in a voice so low that the committee had to ask her to speak up. "The usual thing a woman goes into, prostitution."

She testified that she became a prostitute 4 years ago at the time when she was getting 4 or 5 shots a day. She said she had never been a prostitute before she got on the drug habit.

Previously, she said, she had worked for a time as a secretary. But at the time of Dr. Friedenberg's visits she was not working.

She was asked by Senator WELKER, Republican of Idaho, a subcommittee member, if the doctor knew she had turned to prostitution to pay his fees.

"Yes," she said, "he knew I went into prostitution."

"What did he say about it?" she was asked.

"Nothing."

She testified that he never tried to discourage her from prostitution and once or twice gave her physical examinations.

"Did you ever talk with the doctor about getting off the drug habit?" she was asked.

"Quite often," she replied. "He said I could stop the injections within 3 days if I wanted to. I went to the hospital twice to try to stop it. He knew I was trying to stop it."

HELPED BY ANOTHER DOCTOR

Another doctor, she testified, finally helped her, and she said she had had no drugs for a year and 3 weeks and had quit prostitution recently. She said she had been working for several weeks.

Senator WELKER asked her whether she could always meet the payments while she was on the drug.

"He refused to come because I couldn't pay," she replied. "I still owe him about $1,000."

Both Senators DANIEL and WELKER thanked the witness for the courage she had shown in telling her story publicly for the first time.

When she was excused she broke down in the hall and cried before a friend left the building with her.

CALLED "WORST OFFENDER"

Sergeant Gabrys called Dr. Friedenberg the "worst offender" among several physicians of whom the narcotics squad had complaints.

He said over a period of a few years the narcotics squad had numerous complaints about Dr. Friedenberg. At first, he said, they concerned barbiturates. The squad learned, he said, from barbiturate users among the alcoholics that hung around Ninth Street and New York Avenue NW., that they were getting prescriptions for barbiturates by asking Dr. Friedenberg for them.

Sergeant Gabrys testified that a policeman doing undercover work accompanied a "confidential employee" of the narcotics squad to Dr. Friedenberg's office and after this informer told Dr. Friedenberg that the officer was "all right" he got a prescription for 50 capsules.

In December 1953, Sergeant Gabrys testified, the narcotics squad got the story which the subcommittee heard today from the blond and heard a similar story from a woman patient of Dr. Friedenberg who lived on Connecticut Avenue.

The squad, Sergeant Gabrys said, also interviewed a male patient of his in Alexandria. This man, said Sergeant Gabrys, would not admit getting dope, although he did say that Dr. Friedenberg gave him injections and he showed the agent thousands of dollars worth of canceled checks he said he had paid to Dr. Friedenberg.

Assistant United States Attorney Alfred Burka told the subcommittee of the Government's unsuccessful efforts to prosecute Dr. Friedenberg on charges of failing to keep records of drugs he had personally administered.

Mr. Burka said that at one point during an early hearing in the United States attorney's office, Dr. Friedenberg told him he had given up 50 percent of his practice since being visited by Sergeant Gabrys and Federal agents.

"If it was a legitimate practice," asked Committee Counsel C. Aubrey Gasque, "why should a visit from police officers cause him to give up 50 percent of his practice?"

Mr. Burka said Dr. Friedenberg did not explain that.

Senator WELKER wanted to know why the blond witness was not used in Dr. Friedenberg's trial. Mr. Burke said she would have been used if he had denied administering the drugs. But since he admitted it, there was no reason to put her on the stand.

Under other questions, Mr. Burka said the prosecution was not aware that Dr. Friedenberg knew the woman was engaging in prostitution to pay for drugs.

"Why didn't you charge him with selling?" Senator WELKER wanted to know.

"That would have been exceptionally difficult to prove," Mr. Burka said.

"I can't conceive of any jury that would absolve him of selling narcotics when it heard the testimony of police and this woman," Senator WELKER observed.

Mr. Burka said that on the basis of what was brought out today he thought the Government would reconsider the case.

Mr. Burka said that the reason the case wound up with a hung jury and the Government later dropped it was that the District law passed in 1948 said that doctors had to keep a record of drugs personally administered by them and this record was to be kept on a form to be prescribed by the Board of Pharmacy.

He said that Dr. Harold G. Kinner, secretary of the Pharmacy Board, took the stand as a defense witness and testified that no such form has ever been prepared by the Pharmacy Board.

[From the Washington Star of July 14, 1955]

ACCUSED DOCTOR DENIES 3- OR 5-A-DAY DOPE SHOTS

(By Miriam Ottenberg)

Dr. Harry Friedenberg today told the Senate Judiciary Narcotics Subcommittee that he administered narcotic drugs to the woman who has accused him of making her a dope addict, but he claimed he gave her narcotics "very rarely, not every visit."

The woman, whose name was not disclosed yesterday and was referred to today only as "patient A," has testified that she paid Dr. Friedenberg between $40,000 and $45,000 over a 3-year period for narcotics injections.

Dr. Friedenberg testified that he made a record of every patient he treated, but, under questioning, he acknowledged that the record before June 1954 did not account for all the narcotics he purchased and administered.

DRENCHES PHOTOGRAPHER

Dr. Friedenberg, a 53-year-old graying physician with a thin mustache, took the witness stand at 10:30 a. m. and shortly thereafterward caused a commotion by flinging a pitcher full of water at a Star photographer while his attorneys were conferring with the Senators.

The subcommittee started questioning him about "patient A" only a short time before adjourning for the luncheon recess. His review of his records on the patient had only reached October 1950 when the committee adjourned for lunch.

From his record, he was telling the subcommittee of frequent visits by the patient because of drinking. His records, he said, showed injections for vitamins and an occasional prescription of a few capsules of barbiturates.

QUIZZED BY DANIEL

Before adjournment, Senator DANIEL, Democrat, of Texas, subcommittee chairman, interrupted the review of the card files to ask, "Did you ever administer narcotic drugs to her?"

"Yes; but very rarely," the witness replied. "Not every visit."

"But later on you did administer narcotic drugs to her?" Senator DANIEL went on.

"Some of them, but not a whole lot," the witness replied.

The patient to whom they referred testified yesterday that she was seeing Dr. Friedenberg about drinking and that, beginning in 1950, he injected her with something, but she did not know what the substance was until more than a year later, when she saw the word "morphine" on the box from which he was taking pills to prepare in solution to inject into her.

TOLD OF DAILY VISITS

By that time, she testified, he was visiting her 3 to 5 times a day at $5 a visit and that she had to become a prostitute to keep on paying him.

Dr. Friedenberg, under earlier questioning on injection of narcotics to alcoholics, said that he never gave as many as 4 shots of narcotics in a day to anyone except in an isolated case and never as many as 3 shots a day to an alcoholic.

He said it was possible in 2 or 3 isolated instances that he may have given 2 shots of narcotics a day to an alcoholic.

Asked repeatedly to account for the quantity of narcotics he dispensed in 1953, which earlier testimony brought out was more than Casualty Hospital used that year, he said that he had 6 or 7 cancer cases which required a lot of narcotics for pain relief.

"How much narcotics are you now administering," he was asked.

"It's practically negligible," he replied, "because I have changed my practice."

"Did you change your practice because you had to start keeping a record?" Senator WELKER, Republican of Idaho, asked the witness.

"No," Dr. Friedenberg replied, "I changed my practice because of all the unfavorable publicity."

He testified that his practice had been different from that of other doctors because they gave out prescriptions for narcotics, while he administered the narcotics personally, "because I felt I had better control of my medicine and my patient that way."

DOESN'T MAKE ADDICTS

"A doctor doesn't make addicts when he administers it personally," he added. "Other doctors have used more narcotics than I have, but they do it in a different way."

"You know of other doctors who used more?" Senator DANIEL asked.

"No," the witness replied. "I don't know the details of other practices."

Senator DANIEL commented that where drugs are prescribed, a record is made and

kept in the drugstore and can be checked by narcotics agents, but where drugs are personally administered, there is no requirement for a record under Federal law.

There is such a record required under District law, but the committee has brought out that the form which doctors were supposed to use to make this record has never been provided by the District Board of Pharmacy.

Dr. Friedenberg, who practices medicine at 1726 I Street NW. was subpenaed in Miami, Fla. He came back to Washington yesterday.

Dr. Friedenberg was tried last year on charges of failing to keep proper records of the narcotics he dispensed. The Government dropped the charges after the trial ended in a hung jury.

DOCTOR DRENCHES PHOTOGRAPHER AT SENATE HEARING

A physician appearing as a witness before a Senate committee investigating illegal narcotics traffic today drenched a photographer for the Star with water as the photographer attempted to take his picture.

The witness, Dr. Harry Friedenberg, was restrained by Capitol Police Pvt. James Goodall as he raised the water pitcher after pouring its contents on A. C. (Gus) Chinn, the photographer.

The water soaked Mr. Chinn's camera and ruined the plate containing the picture he had just taken.

"Do you object to having your picture taken?" Chairman DANIEL asked.

"I certainly do," Dr. Friedenberg replied. "They've taken hundreds of pictures."

"You might have said something to us about it," Senator DANIEL told him.

The physician subsequently permitted his photograph to be taken.

[From the Washington Star of July 14, 1955]

DOPE IS ONE-WAY TRAIL, AUDIE MURPHY TELLS PROBE

Describing dope addiction as a "one-way trail," movie star Audie Murphy today told the Senate Judiciary Narcotics Subcommittee that the American people should be awakened to the dangers of the dread habit.

Mr. Murphy, the Nation's most decorated hero of World War II, said he became interested in the subject of narcotics about 2 years ago through contact with the Los Angeles vice squad.

He said he made "first-hand" investigations by traveling with squad members on several occasions. On one, he said, he was taken to a home where the father was found sitting at a table with a needle and syringe beside him, completely unaware the officers were there.

"He just had a vacant look on his face," Mr. Murphy said.

In another room, he said, were three small girls, from 1 to 4 or 5 years, unattended on the floor. The mother was out trying to make money to buy more drugs.

SEES NEED FOR AROUSAL

"There is a great need for arousing the citizens of the country against the use of narcotics," Mr. Murphy said.

"Peddlers," he said, "just add kids to the legion of the living dead."

Describing addicts, the 30-year-old star of numerous motion pictures, said, "they are out mostly at night because they can't stand the light—even in the daytime they wear dark glasses."

Expressing a desire to make a motion picture that would help educate the public against the evils of narcotics, Mr. Murphy said after looking over a number of pictures of addicts taken by the Metropolitan Police Department:

"Yes, I believe something like that could be used—certainly the country could stand a shock."

SHOW EFFECTS OF NEEDLE

The photos showed legs and arms of addicts "practically rotted," from the use of needles as described by Senator WELKER, Republican of Idaho, a member of the subcommittee.

Mr. Murphy said he felt that the penalty for dope peddlers should be the same as for kidnaping. He made the statement in answer to a question by Senator DANIEL, Democrat, of Texas, subcommittee chairman.

The people of the country should be aroused, he reiterated, and added that he believed the right kind of picture would help.

Senator WELKER told Mr. Murphy that perhaps Senator DANIEL and the subcommittee "might very well help you with the script."

[From the Washington Star of July 15, 1955]

JUSTICE OFFICE TO RECHECK FACTS IN NARCOTICS CASE

(By Miriam Ottenberg)

The Government will reevaluate the facts and circumstances of the case of Dr. Harry Friedenberg to see if any phases of the case can be presented to the court, Principal Assistant United States Attorney Oliver Gasch said today.

His statement came after the Senate Judiciary Narcotics Subcommittee had spent nearly 2 days hearing from and about Dr. Friedenberg.

The 43-year-old Washington physician was tried last year on charges of failing to keep proper records of narcotics he administered; but the case wound up in a hung jury, and the Government later dropped the charges.

Dr. Friedenberg admitted, during a full day on the witness stand yesterday, that he had administered narcotics to a woman, identified only as "Patient A," who had accused him of making her a drug addict. But he insisted he not only did not make her a drug addict but also did not know she was one.

He challenged her testimony that she paid him between $40,000 and $45,000 over a 3-year period at $5 a visit to keep her supplied with drugs. He placed the figure at about $3,000 for a 6-year period.

Senator DANIEL, Democrat, of Texas, the subcommittee chairman, pointed out to him that even the $3,000 figure was at variance with his records of her case. Senator DANIEL recalled that Dr. Friedenberg showed records for 31 visits, whereas $3,000 reflected 600 visits at $5 a visit.

The subcommittee planned to resume its investigation of the District narcotics traffic at 1:30 p. m. today, with the emphasis on recommendations for needed legislation.

Both Senator DANIEL and Senator WELKER, Republican of Idaho, a subcommittee member, take the view of the Friedenberg case and other testimony show the need for tightening narcotics laws and administrative procedures here.

The hearings already have had the effect of convincing several District officials to close one loophole in the law. It was brought out that the reason charges were dropped against Dr. Friedenberg was that the form he was required by law to fill out had never been supplied to doctors by the District Board of Pharmacy.

Called to testify late yesterday, Harold C. Kinner, secretary of the pharmacy board, told the subcommittee that, although he testified as a defense witness in the Friedenberg case last year he did not know until he read the newspapers on Wednesday that the jury was hung because Dr. Friedenberg could and did defend himself on grounds he had never had the form.

Mr. Kinner told the subcommittee that, after hearing yesterday's testimony, he thought the form should be supplied. He agreed with Corporation Counsel Lee Dante that it would take a month to get the form approved.

Senator DANIEL told newsmen, after the hearing, that the Friedenberg case shows the need for a law specifically prohibiting a physician from administering narcotics drugs and barbiturates to alcoholics and drug addicts. Dr. Friedenberg had testified that he treated alcoholics with barbiturates and he admitted giving narcotics to the woman described as "Patient A"—a person his records showed was given to drunken episodes.

Dr. Friedenberg testified that he made a record of every patient he treated but, under questioning, he acknowledged that the record before June 1954, did not account for all the narcotics he purchased and administered.

DIDN'T TELL PATIENT

Dr. Friedenberg was asked if he had ever informed "Patient A" that he was giving her narcotics. He said he had not told her. Asked why, he replied that a doctor often does not tell patients what he is giving them and "I didn't feel she was getting enough to cause a habit."

The subcommittee had Dr. Friedenberg read the record of every visit he made to her or she came to his office. Out of the total of 31 visits, Senator WELKER noted, no mention was made that she had been given narcotics.

Senator WELKER noted that between November 15, 1948, and February 11, 1949, the record cards identified the treatment as 'hypo" without specifying the type of injection. After that, he noted, the records show injections of vitamins or penicillin.

Senator WELKER asked the witness why he was specific when he injected vitamins but never specified narcotics.

"It wasn't required under Federal law," the witness replied.

"The Federal law does not require you to specify when you inject vitamins either," retorted Senator WELKER. "Why were you so careful to say vitamins and not narcotics."

"I can't answer that question," Dr. Friedenberg replied. "I have no answer."

Senator WELKER also brought out under questioning that the doctor, whose office is at 1726 I Street NW., had no nurse, assistant, secretary, or other staff to assist him in his office duties.

Senator DANIEL tried to pin the witness down to how often he gave narcotics to patient A.

CAN'T ESTIMATE AMOUNT

Dr. Friedenberg said he had no way of knowing how much narcotics he gave her as far as his records were concerned.

"Did you give her more than 1 shot of narcotics in a single day?" Senator Daniel asked.

"It may be possible that I gave her more than one shot once or twice but I can't recall it."

Senator DANIEL wanted to know if the witness had given her more than 2 shots in a single day.

"I can't be absolutely sure," Dr. Friedenberg replied.

"Are you saying you didn't do it?" Senator DANIEL persisted.

"To my best recollection," said Dr. Friedenberg, "I didn't give her more than 2 shots in any 1 day. I'm not testifying positively I didn't. I can't recall."

CERTAIN ON THREE

But he was positive in saying he did not give her more than 3 narcotics shots in a single day.

Dr. Friedenberg said he knew the patient was a prostitute but he contended that she was a prostitute before she ever came to him for treatment. Patient A has said that she became a prostitute to pay for dope after Dr. Friedenberg led her into addiction.

Subcommittee members tried to pin Dr. Friedenberg down to when he knew she had

become a prostitute. He said that he definitely knew within the last 6 months of her visits.

[From the Washington Star of July 16, 1955]

HEARINGS SHOW DOPE PEDDLERS ARE ACTIVE HERE—ALSO DEMONSTRATE NEED OF STRONGER LAWS, DANIEL SAYS

(By Miriam Ottenberg)

Senator DANIEL, Democrat, of Texas, said today the Senate Judiciary Narcotics Subcommittee has enough evidence to show that some pretty big dope peddlers are still operating on the streets of Washington.

The subcommittee chairman said the testimony, taken at 4 days of hearings on the narcotics traffic here, also demonstrates the need for more laws to help enforcement officers get peddlers behind bars. More specific recommendations on law changes will be heard when the subcommittee resumes hearings on Tuesday.

On the basis of yesterday's testimony, Senator DANIEL said that search-and-seizure laws here certainly need to be studied.

The testimony he referred to was given the subcommittee by a Federal Bureau of Narcotics agent, who described the efforts of law-enforcement officers to get evidence against William Douglas in the 1900 block of Gales Street NE.

WARRANT DENIED

The agent, Fred Wilson, said he was unable to get a search warrant for the Gales Street address because the United States Attorney's Office didn't think there was enough evidence. He described surveillance of the Gales Street house and observation of known addicts and peddlers entering and leaving there.

Mr. Wilson said agents could have obtained a search warrant had they wished to disclose the identity of the undercover agent but that they wanted to further the investigation without doing this. He said the agent would have been expected to swear to the warrant.

WANTS ANOTHER LAW

Mr. Wilson said he felt that when an officer had reason to believe, beyond any doubt, that a man was trafficking in narcotics, he should be able to get a search warrant. He said he believed there should be a different law. But he said that so many cases had been reversed by the United States court of appeals that the attorneys governed their actions by the appellate court decisions.

Senator DANIEL said the subcommittee has gone into the full development of the Douglas case because Federal officials had recommended that special search-and-seizure laws be considered. Under the present law or interpretation, he said, they are absolutely handicapped far beyond investigating officials in the various States, where search-and-seizure laws are more liberal.

CRIMINAL RECORD

Called to the witness stand, Douglas, colored, 27, alternately stood on his constitutional rights and denied he had ever bought or sold narcotics. While he wasn't claiming the fifth amendment, he was insisting that he didn't even know what heroin looked like.

Douglas said he was not employed but had been working as a general helper in a Pentagon restaurant for a month or two until his criminal record was discovered. He refused to say what kind of a car he drove, whether it was true that he had between 25 and 30 suits, and whether he knew several persons already identified to the committee as dope addicts.

[From the Washington Star of July 17, 1955]

DANIEL SEEKS OVERHAUL OF CITY'S NARCOTIC LAWS

(By Miriam Ottenberg)

Senator DANIEL, chairman of the Senate Judiciary Narcotics Subcommittee, last night called for complete overhaul of District laws and procedures to control illicit drug traffic and dope addiction here.

He told the Star that at least nine recommendations to plug loopholes in District laws are now being considered by the subcommittee for possible introduction before Congress adjourns.

One of the proposals advocated by Senator DANIEL would grant authority—under proper safeguards—to permit wiretapping and the use of information gained through wiretapping in narcotics cases to provide corroborative evidence.

"Evidence produced at our current hearings on the narcotics traffic in the District shows the District to be in an anomalous situation with respect to narcotics laws," he declared. "The reason is this:

"Most of the Federal laws, having been designed as national legislation, are much too broad to cope with the day-to-day incidence of local drug traffic and addiction."

DISTRICT OF COLUMBIA A "LEGAL HAVEN"

"On the other hand, the District's own Uniform Narcotic Drugs Act and its addict law are so shot through with weaknesses that they are ineffective as control measures.

"The result in either case is that the Nation's Capital is a legal haven for both drug peddlers and addicts."

The Texas legislator hastened to add that the problem in Washington would be far more serious than it is were it not for the excellent work of the law enforcement officials who are doing the best they can in spite of legal handicaps.

He said he referred especially to the Washington Police Department and its narcotics squad and to United States Attorney Leo A. Rover and his assistants.

In addition to the wiretapping proposal, Senator DANIEL said his subcommittee is working on legislation to gain more control over drug addicts, more supervision over physicians dispensing drugs, and more law-enforcement tools.

These are the recommendations he disclosed are now being considered:

1. That all synthetic drugs be included within the District's Uniform Narcotics Act's definition of narcotic drugs.

2. That the illegal possession of barbiturates be included within the framework of the same act.

3. That a swift and effective means for disposing of narcotic drugs confiscated by police also be written into the act.

4. That the District's law for compulsory commitment of addicts under civil proceedings be replaced by new legislation similar to the one on the books of New Jersey. This would provide that any person who uses narcotics for a purpose other than treatment of sickness or injury as prescribed or administered by a physician is a disorderly person and subject to compulsory treatment or a jail sentence.

5. That authority be granted for wiretapping to use for corroborative evidence in narcotics cases.

6. That the United States attorney be given statutory authority to appeal from lower court rulings which suppress narcotics evidence under search and seizure laws.

7. That Congress clarify and give added emphasis in the District's Uniform Narcotics Act to the provision calling for physicians to keep records of narcotics administered or dispensed.

THAT DOCTORS INFORM

8. That physicians report to the Federal Bureau of Narcotics the name and address of each drug addict coming to their professional attention and also the type of treatment, if any, which the physician contemplates for the addiction. This is the law in New York and several other States.

9. That the District Board of Licensure be given increased authority to suspend or revoke the license and to cancel the narcotics registration number of any physician who violates the District or Federal narcotics laws.

Also under consideraion are measures for closer supervision over felons and stiffer penalties in narcotics cases, particularly in the case of peddling to minors.

Senator DANIEL emphasized that the nine points listed are not all-inclusive. He said he expects other major recommendations, particularly growing out of next Tuesday's windup hearing.

[From the Washington Star of July 19, 1955]

WIRETAPPING O. K. IS SOUGHT BY PROSECUTORS

(By Miriam Ottenberg)

Two Federal prosecutors today told the Senate Judiciary Narcotics Subcommittee they thought the jury would have reached a different verdict in the Carper-Taylor narcotics case if the Government had been able to use wiretapping.

The two prosecutors, Assistant United States Attorneys Oliver Gasch and Fred Smithson, referred to the jury's acquittal of former Acting Lt. H. H. Carper and former Detective Sgt. William I. Taylor, who once were the No. 1 and No. 2 men in the Washington police narcotics squad.

Mr. Smithson said no attempt was made to tap telphones in that case because of strict rules against wiretapping, but if one phone call had been overhead it would have supplied the corroborative evidence which he believed would have been enough to convince the jury.

SAYS CALL WAS TO ROBERTS

This phone call, he said, was allegedly from Carper to James "Jim Yellow" Roberts, convicted narcotics kingpin, warning Roberts to get out of town because Federal agents were on to him.

Both Mr. Gasch and Mr. Smithson strongly recommended a law to permit wiretapping in certain cases.

The Carper-Taylor case also was cited in another of their recommendations for new laws—one for more rigid control over the disposal of narcotics confiscated by police. Mr. Smithson said that during the Carper-Taylor case both an addict and Roberts testified that they got heroin confiscated by the police from Carper.

Both Senator DANIEL, Democrat, of Texas, subcommittee chairman, and Senator WELKER, Republican, of Idaho, questioned Mr. Gasch about Dr. Harry Friedenberg, who was accused in testimony last week of administering enough dope to make an addict out of a woman whose identity has been withheld.

CASE BEING RESTUDIED

Mr. Gasch told the Senators his office was restudying the Friedenberg case and that he had already discussed the case with officials of the District Medical Society. He added that further discussion with a medical society committee on Dr. Friedenberg and other matters relating to physicians and narcotics problems has been set up for Friday night.

Mr. Gasch said he would suggest to the medical society's executive secretary that he study the transcript of the hearing relating to Dr. Friedenberg.

The physician came into the hearing room shortly after the testimony to present medical records the subcommittee had asked him to produce. He was to appear at the afternoon session.

LAW CHANGES ASKED

Mr. Gasch, Mr. Smithson, and Mrs. Kitty Frank, the assistant United States attorney who has been in charge of proceedings under the District's compulsory treatment law for addicts, presented nearly a dozen recommendations for changes in District laws to provide more tools for law enforcement.

Mrs. Frank said the United States attorney's office favors the purpose of the addict law because it is the only law on the books here that provides the power to help addicts and to get them off the streets. At the same time, however, she cited numerous points in the law by which addicts could evade treatment.

Mrs. Frank reported that 45 addicts so far have been processed to the point of treatment under the addict law. She agreed with Senator DANIEL that it needed revision.

Senator DANIEL told the prosecutors to work on legislation making it more certain that addicts are taken off the streets.

Mr. Gasch told the chairman that Commissioner Robert E. McLaughlin has set up a meeting for August 4 to review narcotics laws and procedure.

DR. GRIFFIN TESTIFIES

Dr. Thomas Griffin, chief of legal psychiatric services of the Health Department, also testified to weaknesses in the addict law, particularly after addicts are returned from hospitals and are supposed to report regularly to the court clinic. Dr. Griffin told the subcommittee that of 24 addicts referred to him after their return from hospitals, only three have kept regular appointments.

Hugh Rivers, parole executive, was called for questioning about paroling prisoners convicted on narcotics charges. He testified that parole applications for this group are denied unless there are unusual and mitigating circumstances.

Out of 41 considered for parole from narcotics convictions in 1954, he reported, 90 percent, or 37 prisoners, had their parole applications denied. In fiscal 1955, out of 55 considered, 87 percent, or 48 requests were denied.

United States Commissioner Cyril Lawrence, another witness, testified to the hardships experienced by police in getting search warrants in narcotics cases and suggested amendments to the law easing the requirements for warrants.

[From the Washington Star of July 20, 1955]

DANIEL HAILS DOPE INQUIRY—SENATOR PROMISES DISTRICT MEASURES

(By Miriam Ottenberg)

Chairman DANIEL of the Senate Judiciary Narcotics Subcommittee, today hailed the immediate results of the week-long investigation of the narcotics traffic here and promised that more legislation would be drafted for the District than for any other part of the country.

As the District phase of the narcotics hearings wound up, the Texas legislator noted these developments growing out of the investigation:

1. A case of perjury and "some direct evidence of the sale of narcotics" by one witness.

2. Commissioner Robert E. McLaughlin's call for a meeting of police, prosecutors and health officials August 4 to make a fresh start on narcotics laws and procedures.

3. A promise from the District Board of Pharmacy to get out the form needed by physicians to comply with the District's Uniform Narcotics Act.

4. Conferences between the United States Attorney's office and the District Medical Society in the case of Dr. Harry Friedenberg, testimony has shown that Dr. Friedenberg administered more narcotics in 1 year than Casualty Hospital.

5. Assurances by prosecutors and other officials that they will help prepare the laws they believe are needed to plug the loopholes through which drug peddlers evade punishments and addicts roam the streets.

TRANSCRIPTS FORWARDED

Senator DANIEL said the transcripts of all the open hearings of the subcommittee have been sent daily to the United States Attorney for review.

During the afternoon session and after it, both Senator DANIEL and Senator WELKER, Republican of Idaho, said the evidence clearly showed that one witness—William Douglas, Jr., colored, 28, of the 1900 block of First Street NW., had perjured himself.

Douglas, who testified last week, was recalled yesterday to be confronted with rebuttal by police witnesses. He had previously told the subcommittee he had never knowingly known a drug addict, didn't know what heroin looked like and had never bought or sold narcotics.

When, after repeated warnings, Senator DANIEL showed Douglas a police report that he had admitted being a drug addict and had said he was using $6 worth of heroin a day, Douglas said he had told police he was an addict because they had been whipping him. He said a fellow prisoner told him that was the way to keep from being whipped.

Police testified Douglas dictated what they had written down. They denied beating him after his arrest on a housebreaking charge—they said there was no time when he could have talked to another prisoner before he admitted being an addict.

OTHERS IDENTIFIED

Detectives and Federal agents also identified as addicts the names of persons found in an address book which they said Douglas had tossed into a closet just before they raided a Northwest address and arrested him last January.

Douglas has never been convicted of a narcotics charge. Senator DANIEL said he believed yesterday's testimony, produced both direct and corroborative evidence that he engaged in narcotics sales.

Also recalled yesterday was Dr. Friedenberg, who was accused by another witness of making her a dope addict and driving her to a life of prostitution to support the dope habit. Dr. Friedenberg has steadfastly denied that charge, insisting she was a prostitute before he ever knew her. While he has admitted he occasionally—but not often—gave her narcotics, he has denied she became an addict.

He was recalled yesterday to produce his financial records in that case, as well as to give the subcommittee a summary of other cases where his records showed he administered narcotics.

RECORDS OF FEES

Dr. Friedenberg said his financial records showed he had charged "Patient X" a total of $3,261 over a 6-year period from 1948 until 1954. "Patient X" has placed the figure at between $40,000 and $45,000.

His records, he said, showed 6 visits to "Patient X" in 1948, 16 visits in 1949, 26 visits in 1950, 45 visits in 1951, 142 visits in 1952 when he was out of practice due to illness for 4 months, 290 visits in 1953 and 128 visits in the first 5 months of 1954.

"Didn't you realize the woman was needing you quite often?" Senator DANIEL asked Dr. Friedenberg.

"Not exactly needing," he replied. "I'd say wanting."

"Did it ever enter your mind that this woman had become an addict?" Senator DANIEL asked him.

"No."

"What were you treating her for?" the chairman asked.

"General nervousness, upset."

LONG-TERM LEASES OF CERTAIN INDIAN LANDS

Mr. O'MAHONEY. Mr. President, I ask the Chair to lay before the Senate the amendment of the House of Representatives to Senate bill 34.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 34) to authorize the leasing of restricted Indian lands for public, religious, educational, recreational, residential, business, and other purposes requiring the grant of long-term leases, which was to strike out all after the enacting clause and insert:

That any restricted Indian lands, whether tribally or individually owned, may be leased by the Indian owners, with the approval of the Secretary of the Interior for a term of not to exceed 25 years, and with the consent of both parties such leases may include provisions authorizing their renewal for one additional term of not to exceed 25 years, and all leases and renewals shall be made under such terms and regulations as may be prescribed by the Secretary of the Interior.

SEC. 2. Restricted lands of deceased Indians may be leased under this act, for the benefit of their heirs or devisees, in the circumstances and by the persons prescribed in the act of July 8, 1940 (54 Stat. 745; 25 U. S. C., 1946 edition, sec. 380, as amended): *Provided*, That if the authority of the Secretary under this section is delegated to any subordinate official, then any heir or devisee shall have the right to appeal the action of any such official to the Secretary under such rules and regulations as he may prescribe.

SEC. 3. The act of March 3, 1909 (35 Stat. 783; 25 U. S. C. 396) is amended by inserting before the period at the end thereof the following proviso: ": *Provided*, That if the said allottee is deceased and the heirs to or devisees of any interest in the allotment have not been determined, or, if determined, some or all of them cannot be located, the Secretary of the Interior may offer for sale leases for mining purposes to the highest responsible qualified bidder, at public auction, or on sealed bids, after notice and advertisement, upon such terms and conditions as the Secretary of the Interior may prescribe. The Secretary of the Interior shall have the right to reject all bids whenever in his judgment the interests of the Indians will be served by so doing, and to readvertise such lease for sale."

SEC. 4. No rent or other consideration for the use of land leased under this act shall be paid or collected more than 1 year in advance, unless so provided in the lease.

SEC. 5. The Secretary of the Interior shall approve no lease pursuant to this act that contains any provision that will prevent or delay a termination of Federal trust responsibilities with respect to the land during the term of the lease.

SEC. 6. Nothing contained in this act shall be construed to repeal any authority to lease restricted Indian lands conferred by or pursuant to any other provision of law.

Mr. O'MAHONEY. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. O'MAHONEY, Mr. ANDERSON, Mr. NEUBERGER, Mr. WATKINS, and Mr. GOLDWATER conferees on the part of the Senate.

AMENDMENT OF FAIR LABOR STANDARDS ACT OF 1938, RELATING TO INCREASE IN NATIONAL MINIMUM WAGE

Mr. HILL. Mr. President, I ask the Chair to lay before the Senate the amendment of the House of Representatives to Senate bill 2168.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2168) to amend the Fair Labor Standards Act of 1938 in order to increase the national minimum wage, and for other purposes, which was, to strike out all after the enacting clause and insert:

That paragraph (1) of section 6 (a) of the Fair Labor Standards Act of 1938, as amended (52 Stat. 1060; 29 U. S. C. 206 (a) (1)), is hereby amended by striking out "not less than 75 cents an hour" and inserting in lieu thereof "not less than $1 an hour."

SEC. 2. This amendment shall take effect March 1, 1956.

Mr. HILL. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Chair apointed Mr. DOUGLAS, Mr. NEELY, Mr. KENNEDY, Mr. SMITH of New Jersey, and Mr. GOLDWATER conferees on the part of the Senate.

EXECUTIVE SESSION

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports were submitted:

By Mr. GREEN, from the Committee on Foreign Relations:

Executive E, 84th Congress, 1st session. A treaty of friendship, commerce, and navigation between the United States of America and the Federal Republic of Germany, together with a protocol and two exchanges of notes relating thereto, signed at Washington on October 29, 1954; without reservation (Exec. Rept. No. 10).

By Mr. KILGORE, from the Committee on the Judiciary:

Luman N. Nevels, Jr., of Hawaii, to be judge of the third circuit, circuit courts, Territory of Hawaii, vice Maurice Sapienza, term expired.

By Mr. DANIEL, from the Committee on the Judiciary:

John R. Brown, of Texas, to be United States circuit judge, fifth circuit, vice Robert Lee Russell, deceased.

By Mr. NEELY, from the Committee on the District of Columbia:

Harry Lee Walker, of the District of Columbia, to be an associate judge of the municipal court for the District of Columbia, vice Aubrey B. Fennell, deceased.

By Mr. RUSSELL, from the Committee on Armed Services:

Maj. Gen. Samuel Davis Sturgis, Jr., United States Army, to be assigned to a position of importance and responsibility designated by the President, in the rank of lieutenant general;

Lt. Gen. Oliver P. Smith, United States Marine Corps, to have the grade of lieutenant general on the retired list in the Marine Corps;

Brig. Gen. Hugh Arthur Parker, and sundry other officers, for temporary appointment in the United States Air Force; and

Lloyd E. Sellman, and 856 other officers for temporary promotion in the line and staff corps of the Navy.

By Mr. ERVIN, from the Committee on Armed Services:

Reuben Buck Robertson, Jr., of Ohio, to be Deputy Secretary of Defense.

By Mr. KEFAUVER, from the Committee on Armed Services:

Maj. Gen. Robert Gibbins Gard, and sundry other officers, for appointment in the Regular Army of the United States.

Mr. LANGER. Mr. President, as a member of the Committee on the Judiciary, I desire to report favorably the nomination of Ronald N. Davies, of North Dakota, to be United States district judge for the district of North Dakota, vice Charles J. Vogel, elevated.

I also wish to report the nomination of Mr. George S. Register, of North Dakota, to be United States district judge for the district of North Dakota, to fill a new position, also reported favorably for the consideration of the Senate.

The PRESIDING OFFICER. The nominations will be placed on the Executive Calendar.

Mr. LANGER. Mr. President, I wish to say these two young men are outstanding lawyers in the State of North Dakota. There has been a vacancy in the Federal judiciary in that State for nearly a year. In a plebiscite taken by lawyers, Mr. Davies was chosen by the bar association to be the nominee. Mr. Register was State's attorney of Burleigh County for 24 years.

They are outstanding lawyers and outstanding citizens of the State of North Dakota and I feel that the entire State of North Dakota believes that no two better men could have been chosen for the very fine position of Federal judge.

Mr. President, I am delighted that they are both here in the gallery today. I ask them to stand up, so my colleagues may be able to ascertain what fine men we have in the judiciary in the State of North Dakota. [Applause, Senators rising.]

The PRESIDING OFFICER. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

INTERSTATE COMMERCE COMMISSION

The legislative clerk read the nomination of John A. Hall, of California, to be Director of Locomotive Inspection, which nomination had been reported adversely.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the nomination go over.

The PRESIDING OFFICER. Is there objection? The Chair hears none; and it is so ordered.

FEDERAL TRADE COMMISSION

The legislative clerk read the nomination of William C. Kern, of Indiana, to be Federal Trade Commissioner.

Mr. CLEMENTS. Mr. President, I wish to make a statement for and on behalf of the chairman of the Committee on Interstate and Foreign Commerce [Mr. MAGNUSON]. The statement of the Senator from Washington is as follows:

When the Committee on Interstate and Foreign Commerce considered Mr. Kern's nomination at a meeting yesterday, it was agreed that the nomination would be reported favorably with the understanding that prior to consideration thereof by the Senate, Mr. Kern would furnish the committee with a list of the cases in which he has participated and a list of the cases in which he intends to disqualify himself if and when he assumed the duties of a Federal Trade Commissioner.

I desire to state that Mr. Kern has supplied the committee with the information requested and it is on file with the committee.

Mr. CAPEHART. Mr. President, I merely wish to say that I know Mr. Kern very well. I have known him for many years. I know his family. I know his brother, who is a Federal court judge in Washington. I highly recommend Mr. Kern to this position. I am sure the Senate will be making no mistake if it confirms the nomination of Mr. Kern.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. CLEMENTS. Mr. President, I ask that the President be notified forthwith of the nomination today confirmed.

The PRESIDING OFFICER. The President will be notified forthwith.

LEGISLATIVE SESSION

Mr. CLEMENTS. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 3281. An act for the relief of Herbert Roscoe Martin; and

H. R. 3359. An act for the relief of Raymond George Palmer.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4904) to extend the Renegotiation Act of 1951 for 2 years.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 896. An act to provide preference right to certain land in Alaska to Joseph

Booth, of Anchorage, Alaska, and for other purposes;

H. R. 897. An act to provide preference right to certain land in Alaska to Robert Henry Soyk, of Kenai, Alaska, and for other purposes;

H. R. 902. An act to provide preference right to certain land in Alaska to Patrick Harold Johnson, of Anchor Point, Alaska, and for other purposes;

H. R. 904. An act to provide preference right to certain land in Alaska to Bert Arthur Paraday, of Anchor Point, Alaska, and for other purposes;

H. R. 905. An act to provide preference right to certain land in Alaska to Carl E. Robinson, of Anchor Point, Alaska, and for other purposes;

H. R. 4753. An act to amend subsection (e) (1) of section 13A of the Subversive Activities Control Act of 1950 to change from 2 years to 3 years the standard contained therein with respect to the past affiliations of individuals conducting the management of certain organizations;

H. R. 4894. An act to repeal certain laws relating to timber and stone on the public domain;

H. R. 5046. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1956, and for other purposes;

H. R. 6059. An act relating to revisions of the executive agreement concerning trade and related matters entered into by the President of the United States and the President of the Philippines on July 4, 1946; and

H. R. 6796. An act to provide for the conveyance to the city of Clarksburg, W. Va., of certain property which was donated for use in connection with a veterans' hospital, and which is not being so used.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 21, 1955, he presented to the President of the United States the following enrolled bills:

S. 350. An act for the relief of Siegfried Rosenzweig;

S. 614. An act to amend the Federal Property and Administrative Services Act of 1949, as amended, to authorize the Administrator of General Services to donate certain property to the American National Red Cross; and

S. 824. An act to authorize and direct the Secretary of the Interior to convey certain lands erroneously conveyed to the United States.

ADJOURNMENT UNTIL TOMORROW AT 10:30 A. M.

Mr. CLEMENTS. Mr. President, if there be no further business to come before the Senate, I move, pursuant to the order previously entered, that the Senate stand in adjournment until 10:30 o'clock tomorrow morning.

The motion was agreed to; and (at 2 o'clock and 9 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Friday, July 22, 1955, at 10:30 o'clock a. m.

CONFIRMATION

Executive nomination confirmed by the Senate July 21, 1955:

FEDERAL TRADE COMMISSION

William C. Kern, of Indiana, to be a Federal Trade Commissioner for the term of 7 years from September 26, 1955.

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 21, 1955

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, we gratefully acknowledge that Thou hast entrusted our beloved country with a unique and important mission in the arena of universal history and in the life of all mankind.

God forbid that we should be tempted to feel that America is primarily a land of economic and commercial opportunities and a place where the soul of man may find its highest expression in an epicurean way of life.

Grant that we may give ourselves to the lofty adventure of making our Nation a republic of God, and our democracy a kingdom of heaven, whose religious faith is that of the fatherhood of God and its practice the brotherhood of man.

Hear us now, as we again, in silent prayer, beseech Thee that our President and Secretary of State may be directed by Thy spirit in seeking to make a distinct contribution to the cause of peace and good will.

In the name of the Christ we offer our prayer. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 896. An act to provide preference right to certain land in Alaska to Joseph Booth of Anchorage, Alaska, and for other purposes;

H. R. 897. An act to provide preference right to certain land in Alaska to Robert Henry Soyk of Kenai, Alaska, and for other purposes;

H. R. 902. An act to provide preference right to certain land in Alaska to Patrick Harold Johnson of Anchor Point, Alaska, and for other purposes;

H. R. 904. An act to provide preference right to certain land in Alaska to Bert Arthur Paraday of Anchor Point, Alaska, and for other purposes;

H. R. 905. An act to provide preference right to certain land in Alaska to Carl E. Robinson, of Anchor Point, Alaska, and for other purposes;

H. R. 4753. An act to amend subsection (e) (1) of section 13A of the Subversive Activities Control Act of 1950 to change from 2 years to 3 years the standard contained therein with respect to the past affiliations of individuals conducting the management of certain organizations;

H. R. 4894. An act to repeal certain laws relating to timber and stone on the public domain; and

H. R. 6059. An act relating to revisions of the executive agreement concerning trade and related matters entered into by the President of the United States and the President of the Philippines on July 4, 1946.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 4001. An act to provide for the management and disposition of certain public domain lands in the State of Oklahoma; and

H. R. 4048. An act making recommendations to the States for the enactment of legislation to permit and assist Federal personnel, including members of the Armed Forces, and their families, to exercise their voting franchise, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1746. An act continuing the Indian Claims Commission to April 10, 1959;

S. 2253. An act to reemphasize trade development as the primary purpose of title I of the Agricultural Trade Development and Assistance Act of 1954;

S. 2375. An act to provide for 5-year terms of office for members of the Subversive Activities Control Board with 1 of such terms expiring in each calendar year; and

S. 2592. An act to increase the mileage allowance of United States marshals and their deputies from 7 cents per mile to 10 cents per mile.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 741. An act to extend the provisions of title 12 of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 5 years; and

S. 1855. An act to amend the Federal Airport Act, as amended.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H. J. Res. 157. Joint resolution to establish a Commission on Government Security.

The message also announced that the Senate insists upon its amendment to the following joint resolution, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KENNEDY, Mr. HUMPHREY, Mr. SYMINGTON, Mr. THURMOND, Mrs. SMITH of Maine, Mr. MARTIN of Iowa, and Mr. COTTON to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5046) entitled "An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1956, and for other purposes."

THE LATE DR. FRANK CROWTHER

Mr. KEARNEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEARNEY. Mr. Speaker, it is with deep regret that I announce to my colleagues the death of Dr. Frank Crowther, who died yesterday in Pueblo,

Colo. Dr. Crowther represented the district that I have the honor now to serve for 24 years. Prior to his coming to the Congress of the United States he was a member of the Common Council of the City of Schenectady, N. Y., and in 1918 was elected to the House of Representatives, where he served continuously through every Congress up to and including the 77th Congress. At that time he voluntarily retired and made his home in the State of Colorado.

His term of service spanned the period between two world wars. Dr. Crowther was sworn in on May 19, 1919, at a special session called by President Woodrow Wilson. In the closing days of his service the country was again at war, and his parting words to the 77th Congress were of America's tremendous obligations in that global war and his confidence that the Congress of the United States would not endanger the perpetuation of those basic fundamentals inherited from the Founding Fathers. Dr. Crowther served Congress and the people of his district for 24 of America's most important years, and during his service in the House he was noted as one of the outstanding Members in ability and influence. For 12 years he held a commanding position in the Ways and Means Committee. He was a foremost authority on tariffs and taxes, a persuasive and effective orator, and a tower of strength for any cause he espoused.

Although born in England, this splendid American came to the United States as a boy, and came to exemplify the very highest type of practicing Americanism. Not only during his term in Congress but during his entire lifetime, his continuing fight for the preservation of the spirit of the Bill of Rights and the principles of the United States Constitution won him the respect of his colleagues in the House of Representatives and the pride and gratitude of the people of his district and the State of New York. To his widow I extend my deepest sympathy.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. KEARNEY. I yield to the gentleman from Tennessee.

Mr. COOPER. Mr. Speaker, I desire to join with the distinguished gentleman from New York and other colleagues in paying brief but very sincere tribute to my warm personal friend, our former colleague, Dr. Frank Crowther. It was my privilege to serve with him for many years on the Committee on Ways and Means. He was, indeed, one of the most valuable members of that committee and of the House of Representatives. He was a man of outstanding ability and demonstrated devotion to the public service.

I join with the gentleman and others in conveying my deepest sympathy to the members of his family.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. KEARNEY. I yield to the distinguished gentleman from Ohio.

Mr. JENKINS. Mr. Speaker, I also wish to join in paying tribute to this distinguished former Member of the House.

Dr. Crowther was a very unusual man. I mean by that that he combined about all the human virtues, he was courageous, he was brilliant, and he had a sense of humor that made him a very attractive personality.

I shall never want to forget how cordial he was. I shall never forget his brilliance manifested on the floor of this House in debate. He was a great authority on the question of protective tariff. I am sorry to hear of his passing. I extend to his widow my most sincere sympathy.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. KEARNEY. I yield to the distinguished minority leader.

Mr. MARTIN. I would like to join the distinguished gentleman from New York as well as the others to pay my tribute to our beloved late colleague, Frank Crowther. I remember very well when he first came to the House. He was a native son of Massachusetts where he spent his early life. Later he went to New York, practiced dentistry, and was elected to Congress.

Dr. Crowther had a profound knowledge of legislative matters, being a particular student of the tariff. This gave him a profound knowledge of the industries of the United States. He perhaps was one of the most rugged debaters this House has ever produced, and shone in the rough-and-tumble debates. He was a man of great patriotic devotion to his country.

I recall only last year when I was campaigning in Colorado there was a dinner at Pueblo. Notwithstanding the fact that he was not in good health, he came out to attend that dinner and enjoyed reminiscing over the Congresses in which he had served with such distinction. Although he lived in Colorado his heart and thoughts were here in Washington, and he lived in spirit with us in solving these great problems that have confronted us in recent years.

I extend to his wife my deepest sympathy in her hour of bereavement. Death has taken a fine American and a very great legislator.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. KEARNEY. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Mr. Speaker, typical of Dr. Crowther's kindness was a letter which I received less than 3 weeks ago from him. He and his family lived in the Methodist Building where I have been happy to live for so many years.

Dr. Crowther was not only an able man, a great individual, but he was thoughtful. I join in what other Members have said about him.

Mr. CHENOWETH. Mr. Speaker, will the gentleman yield?

Mr. KEARNEY. I yield to the gentleman from Colorado.

Mr. CHENOWETH. Mr. Speaker, I wish to join the gentleman from New York and my other colleagues in paying tribute to Dr. Crowther. I was indeed saddened this morning when I learned of his passing.

While Dr. Crowther lived in the State of New York, and represented a New York District in this House so ably and brilliantly over a long period of years, we really felt he belonged to Colorado. When he retired from Congress at the close of the 77th Congress he moved to Pueblo, Colo., and spent the remainder of his life there. Dr. Crowther immediately became active in the social, political, and community life of Pueblo. He was in great demand as a speaker. He was particularly active in the Kiwanis Club and spent much of his time in addressing meetings not alone of the Kiwanis Club, but also other service and luncheon clubs, and patriotic organizations.

His great ability as an orator was recognized. He was always a very forceful and entertaining speaker. He had a vast storehouse of knowledge on the operations of the Federal Government. He never failed to inject his unusual wit and humor into his speeches.

I knew Dr. Crowther before I came to Congress. He and Mrs. Crowther were close friends of our former colleague, William R. Eaton, of Denver, Colo. They served in Congress together. The Crowthers came to Colorado frequently and I met Dr. Crowther for the first time in company with Congressman and Mrs. Eaton. I was, of course, impressed with his gracious personality and it was indeed a privilege for me to serve one term with Dr. Crowther in this House. We enjoyed many social visits with Dr. and Mrs. Crowther. He was a most delightful entertainer and in many ways was the most unusual man I have ever met.

Mrs. Chenoweth joins me in expressing our deep personal sympathy to Mrs. Crowther and the other members of the family. Dr. Crowther rendered most valuable service to his district and the Nation. He was a great American. We need more men like him in public life today.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. KEARNEY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, I was deeply grieved to learn of the death of my very good friend, Dr. Crowther. As the distinguished gentleman from New York [Mr. KEARNEY] in his splendid remarks of tribute in announcing the death of our former friend well said, Dr. Crowther was noted as one of the outstanding Members of the Congress in standing and ability. In all my years of service I know of no Member who has wielded greater influence among the membership of the House without regard to party than did Dr. Crowther. He was a man of unusual ability. He employed his great capacity in a constructive manner in service to our country. He has certainly made his contribution during the years that he was a Member of this House, a contribution which will leave an indelible imprint on the pages of the history of the Congress of the United States.

He and I were close personal friends. After his retirement we communicated with each other by letter. I am deeply saddened to learn of his death and I can only emphasize what has been said by the gentleman from New York [Mr. KEARNEY], and other Members, that he was one of the most valuable Members of the Congress during his long period of service in this body.

I join with the gentleman from New York and my other colleagues in extending to his loved ones my deep sympathy in their bereavement.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. KEARNEY. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I also knew and well remember Dr. Crowther and his lovely wife. Kind and fine, he was a man of great ability and a splendid legislator and statesman. I suppose there is no one in the country who had a greater knowledge of tariff matters. He was an expert in that field. The country can ill afford to lose men of his caliber.

Mr. KEARNEY. Mr. Speaker, I ask unanimous consent that all Members who wish to do so may have permission to extend their remarks at this point in the RECORD on the late Dr. Crowther.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RAYBURN. Mr. Speaker, I am deeply grieved at the passing of my old friend, Frank Crowther. He and I became great friends during his service in the Congress, and we have kept up a correspondence ever since he left. Frank was a very able man, a very useful and patriotic one. In his work in the committee rooms and on the floor of the House he was always listened to because he had meat in what he said. He really served his day and generation in the best fashion. To his wife and his other loved ones goes my deepest and sincerest sympathy.

COMMITTEE ON ARMED SERVICES

Mr. VINSON. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may have until midnight tonight to file a report on H. R. 7000.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

COMMITTEE ON PUBLIC WORKS

Mr. FALLON. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have until midnight tonight to file a report on H. R. 7474.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

COMMITTEE ON VETERANS' AFFAIRS

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs or any subcommittee thereof may sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection?

EXTENSION OF RENEGOTIATION ACT OF 1951

Mr. COOPER. Mr. Speaker, I call up the conference report on the bill (H. R. 4904) to extend the Renegotiation Act of 1951 for 2 years, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1188)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4904) to extend the Renegotiation Act of 1951 for 2 years, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with the following amendments:

Restore the matter proposed to be stricken out by the Senate amendment and, on page 1 of the House engrossed bill, in line 11, strike out "section 106" and in lieu thereof insert the following: "section 106 (a) (8)".

On page 1 of the Senate engrossed amendment, in line 3, strike out "SEC. 2." and in lieu thereof insert "SEC. 3."

On page 2 of the Senate engrossed amendment, in line 6, strike out "for civilian, industrial, or commercial" and in lieu thereof insert the following: "for general civilian industrial or commercial".

On page 2 of the Senate engrossed amendment, in line 16, strike out "SEC. 3." and in lieu thereof insert the following: "SEC. 4."

On page 3 of the Senate engrossed amendment, strike out lines 4 to 7, inclusive, and in lieu thereof insert the following:

"(b) The amendments made by subsection (a) shall apply only to contracts with the Departments made after December 31, 1954."

On page 3 of the Senate engrossed amendment, in line 8, strike out "SEC. 4." and in lieu thereof insert the following: "SEC. 5."

On page 3 of the Senate engrossed amendment, in line 19, strike out "SEC. 5." and in lieu thereof insert the following: "SEC. 6."

On page 4 of the Senate engrossed amendment, beginning with line 19, strike out all through line 2 on page 7.

And the Senate agree to the same.

JERE COOPER,
JOHN D. DINGELL,
W. D. MILLS,
THOMAS A. JENKINS,
RICHARD M. SIMPSON,
Managers on the Part of the House.

HARRY F. BYRD.
WALTER F. GEORGE,
ROBERT S. KERR,
By HARRY F. BYRD,
E. D. MILLIKIN,
EDWARD MARTIN,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4904) to extend the Renegotiation Act of 1951 for 2 years, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment proposed to strike out section 2 of the House bill and insert in lieu thereof five new sections numbered 2 to 6, inclusive.

Section 2 of the House bill proposed to amend section 102 (d) of the Renegotiation Act of 1951. This subsection provides that the profit-limitation provisions of the act of March 27, 1934, as amended and supplemented (the Vinson-Trammel Act), and of section 505 (b) of the Merchant Marine Act shall not apply to contracts or subcontracts if any of the receipts or accruals therefrom are subject to the Renegotiation Act of 1951. Under the amendment proposed by section 2 of the House bill, these profit-limitation provisions also would not apply to contracts or subcontracts if any of the receipts or accruals therefrom would be subject to the Renegotiation Act of 1951 except for the provisions of section 106 (relating to exemptions). Under the conference agreement, section 2 of the House bill is restored with an amendment limiting its application to contracts or subcontracts if any of the receipts or accruals therefrom would be subject to the Renegotiation Act of 1951 except for the provisions of section 106 (a) (8) (relating to exemption of standard commercial articles and standard commercial services).

Section 2 contained in the Senate amendment amended section 106 (a) (8) of the Renegotiation Act of 1951, which exempts contracts and subcontracts for the making or furnishing of a standard commercial article, so as to provide a similar exemption for a standard commercial service. This provision, like that previously enacted with respect to the standard commercial article exemption, is made applicable to contracts with the departments and subcontracts to the extent of the amounts received or accrued by a contractor or subcontractor after December 31, 1953. The conference agreement retains this provision, with a clarifying amendment, as section 3 of the bill.

Section 3 contained in the Senate amendment provided for a mandatory exemption of competitive-bid construction contracts similar to the exemption contained in subsection (i) (1) (E) of the Renegotiation Act of 1943. Under the Senate amendment this provision would have applied to contracts with the departments and subcontracts to the extent of the amounts received or accrued by a contractor or subcontractor after December 31, 1954. The exemption provided by the Senate amendment was made not applicable to military housing construction financed with a mortgage or mortgages insured under the provisions of title VIII of the National Housing Act as now or hereafter amended. Section 3 is included in the conference agreement as section 4 of the bill, but with a provision that the amendment applies only to contracts with the departments made after December 31, 1954.

Section 4 contained in the Senate amendment related to the definition of durable productive equipment contained in section 106 (c) (2) of the Renegotiation Act of 1951. This amendment was adopted as a clarifying amendment to cure an inconsistency created by a previous amendment which extended the partial mandatory exemption for new durable productive equipment to prime contracts. Under existing law a manufacturer who sells an item of new durable productive equipment directly to the Government is exempt, whereas he is not exempt if he sells the same item to another manufacturer who incorporates it in equipment which is sold to the Government. Under the amendment the exemption applies in both cases. The amendment was made effective to coincide with the effective date of the amendment extending the new durable productive equipment provision to prime contracts, namely, to fiscal years ending on or after June 30, 1953. The

conference agreement retains this provision as section 5 of the bill.

Section 5 contained in the Senate amendment authorizes and directs the Joint Committee on Internal Revenue Taxation, or any duly authorized subcommittee thereof, to make a complete study in order to determine (1) whether there is any necessity of extending the Renegotiation Act of 1951 beyond December 31, 1956, and (2) if any such further extension is found necessary, the extent to which renegotiation of Government contracts should apply after such date. The joint committee is required to make a report to the Senate and House of Representatives not later than May 31, 1956. The conference agreement retains this provision as section 6 of the bill.

Section 6 contained in the Senate amendment would have amended title II of the Renegotiation Act of 1951 by adding at the end thereof a new section authorizing the Renegotiation Board, notwithstanding any statute of limitations or any other provision of law, to review the renegotiation of contracts or subcontracts which were renegotiated under the Renegotiation Act, which applied during World War II, in cases specified in the amendment. The provision also would have authorized review of the Board's action in such cases by the Tax Court. Under the conference agreement this section is eliminated from the bill.

JERE COOPER,
JOHN D. DINGELL,
W. D. MILLS,
THOMAS A. JENKINS,
RICHARD M. SIMPSON,
Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, we had in the House bill a provision which did not apply the profit limitations of the Vinson-Trammel Act or the Merchant Marine Act to contracts or subcontracts which were exempt under section 106 of the Renegotiation Act, relating to mandatory exemptions. The Senate amendment struck out this provision. The conferees restored this provision but limited its application to contracts or subcontracts under section 106 (a) (8), relating to exemption of standard commercial articles.

The Senate also adopted an amendment which provided an exemption for standard commercial services. This would provide the same treatment for standard commercial services as is now applied to standard commercial articles. The House conferees agreed to this provision.

We also agreed to the Senate amendment for a mandatory exemption of competitive bid contracts similar to the exemption contained in the Renegotiation Act of 1943, but we limited such amendment to contracts made after December 31, 1954. The Renegotiation Board approved of this exemption with the limitation as to the effective date.

We agreed to a Senate amendment curing an inconsistency in the law extending the partial mandatory exemption for new durable productive equipment to prime contracts. Under existing law a manufacturer who sells an item of new durable productive equipment directly to the Government is exempt, whereas he is not exempt if he sells the same item to another manufacturer who incorporates it in equipment sold to the Government. Under the Senate amendment the exemption applies to both cases.

We also agreed to a Senate amendment directing the Joint Committee on Internal Revenue Taxation to make a study of the Renegotiation Act of 1951 to ascertain the necessity of continuing renegotiation beyond December 31, 1956, and, if so, whether its scope should not be limited to certain specific items.

The House conferees disagreed to the Senate amendment giving the Renegotiation Board and the Tax Court authority to reopen and redetermine, without regard to the statute of limitations, contracts or subcontracts which had already been renegotiated and closed.

Mr. JENKINS. Mr. Speaker, on the matter before us now I just want to say that this is a unanimous report. I think all of the departments concur thoroughly and unanimously with every provision in it, so that this conference report is truly an all-round popular report and agreed upon by all those interested.

RETIREMENT INCOME TAX CREDIT TO MEMBERS OF THE ARMED FORCES

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 291) to extend the retirement income tax credit to members of the Armed Forces, which has been unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 37 (f) of the Internal Revenue Code of 1954 is hereby amended by striking out the following: "; except that such term does not include a fund or system established by the United States for members of the Armed Forces of the United States."

SEC. 2. The amendment made by this act shall be applicable to taxable years beginning after December 31, 1953.

With the following committee amendment:

Page 1, line 10, strike out "1953" and insert "1954."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, it is the purpose of H. R. 291, which was unanimously reported by the Committee on Ways and Means, to amend the Internal Revenue Code of 1954, thereby removing the discrimination against retired members of the Armed Forces which exists under present law and allow them to qualify for the retirement income-tax credit in the same manner as other persons who are retired under a public retirement system.

This discrimination resulted when the Senate amended the House passed version of the retirement income-tax credit provision last year. The Senate version provided that persons who retire under a public retirement system could qualify for the tax credit if they were under 65 years of age, but excluded persons who retired under a retirement fund established by the United States for members of the Armed Forces of the United States by a narrowed definition of "public retirement system." H. R. 291 chances the definition of "public retirement system" to include persons who retire under a retirement fund established by the United States for members of the Armed Forces of the United States. The objective of the bill is very desirable.

I, therefore, urge all Members of the House of Representatives to support H. R. 291 and vote with me for its passage.

Mr. JENKINS. Mr. Speaker, this bill corrects a discrimination in the tax laws against retired members of the Armed Forces. It permits such individuals who have not attained age 65 to qualify for the retirement income tax credit allowed under section 37 of the Internal Revenue Code of 1954 in the same manner as other persons who retired under a public retirement system. The Department of Defense has recommended this legislation to the Congress. The bill was introduced at the beginning of this session by our dinsinguished ranking minority member, Mr. REED of New York, and was reported unanimously by the Committee on Ways and Means.

INTERNAL REVENUE CODE

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 542) to amend the Internal Revenue Code, which has been unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. JENKINS. Mr. Speaker, reserving the right to object, I just want the House to know that the gentleman from Tennessee [Mr. COOPER] is about to present 4 or 5 bills all of which passed the Committee on Ways and Means unanimously. They have been discussed thoroughly and should be passed by this House.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the terms used in this act shall have the same meaning as when used in the Internal Revenue Code.

SEC. 2. Collection of income tax at source on wages

Section 3402 of the Internal Revenue Code is hereby amended as follows:

(a) By inserting "(except as provided in subsection (j))" immediately after the words "shall deduct and withhold upon such wages" in subsection (a) thereof; and

(b) by adding at the end thereof the following new subsection:

"(j) Noncash remuneration to retail commission salesman: In the case of remuneration paid in any medium other than cash for services performed by an individual as a retail salesman for a person, where the service performed by such individual for such person is ordinarily performed for remuneration solely by way of cash commission an employer shall not be required to deduct or withhold any tax under this subchapter with respect to such remuneration, provided that such employer files with the Commissioner such information as may be prescribed under regulations adopted by the Commissioner with the approval of the Secretary with respect to such remuneration."

SEC. 3. Effective date

The amendment made by section 2 shall be applicable only with respect to remuneration paid after the date of enactment of this act.

With the following committee amendment:

Page 2, strike out lines 12, 13, and 14 and insert "Secretary or his delegate such information with respect to such remuneration as the Secretary or his delegate may by regulation prescribe."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the bill H. R. 542.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, this bill, H. R. 542, amends the Internal Revenue Code of 1954 to provide that noncash incentive remuneration paid to retail commission salesmen in the form of prizes shall not be subject to the withholding tax provisions of the Code. It is not the purpose of the bill, however, to affect the taxability of such prizes in the hands of the salesman, who will continue to pay the tax appropriate to the value of the prize.

No revenue problems are created by this bill because of the safeguards provided to assure the sound administration of the provision. For example, the employer seeking the benefits of the bill is required to supply any information that may be required pursuant to regulations prescribed by the Secretary of the Treasury.

The Committee on Ways and Means ordered this bill reported by unanimous vote and urges its adoption by the House of Representatives.

Mr. JENKINS. Mr. Speaker, H. R. 542 provides that when an employee is paid in a medium other than cash for services performed by him as a retail commissioned salesman, the remuneration will not be subjected to withholding if the individual is ordinarily compensated solely by way of cash commissions. The bill was reported unanimously by the Committee on Ways and Means.

EXCISE TAX ON LEASES OF TRAILERS

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 3437) to amend the Internal Revenue Code of 1954 to provide for a maximum manufacturers' excise tax on the leases of certain automobile utility trailers, which has been unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 4216 (c) (1) of the Internal Revenue Code of 1954 is amended by inserting after "lease" the following: "(other than a lease to which subsection (d) applies)".

SEC. 2. Section 4216 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following:

"(d) Leases of certain trailers: In the case of any lease of a trailer or semitrailer taxable under section 4061 (a) and suitable for use in connection with passenger automobiles, there shall be paid, at the election of the taxpayer—

"(1) upon the initial lease a tax at the applicable rate specified in section 4061 (a) based upon the fair market price on the date of such lease, or

"(2) upon each lease payment with respect to such trailer or semitrailer, a percentage of such payment equal to the rate of tax which would be imposed upon the sale of such trailer or semitrailer, until the total of the tax payments under such lease and any prior lease equals the total tax. In any case where a trailer or semitrailer which has been leased is sold before the total tax has been paid, the tax payable on such sale shall be the difference between the tax paid on the lease payments and the total tax. For purposes of this paragraph, the term 'total tax' means the tax computed, at the rate in effect on the date of the initial lease, on the fair market price on the date of such lease. However, in the case where a trailer or semitrailer which has been leased is sold before the total tax has been paid, the total tax shall not exceed a tax computed, at the rate in effect on the date of the initial lease, on the amount received on such sale (determined without regard to section 4216 (b)) plus the total of the payments received by the lessor under any lease of such trailer or semitrailer."

SEC. 3. Section 4217 of the Internal Revenue Code of 1954 is amended by adding at the end thereof a new sentence as follows: "This section shall not apply to the lease of an article upon which the tax has been paid in the manner provided in section 4216 (d) (1) or the total tax has been paid in the manner provided in section 4216 (d) (2)."

SEC. 4. The amendments made by subsection (a) shall take effect on the first day of the first month which begins more than 10 days after the date of the enactment of this act.

With the following committee amendments:

Page 2, line 6, strike out "price" and insert in lieu thereof "value."

Page 2, line 19, strike out "price" and insert in lieu thereof "value."

Page 3, line 12, after the word "Act.", insert the following: "In the application of section 4216 (d) of the Internal Revenue Code of 1954 (as added by this Act) to any article which has been leased before the effective date specified in the preceding sentence, under regulations prescribed by the Secretary of the Treasury or his delegate—

"(1) the fair market value of such article shall be the fair market value determined as of such effective date;

"(2) only payments under a lease received on or after such effective date shall be considered in determining when the total tax (as defined in such section 4216 (d)) has been paid;

"(3) any lease existing on such effective date, or if there is none, the first lease entered into after such effective date, shall be considered an initial lease (except that fair market value shall be determined as provided in paragraph (1) of this sentence); and

"(4) any lease existing on such effective date shall be considered as having been entered into on such date."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the bill H. R. 3437.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, at the present time the Internal Revenue Code provides that the lease of any article by the manufacturer or producer shall be considered as a sale of the article for purposes of imposing the manufacturer's excise tax on such article. As a result of this provision, the manufacturers of utility trailers designed for use with passenger automobiles are discriminated against compared with their competitors who either manufacture or lease such trailers but do not engage in both activities. Since each lease is regarded as a sale, the manufacturer-lessor of utility trailers must pay a tax each time he leases the same trailer. The resulting tax often amounts to a larger sum than the value of the trailer when new.

H. R. 3437 removes this discrimination by providing that the maximum tax imposed on the lease of these trailers is to be an amount equal to the applicable tax rate multiplied by the fair market value of the trailer at the time of the initial lease, and the taxpayer-lessor is given the option by the bill either to pay the tax in full at the time of the initial lease or to spread the tax payments over the period of the lease payments.

The purpose which this bill seeks to accomplish is one which each and every one of us can support. I, therefore, urge you to join me in voting for its passage.

The Committee on Ways and Means is unanimous in urging the enactment of this legislation.

CREDIT OR REFUND OF CERTAIN MANUFACTURERS' EXCISE TAXES

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 3712) to extend the period during which claims for floor stocks refunds may be filed with respect to certain manufacturers' excise taxes which were reduced by the Excise Tax Reduction Act of 1954, which has been favorably reported unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 3416 (a) (2) of the Internal Revenue Code of 1939 (relating to period for filing claims for certain floor stocks refunds) is hereby amended by striking out "before August 1, 1954" and inserting in lieu thereof "before July 1, 1955."

With the following committee amendment:

Page 1, lines 6 and 7, strike out "before July 1, 1955" and insert in lieu thereof "on or before the 60th day after the date of the enactment of H. R. 3712, 84th Congress."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the bill H. R. 3712.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, H. R. 3712 amends the Internal Revenue Code of 1939 to provide that claims for a credit or refund with respect to floor stock of refrigerators; quick-freeze units; electrical, gas, and oil appliances can be filed on or before the 60th day after the date of enactment of the bill.

You will recall that the Excise Tax Reduction Act of 1954 reduced the excise tax on the appliances to which I have referred from 10 percent to 5 percent. That act also provided for refunds on floor-stock inventories of these appliances if claims for refunds were filed before August 1, 1954. The choice of this date was unfortunate because July 31 fell on a Saturday which led some taxpayers to believe that a claim filed on the following Monday—August 2, 1954—would be considered timely filed. This and other factors were effective to confuse taxpayers and prevent timely filing of the claim for refund.

Because the date selected by the Congress was unfortunate and the administrative practices relative thereto have resulted in misleading taxpayers to their detriment, I believe that it is necessary to pass this bill which will cure the situation and urge you to vote for its passage. The bill was unanimously reported by your committee.

Mr. JENKINS. Mr. Speaker, this bill simply extends the period during which claims for floor stocks refunds may be filed with respect to certain manufacturers' excise taxes which were reduced last year. It developed that numerous manufacturers failed to file timely claims for this credit for refund, this failure being not their own fault. The bill now before us provides a limited extension of the time for filing in order to correct a very severe hardship in these cases. H. R. 3712 was introduced by Mr. SMITH of Wisconsin, and was very ably presented to our committee in executive session by Mr. BYRNES of Wisconsin. The bill was reported unanimously by the Committee on Ways and Means.

I urge the passage of this bill which was reported from the Committee on Ways and Means unanimously.

Mr. JENKINS. Mr. Speaker, this bill was reported unanimously by the Committee on Ways and Means. It simply provides for a 1-year extension of section 108 (b) of the Internal Revenue Code of 1954. When we were writing that provision last year we believed that the problem to which it was directed would disappear within 1 year's time. However, it appears that this is not the case, and this further extension is, therefore, being provided.

EXTENSION OF TIME IN WHICH CERTAIN INCOME OF A RAILROAD MAY BE EXCLUDED FROM GROSS INCOME

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 6887) to extend for 1 year the application of section 108 (b) of the Internal Revenue Code of 1954, relating to income of a railroad corporation from discharge of indebtedness, which has been favorably reported unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 108 (b) of the Internal Revenue Code of 1954 (relating to income of a railroad corporation from discharge of indebtedness) is hereby amended by striking out "December 31, 1955" and inserting in lieu thereof "December 31, 1956."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the bill H. R. 6887.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, this bill amends the Internal Revenue Code of 1954 to extend for 1 year the time in which income from the discharge of indebtedness of a railroad corporation can be excluded from gross income. Thus, if the discharge of indebtedness is carried out according to a court order rendered in a receivership proceeding or in a bankruptcy proceeding, the tax which would ordinarily result from the discharge of the indebtedness will not apply.

It is necessary to extend the provisions for an additional year because of the tremendous complexity inherent in the reorganization of the many financially distressed railroads with which our courts are dealing and because of the time consumed in the courts whose dockets have been burdened with litigation of this type.

AMENDING DEFINITION OF "DEPENDENTS" OF MEMBER OF ARMED FORCES IN PHILIPPINE ISLANDS

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 7148) to amend the Internal Revenue Codes so as to provide a personal exemption with respect to certain dependents in the Republic of the Philippines, which has been favorably reported unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Be it enacted, etc., That section 25 (b) (3) of the Internal Revenue Code of 1939 (defining the term "dependent") is hereby amended by inserting after the forth sentence thereof the following new sentence: "For taxable years beginning after December 31, 1946, the preceding sentence shall not exclude from the definition of 'dependent' any child of the taxpayer born to him, or legally adopted by him, in the Philippine Islands, if (i) the child is a resident of the Republic of the Philippines, and (ii) the taxpayer was a member of the Armed Forces of the United States at the time the child was born to him or legally adopted by him."

SEC. 2. Section 152 (b) (3) of the Internal Revenue Code of 1954 (defining the term "dependent") is hereby amended by striking out "July 5, 1946" and inserting in lieu thereof "January 1, 1956."

SEC. 3. (a) The amendment made by the first section of this act shall apply with respect to taxable years beginning after December 31, 1946, to which the Internal Revenue Code of 1939 applies.

(b) The amendment made by section 2 of this act shall apply with respect to taxable years beginning after December 31, 1953, and ending after August 16, 1954.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the bill H. R. 7148.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, H. R. 7148 amends both the Internal Revenue Code of 1939 and 1954 to bring within the definition of "dependent" both the natural and adoptive children who were

either born to or adopted by a member of the Armed Forces in the Philippine Islands before January 1, 1956.

Under the 1939 Code no exemption for a dependent was allowed if the dependent was a citizen or subject of a foreign country unless he was a resident of the United States or a contiguous country. This defect was cured by the 1954 Internal Revenue Code with respect to dependents born to or adopted by, in the Philippine Islands before July 5, 1946, a member of the Armed Forces. H. R. 7148 does no more than extend this treatment to dependents born or adopted before January 1, 1956.

The men and women who will benefit from this bill have served this country well as members of our Armed Forces. We can do no less for them than to permit them to take an exemption for their children against the tax which we impose. Therefore, I urge the adoption of this bill, which was unanimously reported by the Committee on Ways and Means.

Mr. JENKINS. Mr. Speaker, this bill permits a taxpayer to claim as a dependent under the 1939 code any child born to him, or legally adopted by him, in the Philippine Islands if the child is a resident of the Philippines for the taxable year for which the deduction is claimed and the taxpayer was a member of the Armed Forces of the United States at the time of the birth or adoption of the child. The bill was approved unanimously by the Committee on Ways and Means.

AUTHORIZING FLIGHT INSTRUCTION DURING RESERVE OFFICERS' TRAINING CORPS PROGRAMS

Mr. BROOKS of Louisiana. Mr. Speaker, by direction of the Committee on Armed Services, I ask unanimous consent for the immediate consideration of the bill (H. R. 5738) to authorize flight instruction during Reserve Officers' Training Corps programs, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. MARTIN. Reserving the right to object, Mr. Speaker, will the gentleman explain the bill for the information of the House?

Mr. BROOKS of Louisiana. I will be delighted to explain it.

This bill authorizes flight instruction during ROTC training programs. It provides for contract arrangements with private flying institutions for the purpose of providing for Air Force ROTC students a period of 35 hours of instruction in primary flying.

The purpose of the bill is threefold: First, to encourage young students in the ROTC schools to enlist in a flying program; second, to screen out at an early stage the temperamentally undesirable and those temperamentally unsuitable for flying and thereby save a great deal of money for the United States Government; third, to interest students in a career in aviation.

This bill was reported unanimously by the House Committee on Armed Services. It will permit the inauguration of this program in 90 ROTC schools scattered throughout the length and breadth of this country.

Mr. MARTIN. I withdraw my reservation of objection, Mr. Speaker.

Mr. WIER. Reserving the right to object, Mr. Speaker, what happens to these undesirables the gentleman says they are screening out? Where do they go from there?

Mr. BROOKS of Louisiana. I said "undesirable," but perhaps that is an ill-advised use of the word. What I mean is those people temperamentally unfit. The arrangement now is that they are in the ROTC schools, and they continue the studies there and go to primary training, and later when they are washed out, perhaps in the first 2 weeks of primary training, it has cost the Government about $1,600 per person. If those individuals could be screened out at an earlier date it would save lots of heartaches on the part of the students and also save the Government a great deal of money. Actually 21 percent of those taking primary training are washed out because they are temperamentally unsuited for flying training. The sooner the Air Force finds this out the better it is going to be for the student and the United States Government.

Mr. HALEY. Reserving the right to object, Mr. Speaker, when the gentleman used the word "unfit" I am sure he meant unfit for flying duty rather than just unfit.

Mr. BROOKS of Louisiana. Yes. There is no reflection on the student. Some are temperamentally unfit. As they explained to us, until one actually gets in a plane and "feels the stick" and feels the surge of enthusiasm one gets out of flying a plane, a person does not know whether or not temperamentally he is qualified to fly a plane. We have to experience that sensation to know.

Mr. VAN ZANDT. Reserving the right to object, Mr. Speaker, is it not true that the Army is involved in this program?

Mr. BROOKS of Louisiana. Yes, the Army is. The Army has a portion of the program.

Mr. VAN ZANDT. I will say to the able and distinguished gentleman who has contributed very heavily to this program that they look to this source of manpower for pilots of the light aircraft they fly today in connection with the mobility of the Army.

Now, another question: Is it not true also that the bill provides a termination date?

Mr. BROOKS of Louisiana. The termination date is 4 years.

Mr. VAN ZANDT. Does this permit the Congress to review this overall program to make sure that the Department of Defense is carrying out the intent of the law?

Mr. BROOKS of Louisiana. It is thought we will save many, many dollars for the American taxpayers by an early screening out of the pilots that are temperamentally not suited for aviation.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act of June 3, 1916 (39 Stat. 166), as amended, is further amended as follows:

(1) Section 40a, as amended (10 U. S. C. 385), is further amended by adding the following sentence at the end thereof: "The courses of theoretical and practical military training prescribed under this section may include flight instruction."

(2) Section 47, as amended (10 U. S. C. 389), is further amended by adding the following sentence at the end thereof: "The Secretary of the Air Force may provide, or contract with civilian flying or aviation schools or educational institutions to provide, such personnel, aircraft, supplies, facilities, and instruction as are necessary for flight instruction of members of the Reserve Officers' Training Corps in Army and Air Force units."

SEC. 2. The third sentence of section 1 of the act of June 15, 1936 (49 Stat. 1507, 10 U. S. C. 455c), is amended by deleting the words "of the Reserve Officers' Training Corps and members."

SEC. 3. Section 22 (b) of the act of March 4, 1925 (43 Stat. 1276), as amended (34 U. S. C. 821), is further amended by deleting the words "who suffer disability, including members."

SEC. 4. (a) The Federal Employees' Compensation Act (ch. 458, 39 Stat. 742), as amended (5 U. S. C. 751–793), applies in case of the disability or death of the following members of the Reserve Officers' Training Corps of the Army, Navy, and Air Force:

(1) Any member who is injured in line of duty, or who dies, while engaged in military training, including flight instruction, under—

(A) section 40a of the act of June 3, 1916 (ch. 134, 39 Stat. 191), as amended (10 U. S. C. 385);

(B) section 22 (a) of the act of March 4, 1925 (ch. 536, 43 Stat. 1276), as amended (34 U. S. C. 821 (a)); or

(C) section 3 (a) of the act of August 13, 1946 (ch. 962, 60 Stat. 1058), as amended (34 U. S. C. 1020b (a)), or while traveling to or from that military training by Government vehicle or aircraft (U. S. C. 1020b (a)); or while traveling to or from that military training by Government vehicle or aircraft.

(2) Any member who is injured in line of duty, or who dies, while traveling by public conveyance to or from, or while attending—

(A) a training camp under section 47a of the act of June 3, 1916 (ch. 134, 39 Stat. 192), as amended (10 U. S. C. 441);

(B) a cruise under section 22 (a) of the act of March 4, 1925 (ch. 536, 43 Stat. 1276), as amended (34 U. S. C. 821 (a)); or

(C) a cruise or camp prescribed by the Secretary of the Navy under section 6 (a) 1 of the act of August 13, 1946 (ch. 962, 60 Stat. 1059), as amended (34 U. S. C. 1020e (a) 1).

(3) Any member who dies while hospitalized or while undergoing treatment at Government expense for an injury, disease, or illness covered by clause (1) or (2).

For the purposes of this section, an injury shall be considered to have been incurred in line of duty only if it is the proximate result of the performance of military training by the member concerned, or of his travel to or from that military training, during the periods of time indicated in (1) or (2). Any member who contracts a disease or illness which is the proximate result of the performance of training during the periods of time indicated in (1) or (2) shall be considered for the purposes of this section to have been injured in line of duty during that period.

(b) In computing the compensation payable under this section, the total compensation received by the injured or deceased person, as the case may be, in cash and

kind, shall be considered to be $150 per month. That sum shall be applied in lieu of any monthly pay considered to be required or authorized under section 6, 10, or 12 of the Federal Employees' Compensation Act.

(c) All determinations as to line of duty and as to whether an injury, disease, or illness is the proximate result of the performance of military training by the member concerned, or of his travel to or from that military training, shall be made by the military department concerned, and review of all such determinations shall be made by the Secretary of that department.

(d) Any expenses incurred by a military department in providing hospitalization, medical and surgical care, necessary transportation incident to that hospitalization or medical and surgical care, or in connection with a funeral and burial on behalf of a person covered by subsection (a) shall be reimbursed by the Secretary of Labor out of the Employees' Compensation Fund in accordance with the provisions of the Federal Employees' Compensation Act. However, reimbursement shall not be made for any hospitalization or medical or surgical care provided a person who is injured, or who contracts a disease or illness, while traveling to or from, or while attending—

(1) a training camp under section 47a of the act of June 3, 1916 (ch. 134, 39 Stat. 192), as amended (10 U. S. C. 441);

(2) a cruise under section 22 (a) of the act of March 4, 1925 (ch. 536, 43 Stat. 1276), as amended (34 U. S. C. 821 (a)); or

(3) a cruise or camp prescribed by the Secretary of the Navy under section 6 (a) 1 of the act of August 13, 1946 (ch. 962, 60 Stat. 1059), as amended (34 U. S. C. 1020e (a) 1).

(e) Nothing in this section shall be construed to hinder the prompt action authorized by sections 26 and 27 of the Federal Employees' Compensation Act in any case involving the legal liability of a third party other than the United States, and the Secretary of the military department concerned shall cooperate fully with the Department of Labor in the prompt investigation and prosecution in those cases.

(f) Any person receiving disability benefits under this section may not receive those benefits after he enters upon active duty with the Armed Forces, but those benefits may be reinstated when the person is released from that active duty.

(g) The coverage provided by this section under the Federal Employees' Compensation Act constitutes the exclusive remedy of a member of the Reserve Officers' Training Corps of the Army, Navy, or Air Force, and of the survivors of any such member, for injury, illness, disease, or death occasioned by that member's participation in military training, his travel to or from that military training by Government vehicle or aircraft, or *his travel by* public conveyance to or from, or attendance at, a summer camp or cruise.

SEC. 5. Section 2 of the Servicemen's Indemnity Act of 1951, as amended (38 U. S. C. 851), is further amended by striking out the following words: "members of the Reserve Officers' Training Corps, the Naval Reserve Officers' Training Corps, and the Air Force Reserve Officers' Training Corps, when called or ordered to active training duty for 14 days or more while on such active training duty;".

With the following committee amendments:

On page 2, line 1, following the word "may", insert the following: ", for a period of 4 years after the effective date of this amendatory act."

On page 3, strike lines 6, 7, and 8, and insert in lieu thereof the following:

"U. S. C. 1020b (a))" or while traveling to or from that military training by Government vehicle or aircraft."

On page 3, line 10, and also on page 6, lines 17 and 18, strike the words "by public conveyance."

On page 3, line 23, strike the words "at Government expense."

On page 6, line 12, following the word "remedy", insert the words "against the United States."

On page 6, line 17, following the word "aircraft", insert the words ", which is hereby authorized."

Add a new section 6 as follows:

"SEC. 6. The Secretary of the Air Force and the Secretary of the Army shall report in January of each year to the Congress on the progress of the flight training program authorized by this act."

Mr. BROOKS of Louisiana. Mr. Speaker, these are largely technical amendments.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TEXAS CITY DISASTER

Mr. LANE. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file a report on the bill S. 1077, the so-called Texas City disaster bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

HERBERT ROSCOE MARTIN

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3281) for the relief of Herbert Roscoe Martin, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 2, strike out "in excess of 10 percent thereof."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

RAYMOND GEORGE PALMER

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3359) for the relief of Raymond George Palmer, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 6, strike out "medical expenses shall" and insert "hospital and medical expense actually incurred shall."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

DOMESTIC MINERALS PROGRAM EXTENSION ACT

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 301 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6373) to amend the Domestic Minerals Program Extension Act of 1953 in order to extend the programs to encourage the discovery, development, and production of certain domestic minerals, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

At this time I yield myself such time as I may consume.

Mr. Speaker, the resolution as read by the Clerk indicates the purpose of the resolution. It is to make in order the bill (H. R. 6373) amending the Domestic Minerals Program Extension Act of 1953.

As far as I know, there is no objection to the rule. There was some discussion before the Committee on Rules about the program as affected by certain features of the bill. It is my understanding that even those disagreements have since been resolved.

Mr. Speaker, I reserve the remainder of my time.

Mr. ALLEN of Illinois. Mr. Speaker, there is no objection that I know of to the rule, and I reserve the balance of my time.

The SPEAKER. The question is on the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

TO AMEND THE COMMUNICATIONS ACT OF 1934

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call House Resolution 300 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5614) to amend the Communications Act of 1934 in regard to protests of grants of instruments of authorization without hearing. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority mem-

ber of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

At this time I yield myself such time as I may require.

Mr. Speaker, this resolution makes in order a bill from the Committee on Interstate and Foreign Commerce, designed to correct certain abuses in hearings before the Federal Communications Commission.

As far as I know, Mr. Speaker, the bill intends to accomplish this purpose: Eliminate the necessity for holding full evidentiary hearings with respect to facts alleged by a protestant, which, even if proven true, would not constitute grounds for setting aside a grant which the Commission has made, and by giving the Commission some discretion to keep in effect an authorization being protested when the Commission finds that the public interest requires the grants to remain in effect.

Mr. Speaker, I reserve the balance of my time.

Mr. ALLEN of Illinois. Mr. Speaker, I reserve my time.

The SPEAKER. The question is on the resolution.

The resolution was agreed to; and a motion to reconsider was laid on the table.

Mr. PRIEST. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5614) to amend the Communications Act of 1934 in regard to protests of grants of instruments of authorization without hearing.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5614, with Mr. KILGORE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Tennessee [Mr. PRIEST] will be recognized for 30 minutes and the gentleman from New Jersey [Mr. WOLVERTON] for 30 minutes.

The gentleman from Tennessee is recognized.

Mr. PRIEST. Mr. Chairman, I yield 15 minutes to the chairman of the subcommittee, the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman, the Committee on Interstate and Foreign Commerce brings to the House the bill H. R. 5614, a bill which amends the Communication Act of 1934 in regard to protests of grants of instruments of authorization without a hearing.

I think most of the Members familiar with the Federal Communications Act of 1934 recognize immediately that it is highly technical. It will be remembered that this Congress in 1951 and 1952, considered a revision of the Federal Communications Act, which was generally referred to as the McFarland amendments.

One of the amendments considered at that time was the protest section, section 309 (c) of the Federal Communications Act.

The considerations which brought about the adoption of the amendment were recommended by the industry and others who had experience in the matter of grants of instruments for authorization, and consequently felt that the protestants who had a right, a legitimate right, to protest were not adequately protected.

Mr. WIER. Mr. Chairman, will the gentleman yield to tell me who is the industry he refers to?

Mr. HARRIS. The radio and television industry involved in the Communications Act; and I might say to the gentleman that the parties who specifically presented the problems to us at that time were the members of the Federal Communications Bar of the District of Columbia who were closest to this problem.

As a result the amendment adopted provided that any party in interest could after the Federal Communications Commission approved a grant protest the grant and consequently it would be held up until full evidentiary hearings were held. It was felt at the time this provision was adopted that it was highly important and necessary; and, in fact, it was so considered from the evidence that was presented to the committee at that time. Since then experience has shown that there is a windfall, a loophole, and the public interest has not been served in many instances as it should be.

This legislation is rather in the nature of emergency legislation. The purpose of this bill is to prevent the abuse of a procedural provision in the Communications Act of 1934 by persons who are primarily concerned with the furtherance of their own private economic interests. These persons are in a position to use existing provisions of section 309 (c) of the Communications Act to delay the institution of radio or television services in communities throughout the land.

Under the provisions of the Communications Act, the Federal Communications Commission may grant radio or television licenses without a hearing if the Commission finds that such a grant is in the public interest. Such grants are made usually by the Commission in situations were there is only a single applicant for a particular frequency in a community and where the Commission has determined that such applicant has the qualifications required by the Federal Communications Act.

If, in such a case, the Commission grants a license without a hearing, section 309 (c) of the act permits any "party in interest" to protest the authorization granted by the Commission without a hearing. Section 309 (c), which makes this protest procedure possible, was enacted into law by the Communications Act Amendments of 1952, usually referred to as the "McFarland Amendments." Congress, in enacting section 309 (c) attempted to provide a means whereby any "party in interest" would have an opportunity to obtain a hearing before the Commission where such party raises "legitimate public interest" considerations which indicate that the authorization granted should not have been made. In addition, the section was designed to maintain the status quo while the Commission held hearings on the issues raised in the protest. In other words, section 309 (c) required the Commission to postpone the effective date of the protested authorization. The only exception to this mandatory stay provision which section 309 (c) permits is in a situation where the Commission finds that the protested authorization is necessary to the maintenance or conduct of an existing radio or television service.

The protest provision has now been in effect for almost 3 years. Some 70 protests have been filed with the Commission in the last 2 years. Cases in which the Commission has turned down a protest have been appealed by the protestants to the courts and in several instances the courts have ordered the Commission to hold a full evidentiary hearing on the facts alleged in the protest.

However, it is perhaps a little difficult to understand the implication of the protest rule if the rule is discussed in the abstract. Let us, therefore, take this specific example: Assume, for example, that the Commission has granted to an applicant a license to broadcast functional music. Functional music is music that you hear in restaurants and other public places. It is sort of background and entertainment music. Such music in many public places is provided by juke boxes. It is well conceivable, therefore, that the owner of a juke box might be considered a "party in interest" and could, therefore, file a protest against the license granted by the Federal Communications Commission for the broadcasting of functional music. If the Commission finds that the protestant is a "party in interest" and that he has specified with particularity the facts, matters, and things which he relies upon, then section 309 (c) requires that the application involved must be set for hearing on the issues set forth in the protest. Pending the hearing, the Commission must postpone the effective date of the authorization.

What does this mean? It means that the juke box owner has it in his power to postpone the effective grant of the broadcast authorization granted by the Commission in the public interest until after the Commission has held a full evidentiary hearing on the application. Since the calendar of the Commission is exceedingly crowded, the Commission may not reach the case for a year or two. During this entire period, the applicant may not broadcast because the setting down for hearing postpones the effective date of the applicant's authorization.

You can see that our juke box owner has been given a tremendously powerful weapon. This weapon was designed to safeguard the public interest. Unfortunately, it has been possible to turn it into a weapon to protect private economic interests against the competition flowing from new radio or television grants.

The case which I have put to you as an example is fiction. However, it has been possible for a protestant without any radio interest which has alleged a threat of economic injury to protest a television grant. When the Commission turned down the protest, the newspaper went to the courts. The case went all the way to the Circuit Court of Appeals for the District of Columbia and that court directed the Commission to hold a full evidentiary hearing. Pending this hearing, of course, which may not be held for many months to come, the people in the community which was to be served by the television station will be without service from that station.

What then is H. R. 5614 seeking to do about the situation? As I have stated, one of the factors which has brought about the serious situation which we have found to exist has resulted from the construction which has been given by the Commission and the courts to the term "party in interest." Exceedingly broad classes of persons have standing as "parties in interest" to file protests. Not only may radio and television licensees protest grants of radio or television authorizations, respectively, but radio licensees may protest television grants, and vice versa, television licensees may protest radio grants. It does not stop there, however. A "party in interest" is not required to have a radio or television interest to give him standing as a party in interest. In our example, it was a juke box owner who might have alleged a threat of economic injury.

While the classes of persons who have standing as "parties in interest" to file protests are very broad, the committee believes that the continuance of abuses of section 309 (c) can be curbed without attempting to limit such classes of persons. Even if the committee should try to limit such classes of persons, it would find the task almost insuperable. Rather, therefore, than attempting to limit parties in interest, the committee recommends that section 309 (c) be amended to make it perfectly clear that the Commission has the authority to dispose of protests without holding a full evidentiary hearing where the Commission finds that the facts alleged in the protest, even if proven to be true, would not constitute grounds for setting aside the grant being protested. This would give the Commission authority to demur to any or all of the issues raised by the protestant. This authority would be similar to a court's authority to issue a summary judgment in appropriate proceedings.

The committee believes that a grant of this discretionary authority to the Commission would serve to protect the public interest, and to prevent the statute from being used merely as a vehicle to delay the institution of a competitive service.

Secondly, the committee recommends that section 309 (c) be amended so as to empower the Commission, even where a full evidentiary hearings is ordered, to continue the protested authorization in effect if the Commission affirmatively determines that the public interest so requires and sets forth in its decision the reasons for such determination.

I should like to mention at this point that the responsibility for section 309 (c) falls largely on the Federal Communications Bar Association which urged the adoption of the "protest procedure" in order to protect existing licensees against competing grants made without a Commission hearing. It should be stated for the record that when this committee held hearings on the McFarland amendment, the Communications Commission strenuously opposed the amendment as not being in the public interest.

I want you to know that the bar association, in the light of the experience of the last 3 years, has had a change of heart. The bar association is in full agreement with the Federal Communications Commission—a rare thing indeed—with regard to the bill reported by this committee. As a matter of fact, representatives of the association and the Commission sat down and agreed on certain additional amendments to the bill originally submitted by the Federal Communications Commission. The committee has felt that these amendments are in the public interest and has incorporated them as committee amendments in the bill now before the House. The first amendment provides that the Commission shall afford the protestant an opportunity for oral argument before it may eliminate as insufficient any issue which has been raised.

Secondly, under the existing statute, there has been some doubt as to the Commission's authority to redraft the issues specified by the protestant in his protest. Such authority to redraft the issues is considered necessary since the issues set forth by the protestant may not accurately reflect the facts alleged in the protest and may include matters which are irrelevant to a determination as to whether the grant in question is in the public interest. The committee has amended the bill so as to spell out the right of the Commission to redraft issues based on the facts alleged in the protest. The committee amendment further makes it clear who has the burden of proof with regard to the issues in a protest hearing.

In closing, let me summarize briefly. With these amendments agreed to by the Federal Communications Commission and the Communications Bar Association, the committee believes that the bill will so amend section 309 (c) of the Communications Act as to prevent the abuse of the protest procedure provided for in that section. The amendment would prevent persons who are primarily concerned with the furtherance of their own private economic interest to use the existing provisions of this section to delay the institution of radio or television services which the Federal Communications Commission, without a hearing, has approved as being in the public interest. The bill intends to accomplish this purpose in two ways: First, it would eliminate the necessity for holding full evidentiary hearings with regard to facts alleged by a protestant which, even if proven true, would not constitute grounds for setting aside the grant which the Commission has made. Second, it would give the Commission some discretion to keep in effect the authorization being protested where the Commission finds that the public interest requires the grant to remain in effect.

The Committee on Interstate and Foreign Commerce has carefully studied the experience under the present law and urgently recommends that the present law be amended as suggested in H. R. 5614 to the end that private economic interests may no longer use the protest procedure to keep radio and television services from communities who could otherwise enjoy such services without the delay now frequently caused through the protests filed by persons primarily concerned with furthering their own private economic interests.

In the last 2 years there have been some 70 grants in which protests have been made. The Federal Communications Commission felt they should have some discretion in these matters and under the language of this bill they will have. In some instances grants were approved without full hearings as the Commission did not find protest had legitimate basis. Appeals were taken from some decisions to the circuit court of appeals. The Commission was reversed in its decision and were directed to proceed with hearings under the construction which was given to this protest section.

Mr. Chairman, we have held hearings on this proposal. There appeared before the committee representatives of the Federal Communications Commission Bar, the Federal Communications Commission, and others who are interested in this problem.

Mr. BAILEY. Mr. Chairman, will the gentleman yield and define the others who are interested?

Mr. HARRIS. Anyone who indicated an interest. A copy of the hearings is before the gentleman. I would be glad to have him look through it.

Mr. BAILEY. The gentleman does not remember who they were?

Mr. HARRIS. There were many witnesses that appeared. Everyone who indicated an interest and asked to be heard was heard.

I realize that the gentleman from West Virginia has a problem at Clarksburg, W. Va., which became a subject of the hearings. It is one of the cases that brought this matter to the attention of the Congress.

During the course of the hearings representatives of the Federal Communications bar presented what they then thought should be amendments to the bill. The members of the Federal Communications Commission came up and testified. Getting the two groups together there was recognition of the fact

that some amendments may be desirable. I think it is perhaps important to note in this particular instance the representatives of the Federal Communications bar and the Commission have come to an agreement and are in full accord on this proposal. They presented joint recommendations as to amendments to the act which the committee accepted. We feel that all applicants and all protestants of record at the present time are fully protected.

Mr. DORN of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from South Carolina.

Mr. DORN of South Carolina. Do I understand the distinguished gentleman from Arkansas assures us that those cases now pending before the Commission where testimony has already been heard will not be affected by this act? Frankly, I think that an act which would be retroactive to cover cases where testimony has already been heard is unwise. I would appreciate the gentleman's comment on that.

Mr. HARRIS. Yes, I will be glad to. It was my intention to have something to say about the retroactive features of it.

There is a case at Spartanburg, S. C., as there is at Clarksburg, W. Va., and others pending. In fact, there are some 70 such cases with the Commission today. Most of those cases pending have already been designated to full evidentiary hearings. I would say the situation in which the gentleman from South Carolina is interested and the parties to that contest included in those cases which have already been designated to full evidentiary hearings; therefore this will have no effect whatsoever on pending cases and I intend to include with my statement a letter from the Chairman of the Commission to that effect.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from West Virginia.

Mr. BAILEY. The gentleman will agree that the arbitrary action of the Commission which the court has upset has already caused a series of approximately 70 cases? I may say to the gentleman that the passage of this legislation granting the Commission the authority to do what they have been doing and want to legalize now will cause the greatest source of litigation throughout this country that has occurred on any question in half a century.

Mr. HARRIS. I cannot agree with the gentleman, and I believe if he were familiar with the facts, as the testimony revealed to our committee, he would have a different viewpoint also. It is not because of the Commission that we have these cases. It is because of section 309 (c) of the Federal Communications Act that we have these cases pending. All 70 of them have not been appealed to the courts or passed on by the courts; there have been only a very few of them. But because of the fact that we have these cases pending before the Commission, they have to go to full evidentiary hearings, and it is going to be a long time, a year or year and a half or 2 years, or longer, before the Commission can complete them.

It has been determined that the protestants in many instances have no legitimate right to protest whatsoever, but because of the construction of the act, under the provisions of the amendment of 1952, the Federal Communications Commission must order all of these to hearing, and we are attempting to correct this unjust and inequitable procedure. The public interest requires it.

Mr. BAILEY. Does the gentleman believe that it would be safe to vest that much arbitrary authority in any group like the Federal Communications Commission?

Mr. HARRIS. Our committee fully believes that it is not only safe, but it is the proper thing to do in order that the public interest can be protected.

Mr. DORN of South Carolina. Mr. Chairman, will the gentleman yield further?

Mr. HARRIS. Yes.

Mr. DORN of South Carolina. The gentleman has been most kind, and I appreciate it. I am wondering if this is a gentleman's agreement between the members of the committee and the Commission, or is there something in the bill which would protect these cases now before the Commission?

Mr. HARRIS. Well, of course, the case in which the gentleman is interested is already in hearing. The Commission advises me in the Spartanburg case they have already ordered it to full evidentiary hearing and it is now underway. So there is nothing in this that can stop or affect that whatsoever.

Mr. DORN of South Carolina. I thank the gentleman.

Mr. HARRIS. And also the case at Clarksburg, W. Va., in which the gentleman from West Virginia is interested. As I have been advised by letter of July 6, 1955, I will say to the gentleman that these proceedings were the subject of an appeal to the Court of Appeals for the District of Columbia, and on June 9 the court handed down a decision in the case reversing the Commission's previous action. The mandate from the court was issued June 27th, and pursuant to the mandate the Commission did on July 6th designate the proceedings for full evidentiary hearing. So therefore the Clarksburg case is likewise mandated for full evidentiary hearing, and they will proceed accordingly.

Mr. BAILEY. Mr. Chairman, if the gentleman will yield further, I have a copy of the same letter the gentleman has, stating the Commission's intention to abide by the court's decision. I am thinking of what lies in the future if we permit the Commission to proceed in the manner in which it has been proceeding and in that way put legal approval on some of their acts in the past. That, I think, is the main objective of this legislation.

Mr. HARRIS. The court said under the construction placed on the protest section the Commission had no discretion whatsoever. What we say now is that the Commission does have some discretion in these matters, in the public interest, and when there is protest they will have oral argument to find out whether or not it is a legitimate protest. But, where there is no legitimate protest, the Commission can see that the people who are entitled to the service can get it.

Mr. BAILEY. The gentleman spoke of oral hearings. Did the gentleman ever hear of anybody getting into court on the basis of oral hearings? I always thought there had to be a record established.

Mr. HARRIS. Of course, that is the only way to establish the record. The committee believes that this legislation is highly necessary, and it is, of course, a matter of emergency, and we bring it to you, in order to try to get this matter cleared up during this session of the Congress. It has the complete approval of the Federal Communications Commission and the Federal Communications Bar of the District of Columbia.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Minnesota.

Mr. O'HARA of Minnesota. The gentleman from Arkansas I am sure will agree with me that in the controversies which we have had before the committee on legislation affecting the Federal Communications Act, this is the first time that the Federal Communications Bar and the Federal Communications Commission agreed upon a principle which is involved in this bill. I am sure the gentleman would agree with me that these gentlemen who are members of the Federal Communications Bar are, most of them, representing these people who are involved in the litigation and who are the protestants in these cases.

Mr. HARRIS. That is true, and they feel the rights of interested parties are fully protected under the provisions of this bill.

Mr. O'HARA of Minnesota. Exactly.

Mr. HARRIS. It is certainly interesting that these two groups have gotten together for the first time in our experience, and that has been a good many years.

The purpose of this bill, Mr. Chairman, is to provide that anyone who merely indicates that he has an interest because of some economic, competitive feature may not just hold up an application and prevent other people from obtaining the service. He must show a legitimate interest. I do not believe this Congress should permit any kind of blackmail to prevail in this country and I do not believe any Member of this House would so recommend.

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C., July 6, 1955.

Hon. OREN HARRIS,
Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN HARRIS: I am in receipt of your letter of July 2, 1955, referring to the Clarksburg, W. Va., protest proceeding and inquiring what effect, if any, the proposed amendments to section 309 (c) of the Communications Act, contained in H. R. 5614, would have on future Commission proceedings in this case.

As you know, the Clarksburg proceeding was the subject of an appeal to the Court of Appeals for the District of Columbia Circuit. On June 9, that court handed down

a decision reversing and remanding the Commission's previous actions in the case. The mandate from the court was issued on June 27 and received by the Commission on June 28, 1955. Pursuant to this mandate, the Commission has today designated the proceeding for full evidentiary hearing. At the same time, the Commission postponed the effectiveness of the Clarksburg grant pending a final decision in the new hearing which has been ordered.

I have discussed the problem raised in your letter as to the effect of adoption of H. R. 5614 upon the Clarksburg proceeding with the other members of this Commission. They are in agreement with me that the public interest would not be served by reconsidering the designation of the case for evidentiary hearing or the postponement of the effective date of the grant which has been protested, should the amendments to section 309 (c) be subsequently adopted at this session of Congress. And we do not believe that there is anything in H. R. 5614, as it is presently written, which would in any way require the Commission to reverse either of these determinations.

Since your inquiry raises the question of the retroactive effect, if any, of H. R. 5614 upon the proceedings in Clarksburg, and in view of the general discussion of this matter at the hearings before your subcommittee, the Commission has given serious consideration to this question generally as well as in connection with the particular Clarksburg proceeding. It is our opinion that in the absence of any congressional statement of intent on the matter, it might be legally possible for the Commission to reconsider previous determinations as to whether evidentiary hearings are required or grants should be stayed in those cases which are still pending before the Commission. In general we believe, however, that the public interest would not be served by any such reconsideration. The only exception to this view which the Commission has is with respect to cases where the Commission has issued a final decision denying a protest, either before or after hearing, and in which, pending a court appeal, the grantee has constructed its station and begun operation. Under these special circumstances the Commission believes that if it is reversed by the court of appeals, it should have the opportunity, in the event that the amendments to section 309 (c) have been enacted into law, to conduct any further proceedings upon the basis of the amended language of section 309 (c).

Sincerely yours,

GEORGE C. MCCONNAUGHEY,
Chairman.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield such time as he may require to the gentleman from Iowa [Mr. DOLLIVER].

Mr. KEATING. Mr. Chairman, would the gentleman from Iowa yield for a brief question?

Mr. DOLLIVER. I yield to the gentleman from New York.

Mr. KEATING. Was there any opposition before the gentleman's committee expressed to this measure from any source?

Mr. DOLLIVER. We had some communications from people who are directly interested in matters now pending before the Commission but, as has been expressed by the gentleman from Arkansas [Mr. HARRIS] it was not our opinion that those matters would be affected by this proposed legislation.

Mr. KEATING. But there was no one expressing opposition except those who had a specific interest?

Mr. DOLLIVER. That is entirely correct.

Mr. Chairman, one of the very fine things about the American system of government is that we have three separate branches: the legislative, the executive, and the judicial. Every now and then the legislative branch of the Government enacts a law which has to be interpreted by the judicial branch of the Government. Sometimes when those judicial interpretations are made, the judicial branch of the Government sees the situation in a little different light than was contemplated by the legislative branch. That is precisely what happened in the situation now before us.

In the so-called McFarland Act that we passed in 1952, there was a provision for protesting a grant of a radio or a television license. The provisions as we now look upon them may have been rather hastily or even loosely drawn.

In the interpretation of those provisions, the judiciary—that is, the circuit court of appeals—in two different instances, I believe, determined that whatever the allegations are in the petitions, whatever may be the merits or lack of merits, the Federal Communications Commission is required to hold an evidentiary hearing. That is to say, the protest cannot be disposed of, no matter what matters are alleged in the protest, unless evidence is taken.

That may not seem a very important matter. Actually it has been a very serious impediment to the work of the Federal Communications Commission. It has tied up pending applications, as the gentleman from Arkansas [Mr. HARRIS] has already told you, to the number of about 70. Even if heard upon the merits and if everything set out in the protest were proven, some of them would not justify a holding up of the application and a denial of the wavelength to the applicant. The filing of a protest under such conditions is a delaying action only, and should have no standing. This measure is designed to correct that situation.

To speak about the problem in a little different aspect, the Members of the House who are lawyers are familiar with the term "demurrer," which is used in the pleadings in a lawsuit. Where a pleading is filed, then the man who makes the demurrer says, "Well, what of it? If you prove everything you say you can prove, what difference does it make?"

So it is in this bit of legislation we are considering. We are saying that the Communications Commission shall have the right to look at the four corners of a protest against an application and say, "Well, even if you prove everything that is in this protest, it does not make any difference because it does not justify a denial of the application against which the protest is filed."

When we went into these hearings, and I think I attended all the hearings, I was a bit skeptical as to the necessity for this legislation. I participated in the consideration of the McFarland amendment some years ago, and I thought we did a pretty good job at that time.

As the evidence developed, however, it became quite apparent to me that here was a procedural provision in this law which could and actually had tied up the operations of the Communications Commission.

Specifically in certain areas it has tied their hands to the point where considerable segments of the people of the United States are not receiving television and radio service to which they ought to be entitled. This legislation is designed to correct that situation, to facilitate and accelerate the use of these facilities which are under the control of the Communications Commission.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. DOLLIVER. I yield to the gentleman from Illinois.

Mr. SPRINGER. I was interested in the separate statement of Commissioner John C. Doerfer, in which he gave this illustration, which brings out the point the gentleman has made:

> Recently, out of 1,400 minutes of deliberation by 7 members of the Commission, 397 minutes were spent considering protest matters, or a total of 28 percent of full Commission time. This constitutes a demand for an undue proportion of time on matters which eventually prove to contribute little, if anything, to the protection of the public interest.

That is the gentleman's position, is it not?

Mr. DOLLIVER. Precisely so.

Mr. SPRINGER. In my particular area I found this to be true under the old rule, and I am talking about the one that exists at the present time. There was a situation where one station might be in existence and operating and another one starts to come into existence, and the owner of the first station rushes in and protests just for the very purpose of delaying the other party in getting on the air—that is the sole purpose of the protest—with the result that the people in that area do not get the service of the other person who eventually, a year or 2 or 3 years later, does get on the air. That is the kind of thing which has been used in this protest procedure, merely to save time and keep people off the air and not give the Commission the chance really to decide the issue on the merits.

Mr. DOLLIVER. The legislation now existing opens the door wide to that kind of improvident protest. There even have been suspicions by some people that the protest section as now set up is used as sort of a medium for blackmail and hijacking against the applicant who has a legitimate right to have his case heard.

Mr. SPRINGER. I think in the beginning when the McFarland Act was passed the fact of it was that the Commission went too far the other way and did not allow people to get their protest in in time. Was that not true?

Mr. DOLLIVER. I think perhaps that may be correct.

Mr. SPRINGER. But this provision 309 (c) is of such a nature that it does practically allow delay on almost any excuse. What the pending bill actually does is find rather a middle ground in this whole procedure. Is that not true?

Mr. DOLLIVER. That is correct. I may say to the gentleman that Commissioner Doerfer, to whom he referred, was originally in favor of repealing the whole section 309 (c), as appears in his testimony. But the Communications Commission, as I understand, agreed to the amendments that were offered and agreed upon by the Federal Communications Bar.

Mr. SPRINGER. May I ask the gentleman this further question: It is true that most of the practice before the Federal Communications Commission on this section 309 (c) has been by Washington, D. C., members of the bar, is it not?

Mr. DOLLIVER. That is entirely true.

Mr. SPRINGER. And they have come to realize the fallacy of this kind of procedure, and they are almost without exception recommending this change in order to get away from this delay?

Mr. DOLLIVER. Their organization, the Federal Communications Bar, I believe, did agree to the legislation now before the House.

Mr. SPRINGER. I thank the gentleman.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. DOLLIVER. I yield.

Mr. WILLIAMS of Mississippi. A moment ago someone inquired as to the opposition to this legislation before the committee. If I recall correctly, Mr. Cottone was the only witness who appeared and took exception to the purposes of the legislation. If I recall correctly, I believe the basis of his opposition can be narrowed down to this one issue, and that is his contention that there would be a psychological advantage on the part of the temporary holder of the certificate pending the evidentiary hearing merely by virtue of the fact that he happened to have the certificate. Is that not just about the basis of his opposition?

Mr. DOLLIVER. May I further say Mr. Cottone, I believe, is in accord with the present bill. There were certain amendments which were proposed and accepted by the committee which I think has now satisfied him and his group.

Mr. WILLIAMS of Mississippi. I believe the gentleman is correct. I do not believe anyone appeared in opposition to the entire bill.

Mr. DOLLIVER. I think that is correct.

Mr. WILLIAMS of Mississippi. Some of them, of course, had suggestions for amendments to the bill.

Mr. DOLLIVER. Mr. Chairman, let me say this is wholly a procedural matter. It does not affect the legitimate rights of anybody. It is a necessary amendment to a law which will enable the American people to get fuller and more prompt use of the great facilities of the ether waves so that they can have television and radio more promptly than they get it now under the present provisions.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. DOLLIVER. I yield.

Mr. HARRIS. Did not the hearings reveal that it is possible for the jukebox operator in a community to file a protest and become a party in interest and delay or hold up a grant for an indefinite period of time?

Mr. DOLLIVER. In the hearings we were informed that a jukebox operator could hold up an application for an indefinite period of time awaiting the evidentiary hearing. Even though there was no substantial interest shown by him, and even if he proved everything he said in his protest, he would not be granted relief. Under the present rulings of the court, the evidentiary hearing must be held before the Federal Communications Commission can make a decision on it.

Mr. O'KONSKI. Mr. Chairman, will the gentleman yield?

Mr. DOLLIVER. I yield.

Mr. O'KONSKI. As one who is acquainted with the radio and television industry, and also with the working of the Federal Communications Commission, I wish to commend the committee for bringing out this much needed legislation. I happen to be one who agrees with Commissioner Doerfer. I think the country would be better off if the entire section were stricken. However, the bill reported by the committee is definitely a step in the right direction and I compliment the committee on bringing it out.

Mr. DOLLIVER. I thank the gentleman. I am well aware of the fact that he is well informed in this field.

Mr. FLYNT. Mr. Chairman, will the gentleman yield?

Mr. DOLLIVER. I yield.

Mr. FLYNT. I would like to point out, if I may, in connection with the remarks made by the gentleman from Iowa that this legislation has no application whatsoever which would affect the rights of any possible applicant for any new or existing radio or television rights.

Mr. DOLLIVER. That is entirely correct.

Mr. FLYNT. This is simply a clause set in there which under present and existing law makes it possible for a person who has no interest and no desire for a competing radio or television station under the law as it is now written to absolutely take an existing facility off the air and deny the people of the community being served the right to be served by this communication facility.

Mr. DOLLIVER. The gentleman from Georgia has spoken very well.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. DOLLIVER. I yield.

Mr. SAYLOR. I certainly hope that is the aim, but page 2, lines 17 to 19, give me some concern as to whether or not that would be the actual effect because it reads:

> The Commission may in such decision redraft the issues urged by the protestant in accordance with the facts or substitute matters alleged in the protest.

Would not those very words allow the Commission to do just what the gentleman says the purpose of the bill is to avoid?

Mr. DOLLIVER. Not in my opinion, if the gentleman is asking my opinion.

I conclude, Mr. Chairman, by saying that I hope this bill will be passed promptly and unanimously.

Mr. PRIEST. Mr. Chairman, I yield 7 minutes to the gentleman from West Virginia [Mr. STAGGERS].

Mr. O'HARA of Minnesota. Mr. Chairman, I yield the gentleman 5 minutes also.

Mr. STAGGERS. I appreciate the time granted me.

Mr. Chairman, I believe that by enacting this bill it will be a step backward to the legislation we had in 1952. At that time, compelling questions came before the Congress and the Congress amended the Communications Act and put in these provisions. This proposed legislation would simply wipe them out again and go back. I believe if we do enact this bill, within the next 2 or 3 years we will be back again enacting the same legislation that we are wiping out today.

The protests in 1952, and before that time, were that the Federal Communications Commission would not grant hearings to the applicants for radio and television stations, and the Congress said if that is true we will draw a law requiring them to do it. What we are doing today with this legislation is going back to the point that the Commission again would not have to grant hearings. Why should not any group or any applicant for a television or radio station, or any group that is interested in the granting of licenses, have a hearing? It is too important a question to say that the majority of the Commissioners shall rule as to whether one certain group shall have a license or another certain group shall have a license without hearing all the facts? I know the proponents of the bill say that if the protestant comes in and makes a good case he can have a hearing. However, that is not mandatory under this regulation, and I do not believe any one of the men who are proposing this bill will say that it is.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield.

Mr. HARRIS. If the Commission were to make an arbitrary decision, certainly the protestant would have a right of appeal to the court. Is that not true?

Mr. STAGGERS. Yes, but I feel as does my colleague from West Virginia, Mr. BAILEY, that only after oral hearings could they deny. Then what basis would they have to go into court?

Mr. HARRIS. Any arbitrary or capricious decision that the Commission might make in any case.

Mr. STAGGERS. Who is going to determine whether it is arbitrary or capricious?

Mr. HARRIS. The court.

Mr. STAGGERS. If that is the case, we are not getting away a bit, then, from these hearings.

I heard the word "blackmail" referred to in connection with the granting of licenses, that anyone who wanted to could go in and protest, pay them under the table or some other way, and get a license. It is pretty difficult to see how that could happen.

I would like to refer to the decision in a West Virginia case. At 5 o'clock one evening one member of a group decided

to withdraw, but the license was granted the next morning.

I am only protesting here the fact that I believe that every person who has a right to apply for a radio license should have the right to a hearing, however small he might be, and that the large chains, the men with money, or who have influence in Washington with the Federal Communications Commission should not be the only ones to have a right down here. They are not the only ones who have a right to a radio or television station. I believe that is exactly what is going to happen.

The law, as now written, says that the Commission has the right to say whether they have a proper protest or not, and if they do not have a proper protest it is not lapsed.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield.

Mr. HARRIS. If the gentleman stakes his position on the basis of what he has said, then he would withdraw his objection to this bill, because it is quite obvious from the Court decisions, several cases that have been decided, the Commission has been reversed under proceedings of 309 (c) to the effect that the Commission does not have any discretion whatsoever. In one it held that in the case of the applicant asserting he was a party in interest, whether he had a legitimate interest or not, the Commission has no discretion and must hold evidentiary hearings.

Mr. STAGGERS. I wish the gentleman would cite the case he uses as a basis for that.

Mr. HARRIS. It is the decision of the courts.

Mr. STAGGERS. I would like to see such a court decision. Can the gentleman cite one for me?

Mr. HARRIS. The gentleman will remember the Clarksburg, W. Va., case decided in the circuit court of appeals.

Mr. STAGGERS. Holding that they have a legitimate right to protest.

And if they do not have a legitimate right to protest then they would not have a right to the hearing.

I would like to refer to statements from men who appeared as witnesses. My good friend from Mississippi, a member of the committee, quoted Mr. Williams. He came in to protest. Let me refer briefly to his statement.

He said he was concerned with the intended modification of the protest provision, particularly from the standpoint of its effect on the UHF stations; that the UHF stations throughout the country have had a bitter experience and have made vigorous efforts to try to correct the situation which is very common in this field.

A little later he also makes the statement that it has only been by a complete reliance on the present provisions of the statute, namely, the protest provision, in a great many instances that their situation has not been made worse than it might have been. He says their situation has been brought about by reason of this protest provision being included.

I know that most of the people in the country have heard of the situation of the UHF stations. He says it is only because of this one provision, that they have not been completely wiped out of existence.

My position is this: I was not on the subcommittee, did not have an opportunity to hear any of the hearings. The morning it was brought up in the full committee it was brought up by unanimous consent and had not been scheduled. I had in my files some protests against the Commission. On that morning it was voted out we had little discussion, but I am certain that the members of the full committee did not get the significance of it. I did say I had enough confidence in the other members of the committee to go along and allow it to come up for consideration by unanimous consent. However, I did protest the bill being reported out under the conditions that existed.

I believe that if we give this power to the Federal Communications Commission, the small person in the United States who wants a radio station or wants to start a television station will not have a chance before the Federal Communications Commission. I have protested in committee many, many times, the power that has been given by this Congress to the commissions downtown. Today they are running the Government of the United States regardless of what the Congress says. Unless we enact laws to curtail their power from time to time they arbitrarily take unto themselves these powers that we grant and a lot more, too. If they had had hearings to consider these protests this question would not have come up.

I know that the proponents of the bill will say that they do not have the personnel and that there would be constant hearings. If it is so important a question, then the Congress should grant money to the Federal Communications Commission so that they would have an opportunity to have a hearing for every applicant who wants a license.

Mr. FLYNT. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Georgia.

Mr. FLYNT. In this connection I would like to point out to the gentleman from West Virginia that the only time the Federal Communications Commission can refuse to grant a hearing is when a majority of the Commission rules that if everything contained in the protest is true the protest still could not be allowed.

Mr. STAGGERS. Under present or proposed law?

Mr. FLYNT. Under present law.

Mr. STAGGERS. What about under the proposed law?

Mr. FLYNT. Under the proposed law, too.

Mr. STAGGERS. Both of them?

Mr. FLYNT. Both of them.

Mr. STAGGERS. I am certain that is true, but that means a majority of those present. That could be how many for a Commission hearing? It would not have to be of one group or of another group. It could be under many different circumstances. I think the gentleman from Georgia will agree with me on that.

Mr. Chairman, I am not here to protect the interests of any one single group. I say that the smaller groups, if they want an application for license granted, should have a hearing. That is our system of law. It has been made plain enough that under section 309, if the protest is not legitimate, it does not have to be allowed. My friend makes that very clear. That is in their discretion. I say in the Clarksburg case the protestants had a legitimate excuse or the case would not have been tried in court. The court decided they should have a hearing.

Mr. Chairman, I am against the proposed legislation. I do not say it is an abridgment of our free rights, but it is an abridgment of the rights of all the people to come in and be heard before a Commission and have a complete hearing. The bill should be defeated. It should be sent back to the committee, amended and brought back, because there are some provisions of this bill that could be very useful.

Mr. PRIEST. Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I am opposed to this legislation because it is dangerous. I am opposed to granting unlimited authority to any bureau like the Federal Communications Commission to deny any individual the right to a hearing. I am opposed to this legislation because it will lead to the acquisition of what few remaining television and radio channels throughout the United States have not already been acquired. It will lead to their acquisition by groups already organized and well set up in the radio and television business. It is dangerous legislation because of the provision in it and the amendment put in the present bill changing the act as it was passed in 1952 to provide oral hearings. It would be almost impossible for a party in interest whom the Commission decided against to get an oral hearing. It would be almost impossible for him to get into court on the basis of just an oral hearing. The object of it and the people back of it is this: It is a deal between the Federal Communications Commission and this group of attorneys who are practicing in the field of television and radio. There was no public interest and no public demand for this legislation, and few, if any, people who actually represented the public were present and gave testimony at the hearings before the subcommittee of the Committee on Interstate and Foreign Commerce. I think the legislation should go back to the committee for more mature consideration. There is some other way of finding and smoothing out the administration of these laws pertaining to the Federal Communications Commission in denying the average American citizen his day in court. And that is exactly what this does.

Mr. PRIEST. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. QUIGLEY].

Mr. QUIGLEY. Mr. Chairman, I am opposed to this bill and urge the Members to vote against it. On its face it appears to be a harmless measure which merely attempts to prevent disinterested

individuals from unduly delaying actions of the Federal Communications Commission by demanding and obtaining dilatory hearings. If this is all the bill would do it most certainly would not have my opposition. I am fearful, however, that if this measure passes it may further weaken the position of the small, independent radio and television stations—and particularly those television stations assigned to the ultra high frequency channels—in their struggle to maintain competition in broadcasting.

Recent actions by the Federal Communications Commission have shown an alarming disposition to encourage monopolies in the television industry. It was this trend which prompted me to request the House Interstate and Foreign Commerce Committee to conduct an investigation of the Federal Communications Commission.

Furthermore, I think it is significant that FCC's request for this legislation was not joined in by Miss Frieda Hennock, then a member of the Commission, and, as everyone knows, an ardent supporter of the independent stations. I think it is further significant that this bill was most ardently supported by Commissioner John Doerfer, whom I believe all of you will agree, has not exactly shown himself to be the champion of the small, independent station.

I suggest that the wisest course of action for the House to follow today is to send this bill back to committee for further study to make certain that its passage will really prove to be in the public interest.

Mr. PRIEST. Mr. Chairman, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD in connection with the bill under consideration.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. WOLVERTON. Mr. Chairman, the bill under consideration amends section 309 (c) of the Communications Act of 1934. As stated in the report, the purpose of the amendment is to prevent the abuse of the protest procedure, provided for therein, by persons who are primarily concerned with the furtherance of their own private economic interest, and who are in a position to use the existing provisions of the section to delay the institution of radio or television services which the Federal Communications Commission, without a hearing, has approved as being in the public interest. The bill intends to accomplish this purpose by—

First. Eliminating the necessity for holding full evidentiary hearings with respect to facts alleged by a protestant which, even if proven to be true, would not constitute grounds for setting aside the grant which the Commission has made; and

Second. Giving the Commission some discretion to keep in effect the authorization being protested where the Commission finds that the public interest requires the grant to remain in effect.

The protest provision has now been in effect for almost 3 years. On the basis of the experience with the existing provisions of the section, as presented during the hearings on this bill by the Federal Communications Commission as well as the other witnesses, including broadcasters and representatives of the Federal Communications Bar Association, I am convinced of the necessity for amending section 309 (c).

Two factors in particular necessitate the making of changes.

First, court interpretations of section 309 (c) have created considerable doubt whether the Commission now has the authority to dispose of any protest without holding a full evidentiary hearing, once the protestant has shown himself to be a party in interest and has detailed his objection to the grant. Thus, a full evidentiary hearing may now be required although the facts alleged in the protest, even if true, would not be grounds for setting aside the grant. This results in a considerable and useless administrative burden on the Commission.

Second, except in the case of an already existing service, the provisions of section 309 (c) make it mandatory for the Commission to stay the effectiveness of the protested grant pending the outcome of the full evidentiary hearing. As a result of such a stay the public may be deprived unnecessarily for a prolonged period of time of a new radio or television service.

The situation resulting from these factors is aggravated further by reason of the fact that broad classes of persons have standing as "parties in interest" to file protests. Not only may radio and television licensees protest grants of radio or television authorizations, respectively, but radio licensees may protest television grants and vice versa television licensees may protest radio grants, and even newspapers without radio interests which have alleged a threat of economic injury may protest radio or television grants. In many of these cases the protests are based on grounds which have little or no relationship to the public interest.

While the classes of persons who have standing as "parties in interest" to file protests are very broad, it is believed that the continuance of abuses of section 309 (c) can be curbed by the amendments to section 309 (c) proposed in this bill without attempting to limit such classes of persons.

In order to meet the first factor mentioned above, the bill makes perfectly clear that the Commission has the authority to dispose of protests without holding a full evidentiary hearing where the Commission finds that the facts alleged in the protest, even if proven true, would not constitute grounds for setting aside the grant being protested. This would give the Commission authority to demur any or all of the issues raised by the protestant, and would be similar to a court's authority to issue a summary judgment in appropriate proceedings. This would serve to protect the public's interest and to prevent the statute from being used merely as a vehicle to delay the institution of a competitive service.

In order to meet the second factor mentioned above, section 309 (c) is amended so as to empower the Commission, even where a full evidentiary hearing is ordered, to continue the protested authorization in effect if the Commission affirmatively determines that the public interest so requires and sets forth in its decision the reasons for such determination.

The committee has amended the bill to provide that the Commission shall afford the protestant an opportunity for oral argument before it may eliminate as insufficient any issue which has been raised. This amendment was proposed during the hearings on the bill by the Federal Communications Bar Association. The Commission has indicated that it has no objection to this requirement being written into the statute.

Under the existing statute there has been some doubt as to the Commission's authority to redraft the issues specified by the protestant in his protest. Such authority to redraft the issues is considered necessary since those set forth by the protestant may not accurately reflect the facts alleged in the protest and may include matters which are irrelevant to a determination as to whether the grant in question is in the public interest. The bill has been amended so as to, first, spell out the right of the Commission to redraft issues based on the facts alleged in the protest, and second, make it clear who has the burden of proof with respect to the issues in a protest hearing. The Commission has agreed to these changes, which were proposed by the Federal Communications Bar Association.

I trust the bill will have the approval of the House.

Mr. PRIEST. Mr. Chairman, I yield 4 minutes to the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS of Mississippi. Mr. Chairman, as I understand this legislation, based on the hearings and the committee consideration and at the risk, perhaps of oversimplifying it, I would say that basically the points in issue here are twofold: First, the legislation permits the Federal Communications Commission, in its discretion, to grant a temporary permit to an aplicant, even where there may have been a protest filed, to operate pending a hearing on the protest. Certainly, the public interest would not be placed in jeopardy by permitting temporary operation pending the protest. I fail to see whose rights would be jeopardized in such a case, particularly in view of the fact that an evidentiary hearing must be held and a final decision made. It appears to me that the person who accepts a temporary license or permit under such circumstances does so with his eyes open and at his own risk.

It might be pointed out further that it is not mandatory upon the Commission to grant this temporary permit, but it may be done at their discretion, but only when they feel that the public interest would be served by granting it.

In the second instance, this bill permits the Commission to do in effect what the courts may do, which is to sustain a demurrer where the charges and allegations of the protestant fail to make a case.

Based on the hearings before our committee, I was fully convinced that this proposed legislation is necessary in order

to obviate many dilatory protests which are filed in many of these cases. It would eliminate redtape, which we all abhor, and, in my opinion, it makes for a fair and orderly procedure in the granting of these licenses.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Mississippi. I yield to the gentleman.

Mr. BAILEY. Is the gentleman aware of the fact that arbitrary action of the Commission resulted in the Dumont network losing all facilities rights in the city of Pittsburgh and that a suit has already been filed in that matter? And other suits have been filed; one, for instance, by a constituent of my colleague [Mr. STAGGERS] from Morgantown, W. Va., who had already filed for that station. By the action of the Commission, they were left out. They are all going to court.

Mr. WILLIAMS of Mississippi. I must say that I am not familiar with that particular case. Perhaps someone else on the committee may be able to answer the gentleman.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Mississippi. I yield to the chairman of the committee.

Mr. PRIEST. If I understand the situation—and I believe I am correct in this—those were not protests but counterapplications, were they not, which is an entirely different category?

Mr. BAILEY. That is true.

Mr. PRIEST. It does not affect counterapplications whatsoever.

Mr. BAILEY. What rights do they have?

Mr. PRIEST. They may file a protest against an applicant without applying for the wavelength that the applicant is applying for. They may file a protest. It does not affect counterapplications.

Mr. BAILEY. If this bill passes, the Commission could say to them that the protest has no meaning and could disregard it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, I should like to ask the gentleman from Mississippi [Mr. WILLIAMS] this one question. It has been said here on the floor of the House that a protestant does not have his day in court. He has his day in court the same as if he had filed a lawsuit, does he not?

Mr. WILLIAMS of Mississippi. Under this bill, yes.

Mr. SPRINGER. And the Commission acts upon it in the same way that a judge would if the gentleman or I filed a case in the court here in the city of Washington. This is a situation wherein the judge decides upon the allegation itself, and if the complaint does not state a case, just as it would be, may I say to the gentleman from West Virginia [Mr. BAILEY] in West Virginia courts, the judge throws him out of court and decides he is not entitled to introduce any evidence, because, taking all the facts into consideration, he has not made out a case upon which there could be a hearing. Is not that true?

Mr. WILLIAMS of Mississippi. The gentleman is absolutely correct. Of course, as he well knows, under the law at present anyone who can establish himself as a party in interest, no matter how indirectly he may be in interest, as a competitor or on behalf of the public, can by filing a protest stop the radio station or television station from going into operation. Under those circumstances, the filing of dilatory protests, of course, jeopardizes in many cases the public interest. Also, it is contrary to the interest of the person who is seeking the permit.

On the other hand, under the bill that is before the House now, a temporary permit may be granted at the discretion of the Federal Communications Commission in the event they feel it is in the public interest to grant that temporary permit. Certainly nobody can say that anybody's interests or rights are jeopardized under those circumstances, pending a full evidentiary hearing.

Mr. SPRINGER. The gentleman, I think, has stated the case correctly.

Mr. O'HARA of Minnesota. Mr. Chairman, this proposed legislation came from our committee unanimously with the possible exception of the gentleman from West Virginia, who I believe voted present. If the gentleman wishes to correct that statement, I will be happy to have him do so.

Mr. STAGGERS. I voted against bringing out the bill.

Mr. O'HARA of Minnesota. The gentleman's vote was the only vote against the bill.

Mr. Chairman, I think it is a good legislation, sound legislation, and I hope it becomes law.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That subsection (c) of section 309 of the Communications Act of 1934, as amended, is amended to read as follows:

"(c) When any instrument of authorization is granted by the Commission without a hearing as provided in subsection (a) hereof, such grant shall remain subject to protest as hereinafter provided for a period of 30 days. During such 30-day period any party in interest may file a protest under oath directed to such grant and request a hearing on said application so granted. Any protest so filed shall be served on the grantee, shall contain such allegations of fact as will show the protestant to be a party in interest, and shall specify with particularity the facts relied upon by the protestant as showing that the grant was improperly made or would otherwise not be in the public interest. The Commission shall, within 30 days of the filing of the protest, render a decision making findings as to the sufficiency of the protest in meeting the above requirements; and, where it so finds, shall designate the application for hearing upon issues relating to all matters specified in the protest as grounds for setting aside the grant, except with respect to such matters as to which the Commission finds, for reasons set forth in the decision, that, even if the facts alleged were to be proven, no grounds for setting aside the grant are presented. The Commission may also specify in such decision that the application be set for hearing upon such further issues as it may prescribe, as well as whether it is adopting as its own any of the issues resulting from the matters specified in the protest. In any hearing subsequently held upon such application issues specified by the Commission upon its own initiative or adopted by it shall be tried in the same manner provided in subsection (b) hereof, but with respect to issues resulting from matters set forth in the protest and not specifically adopted by the Commission, both the burden of proceeding with the introduction of evidence and the burden of proof shall be upon the protestant. The hearing and determination of cases arising under this subsection shall be expedited by the Commission and pending hearing and decision the effective date of the Commission's action to which protest is made shall be postponed to the effective date of the Commission's decision after hearing, unless the authorization involved is necessary to the maintenance or conduct of an existing service, or unless the Commission affirmatively finds for reasons set forth in the decision that the public interest requires that the grant remain in effect, in which event the Commission shall authorize the applicant to utilize the facilities or authorization in question pending the Commission's decision after hearing."

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 2, line 13, after the comma, insert "after affording protestant an opportunity for oral argument."

The committee amendment was agreed to.

The Clerk read as follows:

Page 2, line 17, after "Commission" insert "may in such decision redraft the issues urged by the protestant in accordance with the facts or substantive matters alleged in the protest, and."

Mr. HARRIS. Mr. Chairman, I move to strike out the last word. I do this for the purpose of yielding to the gentleman from Massachusetts, who has a question he would like to ask.

Mr. BOLAND. Mr. Chairman, the encroachment by the large superpower VHF stations and the national networks upon the many locally owned independent UHF stations is a matter of deep concern to those of us who oppose the slow, imperceptible, but nonetheless steady trend toward monopoly in the field of television. There is little question that a great many UHF stations have been experiencing some real financial and program difficulties. Most of the difficulty stems from the competition and the interference of VHF networks. The protest provision of the Communications Act has been the vehicle by which the UHF stations have been given some measure of protection and the assurance of fair consideration. And this has been particularly so with reference to situations where VHF stations are trying to move transmitters to locations close to locations of existing UHF stations. The overlapping of the service area of stations is another problem that has been met by the protest procedure of the act.

Because of my concern with these and other matters attending the small, individually operated, local television station, I would like to inquire of the Interstate and Foreign Commerce Committee and specifically of the chairman of the subcommittee that studied this matter, the gentleman from Arkansas [Mr.

HARRIS], whether, in his opinion, the proposal before us today would in any way constrict the rights of the UHF, small, independent station under the protest procedure section? And, further, what the attitude of this group was in relation to the amendments of whether it voiced any opposition to the recommendations?

Mr. HARRIS. It is our considered opinion that it would not so restrict the rights of the small stations or anyone interested. I might say in relation to these amendments presented here, as was stated previously, that the Federal Communications Bar Association and the Federal Communications Commission after consultation and consideration agreed on them. The one just read and the one previously adopted were the amendments agreed to.

In a letter addressed to me by Mr. Percy H. Russell, Jr., president of the Federal Communications Bar Association, he states:

> We feel, as does the Commission, that H. R. 5614 as amended will avoid any serious possibility of the protest procedure being abused in the future while at the same time affording adequate protection to interested persons who have bona fide—

I repeat, "bona fide"—

> matters to bring to the Commission's attention.

I think that specifically answers the gentleman's question.

Mr. STAGGERS. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from West Virginia.

Mr. STAGGERS. In regard to this matter of the UHF, in reading this statement of Mr. Cattone, I gathered all through the hearings that he did protest, and he represents the UHF interests. He said if they had never had this protest section, they practically would not have been allowed to operate. He said at one time he was the head of this Federal Bar Association and one of those cooperating with the commission here trying to put them out of business. He said he is not trying to throw any criticism on them, but he did maintain at one time he was president of the Federal Bar Association.

Mr. HARRIS. The gentleman has mentioned Mr. Cattone again. I would like to reply to what the gentleman has said. It is remembered that Mr. Cattone was General Counsel of the Federal Communications Commission for a good many years. In fact, Mr. Cattone, as I recall, was General Counsel of the Federal Communications Commission at the time the McFarland amendments were adopted, and it was the Federal Communications Commission and Mr. Cattone who entered serious protests at that time; their feeling at that time was that this amendment was inadvisable and should not be adopted. They opposed it and did everything they could to prevent this Congress from adopting it. It is a rather strange situation that the same Mr. Cattone, when he is out of Federal service, would, as the gentleman says, indicate that he thinks this provision should be retained. But let me remind the gentleman of this: That Mr. Cattone is a member of the subcommittee of the Federal Communications bar and served on that committee which, after the hearings referred to by the gentleman from West Virginia, came together with the Federal Communications Commission and agreed on the amendments which we are considering at the present time, saying in effect, "With these amendments we think we will be protected."

Mr. STAGGERS. I made a misstatement there which I would like to correct. He was chairman of the committee on rules of the Federal Bar Association. Further, I would like to ask the gentleman this question: Did anyone who represents a small industry—the radio or television industry—at any time come in and testify as to how this would affect them in any way?

Mr. HARRIS. Of course, the gentleman knows that the members of the Federal Communications Commission bar represent small industry as well as large industry. They represent all segments of the industry.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. STAGGERS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask the gentleman this question: If anybody came in to protect the public interest as compared to industry?

Mr. HARRIS. Yes; they did.

Mr. STAGGERS. Who was it?

Mr. HARRIS. The representatives of the Federal Communications bar certainly has the public interest in mind. The Federal Communications Commission has the public interest in mind, of course. In fact, everyone who comes to the committee asserts that they come as a representative of the public and with the public interest in mind.

Mr. STAGGERS. I would like to answer the gentleman by saying, certainly a group of lawyers who represent some of the networks and the ones already in existence are not going to listen to some of these small complaints come in and say, "We want to do something that might hurt some of the large networks." The reason this law was originally passed was that FCC did not listen to anybody who came in and made a protest. The Congress passed a law stating that the Federal Communications Commission should listen to people who come in and want a license or want a hearing. After that, the FCC dragged their feet and let the cases pile up. But they come up now and say we do not have enough personnel to have hearings and we cannot have hearings. I believe this is too important—this question of granting radio and television licenses throughout the Nation—for the people of the country not to have a place where they can come in and have a full hearing. That is my opinion and I want to say that I believe, for the public interest and the public welfare, the bill should be defeated.

Mr. SPRINGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if the gentleman from West Virginia is at all familiar with what has been happening in the Federal Communications Commission and I take it that being on this committee that is a part of his duty, the Commission has been extremely liberal with anybody who is a claimant or a counterclaimant. I have not heard of any complaints from any claimant or counterclaimant who has been down before the Commission that they did not get a hearing. The Commission must give it to him. The question involved here is concerning the protest section, largely, by protestants who in many instances have no genuine interest in the public interest.

I think there is a great deal of confusion in the thinking as to just what this section covers. I hope the gentleman will not get the protest section under discussion now confused with the section on applicants. I have not heard of anybody who has been an applicant or a counterapplicant who has not had a full hearing before the Commission. This section is affecting these pseudo people who have come in for the very purpose of tying up the public interest. I know both gentlemen from West Virginia are interested in the public interest. These people have been working against the public interest in trying to tie a situation up until they can get the settlement they want. That is the way I see this thing. Am I right on that—may I ask our distinguished chairman?

Mr. PRIEST. I think the gentleman has very clearly stated the matter. It is important that that distinction be made. It has been made earlier in the debate. It affects the protest section but it does not affect the applicant for a license. He is not included under this section. I think it is very important that that be understood.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

> Committee amendment: Page 3, line 3, strike out "matters" and insert "facts."

The committee amendment was agreed to.

The Clerk read as follows:

> Committee amendment: Page 3, line 3, strike out "specifically."

The committee amendment was agreed to.

The Clerk read as follows:

> Committee amendment: Page 3, line 4, after the word "adopted" insert "or specified."

The committee amendment was agreed to.

The Clerk read as follows:

> Committee amendment: Page 3, line 4, after the word "Commission," insert "on its own motion."

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KILGORE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill

(H. R. 5614) to amend the Communications Act of 1934 in regard to protests of grants of instruments of authorization without hearing, pursuant to House Resolution 300, he reported the same back to the House, with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The question was taken; and on a division (demanded by Mr. BAILEY) there were—ayes 77, noes 10.

So the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. HALE. Mr. Speaker, I ask unanimous consent that all Members who spoke on the bill may have permission to revise and extend their remarks and that all Members may be privileged to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tomorrow to file a privileged report.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

AMEND DOMESTIC MINERALS PROGRAM EXTENSION ACT

Mr. ENGLE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6373) to amend the Domestic Minerals Program Extension Act of 1953 in order to extend the programs to encourage the discovery, development, and production of certain domestic minerals.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6373, with Mr. LANDRUM in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from California [Mr. ENGLE] will be recognized for 30 minutes and the gentleman from Nebraska [Mr. MILLER] for 30 minutes.

Mr. ENGLE. Mr. Chairman, I yield myself such time as I may consume.

The CHAIRMAN. The gentleman from California is recognized.

Mr. ENGLE. Mr. Chairman, the purpose of this bill is to amend and extend the Domestic Minerals Program Extension Act of 1953 in order to extend the programs to encourage the discovery, development, and production of certain domestic minerals.

As background for this legislation let me say that in 1950 we passed the Defense Production Act for the purpose of gearing our industrial economy at that time to the needs of the Korean war. Incidental to that we went all out to encourage the discovery and production of strategic minerals and metals. We found ourselves then in precisely the same position we found ourselves when we went into the Second World War and when we went into the First World War, namely, almost completely destitute of those critical and strategic minerals and metals necessary to the functioning of our war machine.

When we were involved in the Korean war we did not know how long it would last or what its involvements might finally be. As a result we did all we could to encourage the domestic production of these strategic minerals and metals. We sent a commission over to Korea, for instance, and operated a huge tungsten mine there located almost on the 38th parallel under the mounted guard of a battalion of troops. We went to our own people again and asked them to get out into the hills and the mountains of this Nation and bring forth tungsten, manganese, copper, chrome and other essentials of a war program.

The bill we passed in 1950, the Defense Production Act, earmarked $1,200,000,000 for the purpose of carrying out defense production of all kinds. Some of that authorization has been used to stimulate the production of minerals and metals for industrial use and the stockpile.

In 1953, when the pressure was off somewhat but nevertheless it was still important to continue the production of these materials in order to achieve the stockpile objectives which our Government had in mind, we passed Public Law 206 which was authorized by the gentleman from Colorado [Mr. ASPINALL] on this side and by Senator MALONE, of Nevada, on the other side. That had for its purpose the extension until 1958 of this domestic minerals purchase program and more particularly the minerals and metals involved in this legislation. The Defense Production people had arbitrarily set certain limits, not limits in time because the limits in time were set for 1958, but certain other limitations as to when these materials should be purchased under this program and for which funds were provided under the Defense Production Act. We find now that quantity objectives are being exceeded in certain instances. This legislation has for its purpose making the quantities of materials to be secured by the Federal Government under this program come out even with the time designated by the Congress in the act of 1953, Public Law 206.

This bill and bills for a similar purpose have been introduced by the gentleman from Nevada [Mr. YOUNG], an identical bill in fact—he is coauthor of this legislation. Related bills or bills having the same or similar purpose but not identical in provision, have been introduced by the gentleman from Arkansas [Mr. MILLS], the gentleman from Arkansas [Mr. HARRIS], the gentleman from Virginia [Mr. HARRISON], the gentleman from Virginia [Mr. ABBITT], the gentleman from Minnesota [Mr. BLATNIK], the gentlewoman from Idaho [Mrs. PFOST], the gentleman from Arizona [Mr. RHODES], and the gentleman from Montana [Mr. METCALF]. The latter bills vary a good deal in their provisions from the very limited program which we bring before the House. Similar bills have been introduced by a number of Senators but usually have a much broader purpose on the Senate side.

I was requested to say that the gentleman from North Carolina [Mr. DURHAM], who over a period of years has been very active in the stockpile program, and who has been chairman of the Armed Services Stockpile Committee, although not an author of this legislation, is for it and although necessarily absent today if he had an opportunity he would be here on hand to speak in support of this legislation. He has been very active with us in working out some of the details with reference to it.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from Arkansas.

Mr. MILLS. Mr. Chairman, I want to commend the gentleman and the members of his committee for the amount of time they have spent in endeavoring to perfect a bill that will meet with the approval of the Department of the Interior and the Bureau of the Budget. It is my understanding that this bill does carry that approval. It is certainly in the public interest and I hope there will be no objection registered by the membership of the committee or the House to its passage.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from Virginia.

Mr. POFF. I believe the gentleman knows that I also introduced a bill touching upon the subject which required an amendment of the Defense Production Act. That bill was referred to the Committee on Banking and Currency. I am quite interested in this measure and I intend to support it fully.

Mr. ENGLE. That is true and I am glad the gentleman called attention to it. I was only referring to bills that have come before our committee. I am glad to have the gentleman associated with this legislation and I do know of his great interest in it.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from California.

Mr. SHEPPARD. I would like to compliment the distinguished gentleman from California for his presentation. My question may sound superfluous at the moment, but it is motivated by conditions that prevail within the southern part of the State of California. I would like to ask the gentleman this: Is there anything, by interpretation or amendment, incorporated in H. R. 6373, which the gentleman is presently presenting to the House for enactment, that would extend greater operations within

national monuments than presently prevail?

Mr. ENGLE. No; there is not.

Mr. SHEPPARD. In other words, where we have monuments now, and we might have people who are worthy and desirous, of course, of going into the monument and prospect and develop, there is nothing in this bill that would extend those privileges beyond the present organic law?

Mr. ENGLE. No; there is not.

Mr. SHEPPARD. I thank the gentleman for that response.

Mr. REECE of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from Tennessee.

Mr. REECE of Tennessee. Although I am not a member of the gentleman's committee, I am interested in the subject with which the bill deals. I am interested both from the standpoint of national defense and as it affects an important segment of our economy. I think the gentleman and his committee have done a very fine job in evolving a bill that meets the requirements of a very complex situation, and I think the gentleman and those who have worked on this legislation deserve a great deal of commendation.

Mr. ENGLE. I thank the gentleman for his contribution.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from Arkansas.

Mr. HARRIS. I asked the gentleman to yield in order that I might join others in commending the distinguished chairman of the committee and the other members of the committee for the fine work which has been done on this legislation in bringing it to the attention of the House. I think this program is one that the Members of Congress might well approve in the interest of our own future security, and I appreciate the fine and effective work that this committee has done.

Mr. ENGLE. I thank the gentleman for his contribution. I am always delighted to yield for the purpose of Members commending the work of our committee.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from Virginia.

Mr. JENNINGS. I, too, want to take this opportunity to commend the chairman and his committee not only for the fine work they have accomplished in bringing this bill to the House but also for the fine manner in which they treated not only myself but various constituents of mine who testified before their committee in behalf of this legislation. While I did not introduce a similar type bill, I join with my other colleagues from Virginia in supporting this bill, and I want to add my thanks and appreciation to this committee for bringing out such a worthwhile, deserving piece of legislation.

Mr. ENGLE. I thank the gentleman.

Referring to the position of the agencies downtown, the position of the Department of the Interior has already been referred to, and the Department of the Interior has filed a favorable report on this legislation. Their letter appears in the committee report on the bill on page 8, and I will take the time to read just a short section of it:

> The President's Cabinet Committee on Minerals Policy, in its report dated November 30, 1954, recognized the need to build and maintain an adequate mobilization base for metals and minerals to meet any possible war emergency and to provide for the long-term economic development of the United States. The availability of adequate raw materials is a requisite of a strong and expanding economy. There was recently created within this Department the Office of Minerals Mobilization which will conduct studies relating to productive capacity, supplies, and requirements of strategic and critical metals and minerals over the long term with a view to recommending programs that will assure the availability of necessary quantities of metals and minerals to meet any contingency in the uncertain years ahead and make certain that the United States will not be lacking in these requirements of a continuously expanding peacetime economy.
>
> The Office of Minerals Mobilization will only receive its initial appropriation for operation beginning the fiscal year 1956 and is not now in a position to recommend long-term specific minerals programs. The adoption of such programs is a matter of legislative policy for the Congress to determine.

The Bureau of the Budget in a letter to the chairman of the Senate committee disapproves of this legislation but specifically and by number approved the bill which is before us now, H. R. 6373. Mr. Chairman, I shall read just a portion of what they have to say:

> The Bureau of the Budget in its letter states that the Department of the Interior is now analyzing the domestic mineral situation with a view toward developing a long-term program for specific minerals including those covered by S. 922 and similar Senate bills. Until this analysis is complete, the Bureau of the Budget recommends deferral of action on these measures which provide for an inordinately long-term extension of the domestic purchase program. The Bureau of the Budget would interpose no objection to a short-term program similar to that contained in H. R. 6373 provided that such legislation is amended as recommended by the Department of the Interior in its report on H. R. 6373 to limit any quota for the manganese purchase program to not more than double the existing quota.

As I say, the amendment suggested by the Bureau of the Budget has been adopted and this bill, therefore, is in accord not only with the specific recommendation of the Department of the Interior but of the Bureau of the Budget.

Mr. HARRISON of Virginia. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from Virginia.

Mr. HARRISON of Virginia. As I understand it, the gentleman presents this proposed legislation merely as a stopgap program pending a more considered bill.

Mr. ENGLE. That is precisely what the reports of the Department of the Interior and of the Bureau of the Budget deal with. This relates to the fact that the President appointed a Cabinet committee on minerals policy and that Cabinet study went on for a long time and they issued their report. Their report recommended the establishment of a healthy domestic mining industry as a part of the mobilization base. That report is contained in the document I have before me dated November 30, 1954. It is referred to by the Interior Department in its report. An agency has been set up in the Interior Department called the Office of Minerals Mobilization and, as the Department of the Interior said in its report which I just read, they are not ready to move until after July 1 when they get their money and that therefore they are not in a position now to recommend what their long-term program will be or what the details of it will be. So, they are in favor of this interim legislation in order that these mines may proceed and then not be shut off and have to start all over again, as has happened so many times.

Mr. HARRISON of Virginia. Mr. Chairman, if the gentleman will permit me to make one other observation, I should like to commend the gentleman and his committee for the careful and full and highly intelligent hearings and program of investigation that they have conducted in this matter, particularly in the preparation of this bill. The committee has spent a great deal of time and effort on it and I think they deserve the thanks of the House.

Mr. YATES. Mr. Chairman, will the gentleman yield for a question?

Mr. ENGLE. I yield to the gentleman from Illinois.

Mr. YATES. How does the Director of the Office of Defense Mobilization feel about this bill?

Mr. ENGLE. Mr. Flemming is against this bill, and was against its predecessor. He filed adverse reports on this and on the preceding legislation. However, let me emphasize this, that that gentleman, like all others, is subject to the position taken by the policymaking group in this administration, which, in this instance, is the Bureau of the Budget. Notwithstanding the views of Mr. Flemming on this subject, the Bureau of the Budget agreed with the views of the Department of the Interior and specifically recommended and endorsed this proposed legislation. The Bureau of the Budget sets the policy of the administration—not Mr. Flemming.

Mr. MILLS. Mr. Chairman, will the gentleman yield further?

Mr. ENGLE. I am delighted to yield to the gentleman from Arkansas.

Mr. MILLS. Is it the gentleman's understanding that during the remaining period of the program now authorized—that is, up until June 30, 1958—sometime between now and that date a program will be developed, a long-range program, with respect to these strategic and critical minerals, and that program will be forwarded to the gentleman's committee and another committee in the other body?

Mr. ENGLE. The gentleman is correct.

Mr. MILLS. This merely serves the purpose of filling in the gap until that permanent long-range program can be developed and forwarded to the other body?

Mr. ENGLE. It does more than that.

Mr. MILLS. But at least it does that?

Mr. ENGLE. That is right. It is a double-barreled proposition. The equitable basis for this bill is the fact that in 1953 we passed Public Law 206, which carried with it an assurance to the mining people of this country that those programs would run until 1958. Those assurances were given not only in the testimony before the committees at that time and in the committee reports at that time, but in addition, similar assurances have been given by the Office of Defense Mobilization as late as last year that that would occur. These mining people have gone forward and made their investments and acted in reliance on the continuance of the program. All this bill does is make the quantity specifications under the program come out even with the date which we set up in the previous legislation.

We never suspected when we passed Public Law 206 that there would be any necessity for going through with the matter of particularly designating the fact that the quantity designations had to be increased. Now that is tied in with the fact, as the gentleman points out, that the President's Cabinet Mineral Policy Committee made a declaration of the administration's policy, that an agency has been set up to implement their recommendations, and they have not as yet had time to come forward with their program, which we expect them to do in the next year or two.

Mr. MILLS. Is it not a fact that if we are to expect the domestic mining industry to continue to produce and to enlarge its production of these strategic and critical minerals, between now and June 30, 1958, this long-range program must be developed and passed by the Congress?

Mr. ENGLE. Not only is the gentleman correct about that but it is also correct to say that if this bill is not passed we simply have a dead mining industry, to which we will have to apply artificial respiration of one kind or another, and very expensively, when the long-range program which is envisioned and which has already been announced as a policy matter, with only the details left to be worked out, comes into being later.

Mr. MILLER of Nebraska. Mr. Chairman, the bill before us, H. R. 6373, came out with a unanimous report from the Committee on Interior and Insular Affairs. It is sort of stopgap legislation which continues the strategic minerals purchasing program into 1958.

I am sure all of us realize it is in the national interest to have a strong, healthy, domestic mining industry. If we are going to have a healthy industry there must be a program and there must be an incentive for mining. About 10 years ago we needed uranium for the atomic bomb. It was thought there was none in the country. We had just begun to adopt a program for uranium. The atomic bomb was coming along. A committee was going to the Belgian Congo and all over the world trying to locate uranium. The Congress saw fit to adopt a long-range program for uranium, and the miners and people interested in mining went out and located uranium until today it is sort of running out of our ears. Uranium is not in this bill but I am sure it serves as an example that can be had for all minerals in short supply.

I am convinced that a long-range program with a price incentive will send many of the miners who have the know-how into the hills to locate, develop, and produce and get onto the market many of the strategic minerals that we may think now we do not have today. Manganese, chrome, titanium, and others are being discovered because we are giving a program with a price incentive. So I am urging the House and the members of the committee to adopt this bill so that we can go forward in our strategic-minerals program.

Mr. Chairman, at this time I yield 5 minutes to the gentleman from Nevada [Mr. YOUNG] who is a coauthor of a bill similar to the bill we are considering at this time.

Mr. YOUNG. Mr. Chairman, the mineral resources of this country constitute a vital part of the great natural resource foundation of our great industrial system. An abundant supply of fuels, metals, and other minerals is essential to our high standard of living and the unmatched functioning of our free enterprise economy. An adequate supply of minerals is no less essential to the maintenance of our position of world leadership among the free nations of the world.

Fortunately the United States has an abundant supply of most of the important minerals of modern industry. The wide distribution, richness, and easy availability of our coal, oil, and natural gas have meant cheap fuel and power while the iron ores and other metallic deposits have supplied abundant materials of construction and for the fabrication of the numerous machines of our modern age.

However, America, even if we include Canada and Mexico, does not have all the essential minerals and materials for our vast industrial and military needs. In some cases our supply is almost nonexistent and we are wholly or predominantly dependent on foreign supplies.

In some other cases there are small known domestic deposits which can supply a part of our mineral needs but the full extent of the deposits and the potential production are still unknown.

The determination of appropriate national policy with regard to seven minerals in this latter class are under consideration in the legislation now before this House. These are all minerals essential to our effective functioning in peace production as well as for military needs.

The real question is what choice should be made between a policy of complete dependence on foreign imports with a supplemental stockpile to meet the needs of security and a policy which will include as an essential part the stimulation and maintenance of a segment of domestic mining activity to supply a small but undetermined part of these needs.

To the extent that there is danger of interruption of ocean shipping lines bringing these essential materials from foreign countries, a substitute in stockpiles or domestic production must be found. This is not a State or local problem. Neither is it a problem for private enterprise. The Federal Government, therefore, must assume full responsibility for meeting the issue in each of the varied circumstances. While programs of stockpiling are important and must be fully employed, all other methods and especially the stimulation of domestic production must form a part of our total, overall program.

In the past we have had a fortunate situation that may not be repeated for the future. In both World War I and World War II, we were extremely lucky in having allies capable of holding the enemy in check for a period, in each case of approximately 2 years, which gave us a chance of building our military machine and otherwise preparing ourselves so that we could play a decisive role in defeating the enemy.

In the future, however, the mistake made by the enemies of freedom and liberty are not likely to be repeated. It is evident from all that we can learn that possible enemies would strike first at the United States in order to destroy the heart of potential opposition. From any realistic point of view we cannot consider 2 years of grace as being a safe pattern for the future. Many of the calculations of needs made in periods of peace are likely to be ultraconservative, especially estimates of the possible duration of wars. Our present limited stockpile objectives have only been partially achieved and have been built on the assumption of wars of limited duration. A war lasting several years could make our calculations of adequacy of the size of our stockpile quite unrealistic.

Under the circumstances confronting this country, it seems evident that wherever there are domestic deposits or potential deposits of critical and strategic minerals that every effort should be made to determine the full extent of such resources. All necessary geological, technological and engineering studies should be made to ascertain the full extent of the deposits and all conditions under which they can be effectively developed.

When we contemplate the possible destructive power of submarines which we know have been so greatly increased in number in the hands of our most likely future enemy, we are probably unwise to count on any ocean commerce. But submarines are only a small part of the picture. With the availability of atomic bombs and modern aircraft it is quite unrealistic to think that any ocean-going commerce even from countries in South America would be able to maintain a dependable source of supply of materials essential to our military program.

During World War II, there was a total of 65 minerals used by America which came from abroad and, of these 27 had no domestic source of supply. Supplies came from 53 foreign countries and from all quarters of the globe. Of the materials under consideration in this legislation, asbestos came from Rhodesia and South Africa; beryl came from Brazil and India; chromium came from South Africa, Turkey, Cuba, and New Caladonia; manganese from India, Africa, Cuba, and Brazil; mica from Brazil

and India; tantalum from Brazil, the Belgian Congo, and Nigeria; tungsten from China, Bolivia, and Brazil.

The American purchases from abroad between July 1, 1940 and September 30, 1945, excluding purchases made directly by the Armed Forces, were for tungsten, $137 million, for manganese, $72 million, and for chromium, $59 million. Figures are not readily available for the other four materials covered by this legislation. During this same period when other metals are included, an amount in excess of $2 billion was spent for minerals mined in other countries. All of this was under a set of circumstances where supplies came to American in almost uninterrupted ocean commerce.

In the light of our past history, some of the most dramatic and significant events in our functioning as a great industrial and military power have come as surprises from geological explorations leading to the finding of minerals formerly unknown.

The most recent of these experiences is in connection with the discovery of extensive uranium ores which a few years ago were not known to exist except in very limited areas and in small amounts. Probably nothing has been more important in the recent rapid development of our national strength and security than the discovery and production of uranium ores. This was a result of favorable Federal policy encouraging exploration. Tremendous resources and technological developments were achieved within a comparatively brief period of time.

We can also refer to other dramatic incidents. In World War I, we were confronted with a situation of almost complete dependence on Germany and other countries for our supplies of potash. At great cost and sacrifices we made use of several unsatisfactory sources of potash materials to meet our military needs, but urgent agricultural and some chemical uses suffered almost complete eclipse of their needed supply. As the result of these experiences, money was allocated to the geological survey for a program of exploration. This soon resulted in the discovery of great deposits of potash in western Texas and in eastern New Mexico which have since become such a productive source of this vital material that we are not completely independent.

Another incident, just a chance noting of a piece of float material followed by its analysis, led to a search that finally revealed the world's greatest deposit of molybdenum in the Climax area in Colorado. Previous to this we were completely dependent upon foreign sources of supply. Unknown amounts of other minerals may possibly be made readily available in our own country by continuing to promote exploration for needed minerals such as are found in this legislation.

Coupled with needed expansion and improvement of our knowledge of the geological setting of our mineral resources, there is equal need for stimulating technological improvements making it possible for us to extract greater supplies of necessary metals out of low grade materials. This was the solution of our problem with copper and also with vanadium and with various other important products.

This present minerals program extension is merely a temporary program, designed to keep alive a certain limited amount of domestic production for each of these seven metals and materials until a long-range program can be worked out. No one is in a position to forecast when, as a result of our continuous exploration we may not find adequate supplies to meet our needs in these and other fields.

It is only a small cost to pay for the maintenance of a small segment of industry that may under some circumstances be the only source of materials during a possible all-out war. Under these circumstances, it is sound national policy to ask that these programs now be extended for an additional period during which it is hoped that sufficient attention will be given to all the elements involved and we may then have a long-range basic mineral resources program that will include the logical policies and programs with regard to these seven important materials.

The significance of the foregoing statements of surprise discoveries of vital mineral deposits may be more clearly seen after an appraisal of the limited and spotty character of our geological mapping program. Probably not more than 15 percent of the land area of continental United States and 1 percent of Alaska have been covered by adequate geological maps. Yet a good geological map is the best starting point for effective exploration for mineral deposits, especially those hidden beneath the surface.

At present rates of geological mapping it will take far beyond a hundred years to complete this phase of the mapping program. Under these circumstances there is logic in expanding our geologic mapping program, but along with this there are numerous sound reasons for encouraging the developing of small mines and extensive prospecting through an ore-buying program designed to accumulate part of needed supplies and stimulate the discovery of new deposits. This program will pay for itself, probably many time over, and there are logical and sound reasons to support the hope that great new discoveries will come in the future as they have in the past. The needs to be served are vital to the Nation's welfare and the projected costs only moderate.

Therefore, Mr. Chairman, I urge approval of H. R. 6373.

Mr. YOUNG. Mr. Chairman, I yield back the balance of my time.

Mr. MILLER of Nebraska. Mr. Chairman, I yield such time as he may need to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HALLECK. Mr. Chairman, as we all know, the President of the United States, Dwight Eisenhower, is at Geneva participating in what has been termed the conference at the summit. For the success of that endeavor, we all have the highest hopes. I am quite certain all of us were very much impressed with the proposal first voiced by the President when he went to the conference that there be such opportunity of investigation and information among the countries of the world as might prevent surprise attack in this age of hydrogen and nuclear weapons. I have just taken from the ticker in the Speaker's lobby these words:

President Eisenhower challenged the Soviets to exchange complete military blueprints with the United States and permit complete freedom of aerial photography in a dramatic bid to prove America's will for peace.

Mr. Chairman, if that proposal should be accepted by the Soviets to the end that there be a complete interchange of blueprints and that aerial photography be permitted, the objective of the President to avoid surprise attack would be greatly enhanced. This certainly would mean very, very much to the people of our great land, and it would be one magnificent accomplishment of this meeting now going on at Geneva.

Mr. MILLER of Nebraska. Mr. Chairman, I yield 4 minutes to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Chairman, I doubt if I shall consume the 4 minutes. The matter has been fully explained by the gentleman from California, the chairman of the committee. But I would like to ask 1 or 2 questions of the gentleman from California concerning the amendment which the committee has adopted and which will be introduced by the gentleman as a committee amendment. The amendment, as I understand it, takes this expanded program, or rather this redefined program under Public Law 206, and puts a limitation in sums to be expended in the amount of $150 million during the remainder of the calendar period of this program. Is my understanding correct?

Mr. ENGLE. That is the top limit. The reason we did that is because in discussing this matter with some of our friends on the Committee on Banking and Currency, they were not quite sure that the bill as written was precise enough to do exactly what we intended to do. So we approved an amendment in the committee and filed a supplemental report, which is before the House, to make sure that the commitments made would not exceed that which we intended. That would be a ceiling and a maximum upon the gross purchases under this program.

Mr. RHODES of Arizona. It is also my understanding that in the event that minerals permitted under this program may be transferred to the General Services Administration, there would be reimbursement by the General Services Administration back to this program, so that further purchases could be made as long as the full amount was not in excess of $150 million.

Mr. ENGLE. That is true. When transfers are made to the stockpile, under the stockpiling program. In other words, the stockpile takes the material into the program for its work and reimburses the other fund.

Mr. RHODES of Arizona. I think it might be fair to say that the amount of money spent would be a sum which would be equal to the purchases, less the sums sold to General Services Administration, which in no event will exceed $150 million.

Mr. ENGLE. That is correct. The gentleman has stated it correctly.

Mr. RHODES of Arizona. Mr. Chairman, I am for this bill. It corrects situations which came about as a misunderstanding of the original legislation. I was not a Member of Congress at the time, but as I understand it there was no feeling on the part of Congress at that time to limit any particular purchasing depot or any particular purchasing program in any way to a particular production goal. However, this interpretation was put into effect, and as a result in many areas the people who did the best jobs were actually penalized for doing a good job, by acceleration of the date upon which their quotas were made. I have particular regard to the Wenden Depot in Arizona, which purchases manganese. Because of the tremendous effort that the mining industry of Arizona put forth to produce manganese, the quota of the Wenden Depot of 6 million long tons was met sometime last year and the Wenden Depot has been closed. Under the provisions of this law that depot will be reopened with another quota which will not exceed the original quota of 6 million.

I hope the bill will be passed.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Mr. MILLER of Nebraska. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. SAYLOR].

Mr. SAYLOR. Mr. Chairman, I sincerely hope that this bill is adopted.

As background I might state that all minerals for which provision is made in this bill, as amended, are vital to the security of the United States, both for defense and for peacetime industrial uses.

As to tungsten, large quantities are used for purposes which require resistance to high temperatures and corrosive effect of gases. Tungsten is essential for production of jet-airplane engines, certain machine tools, and rock-drilling equipment.

Similarly, supplies of the other metals listed are essential to our security and economic development. Manganese is necessary to the production of steel. Chromite is a steel hardener, and is used in stainless steel and as a plating on other metals where resistance to corrosion from gases or liquids is required. Mica is needed in the production of many electronic devices. Asbestos has a variety of critical uses in heat and friction insulation. Beryl is added to copper and other metals as a hardener to make them resistant to deflection and to increase their ability to withstand stresses. Columbium and tantalum have limited but highly critical uses as resistors to high temperatures.

Another item that should be called to the attention of the members of the committee is that this bill does not extend or change the termination date as determined in the original act. The termination date for tungsten is July 1, 1958; for chromite, June 30, 1957; for magnesium, June 30, 1958; for mica, June 30, 1957; asbestos, October 1, 1957; beryl, June 30, 1957; and for columbium-tantalum, December 31, 1958.

The original bill provided the quantities that could be purchased. This bill doubles the quantities that may be purchased. In addition it provides two new depots for the purchase of manganese. In the United States more manganese is located east of the Mississippi River than is located west of the Mississippi River, and yet under the program which was in effect up until now the only depots for the purchase of manganese were located west of the Mississippi River. This worked a distinct hardship on the producers of manganese in the east. This bill takes away the arbitrary jurisdiction granted under the former bill and orders that there be two depots established east of the Mississippi River for the purchase of manganese, one in the Ozarks-Cushman area and the other in the Southern Appalachian area.

Mr. METCALF. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield.

Mr. METCALF. As the gentleman brought out, this bill does permit the opening up of two new badly needed depots in the East, but it does nothing to interfere with the present program such as the program for the depot at Phillipsburg Butte that is being carried on at the present time.

Mr. SAYLOR. It does not. The quota under the old bill allows 6 million long tons to be purchased at the Phillipsburg Butte Depot. This bill increases it to 12 million long tons.

Mr. ENGLE. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield.

Mr. ENGLE. I would like to join in the assurance the gentleman from Pennsylvania has just given to the gentleman from Montana. Of course, it gives careful attention to this program that is now in progress. Moreover, it is not the intention of this bill to, nor in my opinion does it, interfere in any way whatsoever with that program.

Mr. SAYLOR. It also adds, as the gentleman from Arizona [Mr. RHODES] noted a few minutes ago, that the depot in Arizona which is now closed shall be opened, and this bill increases the amount of tonnage they may receive at that depot.

Mr. HARRISON of Virginia. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Virginia.

Mr. HARRISON of Virginia. I notice that the bill provides that the authority under this act shall not extend to authorization for purchases under any program as it existed on July 1, 1953. What is the purpose of that language?

Mr. SAYLOR. I do not quite understand the gentleman.

Mr. MILLER of Nebraska. That is the date of Public Law 206.

Mr. HARRISON of Virginia. But that is not any limitation whatsoever on the Appalachian Depot.

Mr. SAYLOR. I am sure that language was not intended as any limitation on subsequent language in the bill which provides for the establishment of a depot in the Appalachian area.

Mr. ENGLE. This bill will take care of the gentleman's interest, of the producers in his area and in the southern Appalachian area. It will allow the opening of a depot down there. It should have been done under the prior law.

Mr. MILLER of Nebraska. Mr. Chairman, I yield 2 minutes to the gentleman from South Dakota [Mr. BERRY].

Mr. BERRY. Mr. Chairman, I am very much interested in the passage of this bill and would like to point out several reasons why I feel this amendment should be made to the Domestic Minerals Production Extension Act of 1953.

The Domestic Minerals Production Extension Act of 1953 is an act to encourage the discovery, development, and production of tungsten, manganese, chromite, mica, asbestos, beryl, and columbium-tantalum-bearing ores and concentrates in the United States, its Territories, and possessions. The act extended for an additional 2 years the termination dates of all purchase programs designed to stimulate the domestic production of the above-named strategic and critical minerals and metals.

The specific purpose of the act was to provide domestic producers with a longer period of certainty during which they could participate under the established programs and make plans and investments accordingly. H. R. 6373, if enacted, would accomplish the following three things:

First. Assure the continuance of the domestic minerals production program to the termination dates established by the Congress under Public Law 206, 83d Congress;

Second. Eliminate the discrimination in favor of the West with respect to the distribution of manganese-ore-buying depots; and

Third. Maintain the mobilization base composed of hundreds of mines stimulated by Public Law 206 until a long-range domestic minerals program may be developed with the assistance of the newly formed Office of Minerals Mobilization in the Department of the Interior.

This would be accomplished by increasing the quantities of minerals to be accepted under the program.

The foundation of a sound defense mobilization base is a going domestic minerals and materials industry. The United States cannot afford to take the chance of being dependent on foreign imports of these strategic materials in time of national emergency.

This proposed legislation would not be necessary if the Office of Defense Mobilization adjusted program production quotas to the extent necessary to continue the domestic program of the seven above-named materials in full force to the termination dates established by Public Law 206. The ODM has permitted the domestic minerals-production program to terminate when the quotas have been filled.

However, Federal agencies responsible for determining long-range stockpile needs have demonstrated in the past that initial conclusions as to the requirements have a sound defense mobilization base are subject to later modification change. The Congress must consider this record in quoting on H. R. 6373.

The Honorable CLAIR ENGLE, chairman of the House Interior and Insular Affairs Committee, summarized the seriousness of this situation in a letter to the Honorable Douglas McKay, Secretary of the Interior, under date of May 24, 1955. He said:

> An oversupply error in stockpiling of strategic and critical minerals would be forgiveable. Erring through undersupply would be fatal.

Representative ENGLE, in the same letter, went on to discuss the economic aspects of this problem when he said:

> It is my personal conviction—a conviction shared, I believe, by my colleagues—that there is inherent in our congressional responsibility an obligation to consider those aspects of mines and mining which will promote and encourage full development of our domestic minerals and materials resources. Only through fulfillment of this obligation can the Congress continue a policy which, at least as late as 1920, resulted in the United States attaining world leadership in this field of resources.
>
> Unless we encourage continuing operations, mines will close, mining corporations will dissolve or go bankrupt, and the skilled labor of the domestic mining industry will drift irretrievably into other industries.

As a member of the House Interior and Insular Affairs Committee, I heartily agree with these statements made by Chairman ENGLE.

I feel very strongly that H. R. 6373 should be enacted in order to implement the intent of the Congress in passing the Domestic Minerals Production Extension Act of 1953 that would honor the implied assurances to participants in the programs who undertook their operations in good faith.

Passage of this bill would also prevent the disintegration of an important segment of the domestic mining industry and thereby maintain a newly won mobilization base until a comprehensive and effective domestic minerals program has been formulated by the Office of Minerals Mobilization and transmitted to the Congress for its consideration.

I urge the passage of H. R. 6373 so as to protect our national defense strategic minerals requirements by keeping faith with American industries that have entered the domestic minerals program. This is not only a necessity from the standpoint of national defense, but also from the aspect of the economic health of affected domestic industries.

Mr. MILLER of Nebraska. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. POFF].

Mr. POFF. Mr. Chairman, speaking for the active and potential high-grade and low-grade manganese producers in the Sixth Congressional District of Virginia, I most warmly commend the Committee on Interior and Insular Affairs for taking the first positive and constructive action toward the correction of a most grievous injustice. For over a decade, Members of Congress from Virginia and other States in the southern Appalachian region have been trying vainly to persuade the Federal Government to adopt a policy of equal justice in connection with the low-grade manganese purchase program.

For many years, the several Federal agencies concerned opposed the establishment of a low-grade manganese purchase and stockpile depot on the fallacious grounds that there was not enough low-grade ore in the region. After a series of Government and private surveys, we have painfully extracted from these agencies an embarrassed admission that this argument is groundless. Next, the Government adopted the argument that, while we had a sufficient volume, we did not have ore of acceptable quality. Then, in a document entitled "Status of Research Projects of Up-Grading Metallurgical Manganese Ore and Slags," published by the Materials Division of the Emergency Procurement Service, General Services Administration, on January 3, 1955, the officials were forced to admit that the mineral content and quality of the Virginia-Tennessee-Alabama ores were such as to render them amenable to several up-grading and beneficiating processes currently under study.

Now, discarding the first two discredited arguments, these agencies have adopted the defense that instead of too little, we have too much low-grade ore and that the stockpile objectives are almost completely subscribed. This pattern of ground shifting has characterized our whole fight for the establishment of a low-grade depot.

Four low-grade deposits have been established west of the Mississippi, namely, at Butte and Phillipsburg, Mont.; Deming, N. Mex.; and Wenden, Ariz., to each of which has been assigned a quota of 6 million long-ton units of low-grade manganese. A long-ton unit is only 22.4 pounds of manganese. For some reason unexplained and unexplainable in logic, not a single depot has been established east of the Mississippi River. This is true,even though there are vast deposits in the East and even though the State of Virginia has, through the years, been the second largest domestic producer of high-grade ore—as will appear from chapter 1, Manganese, United States Bureau of Mines, Minerals Yearbook, 1944—and even though there have been many surveys which demonstrate the plentiful supply of low-grade ores throughout the southern Appalachian region.

As early as 1907, Thomas Leonard Watson, Ph. D., professor of economic geology at the University of Virginia, in a publication entitled "Mineral Resources of Virginia," at page 236, said, as follows:

> Virginia has more known deposits of manganese; they extend over a larger territory; more localities have been worked and more manganese has been produced, than in any other State of the United States. Ores of manganese occur in each of the three major geologic provinces of the State, namely, the Coastal Plain, or Tidewater belt, the crystalline area or Piedmont province; and the Paleozoic area of the Mountain province. Of these, the Mountain (Valley) province has yielded the principal production, with extensive operations and a large total production from the Piedmont province; and only a slight production from the eastern or Coastal Plain province.

Again, in 1910, Bulletin 427, entitled "Manganese Deposits in the United States," published by the United States Geological Survey, at page 101, contained the following statement:

> The manganese deposits of the Appalachian region are the most important in the United States. The two largest producing districts, the Blue Ridge district in Virginia and the Cartersville district in Georgia, are in this region.

In the spring of 1941, Mr. D. F. Hewitt, of the United States Geological Survey, testified before the Senate Military Affairs Subcommittee, as follows:

> We have the record of four or five hundred manganese deposits between Philadelphia and Birmingham, 1,000 miles in extent. I think that the work that is now going on will show more in that region.

Only last year, the Burgess report, based on extensive field surveys, concluded that "there are sufficient reserves of manganese ores in the Southeastern States to warrant a purchase depot," and that "the present and prospective operators and small workers will deliver 6 million long-ton units of acceptable ore by June 30, 1958."

In 1953, Virginia shipped 7,548 long tons of high-grade manganese ore averaging 42.44 percent manganese. In 1954, the figure was 20,240 long tons of ore, averaging 43.24 percent manganese. According to an estimate of Mr. Charles W. Massie, mining engineer of the Virginia Department of Conservation and Development, Virginia can, in 1955, increase its high-grade production to 40,000 long tons. Already, new companies are mining high-grade manganese in Rockbridge, Augusta, and Campbell Counties and another company is expected to start shipping from Rockbridge County in the next few weeks. High-grade production, of course, is a good index to the volume of the low-grade potential.

The absence of a low-grade depot east of the Mississippi has stagnated development of low-grade deposits because, unlike the high-grade carload-lot program, the low-grade producer is required to pay freight from the mining site to the depot. Proposals that the Government pay the freight bill will not solve the problem, because it would be grossly uneconomic to ship the ore west across the Nation for stockpiling and then ship it back across the Nation for consumption by the industrial users in the East. It has been estimated that such a program would cost the Government an additional $16 to $20 per ton in extra freight and handling.

The domestic ore currently being purchased at the four western depots would supply only a small fraction of our annual consumption of some 2 million tons of manganese ore, or its equivalent.

Over 90 percent of the ore in our stockpiles came from foreign sources. Dependency on foreign sources makes America vulnerable in time of an all-out war. While it may be true that the Mexican deposits may be available in

wartime, we could not, because of the submarine threat, depend on the Cuban, Indian, African, Brazilian, or other foreign deposits.

It is argued that America should buy cheap foreign ore for our stockpile instead of the premium-priced domestic ore. Yet, the officials of EPS and ODM readily agree that, in the event of war, prices on the foreign ores would be immediately increased, even above the domestic premium price.

Establishment of an Appalachian depot would assure a constant and dependable flow of domestic ore to our stockpile reserve. In addition to known deposits, availability would be broadened and crystallized by the additional exploration and discovery which would be encouraged by the establishment of a nearby market, all of which would increasingly diminish American dependency on foreign ores. The best evidence of this fact is that in 1914, the total known reserve of domestic manganese ore was less than 1 million tons; by 1952, largely because of the establishment of these Western depots, more than 10 million tons had been shipped from this 1 million ton reserve, and the total indicated reserve was increased more than one hundredfold.

Not only would a low-grade depot encourage discovery of new low-grade deposits, but since low-grade and high-grade deposits frequently occur simultaneously, it would greatly enlarge our domestic high-grade potential. Indeed, the Burgess report itself stated that "the opportunity to sell such low-grade ores is increasing the production of high-grade—40 percent—"manganese ore." Many known high-grade deposits today cannot be mined economically because there is no market for the low-grade deposits or the low-grade residue of the high-grade mining process.

If we are to continue to purchase foreign in preference to domestic ore, a low-grade depot on the eastern coast would reduce the transportation expenses of the Indian, African, Brazilian and Cuban ores. Instead of crossing the vast land areas of the continental United States to the western depots, foreign ores would be shipped by cheap water transportation to eastern seaports and then transported inland approximately 350 miles.

Moreover, with a depot in the East, transportation expense from the depot to the industrial consumer in the East would be greatly reduced.

The shorter haul and diversification of stockpiling sites would decrease the danger of enemy bombing and sabotage.

There is already in existence at Lynchburg, Va., one of the Nation's few ferromanganese furnaces for the upgrading of raw ores.

The initial capital outlay and the cost of operation of an eastern depot would be the cheapest possible national security insurance premium. The capital investment at the Wenden Depot was approximately $267,000 and the annual cost of operations approximately $48,000. While these figures are rather high, they are not typical. The capital outlay at the Deming depot was only $47,000 and, because of the small amount of equipment necessary, I cannot believe that the cost of a Virginia depot would exceed that figure. Since, as among the several depots, the cost of operation and the cost of domestic ore are constant, they are not valid figures in the determination of the cost of establishing a new depot.

Finally, as a matter of simple equity and fair play, there is no justification whatever for the current discrimination between miners in the Western United States and miners in the Appalachian area.

The Burgess report, referred to above, recommended the establishment of a low-grade depot in southwestern Virginia. Facts and figures in that report, concerning known and prospective deposits and records of past production and shipment, indicate conclusively that the depot should be located somewhere in this area of Virginia. Common justice dictates that low-grade manganese owners in the East should have the same opportunity as low-grade manganese owners in the West to market their product under a program subsidized by the Federal Government. All we want is a market place and a quota equal to that assigned other depots in America. That petition we consider modest and reasonable. H. R. 6373 grants us substantially equal treatment, and I urge its adoption.

Mr. ENGLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Montana [Mr. METCALF].

Mr. METCALF. Mr. Chairman, it is scarcely necessary to discuss the critical need for manganese, either during a war or during peacetime. Aside from other vital uses its relationship to our steel industry is so close that steel production is intimately bound up with manganese—without it the steel industry would collapse.

It has been testified too many times that the United States uses approximately 2 million tons of manganese ore a year with a content per ton of nearly 50 percent manganese. The sources of this high-grade material are predominantly foreign. Most of our domestic deposits are low grade—under 20 percent manganese content. For reasons which need not be discussed here foreign ores of a 48-percent manganese content can now be purchased on the open market for around 85 cents per long-ton unit of 22.4 pounds, a figure which is far below the cost of production in this country for low-grade ores which have to be upgraded above 40 percent manganese content in order to be salable. In other words, with about one special exception, should the domestic manganese producer be forced to compete with foreign prices the whole industry would collapse overnight.

A number of experts have testified before various Congressional committees that our losses of shiploads of manganese during World War II were so enormous as to be nearly unbelievable. The cost in ships, lives and the expense of convoys per unit of manganese is nearly incalculable but it has been estimated variously at from $5 to $100 per long-ton unit of manganese imported. At no price could the last lives be compensated. Reliable witnesses have testified in recent months that, due to technological improvements in submarines, mines and air power, it is very doubtful if we will be able to import any strategic materials during another war. In fact one expert, Alexander de Seversky, has gone so far as to say that the farflung sources and the ports from which shipments would have to be made will be knocked out immediately and thus we will have no transportation problem to worry about.

That the United States is so dependent on foreign sources of such an important raw material is alarming. Although we are trying to remedy the deficiency by stockpiling foreign ores, this is not the whole answer as, in point of fact we do not know whether the next war will only last a few months because of the use of atomic weapons or whether we may be in a stage of siege for years due to their being outlawed. We certainly must plan for the latter and there is some suspicion that our stockpilers may not be planning for a long pull.

During the late emergency, under the Defense Production Act, the Government set up certain domestic procurement programs, one of which was for manganese. These were short-range programs at premium prices and, when the Government showed an inclination to let them expire, the Congress extended them under the Aspinall-Malone Act. H. R. 6373 extends the Aspinall-Malone Act and continues these programs until 1963.

The managenese-purchase program was designed to stimulate the production of our low-grade ores. The Government promised to pay $2.30 per long-ton unit for ores of certain specifications in limited amounts for a short period, which was extended to June 30, 1958, by Congress. Unfortunately when the time extension was authorized, the authorization to increase the amounts to be purchased was merely made permissive.

It is quite clear that the administration does not want to buy additional amounts of low-grade domestic manganese ores at $2.30 per long-ton unit and will not continue to do so unless the Congress insists upon it. The 85-cent foreign price is too attractive. This is proved by the refusal of the Office of Defense Mobilization to extend the life of the manganese purchase depot at Wenden, Ariz., which has been ordered closed down April 30, 1955.

The Government has been, and is, spending millions of dollars to make acceptable grade manganese from low-grade domestic ores. Recent testimony before the Senate Subcommittee on Minerals, Materials, and Fuels indicates that it may be years before most of these processes go through the pilot-plant stage and are ready to go into large-scale production. In the meantime it would seem to me to be a very good idea to keep on mining and storing our low-grade ores so that, when these processes are ready, there will be a backlog of ores to treat. In Butte, Mont., there already is a full-scale mill capable of treating the local ores and, when requested to authorize the processing to start, the General Services Administration, I understand, has complained that there is not enough ore presently stored to make a run profitable. Probably at the end

of the program, June 30, 1958, we will hear the same excuse.

Building beneficiation plants costs a lot of money, as does the opening of new mines. Government and industry witnesses have testified that the only way to stimulate the domestic manganese industry and expand our mobilization base in this important respect is to provide the proper money incentive—which means a price at which our producers can live—over a long period of time so that reasonable returns can be had on the investments.

This bill will preserve a vital industry and permit it to expand.

Mr. ENGLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Virginia [Mr. ABBITT].

Mr. ABBITT. Mr. Chairman, I strongly urge passage of H. R. 6373 which will mean much to the defense effort, to the production of domestic low grade manganese and will in some measures correct the great injustice that is being now perpetrated upon eastern United States by certain officials of the Department here in Washington.

The acute situation faced by the steel industry due to the lack of manganese secured domestically as well as the apparent failure of the present administration in understanding and realizing this situation which could prove disastrous to our country in the event of an international conflict anytime in the foreseeable future is alarming to me.

I hope that in the near future the veil will be removed from the eyes of the administration so that a real stockpiling program for domestic manganese can be set in motion which is imperative if we are to have anything like an adequate defense for our country.

Too long have those who have had charge of the stockpiling of strategic material been blinded to the urgent need and obvious necessity of a real stockpiling program for domestic manganese. Without a stockpile of at least a 5-year supply of manganese our country would be helpless in the face of an all-out conflict with the Communists. Manganese is the very lifeblood of our defense effort and I trust for the sake of the future of this great country of ours that the officials charged with carrying out this program will wake up to the facts of life before it is too late and before we are sold down the river again.

I want to take this opportunity, Mr. Chairman, of expressing by deep gratitude to the able Chairman of the Committee on Interior and Insular Affairs, the gentleman from California [Mr. ENGLE] and to the gentleman from Texas [Mr. WALTER ROGERS], chairman of the subcommittee, who have worked so long and hard on this bill. These two gentlemen and members of their committees have rendered a real service to the people of this country and I highly commend them for their efforts which, in my opinion, will result in more security to our people in these perilous days.

Mr. ENGLE. Mr. Chairman, I ask unanimous consent that all Members may extend their remarks with reference to this legislation at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JENNINGS. Mr. Chairman, I am supporting H. R. 6373 and I urge that it be passed as an important step in the development of a domestic minerals program.

The legislation now before this House will extend and make more specific congressional policies on our domestic minerals program. It is clearly one of the most fundamental issues before this session of Congress. Nothing is more vital in the industrial life and military program of this great country than its extensive and variable supply of mineral resources.

From many points of view, the most fundamental mineral resources are those supplying the great steel industry of this country. The relative importance of steel products may be seen from a summary of the basic materials used in World War II for construction and in fabrication. Steel, on the basis of weight, constituted 85 percent of the total, glass coming next with 7.5 percent, lead and zinc, 1.8 percent, copper, 1.3 percent, and aluminum and magnesium combined, 1.3 percent. This portrays the fundamental significance of the maintenance of a flourishing steel industry, not only for war periods but for peacetime economic activity as well.

In the legislation now before the House, 3 of the 7 substances provided for are vital to the steel industry. All seven minerals are strategic and of vital importance in our military program and no less important in the peacetime operation of the great industrial equipment of this country. These seven minerals are available in the United States only in very inadequate amounts, and we are, therefore, predominantly dependent upon foreign countries for our supplies.

In spite of these circumstances we get along very well in times of peace, but for war periods we depend upon the accumulation of stockpiles and the output from a segment of domestic production. It is important, therefore, that Federal policies with regard to these important minerals be continuous and consistent with our needs. Wherever possible, by developing local sources of supply, we would have our best guaranty of continuous functioning in case of an all-out war. The three important minerals in this list that are most related to the steel industry are tungsten, manganese, and chromium. These are used mainly as alloys in small proportions in order to make the varied kinds of steel that are so essential for a multitude of purposes.

In the case of manganese, aside from its serving as an alloy for some special types of steel, it is one of the most important ingredients in the process of deoxidizing and otherwise purifying steel materials. We are now producing over 100 million tons of steel per year which requires 120 or or more million tons of iron ore, while the need for manganese is somewhat less than 2 million tons per year. And of this, approximately 90 percent comes from foreign countries and must be brought here in ocean-going vessels.

From past experience these ships are subject to destruction by submarines in the possession of our enemies. Recently there has been a great expansion of that submarine fleet and great improvement in its effectiveness. Along with this there has been a marked improvement in aircraft and these equipped with atomic bombs constitute a real threat to ocean commerce in times of war. Ocean commerce that was possible in both World War I and World War II may not be at all possible in another all-out world conflict.

It is important, therefore, that domestic production of these essential materials be stimulated. We need a consistent and solid policy that is formulated and supported by the Congress. Congress has set up a stockpile program and has instructed its administrators to proceed to accomplish certain basic goals in building up our accumulated materials.

In any circumstance where there are local supplies of materials essential to this program, there would be fundamental logic in encouraging the development of all economic activities designed to explore for unknown deposits and provide the productive organization and equipment necessary to prepare workable deposits for our own use.

In the legislation now before us, there is proposed, an extension of a program already established by the Congress but which under administrative decisions is threatened with an early termination in spite of the fact that no long-range program has yet been formulated. Congress should once more instruct the administrators of this program to proceed under present arrangements which are designed to encourage production from small mines in these important fields. Until all the basic facts are carefully reviewed and a long-range program established, it would be unwise to allow the present program to be scrapped.

We have had intermittent domestic production of manganese over a long period of time. In the eastern part of the country, especially in Virginia, production occurred way back in the 80's and 90's of last century. At various times since, especially during both World Wars, production was revived. And now, as a result of legislation passed by Congress, these small manganese mines are again in operation and exploration is proceeding.

Unfortunately the early termination of this program ahead of the time set by Congress is threatening the closing down of these mines and the scrapping of their productive machinery. This would cut short the exploration that is now underway that may show the presence of new, high-grade and low-grade deposits. It would also interfere with the progress that is being made in the processing and concentration of the more extensive low-grade deposits. A successful solution of technological problems could provide much high-grade material that is available now almost entirely from foreign countries.

It is fundamental, therefore, that this legislation be approved and that the miners who have invested large sums in

machinery and equipment and are proceeding to develop domestic deposits have the assurance of the continuation of this program, at least until such time as a long-range and consistent program has been worked out.

Among the important provisions in this legislation is the great improvement that will come through the establishment of a stockpile depot in the Appalachian region. This would bring to eastern manganese miners the same kind of accommodations that have already been provided by legislation for Rocky Mountain miners. These new depots will do much to remedy a situation that has not been quite fair to the eastern producers.

Mr. Chairman, I urge that H. R. 6373 be approved by the House today. It should be enacted to implement the intent of Congress in passing the Domestic Minerals Production Extension Act of 1953 and to prevent the disintegration of an important segment of the domestic mining industry. We will thereby maintain a newly won mobilization base until a comprehensive domestic-minerals program has been formulated by the Office of Minerals Mobilization and transmitted to the Congress for consideration.

I wish to commend the House Committee on Interior and Insular Affairs for its action in approving this bill.

Mr. ENGLE. Mr. Chairman, I yield 3 minutes to the gentleman from Alabama [Mr. RAINS].

Mr. RAINS. We, the members of the Committee on Banking and Currency, were quite concerned with this legislation in reporting out the Defense Production Act, which was reported out of our committee only recently, and whereas I am and I am sure the others members of the committee are fully satisfied with the supplemental report and the amendment to the bill, I would just like to ask one question. We were never able to get clear in the Committee on Banking and Currency or, rather, in the Joint Committee on Defense Production as to what was being done with the low-grade ore. To put it bluntly, we had statements in that committee that under this program ore is being mined which cannot be used either for stockpiling or resale. For the benefit of the RECORD, I would like to have the chairman clarify that statement.

Mr. ENGLE. All of the materials under this program except manganese are required to meet stockpiling standards. There are two classes of manganese. The high-grade meets the standards, and the low-grade does not. When the low-grade is put out and brought on top of the ground, it has to be beneficiated, as they call it. "Beneficiating" means bringing it up to the grade to make it commercially usable. Now, they have not done that up to this time because there is no great point in going to that expense. If they beneficiate it, every ton of that ore that is on top of the ground now, which is low-grade ore, would run the steel industry of this country about half a year. And it is there. In other words, any time they need it, they can step up there and beneficiate it and have it. They are not incurring the expense of beneficiating it now because there is no real need for it. It remains as mined on top of the ground and is stockpiled there in case our manganese supply is cut off. Ninety-five percent of the supply of manganese to operate our steel mills comes from overseas. It takes 14 pounds of manganese to make a ton of steel. In other words, you cannot make a ton of steel without 14 pounds of manganese. Therefore, the greatest steel industry in the world would be shut down because of the dependence on overseas supplies. Now, these low-grade ores are there. They are capable of being beneficiated, and when the time comes and they are needed they will be beneficiated.

Mr. RAINS. In connection with the defense production program, whose responsibility is it to beneficiate the ore? The Department of the Interior?

Mr. ENGLE. It is the responsibility of the General Services Administration, which is the purchasing agency.

Mr. RAINS. I note the Department of the Interior—and I presume the General Services Administration—approves this bill. Have they made any plans toward securing the necessary production facilities to beneficiate this low-grade ore?

Mr. ENGLE. They have undertaken the research necessary to be sure that they have the processes, but they have no immediate plans to do the beneficiating. That is for the reason that it costs a little more to beneficiate it, and if they have the plans and the program and the research done, they will not have to do it until we need it done. They can go out and buy manganese ore fairly cheaply on the world market, and they do not want to beneficiate these ores at this expense. But they have done the research and have the plans made and are ready to go.

Mr. RAINS. Mr. Chairman, I merely want the record to show what the facts are because the word is going around that this program, especially as it relates to manganese in which I, myself, am interested, because I have steel mills in my district and I have manganese mines in my district—the word is going around in certain circles that we are stockpiling a bunch of material which cannot be used for defense production and I would not want that charge to go unanswered in the record.

Mr. ENGLE. I will say to the gentleman that that is not true. The fact is that if they have any junk in this stockpile, they have violated their own regulations; that is, if they have any junk in this program, because in their regulations, a copy of which I have in front of me, it is required that they buy this material and know before they buy it that it is subject to benefication within the price specified as the maximum that can be paid. In other words, they pay enough less for the low grade ore, so that when they bring it to the high grade—and that is $2.30 a unit—it is capable of use in commercial processes.

Mr. RAINS. The gentleman satisfies me.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. ENGLE. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. METCALF. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from Montana.

Mr. METCALF. I would like to say to the gentleman from Alabama that there is a beneficiating plant presently located in Butte, Mont., belonging to the General Services Administration. Also, there is the Phillipsburg, Butte Depot, one of the purchasing depots for the delivery of low-grade manganese. We have been trying to have the General Services Administration open that beneficiating plant and beneficiate this low-grade manganese. We have been trying to have the General Services Administration open that beneficiating plant and beneficiate this low-grade manganese ore presently in Butte, Mont., in that Phillipsburg, Butte Depot. They have refused to do so because they say there is not enough presently on hand to warrant the opening of the plant so that it can be economically operated. That is one good reason for the passage of this proposed legislation to increase the amount of low-grade ore to be delivered, at least to that Phillipsburg Depot so that we can put this beneficiating plant into operation.

Mr. RAINS. Of course, I will say to the gentleman that I am just as anxious as he is, and as are the members of the committee, to have what is necessary for defense production all the way across the board, so far as minerals are concerned. But the gentleman can see the point the Joint Committee would have to have in mind when they get the statement that this ore could not be used. That is why I want to compliment the committee, I will say to the gentleman from California [Mr. ENGLE] on doing the good job they have done on this bill and shedding the light we need on this matter.

Mr. ENGLE. We appreciate the cooperation of the gentleman's committee and we are delighted to work very closely with that committee. We did that in formulating this amendment and the suggestions of the gentleman's committee and his staff were very, very helpful to us, and I think significantly improved this proposed legislation.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield so that I may ask the chairman of the committee a question?

Mr. RAINS. I yield.

Mr. ROBERTS. I should like to ask the gentleman this question. I understand that under the bill it is contemplated that an ore-buying depot will be established somewhere in the Appalachian region. I would like to know what standards will be set up as to the content of the manganese that could be bought at that depot and who will set those standards.

Mr. ENGLE. The answer to the gentleman's inquiry is that the standards will be the same as those applying to all the other depots; no different, no worse and no better, as I understand the situation.

Mr. ROBERTS. Will the gentleman tell me this: How much manganese does

the ore have to contain now to meet those standards?

Mr. ENGLE. As I stated to the gentleman, and I hope I am speaking relevantly to his additional question, the standards are already established and they will be applied to these new depots the same as the others. It is not less than 15-percent manganese.

Mr. ROBERTS. As a representative of an area that produces manganese, mica, and some of the other minerals that are contemplated in this bill, I commend the chairman and the committee for bringing out the bill. I intend to support it.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from Georgia.

Mr. LANHAM. I want to express my appreciation of the committee's work in bringing out this bill. May I ask this question: Has the location of the depot in the Southeast been determined?

Mr. ENGLE. No, it has not.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 3 of the Domestic Minerals Program Extension Act of 1953 (67 Stat. 417) is amended by deleting all after the words "two years" to the colon at the end of the first proviso, and inserting in lieu thereof the following: "and, except as hereinafter limited, purchases under such programs shall be continued until such termination dates in such quantities at least as may be offered to the Government under such programs: *Provided*, That this section is not intended and shall not be construed to limit or restrict the regulatory agencies from increasing the quantities of materials that may be delivered and accepted under these programs as permitted by statutory authority or to restrict the establishment of such additional purchasing depots as may be deemed necessary to carry out the policy of this act."

SEC. 2. The additional quantities of materials other than manganese delivered to purchasing depots which may be bought under this act are limited to amounts of each material not in excess of twice the total authorized under each program as it existed on July 1, 1953: *Provided, however*, That in the case of manganese delivered to purchasing depots not more than 18 million recoverable units shall be bought at any one depot.

SEC. 3. Within 90 days from the effective date of this act two new manganese ore-buying depots shall be established which will purchase manganese ores at prices and specifications and under regulations identical with those in effect under the program operating for the depot established at Wenden, Ariz.; one such depot shall be established to serve the Ozark-Cushman area and one such depot shall be established to serve the southern Appalachian area. The locations for such new depots shall be determined by the Director of the Office of Defense Mobilization in cooperation with the General Services Administration.

SEC. 4. The limitation in the domestic manganese purchase program (the car-lot program) excluding producers of more than 10,000 tons of annual production from participation therein shall be amended to provide that the exclusion shall be applicable only to producers which in any one of the 4 calendar years next preceding 1955 shall have produced and sold more than 10,000 tons of manganese ore averaging more than 40 percent manganese.

SEC. 5. The Director of the Office of Defense Mobilization is hereby authorized and directed to conduct such programs as herein modified out of moneys made available to him for the conduct of activities under the Defense Production Act of 1950, as amended.

Mr. ENGLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ENGLE: Strike out all after the enacting clause and insert in lieu thereof the following: "That section 3 of the Domestic Minerals Program Extension Act of 1953 (67 Stat. 417) is amended by deleting all after the words '2 years' to the end of such section, and inserting in lieu thereof the following: 'and purchases under such programs shall be continued until such termination dates in such quantities as may be offered to the Government under such program: *Provided, however*, That the authority under this act shall not extend to authorization for purchases under any program of an additional amount which will exceed 100 percent of the quantity specified for any such program as it existed on July 1, 1953: *Provided further*, That this section is not intended and shall not be construed to limit or restrict the regulatory agencies from taking such additional actions as may be permitted by statutory authority: *And provided further*, That the extended termination date and additional quantity authorized by this act for the columbium-tantalum purchase program shall not apply to the purchase of columbium-tantalum bearing ores and concentrates of foreign origin.'

"SEC. 2. The Domestic Minerals Program Extension Act of 1953 is further amended by renumbering the present section 4 as section 7 and by adding the following new sections 4, 5, and 6:

" 'SEC. 4. Within 90 days from the effective date of this amendment, the Wenden, Ariz., ore-buying depot shall be reestablished and two new manganese ore-buying depots shall be established which will purchase manganese ores at prices and specifications and under regulations identical with those in effect under the program operated for the depot established at Wenden Ariz; one new depot shall be established to serve the Ozark-Cushman area and one new depot shall be established to serve the southern Appalachian area. The locations for such new depots shall be determined by the Director of the Office of Defense Mobilization in cooperation with the General Services Administration.

" 'SEC. 5. The limitation in the domestic manganese purchase program (the car-lot program) excluding producers of more than 10,000 tons of annual production from participation therein shall be amended to provide that the exclusion shall be applicable only to producers which in any 1 of the 4 calendar years next preceding 1955 shall have produced and sold more than 10,000 tons of manganese ore averaging more than 40 percent manganese.

" 'SEC. 6. For the purposes of this act the Director of the Office of Defense Mobilization is hereby authorized and directed to enter, hereafter, into gross purchase transactions not to exceed $150 million out of moneys made available to him under section 304 (b) of the Defense Production Act of 1950, as amended, such amount to be in addition to funds required to purchase the full quantities of all materials authorized to be purchased under the programs as they existed on July 1, 1953: *Provided, however*, That the Director of the Office of Defense Mobilization is authorized and directed to use such additional moneys to increase the quantity limitations of particular programs, as provided for in sections 3 and 4 of this act, only to the extent necessary to maintain the programs in effect until such termination dates as provided herein.' "

The amendment was agreed to.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. MARTIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to find out what the program is for next week.

Mr. McCORMACK. On Monday, the Committee on the District of Columbia has 12 bills to bring up. They are as follows:

S. 665, service credit, employees of cafeterias.

S. 1741, tax exemption, Jewish War Veterans National Memorial.

H. R. 7061, borrow motor vehicles for training.

S. 2176, utilities, report to Congress.

S. 2177, stock dividends, repeal prohibition against declaration.

H. R. 7159, salary increase, Police Department.

H. R. 2601, Metropolitan Police, extra-duty bill.

H. R. 7228, bridge across the Potomac River.

H. R. 6775, Small Loans Act of 1955.

S. 667, hairdressers, exempt meetings.

S. 1093, salary increase, teachers.

S. 1289, establish family court.

Then the conference report on the Military Reserve bill, H. R. 7000, will be brought up Monday.

For Tuesday, Wednesday, Thursday, Friday, and Saturday, if rules are reported out on the following bills, they may be called up for consideration, although, of course, not necessarily in the order in which I shall enumerate them now.

H. R. 3383, the upper Colorado storage project.

H. R. 7126, the Salk Vaccine Assistance Act.

S. 2127, the Small Business Administration bill.

H. R. 7470, extension of the Defense Production Act.

S. 2126, the housing bill.

H. R. 6645, the Natural Gas Act.

H. R. 7474, the Federal-aid highway construction bill.

H. R. 7152, the school-construction bill.

H. R. 7440, the equalization of salaries—that has to do with the organization of the House and employees of the House and certain aspects relating to Members of the House.

As I said, the bills may not necessarily be called in the order in which they are listed.

Of course, there is the usual reservation that conference reports may be brought up at any time.

Any further program will be announced, of course, for the information of the membership.

Mr. MARTIN. One of my colleagues here who has a mild interest in the matter of adjournment wants to know if you have reached any decision about that as yet.

Mr. McCORMACK. Of course, last week the gentleman remembers I made some personal observations in which I said I was expressing my own personal opinion and that I could see no reason why we could not clean up our business and get through by 2 weeks from Saturday, which now means a week from next Saturday. It is very evident that that is

out now. I was expressing a hope. Of course, the housing bill is the main thing that is tying us up—let us be frank about it. I do not say that in any sense of criticism on this occasion.

Mr. MARTIN. Why the exception "on this occasion"?

Mr. McCORMACK. I might say something when the bill comes up.

Mr. MARTIN. I wondered why the gentleman qualified his statement.

Mr. McCORMACK. I mean I am simply announcing the program now, but when the bill comes up, if the spirit moves, I might make some comment. But at that time, 2 weeks ago, if we had gotten the housing bill up and the road construction bill up, we would have 2 weeks to clean them up along with some other bills and we could have finished, in my opinion, a week from next Saturday. I hope the rule on the housing bill and the road bill will come up.

Mr. MARTIN. I might say to the gentleman that we are willing to come in at 10 o'clock and even on Fridays and Saturdays, if that is necessary.

Mr. McCORMACK. I know that. The gentleman from Massachusetts has always been cooperative, as we were with him when his party was in control of the House. But we all realize that we have no more legislation this week, after this bill is disposed of.

Mr. MARTIN. Can we not put on a little steam and get everything out?

Mr. McCORMACK. Yes, if we would get a rule out of the Committee on Rules. I am not criticizing the Committee on Rules. But, as I say, the stumbling block is, and I am talking frankly again at this particular time, and not critically, the stumbling block is the housing bill, and if the rule on that comes out, and if we get that out of the way, I think we can go along pretty fast.

Mr. MARTIN. Of course, I am not trying to create an argument.

Mr. McCORMACK. Oh, I am deliberately trying to refrain from an argument.

Mr. MARTIN. There must be other things besides the housing bill that stand in the way of the adjournment because that at best would only take a day.

Mr. McCORMACK. If we had had the rule out on the housing bill, say the early part of this week, we would have had it up and gotten it out of the way and put other legislation on that we have now for tomorrow, and we could get that out of the way. Then we could take up the road bill and in the meanwhile bring up other legislation. Of course, we know that you cannot take up everything. That is why I made my personal observation which was purely and completely personal a week or so ago that we could have finished by the end of July. But we are waiting for the housing bill and with another week going by and the rule not coming out, in my opinion, I do not see how we can finish by next Saturday. I hope we will be able to finish by next Saturday, but I doubt it very much.

Mr. MARTIN. Mr. Chairman, I yield to my colleague, the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Will the majority leader advise the House just what the constitutional status or situation will be if the Congress is in session after the 31st of July, having in mind the provisions of the Reorganization Act? It is my understanding that an emergency must be declared of some kind in order to justify continuation of the session.

Mr. MARTIN. I yield to the distinguished Speaker.

Mr. RAYBURN. The Reorganization Act provides that unless there is a national emergency, or something of that kind, the session closes on the last day of July, but in looking up the emergency measures we have passed we have found some of them that have not expired by limitation or been repealed. I think that is the answer.

Mr. HOEVEN. Well, who is to declare the emergency? As I understand it, the President declared that the emergency in connection with the Korean situation was over.

Mr. RAYBURN. But some emergency measures have not expired since.

Mr. HOEVEN. The Speaker will take the responsibility of declaring the emergency?

Mr. RAYBURN. No. The Speaker does not have any power. He is following the law.

Mr. HOEVEN. But under his interpretation of the law?

Mr. RAYBURN. Exactly. And I might say that I have asked the Attorney General of the United States for an opinion on that very point.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. GROSS. How much of this program for Monday—the gentleman started out by saying that Monday is District day, plus the Reserve training bill.

Mr. McCORMACK. Yes.

Mr. GROSS. Will that constitute the business for Monday?

Mr. McCORMACK. That is correct.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. WILLIAMS of Mississippi. I would like to state to the majority leader, in the event we do go beyond next Saturday, which is the 30th of July, that in Mississippi we are having our Democratic primary on August 2. As the gentleman well knows, Democratic nomination in Mississippi is tantamount to election, I am happy to point out.

Mr. MARTIN. I commiserate with the gentleman that he has such a condition.

Mr. WILLIAMS of Mississippi. I would like to inform the majority leader of that fact and make the request that he take that into consideration in scheduling the business for that week.

Mr. McCORMACK. We always have done that. Of course, if the Members from Mississippi are going to be here, there will be no necessity; but if any Members are away, we have always protected every State in the past. I would suggest that my friend confer with me later on that matter.

Mr. MARTIN. I suggest that if the House is going to adjourn on that day that we postpone adjournment for several days on account of the people in Mississippi.

Mr. McCORMACK. I think that can be taken care of all right.

Mr. GROSS. Will the gentleman yield further?

Mr. MARTIN. I yield.

Mr. GROSS. I have not heard the gentleman express any assurance that there will be any rollcall on Monday. The gentleman understands that there is at least one bill coming up on Monday which may require a rollcall.

Mr. McCORMACK. The gentleman is absolutely correct. I am glad he made that observation. If there is a rollcall on Monday, the rollcall will take place.

Mr. MILLER of Nebraska. Will the gentleman yield?

Mr. MARTIN. I yield.

Mr. MILLER of Nebraska. Will there be time to have another Consent Calendar call?

Mr. McCORMACK. Yes. The leadership has that definitely in mind; not only the Consent Calendar but the Private Calendar; and, if necessary, we could arrange to have two calls.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LANDRUM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6373) to amend the Domestic Minerals Program Extension Act of 1953 in order to extend the programs to encourage the discovery, development, and production of certain domestic minerals, and pursuant to House Resolution 301, he reported the same back to the House with an amendment adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTABLISHING COMMISSION ON GOVERNMENT SECURITY

Mr. CELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk House Joint Resolution 157, to establish a Commission on Government Security, with a Senate amendment thereto, disagree to the amendment of the Senate and agree to the conference asked by the Senate.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. CELLER, WALTER, and KEATING.

COMMITTEE ON WAYS AND MEANS

Mr. COOPER. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight Saturday, July 23, to file reports on the following bills: H. R. 257; H. R.

2553; H. R. 4394; H. R. 6263; H. R. 6728; H. R. 7018; H. R. 7064; H. R. 7282; and H. R. 7300.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

MANAGEMENT AND DISPOSITION OF CERTAIN PUBLIC DOMAIN LANDS IN OKLAHOMA

Mr. ENGLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4001) to provide for the mangement and disposition of certain public domain lands in the State of Oklahoma, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 4, line 4, strike out "(3)" and insert "(2)."

Mr. HOEVEN. Mr. Speaker, reserving the right to object, will the gentleman explain the purport of the amendment and state whether or not it has been cleared with the ranking minority member of his committee?

Mr. ENGLE. The answer to the gentleman's question is in the affirmative; I cleared this morning with the gentleman from Nebraska [Mr. MILLER], ranking minority member of our committee, and also with the minority leader, the gentleman from Massachusetts [Mr. MARTIN].

The amendment is a technical amendment only, renumbering certain sections. When the bill was under consideration in the House certain matter was added but the sections were not properly renumbered. The Senate corrected that, and we are simply asking the House to agree to the Senate action.

Mr. HOEVEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California to concur in the Senate amendment?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

REVISED EDITION OF CANNON'S PROCEDURE IN THE HOUSE OF REPRESENTATIVES

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. J. Res. 385) and ask for its immediate consideration.

The Clerk read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be printed and bound for the use of the House 1,500 copies of Cannon's Procedure in the House of Representatives, by CLARENCE CANNON, to be printed under the supervision of the author and to be distributed to Members by the Speaker.

SEC. 2. That, notwithstanding any provision of the copyright laws and regulations with respect to publications in the public domain, Cannon's Procedure in the House of Representatives shall be subject to copyright by the author thereof.

Mr. HOEVEN. Mr. Speaker, reserving the right to object, I understand this matter comes from the Committee on House Administration by unanimous vote.

Mr. BURLESON. That is correct.

Mr. HOEVEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. The question is on the resolution.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRINTING OF MANUSCRIPT ENTITLED "THE HOUSE OF REPRESENTATIVES"

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Con. Res. 190) and ask for its immediate consideration.

The Clerk read as follows:

Resolved by the House of Representative (the Senate concurring), That the manuscript entitled "The House of Representatives", which sets forth the history and functions of the House of Representatives, shall be printed, with illustrations, as a House document.

SEC. 2. There shall be printed 300,000 additional copies of such House document for the use of the Members of the House of Representatives.

The SPEAKER. The question is on the resolution.

The resolution was agreed to; and a motion to reconsider was laid on the table.

THE SONG "PLEDGE OF ALLEGIANCE TO THE FLAG"

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Con. Res. 161) and ask for its immediate consideration.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed as a House document the song composed by the famous songwriter, Irving Caesar, Pledge of Allegiance to the Flag, with illustrated cover, as designated in section 7 of the joint resolution approved June 22, 1942 (36 U. S. C., sec. 172), as amended (Public Law 396, 83d Cong., ch. 297, 2d sess; H. J. Res. 243, approved June 14, 1954); and that there be printed 305,250 additional copies, of which 266,150 shall be for the use of the House, 30,000 copies shall be for the use of the Senate; 6,000 copies to be made available at the House Document Room; and 3,000 copies to be made available at the Senate Document Room; and that there be included thereon the following history of the pledge:

The original author of the pledge was Francis Bellamy, who was born at Mount Morris, N. Y., May 18, 1855, and died August 28, 1931. He was ordained in 1879 at the Baptist Church in Little Falls, N. Y. The pledge he wrote was first used at the dedication of the World's Fair grounds in Chicago on October 21, 1892, the 400th anniversary of the discovery of America, and has been recited from that day to this, with some changes, by schoolchildren throughout our land. Reverend Bellamy's original wording was altered slightly by the First and Second National Flag Conferences in 1923 and 1924 and his work was officially designated as the Pledge of Allegiance to the Flag by Public Law 287, 79th Congress, approved December 28, 1945. On June 14, 1954, Flag Day, President Eisenhower signed into law House Joint Resolution 243, which added to the Pledge of Allegiance the compelling and meaningful words "under God."

The song "Pledge of Allegiance to the Flag" was sung for the first time on the floor of the House on Flag Day, June 14, 1955, by the official Air Force choral group, the Singing Sergeants, under the direction of Capt. Robert L. Landers, AFRES, in special Flag Day ceremonies.

Mr. HOEVEN. Mr. Speaker, reserving the right to object, will the gentleman advise the House how the bill was handled in the committee, and whether it was cleared with the ranking minority member?

Mr. BURLESON. It has the unanimous approval of both sides of the Committee on House Administration.

Mr. HOEVEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 2, line 19, after "dent", insert "Dwight D."

Page 2, line 19, after the numerals "243", insert "introduced by Representative LOUIS C. RABAUT, of Michigan."

Page 2, line 22, after the word "Flag", insert "composed by Irving Caesar, ASCAP, at the request of Representative LOUIS C. RABAUT."

Page 3, line 1, after the word "House", insert "of Representatives."

The committee amendments were agreed to.

The resolution was agreed to; and a motion to reconsider was laid on the table.

PROVIDING FOR EXPENSES OF INVESTIGATION AND STUDY AUTHORIZED BY HOUSE RESOLUTION 644

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 272) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That the expenses of the investigation and study to be conducted by the select committee created by House Resolution 244, not to exceed $10,000, including expenditures for the employment of investigators, attorneys, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof, and approved by the Committee on House Administration.

Mr. HOEVEN. Mr. Speaker, will the gentleman explain this resolution?

Mr. BURLESON. Mr. Speaker, if the gentleman will permit, I yield to the gentleman from Indiana, the author of the bill, to explain in some detail the purposes of this resolution.

Mr. DENTON. Mr. Speaker, a Commission was created by an act of Congress, but there was no provision for an audit to check its records. The House has passed a resolution authorizing a select committee to audit and check its records. In accordance with that resolution we asked that we be allowed to expend $10,000 for that purpose. The General Accounting Office is making a check of their records. They are doing it now, but they need more time to complete their work and they estimate their work will cost $5,000. We have, therefore, asked for another $5,000. Mr. SIMPSON, the minority member of the select committee, appeared before the committee and asked that this resolution be passed. We have been authorized by the Congress to conduct this investigation and this is a very modest request. I hope it is approved.

Mr. BURLESON. I think it might also be said that this is really a correction of the original resolution which should have provided for an audit of these funds.

Mr. HOEVEN. I understand this is a matter in which the gentleman from Illinois [Mr. VURSELL] has an interest?

Mr. DENTON. That is right.

Mr. HOEVEN. Has he been consulted about this resolution?

Mr. DENTON. I think he has no objection to having this additional appropriation made.

Mr. HOEVEN. Can the gentleman assure me that he has the approval of the gentleman from Illinois [Mr. VURSELL]?

Mr. DENTON. I talked to him, that is all. I spoke to Mr. SIMPSON, a minority member of the committee, who went with us when this matter was presented to the subcommittee of the House Administration Committee. He is interested in our having enough money to conduct this investigation.

Mr. HOEVEN. Mr. Speaker, under the circumstances I will be constrained to object.

The SPEAKER. This is a privileged resolution.

Mr. HOEVEN. Mr. Speaker, may I ask unanimous consent that the matter be passed over without prejudice at this time?

Mr. BURLESON. Mr. Speaker, I believe if the gentleman from Iowa will consider this matter a bit further he will agree to the resolution. Certainly, I do not want to be put in the position of pressing, but since we are getting near the end of the session I hope the gentleman will not feel it is unreasonable to ask that the matter be disposed of at this time.

Mr. HOEVEN. I may say that I have been placed in charge of the minority table at this time. I was not previously advised about this matter and Mr. MARTIN, the minority leader, is not present.

The SPEAKER. Did not the gentleman from Texas clear this matter with the gentleman from Massachusetts [Mr. MARTIN]?

Mr. BURLESON. That is correct. I spoke to the minority leader this morning about several resolutions, including this one, which I am presenting at this time. He is familiar with them. It has always been the practice to clear these with the minority leader before I make any request of this nature.

Mr. HOEVEN. The only thing about it is that the gentleman from Massachusetts, the minority leader, has not confided in the gentleman from Iowa.

The SPEAKER. May the Chair say that the Chair recognizes no one to ask unanimous consent to bring up a resolution for consideration without having consulted with the minority leader and having cleared them with him. These resolutions were all cleared with the minority leader, as the gentleman from Texas has said.

Mr. HOEVEN. Mr. Speaker, I withdraw my reservation of objection.

Mr. BURLESON. Mr. Speaker, if I may further say to the gentleman from Iowa, the ranking minority member of the Committee on House Administration, Mr. LECOMPTE, has also cleared these matters and in a short conversation with him a short time ago he agreed that they be brought up at this time.

The SPEAKER. The question is on the resolution.

The resolution was agreed to and a motion to reconsider was laid on the table.

CONDUCTING STUDIES AND INVESTIGATIONS AUTHORIZED BY HOUSE RESOLUTION 262

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 306) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of conducting studies and investigations authorized by House Resolution 262 of the 84th Congress, incurred by the Committee on House Administration, acting as a whole or by subcommittee, not to exceed $65,000, including expenditures for the employment of experts, special counsel, clerical, stenographic, and other assistants, and all expenses necessary for travel and subsistence incurred by members and employees while engaged in the activities of the committee or any subcommittee thereof, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration.

SEC. 2. The chairman, with the consent of the head of the department or agency concerned, is authorized and empowered to utilize the reimbursable services, information, facilities, and personnel of any other departments or agencies of the Government.

The resolution was agreed to; and a motion to reconsider was laid on the table.

TAX-EXEMPT FOUNDATIONS

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 310) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That for the expenses incurred by the Special Committee To Investigate Tax-exempt Foundations in conducting the studies and investigations authorized by House Resolution 217, 83d Congress, $67.46 shall be paid out of the contingent fund of the House on vouchers signed by the chairman of the Committee on House Administration and approved by such committee.

The resolution was agreed to; and a motion to reconsider was laid on the table.

THE FORD FUND FOR THE REPUBLIC

Mr. REECE of Tennessee. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include three short editorials by Fulton Lewis.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. REECE of Tennessee. Mr. Speaker, it is with considerable reluctance that I make these remarks, but I feel compelled to do so. So many persons from all over the country have written me about the behavior of Dr. Robert M. Hutchins' giveaway program in behalf of so-called civil rights that I must make some kind of a public statement on the matter.

In our report to the House—House Report No. 2681, 83d Congress—the Special Committee To Investigate Tax-Exempt Foundations of which I had the honor to be chairman, has a chart on page 24, showing the organizations of the huge Ford Foundation and 1 of the 7 main endowments is the Fund for the Republic with these interesting items: Pressing problems; legislative hearings, Government loyalty procedure; private censorship; loyalty oaths; due process of law; academic freedom; free speech and free assembly; democracy in labor unions; and so forth.

On page 113 of the House Report No. 2681, our committee cited excerpts from a report of the Ford Fund for the Republic, signed by the chairman of the Fund for the Republic, that great captain of industry and business genius, Mr. Paul Hoffman—who managed the affairs of his own company, the Studebaker Corp., so well they recently had to borrow $25 million from three insurance companies to keep from going bankrupt—wherein Chairman Hoffman, of the Ford Fund for the Republic, told the parent Ford Foundation that the areas of action chosen by the Fund for the Republic would include: First, restriction and assaults upon academic freedom; second, due process and equal protection of the laws; third, protection of the rights of minorities; fourth, censorship, boycotting, and blacklisting activities of private groups; fifth, principle and application of guilt by association.

It was stated that these objectives were to be free of political or legislative activity or propaganda.

Our committee concluded—without the concurrence of the minority members, however—that the Ford Foundation's Fund for the Republic was created for the purpose, among others, of investigating congressional investigations. We denounced the expenditure of great sums of tax-exempt money in the political field by biased individuals whose pub-

lic utterances brand them as wholly incompetent to conduct a fair and objective inquiry, or grants of money in the public interest.

Our committee expressed regret of the entry of the Ford Foundation and its $15 million offspring into the field of civil liberties, which is in a disputed area already crowded with muddled liberals, pro-Communists, anti-anti-Communists, and designing pressure groupists, who scheme constantly to maintain a left-wing balance of power in America, by loudly shouting the phony civil-rights issue.

Now, let us see how well the promise to keep the Ford fund for the Republic free of political or legislative activity, or propaganda, has been observed.

On June 29, 1954, following hearings which had been conducted by the Gray Personnel Security Board—April 12 to May 6 1954—the Atomic Energy Commission announced that it had found Dr. J. Robert Oppenheimer to be a security risk and denied him access to security data, thus approving the recommendations of the Gray Board and the Atomic Energy Commission general manager.

Dr. Oppenheimer has never complained that he was not given a fair and impartial hearing, with full opportunity to present his side of the case, to present witnesses in his behalf, and cross-examination of adverse witnesses, and he had four very able attorneys representing him, including the former General Counsel of the Atomic Energy Commission, Herbert S. Marks. Indeed, Dr. Oppenheimer at the outset was given the opportunity to challenge for cause any member of the Gray Security Board set up to pass upon his loyalty and security. He did not exercise the challenge. The Board was composed of men of integrity and he well knew their standing in the community.

The decision of the Atomic Energy Commission, affirming the decision of the Gray Security Board, finding Dr. Oppenheimer to be a security risk, raised a great hue and cry from the leftwing press, radio and TV cabal.

Here was a second Alger Hiss case but the public must not be told that.

Overnight Dr. Oppenheimer became a martyr.

The stark facts of his self-admitted associations with Communists; his contacts with Russian spies and his own financial contributions to Communist enterprises, were drowned out and completely buried in a propaganda barrage, the like of which the American people have never experienced before or since. Respectable witnesses against Oppenheimer were referred to in the Washington Post and Times Herald as "detractors."

A former distinguished Member of this body from the great State of Texas, wrote the following letter to the editor of the Evening Star:

OPPENHEIMER'S CASE

An expert atomic bomb scientist in charge of our H-bomb laboratory cannot love a Communist, daily eat with a Communist, sleep with a Communist, live with a Communist, and associate with Communists, and safeguard the interests of Americans.

Dr. J. Robert Oppenheimer has admitted all of the following:

That he belonged to several Communist-front organizations; that he contributed about $100 monthly to them; that he loved and wanted to marry the noted Communist, Dr. Jean Tatlock, until she died; that he did marry a Communist who was the ex-wife of the noted Communist Joseph Dallet; that his brother Frank was a Communist; that his brother's wife, Jackie, was a Communist; that he and his wife attended a meeting in the home of Communist Haakon Chevalier at which Communist Functionary William Schneiderman tried to explain "party line"; that he had no objection to ex-Communists working in Los Alamos as it was hard to recruit able scientists for this bomb project; that Communist Chevalier at the behest of a Soviet Embassy representative requested information for the use of Soviet scientists, which sounded terribly wrong to him, and he regretted not having reported the incident promptly, and that he recommended against an all-out H-bomb program.

Yet, some individuals criticize President Eisenhower for suspending him.

THOMAS L. BLANTON.

ALBANY, TEX.

The Ford Fund for the Republic was not long in answering the calls for help from the phony civil-rights crowd. Up rushed Dr. Hutchins, president of the fund, to the rescue with a $15 million tax-exempt bankroll in his hip pocket.

But they were subtle and at least had some finesse in the sly manner in which they proceeded to try and disabuse the public mind regarding Dr. Oppenheimer's loyalty and security status.

The Ford Fund for the Republic selected one of the biggest political propagandists in the United States, Mr. Ed Murrow, of Columbia Broadcasting System, radio and TV, to do the job of dusting the security risk label off Oppenheimer.

An hour-long interview between Mr. Murrow and Dr. Oppenheimer was filmed with sound, and at great expense hundreds of reproductions were made for free distribution to colleges and civic groups, all paid for by Dr. Hutchins, with tax-exempt money, your money and my money.

In typical Ed Murrow fashion, the interview was a highly colored propaganda job to present to its viewers Dr. J. Robert Oppenheimer as a genius, a towering figure in American science, who had been grossly abused and wrongfully accused of outrageous charges of which he was now and had always been, entirely innocent.

Ignored entirely in this Ed Murrow propaganda film were the details of the charges against Oppenheimer, including his own admissions that he lied repeatedly to security officers of the Manhattan District and the FBI regarding his contacts with the Soviet espionage agent, Haakon Chevalier, as well as other vital security matters.

Here are some of the admissions of Dr. Oppenheimer to the Gray Board that he had lied:

Question. So you told him (Colonel Pash, Security Officer of the Manhattan District) specifically and circumstantially that there were people that were contacted.

Answer. Right.

Question. And your testimony now is that was a lie?

Answer. Right. (P. 146, Gray Board transcript.)

Question. Isn't it a fair statement today, Dr. Oppenheimer, that according to your testimony now you told not one lie to Colonel Pash, but a whole fabrication and tissue of lies?

Answer. Right.

Question. In great circumstantial detail, is that correct?

Answer. Right. (P. 149, Gray Board transcript.)

Ignored entirely was the statement of the Gray Board on page 2:

He—

Oppenheimer—

has received patient and courteous consideration at the hands of the Board. The Board has, in the words of his chief counsel, displayed fairness in the conduct of the hearings.

Also ignored was the conclusions of the majority of the Board on the 23 charges against Dr. Oppenheimer on Page 24 of the Report on Oppenheimer where the Board condemned his conduct, associations and susceptibility to influences and his utter disregard for the requirements of the security system of the Government and regretfully stated that Dr. Oppenheimer had been less than candid in several instances before the Board. The Board recommended against granting him security clearance.

The Oppenheimer case has been widely publicized in every news medium in the United States, including magazines, newspapers, radio, and TV and he has become public security risk No. 1 and due to his prominence as the chief of staff of the Institute of Advanced Study at Princeton University, he has, because of conflicting views of some people in this country, become a political figure of a very controversial nature.

He did not at any time plead the fifth amendment before any congressional committee investigating subversion and communism and I cannot understand the interest of the Ford Fund for the Republic in him since it is perfectly obvious that none of his civil rights were in any way violated.

He was chief of staff at the Institute of Advanced Study before his security clearance was first suspended by the President on April 13, 1954, and according to the Evening Star of July 4, 1954, "He Is Back in His Ivory Tower," following the decision of the Atomic Energy Commissioners of June 29, 1954, so he still has his same job.

The only deducible reason for the great clamor about him is as Commissioner Campbell pointed out in his concurring opinion in regard to Dr. Oppenheimer's net worth to atomic energy projects:

His value to the AEC as a scientist or as a consultant has declined because of the rise in competence and skill of other scientists and because of his loss of scientific objectivity probably resulting from the diversion of his efforts to political fields and matters not purely scientific in nature. Further, it should be pointed out that in the past 2 years since he has ceased to be a member of the general advisory committee, his services have beeen utilized by the Atomic Energy Commission on only 2 days in 1952 and 4 days in 1954. * * * Dr. Oppenheimer is far from being indispensable.

So, Mr. Speaker, why would the Ford Fund for the Republic raise such a fuss about this man, spend thousands of dollars in tax-exempt money which really belongs to the Treasury of the United States in propagandizing this one man out of thousands of security risks who have been fired from Government and private industry in the very necessary security and loyalty program? Is it because his prominence and the attendant publicity he received in the press and radio-television gives the leftwingers like Hoffman, Hutchins, Murrow, and company the very opportunity they have been itching for—to launch a full-scale attack on the whole security system of the United States Government? That must be it.

To raise the phony issue of civil rights, civil liberties, guilt by association, and all the other frauds and phonies used by the Communists and their mouthpiece, the Daily Worker.

THE MARY KNOWLES CASE

On May 8, 1953, Mr. Herbert Philbrick, of White Plains, N. Y., appeared before the Internal Security Committee of the Senate and swore that Mary Knowles was a member of the Communist Party, "in fact a member of my own progroup underground cell."

Mr. Philbrick further identified Mary Knowles as Harrison Harley's secretary. Harrison Harley was the director of the Communist Samuel Adams School for Social Studies in Boston which was disbanded and went underground for security reasons in 1948. Mr. Philbrick testified that the Samuel Adams School was run completely and controlled entirely by the Communist Party as its biggest educational project.

The school's own literature, introduced into evidence identified Mary Knowles as secretary, her authority exceeded only by the director and associate director.

Mr. Philbrick was an undercover agent for the FBI in the Communist Party for over 9 years in the Boston area and his testimony helped convict the 11 first-string Communist Party leaders in New York Federal court of violation of the Smith Act. Mr. Philbrick was subsequently hired by the New York Herald Tribune and I do not know of any attacks on his integrity or testimony.

On May 21, 1953, Mary Knowles of Norwood, Mass., appeared before the same Senate committee, with counsel, and when asked if she was a member of the Communist Party now, she dived behind the fifth amendment and refused to answer the question—Subversive Influence in the Educational Process, Hearings Senate Committee on Internal Security, parts 9 and 10, pages 944–1002.

The Samuel Adams School of Boston is on the Attorney General's list of subversive and Communist.

Mrs. Mary Knowles, following her plea of the fifth amendment before the Senate Internal Security Subcommittee, subsequently submitted her resignation as branch librarian to the trustees of the Norwood, Mass., library, and it was accepted.

Mrs. Knowles had been employed by the Norwood library for some time while she was also serving as secretary of the Communist Samuel Adams School.

Then Mrs. Mary Knowles took a similar position with the library of the Plymouth Monthly Meeting of Friends, a Quaker group at Plymouth Meeting, a village near Philadelphia.

When Mrs. Mary Knowles went to the town of Plymouth Meeting, veterans' organizations and others asked her to take a loyalty oath. She refused. Thereafter, the Plymouth Township School Board, the governing authorities of Plymouth and Whitemarsh Townships, and the Conshohocken Community Chest withdrew financial support of the library. This amounted to about $1,500 annually.

Now, it is clearly shown that Mrs. Mary Knowles has had no civil rights violated in any manner. She, to the contrary, appears to have utilized her rights to the fullest, including refusal to take a loyalty oath, and refuge behind the fifth amendment.

Some of the Quakers, aroused at the adverse publicity the community was receiving, and wanting no truck with a fifth-amendment Communist, got up a petition to the meeting to have Mary Knowles discharged. This got voted down in a maneuver, though it appears a majority favored it, whereupon Dr. Hutchins, of the Ford Fund for the Republic, dashes Mrs. Eleanor B. Stevenson, one of his directors, and wife of Dr. William E. Stevenson, president of Oberlin College, to the scene with a $5,000 check which she presented to John Archibald, clerk of the town of Plymouth Meeting, with the amazing statement that she wanted to make it very clear that whatever Mrs. Knowles' past associations may or may not have been, she is a loyal American and a highly qualified librarian.

Dr. Robert M. Hutchins, president of the Ford Fund for the Republic, announced in New York that the gift of $5,000 was for "courageous and effective defense of democratic principles."

Mr. Speaker, these statements by two directors of the Ford Foundation Fund for the Republic are disgraceful. They are incredible.

What is going on in this country when we cite and award known Communists and traitors with praise and checks for $5,000, of tax-exempt money? When the former chancellor of the University of Chicago and the wife of another college president make public statements glorifying Reds who hide behind the fifth amendment and bestow on them $5,000 in cash, we had better stop, take stock, and see where we are headed.

Is the Ford Fund for the Republic going in the same direction as the American Fund for Public Service—the Garland fund—which was exhausted years ago by the Communist Party and its fronts or the Robert Marshall Foundation which has been drained of its resources of over a million dollars by organizations on the Attorney General's list as subversive and as a fund for the payment of attorney fees of $20,000 to Joe Rauh of ADA in the case of the Soviet spy, William Walter Remington, as pointed out by the gentleman from Illinois [Mr. VELDE] on October 17, 1951, in the CONGRESSIONAL RECORD, volume 97, part 10, page 13397?

But, alas, what can you expect of such muddle-headed so-called liberals like Dr. Hutchins when you read his testimony before the Seditious Activities Investigation Commission of the Legislature of the State of Illinois, known as the Broyles Commission, on April 21, 1949, when, after being duly sworn, he testified in the inquiry conducted into the University of Chicago of which he was then chancellor, that it was not yet established that it was subversive to be a Communist and that the University of Chicago had a Communist club chartered on the campus with the approval of the university; that Dr. Oscar Lange, a professor of the University of Chicago who renounced his American citizenship to become Ambassador from Communist Poland to the United Nations would be welcomed back to the university if they had the money to pay his salary.

Dr. Hutchins made the following answers to questions asked him before the commission then sitting at Springfield:

Question. The records which I shall present through other witnesses show, in summary, that some sixty-odd persons listed in the latest available directory of the University of Chicago, as professors or professors emeritus, have been affiliated with 135 Communist-front organizations in 465 separate affiliations. Is that not something for which the university might well be alarmed?

Answer. I don't see why.

Question. You don't think that is indicative of the fact that the university is allowing its prestige to be used in the Communist-front movement?

Answer. I don't think so.

Question. Then you are indifferent to that fact?

Answer. Would you allow me to make a statement?

Question. Certainly.

Answer. I did not say that, but let us consider what the alternative is. Suppose now you have a Nobel Prize winner who joins an organization which the Attorney General, at the moment, happens to disapprove of. Is it suggested that I am to interfere with his freedom of associations and speech? I hope not.

Question. Then it is your view of the Communist Party that it represents a fallacy?

Answer. I am not a counsel for the Communist Party or any of the committees.

Question. But you are somewhat of a student of world affairs, aren't you?

Answer. I am a student of those subjects on which I speak.

Question. You have an opinion on the Communist Party and its potential menace throughout the world, haven't you?

Answer. Well, I have some general views, just as I suppose everyone has.

Question. And I take it they are not flattering to the Communist Party?

Answer. Oh, no.

Question. Do you consider that the Communist Party in the United States comes within the scope of a clear and present danger.

Answer. I don't think so.

At page 299 of House Report No. 2681, our committee cites a report from the House Committee on Un-American Activities regarding Robert M. Hutchins, chancellor, University of Chicago, wherein it is stated that Dr. Hutchins was reported in the Daily Worker for June 25, 1951, page 2, as one of those oppos-

ing the Supreme Court decision affirming the conviction of the 11 Communist leaders in New York Federal court on October 14, 1949.

The Daily People's World, west coast Communist Party newspaper for April 17, 1950, page 2, reported the following:

Chancellor Robert Hutchins, head of the University of Chicago, has informed the National Committee To Defeat the Mundt Bill he has filed a statement with the House Committee on Un-American Activities denouncing the Mundt-Nixon bill as foolish, stupid, and dangerous.

The Hutchins statement follows:

"I should like to be recorded as among the numerous citizens of all political parties and all points of view who are united in believing that the Mundt-Nixon bill is foolish, stupid, and dangerous. I hope that Congress will display its intelligence and its faith in freedom and democracy by overwhelmingly defeating the measure."

I might here add that the first 17 sections of the Mundt-Nixon bill were incorporated in H. R. 9490, the Internal Security Act of 1950, and became law on September 22, 1950, as Public Law 831 of the 81st Congress.

The House committee reported that the National Committee To Defeat the Mundt-Nixon bill was a Communist lobby.

In House Report No. 3248, 81st Congress, 2d session, the Committee on Un-American Activities reported to the House its investigation of the National Committee To Defeat the Mundt Bill, a Communist lobby, in 15 pages and concluded as follows:

THE NATIONAL COMMITTEE TO DEFEAT THE MUNDT BILL

CONCLUSION

The Committee on Un-American Activities is unanimous in its belief that the National Committee To Defeat the Mundt Bill was organized not as a legitimate lobbying enterprise, but rather as a propaganda adjunct of the Communist Party. The work of this organization, in many instances, was performed by the Communist Party and it was at all times wholly supported by the Communist Party.

The Committee on Un-American Activities is well aware of the fact that there has been opposition to antisubversive legislation in legitimate quarters which in no way were connected with the Communist Party. The committee at this time is taking no issue with such legitimate opposition. It is solely concerned in this report with advising the American public that individuals who knowingly and actively support such a propaganda outlet as the National Committee To Defeat the Mundt Bill are actually aiding and abetting the Communist program in the United States.

This report was signed by all nine members of the committee: John S. Wood, Georgia, chairman; Francis E. Walter, Pennsylvania; Burr P. Harrison, Virginia; John McSweeney, Ohio; Morgan M. Moulder, Missouri; Richard M. Nixon, California; Francis Case, South Dakota; Harold H. Velde, Illinois; Bernard W. Kearney, New York.

With men like Dr. Hutchins supporting the Communist lobby to defeat the Internal Security Act of 1950, it is no small wonder that the City Board of Education of the City of Los Angeles voted to reject a gift of $300,000 from the Ford Foundation for teacher training.

It also appears that the Ford Fund for the Republic has been engaged in political propaganda on even a larger scale by the free distribution of the Bulletin of the Atomic Scientists which had a special issue devoted entirely to attacks on the security and loyalty program of the Government and praise of Dr. J. Robert Oppenheimer who happens to be chairman of its board of sponsors as Mr. Fulton Lewis, Jr., has pointed out.

Another activity in the one-sided political propaganda field of the Ford Fund for the Republic is the free and unsolicited distribution of books to Federal judges and college presidents throughout the United States. The three books selected by the Ford Fund for the Republic for such distribution are: Grand Inquest, by Telford Taylor, who has a red flag on his file at the Civil Service Commission with the warning unresolved question of loyalty; Government by Investigation, by Alan Barth, editorial writer for the Washington Post, long a defender of Communists and fellow travelers; Confirmity and Civil Liberties, by Prof. Samuel A. Stouffer.

The Ford Fund for the Republic also has teams all over the country, ostensibly investigating the Communists, but actually seeking to discover what active anti-Communists have been doing and even complex questionnaires have been sent to firms using radio and television to advertise their products asking pointed questions if they disapproved of hiring artists who pleaded the fifth amendment, had been named as a Communist by a Government agency or been listed as one in Counterattack, Firing Line, Red Channels, and so forth.

Mr. Speaker, are the American people without any legal recourse whatever to stop this political activity and outright assaults on our system of Government and security, with millions of dollars of tax-exempt money in the hands of men like Mr. Hoffman and Dr. Hutchins who are responsible to nobody for their actions?

Are we to stand idly by and allow these men to carry on these questionable activities under the mask of philanthropic education?

There is no agency of the Government equipped to ride herd on such outrageous abuse of the privileges of spending millions of dollars of money under the guise of tax exemption, which otherwise would have come into the United States Treasury. The Commissioner of Internal Revenue has no division in the Internal Revenue Service capable of investigating these activities and grants and there is no true accountability for the expenditure of these public funds.

Section 11 (a) and (b) of the Internal Security Act of September 22, 1950, denies tax exemption to any organization entitled to same under section 101 of the Internal Revenue Code only if such organization is required to register with the Attorney General by final order of the Subversive Activities Control Board under section 7 of the act of 1950.

But what are the 12 men who are trustees of the Ford Foundation doing about their offspring, the Ford Fund for the Republic? The last report furnished our committee in 1954 reported that $14,900,000 had been set aside for the Ford Fund for the Republic of which sum $2,400,000 had been granted. Surely the Ford Foundation could stop this crazy and subversive waste of public money by simply revoking and denying any further grants. At last report the Ford Foundation trustees were Henry Ford II, president, Ford Motor Co., chairman of the trustees, the Ford Foundation; H. Rowan Gaither, Jr., president, the Ford Foundation; Frank W. Abrams, former chairman of the board, Standard Oil Co., New Jersey; James F. Brownlee, partner, J. H. Whitney & Co.; John Cowles, chairman of the board of the Des Moines Register and Tribune, publisher of the Minneapolis Star and Tribune; Donald K. David, dean, Harvard Graduate School of Business Administration; Mark Ethridge, publisher, Louisville Courier-Journal, Louisville Times; Benson Ford, vice president and general manager, Lincoln-Mercury division, Ford Motor Co.; Laurence Gould, president, Carleton College; John J. McCloy, chairman, Chase National Bank of New York; Charles E. Wilson, chairman, executive committee, W. R. Grace & Co.; Charles E. Wyzanski, Jr., judge, United States district court, Boston.

If something is not done, the responsibiilty will rest with the trustees of the Ford Foundation and their failure to act will tend to bring the whole foundation concept into disrepute.

Mr. Speaker, as part of my remarks I wish to include three articles by Fulton Lewis, Jr., on the Ford Fund for the Republic as they appeared on June 14, 15, and 16, 1955:

WASHINGTON REPORT

(By Fulton Lewis, Jr.)

WASHINGTON, June 13.—The wolf in sheep's clothing simile has a new application: Americans for Democratic Action promenading in Fund for the Republic clothing—and, incidentally, with Fund for the Republic money in its pocket.

The fund was established a little over 2 years ago with a no-strings-attached $15 million grant from the Ford Foundation. Its announced purpose was to seek elimination of restrictions on freedom of thought, inquiry, and expression in the United States. History has shown its real purpose to be stopping anticommunism.

The grant was announced on February 25, 1953, 1 day after the House of Representatives had appropriated $300,000 to its Un-American Activities Investigating Committee. The sequence prompted one House Member to remark, "we appropriate $300,000 to investigate communism, the lefties appropriate $15 million to stop any investigation."

Two years' experience has proved him to have been eminently correct. Every act of the Fund for the Republic has been aimed directly at stopping all investigations of communism and its agents, at undermining the Government's personnel security program, and generally at discrediting any effective anti-Communist activities.

Its 1955 program, for example, has been centered primarily on propagandizing influential groups on two points—in support of Dr. J. Robert Oppenheimer, and in opposition to the personnel security program.

On the first count, the Fund for the Republic has footed the bill to distribute to

thousands of schools, colleges, and civic groups, an hour-long version of Edward R. Murrow's television interview with Oppenheimer.

In typical Murrow fashion, that film was a propaganda snow-job designed to present the discredited physicist as a benign, kindly soul who suffers in silence the hurt inflicted on him when the Atomic Energy Commission decided to refuse him security clearance. The fact that 7 of the 9 men who sat in judgment on Oppenheimer's case ruled against him, and their wholly justified reasons for so doing, are ignored.

Next, the fund financed wide-scale mail distribution of a special issue of the Bulletin of the Atomic Scientists, which is published by an outfit having as the chairman of its board of sponsors none other than J. Robert Oppenheimer. By coincidence, of course, this was a special issue devoted entirely to the twin objectives of defending Oppenheimer and attacking the security program.

I have been unable to ascertain exactly how extensive this special distribution was, but members of several different professions tell me of having received it. Also, it apparently was mailed to all Members of Congress; several called it to my attention and offered to let me have their copies, the alternative destination being the nearest wastebasket.

The next Fund for the Republic effort was to send gratis to all Federal judges copies of three leftwing books, all embodying varying facets of the overall liberal attack on the security program, on the confidential informant system and on anticommunism generally. The books were followed up by a reprint of a Harper's Magazine article entitled "The Kept Witnesses," written by one Richard H. Rovere.

One judge sent me his copy of the Harper's reprint with a penciled note: "How about 'kept professors'? We judges are really being bombarded." Another jurist sent me his with a cover note describing it as "the most obnoxious of the lot" he had received from the Fund.

I happened upon a clue to Mr. Rovere's character the next day when I discovered in the new issue of the ADA World an item about the ADA's forthcoming annual summer workshop in practical politics. One of the "liberal speakers" (ADA World's phrase) to address the workshop, it said, would be "Richard Rovere, New Yorker political correspondent."

The Kept Witnesses article is exactly what one would expect from the combination of Harper's, the Fund for the Republic, and the ADA.

Next on the list was the discovery that the Fund for the Republic is doing the same free propaganda job on college presidents. More about that and the Fund's links with ADA tomorrow.

WASHINGTON REPORT

(By Fulton Lewis, Jr.)

WASHINGTON, June 14.—On the surface, there appears to be no connection between the ultraliberal Americans for Democratic Action and the tax-free $15 million Fund for the Republic.

Probably there actually is no formalized connection. But their similarity of purpose, their identity in objectives, is amazing. They both are dedicated to the destruction of any effective anticommunism and to work toward a death knell for the Government's personnel security program.

The ADA, of course, is openly propagandistic, much as is, for example, the Democratic National Committee; the main difference is that ADA is somewhat further out in left field, although it also should be added that the same people who run ADA are trying to take over the Democratic Party and take it out to the left field fence, too.

The Fund for the Republic is a little more subtle in its propaganda and conducts it in somewhat more sophisticated fashion, but the anti-anti-Communist objectives are the same.

In recent months, the Fund has been spending substantial gobs of the $15 million it was granted 2 years ago by the Ford Foundation with no strings atttached, to send free copies of various liberal publications to substantial groups of influential Americans. One of the causes of this circularization has been an attempt to whitewash Dr. J. Robert Oppenheimer and clean him up in the public eye. That is a job.

Another objective has been to discredit the Government's personnel security program and to build up opposition to the "confidential informant" system. As part of this effort, it has sent to all Federal judges copies of 3 books and at least 1 reprint of a magazine article.

This space told yesterday about the reprint, an attack on use of ex-Communists as witnesses in Communist court cases, and how its author, one Richard H. Rovere, turns out to be a featured speaker at a forthcoming ADA summer workshop in practical politics.

The three books sent to the judges—several of whom, incidentally, have vented their annoyance at the Fund for the Republic and its unsolicited mailings in letters to me—constitute another link between the Fund and the ADA.

The books were Government by Investigation, written by Alan Barth, editorial writer for the leftist Washington Post; Communism, Conformity and Civil Liberties, by Samuel A. Stouffer; and Grand Inquest—The Story of Congressional Investigations, by Telford Taylor.

Page 4M of the May 1955 issue of the ADA World is a sort of book review section. The two featured reviews—both highly laudatory and commendatory—are on Government by Investigation and Communism, Conformity and Civil Liberties.

In the lower left corner of the page is a box with the heading: "Your ADA Book Club offers at bargain prices the following May choices." The first book on the list is Taylor's Grand Inquest. The Barth and Stouffer tomes, of course, also are on the same list.

Coincidence? What do you think?

An interesting side-angle is that the ADA World's review of Government by Investigation is written by Martin Agronsky, Washington commentator for the American Broadcasting Co. Long known for his leftist views, Agronsky remarks that this book should have "its place on the reference shelf along with the CONGRESSIONAL RECORD and Mr. Webster's dictionary" for working Washington reporters. I place myself in that category but I can assure you the book has no place on my reference shelf.

Another interesting gimmick to this Fund for the Republic effort to propagandize the Federal judiciary and other important classes has come to light just in recent days. I now know of at least two college presidents who have received this same unwelcomed batch of alleged literary efforts.

I do not believe it will, but if this propagandizing of Federal judges and college presidents should win any converts to the liberal thinking advocated by the Fund it could be of major importance. More about that tomorrow, as well as an explanation of how the Fund in effect is spending your and my money.

WASHINGTON REPORT

(By Fulton Lewis, Jr.)

WASHINGTON, June 15.—If a person or an organization wants to spend his or its money to propagandize the American public in behalf of a particular cause, that is his or its constitutional American privilege, whether the cause be ultraleft, archreactionary, or whatever.

Complaints about the Fund for the Republic's propaganda campaign against the Government's personnel security program and against all forms of effective anticommunism are based on a different premise.

They stem from the fact that because it enjoys a tax-exempt status as an allegedly philanthropic educational setup, the Fund for the Republic in using its $15 million for this leftist-supported campaign is using the money of you and me and all other taxpayers.

For every dollar the Fund would pay in taxes without its tax-exempt status, taxpayers must ante up a replacement dollar. Every dollar it would normally pay in taxes goes instead into its anti-anti-Communist campaign. Whether you realize it or not, all of us taxpayers thus are helping to finance the Fund for the Republic's "liberal" pitch, no matter how much some of us may abhor the idea.

If the Fund was conducting a truly educational campaign and presenting both sides of the picture so that the subjects of its propaganda bombardment could make up their own minds, that would be something else again. But it doesn't. Everything it does, every bit of propaganda it spends tax-exempt dollars to circulate, is slanted heavily to leftwing objectives.

The story has been told here of the leftist apologies it has been sending to Federal judges, and of how it now develops that it apparently is sending the same material to college presidents. On the latter point, I have a letter from a prominent leader in the educational field who makes this point:

"It strikes me that this would be an interesting and also very invidious field for operations of this kind. College presidents of course have large influence. First of all, they are dealing with the youth of our country all the time and producing the leaders of the next generation. They have a large influence over faculties and a large influence in their communities, and when they are religious leaders also that influence is carried far and wide among their religious groups."

The college president whose receipt of the Fund's material prompted this letter is prexy of a prominent Catholic university.

The highly objective and praiseworthy weekly U. S. News & World Report recently published an interview with Attorney General Herbert Brownell in which he discussed at length the urgent necessity for the Government's personnel security program and the extreme importance of evaluating and using information from confidential informants.

The magazine received so many requests for extra copies of the issue containing the interview that it made a special reprint of it. Has the Fund for the Republic shown any interest in it, or sent it to anyone? Of course not.

Nor has it shown the slightest bit of interest in anything else which in any way tends to support anticommunism.

Reports are circulating that Henry Ford II, scion and now active policymaker of the auto-making family, has become so disgusted with operations of the Fund for the Republic that he is considering making a public statement pointing out that neither he nor any member of his family, nor the Ford Foundation, has anything to do with the Fund's operations.

That is the case. The Ford Foundation made a $15 million grant to the Fund 2 years ago to put it in operation but there were no strings whatsoever attached and the Fund can do as it pleases with its money.

Its first president was Fair Dealing Internationalist Paul Hoffman; next, now-Senator CLIFFORD CASE, a darling of the ADA; and now, Robert M. Hutchins, long-time president of the University of Chicago who

throughout his career has been under attack as an ultraliberal.

Quite an outfit. But something should be done to remove its mask of philanthropic education. Propagandistic, yes; educational? Not in the slightest.

COMMITTEE ON BANKING AND CURRENCY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight Saturday to file reports on the following numbered bills: S. 1187, S. 1189, S. 2127, H. R. 6198, H. R. 6199, H. R. 6298, H. R. 7073, H. R. 7244, H. R. 7470, and H. J. Res. 278.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ARMED FORCES AND NATIONAL GUARD

Mr. REECE of Tennessee. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. REECE of Tennessee. Mr. Speaker, H. R. 7049, to revise and codify titles 10 and 32 of the United States Code entitled "Armed Forces" and "National Guard," respectively, was called on the Consent Calendar July 5 and again July 18. Each time it was passed over without prejudice.

This bill is more than 800 pages in length. It is accompanied by a committee report of over 1,100 pages. The bill is designed not only to codify, but also to revise, all existing law relating to the armed services.

In view of the fact that H. R. 7049 if enacted will reflect virtually the whole law of the United States pertaining to the Armed Forces, I am convinced that it should pass the House only after the fullest opportunity for debate. The bill, as I read it, may restate present statutes so as entirely to change their meaning. For example, Technical Section 30 (c) of H. R. 7049 could be construed to have the effect of depriving members of the Reserve and National Guard of their right now existing under the act of July 1, 1947, and the Armed Forces Reserve Act of 1952, to receive retirement pay granted by Public Law 810, 80th Congress, without regard to the limitations of section 212 of the Economy Act of 1932.

This is a valuable right to Reserve officers who have devoted their civilian lives to employment with the Federal Government, and it is a valuable asset to the Government that it can permit such experienced employees to pursue their ordinary occupations and contemporaneously receive a modest retirement award for their faithful military service performed over many years on their own time. I say with confidence that the House would never jeopardize this right by legislation so long as the members are cognizant of that effect.

There are other possible changes in the law proposed by H. R. 7049 which could have far-reaching and serious results. Under the circumstances, I believe that the House can act deliberately upon this measure only if it is exposed to debate on the floor. Failing that, I urge each member to study H. R. 7049 and assure himself that he understands all its implications before he consents to its consideration and passage on the Consent Calendar.

TO WIN FRIENDSHIP OF RUSSIAN PEOPLE AS ALLIES AGAINST COMMUNISM

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, Americans are disturbed.

Their intuition tells them that there is something wrong with our foreign policy.

First it blows hot, then it blows cold, and in between it is confused. Headlines one day; indifference the next. One group of policymakers is fascinated by the hope of coexistence on the theory that communism may change its spots, as Communist propaganda would beguile them into thinking. Another would wage preventive war, without regard for the pride and dignity and the legitimate aspirations for economic, political, and social freedom that are secretly nursed by millions of Russians and Chinese.

Our 19th century diplomacy is blind to psychology, and to the yearning for genuine peace and progress that is shared by all peoples.

It fails to distinguish between communism and its first victims—the people of Russia.

By recognizing the Communist leaders of Russia as a legitimate and trustworthy government, it has abandoned the Russian people, even as it is secretly toying with the idea of alienating the Chinese people by recognizing their Red masters; by promoting this frustration that leads to hostility, we are driving these potential allies in despair down the road of no return. Because we offer them no alternative.

American diplomacy, by rejecting the longing for friendship on the part of the Russian and Chinese people, and by failing to offer them any hope of cooperation in establishing normal and representative governments that could become trusted members of the family of nations, is missing the boat and endangering the freedom of the United States and the Western World.

Mr. Igor Boglepov, a former Communist, who understands the objectives and the methods of that conspiracy, and who is well qualified to suggest effective countermeasures, has petitioned the Congress to approve the following resolution:

Whereas the Government of the United States of America maintains diplomatic relations with the Government of the Soviet Union, the real will of the Russian people, enslaved by the Communist dictatorship of that Soviet Union, remains unacknowledged and unsupported by the free world, and this situation may lead to the hostility of the Russian masses toward this country, and facilitate the criminal, aggressive intentions of the Soviet rulers: Now, therefore, be it

Resolved, That the Foreign Relations Committee of this House shall study and find the proper means for the establishment of friendly relations with the Russian people over the heads of their Communist oppressors.

For that aim, the said committee is authorized to ask the Secretary of State, Mr. John Foster Dulles, and other Government agencies to present evidence and opinion in favor of a new approach toward the Russian people: namely, by helping Russian national and patriotic elements to prevail over the present internationalist and radical Communist leadership which may open the road to a real pacification in the world and the building up of better and friendly relations between the American people and the Russian people.

This is a bold and a promising suggestion.

To which I might add, that the committee should study how the Soviets came to power, in order to demonstrate the harm they have done to the Russian people, and to separate one from the other as irreconcilable.

The Russian and the Chinese people are the best of potential allies in weakening and overthrowing the Communist conspiracy; due to our own ignorance of its long-range determination to enslave humanity, and our half-hearted and contradictory efforts to win the allegiance of its present and future victims, it now threatens the world.

When will the free world mobilize its real strength, and put into action its dynamic capacity for friendship, and justice, against which Communist deceptions, and Communist terror could never prevail?

Political and economic democracy, hand in hand with the genuine fellowship of religion, must find a way to dissolve the artificial walls which the Communists have built to seal off their enslaved peoples from the free world.

There is the self-confessed fear and weakness of communism itself.

It dreads the capacity of people to get along together, when they are given the opportunity to know and understand one another.

Down deep in its evil heart it knows that the American people and the Russian people have much in common; that they are animated by love of home and family and of God; that they want to live and let live, in honor, in dignity, and in opportunity for progress that will not harm others.

When and how can we clasp hands in friendship that will free the world from the curse of communism, and turn the future into an unlimited era of abundance and happiness, instead of one that is haunted by the fear of atomic annihilation?

America, wake up.

Use all your God-given gifts to win the trust and cooperation of the Russian and Chinese peoples, in spite of every obstacle that the Communist tyrants place in our way.

Men of good will on both sides are trying to reach through the barrier and establish friendly contact.

But, first, the Government of the United States, truly representing the sentiment of its own people, must persistently and effectively inform the first victims of communism that we have never for one moment forgotten them.

The new American policy must establish friendship with the captive peoples in united opposition to the Communist tyranny that oppresses them and threatens us.

This is the key to liberation for all.

A GHOUL OF TODAY

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, in the May issue of the Progressive—published at Madison, Wis.; Morris H. Rubin, editor—is an article by Milton Mayer, which indicates that the ghoul of other days was a rank conservative and reactionary.

Webster defines a traditional ghoul as one who robbed graves and fed on corpses.

Not so long ago, some ghouls robbed graves, sold bodies, sold them to unscrupulous institutions engaged in research.

Others dug into graves for the purpose of stealing jewels, anything of value.

Desecrating a grave, robbing the dead is a despicable, horrifying thing. It is difficult for those who have buried a loved one to understand why any human being would commit so foul an act. Those who did it not only had apparently lost all sense of decency and respect for their fellow man, but presumably they were actuated by greed.

But Milton Mayer does not have the courage to dig into the grave of Colonel McCormick, at Wheaton, steal from his body a ring, a watch, his clothing, or his shoes—which Mayer, by his piece in the Progressive, editor, Morris H. Rubin, demonstrates he is not worthy to wear—for such an act the law might get him.

Rather, like the coward that he seems to be, he waits until the colonel is dead and then when his words or his writings can, so far as one sees, accomplish no good thing, he uses his poison pen for no apparent good reason, unless it be to satisfy his inherent meanness, in an attempt to besmirch the memory of the colonel, to irritate and arouse the colonel's friends, to belittle the good which the colonel did during his lifetime, to magnify the colonel's frailties.

Perhaps I misjudge Mayer. Instead of envy, jealousy, and a natural depravity being the motive for his effort, perhaps he, like the ghouls of other days, was just seeking a price for his attempt to steal the good name of a dead man.

Apparently, every generation must have its robber of the dead, its representative who seeks to steal from the youth of his day the inspiration which all normal individuals gather from the lives and traditions which come to us when great men have served those with whom they lived.

Can one count and number those who have been thrilled and encouraged to a life of truthfulness by the story of Washington and the cherry tree?

Has any normal, thinking, patriotic individual, striving for a better life, desirous of serving his community or his country, failed to be inspired by the story of Honest Abe?

Yet there have been those who have told us and who have written that the story of Washington, his hatchet, and the cherry tree was but a myth. Others, of seeming like makeup, have advised us not only that Lincoln had human frailties but that he was homely.

To use a common expression—so what?

If memory serves me correctly, since the beginning of history, the only one ever upon this earth who did not show some mark of imperfection was Christ.

In my life's span, I have never known either man or woman in whom, with whom, I could not find some imperfection, some fault. Lest you think me unduly critical, permit me to add that that ability to detect imperfection or fault is at its peak when I look into the mirror.

Can we not all recall as we look backward or glance at the present that there always has been and is in the life of each of us someone whose example has inspired us to greater efforts, successful often, to lead a better life?

In the Progressive, Mayer not only demonstrates his depravity, his lack of decency, his meanness, his envy, his jealousy, his lack of respect for the dead, but he proves that truth cannot be suppressed.

He charges the colonel with many a disreputable act, with being wholly bad, and then proceeds to admit that the colonel's efforts, his life, and the example he gave us, were good, of value to his friends, the community in which he lived, and to his country.

The colonel must have been a great and a good man, for even in the effort of a skilled vilifier and character assassin like Mayer, good deeds, worthwhile accomplishments, stand out to brighten the days of the colonel's former associates, encourage future generations.

Was Shakespeare thinking of men like McCormick when he wrote:

> How far that little candle throws his beams. So shines a good deed in a naughty world.

Perhaps you are interested in Mayer's views.

He attributed extreme ignorance and conceit to the colonel, for, referring to him, he wrote:

> He could not have believed that death, which took dispensable men every day, would take him, too, or even try, for he was indispensable, without him the Republic would be lost, and God would not allow the Republic to be lost.

By those words Mayer proved the truth was not in him. The colonel talked and wrote of death. The foresight and care which he took in providing for the future use of his property demonstrates that he realized that to him, like to every other human being, death might come at any moment.

The colonel's efforts and the care with which he provided that the principles in which he believed should be continued to be advocated through the use of the assets which he left, show that he not only was fully cognizant of the fact that he would meet the fate of all men, but that he was not indispensable and that others could and would carry on for the good of the Republic.

Mayer says the colonel was not a good man; that "he did great evil." To prove that assertion he calls attention to the fact that there once appeared in the Chicago Tribune a cartoon a " 'dog tag' which every American would have to wear under social security."

Probably the idea the cartoonist had in mind was to call attention to the fact that social security, however good it might be for individuals, was but a milestone on the road to regimentation.

As justification for vilifying the colonel and attempting to belittle the colonel's fight for what he believed to be right, Mayer says he was trying to keep his countrymen from mistaking "elegy for truth and, as a consequence, good for evil"—which, being interpreted, means that Mayer opposed the philosophy of McCormick, hence all the colonel thought or did or tried to do was evil. That the colonel was an evil man, because he had not, during this life's work, accepted the philosophy of Mayer—this is evident from Mayer's statement that the elegies which the colonel's staff drummed up to fill the Tribune after his death were of three kinds, and, describing the third:

> The third, mostly from European papers, took the line that whether the colonel was right or wrong, you had to admit that he stood firm and fearless for what he thought right.
>
> But what if what he thought was right was wrong? If that were the case—and I think it was—it would have been better if he had stood infirm and fearful.

You get the point? Mayer says that what the colonel thought was wrong, so Mayer, after the colonel is dead and

buried, crosses swords with his ghost and, instead of presenting facts or arguments to show that the colonel's purposes were harmful, his policies unsound, digs up and magnifies some fancied faults or mistakes of the colonel.

Mayer, having decided that the colonel, during his lifetime, was wrong, now criticizes him because "he stood firm and fearless for what he thought was right"—for what Mayer now decides were unfair acts or mistakes.

Mayer apparently would justify villification of the colonel now, because the colonel fearlessly crusaded for things which he believed to be right and for the good of the country—because things which the colonel and millions of others thought good have now by Meyer been pronounced unsound or mistakes.

Mayer was forced to admit "the colonel was a strong man in his own right," for he wrote: "The colonel was strong, and his strength was in him and not in his roll." It was not a couple hundred million dollars that enabled the colonel to stand alone.

He admits the colonel was a great man. He tells us that the colonel inherited his strength from his grandfathers; and, then, his venom and his inconsistency getting the better of him, Mayer adds, "He did not have the guts to be weak."

How logical? The colonel was strong because he did not have the strength to be weak.

Contradicting his own contention that the colonel was all evil, Mayer wrote: "In his strength and his folly he did good things as well as evil," and cites instances.

Mayer admits the colonel was courageous, would not sacrifice a principle for financial or circulation gain; cites an incident where, standing by the independence of the Tribune, the colonel refused to suppress a news story when the printing of it threatened to cost the Tribune advertising of great value.

Mayer wrote:

> The colonel was sincere, but who isn't? * * * He believed, in his ignorance and his blasphemy, that he was ordained by God to save the Republic from the Reds and the lunatics.

At least a laudable purpose. Does Mayer contend otherwise? Or does he just think one should not believe he is working with God's approval?

Is it not an admirable trait for each of us, that, using the ability, whatever it may be, that God has given us, we should strive to save the Republic not only from the Reds and the lunatics, but from anything and everything which might destroy it?

Since when has it been a crime to believe in country, to make an effort to do what we think is good, to believe that we are following Christ's teachings?

Has not every missionary, every minister, believed that he was ordained by God to save others?

Do not the majority of our physicians and surgeons, many of our scientists, our Red Cross people, believe they meet with the Lord's approval when they strive to serve humanity?

After all, Mayer, just what is wrong in believing that God has given each of us a mission here on earth—what is there of evil in the thought and the effort to try to make the world better? And who can be sure in his striving that he will not make a mistake—is lack of certainty any reason why one should not try?

Mayer admits that the colonel was sincere, that he was consistent, but because his thinking did not agree with his, he characterizes a great man as evil and, for no discernible good purpose, seeks to blacken his memory.

Mayer wrote:

> So far as I was able to learn, he had no friends, not one.

Then he gave the lie to his statement by printing the story of his friendship for Ed Kelly, referred to some of the good things he did for his business associates and the employees of the Tribune. Mayer wrote:

> The sycophants delivered the paper he wanted, every day, magnificently edited and printed, if you attach no morality to magnificence; the most readable newspaper in America, if you attach no morality to readability. And the colonel took care of them with the world's highest pension system, with bonuses distributed from the satrap's Christmas largess, with wedding presents for their wives and weeds for their widows. He took care of them in such splendor that men whose wives needed wedding presents, or whose widows needed weeds, quit respectable papers to work for the Tribune.

Then, to show his inability to understand the deep feeling which the colonel had for his nearest and his dearest friends, Mayer writes:

> The Tribune's own story of his funeral lists the following persons—and no others—who were present when the body of Colonel McCormick was taken from the library of his Wheaton fortress for military burial in the fortress grounds which, the colonel's will provided, would forever after be maintained as a shrine with a $1 million endowment.
>
> "His batman from the Mexican war, as old as he but burying him. Soldiers who had served under him in 1918 in the First Division, so dear to his heart. The gardener who so long ago had selected with him the honeysuckle, lilacs, and Norway maples which now encircled his burial place.
>
> "His Japanese valet, the weeping maids from his household staff, his pilots, the chauffeur who knew him so well. The executives of the far-flung publishing empire he had established.
>
> "All stood quiet on the terraced slopes."

A simple funeral service is described: He notes that, at the request of the deceased, his long-time associates and friends were the ones who attended his last commitment to the grave.

Mayer, do you mean that had you been in the colonel's present place you would have requested that individuals of prominence, statesmen, politicians, movie actors and actresses, individuals from whatever class, group, or walk in life who were in the public eye, should have been present when all that was mortal of the colonel was committed to the grave?

Does the fact that his batman from the Mexican War, as old as the colonel, was at the colonel's request at the burial indicate, as you contend, that the colonel had no thought but of himself? Had no feeling but to impose his will upon others?

You apparently consider it strange that the soldiers who had served with him in 1918 were dear to his heart and that he wanted them to assist in laying him away.

Is not your lack of the feelings which ordinarily guide all of us shown by your statement that the gardener who long ago had selected the flowers and the shrubs and the trees which were planted in the home plot was present, fails to impress you with the humanity, the sincerity, the kindliness, which the colonel possessed?

Does your statement that "His Japanese valet, the weeping maids from his household staff, his pilots, the chauffeur who knew him so well," tend to prove that the colonel was lacking in the deep affection, the desire which the average individual has that those he knew and loved should go with him to the grave, not give the lie to your statement that the colonel had no friends and wanted none?

Does it not prove that he was a man of understanding, that he had regard for the views, the welfare of others, no matter what their station in life?

In the last paragraph of the scurrilous article which the Progressive—editor, Morris H. Rubin—printed, you wrote:

> The colonel is gone to his fathers (to his grandfathers, rather), and, when you consider the unfortunate environment in which he grew, you, like me, will wish him well hereafter. But when you consider the unfortunate environment in which 4 million Chicagoans grew (an environment which the Chicago Tribune in part created), you will wish them well right here.

It is not possible that you are so ignorant, so dumb, so vindictive, that you do not know that millions of readers over the years read the Tribune, drew inspiration as well as information from its news columns, from its editorials, recognized the colonel's ability, his sincerity, his patriotism, and gloried in his efforts to make Chicago and his country a better place in which to live.

Mr. Mayer, I have read and reread, studied and pondered your piece in the Progressive. It is difficult to believe that the price you received could be the sole reason for your effort. It is difficult to assume that envy or greed or both could in you be so strong as to cause you to write, or the Progressive—editor, Morris H. Rubin—to publish, such a false, vicious, mean article.

Mayer cannot reach the colonel, even though he hates him. The colonel is dead and gone. He cannot hurt him nor his place in history. He can only create resentment in the colonel's friends.

Mayer's piece only demonstrates that he himself is completely lacking in tolerance, kindliness, charity; possessed by envy, intolerance, and vindictiveness.

COMMITTEE ON THE JUDICIARY

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have permission to sit during general debate next week.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SPECIAL ORDERS GRANTED

Mr. ALLEN of California asked and was given permission to address the House today for 15 minutes following any special orders heretofore entered.

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes on Monday next following any special orders heretofore entered.

EXEMPTION FROM GAS TAX FOR NONHIGHWAY USE

The SPEAKER. Under previous order of the House, the gentleman from Mississippi [Mr. SMITH] is recognized for 15 minutes.

Mr. SMITH of Mississippi. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. SMITH of Mississippi. Mr. Speaker, when H. R. 7474, the bill to authorize the interstate highway system and to provide taxes to finance the construction of the system comes before the House next week, I intend to offer an amendment providing for the refund of all taxes paid on gasoline not used for highway purposes in agriculture, forestry, mining, fishing, and aviation.

If H. R. 7474 becomes law, present gasoline taxes can no longer be considered as part of the general revenue. For all intents and purposes, under this bill the gasoline taxes will be dedicated to payment for roads, under the theory that the users of the roads should pay for the roads.

In recognition of this fact, the House Public Works Committee has written a provision into the bill exempting from the proposed tax increase all non-highway-use gasoline. It is neither logical nor equitable for this exemption to apply only to the increased portion of the tax if all of the revenue is to be considered dedicated to highway use.

REFUND AMENDMENT

It is with this thought in mind that I propose to submit the amendment to provide for these refunds, provided the highway bill comes to the floor under a rule which will make such an amendment in order.

At the present time diesel fuel used in tractors, motor boats, stationary engines, and other equipment in use in agriculture, forestry, mining and fishing is exempt from all taxes for nonhighway use. This is a further inequity which my amendment would eliminate. Under the present law the farmer who can afford a diesel tractor has a great advantage in fuel cost over the farmer who cannot afford one, at the expense of the Federal Government.

My amendment would provide that the refunds be worked out under regulations prescribed by the Internal Revenue Service. There would be no more difficulty in providing for the refund of the entire 3 cents than in providing for the 1 cent as now proposed in H. R. 7474.

ONE-THIRD EXEMPT, TWO-THIRDS TAX

It is completely illogical and indefensible for the House to pass legislation providing an exemption for one-third of a tax. Either the entire tax should be refunded or none at all.

My proposed amendment has attracted considerable attention among farmers throughout the country, and I am sure that the same type of response will develop in the forestry, mining, fishing, and aviation industries. As an example of the response among the farm group, I incorporate as an extension of my remarks some of the telegrams and letters which I have received from farm groups throughout the country:

MADAL, IDAHO, *July 21, 1955.*
Congressman FRANK SMITH,
House Office Building,
Washington, D. C.:

Please oppose House bill 7072. We recommend complete exemption of nonhighway used gas from Federal gas tax cost price. A squeeze on farmers is plenty tough without having added highway construction added to it.

CHERRY CREEK FARMERS NATIONAL AFFAIRS,
Committeeman DALE MOON.

BOONE, N. C., *July 18, 1955.*
Hon. FRANK SMITH,
House Office Building,
Washington, D. C.:

We urge you to exempt nonhighway users from present and proposed tax on gas and diesel fuel. Farmers should not have to pay this tax.

WATAUGA COUNTY FARM BUREAU,
I. B. WILSON, *President.*

HILLMAN, MICH., *July 18, 1955.*
FRANK SMITH,
House Office Building,
Washington, D. C.:

We appreciate your effort in helping farm families and hope you will be effective with the 3-cent gas refund.

MONTMORENCY COUNTY FARM BUREAU
BOARD OF DIRECTORS.

LINCOLN, NEBR., *July 18, 1955.*
Congressman FRANK SMITH,
House Office Building,
Washington, D. C.:

We urge exemption of nonhighway used gasoline from all Federal gasoline tax. Agricultural used gasoline is strictly power and has no relationship to highways. Gas tax adds to costs of operation and with dropping income works serious hardship on agriculture. Most States recognize this principle and provide exemptions. Federal Government should also.

CHAS. MARSHALL,
President, Nebraska Farm Bureau Federation.

DENVER, COLO., *July 19, 1955.*
Congressman FRANK SMITH,
House of Representatives,
Washington, D. C.:

Please accept our thanks for introducing amendment to H. R. 7072 to exempt nonhighway use gasoline from Federal tax. Colorado Revenue Department figures show that Federal excise tax on gasoline cost farmers and ranchers well over million dollars in the State's 1953 crop production; 1954 estimates much higher. Since agriculture now is in cost-price squeeze, legislation should decrease, not increase, production costs. We feel that this tax not only adds to the already staggering production-cost burden farmers and ranchers carry but also discriminates against them. They are the only group of individuals who are having to pay a tax on the power used in production. This tax on production is unjustified. No other industry pays a tax on production to build highways. We urge you to continue your efforts in behalf of agriculture. We are urging Colorado congressional delegation to support your amendment on H. R. 7072.

ARTHUR L. ANDERSEN,
President, Colorado Farm Bureau.

PHOENIX, ARIZ., *July 19, 1955.*
Hon. FRANK SMITH,
House Office Building,
Washington, D. C.:

Proposed amendment to H. R. 7072 exempting nonhighway use gasoline from Federal tax is supported by Arizona Farm Bureau. Collection of any highway use tax on nonhighway use gasoline is discriminatory and unfair.

WILLIAM C. DAVIS,
Executive Secretary, Arizona Farm Bureau Federation.

BATTLE CREEK, MICH., *July 19, 1955.*
Representative FRANK SMITH,
House Office Building,
Washington, D. C.:

The Barry County Farm Bureau is behind you 100 percent on your amendment to refund 3 cents per gallon gasoline tax to farmers for agricultural purposes.

FARREL S. JENKINS,
Chairman of Barry County Legislative Committee.
MRS. GARTH FLORIA BERWIN,
STADEAL PETER PETERSON,
JUSTIM SIMPSON.

ALPENA, MICH., *July 19, 1955.*
FRANK SMITH,
House Office Building,
Washington, D. C.:

We appreciate your testimony on the off-the-road 3-cent gas tax.

ESLEY VAN WAGNER,
Chairman of Legislative Committee.

WAYNESVILLE, N. C., *July 18, 1955.*
Hon. FRANK SMITH,
House Office Building,
Washington, D. C.:

The Haywood County Farm Bureau urges you to oppose the gasoline, diesel fuel and rubber taxes to finance Federal-highway system or exempt farmers from this provision.

Sincerely,

JOE BOONE,
President, Haywood County Farm Bureau.

DES MOINES, IOWA, *July 18, 1955.*
Hon. FRANK SMITH,
House Office Building,
Washington, D. C.:

Congratulations on fight to eliminate Federal nonhighway gas tax. A 3-cent Federal gas tax would cost Iowa farmers $7.5 million annually on fuel used in farm operation. Tax on nonhighway used fuel is unfair and cannot be justified. Iowa congressional delegation will support you.

E. HOWARD HILL,
President, Iowa Farm Bureau Federation.

COLUMBUS, OHIO, *July 18, 1955.*
Hon. FRANK E. SMITH,
House of Representatives,
Washington, D. C.:

With rising production costs farmers are caught in cost-price squeeze. Appreciate your efforts to secure equitable treatment for farmers by amending H. R. 7072 to exempt nonhighway used gasoline from 3-cent Federal tax.

D. R. STANFIELD,
Assistant Executive Secretary, Ohio Farm Bureau Federation.

ST. PAUL, MINN., *July 18, 1955.*
Congressman FRANK E. SMITH,
House Office Building,
Washington, D. C.:

On behalf of the Minnesota Farm Bureau, please accept our thanks for your proposed amendment to exempt all nonhighway used gasoline from Federal tax. We have always considered this sound. The present farm cost-price squeeze and the principles involved demand that your amendment be passed.

J. DELBERT WELLS,
Secretary, Minnesota Farm Bureau Federation.

CONCORD, N. H., *July 18, 1955.*
Congressman FRANK SMITH,
House Office Building,
Washington, D. C.:

Elimination of Federal tax on gasoline for nonhighway purposes is not only commonsense but also a matter of justice. For a farmer such a tax would run into a lot of money in a year's time and make even worse the serious cost-price squeeze he now faces. You are to be congratulated for taking leadership in the elimination of this tax and you have our wholehearted support.

ALFRED L. FRENCH,
Managing Director, New Hampshire Farm Bureau Federation.

PHOENIX, ARIZ., *July 18, 1955.*
Hon. FRANK SMITH,
House Office Building,
Washington, D. C.:

Members of Arizona Dairymen's League wholeheartedly endorse policy of American Farm Bureau Federation in its stand on highway use tax application to gasoline, diesel fuel, tires, and inner tubes. The Arizona Dairymen's League urges that highway use tax on these products be not applied when such products used in conjunction with vehicles operated only on farm.

Thanking you for your consideration and trusting you will do all in your power to keep this burden from the American farmer.

Sincerely yours,
ARIZONA DAIRYMEN'S LEAGUE,
HAROLD BOWLES,
Executive Secretary.

CHICAGO, ILL., *July 18, 1955.*
Hon. FRANK SMITH,
House Office Building,
Washington, D. C.:

The Illinois Agricultural Association with more than 200,000 members, condemns the taxation of gasoline used on farms for a Federal highway building program as an unjust burden that cannot be defended in the courts of public opinion. It wholeheartedly supports your amendment to exempt nonhighway use gasoline from the full 3-cent tax as fair and equitable. To continue the 2-cent tax is a discrimination against agriculture as a highly mechanized industry and as between farmers themselves, as many farmers on small acreages cannot justify capital outlay for machinery using other exempt fuels.

OTTO STEFFEY,
President, Illinois Agricultural Association.

INDIANAPOLIS, IND., *July 18, 1955.*
FRANK SMITH,
House Office Building,
Washington, D. C.:

County farm bureau presidents of Indiana were in annual session today. They voted unanimously supporting exemption for nonhighway used gasoline from the proposed 3-cent Federal tax.

HASSIL E. SCHENCK,
President, Indiana Farm Bureau, Inc.

LITTLE ROCK, ARK., *July 18, 1955.*
Hon. FRANK SMITH,
House Office Building,
Washington, D. C.:

Agriculture in this State is almost completely mechanized. As a result, gasoline is a major source of farm power. The imposition of a tax on agriculturally used gasoline is discriminatory. No tax is imposed on the major source of power in any other industry.

The imposition of this discriminatory tax adds to the cost of production on the farm.

We are hopeful that you will be able to secure the passage of an amendment to H. R. 7072 to exempt agriculturally used gasoline from the 3 cents Federal tax.

WALDO FRASIER,
Executive Secretary, Arkansas Farm Bureau Federation.

SPOKANE, WASH., *July 19, 1955.*
Congressman FRANK SMITH,
House Office Building,
Washington, D. C.:

Washington State Farm Bureau vigorously supports your amendment to H. R. 7072, which would exempt nonhighway use gasoline from 3-cent Federal tax, and we deeply appreciate your efforts in this important matter.

RALPH T. GILLESPIE,
President, Washington State Farm Bureau.

MADISON, WIS., *July 18, 1955.*
Hon. FRANK SMITH,
House Office Building,
Washington, D. C.:

Wisconsin Farm Bureau board unanimously favors total exemption from Federal tax all farm-used motor fuels. Injustice to nonhighway user self-evident. We oppose increase as well as continuation of Federal gas tax and request exemption pending repeal.

CURTIS HATCH,
President, Wisconsin Farm Bureau Federation.

WEST BRANCH, MICH., *July 18, 1955.*
Representative FRANK SMITH,
House Office Building,
Washington, D. C.:

Ogemaw County Farm Bureau has taken action on the proposed amendment on the Federal tax on gasoline paid by farmers. It should be returned to farmers if not used on highways.

OGEMAW COUNTY FARM BUREAU,
MARTION MATTHEWS, *Secretary.*

OKLAHOMA CITY, OKLA., *July 18, 1955.*
Hon. FRANK SMITH,
House Office Building,
Washington, D. C.:

Oklahoma Farm Bureau supports your amendment to H. R. 7072 exempting nonhighway use gasoline from Federal tax. Oklahoma Congressmen being wired requesting support.

LEWIS H. MUNN,
President, Oklahoma Farm Bureau.

MANHATTAN, KANS., *July 19, 1955.*
Congressman FRANK SMITH,
United States House of Representatives, Washington, D. C.:

Kansas Farm Bureau members wiring Congressman from their own district general opposition to huge Federal expenditures provided by H. R. 7072 for highway construction. Specific opposition to continuation of present tax on agriculture gasoline for nonrelated purposes. Your effort on committee as well as possible success to get favorable amendment from floor appreciated by Kansas farmers.

W. I. BOONE,
President, Kansas Farm Bureau.

HAMILTON, MICH., *July 20, 1955.*
Hon. FRANK SMITH,
House of Representatives,
Washington, D. C.:

We strongly urge your amendment for 3-cent gas tax refund for farmers.

JOHN ALBERS,
President, Allegan County Farm Bureau.

CASSOPOLIS, MICH., *July 20, 1955.*
Representative FRANK SMITH,
House Office Building,
Washington, D. C.:

Cass County Farm Bureau supporting your drive for refund of tax on nonhighway motor fuel.

HOWARD MCKENZIE,
Chairman, Cass County Farm Bureau Legislative Commission.

COLUMBIA, S. C., *July 19, 1955.*
Hon. FRANK E. SMITH,
Washington, D. C.:

The South Carolina Farm Bureau Federation is urging all members of our House delegation to vigorously support your bill to exempt farm gasoline from 3 cents Federal tax.

E. H. AGNEW.

KALAMAZOO, MICH., *July 20, 1955.*
Representative FRANK SMITH,
House Office Building, Washington, D. C.:

Appreciate your effort to eliminate taxes on gasoline used off the highway. Hope Michigan Representatives support your amendment.

DALE WEBSTER,
Chairman, Kalamazoo County Farm Bureau Legislative Committee.

LEMOYNE, PA., *July 20, 1955.*
Congressman FRANK SMITH,
House Office Building, Washington, D. C.:

Urging Pennsylvania Congressmen support you on amendment to H. R. 7072. No justification for taxing nonhighway use gasoline in Pennsylvania. All highway vehicles required by State law to carry license, thereby clearly distinguishing between gasoline use on highways and otherwise. Strongly commend and support you in your efforts to exempt nonhighway gasoline from 3-cent Federal tax.

C. M. WILSON,
Secretary, Pennsylvania Farmers Association.

JAMESTOWN, N. DAK., *July 16, 1955.*
Representative FRANK SMITH,
House Office Building, Washington, D. C.:

The membership of the Stutsman County Farm Bureau urges you to oppose any increase in the tax on farm-used fuels and asks you to press for exemption of the present taxes on farm-used gasoline. We feel there is no relationship between the tax base and its use. Have notified North Dakota Congressmen of our opposition.

FRANCIS SIMMERS,
President, Stutsman County Farm Bureau.

JAMESTOWN, N. DAK., *July 18, 1955.*
Representative FRANK SMITH,
House Office Building,
Washington, D. C.:

Please oppose any increase in the tax on farm used fuels and request that present taxes on farm used gasoline be eliminated.

M. D. ORR,
Ypsilanti, N. Dak.
DONALD ODENBACH,
Woodworth, N. Dak.
L. R. CHIDLEY,
Courtenay, N. Dak.

WACO, TEX., *July 18, 1955.*
Hon. FRANK SMITH,
House Office Building,
Washington, D. C.:

Federal tax, 3 cents on top State taxes that average more than 5½ cents gallon on gasoline that sells at around 12 cents gallon at refinery would result in burdensome and unfair tax of more than 70 percent on an essential product that is the life blood of the Nation. Since tax on motor fuel is being considered as a road users tax, a refund is justified on gasoline used for nonhighway purposes. Commend you for recognizing this fact and your efforts to make provision for the refund in House bill H. R. 7072.

J. WALTER HAMMOND,
President, Texas Farm Bureau.

WALTHAM, MASS., *July 18, 1955.*
Representative FRANK SMITH,
House of Representatives,
Washington, D. C.:

You have our wholehearted support behind your amendment to exempt nonhighway used gasoline from 3-cent Federal tax.

JOHN F. MCMASTER,
Assistant Legislative Agent, Massachusetts Farm Bureau Federation.

FARGO, N. DAK., *July 16, 1955.*
Congressman FRANK SMITH,
House Office Building:

North Dakota farmers definitely oppose additional tax on farm used gas under proposed bill and ask repeal of present tax on nonhighway gas. Additional 1-cent nonrefundable tax will make State financing program to be voted on in near future very doubtful. State legislator increased gas tax 1 cent. Refundable last session. For matching purposes will vote on State bond issue of $54 million—farmers feel might as well put extra tax on shoes—or other commodities not used for highway purposes.

G. J. STAFNE,
Secretary, North Dakota Farm Bureau.

PROVIDENCE, R. I., *July 16, 1955.*
Congressman FRANK SMITH,
House of Representatives,
Washington, D. C.:

We loudly applaud your proposal to offer an amendment to exempt nonhighway use gasoline from 3 cents Federal tax. You have the wholehearted support of the farmers of Rhode Island.

BURTON FROBERG,
President, Rhode Island Association of Farmers.

RUSSELL DRANE,
Secretary, Rhode Island Association of Farmers.

SALEM, OREG., *July 15, 1955.*
Hon. FRANK SMITH,
House of Representatives,
Washington, D. C.:

Oregon Farm Bureau Federation wishes to commend your statesmanship on behalf of the Nation's farmers for release from discriminatory Federal tax on gasoline used off the highways. Historical Oregon has recognized the founder of this approach as Oregon farmers are not required to pay 6 cents State gasoline tax on nonhighway use gasoline.

BEN ROBINSON, *President.*

LAS CRUCES, N. MEX., *July 15, 1955.*
Hon. FRANK SMITH,
Member of Congress,
Washington, D. C.:

Regarding highway bill, H. R. 7072, New Mexico Farm and Livestock Bureau urges your support in exempting nonhighway-use gasoline from 3-cent Federal tax.

J. L. AUGUSTINE, Jr.,
Executive Secretary.

POCATELLO, IDAHO, *July 15, 1955.*
Hon. FRANK SMITH,
House Office Building,
Washington, D. C.:

Taxing farm production cost to finance highway construction or maintenance considered most unjust to Nation's farmers existing 2-cent Federal tax on nonhighway-use gasoline considered no more just than 1-cent increase. We recommend complete exemption of nonhighway-use gasoline from 3-cent Federal tax.

JOHN H. WEBB,
Executive Secretary, Idaho Farm Bureau.

MILO, MAINE.
Hon. FRANK SMITH,
House of Representatives,
Washington, D. C.:

I am heartily in support of your amendment to exempt agricultural gas from taxation.

WARREN A. BROCKWAY.

COLUMBIA, TENN., *July 18, 1955.*
Hon. FRANK SMITH,
United States Congressman,
Washington, D. C.:

Gratified to know you plan to offer amendment and lead debate on House floor to exempt nonhighway-used gasoline from 3-cent Federal tax. Tennessee Farm Bureau members strongly encourage and support you this action. Today contacting Tennessee Congressmen urging their active support.

TOM J. HITCH,
President, Tennessee Farm Bureau.

ITHACA, N. Y., *July 18, 1955.*
Hon. FRANK SMITH,
House Office Building,
Washington, D. C.:

Farm-used gasoline should be exempt from Federal gasoline tax. Gasoline important item in farm costs. H. R. 7072 should provide full exemption.

DON J. WICKHAM,
President, New York Farm Bureau.

AUGUSTA, MAINE, *July 18, 1955.*
Representative FRANK SMITH,
House Office Building,
Washington, D. C.:

Support being wired to Maine Representatives—county leader deep—for your action on 3-cent gas-tax exemption for off-the-road use. Our thanks.

MAINE FARM BUREAU ASSOCIATION.
WILLARD WAGNER, *Secretary.*

LOUISVILLE, KY., *July 18, 1955.*
Hon. FRANK SMITH,
House Office Building,
Washington, D. C.:

Kentucky Farm Bureau Federation enthusiastically supporting your proposed amendment to H. R. 7072 to exempt nonhighway used gasoline from 3 cents Federal tax. Our members consider it unjust and discriminatory farmers being forced to pay this tax.

R. H. PROCTOR,
Director of Legislation.
B. S. ST. CLAIR,
President,
Kentucky Farm Bureau Federation.

BERKELEY, CALIF., *July 18, 1955.*
Hon. FRANK SMITH,
United States Congressman,
House Office Building,
Washington, D.C.:

California Farm Bureau Federation vigorously supports amendment to highway tax bill, H. R. 7072, to provide exemption for nonhighway-used gasoline. We sincerely appreciate your efforts in this respect.

RICHARD W. OWENS,
Secretary Treasurer,
California Farm Bureau Federation.

CASSELTON, N. DAK., *July 19, 1955.*
CONGRESSMAN FRANK SMITH,
House Office Building,
Washington, D. C.:

Greatly interested in outcome of House bill on taxing nonagricultural gasoline. As North Dakota farmer, am strongly opposed to Federal taxation on fuel used in agriculture. This expresses the feeling of most of my neighbors.

GEO. SMITH.

BALTIMORE, MD., *July 19, 1955.*
Congressman FRANK SMITH,
House Office Building,
Washington, D. C.:

Our farmers 100 percent back of your amendment to exempt nonhighway gasoline from the 3-cent Federal tax. A tax on nonhighway farm-used gas is a production tax on an industry faced with increased cost and declining income. Good luck in your effort to help agriculture.

C. E. WISE, Jr.,
Secretary-Treasurer, Maryland Farm Bureau, Inc.

JEFFERSON CITY, MO., *July 18, 1955.*
Hon. FRANK E. SMITH,
House of Representatives,
Washington, D. C.:

Understand you will be gracious enough to offer amendment to H. R. 7072 and lead debate on floor of House to exempt nonhighway-use gasoline from 3-cent Federal tax. Believe you will find majority of Missouri delegation 100 percent behind you. In Missouri we have always had exemption of farm-used gasoline by refund where claimed by farmer. Over 30-year period it has meant a great saving in operating costs to farmers and has met with universal acceptance by other users as being only fair and just. Appreciate very much your efforts to bring justice to all in this issue.

H. E. SLUSHER,
President, Missouri Farm Bureau Federation.

HUNTINGTON, IND., *July 19, 1955.*
Representative FRANK SMITH,
House Office Building,
Washington, D. C.:

Huntington County Farm Bureau in full support of your effort to make Federal tax on nonhighway gasoline refundable to farmers.

FRANK CROSSER,
Huntington County Farm Bureau Co-op Association.

INDIANOLA, MISS., *July 12, 1955.*
Congressman FRANK SMITH,
House Office Building, Washington, D. C.:

Urge that you oppose additional Federal gas tax especially for nonhighway use.

J. W. STOWERS,
Inverness, Miss.

GREENWOOD, MISS., *July 11, 1955.*
Congressman FRANK SMITH,
House Office Building, Washington, D. C.:

Please do all you can to prevent additional tax on gasoline. Thank you.

LEO MURPHREE,
Director, Leflore County Farm Bureau.

MARKS, MISS.
FRANK SMITH,
Congressman, Washington, D. C.:

We appreciate your efforts in helping to kill the tax measures proposing to increase the tax on nonhighway gasoline.

J. D. COBB,
President, Quitman County Farm Bureau.

COLUMBUS, MISS., *July 10, 1955.*
Congressman FRANK SMITH,
House Office Building, Washington, D. C.:

Mississippi farmers are depending on your help for tax exemption on gasoline used for agricultural purposes.

T. K. WELLS.

LEXINGTON, MISS., *July 11, 1955.*
Congressman FRANK SMITH,
House Office Building,
Washington, D. C.:
Would appreciate support against bill increasing gasoline tax.
HOLMES COUNTY FARM BUREAU,
J. E. CHISHOLM.

INDIANOLA, MISS., *July 12, 1955.*
Congressman FRANK SMITH,
House Office Building,
Washington, D. C.:
Please oppose additional Federal gasoline tax for farm use.
NOEL BARRETT.

INDIANOLA, MISS., *July 12, 1955.*
Congressman FRANK SMITH,
House Office Building,
Washington, D. C.:
Encourage opposition to additional Federal gas tax as applies to farmers.
EUGENE FISACKERLY,
Blaine, Miss.

SHELBY, MISS., *July 11, 1955.*
Hon. FRANK SMITH,
Congressman, House of Representatives,
Washington, D. C.:
Fight against legislation putting tax on nonhighway gasoline.
MAX DILWORTH.

GREENWOOD, MISS., *July 9, 1955.*
Congressman FRANK SMITH,
House Office Building, Washington, D. C.:
It seems most unfair that farmers should be burdened with an added 1-cent Federal tax on gasoline for nonhighway use. We appreciate your fight.
HOWARD MCSHAN.

YAZOO CITY, MISS., *July 11, 1955.*
Hon. FRANK SMITH,
House of Representatives,
Washington, D. C.:
Please use every effort to get exemption for nonhighway use of gasoline.
CHARLES J. JACKSON.

GREENWOOD, MISS., *July 12, 1955.*
Representative FRANK SMITH,
House Office Building, Washington, D. C.:
We oppose any increase gasoline tax especially for nonhighway use.
C. K. FISACKERLY.
J. H. PRICHARD.

CLEVELAND, MISS., *July 9, 1955.*
Congressman FRANK E. SMITH,
House Office Building, Washington, D. C.:
Bolivar County Farm Bureau, representing 3,340 farm families, vigorously oppose legislation to increase tax on gasoline. Urge you support legislation to eliminate gasoline tax on fuel used for nonhighway purposes.
BOLIVAR COUNTY FARM BUREAU,
M. S. GRAY, *President.*

GREENVILLE, MISS., *July 9, 1955.*
Hon. FRANK E. SMITH,
House Office Building, Washington, D. C.:
We urge your opposition to tax increase applicable to nonhighway use of gasoline.
WASHINGTON COUNTY FARM BUREAU,
LEO F. WILLIAMS, *President.*

VIRGINIA FARM BUREAU FEDERATION,
Richmond, Va., July 18, 1955.
The Honorable FRANK SMITH,
House Office Building,
Washington, D. C.

DEAR MR. SMITH: We are delighted that you have agreed to offer an amendment on the floor of the House to eliminate the proposed 3-cents-per-gallon Federal tax as it may apply to farm-used gasoline.

Certainly, our farmers who are one of the lowest income groups in the United States and who are already experiencing very serious economic difficulties are in no position to pay more than their fair and proportionate share of the cost involved in constructing and maintaining highways. To our way of thinking, there is no more excuse for a tax on such gasoline than there would be to have a similar tax on fertilizer, cow feed, or any other of the numerous production supplies used by our farmers in their operations.

I sincerely trust that you will be successful in obtaining the votes required for the adoption of your very constructive amendment. I have very wide contacts with farmers throughout Virginia and I have yet to hear one who did not feel that a Federal tax on farm-used gasoline was a vicious and a most unfair form of taxation.

With every good wish, I am,
Very truly yours,
M. A. HUBBARD,
Executive Secretary.

WYOMING FARM BUREAU FEDERATION,
Laramie, Wyo., July 18, 1955.
Congressman FRANK SMITH,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN SMITH: It is my understanding that the highway bill (H. R. 7072) has been voted out of the Public Works Committee with a recommendation to exempt non-highway-used gasoline of the extra 1-cent tax. It is also my understanding that you will offer an amendment and lead the debate to exempt all non-highway-used gasoline from the present 2 cents and proposed 1-cent Federal tax.

First, I wish to congratulate you for taking it upon yourself to lead this campaign. I fail to see how anybody can disagree with you in the soundness of this exemption.

We in Wyoming find ourselves at a particular disadvantage since we are one of the few States that do not have the State taxes refunded on the off-the-highway gasoline used on our farms and ranches. I have instructed our people in the communities that you are taking this action and you may be assured that you have the wholehearted support of our membership in this State. We now have 7,887 members in the Wyoming Farm Bureau Federation and our membership has increased steadily since 1945. At that time we had a mere 2,000 members.

You may feel free to quote any part of this letter in your remarks relating to the highway bill.

Sincerely yours,
JOHN C. CLAY,
Executive Secretary.

GRENADA COUNTY FARM BUREAU,
Grenada, Miss., July 11, 1955.
Hon. FRANK SMITH,
Congressman, House Office Building,
Washington, D. C.

DEAR MR. SMITH: It looks like the farmers are about to be squeezed again. This time in regard to increasing Federal tax on gasoline from 2 cents to 3 cents. Since you are on the subcommittee dealing with this matter we want you to know you have our support in shaping up legislation that will not increase tax on farm-used gasoline.

Instead of increasing this tax from the 2 cents to 3 cents from the Federal level, it seems the wise policy would be to get total exemptions on nonhighway use of gasoline.

If farmers in the State can give you any backing in this matter do not hesitate to call on them whether in your district or any other district.

Very cordially yours,
E. H. WHITE.

SUNFLOWER COUNTY FARM BUREAU, INC.,
Indianola, Miss., July 11, 1955.
Congressman FRANK SMITH,
House Office Building,
Washington, D. C.

DEAR FRANK: Please oppose vigorously with every means at your command the bill now being considered by some Congressmen which would add an additional Federal tax to the gasoline which we purchase in Mississippi.

If we can assist in any way in helping you or others in opposing this measure please feel free to call on us.

Sincerely yours,
RALPH W. RAY,
President, Sunflower County Farm Bureau.

RICHTON, MISS., *July 11, 1955.*

DEAR CONGRESSMAN: Please do all you can to prevent any raise on gas taxes where the gas is used on the farm for agricultural purposes.

Respectfully yours,
WILLIAM R. STENISON.

TAWAS CITY, MICH., *July 18, 1955.*

DEAR SIR: We, of the Iosco County Farm Bureau of Michigan, feel that the total 3 cents of the Federal tax should be returned and not just 1 cent as proposed.

Trusting that you will do what you can to see that this is accomplished I remain,

Yours sincerely,
Mrs. WILLIAM HERRIMAN,
Secretary, Iosco County Farm Bureau.

MINTER CITY, MISS., *July 11, 1955.*
Hon. FRANK E. SMITH,
Washington, D. C.

DEAR SIR: We are very much opposed to any increase in gasoline tax, as it will work a hardship on farmers to pay any more taxes, please do all you can to prevent any raise in gasoline tax.

Yours truly,
J. J. FRAISER.

INDIANOLA, MISS., *July 9, 1955.*
Representative FRANK SMITH,
Washington, D. C.

DEAR SIR: The Farm Bureau advises me of the 1-cent gasoline tax bill to come up. Vote against it. The farm expense is too high now, and the other consumers have enough expense. The Federal Government should cut their expenses.

Thanks for your letter of June 17 relative to the wage increase. Do your best to defeat all or any part of the bill. The farmers cannot gather their cotton under this expense.

Respectfully yours,
Mrs. E. E. BRITT.

NORTH CARROLLTON, MISS., *July 11, 1955.*
Congressman FRANK SMITH,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN: I, as a very small farmer, am solidly behind you for exemption of Federal taxation on gasoline for agriculture purposes. I feel sure that you will do everything in your power to prevent this unfair tax.

Very respectfully,
Mrs. I. W. BUSH,
Farm Bureau Member.

CONGRESSMAN FRANK SMITH: On behalf of Leflore County farmers and Leflore County Farm Bureau, I want to support your stand against additional taxes on gasoline by Federal Government.

Sincerely,
SCOTT WARE.

LAMBERT, MISS., *July 11, 1955.*
Hon. FRANK SMITH,
Washington, D. C.

DEAR MR. SMITH: I wish to commend you for the fight you are waging against taxation of nonhighway agricultural gasoline. Since gasoline tax is traditionally a use tax or toll on highway travel, for the construction and maintenance of highways; to apply this tax to nonhighway agricultural gas

would be unfair and would add very materially to the already burdensome cost of production of the national food and fiber crops.

Sincerely yours,

R. E. CHAPMAN.

LAWRENCEVILLE, VA., *July 20, 1955.*

Congressman FRANK SMITH,
House Office Building,
Washington, D. C.

DEAR FRANK: My board joins me on behalf membership in urging that you support Smith amendment exempting farm-used gasoline from proposed 3-cent Federal road tax. We feel very strongly that farmers pay fair share of road cost by tax on gas consumed on highways and that any road tax applied to gasoline used on farm manifestly unfair.

R. REID SETTLE,
President, Brunswick Farm Bureau.

JACKSON, MISS., *July 20, 1955.*

Hon. FRANK SMITH,
United States Congressman,
Washington, D. C.:

Mississippi Farm Bureau's more than 46,000 members are strongly pulling for you to be successful in amending H. R. 7072 exempting nonhighway used fuels from Federal tax. Farmers' cost continuing to mount and income decreasing. Elimination of Federal tax as proposed in said bill will help farmers immensely in an agricultural State that is growing in mechanization.

BOSWELL STEVENS,
President, Mississippi Farm Bureau Federation.

---

2 LAZY M RANCH,
Sheridan, Wyo., July 19, 1955.

Congressman FRANK SMITH,
House Office Building, Washington, D. C.

DEAR MR. SMITH: It has just been brought to my attention that you intend to offer an amendment to H. R. 7072 exempting gasoline for nonhighway use from all 3 cents Federal tax.

As an individual, and as a representative of 65 Farm Bureau families in Sheridan County, I wish to take this opportunity to commend you for your stand on this matter.

Very truly yours,

WILLIAM D. MAY,
President, Banner Community Farm Bureau.

VIRGINIA FARM BUREAU FEDERATION,
Richmond, Va., July 18, 1955.

To County Farm Bureau Presidents:

Enclosed is a copy of our wire of this date being sent to all Virginia Congressmen. Congressman FRANK SMITH, of Mississippi, has agreed to introduce an amendment on the *House floor* to exempt farm-used gasoline from the proposed 3 cents per gallon Federal tax. However, he says he definitely needs very strong support from farmers to make it stick.

Here is an opportunity for your county Farm Bureau to do a real service for its membership. Please wire your Congressman today and mail a copy to: Congressman FRANK SMITH, House Office Building, Washington, D. C.

Congressman SMITH will use your message in support of his amendment on the floor of the House of Representatives.

Very truly yours,

MAURY HUBBARD,
Executive Secretary.

HERNDON, VA.

I have written Congressman BROYHILL, of Virginia, urging support of your amendment to Federal gas tax bill, exempting farm-used gasoline.

WILSON D. MCNAIR,
President, Fairfax County Farm Bureau.

BRANDY, VA., *July 20, 1955.*

Congressman FRANK SMITH,
House Office Building,
Washington, D. C.

DEAR MR. SMITH: We are writing Hon. HOWARD W. SMITH, Congressman of Virginia, asking him to give his full support to your amendment on the House floor to exempt farm-used gasoline from proposed 3 cents per gallon Federal tax.

Thanking you very much for your endeavors and interest of the farmers.

Sincerely,

JAMES H. BROYLES,
President, Culpepper County Farm Bureau.

CANYON COUNTY FARM BUREAU FEDERATION,
Caldwell, Idaho, July 19, 1955.

Hon. FRANK SMITH,
United States Representative,
House Office Building,
Washington, D. C.

DEAR MR. SMITH: I am writing a letter of appreciation to you for the efforts that you have made toward helping the Nation's farmers on the Federal gasoline tax bill 7072.

I understand that you will present an amendment to exempt nonhighway used gasoline from the entire 3 cents Federal tax when the bill is considered by the House sometime this week.

We farmers here in Idaho are doing our best to influence our Representatives, PFOST and BUDGE, to give you unyielding support on your amendment.

Although I am a long way from Mississippi, and not a constituent of yours, I want you to know that we appreciate the way you are carrying the ball for the farming people of the United States.

More power to you.

Sincerely,

PHIL LAMM, *Office Manager.*

MERRILL, MICH., *July 20, 1955.*

Representative FRANK SMITH,
Washington, D. C.

DEAR SIR: In all fairness to the farmers I believe they should be exempted from the Federal tax on gas when used for nonhighway purposes. I sincerely hope your efforts gain the support of your colleagues. Being a farmer, I am extremely interested in this bill.

Sincerely yours,

JOHN J. RYAN.

CODY, WYO., *July 18, 1955.*

Congressman FRANK SMITH,
Representative from Mississippi,
House Office Building,
Washington, D. C.

DEAR SIR: As an operator of a ranch in Wyoming and as a large user of nonhighway gasoline, we certainly appreciate your efforts to exempt this gasoline from Federal tax.

We have written our Congressman, KEITH THOMPSON, asking him to support you in your efforts.

Sincerely yours,

ALICE and ELBERT SIDDLE.

MALAD, IDAHO, *July 21, 1955.*

FRANK SMITH,
Mississippi Representative,
House Office Building,
Washington, D. C.:

We, the farmers of St. John farming community, support you to fullest extent in exemption of Federal gas tax, H. R. 7072, and any other such taxes occurring in future that will add a burden to our farmers of the Nation. We cannot bear added burdens such as these.

FARMERS OF ST. JOHN,
NOLAN BLAISDELL,
Farm Bureau National Affairs Committeeman.

MALAD, IDAHO, *July 21, 1955.*

Congressman FRANK SMITH,
House Office Building,
Washington, D. C.:

Please oppose H. R. 7072 for entire 3-cent Federal tax. We as small farmers of the Nation cannot stand any more unjustified taxes now and in the future without causing bankruptcy and wiping out the small farmers and forcing them onto relief as everything the farmers buy is inflated beyond reason.

NATIONAL AFFAIRS COMMITTEE OF ONEIDA COUNTY,
CHAS. J. NIELSON, *Chairman.*

AUGUSTA COUNTY FARM BUREAU, INC.,
Staunton, Va., July 20, 1955.

Strongly urge your support of Congressman Frank Smith's amendment to exempt farm-used gasoline from proposed 3 cents Federal tax. We can't stand unfair share Federal highway financing with price-cost squeeze.

MARVIN C. CAMPBELL,
President, Augusta County Farm Bureau.

MERRILL, MICH., *July 19, 1955.*

DEAR MR. SMITH: We're in favor of 3-cent gas tax exempt on farm gasoline for all agricultural purposes.

Respectfully,

Mr. and Mrs. HAROLD LAMEE.

WASHINGTON POLICE BOYS' CLUB

The SPEAKER. Under previous order of the House, the gentleman from Mississippi [Mr. WILLIAMS] is recognized for 30 minutes.

Mr. WILLIAMS of Mississippi. Mr. Speaker, no issue presently before the people of the United States is more explosive or more fraught with danger, not only to our social system, our customs, our mores, our institutions, and also to the very form of government which we enjoy than the racial issue which has been made a political football for the last decade or longer. This issue portends to destroy our very system of government as well as our social institutions.

Already the political implications involved in the racial issue have caused members of the judicial branch of our Government to set aside their judicial consciences, to disregard their oaths to defend and protect the Constitution of the United States of America, and to invade the legislative field by usurping the prerogatives which, under our Constitution, belong exclusively to the legislative branch.

It is a very serious thing when we permit an emotional issue to become involved in politics; and when for the sake of political expediency we permit our institutions to be destroyed. It is a sad commentary on our present political system when a court, sworn to defend and protect the Constitution of the United States, can become the vehicle by which that Constitution can eventually be destroyed.

Under the guise of seeking to help minority groups, who allegedly have been made second-class citizens by our present social system, many, many fine institutions in this country are being destroyed.

Those who profess to be tolerant are, as the gentleman from Georgia [Mr. FORRESTER] said the other day, perhaps

the most intolerant people in our country. While they would like us to be tolerant of the other fellow's racial background, at the same time they are very intolerant in seeking to force laws upon us which are directly in conflict with our best interests and which would result in great damage to our people.

The gentleman from Georgia [Mr. DAVIS] on Tuesday of this week made a very pertinent speech to the House in which he pointed out a specific example whereby racial politics carried on by our intolerant-"tolerating" friends, was about to destroy one of the finest institutions that has ever come to this Nation's Capital. I refer, of course, to the Police Boys' Club of the District of Columbia.

The police boys' clubs have been a prime deterrent to crime and juvenile delinquency over the years. I think it is significant to note that last year, 1954, when the membership in the boys' clubs reached its peak of 22,000 members—14,000 colored and 8,000 white—juvenile crime was at its lowest in many years.

To give you the figures, in 1949 a total of 2,856 felonies were committed by juveniles in the District of Columbia. By 1953 that had fallen off to 2,166, and last year it was 2,015. The dropping off of this juvenile crime rate has been more or less in proportion to the increase in membership in these Washington Police Boys' Clubs.

Judging from my conversations with people in the District who know what they are talking about, these police boys' clubs have been the finest deterrent to juvenile delinquency of any institution in Washington with the possible exception of the churches. Today, as a result of orders from the executive department and as a result of these newfangled social theories which seem to have swept the political leaders of the District of Columbia, orders have been issued to deny the use of public facilities in the District to boys' clubs which operate on a segregated basis.

The result has been that three of the Washington Police Boys' Clubs have been closed and their facilities denied to members of either race.

When we let our passions and our emotions proceed beyond the point of practicality, to the point where we actually injure the chances for a law-abiding and productive future for our young men, whether they be white or colored, I think we have reached a pretty sad state.

I do not exempt the President of the United States from criticism when I say that from the White House over to the Supreme Court and right on down into the Halls of Congress to the Commissioners' offices in the District of Columbia cheap, petty politics have been played with this issue, with little or no regard for the consequences. It is jeopardizing the future of the youth of the District of Columbia as a result, so much that I understand the Police Department of the District is considering the possibility of withdrawing its sponsorship of the Washington Police Boys' Club.

The reason for that is very simple. It is, of course, to be found in the fact that the Washington Boys' Clubs are supported by the contributions of the white citizens of the District of Columbia. Over 95 percent of the contributions made to the operations of the boys' clubs in the District of Columbia are made by the white citizens of the District of Columbia.

I understand that in the last drive to raise funds for the operations of the boys' clubs it was very, very difficult for these policemen to approach white sponsors and tell them that they were going to have to finance integrated boys' clubs. Contributions for integrated clubs are difficult, if not impossible, to get. Ask any District policeman, and he will verify that. We are going to see the boys' clubs destroyed, sacrificed to petty political scheming; and when they are destroyed, we are going to see the crime rate in the District of Columbia increase. The very fine influence of these boys' clubs will be lost to the youth of the District.

Mr. DAVIS of Georgia. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS of Mississippi. I yield.

Mr. DAVIS of Georgia. I want to compliment the gentleman on his remarks on this very important question. As the gentleman has intimated in his remarks, I think the decision of the Supreme Court upon which a lot of this integration activity is based amounts to nothing more or less than a fraudulent use of power and a fraudulent usurpation of legislative functions which that Court does not possess.

With reference to the gentleman's remarks regarding the police boys' club, he has given us some very interesting information about it and I concur in his statement that it will be a very sad day when this worthwhile organization is destroyed, as 3 of these clubs already have been by 1 church and 2 public agencies where they have been meeting in property under the control and jurisdiction of the Federal Government.

I would point out also to the gentleman—I am sure he knows it—that almost twice as many Negro boys have benefited from the police boys' club as white boys. The gentleman mentioned a moment ago that in 1954 the organization reached its peak in membership of 22,000 members; 14,000 of these were colored and only 8,000 were white.

As the gentleman has pointed out, the contributions made to support the activities of these clubs have been 95 to 97 percent from white people.

In 1954 the budget was $350,000. Right thinking people, people who believe in bringing our youth under good influences contributed $350,000 for that purpose. As I said, 95 to 97 percent of it was contributed by white people although almost twice as many colored boys benefited by it as white boys. It had the fine result, which the gentleman has told us about, of decreasing juvenile delinquency. It took the boys in off the streets. It tended to decrease the influences which lead to gangsterism and hoodlumism and crime. It had a wholesome effect and influence upon all of the boys. As the gentleman has pointed out, three of these clubs have been ordered to be closed. For what reason? Simply because the would-be liberals are so interested in mixing the races that they are not willing to provide places for these boys to meet and to come under these good influences unless they can come there in an interracial group. I am so glad that the gentleman from Mississippi is thinking on this subject, and I appreciate very much the facts that he has called to our attention.

Mr. WILLIAMS of Mississippi. I thank my friend, the gentleman from Georgia.

Mr. RIVERS. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS of Mississippi. I yield to the gentleman from South Carolina.

Mr. RIVERS. Mr. Speaker, I compliment the gentleman from Mississippi [Mr. WILLIAMS] on his fine appraisal of the situation and telling us about these glorified hypocrites who are trying to carry out this new fandangled concoction of mingling the races.

Mr. WILLIAMS of Mississippi. The gentleman knows that there is no other issue in public life today that has as much hypocrisy wrapped around it as this issue.

Mr. RIVERS. Some people in this District of Columbia would do more to be a Commissioner than a lot of people would give for a one-way ticket to heaven. I would like to pay my respects to this outfit known as the Commissioners, and with particular emphasis to one Samuel Spencer. I would not know him from Adam's house cat, and the chances are I would select the house cat. But I would like to say this about that individual: He is the so-called Commissioner who sent this action up here to take over Wolfson's enterprise. I understand that it has about as much legality and constitutionality as the man in the moon. But he is so interested now in carrying out the beck and call of the NAACP that he does not care anything about the existence of these boys' clubs. He has already destroyed the usefulness and the morale of the fire department. He would destroy them just to get a writeup in the NAACP magazine—what ever that is. About this other outfit known as the Supreme Court and the school integration case, they wrote a decision when there was not one iota of testimony in the transcript of the lower court. That is what you call legerdemain. My word is as good as theirs. I say here and now they have bypassed the Congress in order to write legislation. They have left the making of the laws to the administrative department and God knows what is going to happen to this country when that crew finishes wrecking the decisions that have existed since this country began. They are in a headlong flight to take care of the political expediency of this day and to destroy the traditions of this country and of the several States. God help us if something does not happen to stop that crew from legislating and otherwise stealing the birthrights of future generations. As far as this crew in the District of Columbia, these Commissioners, are concerned, they are going to have about as much influence in the Congress as the man in the moon as far as I am concerned. They could be abolished tomorrow and the District would be much better off.

Mr. WILLIAMS of Mississippi. I thank the gentleman. As he well knows, the current trend in our present Supreme Court is to interpret the law, not as the law is written but to interpret the law as they think it should have been written. When we reach the point when the courts interpret the law in that fashion, we shall have no such thing as law.

Mr. FLYNT. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS of Mississippi. I yield.

Mr. FLYNT. I want to join the gentleman from Mississippi and my colleague from Georgia for bringing this very important subject to the attention of the House. I have had some little experience with the work of these boys' clubs. They have meant a great deal to the underprivileged, not only of this city but throughout the length and breadth of this land. There are those who, under the guise of doing good and with the cloak of hypocrisy wrapped around every ounce of their bodies, are doing everything they can to inculcate and bring race mixing into this good work that has been done by these boys' clubs their own ideas. They will either rule it or ruin it with their hypocritical ideas. They care not for the youth of this land, they care not for the youth of this city, but if they cannot mix the races against the will of those who do not want to be mixed, they are going to ruin and destroy everything they touch.

Mr. WILLIAMS of Mississippi. I thank the gentleman for his contribution.

Mr. Speaker, we hear our self-styled liberal friends speak of the brotherhood of man. They speak in glowing platitudes about the equality of human beings. They speak in terms of ideals. They speak of second-class citizenship for certain people of our country, yet they disregard the very vital fact that in order to achieve first-class citizenship an individual must discharge the responsibilities of first-class citizenship. They speak in glowing terms of the brotherhood of man, yet they disregard completely the practical aspects, which must be taken into consideration before the principles they enunciate can be realized.

Mr. DAVIS of Georgia. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS of Mississippi. I yield.

Mr. DAVIS of Georgia. Does the gentleman know of any better way to create first-class citizens than to start to train them in their youth in the principles of industry, integrity, honesty and truth, as these boys' clubs do?

Mr. WILLIAMS of Mississippi. Of course not.

Mr. DAVIS of Georgia. Those race mixers to which the gentleman has just referred consider it a matter of secondary importance that the youth of this country should be trained in the principle of good citizenship. Their goal is to mix the races, regardless of the cost or consequences. As a result of that policy of "rule or ruin," to which the gentleman from Georgia [Mr. FLYNT] has just referred, they have already caused the doors of three of these clubs to be closed, and destroyed the good influence for every one of these boys who formerly had the benefit of those clubs.

Mr. WILLIAMS of Mississippi. It is not my purpose here to try to advance theories of racial superiority of one race over another, but there are differences between the whites and the colored which, for many generations to come, will prevent their living together in an integrated society. We must recognize this as true as a practical matter. We must be realistic. We must also recognize that if we are ever to abolish second-class citizenship in these United States, if such exists, that those who now are considered second-class citizens will never attain first-class citizenship until they are ready to assume the responsibilities that go along with the privileges and emoluments of first-class citizenship.

Mr. Speaker, I think this is a very serious thing, the abolition of the Washington Police Boys' Clubs. Those who are responsible for insisting that those clubs be integrated, and thereby destroy those clubs, must assume the responsibility—in the hereafter at least—for the future crimes committed by boys who otherwise could have been taught the advantages of law-abiding citizenship.

Mr. Speaker, I yield back the remainder of my time.

SECRETARY OF THE INTERIOR DOUGLAS McKAY

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Oregon [Mr. ELLSWORTH] is recognized for 20 minutes.

Mr. ELLSWORTH. Mr. Speaker, the policies and activities of the Department of Interior are, of course, of vital concern to those of us who represent the great public lands States of the West. I am taking this time on the floor today to give some of the facts regarding the activities of the Department and the accomplishments of Secretary Douglas McKay. These facts clearly show that substantial progress has been made in achieving the overall goal of sound management and development of the Nation's resources. The record of accomplishment is impressive. I am pleased to be able to report it.

Early in 1953 Secretary Douglas McKay began a comprehensive effort to bring about maximum efficiency in the management of the Department of the Interior.

This program has already paid substantial dividends to the taxpayers both in reduced costs of Department operations and in more rapid and efficient handling of many Department responsibilities.

The benefits are certain to increase as the management improvements take full effect.

The scope of the changes which are being made and the savings which are being achieved are indicated by the following examples:

First. Consolidation of separate bureau administrative service units in Portland, Oreg., is resulting in more effective service and savings in equipment and personnel services of more than $100,000 annually.

Second. Through decentralizing routine case processing from Washington to the field, the Bureau of Land Management is handling twice the amount of processing with about the same number of personnel. This ultimately may result in savings of as much as several million dollars a year. Action on land cases has been speeded to the benefit of the public. By reducing delay in handling mineral-lease applications at least $50,000 a year will be paid into the Treasury which otherwise would have to be refunded to the applicants.

Third. New methods for classifying land applications have made it possible to close nearly 14,000 more cases a year with about the same number of personnel. The cost per case has been reduced from about $59 in 1953 to $39 in 1954. This represents a gross saving of about $280,000 for the year on this one operation.

Fourth. Changes by the National Park Service in visitor fees are expected to increase annual revenues by $800,000 this season.

Fifth. Extensive revisions of the accounting system of the National Park Service should result in annual savings of $100,000 in personal services.

Sixth. A new substitute for lining irrigation canals is saving the Bureau of Indian Affairs $150,000 on the Blackfeet Reservation alone.

Seventh. By divesting itself of wood and machine shops in experiment stations and obtaining contract services instead, the Bureau of Mines expects an ultimate saving of about $175,000 a year.

Eighth. Advantageous purchases of major transmission and other equipment by the Bonneville Power Administration has resulted in savings in its construction program of $4,282,000.

Ninth. Through a cooperative effort by the Bureau of Mines and the Bureau of the Census, the census of mineral industries is being completed with a minimum of burden on the mining industry and with assurance of consistency with the regular statistical series published by the Bureau of Mines.

These are only a few specific, tangible examples of improvements. Scores of others could be listed. All-in-all, they add up to a dramatic and far-reaching effort which will bring about manifold benefits for the public in better service and dollar savings.

Through an all-out administrative effort, the Department is moving rapidly toward its goal of providing an educational opportunity for every Navaho boy and girl. Before this intensified program was started at the direction of Secretary McKay, about 14,000 Navaho children of school age did not attend a school of any sort. In the past year, almost 9,000 additional Navahos have entered school and in the next school year it is expected that the goal of an educational opportunity for each Indian boy and girl will have been reached. Expansion of facilities on an emergency basis is being achieved through close cooperation with State agencies and public school systems, and through permanent and temporary expansions of facilities on the reservations.

An aggressive program for improvement of the Alaska Railroad has turned a money-losing operation into a profitable one within the past year. In the field of stores and shipping alone, a reduction of $2,500,000 in purchases annually was realized through better property management. The overall operating loss of about $42,000 in fiscal 1953 was turned into a profit of more than $700,000 in fiscal 1954. This profit may be more than double in the current fiscal year.

As a part of its vigorous program for the restoration of depleted salmon runs in Alaskan waters, the operations of the Fish and Wildlife Service in Alaska have been reorganized to provide for an administrator of Alaskan commercial fisheries to concentrate on the effective carrying forward of unprecedented conservation measures designed to maintain a healthy fishing industry for the Territory.

The Bureau of Land Management has taken definite steps to reshape the public lands program for greater participation by State and local groups. Through simplified regulations, thousands of small tracts of 5 acres or less, isolated from other public land, are being made available for constructive use as homesites, community parks, and business sites. Western grazing lands are being steadily improved through reseeding, water-spreading systems, and encouragement of great participation in soil and moisture programs by range users.

Under legislation approved by the 83d Congress, the Department has spurred the development of the vast oil resources of outer Continental Shelf in a manner which is expected to increase offshore oil production greatly, thus adding a tremendous potential supply to the Nation's oil reserves. Three lease sales held to date have brought the Federal Treasury more than $252 million in bonus bids for the right for lease and annual rentals on only 5 percent of the estimated potentially leasable area. Federal revenues as development of the outer Continental Shelf proceeds are expected to reach $6 billion.

Oil and gas development on the shelf has reached a new record high. Currently there are 85 oil wells and 78 gas wells capable of production, and 35 wells are being drilled. Supervision of this extensive over-water operation is being greatly aided by the establishment recently of a new conservation division office of the Geological Survey in New Orleans.

Oil and gas activities on public, acquired, and Indian lands continue to reach new record highs under the Department's policy for intensifying exploration. Full use is made of the Nation's mineral resources consistent with sound conservation practices.

Income from mining royalties for the period October 1, 1954 through June 1, 1955, is estimated at $3,149,638, an increase of about 6 percent over the comparable period of the previous year. Total mining properties under supervision by the Department increased from 1,414 to 1,721. The added work is being handled without any increase in personnel.

Analysis by the Department's Geological Survey to determine the uranium content of an increased flood of rock samples—up from 3,300 to 3,900 a month in the past year—is being handled without any personnel increase. Improved control of sample flow, development of more efficient methods of analysis, and careful balancing of the workload between the Washington and Denver laboratories has made this possible at the same time that the backlog of samples was being reduced 27 percent. Letters from the public asking for information on uranium prospecting have increased from 200 a month a year ago to more than 1,000 a month at present. The fivefold increase in this workload has been met and the program kept current.

As part of the Department's continuing efforts to protect and to expand wildlife refuges, the first Federal refuge in Kansas was created early in June 1955. The Fish and Wildlife Service now administers 272 national wildlife refuges. Earnest efforts are being made to improve and expand these sanctuaries, which cover an aggregate of 17,409,968 acres, where migratory waterfowl, rare wildlife species, and other wild creatures are protected from depletion of numbers and species extinction.

Completion of the liquidation of the Puerto Rico Reconstruction Administration in February 1955, within the period set by Congress, returned a total of $8,445,437 to the United States Treasury, while eliminating a wholly outmoded and presently unnecessary activity of the Federal Government. Liquidation of the Island Trading Company, a corporation created by the Navy in 1947 for general trading purposes in Guam, has resulted in repayment to the Treasury of the Navy subsidy of $1,801,714.

AGRICULTURE AND THE MERCHANT MARINE

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from California [Mr. ALLEN] is recognized for 15 minutes.

Mr. ALLEN of California. Mr. Speaker, in debates on the floor of this House in connection with bills originating with committees other than the Merchant Marine and Fisheries Committee, a question is presented periodically concerning the use of American flagships for the carriage of cargo owned or financed by the United States Government. There is evident on such occasions the very sincere view held by Members of the Committee responsible for the bill and by others that the Members of the Merchant Marine and Fisheries Committee should not inject merchant marine matters into bills not within the jurisdiction of the Merchant Marine Committee—a view that if the merchant marine needs assistance, some direct support should be given to it. It has seemed to me that some of the views are held at least partially because of a lack of understanding of the problem which faces the merchant marine.

If we regard the merchant marine merely as an arm of defense, neglecting for the moment its function to carry a portion of the peacetime commerce of the Nation, the reason for the Cargo Preference Act, or the 50–50 legislation as it is often called, becomes more understandable. There are only so many cargoes to be carried. An operating merchant marine must have cargoes. A subsidy of money, no matter in what amount, does little for a shipping industry that has no cargoes to carry. Just as a track team must train to be in competitive conditions and a navy must conduct full scale maneuvers in peacetime to be ready for war, so a merchant marine must operate in all its functions to be ready to expand when an emergency occurs. Unless the interest of the Merchant Marine Committee is asserted whenever legislation having to do with potential cargoes is under consideration, the cargoes are carried before the interest can be asserted at another time.

During a period of war, experience has shown that we need from 5,000 to 6,000 merchant ships to carry the men and supplies to any war not fought on our own territory. During the first years of World War II, there was never a decision made by the Joint Chiefs of Staff which was not conditioned by the lack of ships available. It is currently estimated by the Navy that in event of an emergency, approximately 1,700 ships would be required from the operating merchant marine to carry the initial lift of men and supplies. We have only 1,200 in operation or approximately 500 less than the defense requirement. The 1,200 ships in full operation are very important to us. As they become old and need replacement, they keep our shipyards in operation and maintain the nucleus of shipbuilding skills so necessary in each emergency. As they operate, they keep alive and in efficient operation the organizations to supply, to repair, and to direct them as they move in and out of the ports around the globe. In an emergency, their officers and crews divide to man the 2,000 ships in the laid-up fleet, to give a few men with experience to each ship, and to train the inexperienced, seagoing personnel which is added to operate the wartime merchant marine. As new ships are built during an emergency, they divide again to man the new ships and train the ever-increasing, inexperienced personnel. Basic to the whole ability to mobilize and expand is the merchant marine in operation at the time that the emergency occurs, and basic to that operation is the amount of cargo available to American flag ships before the emergency occurs. Foreign purchasers and foreign nations direct the cargoes which they control into ships of their own choosing, and rarely, if ever, into American flag ships. If we are to have a share in the cargoes which we control in these programs of foreign aid, we must do likewise with the cargoes which we control. Until, if ever, the 1,700 ships which will be required by our Defense Establishment at the beginning of some future emergency can maintain themselves without assistance, some system of providing cargoes for the ships that do operate will remain essential.

We speak quite often as if the sales and transfers of grain to foreign nations or purchasers which come about through

aid which our Government grants were of special concern to the Department of Agriculture, the Commodity Credit Corporation or the farmers of America. It is more accurate to realize that the American farmer does not own the grain which is being transferred and that he has already been paid for it on a parity basis when he sold the grain to the Government. The Government and all of the taxpayers who support it have an equal interest in the grain and in the programs by which disposal of it is made. It is equally true that the Government and all of the taxpayers who support it own the laid-up fleets from which the merchant marine draws to expand, sometimes in peace and always during war. If, however, we pursue the thought that seems to prevail that the farmers have a greater interest in the farm program and the disposal of farm commodities to foreign nations, and that the merchant marine industry has a greater interest in the Maritime Administration and the ships which it controls, there is still some basis for the interest of the Merchant Marine Committee in the legislation from other committees which involves the transportation of cargoes and of the Committee on Agriculture in the facilities over which the Merchant Marine Committee has some jurisdiction. It is by no means a one-way street in which the merchant marine is loading itself upon some other activity.

Consider, for example, the storage of grain in the vessels of the laid-up fleet. Currently 338 of such vessels are loaded with grain and an additional 106 vessels are scheduled to be loaded, a total of 444 vessels. These represent a capital investment of $767 million. The postwar sales price for these ships under the Ship Sales Act would be approximately $242 million. A substantial capital asset which is of peculiar concern to the marchant marine industry is immobilized for the purposes of the industry and made available to the agricultural interest without charge.

Each vessel stores an average of 228,000 bushels, or an average of 6,100 tons. The annual storage value per vessel at 15 cents per bushel is $34,200. The current annual storage value contributed by the 444 vessels is $15.2 million. This amount annually is the contribution without reimbursement of the merchant marine side of the Government to the Commodity Credit Corporation and the agricultural interest of the Government.

Good sense says that we should use the unneeded ships of the laid-up fleet for the storage of the grain which is not moving. The ships are available and they belong to the Government as does the grain. Good sense says with equal force that we should use the grain when it moves to keep our operating ships in operation. We need the defense potential as much as we need the other arms of defense.

Actually, it does not cost much to use American ships rather than foreign-flag ships, not nearly as much as the saving of storage charges contributes to the agricultural interests. Cargoes which move in our regularly scheduled ships take the same rates as they do in the regularly scheduled foreign ships. Bulk cargoes carried by tramp ships move in our ships at about 15 percent more than foreign ships charge. The income taxes generated by the use of the American ships reimburse the Government by more than the amount of the excess. These taxes may not be reflected in the appropriations to or the computations of the Department of Agriculture, but they do show up in the Treasury of the United States to the benefit of the taxpayers who own the grain and who also own the ships.

A JOINT COMMITTEE ON FOREIGN INTELLIGENCE

Mr. HIESTAND. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HIESTAND. Mr. Speaker, I am introducing a bill which would set up a permanent congressional "watchdog" system as recommended by the Hoover Commission, to check the operation and expenditures of our foreign intelligence and especially the Central Intelligence Agency. It is important that Congress consider this matter immediately, for the present situation existing in our Central Intelligence Agency, the Commission's task force reports, is unsatisfactory. The Congress is responsible.

Certainly in this age of undeclared war when our very survival might depend on adequate advance warning of enemy movements, both real and contemplated, we can appreciate the importance of reliable intelligence. We must recognize the responsibility of Congress to make certain that the citizens of this country can depend upon its principal intelligence agency. The story of American foreign intelligence has not been outstanding, and Congress has recognized that if America does not have the will and ingenuity to secure needed information, then it leaves itself wide open to a surprise attack such as that on Pearl Harbor. With the knowledge that information necessary to anticipate that attack actually was available to the Government, but that there was no system in existence to assure that the information, properly evaluated, would be brought to the attention of the proper authorities, Congress created the Central Intelligence Agency by the National Security Act of 1947.

The Central Intelligence Agency recently received its first thorough evaluation by an able Hoover Commission Task Force, presided over by Gen. Mark W. Clark.

Although the task force report was reassuring in that it did not find reason for alarm about the loyalty of employees in intelligence work, many of its findings are quite disturbing. Some of these particularly bothered me, and led me to the conclusion that a congressional watchdog committee is important to carry out our responsibility as elected representatives.

The task force says:

Effective intelligence has become increasingly necessary for our protection against the propaganda, infiltration, and aggressiveness of the Communist leaders. By trial and error, study, and skill, we have made progress; but we must not labor under any complacent delusions. There is still much to be done by our intelligence community to bring its achievements up to an acceptable level.

Now I do not know whether this shocks you as it does me. To me this means one thing: Our intelligence activities are simply unacceptable. Subversives have penetrated into important areas of our society, and the task force says that our security measures have permitted the collection of vital secrets in this country with relative ease. Yet, the task force continues:

The information we need, particularly for our Armed Forces, is potentially available. Success in this field—

Says the task force—

depends on greater boldness at the policy level, a willingness to accept certain calculated political and diplomatic risks, and full use of technological capabilities.

The report indicates that diplomatic timidity and protocol inhibitions have seriously interfered with intelligence operations. The task force says:

It must be realized that diplomacy is not an end in itself—

And it goes on to say that—

among some of those responsible for implementation of our foreign policy by diplomacy and negotiation, there seems to exist an abhorrence to anything that might lead to diplomatic or even protocol complications.

From this one can picture the stifling of important intelligence activities because of the concern of some career diplomat over proper protocol. This would be amusing if it did not involve a serious danger to our safety.

The task force report continues:

This negative attitude, usually at the desk level, at times has stifled initiative and action in the collection of intelligence. Some of these efforts, if permitted to proceed properly, might have brought direct and immediate results and made positive contributions to the national welfare that would have justified the attendant political risks and possible inconsequential diplomatic embarrassment.

In 1949 Congress exempted the Agency from compliance with any provision of law limiting transfers of appropriations; any requirements for publication or disclosure of the organization, functions, names, official titles, salaries or numbers of personnel employed by the Agency; and any regulations relating to the expenditure of Government funds. This gives the Agency a free rein as it now stands, and this situation should be corrected by a "watchdog committee."

Clearly, then, Congress has a responsibility to see that more effort is devoted to gathering data. This in itself is sufficient reason for the Joint Committee on Foreign Intelligence which this bill would establish, but there is another very important reason. The American people are entitled to know that the CIA is using its funds properly and not abusing its power.

The task force recognizes that secrecy is necessary for proper operation of our foreign intelligence activities but is concerned over the possibility of the growth

of license and abuses of power where disclosures of costs, organization, personnel, and functions are precluded by law.

Whenever an agency is granted immense freedom and no restrictions and no checkup on its activities, inefficiency is apt to result.

The task force says:

There is always a danger that such freedom from restraints could inspire laxity and abuses which might prove costly to the American people. Although the task force has discovered no indication of abuse of powers by the CIA or other intelligence agencies, it nevertheless is firmly convinced, as a matter of future insurance, that some reliable, systematic review of all the agencies and their operations should be provided by congressional action as a checkrein to assure both the Congress and the people that this hub of the intelligence effort is functioning in an efficient, effective, and reasonably economical manner.

The continued success of our system of free government depends on the principle of checks and balances. The Constitution provides that the elected representatives of the people are charged with the responsibility of checking any and all Government operations.

Mr. Speaker, I believe the compelling need is obvious for immediate consideration of this bill I am introducing to create a congressional watchdog committee, to be known as the Joint Committee on Foreign Intelligence. As the task force report says:

The overall aim would be the promotion of aggressive leadership which would unify the intelligence effort, make it more productive, and inspire a higher spirit of teamwork.

COMMITTEE ON AGRICULTURE

Mr. WATTS. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight Saturday to file a report on the bill, H. R. 7030.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

COMMITTEE ON PUBLIC WORKS

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent that the House Committee on Public Works may have until midnight Saturday to file a report on the Great Lakes connecting channels.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. GENTRY (at the request of Mr. THOMAS) and to include extraneous matter.

Mr. SCHWENGEL (at the request of Mr. MARTIN) and to include extraneous matter.

Mr. McCORMACK and to include a letter addressed to him as well as a memorandum which is a part thereof.

Mr. HARRIS to revise and extend the remarks he made in the Committee of the Whole today and include a letter addressed to him by the Federal Communications Commission dated July 6, 1955.

Mr. McCORMACK and to include a program on Reporters Round-up.

Mr. O'HARA of Illinois (at the request of Mr. McCORMACK) and to include extraneous matter.

Mr. CELLER in two instances and to include extraneous matter.

Mr. IKARD.

Mr. BLATNIK.

Mr. RADWAN (at the request of Mrs. ST. GEORGE).

Mr. BOW and to include extraneous matter.

Mr. HENDERSON and include extraneous matter.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1746. An act continuing the Indian Claims Commission to April 10, 1959; to the Committee on Interior and Insular Affairs.

S. 2253. An act to reemphasize trade development as the primary purpose of title I of the Agricultural Trade Development and Assistance Act of 1954; to the Committee on Agriculture.

S. 2375. An act to provide for 5-year terms of office for members of the Subversive Activities Control Board, with one of such terms expiring in each calendar year; to the Committee on Un-American Activities.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 65. An act to revise the boundary between the second and fourth judicial divisions of Alaska;

H. R. 896. An act to provide preference right to certain land in Alaska to Joseph Booth, of Anchorage, Alaska, and for other purposes;

H. R. 897. An act to provide preference right to certain land in Alaska to Robert Henry Soyk, of Kenai, Alaska, and for other purposes;

H. R. 902. An act to provide preference right to certain land in Alaska to Patrick Harold Johnson, of Anchor Point, Alaska, and for other purposes;

H. R. 904. An act to provide preference right to certain land in Alaska to Bert Arthur Paraday, of Anchor Point, Alaska, and for other purposes;

H. R. 905. An act to provide preference right to certain land in Alaska to Carl E. Robinson, of Anchor Point, Alaska, and for other purposes;

H. R. 962. An act for the relief of Maria Louise Andreis;

H. R. 1044. An act for the relief of Teresa Alice Townsend;

H. R. 1155. An act for the relief of Solomon Wiesel;

H. R. 1245. An act for the relief of Marianne Anita Zelinka;

H. R. 1275. An act for the relief of Gennaro Savarese;

H. R. 1333. An act for the relief of Ebolya Wolf;

H. R. 1463. An act for the relief of Rudolfo M. Gomez (Capaz);

H. R. 1538. An act for the relief of Jean Isabel Hay Watts;

H. R. 1540. An act for the relief of Mrs. Joan Craig Newell;

H. R. 1541. An act for the relief of Mrs. Maria Dicran Simon;

H. R. 1549. An act for the relief of Salvacion Carbon;

H. R. 1551. An act for the relief of Gualberto Estralla Alabastro, Pura Zarco Alabastro, and Arlene Alabastro;

H. R. 1648. An act for the relief of Sister Luigia Pellegrino, Sister Angelina Nicastro, and Sister Luigina Di Martino;

H. R. 1661. An act for the relief of Kim Dong Su;

H. R. 1693. An act for the relief of Barbara Knape;

H. R. 1750. An act for the relief of Elena Gigliotti;

H. R. 1801. An act to authorize the purchase, sale, and exchange of certain Indian lands on the Yakima Indian Reservation, and for other purposes;

H. R. 1802. An act to authorize the leasing of certain lands of the Yakima Tribe to the State of Washington for historical and for park purposes;

H. R. 1868. An act for the relief of Ernest Tomassich and Yoko Matsuo Tomassich;

H. R. 1883. An act for the relief of Margarete Gartner;

H. R. 1929. An act for the relief of Eufemia Bencich;

H. R. 1954. An act for the relief of Ingrid Samson;

H. R. 2073. An act for the relief of Bengt Wikstam;

H. R. 2274. An act for the relief of Alejandro Florentino Munoz;

H. R. 2353. An act for the relief of John Odabashian, doctor of medicine;

H. R. 2406. An act to amend subsection (e) of section 1 of title 5 of the District of Columbia Revenue Act of 1937, as amended;

H. R. 2495. An act for the relief of Antoni Rajkowski;

H. R. 2721. An act for the relief of Mihai Indig.

H. R. 2724. An act for the relief of Miss Elvira Bortolin;

H. R. 2756. An act for the relief of Frank Scriver;

H. R. 2911. An act for the relief of Max Steinsapir;

H. R. 2925. An act for the relief of Carmelo Rodriguez Perez, also known as Carmelo Rodriguez Fenald;

H. R. 2929. An act for the relief of Lazara Camargo Bernoudy;

H. R. 3071. An act for the relief of Eleanor Ramos;

H. R. 3123. An act to modify the acts of August 12, 1935 (40 Stat. 571, 584), May 15, 1936 (49 Stat. 1274), July 1, 1946 (60 Stat. 357), August 8, 1946 (60 Stat. 923), and June 30, 1947 (61 Stat. 211), with respect to the recoupment of certain public school construction costs, and to amend the act of August 17, 1950 (64 Stat. 459), relating to the expenditure of funds for cooperating with the public school board of Walker, Minn.;

H. R. 3193. An act for the relief of Evelyn Hardy Waters;

H. R. 3253. An act to amend section 6 of Public Law 874, 81st Congress, so as to provide for the continued operation of certain schools on military installations;

H. R. 3560. An act to provide for the relief of certain members of the Army, Navy, and Air Force, and for other purposes;

H. R. 3853. An act for the relief of Guadalupe Zuniga (also known as Benita Chaparrao-Venegas or Guadalupe Acosta);

H. R. 3972. An act for the relief of Anthonius Marinus Kronenburg;

H. R. 4225. An act authorizing the Administrator of Veterans' Affairs to convey certain property of the United States to the city of North Little Rock, Ark.;

H. R. 4245. An act for the relief of Mrs. Esther Rodriguez de Uribe;

H. R. 4367. An act to provide for the distribution of funds belonging to the members of the Creek Nation of Indians, and for other purposes;

H. R. 4753. An act to amend subsection (e) (1) of section 13A of the Subversive Activities Control Act of 1950 to change from 2 years to 3 years the standard contained therein with respect to the past affiliations of individuals conducting the management of certain organizations;

H. R. 4894. An act to repeal certain laws relating to timber and stone on the public domain;

H. R. 4904. An act to extend the Renegotiation Act of 1951 for 2 years;

H. R. 5046. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1956, and for other purposes;

H. R. 5559. An act to extend for a period of 2 years the privilege of free importation of gifts from members of the Armed Forces of the United States on duty abroad;

H. R. 6059. An act relating to revisions of the executive agreement concerning trade and related matters entered into by the President of the United States and the President of the Philippines on July 4, 1946;

H. R. 6086. An act for the relief of certain relatives of United States citizens or lawfully resident aliens:

H. R. 6331. An act authorizing the Territory of Hawaii, through its duly designated officers and boards, to negotiate a compromise agreement, exchange with, sell or lease to the owners of certain shorelands, certain tidelands, both in the Territory of Hawaii, and to make covenants with such owners, in settlement of certain damage claims and for a conveyance of littoral rights;

H. R. 6796. An act to provide for the conveyance to the city of Clarksburg, W. Va., of certain property which was donated for use in connection with a veterans' hospital, and which is not being so used; and

H. J. Res. 256. Joint resolution providing for an objective, thorough, and nationwide analysis and reevaluation of the human and economic problems of mental illness, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 350. An act for the relief of Siegfried Rosenzweig;

S. 614. An act to amend the Federal Property and Administrative Services Act of 1949, as amended, to authorize the Administrator of General Services to donate certain property to the American National Red Cross; and

S. 824. An act to authorize and direct the Secretary of the Interior to convey certain lands erroneously conveyed to the United States.

ADJOURNMENT

Mr. O'BRIEN of New York. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 38 minutes p. m.) the House, pursuant to its previous order, adjourned until Monday, July 25, 1955, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive comunications were taken from the Speaker's table and referred as follows:

1012. A letter from the Secretary of the Army, transmitting a draft of proposed legislation entitled "A bill for the relief of Mary Viola Jones"; to the Committee on the Judiciary.

1013. A letter from the Commissioner, Immigration and Naturalization Service, United States Department of Justice, transmitting copies of orders granting the applications for permanent residence filed by the subjects, pursuant to section 4 of the Displaced Persons Act of 1948, as amended; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McMILLAN: Committee on the District of Columbia. S. 1289. An act to establish a Domestic Relations Branch in the Municipal Court for the District of Columbia, and for other puposes; with amendment (Rept. No. 1302). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOLMES: Committee on Ways and Means. H. R. 4579. A bill to amend the Tariff Act of 1930 to repeal the duty on crude silica; with amendment (Rept. No. 1303). Referred to the Committee of the Whole House on the State of the Union.

Mr. KARSTEN: Committee on Ways and Means. H. R. 6299. A bill to amend the Tariff Act of 1930 as it relates to unmanufactured mica and mica films and splittings; with amendment (Rept. No. 1304). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. S. 1077. An act to provide for settlement of claims for damages resulting from the disaster which occurred at Texas City, Tex., on April 16 and 17, 1947; with amendment (Rept. No. 1305). Referred to the Committee of the Whole House on the State of the Union.

Mr. JENKINS: Committee on Ways and Means. H. R. 6886. A bill to amend the act of October 19, 1949, entitled "An act to assist States in collecting sales and use taxes on cigarettes"; without amendment (Rept. No. 1306). Referred to the Committee of the Whole House on the State of the Union.

Mr. SADLAK: Committee on Ways and Means. H. R. 6999. A bill to amend section 1321 of the Internal Revenue Code of 1954; with amendment (Rept. No. 1307). Referred to the Committee of the Whole House on the State of the Union.

Mr. SIMPSON of Pennsylvania: Committee on Ways and Means. H. R. 7024. A bill to remove the manufacturers' excise tax from the sales of certain component parts for use in other manufactured articles, and to confine to entertainment-type equipment the tax on radio and television apparatus; with amendment (Rept. No. 1308). Referred to the Committee of the Whole House on the State of the Union.

Mr. BURLESON: Committee on House Administration. House Joint Resolution 385. Joint resolution authorizing the printing and binding of a revised edition of Cannon's Procedure in the House of Representatives and providing that the same shall be subject to copyright by the author; without amendment (Rept. No. 1309). Ordered to be printed.

Mr. BURLESON: Committee on House Administration. House Concurrent Resolution 190. Concurrent resolution authorizing the printing as a House document of the manuscript entitled "The House of Representatives"; without amendment (Rept. No. 1310). Ordered to be printed.

Mr. BURLESON: Committee on House Administration. House Concurrent Resolution 161. Concurrent resolution providing for the printing of the song "Pledge of Allegiance to the Flag" as a House document; with amendments (Rept. No. 1311). Ordered to be printed.

Mr. BURLESON: Committee on House Administration. House Resolution 272. Resolution to provide funds for the expenses of the investigation and study authorized by House Resolution 244; without amendment (Rept. No. 1312). Ordered to be printed.

Mr. BURLESON: Committee on House Administration. House Resolution 306. Resolution to provide funds for the expenses of the study and investigation authorized by House Resolution 262; without amendment (Rept. No. 1313). Ordered to be printed.

Mr. BURLESON: Committee on House Administration. House Resolution 610. Resolution to authorize expenditure of certain funds for the expenses of the Special Committee To Investigate Tax-Exempt Foundations; without amendment (Rept. No. 1314). Ordered to be printed.

Mr. COLMER: Committee on Rules. House Resolution 311. Resolution for consideration of H. R. 3383, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Colorado River storage project and participating projects, and for other purposes; without amendment (Rept. No. 1332). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 312. Resolution for consideration of H. R. 5222, a bill to amend the Flammable Fabrics Act to exempt from its application scarves which do not present an unusual hazard; without amendment (Rept. No. 1333). Referred to the House Calendar.

Mr. TRIMBLE: Committee on Rules. House Resolution 313. Resolution for consideration of H. R. 4006, a bill to amend the Veterans' Readjustment Assistance Act of 1952 to provide that education and training allowances paid to veterans pursuing institutional on-farm training shall not be reduced for 12 months after they have begun their training; without amendment (Rept. No. 1334). Referred to the House Calendar.

Mr. BROOKS of Louisiana: Committee of conference. H. R. 7000. A bill to provide for strengthening of the Reserve forces, and for other purposes (Rept. No. 1335). Ordered to be printed.

Mr. FALLON: Committee on Public Works. H. R. 7474. A bill to amend and supplement the Federal Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes; without amendment (Rept. No. 1336). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. S. 1187. An act to amend section 5221 of the Revised Statutes, relating to voluntary liquidation of national banks; without amendment (Rept. No. 1337). Referred to the House Calendar.

Mr. SPENCE: Committee on Banking and Currency. H. R. 6198. A bill to provide for the sale of certain war housing projects to the Housing Authority of Beaver County, Pa., for use in providing rental housing for persons of limited income; without amendment (Rept. No. 1338). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H. R. 6199. A bill to amend the act of October 14, 1940, to authorize the sale of personal property held in connection with housing under such act; without amendment (Rept. No. 1339). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H. R. 6298. A bill to amend sec-

tion 601 (g) of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, to permit transfer of war housing projects to the city of Moses Lake, Wash., and to other communities similarly situated; without amendment (Rept. No. 1340). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H. R. 7073. A bill to authorize the conveyance of certain war housing projects to the city of Norfolk, Va.; without amendment (Rept. No. 1341). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H. R. 7244. A bill to provide for the striking of medals in commemoration of the 120th anniversary of the signing of the Texas declaration of independence and the battles of the Alamo, Goliad, and San Jacinto in the year 1836; without amendment (Rept. No. 1342). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H. R. 7470. A bill to amend the Defense Production Act of 1950, as amended; without amendment (Rept. No. 1343). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DONOHUE: Committee on the Judiciary. H. R. 2729. A bill for the relief of William Badinelli; without amendment (Rept. No. 1300). Referred to the Committee of the Whole House.

Mr. BOYLE: Committee on the Judiciary. H. R. 4321. A bill for the relief of C. J. Pobojeski; with amendments (Rept. No. 1301). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 1162. A bill for the relief of Anakaleto Maria de Oliveira or Joseph Oliveira or Anacleto Oliver; with amendment (Rept. No. 1315). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 1193. A bill for the relief of Dr. and Mrs. Ivan Pernar; without amendment (Rept. No. 1316). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 1198. A bill for the relief of Kenneth K. W. Lau and Romana Say Soat Kheng, also known as Mrs. Anne Say Lau; without amendment (Rept. No. 1317). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 1319. A bill for the relief of Vasilios Liakopoulos; without amendment (Rept. No. 1318). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 1323. A bill for the relief of Sister Ramona Maria (Ramona E. Tombo); without amendment (Rept. No. 1319). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 1641. A bill for the relief of Mary Mancuso; without amendment (Rept. No. 1320). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 1657. A bill for the relief of Louis B. Prus-Latkiewicz; without amendment (Rept. No. 1321). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1666. A bill for the relief of Jose Canencia-Castanedo; without amendment (Rept. No. 1322). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1908. A bill for the relief of Chu Hai-Chou; without amendment (Rept. No. 1323). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 2054. A bill for the relief of Induk Pahk; without amendment (Rept. No. 1324). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 2072. A bill for the relief of Julian Nowakowski, or William Nowak (Novak); without amendment (Rept. No. 1325). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 2079. A bill for the relief of Ingrid Liselotte Poch; without amendment (Rept. No. 1326). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 2796. A bill for the relief of Mrs. Khatoun Malkey Samuel; without amendment (Rept. No. 1327). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 2897. A bill for the relief of Chung Poik Cha; with amendment (Rept. No. 1328). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 3265. A bill for the relief of Angela Sfounis and Alkista Sfounis; with amendment (Rept. No. 1329). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 4612. A bill for the relief of Vladimir and Svatava Hoschl; with amendment (Rept. No. 1330). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 5908. A bill for the relief of Mrs. Johanna Eckles; without amendment (Rept. No. 1331). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT:

H. R. 7523. A bill to provide that Mikveh Israel Cemetery, in Philadelphia, Pa., shall be a national shrine; to the Committee on Interior and Insular Affairs.

By Mrs. BLITCH:

H. R. 7524. A bill to amend the Tariff Act of 1930 to reduce the rate of duty on jute yarn when used wholly in the manufacture of backing for tufted rugs and carpets; to the Committee on Ways and Means.

By Mr. BUCKLEY:

H. R. 7525. A bill to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. BROYHILL:

H. R. 7526. A bill to authorize the conveyance of housing project to the city of Alexandria, Va.; to the Committee on Banking and Currency.

By Mr. CELLER:

H. R. 7527. A bill to provide for the acquisition of sites and the construction of buildings for a training school and for sector headquarters for the Immigration Border Patrol, and for other purposes; to the Committee on the Judiciary.

By Mr. FREYLINGHUYSEN:

H. R. 7528. A bill to establish a National Library of Medicine; to the Committee on House Administration.

H. R. 7529. A bill to change the name of the Federal Housing Administration; to the Committee on Banking and Currency.

H. R. 7530. A bill relating to reduction in personnel procedure and preference of veterans; to the Committee on Post Office and Civil Service.

H. R. 7531. A bill relating to appeals by veterans under section 14 of the Veterans' Preference Act of 1944; to the Committee on Post Office and Civil Service.

H. R. 7532. A bill to provide for a Federal Advisory Council of Health in the Executive Office of the President in accordance with the recommendations of the Commission on Organization of the Executive Branch of the Government; to the Committee on Interstate and Foreign Commerce.

By Mr. HIESTAND:

H. R. 7533. A bill to establish a Joint Committee on Foreign Intelligence; to the Committee on Rules.

By Mr. HOLT:

H. R. 7534. A bill to amend Veterans' Regulation No. 1 (a) to provide that an aid and attendance allowance of $200 per month shall be paid to triple and quadruple amputees during periods in which they are not hospitalized at Government expense; to the Committee on Veterans' Affairs.

By Mr. KELLEY of Pennsylvania:

H. R. 7535. A bill to authorize Federal assistance to the States and local communities in financing an expanded program of school construction so as to eliminate the national shortage of classrooms; to the Committee on Education and Labor.

By Mr. MACDONALD:

H. R. 7536. A bill to amend the Communications Act of 1934, as amended, so as to require that certain vessels carrying passengers for hire be fitted with radiotelephone installations; to the Committee on Interstate and Foreign Commerce.

By Mr. MATTHEWS:

H. R. 7537. A bill to establish the policy of Congress with respect to public use of the national forests and to provide for the development and maintenance of facilities for public use; to the Committee on Agriculture.

By Mr. McMILLAN:

H. R. 7538. A bill to provide 5 longevity increases for officers and members of the Metropolitan Police force who have completed 28 years of service, without regard to the grade in which such service was rendered; to the Committee on the District of Columbia.

By Mr. MULTER:

H. R. 7539. A bill to permit in certain cases minor children under 16 years of age who are to be adopted in the United States to enter the United States as nonquota immigrants; to the Committee on the Judiciary.

By Mr. PATMAN:

H. R. 7540. A bill to provide for the sale of a Government-owned housing project to the city of Hooks, Tex.; to the Committee on Banking and Currency.

By Mr. SPENCE:

H. R. 7541. A bill to increase the borrowing power of Commodity Credit Corporation; to the Committee on Banking and Currency.

By Mr. THOMPSON of Louisiana:

H. R. 7542. A bill to amend and supplement the Federal Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes; to the Committee on Public Works.

By Mr. BENNETT of Florida:

H. J. Res. 396. Joint resolution to establish a national motto of the United States; to the Committee on the Judiciary.

By Mr. BURDICK:

H. J. Res. 397. Joint resolution to establish a National Shrine Commission to select and procure a site and formulate plans for the construction of a permanent Memorial Building in memory of the Veterans of the

Civil War; to the Committee on Public Works.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Alabama memorializing the President and the Congress of the United States requesting that H. R. 288 be enacted into law, relating to the creation of a military park at the site of the Battle of Horseshoe Bend; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H. R. 7543. A bill for the relief of Sansho Yamagata and his wife, Kouko Mikami Yamagata; to the Committee on the Judiciary.

By Mr. HIESTAND:

H. R. 7544. A bill for the relief of Uhachi Iino and Mrs. Shima Saito Iino; to the Committee on the Judiciary.

By Mr. JACKSON:

H. R. 7545. A bill for the relief of Mabel Dorothy Hoffman (or Clarke); to the Committee on the Judiciary.

By Mr. ZABLOCKI:

H. R. 7546. A bill for the relief of Benedict M. Kordus; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Rochambeau Birthday Ceremonies

EXTENSION OF REMARKS
OF
HON. HARRY FLOOD BYRD
OF VIRGINIA
IN THE SENATE OF THE UNITED STATES
Thursday, July 21, 1955

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an account of the proceedings, including the statements made on the occasion of the first American Rochambeau birthday ceremonies held at the Rochambeau statue in Lafayette Park opposite the White House on July 1, 1955.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

Mr. Charles Parmer, general chairman, Interstate Rochambeau Commission of the United States (speaking in French, for Voice of America broadcast to France):

"I take this occasion to reaffirm the debt of gratitude we have contracted toward France, at the hour when our fate was at stake. At a time when we were weak, poor, without friends or support, she was our first and only ally, putting at our disposal not only her material resources, but also the wisdom, the experience, and the very life of the best of her sons."

Mrs. Alice Roosevelt Longworth, daughter of President Theodore Roosevelt who dedicated the Rochambeau statue in 1902, laid a wreath of flowers gathered from the Mount Vernon gardens—where Rochambeau was a guest when en route with Washington to Yorktown in September 1781.

The Honorable HARRY FLOOD BYRD, United States Senator, Virginia, placed a wreath of Virginia flowers at the Rochambeau statue in the name of the people of the United States. He said:

"I place these flowers in honor of France, our first ally, and her great General Rochambeau, who with his valiant French soldiers played an important role in aiding Washington to achieve our independence as a nation."

The Honorable THEODORE FRANCIS GREEN, United States Senator, Rhode Island, placed 13 blossoms from the Mount Vernon gardens (red, white, and blue) in honor of the Original Thirteen States. He said:

"Mr. Chairman, distinguished guests, ladies, and gentlemen, in opening may I offer a word of praise to you, Mr. Parmer, who have done so much to bring to our minds an awareness of the debt we owe to General Rochambeau. He has been responsible for the organization of Rochambeau commissions in all the States through which General Rochambeau and the French marched on their way to Yorktown. If the Rochambeau Commission of my own State is an example, these commissions are indeed active.

"It was exactly 1¾ centuries ago that 6,000 gallant French soldiers landed at Newport, then one of the capitals of my State of Rhode Island. They came in fulfillment of France's pledge to help the struggling United States achieve that "life, liberty, and pursuit of happiness" for which our forefathers were desperately fighting. The arrival of these French troops gave a tremendous impetus to the cause of George Washington and his beleaguered Continental Army. It was important to have brave and disciplined troops. It was equally important for them to have an able leader. In this respect the little French Army was singularly fortunate in being under the command of Jean-Baptiste Donatien de Vimeur, Count Rochambeau, a wise and experienced soldier who had worked his way up in combat to the rank of major general.

"Rochambeau has fought for his beloved France most of his 55 years. He possessed those qualities of personal bravery and of tempered wisdom, of concern for his men and of unfailing singlemindedness in the attainment of his military objective, which are necessary in any top, military leader.

"Although he was a great professional soldier, he was also a great man, willing to subordinate himself to the civilian soldier, George Washington. In this connection, he presented to Washington a marshal's baton in behalf of the King of France, in order that his relationship with George Washington might more nearly conform with military custom.

"Rochambeau was enough of a diplomat to be able to channel and profitably use the ebullient energies of Lafayette. He was enough of a politician to be able to leave Newport with his 6,000 troops at the end of a winter even so well respected as when he arrived. And, most important of all, he was enough of a soldier to be able to play a fully equal role with General Washington in securing the defeat of the British at Yorktown. In fact, when Cornwallis and the British surrendered there, they did so equally to the French and American generals, Rochambeau and Washington.

"Thus, it is that the debt of gratitude owed by the United States to France and to Rochambeau and his gallant army is indeed profound. Without French aid, the cause of American independence might well have failed. As a citizen of Rhode Island, in the Senate of the United States, I am glad to be here now to honor General Rochambeau and the country which sent him to our aid, by laying these symbolic flowers at the foot of his statue."

Maj. Gen. Charles R. Landon, USAF (retired), military chairman of the Interstate Rochambeau Commission, read General Washington's orders, issued October 20, 1781, commending the fighting roles of General Rochambeau, individual French officers, and his entire army, for their valiant aid in the Yorktown Battle.

Hon. Robert Valeur, counselor of French Embassy:

"M. Parmer, distinguished guests, ladies and gentlemen, the French Ambassador, who is in Paris, has asked me to express to you his sincere regret that he cannot be present today at this manifestation of Franco-American friendship.

"The French people are profoundly grateful to the American people for having preserved with such fidelity the souvenir of the assistance France brought to the United States at the time of its Revolution.

"The French negotiators of the historic treaty of amity and alliance signed in 1778 between the 2 countries did not seek nor expect any rewards, but were fully conscious that they were laying a solid and lasting foundation for the relations between the 2 Republics.

"Twenty-five years later, another memorable date was carved on the monument of French-American friendship. It was when, on Easter Monday, April 10, 1803, Napoleon decided to sell to the United States the whole Territory of Louisiana.

"Regretful as the French were to abandon a territory the immense value of which they fully realized, they were looking to the future, convinced as they were, in the words of Barbé-Marbois, the French negotiator, "that it was in the interest of the whole world to favor the growth in power and size of the United States." This sentiment, expressed several times by Napoleon, was reflected in the remarks of Livingston, the American Plenipotentiary, on signing the treaty:

" 'We have lived long and this is the most beautiful day in our lives. From this day on, the United States will rank among the first-class powers. Thus, if new wars cannot be avoided, France will find sometime in the New World a powerful friend, growing from year to year, who will inevitably become powerful and respected upon all the seas of the world.'

"No prophecy could have been more true. The 'infant' of 1778 has become a giant and a mighty friend. This mighty friend came in our days to the assistance of France in the First World War and insure the liberation of our country at the end of the second. The situation of France has changed; but the friendship has endured. Today as 175 years ago, it does rest and will continue to rest, on the principle so clearly and so simply enunciated, by the negotiators of the treaty of 1778: 'real good will,' and 'manifest interest.' "

Hon. C. Burke Elbrick, Deputy Assistant Secretary of State, spoke for the United States. He said:

"Mr. Parmer; Members of the Congress of the United States; M. Valeur, Counselor of the French Embassy; Ladies and Gentlemen:

"It is an honor for me to represent the Department of State at this ceremony commemorating the 230th anniversary of the birth of that great soldier and marshal of France, Jean Baptiste Donatien de Vimeur, Comte de Rochambeau.

"This magnificent statue of Rochambeau by Ferdinand Hamar before which we are gathered today was a gift of France to the United States. It was unveiled by President Theodore Roosevelt in 1902. This gracious square, in which we find ourselves, bears the illustrious name of Lafayette. Much that surrounds us here is testimony to those early historic ties which have bound closely together the destinies of France and the United States.

"In the course of conducting pressing diplomatic relations between governments or in reviewing the contemporary relationship of the people of one country toward the people of another, it is indeed valuable to pause and evoke the wisdom of history. While personages, circumstances, places and dates change, one will usually find that the true and fundamental elements of relationship between countries do not. There is great truth in the adage that 'History repeats itself.'"

"Such it has been in the relations between France and the United States since the inception of this country. In 1778 Louis XVI recognized the fledgling United States of America in the famous Treaty of Alliance and Commerce negotiated by Benjamin Franklin. In 1780 the King of France dispatched, under the command of the Count de Rochambeau, at that time a lieutenant general in the Royal Army, some 6,000 of his finest troops to help the American colonists. While Lafayette and other French officers had been rendering great service to General Washington and the American Army, the arrival of Rochambeau and his men at Newport in July 1780 constituted the first formal commitment of troops by the army of one country to the army of the other. This military alliance between France and the United States has continued intermittently, in time of danger to the two nations down through history—World War I, World War II, and now our great partnership in the North Atlantic Treaty Organization. This spirit of the Alliance is to be found in dedication of our two peoples to the principles of liberty and democracy.

"It was Jules Jusserand, I believe, who pointed out in his book, With Americans of Past and Present Days that France of 1780 was inspired by enthusiasm for the Americans, not by hatred of the British—an enthusiasm which had its roots in the ideal of liberty that was then beginning to sweep the continent. This imperishable ideal of liberty has become today in the evolution of history one of the keystones of the United Nations, which is yet another firm bond linking together our sister Republics.

"The military fortunes of Washington were at a low ebb when Rochambeau arrived and they were to sink yet lower before joint action could begin. The British held southern New York; all Northern ports were blockaded; and in the South, Gen. Nathaniel Greene, aided by the intrepid Lafayette was fighting brilliantly though desperately against the vastly superior forces of Cornwallis. The situation on the continent had changed and additional troops which had been promised could not be spared. When the future looked darkest it was learned that Admiral De Grasse and his fleet had arrived as if by providence in the West Indies. Washington and Rochambeau heartened by this news conceived and carried out that brilliant combined military naval campaign, with which you are all familiar, that culminated in the surrender of Cornwallis at Yorktown. At this decisive battle upon which depended the fate of our new Nation there were actually more French soldiers participating than Americans. The passage of time has perhaps dimned in the American consciousness the tremendous import of this fact. If so, this should not be.

"A sense of history is one of the great spiritual assets of any people. It is through the dedicated efforts of those organizations which are represented here today that such a sense is nourished. It is through such ceremonies as this commemoration of the birth of Rochambeau that your efforts prosper and cause us to pause in our busy life and to reflect on the verities of history. In those verities, which are exemplified so well by the noble place in our history of the man we honor today, we find those qualities of the heart, the mind, and the spirit that are the firm and lasting foundation of Franco-American friendship."

Flowers were laid on the Rochambeau statue by representintatives of leading patriotic socieites, and Representative JOEL T. BROYHILL, and retiring Mayor Marshall J. Beverley, as well as representatives of Woodlawn and Gunston Hall.

The invocation was by the Reverend Frederick Brown Harris, D. D., Chaplain of the United States Senate.

The music was by the United States Marine Drum and Bugle Corps from Quantico, Va., under the direction of S. Sgt. A. di Giova, who gave a spirited playing of the French Huron March, used by Rochambeau's troops.

The benediction was by the Right Reverend Monsignor John K. Cartwright, rector, St. Matthews Cathedral, Washington, D. C.

Reporters' Roundup

EXTENSION OF REMARKS
OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1955

Mr. McCORMACK. Mr. Speaker, under permission to extend my remarks, I include the following program in which I participated, Reporters' Roundup, which was carried over the Mutual Broadcasting System on Monday, July 18, 1955:

REPORTERS' ROUNDUP

Guest: United States Congressman JOHN W. MCCORMACK, Democrat, of Massachusetts.

Moderator: Robert F. Hurleigh.

Panel: Douglas Larsen, Newspaper Enterprise Association; Jim Roper, Washington Evening Star.

Mr. FISKE. Reporters' Roundup, where bylines make headlines. In a moment hear the Honorable JOHN W. MCCORMACK, Democratic United States Representative of Massachusetts 12th District and House majority leader of the 84th Congress, answer questions fired at him by a panel of veteran reporters.

Mr. HURLEIGH. Congressman MCCORMACK, what are the accomplishments of the first year of the Democratic-controlled 84th Congress?

Mr. ROPER. What about President Eisenhower's 1954 election predictions that there would be a cold war of partisan politics in a Democratic-controlled Congress and the Republican-controlled administration?

Mr. HURLEIGH. The members of the 84th Congress realize that the record made in Congress will be a major test for both Republicans and the Democrats. As politicians second-guess President Eisenhower's plans for next year, Democratic congressional leaders are uncommonly optimistic about holding the Senate and the House in next year's elections—based primarily on the record of the Democratic-controlled 84th Congress. Our guest tonight is the majority leader of the United States House of Representatives—Congressman JOHN W. MCCORMACK, Democrat, of Massachusetts' 12th District. Born in South Boston, Congressman MCCORMACK was elected to represent his district in 1928 and named majority leader in 1940. He has held that post in each Congress since, excepting the 80th and 83d in which he served as Democratic whip. And now, our guest is ready.

Mr. FISKE. Reporters' Roundup, which comes to you transcribed this evening from the House radio gallery in your Nation's Capital—is presented by Mutual and Facts Forum as part of Facts Forum's effort to stimulate interest in current issues. Facts Forum, nationwide, adult educational organization, is devoted to encouraging a desire in all Americans to listen, read, and think more about public affairs. Facts Forum has faith that the American people will inform themselves from sources of their own choosing, they will make wise decisions. May the opinions you will now hear expressed by our guest prompt you to further thought. United States Congressman JOHN W. MCCORMACK, Democrat of the 12th District in Massachusetts, has served in Congress for the past 30 years and is now House majority leader of the Democratic-controlled 84th Congress. Reporter's Roundup has invited this veteran congressional authority to discuss some of the accomplishments and problems of the 84th Congress as its 1955 session ends. And now, Congressman MCCORMACK is prepared to meet the challenging questions of this panel of well-known and able reporters: Mr. James Roper, staff correspondent for the Washington Evening Star, and Mr. Douglas Larsen, Washington correspondent of Newspaper Enterprise Association. Your moderater, Robert F. Hurleigh, director of Mutual's Washington operations.

Mr. HURLEIGH. And now, Mr. Roper, let's have the first question for United States Congressman MCCORMACK.

Mr. ROPER. Sir, in 1954 President Eisenhower said the election of a Democratic Congress would lead to a cold war of partisan politics. Well, as we know a Democratic Congress was elected. Do you think as a matter of fact a cold war of partisan politics has developed?

Mr. MCCORMACK. Well, I think the evidence speaks for itself, Mr. Roper. The first session of the 84th Congress is now nearing its end and the record of this Congress and the interest of the people of America and our country both on the domestic level and the field of foreign affairs has been outstanding. As a matter of fact, in the last campaign I said in making various speeches that the best investment that the people of America could make would be to elect the Democratic Congress because in foreign affairs we have a united party, and the Republican Party is badly split. In the last Congress the Republican Party gave very little support to the President. In the field of domestic affairs, important matters relating to our people, the Republican Party is also severely split with the old guard opposing every progressive piece of legislation. And the record of this session to date shows that the Democratic Party has been of invaluable aid to the people of the country in putting through legisaltion for their best interests, both in the field of foreign affairs and in the field of domestic activities.

Mr. ROPER. Sir, I have before me a statistical study of your votes on 29 issues which have been raised specifically by President Eisenhower and this study, which I believe is impartial, shows that you have supported the President on 2 out of 3 of his requests. Do you consider this a fair and full support of the President?

Mr. MCCORMACK. Well, I do not know what the votes—what the particular measures are that you have in that compilation, but I would say if it is recorded that I supported the President 2 out of 3 of his recommendations, that that is a much better record than

most of the Republican Members have. Furthermore, I want it distinctly understood so that there will be no misunderstanding, the probabilities are that those measures are ones that have been put on the statute books during the 20 years of wonderful Democratic control of our Government, so I have been supporting Democratic measures. And as a matter of fact, President Eisenhower is attempting to embrace the New Deal and the Fair Deal—so President Eisenhower has been following us Democrats pretty well. So, the record is that President Eisenhower supported us Democrats and it happened that we Democrats agreed that his recommendations were for the best interest of the country.

Mr. ROPER. I would like to say, that in the same study, it shows that on 10 foreign policy issues you and the President felt the same. I don't know who was supporting whom, but you and the President were together——

Mr. MCCORMACK. Well, when it comes to foreign affairs, Mr. Roper, the men in public life should realize that the Chief Executive, no matter who he is, whether Democrat or Republican by politics, is the leader of our country and establishes foreign policy, and sound legislators realize that in the world of today we have got to show the strength of our country through manifesting strength through our Chief Executive. It happens that the President's recommendations were consistent with the views that I entertain and fortunately were entertained by the great majority of the Democrats, and I am sure you will find that on rollcall votes of those issues and questions, that the Democrats largely and mainly voted for the measures and that the greatest opposition came from the Republican Party.

Mr. HURLEIGH. Mr. Douglas Larsen.

Mr. LARSEN. Well, Congressman MCCORMACK, to step down just a little bit from that high plane, and to get into the hard facts of politics, do you think that by supporting Eisenhower so completely and by being proud of it—boasting about it—that you did the Democratic cause any good nationally?

Mr. MCCORMACK. Well, I haven't said that I supported President Eisenhower or that I haven't—I haven't been boasting about it, I just answered Mr. Roper's question by saying that the President has been supporting Democratic measures, and I am not going to vote against a measure recommended by a Republican President that is for the best interest of the people any more than I would one recommended by a President who is a Democrat, and in this case, President Eisenhower has been absolutely following the Democratic policy of the last 20 years. So it is the President who is following us, Mr. Larsen, so get that clear.

Mr. HURLEIGH. Would you say—Douglas, may I come in here—would you say that you have been supporting the program that the President has sent to the Congress rather than supporting the individual?

Mr. MCCORMACK. Well, that would be a fair statement. The program which is for the best interest of the people of our country—as a matter of fact that is the role of a minority party anyway. It should be constructive in criticism, constructive in opposition. It should be constructive in proposal and it should support when anyone makes constructive recommendations, and that has been the position of the Democratic Party—not like when the Republican Party was in minority, or in control of Congress, with a Democratic President—a party of blind opposition.

Mr. LARSEN. Well Congressman, do you think that you shaped up any major issues in this legislative session which are going to be a factor in the 1956 Presidential campaign? Would you pinpoint a couple?

Mr. MCCORMACK. Why, absolutely. To begin with, one of the great differences in the two parties is the matter of utilization of power of our country for the best interest of our country. The present administration, under its theory of partnership, wants to give away the great natural resources of our country to private interest for the purpose of exploitation. We saw that in the case of Dixon-Yates. We see it now in the case of many other projects. The whole plan is there. We find it now in the $2 billion contracts being made with the American Telephone & Telegraph Co. in connection with our continental defense. The furnishing of communication services—that hasn't really come to the forefront yet, but it is one of those hidden contracts that are made and Congress is advised later on—so we have many issues—and furthermore, when any party goes to the country with the issue of having a record that is for the best interest of the country, that party never loses anything—it gains.

Mr. LARSEN. Congressman, did Ike pull the rug out from under you when he canceled the Dixon-Yates contract?

Mr. MCCORMACK. Pulled the rug out from under who?

Mr. LARSEN. From the Democrats.

Mr. MCCORMACK. Why, no. The President admitted to the world that he was wrong.

Mr. LARSEN. Is that bad?

Mr. MCCORMACK. Bad in what respect?

Mr. LARSEN. Well, you said he admitted to the world that he was wrong——

Mr. MCCORMACK. Yes.

Mr. HURLEIGH. But corrected himself—does that aid the cause?

Mr. MCCORMACK. Oh, I don't think he corrected himself, not by any means. For when an administration undertakes to accomplish something of that kind and use such vigor to do so, as we know, using the powers of the administration to bring it about, even compelling members of the Atomic Energy Commission to change their minds and their vote, excluding competition—pressure that was exerted, even having a man represent two masters, one the Government and the other the First Boston Co. And, by the way, that company is not from Boston, Mass., that company is located in New York, I want that clearly understood.

Mr. LARSEN. Congressman——

Mr. MCCORMACK. Those things make a profound impression upon the people, and they cannot be eradicated by any slick or sly moves.

Mr. HURLEIGH. Congressman, assuming, as you and Democratic Party has, that Dixon-Yates controversy came about because the President was on unsound ground and because of that had to withdraw the plan of the Dixon-Yates program. Having withdrawn, does he not in the sense take away—and I think I am following Douglas Larsen's question—take away any of the strength of argument against this as it might have been in the next year's election campaign?

Mr. MCCORMACK. Well, I don't think so, because Dixon-Yates is symbolic of the policy of the party, and in the campaign we have discussed the basic differences between the Republican and Democratic Parties in the field of power, and we have consistently referred to the Dixon-Yates as the concrete evidence showing what this administration symbolizes, so I think it is going to be a matter of very considerable import in the next election. But, of course, that is not the only thing we have. We have plenty of others. We have the big-business control of Government. Everybody now realizes that this administration is being conducted pretty well by not only big business, but big, big business—the big financiers of the country—and by the time a year from next July and August and October rolls around we ought to have shown the country many, many other things besides Dixon-Yates, because there are an awful lot of things going on in this administration that can be explored and exposed to the American people.

Mr. HURLEIGH. Mr. Roper.

Mr. ROPER. Mr. MCCORMACK, I would like to return to the subject of foreign policy, especially the Big Four Conference, which opened in Geneva today. Do you think the President will come a cropper there? So many of our previous meetings with the Russians at such Big Four meetings have just led to trouble.

Mr. MCCORMACK. Well, Mr. Roper, you have got to realize that at the outset the administration did not want to go over there to begin with. Secretary Dulles clearly indicated that. Then Senator GEORGE is the one who really brought it to a head when he made a statement that—and the President a day or two afterwards agreed with him—I think the British elections had a lot to do with our going in there. I think a call for help was made and that, at least enters into the picture. I don't say it was a determining factor, but it certainly was, in my opinion, a contributing factor. We have got to realize that it is pretty well stated by the President and the administration that they expect nothing to come out of here, that the meeting is more to try to infuse a new spirit into the field of diplomacy, to explore, to see if a new spirit can be developed, then to be followed by the operating teams, the foreign ministers as far as the later details are concerned, in trying to work out a more tractable and peaceful or compatable world. You have also got to realize that President Eisenhower has always been a general, leading, and that a general occupies a different position than negotiators in the diplomatic field, and he is going over there faced with the greatest diplomatic foxes of many decades. Not only Eden, the British and the French, who have been, are well experienced in the art of diplomacy and particularly in the actual act of negotiation, but also in the representatives of the Soviet Union and this is the first time that President Eisenhower has ever been in the position of a negotiator. And he is going up against negotiators of many years of experience and not uncomplimentarily, they are pretty sly foxes in that field, so that I hope there will be a new spirit infused, but we probably won't know for a year, a year and a half or two years, because when they have these diplomatic meetings, we usually don't get the truth for a long while afterwards. I am hoping for the best but I am not going to be disturbed if nothing particular materializes because we are dealing with a group of world killers when we are dealing with the Communists.

Mr. ROPER. Sir, you said that you were hoping for the best, but do you think Eisenhower is really up to this big league competition? You seem to be not too sure about this.

Mr. MCCORMACK. Well, only the results can show that. The President, as I said, has never been a negotiator before in the field of diplomacy. His role has always been one of commander. I hope he rises to the highest level as a negotiator. I don't expect much from this meeting.

Mr. HURLEIGH. Mr. MCCORMACK, you are in a position of influence in the Congress. You do have sources of information. Do you think that either our Secretary of State or President Eisenhower had a program to carry to this Big Four Conference?

Mr. MCCORMACK. I am unable to state that. I would assume they did. I would assume they had not only a maximum program, but a minimum program. I assume the other side has. We know what the other side's maximum program is. We don't know what their minimum is. It would seem to me that we should insist upon the dissolution of the Cominform. We should also insist that the Soviet Union or the Communist Party in the Soviet Union stop its policy of further

infiltration and subversion of other countries. We should insist that the Yalta Agreement for free elections for Poland and Lithuania and other countries be carried out under international supervision and Communist troops be withdrawn while free election is being carried out as to what form and kind of government those people desire. There are certain basic things we are entitled to have.

Mr. HURLEIGH. Congressman, on that point alone, did not your House, oftimes badly stated as the lower House of Congress——

Mr. MCCORMACK. Erroneously stated, too.

Mr. HURLEIGH. Erroneously stated as the lower House of Congress, but has not the lower House of Congress suggested——

Mr. MCCORMACK. Coequal House——

Mr. HURLEIGH. Coequal House of Congress established a better principle in suggesting to the President that something be done about the satellite nations rather than the Senate which many people think had a weak resolution which Senator KNOWLAND presented?

Mr. MCCORMACK. Well, I prefer not to get into that except to make this observation. That there was no incompatibility between the Senate resolution and the House resolution, which I had the honor to introduce.

Mr. HURLEIGH. But yours was stronger, sir.

Mr. MCCORMACK. Oh, yes, my resolution applied not only to subjected nations under Communist domination, but it also applied to people who were still free. Who had recently emerged from colonialism or who have the ambition to emerge from some form of colonialism and to have their own free and independent form of government. But the Senate resolution was not incompatible. Mine was the greater which include the lesser. On the other hand, being a Senate resolution as I said to the Senate Foreign Relations Committee that I see no objection to reporting them both out if they want to, but the more effective resolution, I think, would be the resolution that I introduced because it is broader, it is affirmative, and it passed both branches of the Congress representing the feelings of the people of America.

Mr. HURLEIGH. Mr. Douglas Larsen.

Mr. LARSEN. Congressman, it is possible—have you heard any talk of the possibility of Congress extending this session beyond the estimated 1st of August as a result of anything that would happen at Geneva?

Mr. MCCORMACK. No, no, I have not, Mr. Larsen. Not as a result of anything that would happen at Geneva. It probably would have to be extended unless we complete our legislative business, but as a result of anything expected to happen at Geneva, the answer to that is no.

Mr. LARSEN. Congressman, to get back to the specific issues before Congress. I wonder if you could explain to me what the thinking was behind Congress' unwillingness to give the administration the Reserve bill that they asked for with the teeth in it with the ability to force young men into the Reserve organizations that they were legally bound to go into?

Mr. MCCORMACK. Well, all I can say is that I was for the strongest bill that could be passed. As a matter of fact, when the bill was on the floor of the House, if you will remember, I, in the course of remarks that I made, said that I was reluctantly supporting this bill because it was not as strong as I would like to see it, but it represented strength which was necessary in the world of today. I think there are an awful lot of people who honestly are opposed to universal military training. I am not. In the world of today, I think it is vitally important that we do everything possible to preserve America against the sinister forces that exist. However, there are many Members and many persons throughout the country who honestly are opposed to universal military training legislation. I assume that played a very important factor. Now speaking for myself, the bill is no way near as strong as I would like to see it. However, it represents progress in the direction of strength which we need in the world of today and I hope that the conference committee will report out the strongest bill possible, having in mind the differences between both branches.

Mr. LARSEN. Well, if they don't—if universal military training fails this time with all the pressure of the world behind it, the pressure of world events, of a military man in the White House, everybody behind it—will this country ever get universal military training?

Mr. MCCORMACK. Well, to say, Will it ever get such legislation? I cannot say that. But the chances of getting it for some time—unless this world situation worsens materially, and if it does it will have to go beyond that—is very remote. This bill here does not involve universal military training. There is compulsion though and there must be if we are going to get people into the Army and Navy and the different branches of our Armed forces. There has got to be some degree of compulsion. The bill is not strong enough for me, Mr. Larsen. To state why others voted against it is difficult—all I can say is there are many persons who honestly are opposed to universal military training. And might I say, President Eisenhower, in the campaign of 1952 did not help out the cause of universal military training. You remember he said that there is no need of having universal military training while we have a Selective Service Act—or something to that effect. Why, of course, nobody contemplated having both, but we had to have the selective service pending the building up of the Reserves.

Mr. HURLEIGH. I'm sorry, gentlemen, but I'm going to have to cut in here. Our board of judges has selected the prize-winning questions submitted by our listeners for this evening's broadcast. In a moment, Congressman MCCORMACK is going to answer these questions. Stand by for the names of the winners.

Mr. FISKE. A large portion of the responsibility for keeping the American people the best informed people in the world belongs to radio newscasters, commentators, and analysts. On Mutual you'll find veteran newsmen in every category who are experts in their fields and who take their responsibility to you, the listeners, with utmost seriousness. Whether you prefer a fast 5-minute digest of the big headlines of the moment or thoughtful, penetrating, and informed commentary, Mutual is your network for news, as you like it and when you like it. Weekday evenings there are Fulton Lewis, Jr. and Gabriel Heatter, with full quarter-hours of news, as well as Lyle Van and his 5-minute news capsule. The daytime favorites, Robert F. Hurleigh, heard every morning with news and commentary, and Cedric Foster, whose constant search for background takes him to many corners of the world. In addition, Cecil Brown, Bill Cunningham, Holland Engle, and Sam Hayes. These are but a few of the Mutual names for news. Hear them all regularly over most of these stations. Remember, Mutual is your network for news.

Mr. HURLEIGH. And now, Congressman MCCORMACK, here are those prize-winning questions from our listeners.

Mr. FISKE. From R. L. Robinson of Huntington, W. Va.

Mr. HURLEIGH. When conditions were reversed and a recent Democratic President had a Republican controlled Congress, that President complained bitterly and campaigned against it. Do you expect Mr. Eisenhower to react similarly toward the 84th Congress in the coming elections?

Mr. MCCORMACK. Why, of course, I do. I expect Mr. Eisenhower to be the nominee of the Republican Party and I expect him to go out and campaign. But the situation is entirely different than former President Truman's was. The Democratic Party has been the one that has given him the support, as I said before we did it in the best interest of the people of our country. We have not been one—a party of blind opposition and when the President campaigns he is going to have more difficulty in establishing the fact.

Mr. FISKE. From Charles Demchik, Tonawanda, N. Y.

Mr. HURLEIGH. What can the Democrats offer to offset the Republican position if the coming Big Four Conference brings about peace up to the 1956 election?

Mr. MCCORMACK. If this present meeting that is going on, known as the summit, produces a sincere peace, why of course the answer to that is that it will have profound influence upon the minds of the American people and for anybody viewing it objectively to say otherwise would be finding himself guilty of intellectual dishonesty. If what comes out with it is real sincere success, why of course there is going to be a decided advantage for the President and his party, but on the other hand, if it does not, why the situation will be somewhat different.

Mr. FISKE. From Margot Herlinger, of New Haven, Conn.

Mr. HURLEIGH. Has the Democratic Party too many good candidates and not one outstanding one?

Mr. MCCORMACK. Why, we have a number of excellent men who would make desirable candidates. The question is "Have we too many good candidates and not one outstanding one?" Well, if we have a number of good candidates, it must be that they are all outstanding no matter who is chosen. I would say, offhand, that with all due respects to the views of others, the nomination of the Democratic convention is not closed by any means. I think it is wide open. I respect Governor Stevenson very much, but I would say it is not in the bag for him, so to speak, and I look to the next Democratic convention in connection with the nomination of our candidate for President to be a very interesting one. And I wouldn't be surprised if somebody other than Governor Stevenson were nominated.

Mr. FISKE. Handsome Cyma dual-purpose clocks are being sent to the persons named for submitting the three prize-winning questions on this evening's broadcast. Mutual and Facts Forum have brought you this program with the hope of stimulating your interest in the matters you have heard discussed and in all other issues. Facts Forum does not offer a final word on either side of controversial issues, but asks further study—so that you, the American public, may hear, read, consider, and arrive at your own decisions. Transcripts of Facts Forum programs are published in the Facts Forum News, Dallas, Tex. Next week our newsmaking guest will be United States Senator BOURKE B. HICKENLOOPER, Republican, of Iowa, member of the Senate Foreign Relations Committee, who will be questioned on the accomplishments of the Big Four conference at Geneva. The writers of the three most interesting and timely questions for Senator HICKENLOOPER will each receive this handsome prize—a Cyma dual-purpose clock, made by the world famous Cyma watchmakers. This Cyma clock will be your companion at home or wherever you go. Send in your questions on a postcard with your full name and complete address. Mail it to Reporters' Roundup, Mutual Broadcasting System, Washington, D. C. The decision of the board of judges will be final. All questions remain the property of Reporters' Roundup.

Mr. HURLEIGH. I want to thank United States Congressman JOHN W. MCCORMACK, Democrat, of Massachusetts, and House majority leader for being our guest on tonight's Reporters' Roundup, which came to you transcribed from the House Radio Gallery in

your Nation's Capital. My thanks, too, to the reporters on our panel: Mr. Douglas Larsen, of NEA—Newspaper Enterprise Association, and Mr. James Roper, of the Washington Evening Star. Be sure to send in your questions for our newsmaking guest, United States Senator BOURKE B. HICKENLOOPER for next week. Until then, this is your moderator, Robert F. Hurleigh.

Mr. FISKE. This broadcast of Reporters' Roundup will make news because its guest, United States Congressman JOHN W. MCCORMACK, of Massachusetts, and House majority leader of the 84th Congress, faced questions which are asked by all Americans. Next week and each week thereafter, Reporters' Roundup will seek out the top news and the man who makes it. You'll get the story behind the headlines as our guest answers the questions of Robert F. Hurleigh and a panel of veteran reporters.

Fred Fiske speaking.

Swiss Independence Day

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 21, 1955

Mr. CELLER. Mr. Speaker, August 1 again this year will be the time when the great democracy of the United States extends its cordial greetings to the great democracy of little Switzerland. On that day, 664 years ago, the Swiss laid the groundwork for the development of a democratic way of life which is among the finest in the world today. Then it was that the people of three tiny cantons in the north of what constitutes modern Switzerland today gathered together to tell the Hapsburg monarchy to keep hands off.

Now, centuries older and 19 cantons larger, the Swiss people of Germanic, French and Italian origin, are the possessors of a sound, democratic tradition and healthy economy.

But, unlike its sister democracy, the United States, which is rich in natural resources, Switzerland has had to strive long and hard against a not too bountiful nature. Compelled by reason of its largely mountainous and unfertile terrain, the Swiss have had to import much of the foodstuffs and raw materials they need to maintain an enviable standard of living.

Pre-eminent in providing the wherewithal to secure these imports has been the development of an industrial skill recognized throughout the world. On the annual export of manufactured goods depends the functioning of Switzerland's economy. And with the money gained from its exports to the United States, Switzerland has been able to buy from America the grains, tobacco, automobiles and other products its people need. Indeed, it has been buying considerably more from the United States than it has been selling here. Switzerland, in fact, is America's best cash customer in Europe.

Unfortunately, there now exists to mar our friendship with the Swiss, a tariff wall against Swiss watches, one of Switzerland's chief exports, that can be only deemed excessive. This 50 percent higher wall has been up now for just about a year.

It would be in the interests of both ourselves and our good Swiss customers to lower this wall, and as quickly as possible. President Eisenhower alone can do it since it was he who created it on July 27, 1954, in the belief that he was protecting an "essential" domestic watch industry which subsequently our own Defense Department revealed was in no need of such "preferential treatment." Let us prevail upon him, in the face of this new and weighty evidence, to rectify a serious error.

Federal Control of Natural Gas

EXTENSION OF REMARKS
OF
HON. FRANK IKARD
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 21, 1955

Mr. IKARD. Mr. Speaker, my attention has been called to an extension of remarks by Hon. JOHN W. HESELTON, of Massachusetts, appearing in the CONGRESSIONAL RECORD of July 18, 1955, at page 10869. Congressman HESELTON undertakes to list the 30 largest holders of gas reserves and to state how much they stand to gain if H. R. 6645 is passed by Congress.

I have not undertaken to check the accuracy of Congressman HESELTON'S figures on gas reserves held by the various companies. I desire, however, to challenge the accuracy of his calculations of the increased revenues to be derived by gas producers by the passage of H. R. 6645.

Like many others who are opposed to this legislation, Congressman HESELTON has grabbed figures out of the air and placed them in the CONGRESSIONAL RECORD. He assumes that the Natural Gas Act is the only thing which prevents the producers from adding $806,500,500 to their annual revenues from natural gas. He says:

> If an increase of only 15 cents per thousand cubic feet could be secured, this would add to the cost annually, at the 1953 rate of use, $806,500,500, and, of course, the gas consumer would foot the annual bill.

The assumption of an increase of only 15 cents per thousand cubic feet, which he infers is the minimum to be expected, is beyond the realm of possibility, not only as a minimum, but as a maximum, for the foreseeable future at least. If the independents have the power to raise their prices for gas at will in the absence of Federal control, it is amazing that they did not do so prior to June 7, 1954, when they were free of Federal regulation.

The facts are that gas presently moving in interstate commerce is committed by long-term contracts specifying prices to be paid for the gas. This legislation will not free the independents from their contracts or permit them to obtain higher prices than their contracts call for. On the contrary, it specifically prohibits their termination and provides for controlling and limiting the increases which they provide for. The extravagant claims of increased prices resulting from this legislation, to be rational, must proceed upon the assumption that these contracts contain provisions for increases in those amounts, and must assume further that the Federal Power Commission would not allow any of them to go into effect if its jurisdiction is preserved. Neither assumption is warranted by the facts.

It is extremely doubtful that a single contract for the sale of gas to an interstate pipeline contains a provision for an increase of as much as 15 cents per thousand cubic feet over the entire life of the contract, and it can be stated with complete confidence that at least 99 percent of them do not.

Before any figures can be presented that would be of any value, it would be necessary to analyze the various contracts under which gas is moving in interstate commerce and ascertain the increases that are provided for therein and the volumes of gas that will move thereunder. Those figures would represent the maximum that could be expected. Before arriving at any realistic figure concerning increases which would result from the passage of this legislation, it would be necessary to compute the increases which the Federal Power Commission would allow if its jurisdiction is retained—which, of course, would be impossible—and deduct them from the increases provided by the contracts.

The gentleman from Massachusetts could just as well have assumed an increase of only 30 cents per thousand cubic feet and made his statement twice as impressive.

It is also said by opponents of this legislation that its passage will result in huge windfalls to the producing companies. This, too, is an unsupported and unfounded statement. Gas reserves have been acquired by the producing companies over a period of years. Probably 95 percent or more were acquired prior to the Supreme Court decision in 1954. Most contracts for the sale of gas to pipelines also antedated the Supreme Court decision. The passage of this legislation will restore the producers, with some substantial reservations, to the status which they held at the time the reserves were acquired and the sales contracts were made. Allowing one to receive what he worked for, risked his money for, contracted for, and had every right to expect, can hardly be characterized as a "windfall."

Henderson To Confer With Residents of His District

EXTENSION OF REMARKS
OF
HON. JOHN E. HENDERSON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 21, 1955

Mr. HENDERSON. Mr. Speaker, the greatest responsibility of a member of

Congress is to maintain close and constant contact with the people he has the honor to represent. He can best perform this duty in representing their interests in Washington if there is ample opportunity for personal conferences. A few moments of conversation permits the Congressman to learn the general attitude of the constituent toward public affairs far better than a letter or an impersonal poll of popular opinion.

Shortly before the current session of Congress convened, I visited each county seat town of my seven counties, specifically for the purpose of holding informal conferences with constituents. At every possible opportunity during the current session of Congress, I have returned to the 15th District of Ohio so as to be in a position to consult with the people for whom our laws are being enacted.

Now that Congress is about to adjourn, I will return to Ohio and endeavor to be of the greatest possible service to each person in the 15th District who wishes to express his opinion on public issues or who has a problem with some department or agency of our Federal Government. Accordingly, I shall be in attendance at the county fairs of each of the seven counties where those who wish to meet informally with me may do so. I shall be present at the fairs on the following dates:

Perry County Fair, August 5—if Congress has adjourned by this date.
Muskingum County Fair, August 19.
Noble County Fair, September 2.
Washington County Fair, September 5.
Morgan County Fair, September 8.
Monroe County Fair, September 22.
Guernsey County Fair, September 29.

In addition to the dates above mentioned, I will endeavor to be on the fair grounds at other times.

Continuing my established practice of arranging scheduled meetings in the county-seat towns, I will be in the courthouse of each county from 9 a. m. to 4 p. m., in accordance with the following schedule:

Perry County, September 12.
Muskingum County, September 13.
Monroe County, September 14.
Noble County, September 15.
Washington County, September 16.
Morgan County, September 17.

No appointment is needed, and I urge any individual or group to meet with me on the date most convenient. Of course, I shall be glad to meet with residents of the 15th District in my office in Cambridge any time that Congress is not in session.

The Status of Forces Treaty

EXTENSION OF REMARKS
OF
HON. FRANK T. BOW
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 21, 1955

Mr. BOW. Mr. Speaker, for the past several days representatives of the Defense Department including the new Secretary of the Army, Mr. Brucker, have been sitting in the Foreign Affairs Committee on the floor above us defending the sellout of American rights that is known as the Status of Forces Treaty.

Mr. Brucker and the entourage of aides that backstop him and endeavor to augment his limited knowledge of the subject have blithely disregarded the jeopardy in which our American servicemen are placed by this treaty and have glibly denied the loss of constitutional rights, the unfair treatment and the neglect suffered by Americans abroad.

It is obvious that they do not speak for the men of the Armed Forces who are acutely concerned about their situation.

I am beginning to hear from these men, and they are expressing to me their interest and their gratitude that some of us here in the House of Representatives are trying to do something to restore the constitutional safeguards that are their birthright.

One sergeant, whose name must be withheld, writes to me from France as follows:

> Thank you for the resolution you are proposing to put all United States servicemen overseas under military law. I believe as you do that the Status of Forces Treaty violates constitutional rights. I have fought in World War II and Korea to preserve the Constitution.
>
> A lot of men here in France are afraid to leave the camp area because some Communist might pick a fight with them and they will have to go to the French jail for defending the very principles they came over to fight for in the first place.

I believe that this young man has hit upon the situation that may be responsible for the difficulties of Airman Jose Montijo. Groups of young Frenchmen have made life difficult for American servicemen for years. They may include young Communists, young hoodlums, or just Frenchmen jealous of American success with French women, but I have heard many times of the taunts and attacks on our men. Airman Montijo ran into such a group, and when the scuffle was finished one Frenchman was dead. From the many reports I have read, I think I have stated fairly what probably occurred in his case.

Yet I wish to call attention to the fact that this young American has already been held for 3 months in a French prison under conditions usually imposed only upon convicted criminals. He is in solitary confinement. The bars of his cell window are covered so that only a thin ray of light may enter. His food is pushed in to him twice daily through a slot in a door. And from other reports we are told that the daily diet consists of a quart of coffee and a pound of bread for breakfast, a stew sometimes containing scraps of meat for the evening repast. In the case of another prisoner, we are told that gifts of American cigarettes are not permitted, but that they must be purchased at the prison canteen for 55 cents per pack. We are told that Montijo is trying to earn money by painting the eyes on lead soldiers for a prison concessionnaire, presumably so that he may purchase French tobacco and other articles. This American has not been convicted of any crime. The last Air Force report indicates that he has not even been charged formally. And it may be many more months before he is brought to trial.

Think of it, my colleagues; and if this does not make your blood boil, then something has gone out of the American spirit. I do not think we should tolerate these conditions for 1 minute. I am ashamed of Government officials who attempt to excuse them.

The Great Seal of Massachusetts

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 21, 1955

Mr. McCORMACK. Mr. Speaker, undear leave to extend my remarks in the RECORD, I include the following letter and memorandum from the Legislative Reference Service relative to the great seal of Massachusetts:

THE LIBRARY OF CONGRESS,
Washington, D. C., July 7, 1955.

Hon. JOHN W. McCORMACK,
House of Representatives,
Washington, D. C.

DEAR MR. McCORMACK: This is in reply to your letter requesting certain information on the seal of Massachusetts. A friend of yours is interested in knowing why the seal uses "Reipublicae" rather than just "Republicae."

The Massachusetts seal was established by an act of the general court, in 1885: "The great seal of the Commonwealth shall be circular in form, and shall bear upon its face a representation of the arms of the Commonwealth, with an inscription round about such representation, consisting of the words 'Sigillum Reipublicae Massachusettensis.'" [The Seal of the Commonwealth of Massachusetts.]

The Latin expression for state, or commonwealth, was res publica, also written as one word, respublica [literally, the public affair]. But whether written as 2 words or 1 word, it was subject to declension like other Latin terms. For example, office of state—munus reipublicae (possessive case); to oppose the state—oppugnare rem publicam (objective case). So in writing "The Seal of the Commonwealth," the term res publica, or respublica, would be put in the genitive, or possessive, case—i. e., rei publicae, or reipublicae. The Massachusetts authorities chose the one-word form.

Sincerely yours,
ERNEST S. GRIFFITH,
Director.

THE LIBRARY OF CONGRESS,
Washington, D. C.

THE GREAT SEAL OF MASSACHUSETTS

The following entries are from the printed House Journal, page 47, Saturday, August 5, 1775:

"James Prescot, Esq; brought down the Report of the Committee appointed to consider what was necessary to be done, relative to a Colony Seal, with the following Vote of Council thereon, viz. 'In Council, August 5, 1775, Read and Accepted with this Amendment, viz. Instead of an Indian holding a Tomahawk and Cap of Liberty, there be an English American, holding a Sword in the Right Hand, and Magna Charta in the Left Hand, with the words "Magna Charta," imprinted on it.'

"Sent down for Concurrence."

Page 51: "Eldad Taylor, Esq; brought down from the honorable Board the following Order, viz.

"In Council August 7, 1775.

"Ordered, That Mr. Greenleaf, with such as the honorable House shall join, be a Committee to direct the making a Colony Seal agreeable to the Form prescribed by this Court on Saturday last.

"Sent down for Concurrence.

"Read and Concurr'd; and Deacon Plympton, and Mr. Mills, are joined to the Committee of the honorable Board."

From an examination of the foregoing facts, which comprise all the record, it seems evident that though no copy remains of the design recommended by the committee, it was that of "an Indian holding a Tomahawk and Cap of Liberty, and that the motto was 'Petit sub libertate quietem." The Council substituted the English-American, and the House invigorated the motto till it read "Ense petit placidam sub libertate quietem." Of the origin of this motto it may be briefly said that it was written about A. D. 1659, by Algernon Sidney, the famous English patriot, in the album of the University of Stockholm. The complete phrase is:

"Manus hoec inimica tyrannis. Ense petit placidam sub libertate quietem."

This seal was probably engraved by Paul Revere, who certainly executed the copper plates for the State bills of credit issued in 1775, which bore the same coat-of-arms. Mr. A. C. Goodell states, in his edition of the Province Laws, volume 506: "The former great seal of the province remained in the council chamber, at Boston, whence, together with all the other public seals, it was secretly purloined, some time between the 9th of September and the 4th of October 1775. The loss of these insignia was considered so serious by the governor that he immediately communicated the fact to Secretary Dartmouth, but before they could be replaced, the progress of the Revolution had rendered them useless."

For 5 years the foregoing seal was in use, but when Massachusetts became a State, one of the first acts of the legislature was the establishment of a new seal.

Here again we find a certain lack of precision and almost a contradiction on the record.

The original paper preserved in the archives is as follows (Arch. Vol. 230, p. 64. Revolution Resolves):

"In the House of Representatives Nov. 4: 1780

"Ordered that Col. Dawes & Col. Baldwin with such as the Hon. Senate shall join be a Committee to consider & determine upon a Seal for this Commonwealth.

"Sent up for Concurrence Caleb Davis Speaker

"In Senate Nov. 4th 1780

"Read & Concurred & Israel Nickols Esqr is join'd

"JER. POWELL, *Pres.*

"the Committee of Both Houses to whom was Committed the Determination upon a Seal for this Commonwealth beg leave to report that the same be refeared to the Governor and Council which is submitted

"Israel Nichols p[r] order

"In Senate Nov. 11th 1780

"Read & accepted

"Sent down for concurrence

"Jer Powell Pres.

"In the House of Representatives Nov. 10: 1780

"Read & Concurred. Caleb Davis Speaker

"Approv'd John Hancock"

But on the Senate Journal, pages 41, 42, will be found the following entry.

"Nov. 10. Report of the Committee of both Houses for devising a Common seal for the Commonwealth, not accepted, and ordered that Mr. Sumner, Mr. Phillips and Mr. Turner be a committee to consider the same and report.

"Nov. 11. Report of the Committee to whom was referred the consideration of a Seal for this Commonwealth, referring same to the Governor & Council. Read & accepted. Sent down for concurrence. Came up concurred."

As no other report is on record, it is impossible to make these entries agree. We can surmise however that the Senate at first preferred to take part in designing the seal, and that it rejected the report of the joint committee, on November 10, sending the subject to special committee of three Senators. Probably that special committee found good reasons for adopting the former report, and so made only a verbal report, not entered on the record, and the Senate quietly receded from its action and concurred with the House.

The next evidence of action will be found in the following citation from the council records, under date of Wednesday, December 13, 1780 (vol. 26, p. 49):

"Ordered That Nathan Cushing Esqr. be a Committee to prepare a Seal for the Commonwealth of Massachusetts who reported a Device for a Seal for said Commonwealth as follows viz. Sapphire, an Indian dressed in his Shirt; Moggosins, belted proper, in his right Hand a Bow Topaz, in his left an Arrow, its point towards the Base; of the second, on the Dexter side of the Indian's head, a Star; Pearl, for one of the United States of America.

"CREST. On a Wreath a Dexter Arm cloathed and ruffled proper, grasping a Broad Sword, the Pummel and Hilt Topaz with this Motto: ENSE PETIT PLACIDAM SUB LIBERTATE QUIETEM—And around the Seal—SIGILLUM REIPUBLICAE MASSACHUSETTENSIS.

"Advised that the said Report be Accepted as the Arms of the Commonwealth of Massachusetts."

It seems certain from an inspection of the record that the punctuation has been changed since the entry was made.

It is believed that no action was subsequently taken by the legislature. Probably the members thought that the acceptance of the report referring the matter to the governor and council was sufficient, without the additional enactment of a law conferring on them the power to define and establish the seal. Had they so enacted the case would be similar to that of Louisiana, where it is prescribed that the seal shall be such as the governor shall direct.

It would seem, however, following the usual course of our later legislation, that a positive enactment should be made, to become a part of our public statutes, in order that every person should easily know what the proper form of the State coat of arms and State seal is.

Owing to the lack of such precise information easily attainable, there has been a ludicrous amount of variation from the standard. The original order of the council is a little vague, and the result is that the Indian is sometimes figured as of gold, and sometimes as proper, i. e., in natural colors. Some have evidently concluded that the words "belted proper" were separated so that the "proper" referred to all the preceding part. This, however, is not probable, and the word was intended to be used for "properly," i. e., belted properly. The blazon or description is not very clear, but the best practice apparently has been to depict the Indian, his garments, and his bow and arrow, all in gold. The minor details have been varied and the Indian is sometimes represented with moccasins and at other times with boots—his hunting shirt is sometimes close fitting, and again loose or with a flowing mantle. Especially the mistake is very common of representing the Indian as standing on a mound for which the original description gives no ground.

The following examples, taken from such cuts as were found in the hands of the State printers, show some of these errors. It should be said, however, that the seal used by the secretary of state is almost faultless, erring only in not showing the color of the Indian to be gold.

In one of these smaller cuts the arrow is held horizontally instead of having the point toward the base, and the crest has an arm in armor, instead of being "cloathed and ruffled." The well-known Massachusetts cent of 1788 has on its reverse the Indian dressed in a close shirt, belted, with moccasins on the feet and evidently with bare legs.

If the Indian were depicted in natural colors, as one reading of the council order would allow, such a bearing would be contrary to the rules of heraldy, being color upon color. Of course a sovereign or State can prescribe any coat he or it may choose, but it is not at all probable that our council so intended. The lions of England are gold on a red field; our Indian should be, and undoubtedly was meant to be, gold on a blue field. Above all, he should be depicted in the simple and graceful hunting shirt, and not disfigured with the addition of a cloak, blanket, or other impediment.

(Source: Documents. Printed by order of the House of Representatives of the Commonwealth of Massachusetts during the session of the General Court, 1885. No. 345, pp. 11–16.)

Payments to Utilities

EXTENSION OF REMARKS

OF

HON. BRADY GENTRY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1955

Mr. GENTRY. Mr. Speaker, I feel that I must express my opposition to the provision of the highway bill which authorizes the States to give the utilities almost $1 billion during the next 13 years out of funds sorely needed for highway construction.

If this provision becomes law for the 13-year period, it naturally will be reenacted, and payments to the utilities will thus become a permanent charge upon the highway users for service rendered not for them, but for others.

While the bill provides for permissive instead of mandatory action, the end result will be exactly the same. If it becomes law, one or more States will be pressured into making these payments. Finally, most or all of them will do so, not out of a sense of right and justice—because they are convinced it is neither just nor right—but out of a sense of giving the industries of their own States equal treatment to that accorded by other States.

The States have expressed their unyielding opposition to this legislation. George T. McCoy, of California, president, American Association of State Highway Officials, and many other highway officials making the long journey to Washington 2 months ago, testified that:

The obvious inequity of paying for utility relocation costs out of highway funds is apparent if we ask ourselves this question: Why should utility relocation costs be passed on to the motorist instead of to the consumers of utility facilities, in view of the fact that the consumers have received the benefit of

free rights-of-way purchased at public expense?

The utilities are attempting to repudiate their contractual obligation to States, cities, and counties through Federal legislation.

Deeply alarmed at the possibilities of reimbursement legislation, the State officials again asked to be heard by the committee only last week. Frank D. Merrill, their first vice president, testified that—

We wish to say here today for the record that we approve of your action as to providing a construction program and for financing it. We want a Highway Act of 1955 this session and we will appreciate anything you can do to assure action. We do, however, strongly object to the utility reimbursement feature.

The American Automobile Association, in a recent statement, said:

The utilities are making an unconscionable raid to grab money sorely needed to meet critical highway deficiencies.

Just what are the facts and circumstances bearing on this whole question?

Telephone, telegraph, and gas utilities are more than 99 percent privately owned. Electric utilities are between 80 percent and 90 percent of private ownership. The REA has 3 percent of electric utility lines but less than one-tenth of 1 percent of telephone utility lines. However, the great majority of REA lines are either on unpaved roads or on farm-to-market roads which will not become major highways requiring extensive enlargement for generations, if ever.

A. T. & T. Co.—Bell System—owns 90 percent of all telephone lines. Its most recent yearly report, after reciting an unbroken record of substantial yearly dividends for many decades, noted additional retained earnings of more than $700 million. The class A and B electric utilities alone report retained earnings of more than $2,200,000,000. The common stock of Western Union, a telegraph utility monopoly owning all telegraph lines, has increased in value more than 800 percent within the last 3 years.

The utilities are prosperous. Moody's Manual of Investments shows that they will make considerably more than $25 billion net profit for their owners during the 13-year period of this provision. Their net relocation costs will be only 48 percent of any amount paid since 52 percent of it would otherwise be paid as taxes. The net cost in any case will be an insignificant percentage of the utilities' absolute net profits of $25 billion.

The primary use of highways and streets is for the traveling public and all other use is subordinate thereto. Most utilities secured the use of highway rights-of-way through written agreements to readjust or relocate their facilities when necessary to permit highway improvement. Others occupy them by oral permission but the legal effect is the same. Not one court of last resort in American legal history has ever held otherwise.

The laws giving the utilities these rights were enacted at the specific request of the utilities. They have saved, and are saving, great sums of money as a result. Rights-of-way have been maintained for them at expense and inconvenience to the highway users and without expense to them. The new rights-of-way required for the interstate system will cost the highway user billions of dollars. The utilities will not pay one cent of it but they expect to occupy it, free of any charge. They also expect it to be maintained for them, free of any charge. The spokesmen of the utilities now demand that the highway users not only buy new rights-of-way for them and maintain it for them forever, but that they also move the utility facilities onto the new location and pay the removal bill—all without legal sanction and, in most cases, in direct contravention of solemn contracts which the utilities asked the States to make with them by which they secured the valuable right to enter upon the highways in the first instance. This would completely and permanently change the historic and legal relationship between the parties. It would make the States completely subordinate to the utilities instead of the reverse, as it is at present under the States' police power.

Actually, good reasons might be advanced why utilities should not be allowed on highway rights-of-way at all in areas where they can acquire their own rights-of-way. These utility facilities are becoming extensive and a continuing greater expense and inconvenience to highway users. As our country's population increases, this condition will become worse. A time will come when it will be highly undesirable for rights-of-way to literally contain a network of utility pipes, wires, and poles. In addition, the many hundreds of millions of dollars invested today in automobile radios are being lost because of the maze of utility powerlines on the highways which destroy their reception.

It is obvious that if a utility reimbursement provision is to be a part of any highway law, any attempted justification of it must be on moral grounds, since it has no sanction in present law and is in direct violation of numberless existing contracts entered into with the utilities at their express request. If we are to entertain moral grounds in this matter, what about the tens of thousands of cafes, groceries, filling stations, motels, and other business establishments on the interstate system whose owners will lose their life savings because the highway will relocate at a distance that render their businesses valueless. These citizens were not allowed to use highway rights-of-way for their business, as were the utilities. They bought their own. They asked for and got no special favors such as the utilities received. Since most of them are humble citizens, they will not have a host of high-powered lobbyists to press their cases, as will the utilities. Also unlike the utilities, who will continue in a prosperous, guaranteed business, most of them will find it too late in life to reestablish themselves. They will simply be told that they are unfortunate, that they have a tough break. But the utilities seemingly are to have their own expenses paid for them regardless of law, regardless of solemn, valid, existing contracts that they would pay removal costs, and regardless of violence to State sovereignty and the States constitutional police power in the matter of highway rights-of-way.

Who is asking for this provision? Do the States request it? Does even one State approve of it? Not one State representative was heard in support of it. Without exception they implored us to defeat it. In fact, utility interests alone had the temerity to appear in its behalf. Its passage would not indicate too high a regard for the wishes and constitutional rights of the States. When the point is reached that solemn, written contracts, made under their police power, are disregarded—and at a time when the States are begging that these legal contracts be respected—it would appear that States rights and State sovereignty are no longer terms having valid meaning. It is made worse because the permissive language would make the States the seeming authors of their own undoing.

If we are not to respect the States' wishes and constitutional rights, but must legislate on this subject at all, it would seem more courageous to pass it as a mandatory provision, representing the full demand of the utilities. After these opposition pleas by the States, they certainly are not entitled to have the utility lobby thrown back at them under circumstances designed to make them yield to what they believe is an outright injustice.

If there are a few small utilities for which removal costs might be burdensome—and there will be only a few—the States can help them and they need no permissive legislation by Congress to do so. In fact, the States have helped in some such cases in the past and the Bureau of Public Roads has matched the States' payments. But, are we to do that which will give more than 90 percent of almost $1 billion to a few giant prosperous corporations which do not need it as greatly as do either our taxpayers or our highways?

I express my belief that there should be no utility provision in this bill and my hope that the House, out of a sense of fairness and justice to our taxpayers, to the condition of our budget, and to the needs of our highways, will reject it.

Need for Townsend Plan Legislation

EXTENSION OF REMARKS
OF
HON. JOHN A. BLATNIK
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 21, 1955

Mr. BLATNIK. Mr. Speaker, I regret I was unable to join my colleague and personal friend, the able Congressman from Pennsylvania, GEORGE M. RHODES, last Monday afternoon when he spoke on the need for the enactment of legislation to give to the retired citizens of our country an adequate income so that they could enjoy with dignity and comfort their twilight years. At that time we were in executive session in the Public Works Committee completing work on the proposed national highway program. I am in wholehearted agreement with the excellent statement made by Representative RHODES, and I want to commend him for the leadership he has

given to our bipartisan committee supporting Townsend plan legislation.

Mr. Speaker, H. R. 7225, the Social Security Act Amendments of 1955, which passed the House last Tuesday, was a great step forward in the field of social legislation. Ever since coming to Congress I, along with Congressman RHODES and many others, have urged and fought for an extension and liberalization of the social-security laws so that the aged and infirm of this Nation could be more adequately protected and provided for—so their future could be more secure. H. R. 7225 goes a long way toward accomplishing this goal, and I wholeheartedly endorsed it for that reason, but I am of the opinion the bill does not go far enough. There is still much more to be done in order that the aged and infirm are adequately protected in this day of high cost of living.

I am sure, Mr. Speaker, I do not have to remind any Member of this House of the legislation now pending, and which has been pending without action for many years now, which provides for a comprehensive, universal, adequate, pay-as-you-go retirement program. The gentleman from California [Mr. GUBSER] and I have introduced identical bills, H. R. 4471 and H. R. 4472, providing for such a program. These bills are similar to the bipartisan attempts over the years to provide for a real, all-inclusive retirement program for all. They provide every adult citizens in the United States with equal basic Federal social security payments, permitting retirement with benefits at age 60, and also covering total disability, from whatever cause, for certain citizens under 60. They give protection to widows with children, and further provide an ever-expanding market for goods and services through the payment and distribution of such benefits in ratio to the Nation's steadily increasing ability to produce, with the cost of such benefits to be carried by every citizen in proportion to the income privileges he enjoys.

This, I submit, Mr. Speaker, is the only final solution to the problem of the aged and disabled—a comprehensive pension system which provides liberal pensions as a matter of right to all retired and disabled persons. Since 1935, when the present Social Security Act became law, the problems of the aged and disabled have greatly multiplied. True, there have been improvements in the law, but always too little and often too late. The piecemeal improvements over the past 20 years still do not improve the lot of millions of our aged citizens and disabled persons who do not come under the protection of the act. There is no security, for instance, for disabled persons who, because of their disability, do not qualify under the present system. This is manifestly unfair. Because of the very disability for which they now need help, these people are unable to qualify for such help. While H. R. 7225 liberalized the present law with respect to disabled persons, still it does not begin to solve the problem of many, many others.

Lowering the age for women as provided in H. R. 7225 is definitely a step in the right direction, Mr. Speaker, but why limit it to women and why not lower the age of all to 60? We read day in and day out of the problems facing older workers today. The gentleman from California [Mr. CRAIG HOSMER] discussed this phase of the problem on Monday. These people just aren't being hired. Until recently our own Civil Service Commisssion refused to hire otherwise qualified persons for certain positions if they were over 35 years of age. We could go a long way in solving this problem by reducing the retirement age for all, men and women alike, workers and nonworkers, to the age of 60.

With all the changes and improvements which have been made, Mr. Speaker, we are still operating under a 1935 social security system which cannot begin to solve the problems of 1955. We are not being realistic in this regard. The present tragic plight of millions of our old folks calls for a reappraisal of our entire social security system, and every attempt should be made to provide true security for these many millions who are faced with such tremendous problems and with so little, if anything, with which to solve them.

Last year extensive and complete testimony in behalf of legislation similar to that introduced by the gentleman from California and myself was presented before the House Committee on Ways and Means. Over 100 Members of the House signed a discharge petition, strongly urging that the measure be favorably reported to the House for final debate and vote. While I surely support H. R. 7225 as a stopgap measure, Mr. Speaker, I again urgently appeal that the Committee on Ways and Means favorably report H. R. 4471 and H. R. 4472 to the House so that this Congress can decide whether we are to have a real social security system or continue to be committed to the limited, halfhearted approach to the security of the aged of America.

Washington, Lafayette, Truth and Liberty

EXTENSION OF REMARKS
OF
HON. FRED SCHWENGEL
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 21, 1955

Mr. SCHWENGEL. Mr. Speaker, on Sunday, July 17, I was privileged to represent the great State of Iowa in the George Washington Memorial Chapel at Valley Forge. My remarks at these Iowa memorial services were such that I have been asked to have them extended in the CONGRESSIONAL RECORD. I take this opportunity to direct the attention of my colleagues to what I said on that occasion. That address, plus my introductory remarks, follows:

Through the will of the people I represent, I am privileged to sit in the hallowed Halls of Congress. I am their representative in the greatest Government on earth. I cherish this privilege to be a part of the Government in which the voice of the people plays such a vital part.

This was the principle laid down by our Founding Fathers when this great Republic was born. Each day, as I take my seat in Congress, I am reminded of the courage and integrity of the men who dreamed, fought for, and formulated this system of government.

I look upon the pictures of George Washington and Marquis de Lafayette and thank God that we were favored with such leaders and such stanch friends, because in these two men we have the outstanding example of mutual trust and understanding which must exist between all men of good will. From this, I take inspiration for what I have to say today. I speak to you of Washington, Lafayette, truth, and liberty.

At the outset, please accept greetings from the Honorable Leo Hoegh, Governor of the State of Iowa, Iowa's Representatives in Congress, and the thousands of people who live in and love this great State. I am indeed privileged to represent the people of Iowa here today. I do so gladly at the request of my Governor.

WASHINGTON, LAFAYETTE, TRUTH AND LIBERTY

In speaking on the hallowed soil of Valley Forge on the subject of Lafayette, I feel I must begin by linking the two names that were here cemented together by courage, by sufferings bravely undergone, and by an equal and selfless devotion to duty. Lafayette and Washington stand in the forefront of the heroes of America, and it is good to see that the shining of their united glory is undimmed by the slightest shade of jealousy or ill temper. The greatness of a man is never more apparent than in his appreciation of another great man, and therefore I love to read and reread the wholehearted expressions of humanity and devotion in Lafayette's letters to George Washington. I should like to read to you, if I may, the letter Lafayette wrote to Washington in camp at Valley Forge, December 31, 1777. Lafayette had, the previous day, written at length warning Washington of the intrigues against him headed by General Conway, and this letter is in acknowledgment of Washington's reply. I take the liberty of correcting some errors due to Lafayette's unfamiliarity with English.

"DEAR GENERAL: I should have much more reproached myself for the liberty I took in writing to your excellency, if I had believed it could engage you in the trouble of answering that letter. But, now, as you have written it, I must tell you that I received this favor with the greatest satisfaction and pleasure. Every assurance and proof of your affection fills my heart with joy, because that sentiment of yours is extremely dear and precious to me. A tender and respectful attachment for you, and an invariable frankness, will be found in my mind the more as you will know me better; but after these merits, I must tell you that very few others are to be found. I never wished so heartily to be entrusted by nature with an immensity of talents as on this occasion, when I could thus be of some use to your glory and happiness, as well as to mine own.

"What man does not join the pure ambition of glory to these other ambitions of advancement, rank, and fortune? As an ardent lover of laurels, I cannot bear the idea that so noble a sentiment should be mixed with any low one. In your preaching moderation to the brigadiers upon such an occasion, I am not supposed to recognize your virtuous character. As I hope my warm interest is known to your excellency, I dare entertain the idea that you will be so indulgent as to let me know everything concerning you whenever you will not be under the law of secrecy of particular circumstances.

"With the most tender and affectionate friendship and the most profound respect,

"Your most humble and obedient servant,

"LAFAYETTE."

The young man of 20 who wrote that humble letter was a major general on George Washington's staff, whose advice in matters of tactics and strategy Washington regularly

sought, and who was soon to distinguish himself in military command by a cool efficiency, a wise patience, and a bold imagination rivaling the qualities of the commander himself. Lafayette, like Washington, could retreat indefinitely, or hole up in camp for a long while, disregarding clamors for impetuous action. Then, when the enemy had put himself at a disadvantage, he could strike like lightning and hold like steel.

But greater than his military skill or wisdom was the essential quality of the man Lafayette, showing through all his life, and in his successes as in his failures, in his sufferings as in his triumphs. He was at all times such a man as is envisioned in the words of the apostle James: "Whoso looketh into the perfect law of liberty, and continueth therein, he being not a forgetful hearer, but a doer of the work, this man shall be blessed in his deed." Lafayette was a single-hearted and selfless seeker for truth, and justice, and liberty. He might well have said, with Thomas Jefferson: "I have sworn upon the altar of God eternal hostility against every form of tyranny over the mind of man." When, in his later political career in France, Lafayette was deceived and misled into aiding Napoleon's rise to power, and, in 1830, similarly aided Louis Philippe, these were the mistakes of a noble and trusting heart that saw in these graspers for personal power, not their base and petty designs, but the ideals of liberty and justice for which they claimed to be striving. In each case he was quick to speak out, with undaunted courage, against the abuses of entrenched power, and his last public speech was an attack upon the reactionary policies of Louis Philippe.

"Where the spirit of the Lord is," says St. Paul, in his Second Epistle to the Corinthians, "there is liberty." I feel that the spirit of the Lord was surely with Lafayette, and the very breath of liberty was blowing about his every word and deed. When he was in prison, from 1792 to 1797, he lost no essential liberty thereby. "Ye shall know the truth," said Christ, as reported in John's Gospel, "and the truth shall make you free." That is the kind of essential freedom that was Lafayette's. He was of those celebrated in Lowell's lines, in the Present Crisis:

"Careless seems the great Avenger; history's pages but record one death grapple in the darkness 'twixt old systems and the Word, truth forever on the scaffold, wrong forever on the throne—yet that scaffold sways the future, and, behind the dim unknown, standeth God within the shadow, keeping watch above his own."

I remember vividly how, on Palm Sunday a year ago, in a little church in Coronado, Calif., this spirit of truth and liberty seemed to breathe out through the pastor's sermon and fill the congregation. This minister, the Reverend Kenneth Baird Carson, was speaking on the theme of the Palm Sunday triumph of Christ, so soon to be followed by His betrayal and passion; and his sermon was called "The Triumph of Truth." It so impressed me, that I called on that minister, and obtained a copy of his talk, which I keep and often reread. Though he was not speaking directly of Lafayette, I feel that Lafayette is an outstanding example of the Christ-like devotion to truth that he was trying to inculcate. "God," he said, "has no minds but your human minds to accept His truth, no lips but your lips to proclaim His truth, no hearts but your hearts to love His truth. If you fail Him He will try again in the lives of another generation."

The generation that held two such shining and noble souls as Washington and Lafayette was, I am sure, no failure from this point of view. Here were minds to accept, lips to proclaim, and hearts to love God's truth. Here were men who would live out their Christian principles, through successes and failures, through good repute and ill, until death. A principle stressed in Mr. Carson's sermon, that "no man is free until he is morally free," might be counted as the keystone of the character of each of these patriots. Each had so strengthened his self-control, so bound himself to the divine law of his own choosing, that his freedom was a mighty and inflexible current of determination. Either would obey authority because he chose to obey. This freedom in complete obedience is beautifully stated in a letter Lafayette wrote from Albany about March 13, 1778. He had been sent off on a northern expedition, insufficiently planned by Congress, his men and supplies hardly sufficient for any accomplishment, and his orders and position lacking clarity, and without authority to make a southward attack upon the British in and around New York. In commenting to General Washington on this situation, Lafayette said: "The command at Albany I don't look upon as fit for my desire of honorable opportunity, unless it would be extended below, and that I have not any right to request—in all, my dear general, my mind will be always supersatisfied to be as near you as possible, and I shall look upon anything you will believe fit for me, as the very best thing I can wish for."

The cordial friendship, the almost father-and-son relationship existing between George Washington and Lafayette, sprang from the recognition by each that the other was a kindred spirit, bound by an equal devotion to truth and to liberty. To each might well be applied that fine saying of Henry Adams, "They know enough who know how to learn." These two great men, one mature and in the position of supreme command, the other without command, but knowing himself fitted, by birth, talents, and training, to lead troops, were content to work together—Washington asking advice, and Lafayette eagerly requesting and following orders. Each, I think, was acting in the spirit of Roger Bacon's philosophic saying: "True knowledge stems not from the authority of others, nor from a blind allegiance to antiquated dogmas. Rather it is a highly personal experience—a light that is communicated only to the innermost privacy of the individual through the impartial channels of all knowledge and of all thought."

It is good to remember of Lafayette that late in life, in 1824 and 1825, he had a full year of triumphal touring and visiting in the United States, drinking to the full the glory and adulation tendered him by the grateful American people. "As an ardent lover of laurels," such as he recognized himself to be, from youth to old age, he was given a most spectacular award, being paraded and banqueted and feted from one end of the country to the other. This was his Palm Sunday of popular acclaim, but his Gethsemane of suffering and imprisonment lay behind him. When he died, he was an honored citizen of France and of the United States alike, and earth from Bunker Hill was laid upon his grave as a tribute recognizing the important part he played in bringing the Revolutionary War to its successful conclusion and obtaining for this country the priceless blessing of liberty.

Analysis of Public Law 78—Appropriations for Department of the Interior

EXTENSION OF REMARKS

OF

HON. BARRATT O'HARA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1955

Mr. O'HARA of Illinois. Mr. Speaker, by unanimous consent, I am extending my remarks to include an analysis of Public Law 78 prepared for me by Elizabeth Elward, of the American Law Division of the Legislative Reference Service, as follows:

PUBLIC LAW 78, 84TH CONGRESS—DEPARTMENT OF INTERIOR AND RELATED AGENCIES APPROPRIATION ACT, 1956

TITLE I. DEPARTMENT OF THE INTERIOR

Office of the Secretary:	
Research in utilization of saline water	$400,000
Salaries and expenses, Oil and Gas Division	390,000
Office of the Solicitor	2,525,000
Office of Minerals Mobilization	225,000
Total, Office of the Secretary	3,540,000
Bureau of Land Management:	
Management of lands and resources	13,450,000
Construction	2,300,000
Range improvements	(1)
Total, Bureau of Land Management	15,750,000
Bureau of Indian Affairs:	
Education and Welfare services	41,764,995
Resources management	12,432,000
Construction	7,979,003
Road construction and maintenance (liquidation of contract authorization)	7,000,000
General administrative expenses	2,600,000
Relocation of the Yankton Sioux Tribe	56,500
Total, Bureau of Indian Affairs, exclusive of tribal funds	71,832,498
Tribal funds (not included in totals of this tabulation)	(3,100,000)
Geological Survey: Surveys, investigations, and research	26,635,000
Bureau of Mines:	
Conservation and development of mineral resources	12,893,000
Health and safety	5,000,000
General administrative expenses	970,000
Total, Bureau of Mines	18,863,000
National Park Service:	
Management and protection	9,825,000
Maintenance and rehabilitation of physical facilities	8,950,000
Construction	5,425,000
Construction (liquidation of contract authorization)	19,654,300
General administrative expenses	1,175,000
Total, National Park Service	45,029,300
Fish and Wildlife Service:	
Management of resources	6,728,500
Investigations of resources	4,187,000
Construction	1,000,000
General administrative expenses	760,000
Administration of Pribilof Islands	[1] (1,827,600)
Total, Fish and Wildlife Service	12,675,500

[1] Appropriation of receipts. Not included in totals of this table.

TITLE I. DEPARTMENT OF THE INTERIOR—continued	
Office of Territories:	
Administration of Territories	$2,609,500
Trust Territory of the Pacific Islands	4,500,000
Alaska public works	3,000,000
Construction of roads, Alaska	6,300,000
Operation and maintenance of roads, Alaska	3,500,000
Construction, Alaska Railroad	4,100,000
Total, Office of Territories	24,009,500
Administration, Department of the Interior:	
Salaries and expenses	2,065,000
Total, Department of the Interior	220,399,798
TITLE II. RELATED AGENCIES	
Commission of Fine Arts	$21,200
Federal Coal Mine Safety Board of Review	70,000
Department of Agriculture:	
Agricultural Research Service:	
Salaries and expenses	150,000
Forest Service:	
Salaries and expenses:	
National forest protection and management	35,511,500
Fighting forest fires	5,250,000
Control of forest pests	6,272,500
Forest research	7,754,000
Subtotal	54,788,000
Roads and trails	24,000,000
Acquisition of lands for national forests:	
Weeks Act	190,000
Special act	[1] (10,000)
State and private forestry cooperation	11,337,129
Cooperative range improvements (special account)	[1] (700,000)
Total, Forest Service	87,580,129
Indian Claims Commission	119,500
Jamestown - Williamsburg - Yorktown Celebration Commission	100,000
National Capital Planning Commission:	
Salaries and expenses	143,000
Land acquisition	500,000
Total, National Capital Planning Commission	643,000
Smithsonian Institution:	
Salaries and expenses, Smithsonian Institution	4,000,000
Salaries and expenses, National Gallery of Art	1,355,000
Total, Smithsonian Institution	5,355,000
Woodrow Wilson Centennial Celebration Commission	10,000
Total, related agencies	94,048,829
TITLE III. VIRGIN ISLANDS CORPORATION	
Grants	$390,000
Administrative expenses	[2] (160,000)
Grand total, titles I, II, and III	317,573,627

[1] Appropriation of receipts. Not included in totals of this table.
[2] Limitation on use of corporate funds.

GENERAL PROVISIONS

Department of the Interior:

(a) Permits the employment of aliens in the field service of the Department for periods of 30 days in cases of emergency.

(b) Makes appropriations hereunder available for the reconstruction of damaged or destroyed facilities.

(c) Permits expenditures for forest or range fire suppression.

(d) Authorizes the temporary employment of consultants or experts at rates of up to $100 per diem, the total expenditure limited to $250,000.

(e) Authorizes maintenance and operation of aircraft, hire of passenger motor vehicles, purchase of reprints, payment for certain telephone services, and payment of library society membership dues under certain circumstances.

(f) Authorizes up to $200,000 total for payment for specified personal services.

RELATED AGENCIES

Forest Service:

(a) Authorizes the replacement of 165 passenger motor vehicles and the hire of such vehicles.

(b) Declares restrictions against employment of aliens inapplicable to (1) translators employed on a temporary basis, and (2) emergency employment on a temporary basis.

(c) Limits amounts for options to purchase land to a maximum of $1.

(d) Requires the use of domestic twine except where no suitable product is available.

(e) Prohibits the use of funds for publicity or propaganda.

GENERAL

(a) Authorizes travel expense payments.

(b) Continues antistrike provisions.

Free Television or Scrambled Phony-Vision

EXTENSION OF REMARKS

OF

HON. EDMUND P. RADWAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1955

Mr. RADWAN. Mr. Speaker, there are 36 million television sets in the United States today and their number is increasing rapidly. They cost the families that own them $13.5 billion and constitute the principal form of entertainment for many of these families, welding them together once again as no other influence has for many years. I think you will agree, therefore, that the fate of television is a matter of special and great public interest, and I as a Representative in Congress certainly consider it as such.

That is why I am alarmed by a current effort on the part of certain promoters to arrest television's progress at the expense of the viewing public, all to satisfy their own greed and selfishness. The nerve of these promoters is almost fantastic. They are preparing a bitter, worthless pill for us to swallow and are actually arguing that it is good for us. Most of the writing into Washington today is, strangely enough, in favor of the idea, but that is only a reflection of the huge profits to be made by the promoters, and the lack of information on the part of the public. It is my hope that this will supply some of that information.

Pay television, as the promoters call it, would mean that television stations which are now broadcasting free programs would scramble the image on the picture tube and the sound into a sort of unassembled jigsaw puzzle. Such programs could be unscrambled only when a costly gadget, attached to your set at your expense, was fed a coin, or slug, a key or a card for which you the viewer would pay, either in cash or as part of your phone bill.

It is no answer that you would not have to watch these pay programs if you did not want to. Since a station cannot televise two programs at once, any station broadcasting a scrambled pay-television program would necessarily have to eliminate its free program during that time period. Pay television would black out the best of free television. The plan is a sort of booby trap. It would render the television owner blind, and then rent him a seeing-eye dog at so much a program, to partially restore the sight he had previously enjoyed free as a natural right.

Worst of all, this scheme would divide television audiences along economic lines. Some of the promoters, with amazing gall, announce they would be satisfied if they got, say, $100 a year from the average family. Others say $3 to $5 a week on your phone bill. In a recent interview, the president of a baseball club, with understandable enthusiasm, announced he was in favor of it. After all, with only 11 million watching a ball game at say the price of a 50-cent bleacher seat, he would realize an additional half million dollars per game. Would this eliminate commercials? "Oh, no," he says. "After all, don't you have to look at billboard advertising at the ball park even though you pay to get in?"

It is hard to think of a single argument in favor of this scheme other than profit to the promoters. They argue that we would get better programs. But television is not suffering from lack of money today, not when million-dollar contracts are being signed by advertisers for a single program. The trouble is lack of talent—authors, performers, and so forth, to meet the tremendous demand for novelty and variety in our TV performances. Television is in its infancy, and already it has brought into the American home great box-office attractions, including opera, ballet, concerts, the legitimate theater, omnibus shows, sports events, children's and educational programs, current and patriotic events. All it needs is time to grow. Let us not be impatient. Permitting promoters to take in as much as $8 million for a single 30-minute program will not improve the program. If television is suffering from an illness, then the cure the promoters offer is worse than the illness, except for them.

About three-quarters of the people who own TV sets have an average annual income of $5,000 or less. Many bought them on the installment plan, and all were bought with the idea that once paid for they could enjoy free entertainment

from then on, except for maintenance and repair.

As you can see from the above, I still think that is the right idea. If you can find the time, let me know how you feel about it.

W. o. c.'s in Government

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 21, 1955

Mr. CELLER. Mr. Speaker, a w. o. c.'s is a Government official who serves without compensation from the Government. At the same time he receives income from nongovernmental sources, usually his prior employer. W. o. c.'s generally have been brought into service during emergencies to supply the Government the benefit of specialized knowledge or skills not otherwise available. During the First and Second World Wars persons serving the Government without compensation were termed "dollar-a-year" men because at that time such persons were required to sign contracts to work for the Government for the nominal amount of $1 a year.

In order for w. o. c.'s to be used by the Government exemptions must be made to the conflict of interests statutes. This purpose of the conflict of interests laws is to write into law the historic concept that a public office is a public trust. They express the principle that no man can serve two masters. To that end they provide that no public officer or employee of the Federal Government may engage in activities which are incompatible with the duties of his public office.

Section 1914 of the Criminal Code, for example, states:

> Whoever being a Government official or employee receives any salary in connection with his services as such an official or employee from any source other than the Government of the United States except as may be contributed out of the treasury of any State, county or municipality * * * shall be fined not more than $1,000 or imprisoned not more than 6 months or both.

This law also prohibits any person, association or corporation from contributing to or supplementing the salary of any Government employee for the services performed by him for the Government.

Other laws prohibit Government officials while employed and for 2 years after leaving Federal service from prosecuting claims against the Government or from receiving compensation or acting as a representative in matters in which the United States has an interest.

Activities of Government officials and employees barred by provisions of the conflict of interests statutes have been a continuing problem in Government. The most recent example which has been brought to public attention concerns the activities of the Secretary of the Air Force, Harold E. Talbott, in connection with his interest in the Mulligan firm. This matter is now under investigation by Congress and I refer to it here only to illustrate an instance where the activities of a full-time Government official are called into question under the statutes. These laws set forth a sound and basic principle of the Government which is suspended for w. o. .c.'s.

One of the most obvious conflicts that can be imagined occurs when a man employed and paid by a private firm serves in a Government agency charged with regulating the industry of which his employer is a part. In time of war, however, full mobilization requires the Government to call upon business to provide the staff needed to carry out the industrial mobilization program. No alternative has yet been found to permitting most of these men to continue to receive their salaries from their private employers.

Investigations by committees of Congress in past emergencies disclosed many instances where the dual loyalties of w. o. c.'s created situations adversely affecting the public interest and demonstrated the need for stringent safeguards in the use of w. o. c.'s. For example, the Truman committee, in investigating the use of dollar-a-year men in World War II, reported:

> Although the contracts obtained by the companies loaning the services of dollar-a-year and w. o. c. men are not passed upon by the men so loaned, such companies do obtain very substantial benefits from the practice. The dollar-a-year and w. o. c. men so loaned spend a considerable portion of their time during office hours in familiarizing themselves with the defense program. They are, therefore, in a much better position than the ordinary man in the street to know what type of contracts the Government is about to let and how their companies may best proceed to obtain consideration. They also are in an excellent position to know what shortages are imminent and to advise their companies on how best to proceed, either to build up inventories against future shortages, or to apply for early consideration for priorities. They can even advise them as to how to phrase their requests for priorities. In addition, such men are frequently close personal friends and social intimates of the dollar-a-year and w. o. c. men who do pass upon the contracts in which their companies are interested.
>
> These are only a few of the advantages which large companies have obtained from the practice, and it should be especially noted that they are the very same ones which the small and intermediate businessmen attempt to obtain by hiring people who they believe have "inside information" and "friends on the inside" who could assist them in obtaining favorable consideration of contracts. Therefore, in a very real sense the dollar-a-year and w. o. c. men can be termed "lobbyists" * * *.
>
> The committee is opposed to a policy of taking free services from persons with axes to grind, and the committee believes that the Government should not continue the loan of dollar-a-year and w. o. c. men from companies with so large a stake in the defense program.

During the hot-war period of the Korean conflict a committee of which I was chairman investigated into activities of w. o. c.'s and our investigation demonstrated that the same problems were present during that emergency. The committee concluded that from its investigation "the employment of w. o. c.'s during the mobilization period should be kept at a minimum."

We must recognize that the skill of men trained in industry may be of inestimable value to the Government in carrying out its proper and legitimate functions. On the other hand, we must recognize the dangers inherent in w. o. c. employment. At all times it must be remembered that the w. o. c. is in the awkward position of possessing dual loyalties: to the Government for which he works and to the private employer to whom he looks for his salary.

W. o. c.'s in policymaking jobs are in a position to direct governmental lines of thought in a manner favorable toward their own companies or toward particular segments of the economy. Unfortunately, many of the practices legitimate in the give-and-take world of competition become inequitable when done in the manner of the Government, the supposed impartial arbiter.

The House Antitrust Subcommittee of which I am chairman has launched an investigation into the current use of w. o. c.'s by the Government. This investigation has started with an examination into the operations of the Department of Commerce where it is the deliberate policy of Secretary Weeks to use w. o. c.'s to head up many of his operating industry divisions. Our investigation already has disclosed instances where the w. o. c.'s activities extend far beyond those normally considered to be functions of public servants.

Our investigation also includes the use of advisory groups by Government agencies. Since advisory groups are organized to render advice and give recommendations to Government officials we will look into the relationships of these committees to w. o. c.'s. Certain elite advisory organizations are composed of the principal executives of some of the most important business firms in the country. W. o. c.'s serving as Government officials in charge of divisions dealing with a particular industry often are important but subordinate officials in these same firms. We intend to ascertain whether in operation the advisory committee procedures have the practical effect of creating a mechanism wherein fundamental questions of basic policy are initially resolved in the committee and the resulting Government action amounts to no more than giving effect to decisions already made by industry.

One advisory group used by the Government which we intend to investigate thoroughly is the Business Advisory Council to the Department of Commerce. The Business Advisory Council was organized in 1933 by the Secretary of Commerce to render advice and to make recommendations to him, and through him to other Government agencies and to the Congress. Its membership consists of representatives from the largest and most important companies in the United States.

The council is not a governmental organization but is an organization of private individuals acting in a voluntary capacity as Government advisers. It has private records, meets its operating expenses from contributions of its membership, and employs its own staff. It has operated during the period of its existence in an aura of secrecy. The press

and the public have been barred from its meetings. Its documents and reports are not publicly available. Public information relating to the functions and the activities of the council are almost nonexistent. We intend to scrutinize carefully the operations of the council and to ascertain whether the use of this private organization in the Department of Commerce has resulted in the creation of a potent lobby within the executive branch of the Government.

SENATE

FRIDAY, JULY 22, 1955

The Senate met at 10:30 o'clock a. m.

The Reverend Albert P. Shirkey, minister, Mount Vernon Place Methodist Church, Washington, D. C., offered the following prayer:

Great and eternal God, our Father, our minds are staggered by the immensity of knowledge that is ours, and the possibilities of the untapped resources of the universe. Man strides the earth like a colossus, commanding all things to do his bidding, but with all we possess we acknowledge that without Thy aid we are powerless to create the atmosphere in which suspicion and greed and lust for power can be changed into cooperation to make a better world.

In the council chambers at Geneva we unitedly ask that Thy holy presence be felt, especially in the heart and mind of our President, that he may chart the bold new paths of security for all mankind in a brave new tomorrow.

We have tried, as a world, the hard, brutal, costly way of force. We have been paid off in misery, hunger, and confusion. Now the blood of the slain cries out from the ground and joins our own cry for peace—not peace at any price but peace with honor, with understanding and good will. So might it be for the sake of all humanity.

God bless the Congress of the United States, and give this body the wisdom to translate into a workable program, for the people, whatever is good from the deliberations wrought out by these leaders of the world, and bless each individual Senator and Representative that he may see that no act is so noble as to walk with God and help build His kingdom on the earth. Amen.

THE JOURNAL

On request of Mr. CLEMENTS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, July 21, 1955, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Tribbe, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Craig S. Atkins, of Maryland, to be a judge of the Tax Court of the United States, vice Charles R. Arundell, retiring, which was referred to the Committee on Finance.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 4001) to provide for the management and disposition of certain public domain lands in the State of Oklahoma.

The message also announced that the House had disagreed to the amendments of the Senate to the joint resolution (H. J. Res. 15) to establish a Commission on Government Security; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CELLER, Mr. WALTER, and Mr. KEATING were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 291. An act to extend the retirement income tax credit to members of the Armed Forces;

H. R. 542. An act to amend the Internal Revenue Code;

H. R. 3437. An act to amend the Internal Revenue Code of 1954 to provide for a maximum manufacturers' excise tax on the leases of certain automobile utility trailers;

H. R. 3712. An act to extend the period during which claims for floor stocks refunds may be filed with respect to certain manufacturers' excise taxes which were reduced by the Excise Tax Reduction Act of 1954;

H. R. 5614. An act to amend the Communications Act of 1934 in regard to protests of grants of instruments of authorization without hearing;

H. R. 5738. An act to authorize flight instruction during Reserve Officers' Training Corps programs, and for other purposes;

H. R. 6373. An act to amend the Domestic Minerals Program Extension Act of 1953 in order to extend the programs to encourage the discovery, development, and production of certain domestic minerals;

H. R. 6887. An act to extend for 1 year the application of section 108 (b) of the Internal Revenue Code of 1954 (relating to income of a railroad corporation from discharge of indebtedness);

H. R. 7148. An act to amend the Internal Revenue Codes so as to provide a personal exemption with respect to certain dependents in the Republic of the Philippines; and

H. J. Res. 385. Joint resolution authorizing the printing and binding of a revised edition of Cannon's Procedure in the House of Representatives and providing that the same shall be subject to copyright by the author.

The message also announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 161. Concurrent resolution providing for the printing of the song Pledge of Allegiance to the Flag as a House document; and

H. Con. Res. 190. Concurrent resolution authorizing the printing as a House document of the manuscript entitled "The House of Representatives."

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 4904) to extend the Renegotiation Act of 1951 for 2 years, and it was signed by the President pro tempore.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles, and referred, as indicated:

H. R. 291. An act to extend the retirement income tax credit to members of the Armed Forces;

H. R. 542. An act to amend the Internal Revenue Code;

H. R. 3437. An act to amend the Internal Revenue Code of 1954 to provide for a maximum manufacturers' excise tax on the leases of certain automobile utility trailers;

H. R. 3712. An act to extend the period during which claims for floor stocks refunds may be filed with respect to certain manufacturers' excise taxes which were reduced by the Excise Tax Reduction Act of 1954;

H. R. 6887. An act to extend for 1 year the application of section 108 (b) of the Internal Revenue Code of 1954 (relating to income of a railroad corporation from discharge of indebtedness); and

H. R. 7148. An act to amend the Internal Revenue Codes so as to provide a personal exemption with respect to certain dependents in the Republic of the Philippines; to the Committee on Finance.

H. R. 5614. An act to amend the Communications Act of 1934 in regard to protests of grants of instruments of authorization without hearing; to the Committee on Interstate and Foreign Commerce.

H. R. 5738. An act to authorize flight instruction during Reserve Officers' Training Corps programs, and for other purposes; to the Committee on Armed Services.

H. R. 6373. An act to amend the Domestic Minerals Program Extension Act of 1953 in order to extend the programs to encourage the discovery, development, and production of certain domestic minerals; to the Committee on Interior and Insular Affairs.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 161) providing for the printing of the song "Pledge of Allegiance to the Flag" as a House document, was referred to the Committee on Rules and Administration, as follows:

Resolved, etc., That there be printed as a House document the song composed by the famous songwriter, Irving Caesar, "Pledge of Allegiance to the Flag", with illustrated cover, as designated in section 7 of the joint resolution approved June 22, 1942 (36 U. S. C., sec. 172), as amended (Public Law 396, Eighty-third Congress, ch. 297, second session; H. J. Res. 243, approved June 14, 1954); and that there be printed three hundred and five thousand two hundred and fifty additional copies, of which two hundred and sixty-six thousand one hundred and fifty shall be for the use of the House; thirty thousand copies shall be for the use of the Senate; six thousand copies to be made available at the House Document Room; and

three thousand copies to be made available at the Senate Document Room; and that there be included thereon the following history of the pledge:

The original author of the pledge was Francis Bellamy, who was born at Mount Morris, New York, May 18, 1855, and died August 28, 1931. He was ordained in 1879 at the Baptist Church in Little Falls, New York. The pledge he wrote was first used at the dedication of the World's Fair Grounds in Chicago on October 21, 1892, the four hundredth anniversay of the discovery of America, and has been recited from that day to this, with some changes, by school children throughout our land. Reverend Bellamy's original wording was altered slightly by the First and Second National Flag Conference in 1923 and 1924 and his work was officially designated as the Pledge of Allegiance to the Flag by Public Law 287, Seventy-ninth Congress, approved December 28, 1945. On June 14, 1954, Flag Day, President Dwight D. Eisenhower signed into law House Joint Resolution 243, introduced by Representative Louis C. Rabaut of Michigan, which added to the Pledge of Allegiance the compelling and meaningful words "under God".

The song "Pledge of Allegiance to the Flag", composed by Irving Caesar, ASCAP, at the request of Representative Louis C. Rabaut, was sung for the first time on the floor of the House of Representatives on Flag Day, June 14, 1955, by the official Air Force choral group, the "Singing Sergeants", under the direction of Captain Robert L. Landers, AFRES, in special Flag Day ceremonies.

Passed the House of Representatives July 21, 1955.

Attest: RALPH R. ROBERTS,
Clerk.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. CLEMENTS. Mr. President, I call this request particularly to the attention of the minority leader. I ask unanimous consent that the committees and subcommittees which had scheduled hearings for today, prior to the time the announcement was made on yesterday and unanimous consent was given that the calendar be called this morning, be permitted to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. CLEMENTS. Mr. President, under the rule, there will be a morning hour for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine matters. I ask unanimous consent that all statements made in connection therewith be limited to 2 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

MILITARY PUBLIC WORKS BILL—RESOLUTIONS OF RYUKYUAN LEGISLATURE

The PRESIDENT pro tempore laid before the Senate a letter from the Secretary of the Army, transmitting, for the information of the Senate, three resolutions adopted by the Ryukyuan Legislature, relating to the military public works bill which, with the accompanying papers, was referred to the Comittee on Armed Services.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution of the House of Representatives of the State of Florida; to the Committee on the Judiciary:

"House Memorial 594

"Memorial to the Congress of the United States of America urging them to enact such legislation, or propose such amendments to the Constitution of the United States, or both, as may be designed and calculated to enable the sovereign States to continue to control and supervise the education of their peoples under such systems as they may see fit, including a segregated system

"Whereas the several States of this Union, and they alone, have traditionally, since the very birth and inception of this Nation, in the proper exercise of their sovereign powers, regulated their own systems of public schools, each free and sovereign State regulating as it may see fit those public schools within its own boundaries; and

"Whereas any means or acts calculated to terminate segregation and bring about integration of the white and Negro races in the public schools of the sovereign State of Florida, would endanger, imperil, jeopardize and in divers ways threaten, the public health and safety; and

"Whereas civil strife, riot, breaches of the peace and all the human misery, heartache, and physical suffering attendant thereto would be the inevitable result of any such attempt to commingle and integrate the white and Negro races in the public schools of the State of Florida; and

"Whereas the Constitution of the State of Florida has, since the day of its adoption, wisely provided for the maintenance of separate but equal facilities for whites and Negroes in the public school system of Florida, thus lending legal force to the time-honored custom and native inclination of the people of Florida, both Negro and white, to maintain and preserve a segregated public-school system; and

"Whereas the integration of the white and Negro races in the public schools of the State of Florida would tend to encourage the reprehensible, unnatural, abominable, abhorrent, execrable and revolting practice of miscegenation which is recognized, both in conscience and by the law of the State of Florida as a criminal offense; and

"Whereas such integration would tend toward genocide, that is, racial suicide, and the utter, absolute and complete destruction of the identity of the races, both white and Negro, thus forever depriving the State of Florida and her citizens of the bountiful blessings and benefits to be realized and reaped from a proper and wise nurture, development and exploitation of the peculiar genius and abilities of each race, and leaving us a mongrel breed devoid of culture, tradition, background and inherent character, and further depriving both the white and Negro races of the right and opportunity to achieve that ultimate destiny for which the Supreme Architect of the Universe, in his infinite wisdom intended them; and

"Whereas such integration of whites and Negroes in the public schools of Florida would serve to foster a rebirth of secret societies, sororities, and fraternities, which would exclude Negroes and thus work irreparable and immeasurable psychological damage to such Negro children as might have the misfortune to be forced to attend such a school; and

"Whereas each race, because each is possessed of different valuable and praiseworthy talents, abilities and propensities and for the further reason that each is the product, not only of a different racial genesis, but also of a different cultural background and tradition, will progress, develop and more fully realize the fruits and rewards of its said talents, abilities, and propensities under a separate and segregated school system; and

"Whereas it is not the purpose of this memorial, nor the desire of this legislature to deprive the members of either the white or the Negro race of equal, and, indeed, the best possible educational facilities, in the public schools of the State of Florida, but it is rather the intention and aim of this legislature to provide such equal facilities, and to do so for the mutual advantage of both races in such a manner as to preserve and perpetuate the time venerated, traditional and mutually and immensely beneficial system of segregation in Florida's public schools; and

"Whereas this legislature deplores, despises, decries, dissents, and demurs to any and every effort on the part of the National Government of the United States, or any agency or instrumentality thereof, to invade, usurp, or undermine the rights and rightful powers of our sovereign States and especially of the State of Florida, by the fostering, promotion or promulgation of the integration of the white and Negro races in our public school system; and

"Whereas all these things are true not of the State of Florida alone, but are equally applicable to other sovereign States of this Union: Now, therefore, be it

"Resolved by the Legislature of the State of Florida, That the Congress of the United States is hereby memorialized and respectfully urged to enact such legislation or propose such amendments to the Consitution of the United States, or both, as may be designed, contrived, calculated, effective and efficacious to allow, authorize, aid, enable and empower our sovereign States to continue to supervise and control the education of their peoples under whatever system may seem to them in the exercise of their proven wisdom, most practicable and beneficial, including a system under which whites and Negroes are segregated in the public schools, as they have traditionally done pursuant to the custom and to the Constitution of the United States of America; and be it further

"Resolved, That duly attested copies of this memorial be transmitted forthwith by the chief clerk of the House of Representatives of the State of Florida to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States, and to the Senators and Representatives of the Federal Congress from the States of Florida, Georgia, Alabama, Virginia, Louisiana, Mississippi, North Carolina, South Carolina, Maryland, Kentucky, Tennessee, Oklahoma, Texas, and Arkansas; and be it further

"Resolved, That a copy of this memorial be spread upon the journal of both the Senate and House of Representatives of the State of Florida and sufficient copies thereof be furnished to the press."

ISSUANCE OF A STAMP COMMEMORATING NATIONAL EDUCATION ASSOCIATION CENTENNIAL OF 1957—LETTER

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a letter from the president, Minnesota Education Association, St. Paul,

Minn., embodying a resolution adopted by the Minnesota delegation at the National Education Association convention in Chicago, Ill., requesting the United States Post Office Department to issue a stamp memorializing the National Education Association Centennial of 1957.

There being no objection, the letter was referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

MINNESOTA EDUCATION ASSOCIATION,
ST. PAUL, *July 8, 1955.*

Senator HUBERT HUMPHREY,
United States Senate,
Washington, D. C.

HONORABLE SENATOR HUMPHREY: At a meeting of the Minnesota delegation in attendance at the National Education Association convention in Chicago, July 7, the following resolution was passed:

"*Resolved,* That the United States Post Office Department create a stamp memorializing the National Education Association centennial of 1957, a stamp dedicated to teachers. It was further resolved that we send a copy of this action to our State senators and to the Postmaster General urging them to do all in their power to accomplish the achievement of the above-mentioned stamp."

We will appreciate your cooperation in this matter.

Very sincerely yours,
FLORENCE DUNN BENNETT,
President, Minnesota Education Association.

INCREASED FEDERAL FUNDS FOR HIGHWAY PURPOSES — RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a resolution adopted by the city council of St. Paul, Minn., urging the Congress to take action to assure increased Federal funds for highway purposes.

There being no objection, the resolution was referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

Whereas it is the conviction of this governmental body that the proposed accelerated Federal highway program will be of general benefit to the citizenry of this community and State, as well as to the Nation as a whole; and

Whereas it is essential that steps be taken to improve our obsolete streets and roads to expedite the flow of commerce, to assure safer transportation, and to provide adequate arteries for vehicular movement if needed for the defense of our country; and

Whereas the modernization of our highways is of national importance and urgent need: Be it therefore

Resolved, That for these reasons this City Council of the City of St. Paul, Minn., does advocate that this session of the Congress of the United States take action to assure increased Federal funds for highway purposes.

Adopted by the council July 7, 1955.

Approved July 7, 1955:

JOSEPH E. DILLON,
Mayor.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

H. R. 6043. A bill to amend section 216 (b) of the Merchant Marine Act, 1936, as amended, to provide for the maintenance of the Merchant Marine Academy; without amendment (Rept. No. 1090).

By Mr. BIBLE, from the Committee on Interior and Insular Affairs:

S. 514. A bill to provide for the disposal of certain Federal property in the Boulder City area, to provide assistance in the establishment of a municipality incorporated under the laws of Nevada, and for other purposes; with amendments (Rept. No. 1091).

By Mr. SYMINGTON, from the Committee on Public Works:

S. 56. A bill authorizing construction of certain public works on the Mississippi River for the protection of St. Louis, Mo.; with amendments (Rept. No. 1092).

By Mr. ELLENDER, from the Committee on Agriculture and Forestry:

S. 2573. A bill to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; without amendment (Rept. No. 1093).

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. BYRD, from the Committee on Finance:

William J. Nixon, of Idaho, to be collector of customs for customs collection district No. 33, with headquarters at Great Falls, Mont., vice Edward C. Ellsworth, Jr., resigned.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ELLENDER (by request):

S. 2604. A bill to increase the borrowing power of Commodity Credit Corporation; to the Committee on Agriculture and Forestry.

By Mr. KILGORE:

S. 2605. A bill to amend section 4 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914; to the Committee on the Judiciary.

(See the remarks of Mr. KILGORE when he introduced the above bill, which appear under a separate heading.)

By Mr. DANIEL:

S. 2606. A bill to amend title 28, section 633 (b), United States Code; to the Committee on the Judiciary.

By Mr. DANIEL (for himself and Mr. JOHNSON of Texas):

S. 2607. A bill to provide for the striking of medals in commemoration of the 120th anniversary of the signing of the Texas declaration of independence and the battles of the Alamo, Goliad, and San Jacinto in the year 1836; to the Committee on Banking and Currency.

By Mr. SALTONSTALL (by request):

S. 2608. A bill for the relief of Luigi Amabello; to the Committee on the Judiciary.

By Mr. LANGER:

S. 2609. A bill for the relief of Nicolas Reisini; to the Committee on the Judiciary.

By Mr. HICKENLOOPER (for himself, Mr. MARTIN of Iowa, and Mr. DIRKSEN):

S. 2610. A bill creating the Muscatine Bridge Commission and authorizing said Commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near the city of Muscatine, Iowa, and the town of Drury, Ill.; to the Committee on Public Works.

By Mr. O'MAHONEY:

S. 2611. A bill for the relief of Kam Kwam Kwok, Chin Lin Kwok, Rosa Yushang Liang Kwok, and Jeanette Chin-Ming Kwok; to the Committee on the Judiciary.

By Mr. LEHMAN:

S. 2612. A bill for the relief of Ching-Hsien Chiang and his wife Chun-I Chiang (nee Wang); to the Committee on the Judiciary.

By Mr. MURRAY:

S. 2613. A bill to establish a program of cultural interchange with foreign countries to meet the challenge of competitive coexistence with communism, to establish a Federal advisory commission to advise the Federal Government on ways to encourage artistic and cultural endeavor and appreciation, to provide awards of merit, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. SMITH of New Jersey:

S. 2614. A bill to establish a Joint Committee on Foreign Intelligence; to the Committee on Foreign Relations.

S. 2615. A bill authorizing the Postmaster General to include certain indirect costs in determining the total costs of the parcel post service; to the Committee on Post Office and Civil Service.

S. 2616. A bill requiring the Commodity Credit Corporation to make periodic inspections of the agricultural commodities held by it and to report thereon to the Congress, discontinuing loans by the Corporation on agricultural commodities, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. SMITH of New Jersey when he introduced the above bills, which appear under a separate heading.)

By Mr. NEELY:

S. 2617. A bill to readjust size and weight limits on fourth-class (parcel post) mail matter at the post office at Newell, W. Va.; to the Committee on Post Office and Civil Service.

By Mr. LANGER:

S. 2618. A bill for the relief of Mary White Toms; and

S. 2619. A bill for the relief of Pedro Sabala; to the Committee on the Judiciary.

By Mr. STENNIS:

S. 2620. A bill to waive the statute of limitations so as to permit suit to be brought under national service life insurance contract No. N-12469616 by the beneficiaries of such contract; to the Committee on Finance.

S. 2621. A bill adopting and authorizing a project for flood control and related purposes on the Tombigbee River and tributaries; to the Committee on Public Works.

By Mr. CHAVEZ:

S. 2622. A bill for the relief of Yueh Lee; to the Committee on the Judiciary.

By Mr. JENNER:

S. J. Res. 94. Joint resolution providing for the revision of the Status of Forces Agreement and certain other treaties and international agreements, or the withdrawal of the United States from such treaties and agreements, so that foreign countries will not have criminal jurisdiction over American Armed Forces personnel stationed within their boundaries; to the Committee on Foreign Relations.

SUPPLEMENTING EXISTING LAWS AGAINST UNLAWFUL RESTRAINTS AND MONOPOLIES

Mr. KILGORE. Mr. President, until recently the treble damage section of the Sherman Antitrust Act stood as the most effective deterrent to those contemplating violating the antitrust laws.

However, on March 28, 1955, the Supreme Court in the case of Commissioner of Internal Revenue against Glenshaw Glass Co. decided that the top two-thirds of such recoveries are taxable in the year received and at ordinary income rates.

This decision reversed not only the decision of the Third Circuit Court of Appeals but also the longstanding rule of the Tax Court that the receipt of such penalties was not the receipt of earned income.

In thus depriving plaintiffs of most of the financial benefits of successful prosecution of these complex, lengthy, and expensive antitrust actions, the Supreme Court's ruling discourages vigorous prosecution of pending suits and deters the filing of new complaints.

On May 23, 1955, for the purpose of revitalizing the treble damage section, Representative CELLER, chairman of the House Judiciary Committee, introduced H. R. 6404, a bill to amend section 15 of title 15 of the United States Code so that the amount recovered in such private enforcement actions in excess of damages sustained shall once again be free of tax. This would simply put it back in the status in which it has always been considered prior to this decision.

I introduce, for appropriate reference, an identical companion bill, to amend section 4 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914.

Without trespassing further on the valuable time of the Senate, particularly in the closing days of the session, I ask unanimous consent that the bill, together with a statement by Representative CELLER, concerning this matter, and certain pertinent excerpts from the testimony of Mr. Robert A. Bicks, legal assistant to the Assistant Attorney General in charge of the Antitrust Division, when he testified before the House Antimonopoly Subcommittee on June 29, 1955, be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill, statement, and excerpts will be printed in the RECORD.

The bill (S. 2605) to amend section 4 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, introduced by Mr. KILGORE, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 4 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (15 U. S. C., sec. 15), is hereby amended by inserting "(a)" after "Sec. 4.", and by adding at the end thereof the following new subsection:

"(b) In the case of any action pending or instituted under subsection (a) of this section on or after the date of the enactment of this subsection, the amount recovered in excess of the damages sustained shall not be treated as income for purposes of any law of the United States imposing a tax on income."

The statement and excerpts presented by Mr. KILGORE are as follows:

STATEMENT BY REPRESENTATIVE CELLER

This bill will exclude from taxable income two-thirds of the treble damages awarded private litigants who have been injured in their business or property by any other person or company as the result of violation of the antitrust laws.

Treble damages are presently awarded under the antitrust laws as an incentive to injured persons to appear before the courts when antitrust violations affecting them have occurred. Private antitrust suits are complex, lengthy, and expensive, and small companies especially are under a handicap in protecting themselves from antitrust law violators. Treble damages compensate them for the risk to their businesses as well as the time and expense to which they are subject in these suits.

Private treble damage antitrust actions have a twofold purpose: first they operate as a deterrent to antitrust violations and second they are an important aid to the Government in its enforcement program. It is important to encourage those injured to seek redress resulting from antitrust violations inasmuch as the Government cannot single-handedly detect and arrest all antitrust violations.

The Supreme Court has recently held (*Commissioner of Internal Revenue* v. *Glenshaw Glass Co.*, decided March 28, 1955) that under present law the amount over actual damages of the treble damages awarded under the antitrust laws fall within the compass of gross income and is, therefore, taxable. This upset a long-standing rule that only one-third of the damages received in these suits was taxable.

As an inducement to injured persons or companies to press their own suits against antitrust violators, and to insure adequate compensation for the risks and expense involved, it is desirable to have the two-thirds damages treated as nontaxable income. This bill will accomplish that purpose.

Free competition and the effectiveness of the antitrust laws will depend in large measure upon the enthusiasm with which those wronged by violations pursue their rights to which they are entitled.

EXCERPTS FROM TESTIMONY OF MR. ROBERT A. BICKS, LEGAL ASSISTANT TO THE ASSISTANT ATTORNEY GENERAL IN CHARGE OF THE ANTITRUST DIVISION, BEFORE HOUSE ANTIMONOPOLY SUBCOMMITTEE

Speaking in behalf of the Department of Justice concerning the role private antitrust suits should play to insure effective antitrust law enforcement, Mr. Robert A. Bicks stated on June 29, 1955, as follows:

"The Antitrust Division is presently caught in a vise between increasing complaints of violation and constant, or even decreasing, prosecuting staffs. Complaints, for example, jumped from 788 in fiscal year 1952 to 1,056 in fiscal year 1954. And this figure promises to climb even higher for fiscal 1955. Appropriations, in contrast, have slumped from $3,500,000 in fiscal 1953 to $3,150,000 in fiscal 1954, and a low of $3,100,000 for fiscal 1955. Thus the squeeze on prosecuting resources and the resulting need for increased reliance on private suits."

Mr. Bicks added:

"Private actions, however, do more than duplicate Government work. They may adjudicate practices not expressly covered by Government decrees. Or they may help close the breach left by necessarily incomplete Government policing of decrees. And most important, private recoveries heighten the financial impact and consequently the deterrent value of both civil and criminal Government action."

At pages 57–59 of the official verbatim transcript of hearing before the special subcommittee of the Judiciary Committee of the House of Representatives in connection with its study of the antitrust laws, June 29, 1955, the following colloquy took place between the chairman, Representative Emanuel Celler, Representative Kenneth Keating, and Mr. Robert A. Bicks, legal assistant to Judge Barnes, Assistant Attorney General in charge of the Justice Department's Antitrust Division:

"The CHAIRMAN. Under recent Supreme Court decisions, treble damages recovered are taxable; are they not?

"Mr. BICKS. Not only taxable, but taxable all in the year received.

"Mr. KEATING. For the whole amount, or just two-thirds of the amount?

"The CHAIRMAN. No; all of it.

"Mr. BICKS. Less attorney's fees.

"The CHAIRMAN. The damages paid can be deducted by the defendant corporation; is that correct?

"Mr. BICKS. That is my understanding.

"The CHAIRMAN. There is not going to be much left in the treble damage action under that court decision. Now, if we are going to whittle away anything further, we will simply destroy the very purpose of treble damages.

"Mr. BICKS. Mr. Chairman, in that regard, first you may be interested in a letter which we have written the Commissioner of Internal Revenue as well as the counsel of the Department of the Treasury."

Then, at pages 58–59, Mr. Bicks, reading from the Justice Department letter, quoted in pertinent part as follows:

"Private antitrust suits have aided enforcement of the antitrust laws and have helped to supplement enforcement by the Government. In some instances a private suit has made it unnecessary for the Government to proceed in particular cases. In other instances a private suit has alerted the Antitrust Division to a situation requiring action on our part. We are therefore concerned with any tax situation which might discourage filing such suits and encourage the violation of the antitrust laws."

BILLS IMPLEMENTING RECOMMENDATIONS OF THE HOOVER COMMISSION

Mr. SMITH of New Jersey. Mr. President, last week I addressed the Senate on the subject of the second Hoover Commission and included with my remarks a table of proposed legislation introduced up to that time to implement the various reports of the Commission.

Today I introduce, for appropriate reference, three additional bills to implement the recommendations of the Hoover Commission.

The first of these is a bill to establish a Joint Committee on Foreign Intelligence and which would implement recommendation No. 1b of the report on intelligence.

The second is a bill authorizing the Postmaster General to include certain indirect costs in determining the total costs of the parcel-post service, which would implement recommendation No. 11 in the report on business enterprises.

The third is a bill requiring the Commodity Credit Corporation to make periodic inspections of the agricultural commodities held by it and to report thereon to the Congress, discontinuing loans by the Corporation on agricultural commodities, and for other purposes, which would implement recommendations Nos. 33 and 34 in the report on lending agencies.

The PRESIDENT pro tempore. The bills will be received and appropriately referred.

The bills introduced by Mr. SMITH of New Jersey were received, read twice by their titles, and referred as indicated:

To the Committee on Foreign Relations:

S. 2614. A bill to establish a Joint Committee on Foreign Intelligence.

To the Committee on Post Office and Civil Service:

S. 2615. A bill authorizing the Postmaster General to include certain indirect costs in determining the total costs of the parcel-post service.

To the Committee on Agriculture and Forestry:

S. 2616. A bill requiring the Commodity Corporation to make periodic inspections of the agricultural commodities held by it and to report thereon to the Congress, discontinuing loans by the Corporation on agricultural commodities, and for other purposes.

MODIFICATION OF PROJECT FOR SAINT MARYS RIVER, MICH., SOUTH CANAL—CHANGE OF REFERENCE

Mr. HUMPHREY. Mr. President, under date of June 14, 1955, the Senator from Michigan [Mr. MCNAMARA] and I introduced a bill (S. 2210) to modify the project for the St. Marys River, Mich., South Canal, in order to repeal the authorization for the alteration of the international bridge as part of such project, and to authorize the Secretary of the Army to accomplish such alteration, which was referred to the Committee on Foreign Relations. I now ask unanimous consent that the Committee on Foreign Relations be discharged from further consideration of the bill, and that it be referred to the Committee on Public Works. The bill was inadvertently referred to the Committee on Foreign Relations, the thought being that the bill had to do with an international bridge. It so happens that the bridge will be located on the American side of the border, is a domestic matter, and should be referred to the Committee on Public Works.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. BUTLER:

Editorial entitled "New Law Needed To Bar Spies from War Plants"; news letters issued by Senator BUTLER's office under date of May 9, 1955, and July 11, 1955.

By Mr. DIRKSEN:

List of Korean war prisoner veterans who are entitled to monetary benefits under provisions of Public Law 615, 83d Congress.

By Mr. WILEY:

Editorial and letters dealing with increasing the number of foreign-language experts in the United States.

By Mr. BIBLE:

Address by Senator MAGNUSON at the dedication ceremonies of the opening of the Tacoma Waterway, Tacoma, Wash., July 22, 1955.

SENATOR JOHNSON OF TEXAS

Mr. BRICKER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial in regard to the illness of the distinguished majority leader. The editorial was published in the Ohio State Journal.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Ohio State Journal, Columbus, Ohio, for July 8, 1955]

SENATOR JOHNSON'S CALIBER

If the illness of Senator LYNDON B. JOHNSON of Texas, the leader of the Democratic majority, should result in his retirement from the more arduous phases of political life, it will be the Nation's loss.

Senator JOHNSON is reported progressing satisfactorily, though still on the serious list, as the result of a heart attack suffered last weekend. It may take another 6 months to tell whether he can resume his duties as majority leader.

The leadership provided by Senator JOHNSON in a Democratic-controlled, though closely divided, Senate in the midst of a Republican administration has been notable for the smoothness of its functioning, the absence of caviling and obstructionist tactics and the harmony which has been induced within his own traditionally wide-split party.

Under Senator JOHNSON, there has been about as little playing of petty politics in the Senate as could be expected of a political body. The Senate needs more men of the caliber of LYNDON JOHNSON. Let us hope that he can return to his post at an early date for further contribution to the country's well-being.

SENATORS JOHNSON OF TEXAS AND CLEMENTS OF KENTUCKY

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD sundry editorials relating to the majority leader [Mr. JOHNSON of Texas] and the acting majority leader [Mr. CLEMENTS].

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Erie Dispatch of July 7, 1955]

JOHNSON IS MISSED

The heart attack which laid Senator LYNDON JOHNSON low last week may result in Congress missing its target date of August 10 for adjournment by a considerable period of time.

For JOHNSON was the one man in the Senate who knew all of the angles of getting things done. It was he who had set the adjournment date at about July 15, hoping Congress would have its work cleared not later than August 10.

Actually some Members of Congress had figured they might be out of Washington by the end of July. They have worked with JOHNSON, when he was in the House, and they know his capabilities.

He has kept the Senate abreast of the House in legislative action this year, something which usually is not the case.

JOHNSON's skillful leadership is going to be missed in the closing days of the session, and it might well be that his inability to get back into action this summer will result in a much longer session than had been anticipated.

Any hope the Democrats had that JOHNSON might be available next year as vice presidential material was dissipated when the capable Texan was stricken.

[From the Trenton Evening Times of July 8, 1955]

MR. JOHNSON'S LEADERSHIP

Senator LYNDON B. JOHNSON, the majority leader in the Senate, has grown enormously in stature since his party came into control of Congress. He has displayed great skill in leadership, also a spirit of high statesmanship in his attitude toward administration measures vital to the national interest. In fact, Senator JOHNSON's complete absence of partisanship in his handling of measures vital to President Eisenhower's program has made unique and admirable political history in Washington since last January.

In view of this unexampled cooperation, President Eisenhower's ungenerous comment upon the record of Congress was unjustified and in poor taste. It is true that the President has not obtained all that he has asked and that some of the accomplishments given him have not been in precisely the form he desired. It is also true that if the President had to rely upon the support of his own faction-ridden party he would have obtained virtually nothing at all.

Senator JOHNSON has been seriously stricken at the height of his public career. His heart attack is thus a shock to many people. It is their sincere hope that he will soon recover and that eventually he will assume again the duties he has fulfilled with such competence and dignity.

[From the Charlotte News of July 8, 1955]

THE SENATE NEEDS JOHNSON'S TOUCH

The columnists and commentators have been quick to see in Senator LYNDON JOHNSON's illness a hard blow to any presidential ambitions he may entertain. A more important concern, it seems to us, should center on what effect his heart attack will have on his role as Senate majority leader.

In that position since 1952 he has laid down a solid record of service to the country and to his party. In his engineering of the shattering defeat of Senator MCCARTHY's attempt to dictate Big Four conference policy, it may even be said that Senator JOHNSON has been of greatly needed service to the Republican Party, for JOHNSON's strategy left MCCARTHY standing almost alone, deserted even by those who share his most destructive views.

For his own party, Senator JOHNSON has been the meeting ground of the liberal and conservative Democratic wings. He has shaped the party in most instances for constructive opposition or for outright support of presidential programs. The absence of the senseless acrimony that characterized relations between President Truman and the Republican Congress can be credited more to JOHNSON than to any other individual. It should be noted that the Senate in major conflicts with Eisenhower proposals has in most cases given the President more than he wanted, instead of less or nothing.

Leadership of JOHNSON and RAYBURN has been indispensable to the President's foreign policy. The Democrats this year have supported Eisenhower foreign policy 71 percent of the time as compared with the GOP record of 57 percent.

Last week, Messrs. Eisenhower and JOHNSON engaged in a verbal tiff over the record of Congress, JOHNSON claiming the record disproved the President's 1954 campaign claim that a Democratic Congress would wage a "cold war" against the White House, and Mr. Eisenhower retorting that Congress hasn't done enough.

Both probably were being a little self-righteous but we can't help wondering if the President doesn't sometimes wish he could trade the obstreperous GOP Minority Leader KNOWLAND to the Democrats for JOHNSON, who is generally conceded without peer as a master at turning the wheels of Congress the way he wants them to run.

At any rate, Mr. JOHNSON will be missed in the Senate and it is to be hoped that when he comes back he will find a way to make his tasks less burdensome.

[From the Rutland (Vt.) Daily Herald of July 7, 1955]

JOHNSON'S ILLNESS

The heart attack suffered by Senator LYNDON JOHNSON, of Texas, is bad news for the Senate and for the Nation. As Senate Democratic Leader JOHNSON has won the respect, if not always the agreement, of legislators in both parties as a capable and devoted officer of Congress.

The heart attack is listed as moderately severe, and JOHNSON's condition as serious. While it will prevent him from returning to the present session of Congress, it will not, we hope, terminate his legislative career. JOHNSON is known as one of the hardest workers in Congress, and if the current session of the legislature is operating according to schedule, it is largely due to his efforts and his example. Perhaps, too, his strenuous activities contributed to the attack he has just suffered.

Certainly the messages of regret and encouragement now reaching him from Congressmen on both sides of the aisle tell of the widespread affection and regard in which he is held. We join his colleagues in bidding him good cheer, and in hoping for his rapid and complete recovery. (New York Herald Tribune.)

[From the Wilmington (N. C.) Morning Star of July 5, 1955]

CHANGE WILL NOT DISTURB CONGRESS

It is good for the country that the political philosophies of Senators LYNDON B. JOHNSON and EARLE C. CLEMENTS are identical in their major aspects.

That observation comes on the heels of reports from Washington that the serious heart attack suffered by Senator JOHNSON will force him to step down as Senate Democratic leader for the remainder of Congress' session. Senator CLEMENTS, from Kentucky, will step up and fill the place. He substituted for Mr. JOHNSON earlier this year when the latter underwent surgery and was absent for more than 6 weeks.

The change is not expected to have much effect on the course of the remainder of this session.

For one situation, the Senate is well along on its workload. For another, Mr. CLEMENTS holds practically the same views toward remaining legislation and the problems of steering it as does the ill Senator. The general attitude is one of cooperation, not only on foreign policies but many domestic aims of the administration.

So the harmony which has marked the current session of Congress should continue. And for that we believe most Americans who place national welfare above partisan politics are grateful.

[From the Wilmington (N. C.) News of July 5, 1955]

ABLE ASSISTANT TAKES OVER

The serious illness of Senate Democratic leader LYNDON JOHNSON, of Texas, is bound to have an effect on the accomplishments of Congress for the remainder of the season. Perhaps the effect will be small, but nonetheless it will appear, for Senator JOHNSON has shown the ability to organize, coordinate, and persuade when issues have arisen that require such actions.

This is not to minimize the talents and abilities of his capable successor, Senator EARLE CLEMENTS, of Kentucky. But rather to point out that some degree of slow-down, or interruption, is a natural result when a key figure is suddenly and unexpectedly sidelined.

The Democratic Congress, of course, can be expected to continue to advocate its program and projects with continued vigor, but Senator JOHNSON's serious heart attack, which necessitated his absence, will, for awhile, place some strain on Senator CLEMENTS.

Senator JOHNSON's efforts and influence have been credited with keeping the Senate well along on its workload, and pushing through knotty legislation in record time. This will be missed, but as observers in Washington believe, it will not be of tremendous consequence because many of the difficult problems of legislation already have been ironed out.

However, the aim of Congress is to adjourn by the end of the month. The question arises now as to whether Congress can maintain its timetable with the able Senate majority leader forced to bed with a serious illness.

Undoubtedly Senator CLEMENTS will step in admirably to fill the breach, but he must be given time, himself, to assume the reins and spark the Senate through the final weeks of the session.

There can be no fault with the selection of the Kentucky solon. As assistant leader, he is the natural and logical choice. The fact that he also served as leader when Senator JOHNSON was ill earlier this year gives him a better grasp and understanding of the position.

Senator CLEMENTS is assured of the support and cooperation of his Democratic colleagues, which also will make the transition easier. He has a big role to fill, and the adjustment should be made with as little disruption as circumstances will allow.

[From the Raleigh News and Observer of July 8, 1955]

PRESIDENT'S PROGRAM

It now appears that, in addition to the 50 important measures already passed, 9 of the 13 bills the President recently chided Senator LYNDON JOHNSON, the Democratic leader, for not having passed a month before the end of the session, will become law this year.

That will leave only four bills on the President's list. On three of these, a health program, a school-construction bill, and a statehood bill, the opposition comes largely from the President's own party. Democrats defeated the President's pet plan for an atomic-powered merchant ship to be sailed around the world as a showpiece. But the most effective opposition to that bill came from within the administration. Rear Admiral Rickover, who was largely responsible for the development of the atomic submarine, warmly opposed the ship bill on the ground that the ship would be obsolete before its completion and that its construction would divert money and men from more important atomic developments.

Of course, all of the bills will not be passed in the exact form desired by the President. But that could not be expected from anything except a rubber-stamp Congress.

[From the Charlotte Observer of July 7, 1955]

PROMISING YOUNG CANDIDATE STRUCK DOWN BY SARDONIC TRICK OF FATE

Fate often plays some strange and sardonic tricks to upset the best laid plans of men, if not of mice.

The Presidential boom for Senator LYNDON JOHNSON, of Texas, has been slowly gathering strength for months. Those behind it have managed skillfully. They have not pushed it too fast or let it drag too slowly, but have let it grow so that it appeared to be natural as JOHNSON gained stature by the way he led the majority in the Senate.

Last week it was launched in earnest. That laudatory article in Newsweek was inserted in the CONGRESSIONAL RECORD, and Senator BYRD and others entered editorials and articles that built up the Texan as Presidential timber.

Then came the trick of fate. JOHNSON was struck down by a heart attack.

Apparently he is eliminated, because even if he is among the fortunate few who make what is called a complete recovery from coronary attacks, he will have to slow down for the rest of his life. Hence, he probably will not be able to stand the strain of the Presidential office. If he does, he will be a rare exception.

This is a hard blow. It has been many years since the Democrats have had a Democrat as their candidate for President. They have had a rich man with a hypnotic radio voice, an incredible ego, and a weakness for socialistic dogma; a member of a corrupt political machine who showed his contempt for constitutional government time and again—or perhaps his ignorance of it; and a dilettante intellectual who leans so far to the left that he almost falls over and whose chief recommendation is his readiness with a wisecrack.

People who were born and reared in the Democratic Party have become more and more disillusioned as this type of nominee has shown a disposition to hand the party over to the CIO and the ADA.

They have longed for a real Democrat whom they could support with a clear conscience. LYNDON JOHNSON has seemed to be that kind. He is liberal enough and conservative enough to be accepted by both wings of the party without alienating either. Day by day he has been growing to Presidential size.

Maybe he can do the impossible and come back physically in 2 years, but his doctors will probably tell him the presidency is not for him.

If so, the Democrats will have lost the most promising candidate they have had since Woodrow Wilson.

[From the Congressional Quarterly of July 8, 1955]

LYNDON JOHNSON STRICKEN

Senate Majority Leader LYNDON B. JOHNSON, Democrat, Texas, was hospitalized July 2 after suffering a heart attack. Dr. James C. Cain, July 6, said it might be 6 months before it could be determined if JOHNSON could ever resume his duties or engage in rigorous political campaigning.

Dr. Cain said JOHNSON, 46, was suffering from a coronary occlusion with a "severe to moderately severe myocardial infarction." He said JOHNSON would remain at Bethesda, Md., naval hospital for about a month, then after another month of rest at his Washington home, would be permitted to return to his Texas ranch for further rest.

JOHNSON had resumed his post March 8 after a 6-week absence due to an operation for a kidney stone.

[From the Congressional Quarterly of July 15, 1955]

RECORDS ARE SIMILAR—CLEMENTS SHOULD FOLLOW JOHNSON'S PARTY LINE

Congress' end-of-July adjournment target still looks good, despite the heart attack of Senate Majority Leader LYNDON B. JOHNSON, Democrat, Texas. That is, it does if Acting Majority Leader EARLE C. CLEMENTS, Democrat, Kentucky, has anything to say about it.

Reason is that CLEMENTS has pressing business at home on August 6. That's the day Kentucky Democrats hold a primary to pick a candidate to succeed Gov. Lawrence W. Wetherby, Democrat, whose 4-year term expires in December.

CLEMENTS and Wetherby are backing former Judge Bert Combs for the nomination, against ex-Senator A. B. (Happy) Chandler, Democrat, 1939–46, who, like

CLEMENTS, is a former Kentucky Governor. The race is expected to be hot and close.

As majority whip and second-in-command under JOHNSON, CLEMENTS has had little time for home-State politics since the 84th Congress convened in January. Early in the session, he served a 6-week hitch as acting majority leader when JOHNSON was hospitalized for a kidney operation. Then in June, CLEMENTS spent 3 weeks on a Far East inspection for the Senate Appropriations Committee.

RECORDS PARALLEL

Now once more in the leader's role, CLEMENTS will be exerting all of his considerable political talent to complete, in good order and time the legislative program passed on by JOHNSON. And while this switch in midstream may make for differences here and there, the record suggests that CLEMENTS will continue to hew closely to the JOHNSON pattern.

As perhaps befitting Democratic leaders, both JOHNSON and CLEMENTS have given less support to President Eisenhower's program than the average Democratic Senator, Congressional Quarterly's analysis of 40 Senate roll-call votes (through June 26) which tested Eisenhower legislative requests shows that JOHNSON backed the President 45 percent of the time, CLEMENTS 55 percent, and all Democratic Senators an average of 57 percent.

Twenty-two of these 40 votes concerned foreign-policy requests, and on these their support scores, respectively, were 59, 73, and 75 percent. Although these figures would seem to indicate that CLEMENTS is in somewhat better tune with the President than JOHNSON, the same index showed the reverse to be true in the 83d Congress, when Democrats were the minority. CQ's study of 126 Senate rollcalls in 1953 and 1954 which dealt with Eisenhower requests showed JOHNSON supporting the President 55 percent of the time, CLEMENTS, 51 percent and the average Democratic Senator 41 percent. (See CQ Almanac, vol. X, 1954, pp. 48ff.)

As might be expected, JOHNSON and CLEMENTS are both for party solidarity. CQ's party-unity index, based on votes in which a majority of Democrats is opposed by a mapority of Republicans, shows that on 19 such votes in the Senate as of July 4, JOHNSON voted with his party majority 17 times and against it twice, while CLEMENTS voted with it 13 times and against it once. CLEMENTS missed the other five votes when he was in the Far East.

In 1954, JOHNSON's score on 85 party-unity rollcalls was 76 percent and that of CLEMENTS 82 percent, compared with 64 percent for the average Democratic Senator. Issues on which they split in 1954 were the St. Lawrence Seaway and statehood for Alaska and Hawaii, both of which CLEMENTS backed and JOHNSON opposed. (See CQ Almanac, vol. X, 1954, pp. 63ff.)

EARLE CLEMENTS has held public office without interruption since 1926, always managing to campaign successfully for the next office while occupying the present one, thus moving from county court clerk, to county judge, to State senator, to United States Representative, to governor, to United States Senator.

TERM ENDS IN 1956

This record helps to explain why CLEMENTS was picked as Democratic whip and chairman of the Democratic senatorial campaign committee in 1953, although he was practically a freshman. Elected to the Senate by a 56,000 majority in 1950, he will be up for reelection in 1956.

JOHNSON was first elected to the House in 1936. He tried for the Senate in 1941 but lost out to W. Lee (Pappy) O'Daniel by a mere 1,311 votes. He again ran for the Senate in 1948, defeating former Texas Gov. Coke Stevenson.

Although threatened with primary opposition in his 1954 bid for reelection, JOHNSON skillfully evaded it and returned for a second term. Today, politicians say only continued illness threatens to dim his chances for a place on the 1956 Democratic Presidential ticket.

[From the Raleigh News and Observer of July 6, 1955]

CLEMENTS ACTING LEADER—SENATORS PRAISE STRICKEN LEADER

WASHINGTON, July 7.—North Carolina's two Senators today joined their colleagues, both Democrats and Republicans, in praising Senate Majority Leader LYNDON JOHNSON, of Texas, who was stricken with a heart attack Saturday.

Senator W. KERR SCOTT said the Texan's leadership "laid the groundwork for us to complete an unusually successful session of Congress."

SCOTT'S TRIBUTE

"It has been the hard work and devoted service of Senator JOHNSON that has carried us through especially troublesome waters," the North Carolinan added. "Without his outstanding leadership, I feel sure that we would not have been able to hurdle many of the barriers that now are behind us."

Senator SAM J. ERVIN, Jr., asked to have included in today's CONGRESSIONAL RECORD some remarks he made about Senator JOHNSON's role as majority leader in a recent newsletter to North Carolina papers. Excerpts from Senator ERVIN's remarks follow:

"If he is to function efficiently the majority leader must be able to obtain the cooperation of virtually all Members of the Senate. This being true, he must possess a complete understanding of his fellow Senators and exercise in his dealings with them unfailing diplomacy, fairness, and perseverance.

"In his performance of the difficult task of majority leader, LYNDON JONHSON possesses this knowledge and exercises these virtues to a most remarkable degree. As a consequence, the Senate is performing its legislative duties in a well-nigh unprecedented manner, which is earning for him the praise of all observers."

RECOVERING SATISFACTORILY

JOHNSON is recovering satisfactorily from a severe heart attack and should be able to return to the Senate next January barring further attacks, his physician said today.

The statement by Dr. James Cain, Mayo Clinic specialist, was read to an anixous Senate by Senator EARLE C. CLEMENTS, Democrat, of Kentucky, who has taken over as acting Democratic leader.

Senators of both parties, greatly cheered by this report, joined in the praise and prayers for the tall, rangy Texan.

President Eisenhower, putting aside his recent political flareup with JOHNSON, sent the Democratic leader a personal note wishing him a speedy recovery. Mr. and Mrs. Eisenhower also sent flowers to JOHNSON's hospital room.

Today's was the first meeting of the Senate since its soft-spoken, hard-working majority leader suffered his sudden heart attack.

Republican Leader WILLIAM F. KNOWLAND, declaring JOHNSON had the prayers of all GOP Senators for an early recovery, promised to cooperate with CLEMENTS in speeding final Senate work. KNOWLAND predicted the Senate will finish its labors by August 1.

The Senate Chaplain, Dr. Frederick Brown Harris, opened the session with a prayer for JOHNSON's recovery. Stressing the heavy pressures on lawmakers, he urged citizens to think of their Congressman with "prayerful sympathy and understanding, rather than with captious and petty criticism."

THE TEXTILE INDUSTRY

Mr. THURMOND. Mr. President, I ask unanimous consent to speak for approximately 4 minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. THURMOND. Mr. President, I should like to call to the attention of the Senate a letter which I received from South Carolina. The letter is from 1,017 citizens of the little town of Whitmire, S. C., a community entirely dependent upon textile manufacturing. I have the letter before me. It is a brief letter, of only three paragraphs, and it is less than a page long. But, Mr. President, the signatures on this letter, 1,017 names, in a double row, required 19½ feet of paper.

I wish the Senate to see this letter, Mr. President, because it illustrates better than any words I can use the problem with which the American textile industry is faced as a result of the tariff reductions negotiated at Geneva under the old Reciprocal Trade Agreement Act. The signers of this letter along with the more than a million other textile employees in the United States are deeply concerned with what happened at Geneva because their very livelihood depends upon the American textile industry.

The damage done at Geneva to the American textile industry and its people is not confined to South Carolina alone. Alabama has 48,000 textile employees; Arkansas, 2,100; California, 7,300; Connecticut, 27,500; Delaware, 2,800; Georgia 105,100; Illinois, 11,200; Maine, 20,100; Maryland, 7,900; Massachusetts, 68,800; Minnesota, 2,700; Mississippi, 5,100; Missouri, 3,600; New Hampshire, 14,500; New Jersey, 45,000; New York, 65,900; North Carolina, 229,300; Pennsylvania, 105,800; Rhode Island, 40,400; South Carolina, 133,000; Tennessee, 33,900; Texas, 8,400; Vermont, 2,400; Virginia, 39,300; West Virginia, 2,500; Wisconsin, 7,400. That is a total of 26 States with more than 1,040,300 textile employees.

I make this statement, and I show this letter to the Senate, because I fear the damage done by the tariff reductions at Geneva constitutes a problem which will be with us for a long time unless the executive branch of the Government takes steps to adjust the reductions.

I thank my 48 colleagues who joined me as cosponsors of Senate Resolution 121, calling upon the Tariff Commission to give immediate attention to this matter. I know the sentiment of the Congress for reciprocal trade agreements. I, too, am in favor of real reciprocal trade. I supported H. R. 1, as amended; but, Mr. President, if the executive branch fails to negotiate agreements which are actually reciprocal, I am convinced that one day the Senate and the House of Representatives will be forced to take legislative action for the adequate protection of American employees against the provisions of so-called reciprocal agreements.

REPEAL OF SILVER PURCHASE LEGISLATION

Mr. DWORSHAK. Mr. President, the subcommittee of which the Senator from

Illinois [Mr. DOUGLAS] is chairman is currently holding hearings on a bill to repeal the Silver Purchase Act. Idaho is the No. 1 silver producing State and there is widespread opposition in Idaho to the proposed legislation.

The Wallace Miner, of Wallace, Idaho, has published an editorial reflecting the thinking of the people of Idaho on this vital subject. I ask unanimous consent that the editorial be printed in the body of the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SILVER LEGISLATION

Senator GREEN, Democrat, of Rhode Island, last week introduced his annual bill to repeal silver purchase legislation. He's been doing it religiously for several years, and each year it seems to be received with less enthusiasm in senatorial circles.

Six other Senators were co-sponsors of the measure with GREEN, and strangely enough, five of them, like GREEN, are from the New England States, the center of silverware production in this country. The other sponsor was Senator DOUGLAS, of Illinois, a so-called economist who gained his reputation in the good old New Deal days when anyone who was willing to subscribe to the Keynes' "funny money" theories was qualified for the title.

GREEN tossed the 1955 version of his repealer law into the hopper with the usual oratorical fanfare of misleading propaganda.

He said, for example, that the value of the Treasury's present holdings of silver is overstated on Treasury statements by some $830 million because it is "based on the fiction that silver is approximately $1.29 an ounce."

Just what does he mean by fiction?

The monetary value of silver is a matter of law—not fiction. When the first coinage act was signed by George Washington in 1792, it established the silver content of the United States dollar at 371.25 grains, or 0.773475 troy ounce, of pure silver. That is what gives silver a monetary value of $1.29 an ounce, and that standard has been in effect for practically as long as we have been a constitutional Republic.

When the Government passes out pieces of paper obviously worth just a fraction of a cent and says they are worth $10 or $20, or more, Senator GREEN is willing to take the Government's word for it. But when that same Government says an ounce of silver is worth $1.29, he says that's fiction.

He also says that silver purchases are an unnecessary Government expense. Let's examine that statement a little. Under the Silver Purchase Act the domestic silver producers sell their output to the Government. The Government gives them 70 percent of its monetary value, or 90.5 cents an ounce, and pays them off in the same silver they delivered to the Treasury, but valued at the monetary figure of $1.29 an ounce. The remaining 30 percent they keep as "seigniorage," at no cost whatsoever.

If that isn't realizing a profit, we'd like to know what it is.

If a bank bought 5 dollar bills from the Government for $4 apiece and put them out to the public at face value of $5, there'd be no question but that the bank was making a profit of $1 on every $5 bill it put into circulation. Why doesn't the same reasoning apply in the case of silver?

For every 1 million ounces of silver the Treasury buys, it takes 30 percent, or 300,000 ounces, off the top as a sort of commission and this seigniorage, or "free" silver, is minted into essential subsidiary coins—dimes, quarters, and half dollars—at an average value of $1.3824 an ounce.

If the Government didn't get the silver seigniorage, it would have to buy it elsewhere, for the country's economy couldn't operate without subsidiary coins. So wherein is the silver-purchase law an "unnecessary expense," as Senator GREEN contends? Last year our Treasury Department used up 50 million ounces of its free silver for minor coins. If the Government had been forced into the open market for this silver, it would have cost over $40 million, even at the world price, and the additional demand in the world market would doubtlessly have forced the price upward to and possibly above the Treasury price of 90.5 cents.

The only reason the foreign silver price hasn't gone above the Treasury price is that several foreign governments have been debasing their currencies—pulling silver coins out of circulation and substituting base-metal coins for them; and the two countries which have made the greatest efforts along these lines haven't been too successful because their citizens have refused to give up coins which have intrinsic value and accept in their place base coins which are nothing more than promises, like paper money.

Senator GREEN may think he is performing a service for his constituents in the silver-consuming industries by his constant attacks on the silver-purchase laws, but there may come a time—and in the very near future—when he and the other Members of Congress will be very glad our Treasury has maintained substantial holdings of silver.

Domestic silver production of 36 million ounces last year was insufficient to meet even the United States coinage needs, yet Senator GREEN would further discourage domestic production, to the detriment of many of our metal mines, which produced silver as a byproduct, to gain a few cents advantage in the world market which is controlled by a foreign country—Mexico—and has been kept below the domestic price despite the fact that during the past 5 years world consumption of silver has exceeded world production by 126 million ounces.

Certainly this country has had enough experience in world markets to know that once we let ourselves become entirely dependent upon foreign suppliers we are forced to start paying dearly for the supplies we need.

The world market price of silver is now moving up. This is no time to consider repeal of the Silver Purchase Act. In fact, right now our Congress ought to be considering an amendment to decrease or even eliminate the seigniorage charge to stimulate more domestic silver production.

PROFESSIONALISM IN SOVIET SPORTS

Mr. BUTLER. Mr. President, I find that a new distinction—of highly questionable purpose, however—has come to me. As a result of a speech which I made in June on the participation of Soviet Russia in the Olympic games, I have been the target of attack by the newspaper Pravda, and by the Moscow radio.

In my speech of June 10, 1955, in Baltimore, I made the charge that the Soviet Union was polluting the Olympic games with professionalism. The evidence in this regard, in my considered judgment, is overwhelming. In support of this contention, Mr. President, I ask unanimous consent to have printed in the body of the RECORD an unclassified summary, titled "Evidence of Professionalism in Soviet Sports," prepared by the Research and Intelligence Office of the United States Information Agency.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EVIDENCE OF PROFESSIONALISM IN SOVIET SPORTS

SUMMARY

The Soviet regime regards physical education as a means of promoting military preparedness, labor productivity, and foreign and domestic propaganda. The latter aspect of Soviet sports activities began to receive attention in 1934, and was intensified in the post-World War II period. Both at home and abroad, the Soviets have been promoting the idea that only under their system can sports attain perfection and embrace the masses of the population. The propaganda value of sports has now become a concern of the state and an instrument of Soviet policy. Sports are no longer regarded as a form of relaxation and a means of friendly competition. Shortly before the Olympic games of 1952, the Central Administration for Physical Culture and Sports of the Soviet Ministry of Health was renamed the Physical Culture and Sports Committee of the Council of Ministers of the U. S. S. R. The committee chairman sits at the meetings of the Council of Ministers and carries greater authority than heretofore.

Intensive training of instructors and physical culture teachers is being carried out by 13 institutes and 37 technical centers of physical culture attended by around 40,000 students. Since 1934, the Soviet Government and the party have been increasing their attention to individual sport skills and record-holders. The drive, which was particularly intensified just before the Olympic games of 1952, has been maintained since then.

Prior to the Olympic games of 1952, the professional status of Soviet sportsmen was an established fact. In debating Soviet admission to the Olympic games in May 1951, the chairman of the Soviet Olympic Committee, Professor Andreanov, admitted to the International Olympic Committee that the Soviets had given cash prizes and camp facilities to their athletes but had now discontinued the practice. The Soviet committee gave a written promise to abide by the Olympic committee's rules.

Available evidence now indicates that the Soviets have not kept to their initial commitment. Having inextricably tied sports activities with politics and propaganda, the party and Government of the U. S. S. R. have been obliged to take extraordinary steps for establishing unique conditions and prerequisites for Soviet champions and record holders. In fact, top Soviet sportsmen are no different than any other elite group in the Soviet social stratification. Like the ballet dancers, actors, writers, singers, etc., they are wards of the Government, attached to various sports organizations and nominally in the employ of industrial enterprises sponsoring these organizations.

Soviet sports publications and central newspapers criticize athletes for not training yearround and doing desultory indoor training during the winter while southern parts of the country permit year-round outdoor practice. Claims of the availability of sports facilities and equipment for mass participation in sports are debunked by Soviet statistics which prove that they are available only to the chosen few. The motto "win at any price" apparently provides the Communist justification for using subterfuge or trickery.

NEW EDITION OF INTERNAL SECURITY MANUAL

Mr. WILEY. Mr. President, I am pleased to advise that there are now available through the Senate and House document rooms Senate Document No. 40, the revised edition of the Internal Security Manual.

This 409-page document, originally published in 1953, contains within the covers of 1 volume all of the Federal statutes, Executive orders, and congressional resolutions relating to the internal security of the United States.

There is a complete listing, for example, of every Senate and House hearing held on this subject during the past three decades, including the text of every congressional report on the subject.

The revised edition, like the original edition, was prepared with the cooperation of all of the Federal agencies having to do with the internal security field.

The response to the manual has been uniformly excellent. It has been acclaimed as an invaluable reference tool for law enforcement officers, patriotic organizations, industrial security officers in defense plants, and many other groups interested in the antisubversive fight. The current edition includes an important new section dealing with actual Federal enforcement action against subversive forces.

I may say that various foreign governments as well have indicated their interest in this manual, which provides for their governments a helpful pattern of security laws and regulations against the common danger of subversive communism.

As a matter of fact, I had originally become interested in this subject both in my capacity as senior Republican of the Senate Judiciary Committee, as well as of the Senate Foreign Relations Committee. I felt in my latter role that the effort against communism at home and abroad should be a unified effort. The Red danger from within is part and parcel of the Red danger from without.

Additional supplies of the manual may be purchased from the Government Printing Office at $1 per copy. Thousands of copies of the previous edition were sold by the Government Printing Office.

ENDORSEMENTS OF MANUAL

Finally, I ask unanimous consent that following these remarks there be reprinted the text of one of a great many cordial reactions to the manual, as received, unsolicited, from the legislative and executive branches. This particular comment is from the Honorable Scott McLeod, Administrator of the Bureau of Security and Consular Affairs of the State Department; it is representative of other gracious remarks of which I am genuinely appreciative. I may say that the distinguished chairman of the House Committee on Un-American Activities, the Honorable FRANCIS E. WALTER, has likewise termed the manual "another fine job."

I appreciate such comments, not as a personal tribute, but as confirmation of the worthwhileness and authoritativeness of the manual.

And so, I commend the manual to the attention of my colleagues and interested members of the public.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR SENATOR WILEY: May I again comment on the value and usefulness of this publication? The first edition proved to be an invaluable reference and aid to our security officers and evaluators, and the second, with the new material added, should prove to be even more informative.

It is fortunate that Congress should take such interest in providing the executive agencies with a compilation of information that serves to carry out more effectively their operations in protecting the interests of national security and leading to a better understanding of their mutual problems. With this publication the general public can also become better informed with respect to the manifold problems encountered by Government security officials.

Our Security Office has reviewed with particular interest, Parts III and VI which relate especially to employee security programs and is pleased to comment on the concise coverage and authoritativeness of this subject matter. There appears to be nothing to add to so complete an undertaking.

Sincerely yours,

SCOTT MCLEOD,
Administrator, Bureau of Security and Consular Affairs.

CALL OF THE CALENDAR

Mr. BIBLE. Mr. President, if there be no further morning business, in accordance with the unanimous-consent agreement entered into yesterday, I ask that the Senate proceed to the call of the calendar, commencing with Calendar No. 880.

Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BIBLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PAYNE in the chair). Without objection, it is so ordered.

Morning business is closed.

The Senate will proceed with the call of the calendar.

NATIONAL MONUMENT IN BROOKLYN, N. Y.

The bill (H. R. 473) to authorize an investigation and report on the advisability of a national monument in Brooklyn, N. Y., was considered, ordered to a third reading, read the third time, and passed.

REVERSIONARY INTERESTS IN THE UNITED STATES IN CERTAIN LANDS IN THE CITY OF CHANDLER, OKLA.—BILL PLACED AT THE FOOT OF THE CALENDAR

The bill (H. R. 4747) to provide that reversionary interests of the United States in certain lands formerly conveyed to the city of Chandler, Okla., shall be quitclaimed to such city, was announced as next in order.

Mr. ERVIN. Mr. President, I ask that that bill go to the foot of the calendar.

The PRESIDING OFFICER. Without objection, the bill will go to the foot of the calendar.

JULIUS G. WATSON

The bill (H. R. 3354) for the relief of Julius G. Watson was considered, ordered to a third reading, read the third time, and passed.

HOWARD L. GRAY

The bill (H. R. 4198) for the relief of Howard L. Gray was considered, ordered to a third reading, read the third time, and passed.

DUNCAN McQUAGGE

The bill (H. R. 4707) for the relief of Duncan McQuagge was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF TOWN OF CLAYTON, N. MEX.

The Senate proceeded to consider the bill (S. 218) for the relief of the town of Clayton, N. Mex., which had been reported from the Committee on Interstate and Foreign Commerce, with an amendment, on page 2, line 9, after the word "New Mexico", to strike out "an amount equal to 56.90 percent of the total project costs incurred by such town for airport development under contract No. C4ca–5800, less any amounts heretofore paid by the Administrator to such town under such contract" and insert "the amount of $4,186.18, representing the unpaid balance of the Federal share of the total allowable project costs incurred by such town for airport development under contract No. C4ca–5800 (including the construction of the auditorium or pilots' lounge and briefing room and the swimming pool-fire reservoir).", so as to make the bill read:

Be it enacted, etc., That, in the administration of the Federal Airport Act, costs incurred by the town of Clayton, N. Mex., for construction of an administration building (including that part of such building constituting an auditorium or pilots' clubroom) and a fire reservoir which was designed and constructed to be usable as a swimming pool, pursuant to a grant agreement for airport development entered into on June 29, 1949, between such town and the Administrator of Civil Aeronautics (contract No. C4ca–5800), shall be held and considered allowable project costs within the meaning of such act, and such town is hereby relieved of all liability to the United States to refund any amounts based upon such costs heretofore received by it under such agreement.

SEC. 2. The Administrator of Civil Aeronautics is authorized and directed to pay, out of any funds available for the making of payments to public agencies for airport development under the Federal Airport Act, to the town of Clayton, N. Mex., the amount of $4,186.18, representing the unpaid balance of the Federal share of the total allowable project costs incurred by such town for airport development under contract No. C4ca–5800 (including the construction of the auditorium or pilots' lounge and briefing room and the swimming pool-fire reservoir).

Mr. PURTELL. Mr. President, I wonder if we may have a brief explanation of the bill.

Mr. BIBLE. Mr. President, I do not see the Senator from Oklahoma [Mr. MONRONEY] in the Chamber at this time. He is chairman of the subcommittee which considered the bill. I am a member of the subcommittee which heard the testimony on this particular bill, and can give a brief explanation thereof. I know the Senator from New Mexico [Mr. CHAVEZ] is also interested in it.

The purpose of the bill is to relieve the town of Clayton, N. Mex., of any lia-

bility to refund to the United States $12,909.90 of amounts previously paid to the town under a grant agreement entered into June 29, 1949, between the town and the Administrator of Civil Aeronautics, and to authorize the Administrator to pay to the town, out of Federal Airport Act funds, an additional $4,186.18.

The refund is the excess amount which the Federal Government paid on the construction of an auditorium at the Clayton Municipal Airport.

The payment of $4,186.18 is arrived at by deducting from the total audited cost of $157,546.48 on the first 5 of the 6 disallowed items of cost, totaling $2,089.18, resulting in a grant base of $155,457.30; computing the Federal share of that amount by multiplying it by 56.9 percent, which is $88,455.20; and subtracting from that amount the total amount of partial payments made to the town, $84,269.82. The difference is $4,186.18.

I may say that the town of Clayton, N. Mex., acted in absolute good faith. They signed a grant agreement with the Civil Aeronautics Authority. It was not until some 3 or 4 years later that the item was disallowed. The Subcommittee on Aviation unanimously approved the bill; the full committee did likewise.

I observe the senior Senator from New Mexico on the floor. He might wish to amplify my explanation.

Mr. PURTELL. Mr. President, I thank the junior Senator from Nevada for his explanation. I have no objection to the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MANUEL RODRIGUES

The bill (S. 189) for the relief of Manuel Rodrigues was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Manuel Rodrigues shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

DR. AND MRS. HSI-LIN TUNG

The bill (S. 194) for the relief of Dr. and Mrs. Hsi-Lin Tung was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Hsi-Lin Tung and Dr. Ruth Min-Kwong Leung Tung, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

MISS CECILE PATRICIA CHAPMAN

The bill (S. 293) for the relief of Miss Cecile Patricia Chapman was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 101 (b) of the Immigration and Nationality Act, Miss Cecile Patricia Chapman shall be held and considered to be within the purview of section 101 (a) (27) (A) of the said act.

HAVA SHPAK AND OTHERS

The bill (S. 332) for the relief of Hava Shpak, A. A. Shpak, and Sympcha Shpak was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Hava Shpak, A. A. Shpak, and Sympcha Shpak shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduce the required numbers from the appropriate quota for the first year that such quota is available.

CHIEKO SUZUKI

The bill (S. 393) for the relief of Chieko Suzuki was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, Chieko Suzuki, the fiance of Capt. Jack L. Wulff, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months, if the administrative authorities find (1) that the said Chieko Suzuki is coming to the United States with a bona fide intention of being married to the said Capt. Jack L. Wulff and (2) that she is found otherwise admissible under the Immigration and Nationality Act. In the event the marriage between the above-named persons does not occur within 3 months after the entry of the said Chieko Suzuki, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Chieko Suzuki, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Chieko Suzuki as of the date of the payment by her of the required visa fee.

CHIA-YI JEN (ALSO KNOWN AS CHARLES JEN)

The bill (S. 592) for the relief of Chia-Yi Jen (also known as Charles Jen) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Chia-Yi Jen (also known as Charles Jen) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

CATHERINE SAMOURIS

The bill (S. 608) for the relief of Catherine Samouris was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Catherine Samouris shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MARY ISHII

The bill (S. 610) for the relief of Mary Ishii was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Mary Ishii shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

CIRILO JOSE

The bill (S. 695) for the relief of Cirilo Jose was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Cirilo Jose shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

VACLAV MAJER, AND OTHERS

The bill (S. 762) for the relief of Vaclav Majer, Irma Majer, and Vaclav Majer, Jr., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Vaclav Majer, Irma Majer, and Vaclav Majer, Jr., shall be held and considered to have been lawfully admitted to the United States

for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct three numbers from the appropriate quota for the first year that such quota is available.

CHOCURA YOSHIDA

The bill (S. 763) for the relief of Chocura Yoshida was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Chocura Yoshida shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

WONG NAN LING AND WONG NAN FEE

The bill (S. 836) for the relief of Wong Nan Ling and Wong Nan Fee was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor children, Wong Nan Ling and Wong Nan Fee, shall be held and considered to be the natural-born alien children of Wong Shiu Quan, a citizen of the United States.

DR. KLAUS HERGT

The bill (S. 893) for the relief of Dr. Klaus Hergt was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purpose of the Immigration and Nationality Act, Dr. Klaus Hergt shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

MR. AND MRS. ANDREJ (AVRAM) GOTTLIEB

The bill (S. 963) for the relief of Mr. and Mrs. Andrej (Avram) Gottlieb was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Mr. and Mrs. Andrej (Avram) Gottlieb, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

GUST KOSTAS KOUNTOUPIS

The bill (S. 1036) for the relief of Gust Kostas Kountoupis was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Gust Kostas Kountoupis shall be held and considered to have been lawfully admitted to the United States for permanent residence, as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ANGEL FERATERO MADAYAG

The bill (S. 1042) for the relief of Angel Feratero Madayag was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Angel Feratero Madayag shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MAREANTHE BAICOU

The bill (S. 1068) for the relief of Marenthe Baicou was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Mareanthe Baicou shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, th Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MARIA DE LAS NIEVES DUFURRENA

The bill (S. 1085) for the relief of Maria de las Nieves Dufurrena was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Maria de las Nieves Dufurrena shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ANGEL CASTANEDO DEL LLANO

The bill (S. 1128) for the relief of Angel Castanedo Del Llano was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Angel Castanedo Del Llano shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year such quota is available.

THERESA YIK MUN WOO

The bill (S. 1130) for the relief of Theresa Yik Mun Woo was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Theresa Yik Mun Woo shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ARTHUR SEW SANG AND OTHERS

The bill (S. 1142) for the relief of Arthur Sew Sang, Kee Yin Sew Wong, Sew Ing Lin, Sew Ing Quay, and Sew Ing You was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Naturalization Act, Arthur Sew Sang, Key Yin Sew Wong, Sew Ing Lin, Sew Ing Quay, and Sew Ing You shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon the payment of the required visa fees. Upon the granting of permanent residence to such aliens, as provided in this act, the Secretary of State shall instruct the proper quota-control officer to deduct five numbers from the appropriate quota for the first year that such quota is available.

PETER SKOLE

The bill (S. 1253) for the relief of Peter Skole was announced as next in order.

Mr. PURTELL. Mr. President, may we have a brief explanation of Calendar No. 917, Senate bill 1253?

Mr. KILGORE. Mr. President, the facts in the case are these: The man's name is Peter Skole. Originally, he got into the United States from Denmark by jumping ship. He stayed in the United States for a while; then in 1930 he returned to Denmark. He entered the United States again under a quota as a legal immigrant.

During his first stay in the United States he married a woman of Danish ancestry. They had three sons, who

served in the American Army during the war.

But in the 1940's Skole passed some checks which bounced. In each case there was a prosecution, but only in two cases did the court hold there was a transaction. The court evidently thought so well of the man that it put him on probation and carried him along. Apparently, since 1949, Skole has lived an upright life.

Mr. PURTELL. I thank the Senator from West Virginia for his explanation. I have no objection to the passage of the bill.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Peter Skole. From and after the date of enactment of this act, the said Peter Skole shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and order have issued.

MARIA IOANNOU KARVELIS AND OTHERS

The bill (S. 1322) for the relief of Maria Ioannou Karvelis and her three minor daughters, Martha Karvelis, Boeleta Karvelis, and Euterpi Karvelis was considered, ordered to be engrossed for a third reading, read the third time, and passed as, follows:

Be it enacted, etc., That for the purposes of the Immigration and Nationality Act, Maria Ioannou Karvelis and her three minor daughters, Martha Karvelis, Boeleta Karvelis, and Euterpi Karvelis shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quotas are available.

HONG BAN, ALSO KNOWN AS GEORGE MON

The bill (S. 1417) for the relief of Hong Ban, also known as George Mon was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Hong Ban, also known as George Mon, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

CORAZON A. MANAYAN

The bill (S. 1438) for the relief of Corazon A. Manayan was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Corazon A. Manayan shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

CLORINDA PERRI STURINO

The bill (S. 1477) for the relief of Clorinda Perri Sturino was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Clorinda Perri Sturino shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

RURIKO HARA

The bill (S. 1496) for the relief of Ruriko Hara was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of section 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Ruriko Hara, shall be held and considered to be the natural-born alien child of Masaki Toshi, a citizen of the United States.

HAROLD GEORGE JACKSON

The bill (S. 1503) for the relief of Harold George Jackson was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of paragraph (9) of section 212 (a) of the Immigration and Nationality Act, Harold George Jackson may be admitted to the United States for permanent residence, if he is found to be otherwise admissible under the provisions of such act. The provisions of this act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of enactment of this act.

YEE LOY FOO, ALSO KNOWN AS LOY FOO YEE, OR TED YEE

The bill (S. 1504) for the relief of Yee Loy Foo, also known as Loy Foo Yee, or Ted Yee was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Yee Loy Foo, also known as Loy Foo Yee, or Ted Yee, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ELIDORA YANGUAS PEREZ

The bill (S. 1563) for the relief of Elidora Yanguas Perez was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Elidora Yanguas Perez shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MISS YOUNG HI YUN

The bill (S. 1612) for the relief of Miss Young Hi Yun was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Miss Young Hi Yun shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

CECILE DORIAC AND HER MINOR CHILD

The bill (S. 1681) for the relief of Cecile Doriac and her minor child was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, Cecile Doriac, the fiancée of Dean E. Ballard, a citizen of the United States, and her minor child shall be eligible for visas as nonimmigrant temporary visitors for a period of 3 months, if the administrative authorities find (1) that the said Cecile Doriac is coming to the United States with a bona fide intention of being married to the said Dean E. Ballard, and (2) that she and her child are otherwise admissible under the Immigration and Nationality Act. In the event the marriage between the above-named persons does not occur within 3 months after the entry of the said Cecile Doriac, she and her child shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Cecile Doriac, the Attorney General is authorized and directed to record the

lawful admission for permanent residence of the said Cecile Doriac and her child as of the date of the payment by her of the required visa fees.

CHEUK WA LEUNG AND HIS WIFE CAMILLA YING LING LEUNG

The bill (S. 1716) for the relief of Cheuk Wa Leung and his wife Camilla Ying Ling Leung was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for the purposes of the Immigration and Nationality Act, Cheuk Wa Leung and his wife, Camilla Ying Ling Leung shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

GEORGE POULIO

The bill (S. 2145) for the relief of George Poulio was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, George Poulio shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MUALLA S. HOLLOWAY

The bill (S. 2269) for the relief of Mualla S. Holloway was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of paragraph (12) of section 212 (a) of the Immigration and Nationality Act, Mualla S. Holloway may be admitted to the United States for permanent residence, if she is found to be otherwise admissible under the provisions of such act. The provisions of this act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of enactment of this act.

NADIA NOLAND AND SAMIA OUAFA NOLAND

The bill (S. 2270) for the relief of Nadia Noland and Samia Ouafa Noland was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of paragraphs (9) and (12) of section 212 (a) of the Immigration and Nationality Act, Nadia Noland may be admitted to the United States for permanent residence, if she is found to be otherwise admissible under the provisions of such act. The provisions of this act shall apply only to grounds for exclusion under such paragraphs known to the Secretary of State or the Attorney General prior to the date of enactment of this act.

SEC. 2. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Samia Ouafa Noland, shall be held and considered to be the natural-born alien child of RMC Paul F. Noland, a citizen of the United States.

ERIKA MARIE DIETL AND CHILDREN

The bill (H. R. 914) for the relief of Erika Marie Dietl and her two children, Carolina Dietl and Robert Dietl was considered, ordered to a third reading, read the third time, and passed.

LUDWIKA HEDY HANCOCK

The bill (H. R. 932) for the relief of Ludwika Hedy Hancock (nee Nikolajewicz) was considered, ordered to a third reading, read the third time, and passed.

KIMIKO SUETA THOMPSON

The bill (H. R. 1180) for the relief of Kimiko Sueta Thompson was considered, ordered to a third reading, read the third time, and passed.

JOSE DOMINGO QUINTANAR

The bill (H. R. 1185) for the relief of Jose Domingo Quintanar was considered, ordered to a third reading, read the third time, and passed.

ADELHEID WALLA SPRING

The bill (H. R. 1302) for the relief of Adelheid Walla Spring was considered, ordered to a third reading, read the third time, and passed.

MOTHER AMATA (MARIA CARTIGLIA) AND OTHERS

The bill (H. R. 1304) for the relief of Mother Amata (Maria Cartiglia), Sister Ottavia (Concetta Zisa), Sister Giovina (Rosina Vitale), and Sister Olga (Cologera Zeffiro) was considered, ordered to a third reading, read the third time, and passed.

PAUL COMPAGNINO

The bill (H. R. 1435) for the relief of Paul Compagnino was considered, ordered to a third reading, read the third time, and passed.

ERVIN BENEDIKT

The bill (H. R. 1436) for the relief of Ervin Benedikt was considered, ordered to a third reading, read the third time, and passed.

MENACHEM HERSZ KALISZ

The bill (H. R. 1439) for the relief of Menachem Hersz Kalisz was considered, ordered to a third reading, read the third time, and passed.

ROSA EDITH MANNS MONROE

The bill (H. R. 1458) for the relief of Rosa Edith Manns Monroe was considered, ordered to a third reading, read the third time, and passed.

ANNA ANITA HILDEGARD SPARWASSER

The bill (H. R. 1486) for the relief of Anna Anita Hildegard Sparwasser was considered, ordered to a third reading, read the third time, and passed.

MARY PEROUZ DERDERIAN DONALDSON

The bill (H. R. 1508) for the relief of Mrs. Mary Perouz Derderian Donaldson, was considered, ordered to a third reading, read the third time, and passed.

ROGERIO SANTANA DE FRANCA

The bill (H. R. 1537) for the relief of Rogerio Santana de Franca, was considered, ordered to a third reading, read the third time, and passed.

FRANK BUDMAN

The bill (H. R. 1668) for the relief of Frank Budman, was considered, ordered to a third reading, read the third time, and passed.

ANNE CHENG

The bill (H. R. 1698) for the relief of Anne Cheng, was considered, ordered to a third reading, read the third time, and passed.

CHARLOTTE SCHWALM

The bill (H. R. 1911) for the relief of Charlotte Schwalm, was considered, ordered to a third reading, read the third time, and passed.

RALPH MICHAEL OWENS

The bill (H. R. 1927) for the relief of Ralph Michael Owens, was considered, ordered to a third reading, read the third time, and passed.

KIMIE HAYASHI CRANDALL

The bill (H. R. 1987) for the relief of Kimie Hayashi Crandall was considered, ordered to a third reading, read the third time, and passed.

LINDA BERYL SAN FLIPPO

The bill (H. R. 1997) for the relief of Linda Beryl San Flippo was considered, ordered to a third reading, read the third time, and passed.

EDWARD PATRICK CLOONAN

The bill (H. R. 2059) for the relief of Edward Patrick Cloonan was considered, ordered to a third reading, read the third time, and passed.

DR. CARLOS RECIO AND WIFE

The bill (H. R. 2070) for the relief of Dr. Carlos Recio and his wife was considered, ordered to a third reading, read the third time, and passed.

SALVATORE CANNIZZO

The bill (H. R. 2078) for the relief of Salvatore Cannizzo was considered, ordered to a third reading, read the third time, and passed.

AMALIA BERTOLINO QUERIO

The bill (H. R. 2241) for the relief of Amalia Bertolino Querio was considered, ordered to a third reading, read the third time, and passed.

KIM JOONG YOON

The bill (H. R. 2242) for the relief of Kim Joong Yoon was considered, ordered to a third reading, read the third time, and passed.

ALESSANDRA BARILE ALTOBELLI

The bill (H. R. 2259) for the relief of Alessandra Barile Altobelli was considered, ordered to a third reading, read the third time, and passed.

MARIA DE REHBINDER

The bill (H. R. 2306) for the relief of Maria de Rehbinder was considered, ordered to a third reading, read the third tiime, and passed.

JULIUS, ILLONA, AND HENRY FLEHNER

The bill (H. R. 2307) for the relief of Julius, Illona, and Henry Flehner was considered, ordered to a third reading, read the third time, and passed.

MRS. AGNETHE GUNAHIL SUNDBY

The bill (H. R. 2313) for the relief of Mrs. Agnethe Gunahil Sundby was considered, ordered to a third reading, read the third time, and passed.

ANTONIO (OREJEL) CARDENAS

The bill (H. R. 2315) for the relief of Antonio (Orejel) Cardenas was considered, ordered to a third reading, read the third time, and passed.

INAKO YOKOO AND CHILD

The bill (H. R. 2735) for the relief of Inako Yokoo and her minor child was considered, ordered to a third reading, read the third time, and passed.

TERESA JURJEVIC

The bill (H. R. 2738) for the relief of Teresa Jurjevic was considered, ordered to a third reading, read the third time, and passed.

GEORGE RISTO DIVITKOS

The bill (H. R. 2749) for the relief of George Risto Divitkos was considered, ordered to a third reading, read the third time, and passed.

BENJAMIN JOHNSON

The bill (H. R. 2755) for the relief of Benjamin Johnson was considered, ordered to a third reading, read the third time, and passed.

ANDREW WING-HUEN TSANG

The bill (H. R. 2783) for the relief of Andrew Wing-Huen Tsang was considered, ordered to a third reading, read the third time, and passed.

EMELDA ANN SCHALLMO

The bill (H. R. 2947) for the relief of Emelda Ann Schallmo was considered, ordered to a third reading, read the third time, and passed.

ASSUNTINO DEL GOBBO

The bill (H. R. 3048) for the relief of Assuntino Del Gobbo was considered, ordered to a third reading, read the third time, and passed.

GIUSEPPA ARSENA

The bill (H. R. 3270) for the relief of Giuseppa Arsena was considered, ordered to a third reading, read the third time, and passed.

EVELINE WENK NEAL

The bill (H. R. 3504) for the relief of Eveline Wenk Neal was considered, ordered to a third reading, read the third time, and passed.

OLGA I. PAPADOPOULOU

The bill (H. R. 3624) for the relief of Olga I. Papadopoulou was considered, ordered to a third reading, read the third time, and passed.

GEORGE VOURDERIS

The bill (H. R. 3625) for the relief of George Vourderis was considered, ordered to a third reading, read the third time, and passed.

MRS. NIKA KIRIHARA

The bill (H. R. 3629) for the relief of Mrs. Nika Kirihara was considered, ordered to a third reading, read the third time, and passed.

MRS. UTO GINOZA

The bill (H. R. 3630) for the relief of Mrs. Uto Ginoza was considered, ordered to a third reading, read the third time, and passed.

MRS. ELIZABETH A. TRAUFIELD

The bill (H. R. 3864) for the relief of Mrs. Elizabeth A. Traufield was considered, ordered to a third reading, read the third time, and passed.

ORVILLE ENNIS

The bill (H. R. 3871) for the relief of Orville Ennis was considered, ordered to a third reading, read the third time, and passed.

ADELHEID (HEIDI) GLESSNER (NEE SCHEGA)

The bill (H. R. 4146) for the relief of Adelheid (Heidi) Glessner (nee Schega) was considered, ordered to a third reading, read the third time, and passed.

ANGELO DE VITO

The bill (H. R. 4147) for the relief of Angelo De Vito was considered, ordered to a third reading, read the third time, and passed.

MRS. MARIANNINA MONACO

The bill (H. R. 4284) for the relief of Mrs. Mariannina Monaco was considered, ordered to a third reading, read the third time, and passed.

VLADISLAV BERV

The bill (H. R. 4289) for the relief of Vladislav Berv was considered, ordered to a third reading, read the third time, and passed.

CHRISTA HARKRADER

The bill (H. R. 4455) for the relief of Christa Harkrader was considered, ordered to a third reading, read the third time, and passed.

ARTUR SWISLOCKI OR ARTHUR SVISLOTZKI

The bill (H. R. 5283) for the relief of Artur Swislocki or Arthur Svislotzki was considered, ordered to a third reading, read the third time, and passed.

VALERIE ANNE PETERSON

The bill (H. R. 6396) for the relief of Valerie Anne Peterson was considered, ordered to a third reading, read the third time, and passed.

YUJI DOI AND MRS. MATSUYO YAMAOKA DOI

The bill (H. R. 6613) for the relief of Yuji Doi and Mrs. Matsuyo Yamaoka Doi was considered, ordered to a third reading, read the third time, and passed.

VLADIMIR LANDOW AND IRINA LANDOW

The Senate proceeded to consider the bill (S. 19) for the relief of Vladimir Landow and Irina Landow, which had been reported from the Committee on the Judiciary, with an amendment, after line 7, to strike out "Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available", so as to make the bill read:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Vladimir Landow and Irina Landow shall be held and considered to have been lawfully admitted to the United States for permanent

residence as of the date of the enactment of this act, upon payment of the required visa fees.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FRED P. HINES

The Senate proceeded to consider the bill (S. 204) for the relief of Fred P. Hines, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 12, after the word "act", to strike out "in excess of 10 per centum thereof", so as to make the bill read:

Be it enacted, etc., That the Administrator of Veterans' Affairs is authorized and directed to pay, out of any money available for the payment of compensation and allowances to veterans, to Fred P. Hines (C-2389074), of Minot, N. Dak., the sum of $778.78, representing the amount necessary to pay private medical and hospital expenses incurred by him incident to an emergency operation when his physical condition was such that he could not be removed to a Veterans' Administration hospital: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MRS. INGEBORG C. KARDE

The Senate proceeded to consider the bill (S. 213) for the relief of Mrs. Ingeborg C. Karde, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, Mrs. Ingeborg C. Karde shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MELANIE SCHAFFNER BAKER

The Senate proceeded to consider the bill (S. 235) for the relief of Melanie Schaffner Baker, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 7, after the word "act", to insert "under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (6) of the Immigration and Nationality Act, Melanie Schaffner Baker may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BERI DENOVI

The Senate proceeded to consider the bill (S. 411) for the relief of Beri Denovi, which had been reported from the Committee on the Judiciary, with an amendment, in line 7, after the word "fee", to strike out "Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.", so as to make the bill read:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Beri Denovi shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ANTHONY A. BALLORA

The Senate proceeded to consider the bill (S. 425) for the relief of Anthony A. Ballora, which had been reported from the Committee on the Judiciary, with an amendment, in line 7, after the word "fee", to strike out "Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.", so as to make the bill read:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Anthony A. Ballora shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GEORGE ROLAND LAVOIE

The Senate proceeded to consider the bill (S. 753) for the relief of George Roland Lavoie, which had been reported from the Committee on the Judiciary, with an amendment, in line 7, after the word "act", to insert a colon and "*Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, George Roland Lavoie may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GERDA GRAUPNER

The Senate proceeded to consider the bill (S. 843) for the relief of Gerda Graupner, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, Gerda Graupner, the fiance of Sgt. Haden Wilson Pierce, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Gerda Graupner is coming to the United States with a bona fide intention of being married to the said Sgt. Haden Wilson Pierce and that she is found otherwise admissible under the provisions of the Immigration and Nationality Act other than the provision of section 212 (a) (9) of that act: *Provided further*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act. In the event that the marriage between the above-named persons does not occur within 3 months after the entry of the said Gerda Graupner, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Gerda Graupner, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Gerda Graupner as of the date of the payment by her of the required visa fee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GABOR LANYI

The Senate proceeded to consider the bill (S. 884) for the relief of Gabor Lanyi, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 10, after the word "act", to insert a colon and "*Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of paragraphs (1) and (4) of section 212 (a) of the Immigration and Nationality Act, Gabor Lanyi may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such Act. The provisions of this act shall apply only to grounds for exclusion under such paragraphs known to the Secretary of State or the Attorney General prior to the date of enactment of this act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LINO PEREZ MARTINEZ

The Senate proceeded to consider the bill (S. 910) for the relief of Lino Perez Martinez, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, Lino Perez Martinez shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PUNISHMENT FOR CERTAIN CONFIDENCE-GAME SWINDLES

The Senate proceeded to consider the bill (S. 997) to provide punishment for certain confidence-game swindles, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, after the word "scheme", to insert "or artifice", so as to make the bill read:

Be it enacted, etc., That section 2314 of title 18, United States Code, be, and it is hereby, amended by inserting therein immediately after the first paragraph thereof, a new paragraph to read as follows:

"Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, transports or causes to be transported, or induces any person to travel in, or to be transported in interstate commerce in the execution or concealment of a scheme or artifice to defraud that person of money or property having a value of $5,000 or more; or."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JUAN JOSE MOYA RAMIREZ

The Senate proceeded to consider the bill (S. 1012) for the relief of Juan Jose Moya Ramirez, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Juan Jose Moya Ramirez. From and after the date of enactment of this act, the said Juan Jose Moya Ramirez shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and order have issued.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RAMON NOTARIO BOYTELL

The Senate proceeded to consider the bill (S. 1082) for the relief of Ramon Notario Boytell, which had been reported from the Committee on the Judiciary, with an amendment in line 3, after the word "of", to strike out "paragraph" and insert "paragraphs (17) and (19)", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of paragraphs (17) and (19) of section 212 (a) of the Immigration and Nationality Act, Ramon Notario Boytell may be admitted to the United States for permanent residence, if he is found to be otherwise admissible under the provisions of such act. The provisions of this act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DR. LINCOLN ROY MANSON-HING

The Senate proceeded to consider the bill (S. 1212) for the relief of Dr. Lincoln Roy Manson-Hing, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, section 202 (b) shall be held not to apply to the case of Dr. Lincoln Roy Manson-Hing, who was born in British Guiana.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HELENE MARGARETA JOBST

The Senate proceeded to consider the bill (S. 1266) for the relief of Helene Margareta Jobst, which had been reported from the Committee on the Judiciary, with an amendment on page 1, line 7, after the word "act", to insert a comma and "under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (6) of the Immigration and Nationality Act, Helene Margareta Jobst may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LUISE ISABELLA CHU, ALSO KNOWN AS LUISE SCHNEIDER

The Senate proceeded to consider the bill (H. R. 3628) for the relief of Luise Isabella Chu, also known as Luise Schneider, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 8, after the word "fee", to strike out "Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BIRGIT CAMARA, ALSO KNOWN AS BIRGIT HEINEMANN

The Senate proceeded to consider the bill (H. R. 3635) for the relief of Birgit Camara, also known as Birgit Heinemann, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 8, after the word "fee", to strike out "Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

PERICLES G. CALLIMANOPOULOS

The Senate proceeded to consider the bill (S. 1298) for the relief of Pericles G. Callimanopoulos, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 5, after the word "and', to strike out "Domina" and insert "Domna", so as to make the bill read:

Be it enacted, etc., That for the purposes of the Immigration and Nationality Act, Pericles G. Callimanopoulos, his wife, Anna, and his children, Catherine, Mary, Gregory, and Domna, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to each such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

VALDIS MIKELSONS

The Senate proceeded to consider the bill (S. 1474) for the relief of Valdis Mikelsons, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 7, after the word "fee", to insert a comma and "under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.", so as to make the bill read:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Valdis Mikelsons shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DORIN URSULESKU BARON

The Senate proceeded to consider the bill (S. 1493) for the relief of Dorin Ursulesku Baron, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Dorin Ursulesku Baron. From and after the date of enactment of this act, the said Dorin Ursulesku Baron shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and order have issued.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HILDE SCHILLER

The Senate proceeded to consider the bill (S. 1615) for the relief of Hilde Schiller, which had been reported from the Committee on the Judiciary, with amendments, in line 3, after the numeral "(9)," to strike out "and (10)," and in line 9, after the word "such", to strike out "paragraphs" and insert "paragraph", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of paragraph (9) of section 212 (a) of the Immigration and Nationality Act, Hilde Schiller may be admitted to the United States for permanent residence, if she is found to be otherwise admissible under the provisions of such act. The provisions of this act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of enactment of this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ROSA BIRGER

The Senate proceeded to consider the bill (S. 1974) for the relief of Rosa Birger, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 7, after the word "Act", to insert a comma and "under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of paragraphs (6) and (19) of section 212 (a) of the Immigration and Nationality Act, Rosa Birger may be admitted to the United States for permanent residence, if she is found to be otherwise admissible under the provisions of such act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act. The provisions of this act shall apply only to grounds for exclusion under such paragraphs known to the Secretary of State or the Attorney General prior to the date of enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GRANTING STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

The concurrent resolution (H. Con. Res. 167) approving the granting of permanent residence to certain aliens was announced as next in order.

(For text of above resolution see CONGRESSIONAL RECORD of July 5, 1955, p. 9913.)

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

Mr. KNOWLAND. Mr. President, reserving the right to object, and I shall not object, may we have an explanation of the concurrent resolution?

The PRESIDING OFFICER. An explanation is requested of House Concurrent Resolution 167.

Mr. KILGORE. Mr. President, the purpose of the concurrent resolution is to record congressional approval of the adjustment of status of certain aliens whose cases have been recommended to the Congress by the Attorney General under the provisions of section 6 of the Refugee Relief Act of 1953, as amended. Under that section, a limited number of aliens, who lawfully entered the United States as bona fide nonimmigrants prior to July 1, 1953, and, because of events which have occurred prior to their entry or subsequent to their entry, are unable to return to their country of birth, nationality, or last residence, may apply to the Attorney General for an adjustment of their status. Under the procedure prescribed in the act, if, during the session of the Congress in which a case is reported or prior to the end of the session next following, the Congress passes a concurrent resolution stating in substance that it approves the granting of the status of permanent residence to such alien, the Attorney General is authorized to record the alien's lawful admission for permanent residence as of the date of the passage of such concurrent resolution.

Included in the concurrent resolution are 352 names, and in each case which is recommended for approval a careful check has been made to determine whether or not the alien meets the requirements of the law and that the case possesses strong equities which would warrant the granting of the status of permanent residence.

Mr. President, in further explanation, I should like to say that the persons concerned come under the Refugee and Escapee Act. They came to the United States not on immigrant visas, because they were not available, but when they came here they could not return to their native countries. They were merely given permission to stay in the United States because if they could have returned to their native countries they would have been granted the right to re-

turn. For some reason, it is unsafe for them to return to their own countries. The immigration authorities, the Department of Justice, and the intelligence agencies recommend approval of the concurrent resolution, which would simply give the persons concerned permission to do what under other circumstances they would be able to do, and would allow the refugees to have permanent residence under the Refugee Act, because they are refugees. The only difference is that, because of circumstances, they have come to this country and cannot return to their own countries. They were legal entries when they came into this country, but not for immigration purposes.

That is the purpose of the concurrent resolution.

I may say to the distinguished minority leader that it is the same type of measure which frequently comes before the Senate. The Attorney General, acting through the immigration authorities, makes up a list of names of persons who he believes should have permanent residence status, but such status cannot be granted without authority and approval of Congress.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution (H. Con. Res. 167) approving the granting of the status of permanent residence to certain aliens, which had been reported from the Committee on the Judiciary with an amendment on page 17, after line 9, to insert:

A–10141545, Chao, Chang Hsiang.
A–7782852, Huang, Pao-Chen.
A–7202750, Lin, Shang Wu.
A–7418222, Ma, Yiew Min.

The amendment was agreed to.

The concurrent resolution, as amended, was agreed to.

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

The Senate proceeded to consider the concurrent resolution (H. Con. Res. 168) favoring the granting of the status of permanent residence to certain aliens which had been reported from the Committee on the Judiciary with an amendment, on page 5, after line 16, to insert:

A–6808711, Milinovic, Branko.

(For text of above concurrent resolution, see CONGRESSIONAL RECORD of July 6, 1955, p. 9981.)

The amendment was agreed to.

Mr. KILGORE. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from West Virginia will be stated.

The LEGISLATIVE CLERK. On page 5, after line 17, it is proposed to add:

A–7863464, Nizinski, Wladyslaw.
0501–19023, Nizinski, Henryka Zofia Kula.

Mr. KILGORE. Mr. President, by means of this amendment, it is proposed to add on page 5 of the concurrent resolution the names of Wladyslaw Nizinski (A–7863464) and Henryka Zofia Kula Nizinski (0501–19023). The names of these aliens were inadvertently omitted when the resolution was reported from the Judiciary Committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia.

The amendment was agreed to.

The concurrent resolution, as amended, was agreed to.

GRACE CASQUITE HWANG

The Senate proceeded to consider the bill (H. R. 1060) for the relief of Grace Casquite Hwang, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 7, after the word "fee", to strike out "Upon the granting of permanent residence to such alien as provided for in the act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

KARLIS ABELE

The Senate proceeded to consider the bill (H. R. 1301) for the relief of Karlis Abele, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 10, after the word "act", to strike out "Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

DALISAY LOURDES CRUZ

The Senate proceeded to consider the bill (H. R. 1552) for the relief of Dalisay Lourdes Cruz, which had been reported from the Committee on the Judiciary, with an amendment, in line 6, after the word "Mr.", to strike out "and Mrs. Antonio Cruz, citizens" and insert "Antonio Cruz, a citizen."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SADA ZARIKIAN

The Senate proceeded to consider the bill (H. R. 2065) for the relief of Sada Zarikian, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, Sada Zarikian shall be held and considered to be within the purview of section 354 (a) (5) of that act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

GERALDINE GEAN HUNT AND LINDA MARIE HUNT

The Senate proceeded to consider the bill (H. R. 2753) for the relief of Geraldine Gean Hunt and Linda Marie Hunt, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 8, after the word "fees," to strike out "Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

OFELIA MARTIN

The Senate proceeded to consider the bill (H. R. 2791) for the relief of Ofelia Martin, which had been reported from the Committee on the Judiciary, with an amendment, in line 6, after the word "Sergeant", to strike out "and Mrs. Gentry Martin, citizens" and insert "Gentry Martin, a citizen."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

FRANZISKA LINDAUER BALL

The bill (H. R. 2944) for the relief of Franziska Lindauer Ball was considered, ordered to a third reading, read the third time, and passed.

DOROTHY CLAIRE MAURICE

The Senate proceeded to consider the bill (H. R. 3189) for the relief of Dorothy Claire Maurice, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 7, after the word "fee", to strike out "Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

LUISE PEMPFER (NOW MRS. WILLIAM L. ADAMS)

The Senate proceeded to consider the bill (H. R. 3507) for the relief of Luise Pempfer (now Mrs. William L. Adams), which had been reported from the Committee on the Judiciary, with an amendment, in line 3, after the numerals "212", and strike out "(2)" and insert "(a)."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

GINO EVANGELISTA

The bill (H. R. 3726) for the relief of Mr. Gino Evangelista was considered, ordered to a third reading, read the third time, and passed.

MARGARETHE BOCK

The bill (H. R. 4468) for the relief of Margarethe Bock was considered, ordered to a third reading, read the third time, and passed.

The title was amended so as to read: "An act for the relief of Margarethe Bock and her son, Robert Harald Bock."

MARY FREIDA POELTL SMITH

The Senate proceeded to consider the bill (S. 223) for the relief of Mary Freida Poeltl Smith, which had been reported from the Committee on the Judiciary, with amendments, in line 3, after the word "of", to insert "paragraphs (9) and (12) of"; and in line 7, after the word "Act", to insert a colon and *"Provided,* That these exemptions shall apply only to grounds for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of paragraphs (9) and (12) of section 212 (a) of the Immigration and Nationality Act, Mary Freida Poeltl Smith may be admitted for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided,* That these exemptions shall apply only to grounds for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DOLORES MARIA SEIJO

The Senate proceeded to consider the bill (S. 509) for the relief of Dolores Maria Seijo, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 4, after the name "Maria", to insert "Gandiaga, nee", so as to make the bill read:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Dolores Maria Gandiaga, nee Seijo shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Dolores Maria Gandiaga, nee Seijo."

ELSA ALWINE LARSEN

The Senate proceeded to consider the bill (S. 518) for the relief of Elsa Alwine Larsen, which had been reported from the Committee on the Judiciary, with amendments, in line 3, after the word "of", to strike out "paragraphs" and insert "paragraph"; in line 4, after the numeral "(9)", to strike out "and (10)"; and in line 7, after the word "Act", to insert a colon and *"Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of paragraph (9) of section 212 (a) of the Immigration and Nationality Act, Elsa Alwine Larsen may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MELLTON T. TAPAWAN

The Senate proceeded to consider the bill (S. 696) for the relief of Mellton T. Tapawan, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 4, after the word "Act", to strike out "Mellton T." and insert "Meliton Topacio", so as to make the bill read:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Meliton Topacio Tapawan shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Meliton Topacio Tapawan."

MISS KAITHE STEINBACH

The Senate proceeded to consider the bill (S. 1406) for the relief of Miss Kaithe Steinbach, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 4, after the word "Act", to strike out "Kaithe" and insert "Katharina", so as to make the bill read:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Katharina Steinbach shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Katharina Steinbach."

ERWIN S. DeMOSKONYI

The Senate proceeded to consider the bill (H. R. 1034) for the relief of Erwin S. DeMoskonyi, which had been reported from the Committee on the Judiciary, with an amendment, in line 4, after the name "Erwin S.", to strike out "DeMoskonyi" and insert "de Mocskonyi."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An Act for the relief of Erwin S. de Mocskonyi."

INGEBORG LUISE FISCHER

The Senate proceeded to consider the bill (H. R. 1958) for the relief of Ingeborg Luise Fischer, which had been reported from the Committee on the Judiciary, with an amendment, in line 5, after the name "Ingeborg Luise", to strike out "Fischer" and insert "Walling."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill for the relief of Ingeborg Luise Walling."

INCORPORATION OF ARMY AND NAVY LEGION OF VALOR OF UNITED STATES OF AMERICA

The Senate proceeded to consider the bill (H. R. 3786) to authorize the in-

corporation of Army and Navy Legion of Valor of United States of America, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That the following persons, to wit: James G. Walsh, Distinguished Service Cross, 50 Patten Street, Jamaica Plains, Mass.; Robert G. Woodside, Distinguished Service Cross, 3858 First Avenue, South, St. Petersburg, Fla.; Deming Bronson, Congressional Medal of Honor, route 2, box 322, Roseburg, Oreg.; George E. Parker, Jr., Distinguished Service Cross, Lutherville, Md.; Leo L. Zingale, Distinguished Service Cross, 3612 East 117th Street, Cleveland, Ohio; John Davis, Congressional Medal of Honor, 800 North Shore Drive, St. Petersburg, Fla.; Glen O. McEwen, Distinguished Service Cross, box 737, Spokane 3, Wash.; Ben Prager, Distinguished Service Cross, 316 Court House, Pittsburgh, Pa.; Earle D. Norton, Distinguished Service Cross, 29 Broadway, New York, N. Y.; Ray Eastman, Navy Cross, 396 LaSalle Avenue, Buffalo 15, N. Y.; Ben Neff, Distinguished Service Cross, 208 Evanston Building, Minneapolis, Minn.; Warren L. Granger, Navy Cross, 703 16th Street, Alexandria, Va.; William Oliver Smith, Distinguished Service Cross, 917 Holt Drive, Raleigh, N. C.; Robert M. Gaynor, Distinguished Service Cross, 621 South Taylor Street, Arlington, Va.; Leon M. Hanna, Distinguished Service Cross, box 217, McHenry, Ill.; Bruno O. Forsterer, Congressional Medal of Honor, Walker Street, Oakland, Calif.; Elmer R. Hangartner, Distinguished Service Cross, 2103 Lynn Avenue, Altoona, Wis.; Thomas Eadie, Congressional Medal of Honor, 120 Gibbs Avenue, Newport, R. I.; John D. Hawk, Congressional Medal of Honor, 3243 Solie, Bremerton, Wash.; Leon A. Dombrowski, Distinguished Service Cross, 137 Highland Drive, Williamsville, N. Y.; William C. Hardie, Distinguished Service Cross, post-office box 1396, Billings, Mont.; E. Lee Henderson, Navy Cross, 10948 Fruitland Drive, North Hollywood, Calif.; Othel J. Gee, Distinguished Service Cross, 416 Medical Arts Building, Oklahoma City, Okla.; Leslie Hardy, Distinguished Service Cross, 1021 East Sierra Vista, Phoenix, Ariz.; A. Allen Johnson, Distinguished Service Cross, 953 Dixwell Avenue, New Haven, Conn.; Dennis C. Turner, Distinguished Service Cross, 1008 Missouri Avenue, Houston, Tex.; Columbus Whipple, Distinguished Service Cross, 2704 Brinker Avenue, Ogden, Utah; John D. Licklider, Distinguished Service Cross, 229 Woodrow Avenue, Martinsburg, W. Va.; Murry Wolffe, Navy Cross, 240 Gregory Avenue, Passaic, N. J.; Williard H. Marshall, Distinguished Service Cross, 31 West Whitney Street, Sheridan, Wyo.; Peter Paul Martinek, Navy Cross, 1731 South Brand Boulevard, Glendale, Calif.; Lucian Adams, Congressional Medal of Honor, 213 Santa Clara Street, San Antonio, Tex.; and Edgar H. Bain, post-office box 2, Goldsboro, N. C., and their successors, are hereby created and declared to be a body corporate of the District of Columbia, where its legal domicile shall be, by the name of the Army and Navy Legion of Valor of the United States of America, Inc. (hereinafter referred to as the "corporation"), and by such name shall be known and have perpetual succession and the powers, limitations, and restrictions herein contained.

COMPLETION OF ORGANIZATION

SEC. 2. The persons named in the first section of this act are authorized to complete the organization of the corporation by the selection of officers and employees, the adoption of a constitution and bylaws, not inconsistent with the provisions of this act, and the doing of such other acts as may be necessary for such purpose. Five of such persons shall constitute a quorum for the purposes enumerated in this section.

CI——706

PRINCIPLES AND OBJECTS OF CORPORATION

SEC. 3. (a) The principles underlying the corporation are patriotic allegiance to the United States of America, fidelity to its Constitution and laws, the security of civil liberty, and the permanence of free institutions.

(b) The objects of the corporation are, to cherish the memories of the valiant deeds in arms for which the Congressional Medal of Honor, the Distinguished Service Cross, and the Navy Cross are the insignia; to promote true fellowship among its members; to advance the best interests of members of the Armed Forces of the United States of America; to extend all possible relief to needy members of the corporation, their widows, and children; and to stimulate patriotism in the minds of our youth by encouraging the study of the patriotic, military, and naval history of our Nation.

CORPORATE POWERS

SEC. 4. The corporation shall have power—

(1) to have succession by its corporate name;

(2) to sue and be sued, complain and defend in any court of competent jurisdiction;

(3) to adopt, use, and alter a corporate seal;

(4) to charge and collect membership dues;

(5) to adopt, amend, and alter a constitution and bylaws, not inconsistent with the laws of the United States or any State in which the corporation is to operate, for the management of its property and the regulation of its affairs;

(6) to contract and be contracted with;

(7) to take by lease, gift, purchase, grant, device, or bequest from any private corporation, association, partnership, firm, or individual and to hold any property, real, personal, or mixed, necessary or convenient for attaining the objects and carrying into effect the purposes of the corporation, subject, however, to applicable provisions of law of any State (A) governing the amount or kind of property which may be held by, or (B) otherwise limiting or controlling the ownership of property by, a corporation operating in such State;

(8) to transfer, convey, lease, sublease, encumber, and otherwise alienate real, personal or mixed property; and

(9) to borrow money for the purposes of the corporation, issue bonds therefor, and secure the same by mortgage, deed of trust, pledge, or otherwise, subject in every case to all applicable provisions of Federal and State laws.

PRINCIPAL OFFICE; SCOPE OF ACTIVITIES; DISTRICT OF COLUMBIA AGENT

SEC. 5. (a) The principal office of the corporation shall be located in Pittsburgh, Pa., or in such other place as may later be determined by the board of directors, but the activities of the corporation shall not be confined to that place and may be conducted throughout the various States, Territories, and possessions of the United States.

(b) The corporation shall have in the District of Columbia at all times a designated agent authorized to accept service of process for the corporation; and notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to or service upon the corporation.

MEMBERSHIP; VOTING RIGHTS

SEC. 6. (a) All persons of good moral character who are, have been, or may become members of the Armed Forces of the United States or any foreign country of whatever rank, who have received or who may hereafter receive a Congressional Medal of Honor, a Distinguished Service Cross, or a Navy Cross awarded for acts of extraordinary heroism in connection with military or naval operations against an armed enemy, or for heroism of a specially distinguished character, shall be eligible for active membership in the corporation.

(b) The corporation shall have the power, moreover, to extend eligibility for membership, either active or associate, to parents and lineal descendants of the persons described in subsection (a) of this section under such conditions and upon such terms as the corporation may specify in its constitution and bylaws.

(c) Each member of the corporation, other than associate members, shall have the right to one vote on each matter submitted to a vote at all meetings of the members of the corporation.

(d) Notwithstanding the limitations set out in subsections (a) and (b) of this section, any member in good standing of the corporate body referred to in section 16 of this act shall be admitted on request to comparable membership in the corporation created by this act.

BOARD OF DIRECTORS: COMPOSITION; RESPONSIBILITIES

SEC. 7. (a) Upon the enactment of this act the membership of the initial board of directors of the corporation shall consist of the present officers of the Army and Navy Legion of Valor, referred to in section 16 of this act, or such of them as may then be living and are qualified officers of that corporation, to wit: William Oliver Smith, of Raleigh, N. C.; Peter Paul Martinek, of Glendale, Calif.; Lucian Adams, of San Antonio, Tex.; Edgar H. Bain, of Goldsboro, N. C.; and Ben Prager, of Pittsburgh, Pa., who are respectively, the commander, the senior vice commander, the junior vice commander, the chaplain, and the adjutant and quartermaster.

(b) Thereafter, the board of directors of the corporation shall consist of such number (not less than 10), shall be selected in such manner (including the filling of vacancies), and shall serve for such terms as may be prescribed in the constitution and bylaws of the corporation.

(c) The board of directors shall be the governing board of the corporation and shall, during the intervals between corporation meetings, be responsible for the general policies and program of the corporation. The board shall be responsible for all finances of the corporation.

OFFICERS; ELECTION OF OFFICERS

SEC. 8. (a) The officers of the corporation shall be a commander, a senior vice commander, a junior vice commander, a chaplain, an adjutant and quartermaster, a judge advocate, an inspector, a surgeon, a historian, and such aides-de-camp as may be provided in the constitution and bylaws.

(b) The officers of the corporation shall be elected in such manner and for such terms and with such duties as may be prescribed in the constitution and bylaws of the corporation.

USE OF INCOME; LOANS TO OFFICERS, DIRECTORS, OR EMPLOYEES

SEC. 9. (a) No part of the income or assets of the corporation shall inure to any member, officer, or director, or be distributable to any such person otherwise than upon dissolution or final liquidation of the corporation as provided in section 15 of this act. Nothing in this subsection, however, shall be construed to prevent the payment of compensation to officers of the corporation in amounts approved by the executive committee of the corporation.

(b) The corporation shall not make loans to its officers, directors, or employees. Any director who votes for or assents to the making of a loan to an officer, director, or employee of the corporation, and any officer who participates in the making of such loan, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

NONPOLITICAL NATURE OF CORPORATION

SEC. 10. The corporation, and it officers and directors as such, shall not contribute

to or otherwise support or assist any political party or candidate for public office.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 11. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

PROHIBITION AGAINST ISSUANCE OF STOCK OR PAYMENT OF DIVIDENDS

SEC. 12. The corporation shall have no power to issue any shares of stock or to declare or pay any dividends.

BOOKS AND RECORDS; INSPECTION

SEC. 13. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, board of directors, and committees having any authority under the board of directors; and it shall also keep at its principal office a record of the names and addresses of its members entitled to vote. All books and records of the corporation may be inspected by any member entitled to vote, or his agent or attorney, for any proper purpose, at any reasonable time.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 14. (a) The financial transactions shall be audited annually, at the end of the fiscal year established by the corporation, by an independent certified public accountant in accordance with the principles and procedures applicable to commercial corporate transactions. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit; and full facilities for verifying transactions with the balances or securities held by depositors, fiscal agents, and custodians shall be afforded to such person or persons.

(b) A report of such audit shall be made by the corporation to the Congress not later than 6 months following the close of such fiscal year for which the audit is made. The report shall set forth the scope of the audit and shall include verification by the person or persons conducting the audit of statements of (1) assets and liabilities, (2) capital and surplus or deficit, (3) surplus or deficit analysis, (4) income and expense, and (5) sources and application of funds. Such report shall not be printed as a public document.

USE OF ASSETS ON DISSOLUTION OR LIQUIDATION

SEC. 15. Upon final dissolution or liquidation of the corporation, and after discharge or satisfaction of all outstanding obligations and liabilities, the remaining assets of the corporation may be distributed in accordance with the determination of the board of directors of the corporation and in compliance with the constitution and bylaws of the corporation and all Federal and State laws applicable thereto.

TRANSFER OF ASSETS

SEC. 16. The corporation may acquire the assets of the Army and Navy Legion of Valor of the United States of America, Inc., a body corporate organized under the laws of the State of New York, upon discharging or satisfactorily providing for the payment and discharge of all of the liabilities of such State corporation and upon complying with all the laws of the State of New York applicable thereto.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 17. The right to alter, amend, or repeal this act is expressly reserved.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to incorporate the Army and Navy Legion of Valor of the United States of America."

BILL PLACED AT FOOT OF CALENDAR

The bill (S. 2277) authorizing the Administrator of General Services to convey certain land to the city of Sioux Falls, S. Dak., for park and recreational purposes, for an amount equal to the cost to the United States of acquiring such land from the city, was announced as next in order.

Mr. ERVIN. Mr. President, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. CASE of South Dakota. Mr. President, will the Senator from North Carolina withhold his objection?

Mr. ERVIN. Yes; I withhold the objection temporarily.

Mr. CASE of South Dakota. Does the Senator from North Carolina desire to have an explanation of the bill?

Mr. ERVIN. Mr. President, I am not objecting on behalf of myself. I was requested to object to the present consideration of the bill. I shall be glad to tell the Senator from South Dakota privately the reason for the objection.

The PRESIDING OFFICER. Objection has been heard.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent that the bill may be placed at the foot of the calendar.

Mr. ERVIN. Mr. President, I join in the request that the bill be placed at the foot of the calendar.

The PRESIDING OFFICER. Without objection, the bill will be placed at the foot of the calendar.

DEVILS TOWER NATIONAL MONUMENT, WYO.

The bill (S. 2049) to provide recognition of the 50th anniversary of the Devils Tower National Monument, Wyo., the first national monument, established by the President of the United States pursuant to the Antiquities Act of 1906; to authorize the addition of certain land to the monument, to permit land exchanges, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in recognition of the 50th anniversary of the Devils Tower National Monument, Wyo., the first national monument, established on September 24, 1906, by the President of the United States pursuant to the Antiquities Act of 1906, and in order to provide suitable public campground facilities and other developments for the public benefit and to facilitate administration thereof, the Devils Tower National Monument hereafter shall include the following described land comprising approximately 155 acres, which the Secretary of the Interior is authorized to procure in such manner as he shall find to be in the public interest:

SIXTH PRINCIPAL MERIDIAN

Township 53 north, range 65 west, section 18, south half northeast quarter, southeast quarter northwest quarter, north half southeast quarter, those parts lying north of and within a loop of the left bank of the Belle Fourche River; southwest quarter northwest quarter, that part lying west of the left bank of the Belle Fourche River;

Township 53 north, range 66 west, section 13, south half northeast quarter.

SEC. 2. For land exchange purposes, the Secretary of the Interior is authorized to accept title to any land or interests therein situated within the area added to the national monument by this act, and, in exchange for land or interests therein so accepted, to convey any national monument land or interests therein of approximately equal value situated in the northeast quarter of section 18, township 53 north, range 65 west, and lying east of the Belle Fourche River. National monument lands so conveyed for exchange purposes shall be excluded from the national monument.

BILL PASSED OVER

The bill (H. R. 5893) to amend paragraph I (a) part I of Veterans Regulation No. 1 (a), as amended, to make its provisions applicable to active service on and after June 27, 1950, and prior to February 1, 1955, and for other purposes, was announced as next in order.

Mr. PURTELL. Mr. President, I ask that the bill go over for further study.

The PRESIDING OFFICER. Objection being heard, the bill will go over.

FLAGS USED AT FUNERAL SERVICES OF DECEASED VETERANS

The bill (H. R. 4727) to permit the issuance of a flag to a friend or associate of the deceased veteran when it is not claimed by the next of kin was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. PURTELL. Mr. President, reserving the right to object—although I shall not object—may we have a very brief explanation of the bill?

Mr. ERVIN. Mr. President, the bill merely provides that when the next of kin of a deceased veteran fails to ask for the flag used at his funeral services, the next of kin or a friend can apply. That is all the bill will do.

Mr. PURTELL. I thank the Senator from North Carolina for the explanation. Mr. President, I have no objection.

The PRESIDING OFFICER. Is there objection.

There being no objection, the bill (H. R. 4727) was considered, ordered to a third reading, read the third time, and passed.

ABOLITION OF 80-ROD RESERVED SPACES ON SHORE WATERS IN ALASKA

The bill (H. R. 605) to provide for the abolition of the 80-rod reserved spaces between claims on shore waters in Alaska, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 7224) making appropriations for Mutual Security for the fiscal year ending June 30, 1956, and for

other purposes, was announced as next in order.

Mr. BIBLE. Mr. President, this bill is the unfinished business. I ask that it go over at this time.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF VETERANS' READJUSTMENT ASSISTANCE ACT OF 1952

The bill (S. 2081) to amend the Veterans' Readjustment Assistance Act of 1952 to provide that education and training allowances paid to veterans pursuing institutional on-farm training shall not be reduced for 12 months after they have begun their training, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. PURTELL. Mr. President, a brief explanation of the bill has been requested.

Mr. ERVIN. Mr. President, the bill was introduced by the distinguished senior Senator from Alabama [Mr. HILL]. It merely provides, as I understand, that those who take on-the-farm training under the veterans laws shall receive the same compensation for the 12 months period, without any diminution during that period.

Mr. PURTELL. I thank the Senator from North Carolina for the explanation. I have no objection to the present consideration of the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 2081) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the first sentence of subsection (d) of section 232 of the Veterans' Readjustment Assistance Act of 1952 (38 U. S. C., sec. 942) is hereby amended to read as follows: "The education and training allowance of an eligible veteran pursuing institutional on-farm training shall be computed at the rate of (1) $95 per month, if he has no dependent, or (2) $110 per month, if he has 1 dependent, or (3) $130 per month, if he has more than 1 dependent; except that his education and training allowance shall be reduced at the end of the third, and each subsequent, 4-month period as his program progresses by an amount which bears the same ratio to $65 per month, if the veteran has no dependent, or $80 per month, if he has 1 dependent, or $100 per month, if he has more than 1 dependent, as 4 months bears to the total duration of such veteran's institutional on-farm training reduced by 8 months."

SEC. 2. The amendment made by this act shall take effect as of the first day of the second calendar month which begins after the date of its enactment, but for the purposes of computing education and training allowances to be paid after such first day, such amendment shall be deemed to have been in effect since July 16, 1952.

CONSTRUCTION OF DRAINAGE WORKS ON FEDERAL RECLAMATION PROJECTS

The Senate proceeded to consider the bill (S. 1534) to facilitate the construction of drainage works and other minor items on Federal reclamation and like projects, which had been reported from the Committee on Interior and Insular Affairs, with an amendment, on page 2, line 5, after the word "work", to insert a colon and "*Provided*, That the amount of contracts or force account work herein authorized shall not exceed $200,000 on any one project, division, or a unit of a project, and then only after funds have been appropriated by the Congress for that purpose.", so as to make the bill read:

Be it enacted, etc., That funds appropriated for the construction of irrigation works authorized to be undertaken pursuant to the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), the act of August 11, 1939 (53 Stat. 1418), as amended, or other acts of Congress may, insofar as such funds are available for the construction of drainage facilities and other minor items, be utilized by the Secretary of the Interior to accomplish such work by contract, by force account or, notwithstanding any other law and subject only to such reasonable terms and conditions as the Secretary shall deem appropriate for the protection of the United States, by contract entered into with the repayment organization concerned whereby said organization shall perform such work: *Provided*, That the amount of contracts or force account work herein authorized shall not exceed $200,000 on any one project, division, or a unit of a project, and then only after funds have been appropriated by the Congress for that purpose.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INCREASE IN LIMIT OF EXPENDITURES BY THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

The resolution (S. Res. 117) increasing the limit of expenditures by the Committee on Interior and Insular Affairs was considered, and agreed to, as follows:

Resolved, That the limitation of expenditures under Senate Resolution 37, 84th Congress, agreed to February 4, 1955, is hereby increased by $3,000.

SEC. 2. The limitation of expenditures under Senate Resolution 39, 84th Congress, agreed to February 4, 1955, is hereby increased by $4,750.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ON CIVIL DEFENSE PROGRAM

The resolution (S. Res. 118) authorizing the printing of additional copies of part I and appendix of the hearings on operations and policies of the civil defense program was considered and agreed to, as follows:

Resolved, That there be printed for the use of the Committee on Armed Services 1,000 additional copies of part I and appendix of the hearings held by said committee during the current session on operations and policies of the civil-defense program.

INCREASE IN LIMIT OF EXPENDITURES BY THE COMMITTEE ON ARMED SERVICES

The resolution (S. Res. 119) increasing the limit of expenditures for hearings before the Committee on Armed Services was considered and agreed to, as follows:

Resolved, That the Committee on Armed Services hereby is authorized to expend from the contingent fund of the Senate, during the 84th Congress, $10,000 in addition to the amount, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946.

INCREASE IN LIMIT OF EXPENDITURES BY THE COMMITTEE ON AGRICULTURE AND FORESTRY

The resolution (S. Res. 123) increasing the limit of expenditures by the Committee on Agriculture and Forestry was considered and agreed to, as follows:

Resolved, That the Committee on Agriculture and Forestry is authorized to expend from the contingent fund of the Senate, during the 84th Congress, $20,000 in addition to the amount, and for the same purposes, specified in section 134 of the Legislative Reorganization Act of 1946.

STUDY OF JUVENILE DELINQUENCY

The resolution (S. Res. 125) amending Senate Resolution 62, 84th Congress, authorizing a study of juvenile delinquency in the United States was considered and agreed to, as follows:

Resolved, That (a) the first section of Senate Resolution 62, 84th Congress, first session, agreed to on March 18, 1955 (authorizing a study of juvenile delinquency in the United States), is amended by striking out "July 31, 1955" and inserting in lieu thereof "January 31, 1956."

(b) Section 2 of such resolution is further amended by striking out "$125,000" and inserting in lieu thereof "$154,000."

ADDITIONAL FUNDS FOR THE COMMITTEE ON FOREIGN RELATIONS

The resolution (S. Res. 128) to provide additional funds for the Committee on Foreign Relations was considered and agreed to, as follows:

Resolved, That the Committee on Foreign Relations is hereby authorized to expend from the contingent fund of the Senate, during the 84th Congress, $10,000 in addition to the amount, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act, approved August 2, 1946.

MEMORIAL TO FRANKLIN D. ROOSEVELT

The joint resolution (S. J. Res. 73) to establish a Commission to formulate plans for a memorial to Franklin D. Roosevelt was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That there is hereby established a Commission to be known as the "Franklin Delano Roosevelt Memorial Commission" (hereinafter referred to as the "Commission"), for the purpose of considering and formulating plans for the design, construction, and location of a permanent memorial to Franklin Delano Roosevelt in the city of Washington, District of Columbia, or in its immediate environs. The Commission shall be composed of 12 Commissioners appointed as follows: 4 persons to be appointed by the President of the United States, 4 Senators by the President of the Senate,

and 4 Members of the House of Representatives by the Speaker of the House of Representatives. The Commissioners shall serve without compensation, but may be reimbursed for expenses incurred by them in carrying out the duties of the Commission. The Commission shall report such plans, together with its recommendations, to the President and Congress at the earliest practicable date, and in the interim shall make annual reports of its progress to the President and Congress.

SEC. 2. The Commission is authorized to—

(a) make such expenditures for personal services and otherwise for the purpose of carrying out the provisions of this joint resolution as it may deem advisable from funds appropriated or received as gifts for such purpose;

(b) accept gifts to be used in carrying out the provisions of this joint resolution or to be used in connection with the construction or other expenses of such memorial;

(c) hold hearings, organize contests, enter into contracts for personal services and otherwise, and do such other things as may be necessary to carry out the provisions of this joint resolution; and

(d) avail itself of the assistance and advice of the Commission of Fine Arts, the National Capital Planning Commission, and the National Capital Regional Planning Council, and such Commissions and Council shall, upon request, render such assistance and advice.

SEC. 3. There is authorized to be appropriated not more than $10,000 to carry out the provisions of this joint resolution.

Mr. BRIDGES subsequently said: Mr. President, I wonder if there would be any objection to the reconsideration of Calendar 1050, which is a joint resolution to establish a commission to formulate plans for a memorial to Franklin D. Roosevelt?

This memorial is to be paid for by the taxpayers. It is the thought of some of us, particularly from New England, that we would like to see a similar memorial in honor of Calvin Coolidge, our new England President, who rendered such distinguished service. I wonder whether or not it would be practicable to create a joint commission to formulate plans for memorials to both late Presidents.

Mr. KNOWLAND. Mr. President, I may say to the distinguished Senator from New Hampshire that, as I understand, Senate Joint Resolution 73 provides merely for the establishment of a commission to formulate plans for a memorial to Franklin D. Roosevelt, such plans to be presented later to the Congress. In view of the fact that the joint resolution has been approved by the Committee on Rules and Administration, I hope it will not be reconsidered. Certainly the proposal of the distinguished Senator from New Hampshire is a very worthy one. Any man who has served as President of the United States is entitled to consideration in this regard.

I hope the New England Senators and other Senators may introduce a joint resolution to establish such a commission. I am sure the able Committee on Rules and Administration, under the leadership of the Senator from Rhode Island, would give it early consideration.

Mr. GREEN. Mr. President, let me add that there is no provision for carrying out the memorial plans. In the last section there is an authorization for an appropriation of not more than $10,000 to carry out the provisions of the joint resolution, that is, the appointment of a commission, and other expenses, in connection with submitting plans.

Mr. BRIDGES. I do not wish to delay the Senate. I appreciate the suggestions of the distinguished minority leader and the distinguished chairman of the Committee on Rules and Administration [Mr. GREEN], who is also a New Englander.

It will be the intention of the Senator from New Hampshire and some of his colleagues, particularly from the New England section, to propose a similar memorial to Calvin Coolidge. I am very happy to hear Senators say that they would consider such a joint resolution favorably if it were proposed.

Mr. BIBLE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BIBLE. What is the situation, insofar as Calendar No. 1050, Senate Joint Resolution 73, is concerned?

The PRESIDING OFFICER. It was passed.

Mr. BIBLE. I understood the Senator from New Hampshire [Mr. BRIDGES] to make a motion to reconsider.

Mr. KNOWLAND. No.

Mr. BRIDGES. I merely raised the question.

MEMORIAL BELL TOWER IN MEMORY OF ROBERT A. TAFT

Mr. KNOWLAND. Mr. President, I should like to invite the attention of the acting majority leader [Mr. BIBLE], and also the distinguished chairman of the Committee on Rules and Administration [Mr. GREEN], to the Senate concurrent resolution relative to a proposed Taft memorial. The concurrent resolution relative to the Taft memorial was submitted on June 23, and has been reported from the Committee on Rules and Administration, under the able chairmanship of the distinguished Senator from Rhode Island [Mr. GREEN]. Under date of June 23 I placed in the RECORD a letter from President Eisenhower and a letter from former President Hoover, chairman of the Taft Memorial Committee, and other material dealing with this subject matter. While I realize that because of the time factor, the report of the committee has not yet been printed, I was wondering if I might ask that Senate Concurrent Resolution 44, Calendar No. 1065, be considered at this time.

Mr. GREEN. Mr. President, does the Senator wish to take up the concurrent resolution out of order?

Mr. KNOWLAND. Yes. If it could be considered at this time, I would appreciate it very much.

Mr. President, I ask unanimous consent for the present consideration of Calendar No. 1065, Senate Concurrent Resolution 44.

The PRESIDING OFFICER. Is there objection to the present consideration of Senate Concurrent Resolution 44?

Mr. ERVIN. Mr. President, I should like to ask the distinguished minority leader a question. Does not the concurrent resolution provide for the erection of a monument on Capitol Hill?

Mr. KNOWLAND. On land farther down; not on Capitol Hill.

It is to be financed by private contributions turned over to the Government. Of course, the upkeep would be a part of the cost of maintenance of the Capitol Grounds.

Mr. ERVIN. I do not object to the present consideration of the concurrent resolution. I have a profound reverence for the memory of the late Senator Robert A. Taft. He was a great public servant. I admired him for his intelligence, courage, and patriotism. However, I should like to make an observation on my own behalf. I oppose this resolution simply because I think it will prove to be an unfortunate precedent for us to authorize the erection of a monument on the Grounds of the Capitol to the memory of any particular Senator or Member of the House. This is true because in the future there will be many more applications for permission to erect such memorials on the Grounds of the Capitol to many more able and distinguished public servants.

The PRESIDING OFFICER. Is there objection to the present consideration of Senate Concurrent Resolution 44?

There being no objection, the Senate proceeded to consider the concurrent resolution (S. Con. Res. 44) to erect on the Capitol Grounds a memorial bell tower in memory of Robert A. Taft, which had been reported from the Committee on Rules and Administration, with amendments, on page 1, line 7, before the word "described" to strike out "cite" and insert "site"; and on page 2, line 3, after "south" to insert "C Street on the north," so as to make the concurrent resolution read:

Resolved by the Senate (the House of Representatives concurring), That the Robert A. Taft Memorial Foundation is authorized to erect on the Capitol Grounds, and present to the Congress of the United States, a memorial bell tower of appropriate design dedicated to the memory of Robert A. Taft. Such memorial shall be equipped with bells and shall be erected on the site described as square 633 on the drawing of the Architect of the Capitol. Such site is located just below the Fountain Plaza area, and lies between New Jersey Avenue on the east, Constitution Avenue on the south, C Street on the north, Louisiana Avenue diagonally on the northwest, and First Street on the west.

SEC. 2. The design and plans for the erection of such memorial shall be subject to the approval of the Architect of the Capitol, with the advice of the Commission of Fine Arts, and such memorial shall be erected without expense to the United States.

SEC. 3. The authority granted by the first section of this act shall cease to exist unless (a) within 1 year after the passage of this concurrent resolution the plans for such memorial have been presented for the approval of the Architect of the Capitol, and within 3 years after such approval, the erection of such memorial has commenced, and (b) the Architect of the Capitol finds that, prior to the commencement of the erection of such memorial, sufficient funds are available to insure its completion.

SEC. 4. After the completion of the memorial according to the approved plans and specifications, it shall be accepted on behalf of the people of the United States by the Congress and thereafter shall be maintained

by the Congress as part of the Capitol Grounds.

The amendments were agreed to.

The concurrent resolution, as amended, was agreed to.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point, as a part of my remarks, even though they were printed in the RECORD on June 23, the letter from President Eisenhower, and also the letter from President Hoover, the President of the Taft Memorial Commission.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, June 21, 1955.

The Honorable RICHARD M. NIXON,
The Vice President,
Washington, D. C.

DEAR MR. VICE PRESIDENT: I understand that Mr. Herbert Hoover has written you on behalf of the board of trustees of the Robert A. Taft Memorial Foundation, Inc., offering to the Congress and to the people of the United States a monument to be erected on the Capitol Grounds to commemorate the late Senator Taft.

I realize that the Congress has exclusive jurisdiction over the Capitol and its Grounds, but I do hope that the Congress will be favorably disposed to the acceptance of this memorial. I believe that a monument to Senator Taft would do much to help perpetuate the high ideals, sound principles, and dedicated service which he exemplified throughout his public career.

With cordial regard,

Sincerely,

DWIGHT D. EISENHOWER.

JUNE 20, 1955.

The Honorable RICHARD M. NIXON,
Vice President of the United States,
Washington, D. C.

MY DEAR MR. VICE PRESIDENT: The Robert A. Taft Memorial Foundation, Inc., was formed on July 13, 1954, as a nonprofit organization to perpetuate the high standards and ideals and public service exemplified by the late Senator from Ohio. It has a board of trustees of 100 men and women in the various walks of life, and is representative of the entire Nation.

The foundation has a three-point program:

1. A physical memorial to be erected on the Capitol Grounds in Washington.

2. A Robert A. Taft Institute of Government.

3. A program of scholarships, fellowships, and research grants.

The necessary action has been taken by the board of trustees in connection with the erection of a bell tower or carillon which the board desires to give to the Congress of the United States and to the people. The foundation will bear all expenses connected with this project. We have seen the preliminary plans and sketches of this proposed memorial and the board of trustees of the foundation feels that the form of the design endeavors to interpret the man whom it commemorates in that it is a monument of simplicity yet of dignity and strength. The trustees feel that the monument will be in keeping with the dignity and beauty of the existing monuments in Washington.

The trustees of the foundation have taken their action on the recommendation of a subcommittee on the physical memorial consisting of Representative Clarence J. Brown, chairman, Senator John W. Bricker, Senator Styles Bridges, Mrs. Katharine Kennedy Brown, Senator Harry F. Byrd, Senator Everett M. Dirksen, Ambassador Homer Ferguson, Senator Walter George, Senator William F. Knowland, Senator Eugene D. Millikin, Senator Leverett Saltonstall, and Senator H. Alexander Smith. The cost of this monument would be met by the foundation, which plans to solicit general contributions from the public at large. It is the foundation's wish that Congress accept this monument as a gift and that it arrange for a suitable site on the Capitol Grounds.

Throughout his career Senator Taft exemplified the highest standards of integrity and probity in public life. He was a champion of American ideals and traditions, while at the same time he was a supercraftsman in the application of principles in the practical operation of government. His living example, consequently, was a tremendous influence for good citizenship and good government. This foundation seeks to keep alive his memory as an enduring inspiration for generations to come, and this monument will serve as a visible reminder of the simplicity and greatness of the man.

The above-mentioned subcommittee, after viewing several sites and consulting with the Architect of the Capitol and a member of the Commission of Fine Arts, has recommended the following site: Square 633 on the drawing of the Architect of the Capitol, located just below the Fountain Plaza area, lies between New Jersey Avenue on the east, Constitution Avenue on the south, Louisiana Avenue diagonally on the northwest, and First Street on the west.

We enclose a certified copy of the resolution of the executive committee formally offering to the Congress this monument to be erected on the Capitol Grounds at no expense to the United States Government. Authority was given by the board of trustees to the executive committee to take this action at a meeting of the board of trustees on January 8, 1955. We also enclose a photograph of the architect's sketch of the memorial which portrays the monument on the recommended site.

It is our hope that the Congress of the United States will take the appropriate steps to accept the gift from the foundation.

Sincerely,

HERBERT HOOVER,
Chairman.

RESOLUTION ADOPTED BY THE EXECUTIVE COMMITTEE OF THE ROBERT A. TAFT MEMORIAL FOUNDATION, INC., MAY 25, 1955

Resolved, That pursuant to the resolution of the board of trustees adopted January 8, 1955, the executive committee determines that the conditions set forth in said resolution have been fully complied with, and that it is the unanimous opinion of the executive committee that the foundation proceed to erect the memorial according to the sketches submitted, using the materials and having the description and dimensions as follows: Base 55 by 45 feet surrounded by water basin, shaft 11 by 32 by 100 feet. On the base low relief sculpture of Robert A. Taft and scroll. Shaft and sculpture to be constructed of Tennessee pink marble, walls supporting platform and the basin to be constructed of carnelian Minnesota granite. Twenty-five bells to be placed in upper part of the shaft; that the estimated cost of between $1 million and $1,200,000 is hereby established as the approximate budget for the erection of the memorial; that Ben E. Tate, chairman of the ways and means committee of the foundation be and he is hereby authorized to formulate plans to secure the necessary funds to erect said memorial; that the president be and he is hereby authorized to appoint other members of the board of trustees to serve as members of a finance committee to execute said fundraising program, and shall designate one as chairman; that pursuant to said resolution of the board of trustees that the subcommittee for the physical memorial continue to supervise all the necessary actions in connection with the erection of the physical memorial; that said subcommittee is hereby authorized to secure definite plans and specifications and contracts, and is further authorized to modify the above description, dimensions, and materials as may be necessary to carry out the intent of the resolution for the erection of said memorial.

Resolved further, That no later than June 25, 1955, the chairman of the foundation be requested to transmit to the Congress of the United States the offer of a gift to it of the physical memorial to be erected on the Capitol Grounds without cost to the United States Government, substantially in the form as described herein, and to recommend that it be located on the following described site: Square 633 on the drawing of the Architect of the Capitol, located just below the Fountain Plaza area, lies between New Jersey Avenue on the east, Constitution Avenue on the south, Louisiana Avenue diagonally on the northwest, and First Street on the west; that said offer shall be made in the form of a letter to the President of the Senate and Speaker of the House of Representatives and attached thereto shall be a copy of this resolution and a photograph of the architect's sketch of the memorial.

Resolved further, That if and when the Congress accepts said offer of the foundation and upon the approval by the subcommittee of the plans and specifications, and the Architect of the Capitol, or by whomever person or persons required by the Congress to do so, the finance committee shall proceed to secure the necessary funds for the erection of said memorial and upon certification that sufficient funds have been either collected or pledged, and certification that all conditions set forth by the Congress have been complied with, B. CARROLL REECE, president of the foundation, on behalf of the foundation, shall enter into the necessary contracts and agreements for the erection of said memorial.

Resolved further, That anything in this resolution to the contrary notwithstanding, the wording of the scroll and the sculpture which is to be a part of said memorial shall be submitted to the executive committee for approval before submitting said sculpture and scroll to the designated representatives of the Congress for final approval.

Resolved further, That, in accordance with the statements made by the president the substance of these resolutions shall be transmitted to the board of trustees as soon as possible.

Mr. NEUBERGER. Mr. President, I was trying to obtain the floor during the consideration of the concurrent resolution dealing with the proposed memorial to the late Senator Taft, and the joint resolution providing for the creation of a commission to study plans for a memorial honoring the late Franklin D. Roosevelt.

I should like to ask a question of the distinguished chairman of the Committee on Rules and Administration with respect to these memorials.

At the time the Taft Memorial on the Capitol Plaza was first proposed, I received communications from a number of people in my State, including some newspaper editors.

Our State once had a very illustrious Republican Senator who served in this body for 28 years, and was for many years Republican minority leader. I refer to the distinguished late Senator Charles L. McNary.

The writers of these letters ask me this question: Suppose a group of people in the State of Oregon should feel that they would like to raise funds to erect a memorial on the Capitol Plaza to Senator McNary? Naturally it would not be of

the dimensions of the memorial proposed to Senator Taft, because that amount of money probably could not be raised in a State with our limited population. But would consideration be given to setting aside a plot of land on the Capitol Plaza so that the citizens of Oregon who are interested in honoring Senator McNary, who had a very distinguished career in the United States Senate, could likewise obtain ground on the Capitol Plaza for the erection of a memorial—of more modest and limited proportions than the Taft monument—in tribute to Senator McNary?

Mr. GREEN. Of course, to answer the Senator's question directly, there would be no objection to any organization suggesting the erection of a monument to the memory of any great American official, whether he be a general, an admiral, a Member of the Senate, a Member of the House, or any other distinguished American, the monument to be paid for either by subscription or by appropriation.

Perhaps what the Senator has in mind today is to draw attention to the fact that we are establishing a precedent. At the present time there is only one monument on the Capitol Grounds, and that is the monument to Chief Justice John Marshall, which is on the other side of the Capitol Grounds. There is no other monument anywhere on the Capitol Grounds. All the other monuments are in the Capitol.

After some experiences, perhaps similar to the one today, a rule was established in accordance with which each State has the right to place in the Capitol 2 statues in honor of 2 of its citizens. That rule has been carried out.

If the precedent being established today were to be followed similarly, of course, a resolution might be adopted by Congress—I hope it will not be—giving each State the right to erect 2 monuments to 2 of its distinguished citizens on the Capitol Grounds. That would mean almost 200 such monuments on the Capitol Grounds and in the Capitol. Perhaps that is a bit too fanciful. I do not suppose such a proposal would be made. However, based on the precedent today, it could very well be.

If the Senator wishes to carry out his idea, it seems to me we might consider a resolution which would establish a general rule under which monuments on the Capitol Grounds might be erected under certain conditions. The pending matter was acted on as an individual project.

Mr. NEUBERGER. I thank the distinguished chairman of the Committee on Rules and Administration. Let me add that there was absolutely no derogation of the purpose of the erection of the proposed memorial to Senator Taft implied in what I said. I should state to the Senator also, because it may interest him to know it, that the only criticism which I received from my State of the proposed memorial to Senator Taft came from a very strongly Republican newspaper, edited in the capital of my State, and owned by a former distinguished Republican Governor of Oregon.

However, the general tenor of the letters I received merely asked, because of reverence for the memory of Senator Charles L. McNary, whether Senator McNary could be honored with a monument on the Capitol Grounds.

Mr. GREEN. I believe all of us have probably received similar letters, inquiring whether monuments could be erected to the memory of Senator Webster or Senator Calhoun, for example.

Mr. NEUBERGER. While consideration is being given to the erection of the Taft memorial, I believe the record should be clear that if in the future it is proposed to honor Senator Webster, or Senator McNary, or Senator Norris, or Senator Vandenberg, or Senator Calhoun, or whomever it may be, parallel consideration may be given to placing on the Capitol grounds monuments in honor of those illustrious men.

Mr. GREEN. Congress has a right to do anything it wishes to do. It could authorize such statues. It could also qualify or add certain conditions to the erection of such statues. If I may express a personal opinion—not of the committee—it might be well if we could establish a general rule to be applied in such cases, just as there is now a rule with respect to the erection of statues in the Capitol.

Mr. CHAVEZ. Mr. President, I am in favor of the resolution. However, I wish to say to my good friend from the State of Oregon that I served with Senator McNary, and I believe the adoption of the resolution will help the idea the Senator from Oregon has in mind. We are establishing a precedent. I believe Senator McNary deserves a place in American history.

Mr. NEUBERGER. I thank the Senator from New Mexico for his kind remarks about Senator McNary.

Mr. CHAVEZ. I knew Senator McNary very well. I knew him from the first day he served in the Senate. At that time I was a clerk in the Senate. I not only knew him personally very well, but I always thought he was a great American citizen. I believe the idea the Senator from Oregon has in mind, that the people of Oregon may some day wish to honor Senator McNary will be enhanced if we adopt the resolution, because we will be establishing a precedent.

Mr. NEUBERGER. To indicate the extent of my admiration for Senator McNary I should state that, although I have been a registered Democrat since the day I reached my 21st birthday, on the only two occasions when I had an opportunity to vote for Senator McNary, which was in 1936 and in 1942, I voted for him rather than for his Democratic opponent, because of my admiration for Senator McNary's progressive viewpoint and his character and integrity.

PRINTING OF REPORT ON THE PRAYER ROOM IN THE CAPITOL

The concurrent resolution (H. Con. Res. 90) authorizing the preparation and printing of a report on the Prayer Room established in the Capitol was considered and agreed to.

PRINTING OF ADDITIONAL COPIES OF HEARINGS HELD BY THE JOINT COMMITTEE ON ATOMIC ENERGY

The concurrent resolution (H. Con. Res. 148) authorizing the printing of additional copies of the hearings held by the Joint Committee on Atomic Energy on May 9, 1955, on "Radiation Sterilization of Foods," was considered and agreed to.

BILL PASSED OVER

The bill (H. R. 4744) to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. PURTELL. Over.

The PRESIDING OFFICER. The bill will be passed over.

ADJUSTMENT OF CERTAIN OBLIGATIONS OF SETTLERS

The bill (S. 1621) to authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed or subject to the act of August 11, 1939, as amended, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That the provisions of sections 41 (g), 43, and 51 of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1015 (g), 1017, and 1025), are hereby extended to apply on the obligations of settlers on projects developed under the act of August 11, 1939, as amended (16 U. S. C. 590y–z), or similar projects under the water conservation and use item of the Department of the Interior Appropriation Act, 1940, as amended (53 Stat. 719), of the type incurred in accordance with section 5 of said act (16 U. S. C. 590z–3), or other obligations to or administered by the Secretary of Agriculture incurred in connection with the development or operation of the project unit, and the Secretary is authorized to make such additional adjustments in the terms and conditions and amounts of any such obligations of such persons or in the price at which project units are sold to settlers as may be reasonably necessary to permit such persons to acquire, develop, and establish successful farming operations on their farm units and repay such adjusted obligations.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938

The bill (S. 2297) to further amend the Agricultural Adjustment Act of 1938, and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 312 of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1312), is hereby amended to read as follows:

"SEC. 312. (a) The Secretary shall, not later than December 1 of any marketing year, proclaim a national marketing quota for any kind of tobacco for each of the next 3

succeeding marketing years whenever he determines with respect to such kind of tobacco—

"(1) that a national marketing quota has not previously been proclaimed and the total supply as of the beginning of such marketing year exceeds the reserve supply level therefor;

"(2) that such marketing year is the last year of 3 consecutive years for which marketing quotas previously proclaimed will be in effect;

"(3) that amendments have been made in provisions for establishing farm acreage allotments which will cause material revision of such allotments before the end of the period for which quotas are in effect; or

"(4) that a marketing quota previously proclaimed for such marketing year is not in effect because of disapproval by producers in a referendum held pursuant to subsection (c): *Provided*, That if such producers have disapproved national marketing quotas in referenda held in 3 successive years subsequent to 1952, thereafter a national marketing quota shall not be proclaimed hereunder which would be in effect for any marketing year within the 3-year period for which national marketing quotas previously proclaimed were disapproved by producers in a referendum, unless prior to November 10 of the marketing year one-fourth or more of the farmers engaged in the production of the crop of tobacco harvested in the calendar year in which such marketing year begins petition the Secretary, in accordance with such regulations as he may prescribe, to proclaim a national marketing quota for each of the next 3 succeeding marketing years.

"(b) The Secretary shall also determine and announce, prior to the 1st day of December, the amount of the national marketing quota proclaimed pursuant to subsection (a) which is in effect for the next marketing year in terms of the total quantity of tobacco which may be marketed which will make available during such marketing year a supply of tobacco equal to the reserve supply level. The amount of the national marketing quota so announced may, not later than the following March 1, be increased by not more than 20 percent if the Secretary determines that such increase is necessary in order to meet market demands or to avoid undue restrictions of marketings in adjusting the total supply to the reserve supply level.

"(c) Within 30 days after the proclamation of national marketing quotas under subsection (a), the Secretary shall conduct a referendum of farmers engaged in the production of the crop of tobacco harvested immediately prior to the holding of the referendum to determine whether such farmers are in favor of or opposed to such quotas for the next 3 succeeding marketing years. If more than one-third of the farmers voting oppose the national marketing quotas, such results shall be proclaimed by the Secretary and the national marketing quotas so proclaimed shall not be in effect but such results shall in no wise affect or limit the subsequent proclamation and submission to a referendum, as otherwise provided in this section, of a national marketing quota."

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938 RELATING TO TOBACCO ALLOTMENTS

The Senate proceeded to consider the bill (S. 2296) to amend section 313 of the Agricultural Adjustment Act of 1938, with respect to tobacco allotments, which had been reported from the Committee on Agriculture and Forestry with amendments, on page 1, at the beginning of line 6, to insert "(j)"; in the same line, after the word "farm", to insert "in 1955 or any subsequent year"; and at the beginning of line 8, to strike out "has been" and insert "was", so as to make the bill read:

Be it enacted, etc., That section 313 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following new subsection:

"(j) The production of tobacco on a farm in 1955 or any subsequent year for which no farm acreage allotment was established shall not make the farm eligible for an allotment as an old farm under subsections (b) and (g) hereof: *Provided, however*, That by reason of such production the farm need not be considered as ineligible for a new farm allotment under subsections (c) and (g) hereof, but such production shall not be deemed past tobacco experience for any producer on the farm."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF TITLE V OF THE AGRICULTURAL ACT OF 1948

The Senate proceeded to consider the bill (H. R. 3822) to amend title V of the Agricultural Act of 1949, as amended, which had been reported from the Committee on Agriculture and Forestry, with an amendment, on page 1, line 5, after the numerals "30", to strike out "1959" and insert "1957."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

AMENDMENT OF SECTION 313 OF THE AGRICULTURAL ADJUSTMENT ACT OF 1938

The Senate proceeded to consider the bill (S. 2295) to amend section 313 of the Agricultural Adjustment Act of 1938, with respect to tobacco allotments, which had been reported from the Committee on Agriculture and Forestry, with an amendment, on page 1, at the beginning of line 6, to insert "(j)", so as to make the bill read:

Be it enacted, etc., That section 313 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following new subsection:

"(j) In establishing farm acreage allotments for burley tobacco crops for the years 1956, 1957, and 1958 the acreage allotment for any farm which has not been retired from agricultural production shall not be reduced below the acreage allotment which would otherwise be established because the harvested acreage was less than the allotted acreage unless the acreage harvested was less than 50 percent of the allotted acreage in each of the preceding 5 years, in which event it shall not be reduced for such reason to less than the largest acreage harvested in any year in such 5-year period."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2170) to permit sale of Commodity Credit Corporation stocks of basic and storable nonbasic agricultural commodities without restriction where similar commodities are exported in raw or processed form was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideraion of the bill?

Mr. PURTELL. I ask that the bill go over, for further study.

The PRESIDING OFFICER. The bill will be passed over.

BILL PLACED AT FOOT OF CALENDAR

The bill (H. R. 4280) to direct the Secretary of Agriculture to release on behalf of the United States conditions in 2 deeds conveying certain submarginal lands to Clemson Agricultural College of South Carolina so as to permit such college, subject to certain conditions, to sell, lease, or otherwise dispose of such lands was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. ERVIN. Mr. President, I ask that the bill go to the foot of the calendar.

The PRESIDING OFFICER. Without objection, the bill will be placed at the foot of the calendar.

DONATION TO DISTRESSED COMMUNITIES OF PROCESSED FOOD COMMODITIES.

The bill (S. 661) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts was announced as next in order.

Mr. PURTELL. Mr. President, I have no objection to the bill itself. However, I feel that it is of some moment, and it should not be passed on the call of the calendar. Therefore I suggest that it go over.

Mr. HOLLAND. Mr. President, will the Senator withold his objection, so that I may make a brief statement?

Mr. PURTELL. I withhold my objection.

Mr. HOLLAND. Mr. President, I have discussed the measure with the Senator from Connecticut, with the two floor leaders, and with the Senator from Delaware, who has an amendment at the desk.

I have no objection at all to the bill going over, provided that it may be called up on motion as soon as the call of the calendar is concluded. The reason I believe quick action should be taken is that the bill has been approved by the Committee on Agriculture and Forestry, and, if approved by the Senate, will require a conference with the House. The subject is of such importance that I feel we should not jeopardize the passage of the bill at this session of Congress by holding it up further.

I hope the Senator from Connecticut will agree to support a motion to take it up as soon as the call of the calendar is concluded.

Mr. PURTELL. I wish to assure the distinguished Senator from Florida that

I am in sympathy with the purpose of the bill, and I shall not object to taking it up if it is brought up on motion.

Mr. HOLLAND. I thank the distinguished Senator.

The PRESIDING OFFICER. The bill will go over.

BILL PASSED OVER

The bill (H. R. 6382) to amend the International Claims Settlement Act of 1949, as amended, and for other purposes, was announced as next in order.

Mr. PURTELL. Mr. President, I ask that that bill be passed over for further study.

The PRESIDING OFFICER. The bill will be passed over.

PERMANENT COMMITTEE FOR THE OLIVER WENDELL HOLMES DEVISE

The bill (S. 2346) to establish a permanent committee for the Oliver Wendell Holmes Devise, and for other purposes, was announced as next in order.

Mr. BIBLE. Mr. President, at this point in the call of the calendar I ask unanimous consent that the call be terminated as to the remainder of the calendar, for the reason that reports on the measures following are not available.

BURGAL LYDEN AND OTHERS

Mr. KILGORE. Mr. President, will the Senator from Nevada yield?

Mr. BIBLE. I yield.

Mr. KILGORE. There are two measures which I hope may be excluded from the Senator's request. One is Calendar No. 1070, H. R. 4044, for the relief of Burgal Lyden and others. It is a private claims bill which was reported by the Judiciary Committee. We are being hammered on all sides because of the backlog of bills in the committee.

Mr. BIBLE. Mr. President, if the minority leader has no objection, I wonder if we may have an explanation of the bill to which the Senator from West Virginia has referred.

Mr. KILGORE. Mr. President, this bill proposes to pay to 4 persons an aggregate of about $2,500 in settlement of their claims against the United States which arose as a result of the construction of the Harlan County Dam and Reservoir project in the vicinity of Naponee, Nebr.

The construction of the dam required the relocation of a spur track of the Chicago, Burlington & Quincy Railroad, and the construction of an embankment about 20 feet in height on which to place the tracks.

As a result of this construction and the relocation, the claimants suffered damage with respect to drainage hazards and an obstruction of view, which could not be compensated for through condemnation proceedings. The amounts stated in the bill represent the depreciation in the market values of their properties by reason of the relocation and construction, and have been found to be reasonable by the Department of the Army and the Bureau of the Budget, both of whom approve the bill.

Mr. BIBLE. I thank the Senator for his explanation.

Mr. PURTELL. Mr. President, am I correct in my understanding that a Senate bill was passed in substantially the same form at a previous session?

Mr. KILGORE. That is correct, but it did not get to the House in time for passage there.

Mr. KNOWLAND. Mr. President, I have no objection to the bill being considered.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (H. R. 4044) for the relief of Burgal Lyden and others.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

INCREASE IN LIMIT OF EXPENDITURE BY THE COMMITTEE ON THE JUDICIARY—RESOLUTION REFERRED TO COMMITTEE ON RULES AND ADMINISTRATION

Mr. KILGORE. Mr. President, what I am about to say is not with reference to the passage of a bill. It involves the permission of the Senate to refer to a resolution providing some additional funds for further study of the narcotics situation to the Committee on Rules and Administration.

At the time a request for funds was made it was for only $30,000. The junior Senator from Texas [Mr. DANIEL], chairman of the subcommittee, said he was going to see how far he could go with that amount, but it has become apparent that additional funds will be needed. The resolution should be referred to the Committee on Rules and Administration in order to get a report at this session. I entertain the hope that the Senate will accede to referring the resolution to the Committee on Rules and Administration. It is Calendar No. 1079, Senate Resolution 137, increasing the limit of expenditure by the Committee on the Judiciary.

Mr. BIBLE. Mr. President, we have no objection to the reference of Calendar No. 1079, Senate Resolution 137, to the Committee on Rules and Administration.

The PRESIDING OFFICER. Without objection, the resolution will be referred to the Committee on Rules and Administration.

CONVEYANCE OF CERTAIN LAND TO THE CITY OF SIOUX FALLS, S. DAK.

Mr. CASE of South Dakota. Mr. President, earlier in the call of the calendar Senate bill 2277, Calendar No. 1027, was sent to the foot of the calendar. I state for the information of the Senate that the Senator from Oregon [Mr. MORSE] has been contacted, and he has prepared an amendment which has been handed to me. I ask for consideration of that amendment.

The PRESIDING OFFICER. The Chair is advised that there is one bill ahead of the measure referred to by the Senator which was placed at the foot of the calendar. Will the Senator from South Dakota withhold his request until action is taken on that bill?

Mr. CASE of South Dakota. I shall be glad to do so, Mr. President.

REVERSIONARY INTERESTS OF THE UNITED STATES IN CERTAIN LANDS IN THE CITY OF CHANDLER, OKLA.

The bill (H. R. 4747) to provide that reversionary interests of the United States in certain lands formerly conveyed to the city of Chandler, Okla., shall be quitclaimed to such city, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. ERVIN. Mr. President, I ask that the bill be passed over.

Mr. LONG. Mr. President, will the Senator from North Carolina withhold his objection until I can explain the bill?

Mr. ERVIN. I shall be glad to do so.

Mr. LONG. Mr. President, the bill involves a piece of property in Chandler, Okla., which was conveyed to the Government. Subsequently, the Armed Forces had no use for the property, and it was returned to the city of Chandler. The property was used for public purposes, and various civic organizations participated in the development of the property. It seems to be thought that the Government would be made to pay something, but the city is willing to pay $3,000 to extinguish the reversionary interest. I see no reason why there should be any objection.

The city of Chandler is willing to pay $3,000. As a matter of fact, I do not think they should have to pay anything. But they are paying the full market value.

Mr. ERVIN. Mr. President, I renew my objection.

The PRESIDING OFFICER. The bill will be passed over.

CONVEYANCE OF CERTAIN LAND TO THE CITY OF SIOUX FALLS, S. DAK.

The Senate proceeded to consider the bill (S. 2277) authorizing the Administrator of General Services to convey certain land to the city of Sioux Falls, S. Dak., for park and recreational purposes, for an amount equal to the cost to the United States of acquiring such land from the city, which had been reported from the Committee on Government Operations, with amendments, on page 1, line 5, after the word "Dakota", to strike out "for park and recreational purposes,", and on page 2, after line 9, to strike out "contain the express provision that, in the event the land conveyed ceases to be used for park or recreational purposes" and insert "contain the express provisions that the land conveyed shall be used for park and recreational purposes in a manner which, in the judgment of the Administrator of Veterans' Affairs or his designate, will not interfere with the care and treatment of patients

in the Veterans' Administration hospital, Sioux Falls, S. Dak., and that, in the event the land conveyed ceases to be so used,", so as to make the bill read:

Be it enacted, etc., That the Administrator of General Services is authorized and directed to convey by quitclaim deed to the city of Sioux Falls, S. Dak., all right, title, and interest of the United States in and to the following-described land located in Minnehaha County, S. Dak., consisting of approximately 20 acres: The east half of the southeast quarter of the southeast quarter of section 19 in township 101, range 49 west, fifth principal meridian. As consideration for such conveyance the city of Sioux Falls, S. Dak., shall pay an amount, determined by the Administrator of General Services, equal to the cost to the United States of acquiring such land from the city of Sioux Falls, S. Dak.

SEC. 2. The conveyance authorized by this act shall contain the express provisions that the land conveyed shall be used for park and recreational purposes in a manner which, in the judgment of the Administrator of Veterans' Affairs or his designate, will not interfere with the care and treatment of patients in the Veterans' Administration hospital, Sioux Falls, S. Dak., and that, in the event the land conveyed ceases to be so used, all right, title, and interest therein shall immediately revert to and revest in the United States. In the event of a reversion of such land to the United States, the fair market rental value of such land for the period it is held by the city of Sioux Falls, S. Dak., shall be deducted from the purchase price paid by such city and the balance, if any, shall be repaid to such city.

The amendments were agreed to.

Mr. CASE of South Dakota. Mr. President, on behalf of the Senator from Oregon [Mr. MORSE] I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from South Dakota on behalf of the Senator from Oregon will be stated.

The CHIEF CLERK. On page 1, line 6, after the word "interest" it is proposed to insert a comma and the words "except mineral rights (including oil and gas)."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota on behalf of the Senator from Oregon.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. MORSE subsequently said: Mr. President, this morning, when the calendar was called, I was examining witnesses in a committee hearing; therefore there was on my behalf entered an objection to Calendar No. 1027, Senate bill 2277, in order that I might obtain a satisfactory explanation from the authors of the bill.

It was possible for me to consult over the telephone with the junior Senator from South Dakota [Mr. CASE], who was then on the floor of the Senate, and I received from him in my conversation a satisfactory explanation of the bill, so far as the Morse formula is concerned.

The bill proposes to authorize the General Services Administration to convey approximately 20 acres of land to the city of Sioux Falls, S. Dak., for park and recreational purposes.

The lands are a portion of a larger tract acquired in 1944 from the city for use by the Veterans' Administration hospital.

The Veterans' Administration has determined that the tract is in excess of its present and foreseeable needs.

The consideration for the transfer is payment by the city of "an amount determined by the Administrator of General Services equal to the cost to the United States of acquiring such land from the city of Sioux Falls, S. Dak."

I wish to make it very clear that this provision in the bill assured the Federal Government of some compensation for the land; but the difficulty, when I first read the bill, was that there was no indication of what the amount of compensation would be, and whether it would amount, in fact, to 50 percent of the appraised fair market value.

As a result of my consultation with the junior Senator from South Dakota [Mr. CASE], and as the RECORD will show tomorrow, his remarks on the floor of the Senate make it very clear that the increase in value of the property since the Federal Government has owned it has been due largely to sidewalk and similar public-utility improvements which have been placed on the land. Of course, those improvements will stand for the enjoyment and benefit of the veterans who will have the benefit of the land when it is turned into park purposes.

However, the bill contained no mineral reservation and, therefore, in that respect it was in violation of the Morse formula.

I was very much pleased when the Senator from South Dakota accepted my standard amendment, requiring the reservation of mineral rights in such land transfers.

With that acceptance, and in view of the fact that the Government will receive the amount of original cost to the Federal Government, as determined by the Administrator of General Services, I withdraw my objection.

CONVEYANCE OF CERTAIN SUBMARGINAL LANDS TO CLEMSON AGRICULTURAL COLLEGE OF SOUTH CAROLINA

The bill (H. R. 4280) to direct the Secretary of Agriculture to release on behalf of the United States conditions in two deeds conveying certain submarginal lands to Clemson Agricultural College of South Carolina so as to permit such college, subject to certain conditions, to sell, lease, or otherwise dispose of such lands was announced as next in order.

Mr. JOHNSTON of South Carolina. Mr. President, I may say that all the Members of the House from South Carolina and both Senators from South Carolina sponsor this bill. They agree that the bill should be passed in its present form.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

Mr. PURTELL. Mr. President, I am not out of sympathy with the purposes of the bill, but as a matter of principle, because it is too important a measure to be passed on a Consent Calendar call, I object, and ask that the bill be passed over to the next call of the calendar.

The PRESIDING OFFICER. The bill will be passed over.

Mr. BIBLE. Mr. President, I renew my motion that the call of the calendar be terminated with Calendar No. 1063, which has already been passed over.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

ORDER OF BUSINESS

Mr. BIBLE. Mr. President, I ask unanimous consent that the Senate temporarily lay aside the pending business and proceed to the consideration of Calendar No. 1040, H. R. 7224, making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes.

The PRESIDING OFFICER. The Chair will advise that House Bill 7224 is the unfinished business, and will not come before the Senate until 12:30 o'clock.

DONATION TO DISTRESSED COMMUNITIES OF PROCESSED FOOD COMMODITIES

Mr. BIBLE. In view of the statement of the Presiding Officer I ask that the Senate proceed to the consideration of Calendar No. 1062, Senate bill 661.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 661) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

Mr. HOLLAND. Mr. President——

Mr. KNOWLAND. Mr. President, I wonder if the Senator from Florida will yield, with the understanding that he shall not lose his right to the floor?

Mr. HOLLAND. I yield.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 661), which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and insert:

That the Secretary of Agriculture is hereby authorized upon specific request of the governor of any State during the period commencing with the date of this act and ending June 30, 1957, to make available, pursuant to clause (2) of section 32 of the act approved August 24, 1935 (7 U. S. C. 612c) for distribution by State agencies, other than institutions and schools, directly to families and persons determined by appropriate State or local public welfare agencies to be in need, wheat flour and cornmeal in such quantities

as the Secretary of Agriculture determines can be effectively distributed and utilized within such period without regard to the requirement contained in said section 32, that such funds be devoted principally to perishable nonbasic agricultural commodities and their products, but not more than $15 million of such funds shall be devoted in any fiscal year to carrying out this act. Such flour and meal shall be made available by the Secretary upon such conditions as he deems to be in the public interest, to such State agency or agencies as may be designated by the proper State authority and approved by the Secretary, and at one or more central locations in such State.

Mr. HOLLAND. Mr. President, in order that the RECORD may reflect clearly what was done in committee, I request that the report of the Senate Committee on Agriculture and Forestry, which includes the report of the subcommittee, be printed in full at this point in my remarks.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Without objection, it is so ordered.

The report (No. 1049) is as follows:

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 661) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts, having considered the same, report thereon with a recommendation that the bill do pass with amendments.

This bill was introduced by Senator CLEMENTS for himself and a number of other Senators to permit the Commodity Credit Corporation to pay the cost of processing food commodities distributed by it under sections 407 and 416 of the Agricultural Act of 1949. Its principal purpose is to permit the distribution of wheat flour and cornmeal to needy families. Since S. 661, as introduced, is somewhat broader than necessary to accomplish this purpose, your committee recommends an amendment in the nature of a substitute, which provides for the use of not more than $15 million of section 32 funds in each of the 2 fiscal years during the period ending June 30, 1957, for the distribution of flour and meal to needy persons. The committee substitute for the text of the bill and the committee amendment to the title of the bill are fully explained in the attached report of the subcommittee which held hearings and considered this bill.

"REPORT OF THE SUBCOMMITTEE OF THE COMMITTEE ON AGRICULTURE AND FORESTRY ON H. R. 2851

"Your subcommittee to whom was referred the bill (H. R. 2851) to make agricultural commodities owned by the Commodity Credit Corporation available to persons in need in areas of acute distress, having considered the same report thereon with the recommendation that it pass with an amendment to the text of the bill and an amendment to the title of the bill.

"The subcommittee amendment, which is in the nature of a substitute, would strike out all after the enacting clause and insert in lieu thereof the following: 'That the Secretary of Agriculture is hereby authorized upon specific request of the governor of any State during the period commencing with the date of this act and ending June 30, 1957, to make available, pursuant to clause (2) of section 32 of the act approved August 24, 1935 (7 U. S. C. 612c), for distribution by State agencies, other than institutions and schools, directly to families and persons determined by appropriate State or local public welfare agencies to be in need, wheat flour and cornmeal in such quantities as the Secretary of Agriculture determines can be effectively distributed and utilized within such period without regard to the requirement contained in said section 32, that such funds be devoted principally to perishable nonbasic agricultural commodities and their products, but not more than $15 million of such funds shall be devoted in any fiscal year to carrying out this act. Such flour and meal shall be made available by the Secretary upon such conditions as he deems to be in the public interest, to such State agency or agencies as may be designated by the proper State authority and approved by the Secretary, and at one or more central locations in such State.'

"The subcommittee held hearings on S. 661, a bill similar in purpose to H. R. 2851, and those hearings are available in printed form. The testimony showed extensive unemployment in the coal-mining areas and a great need in those areas for flour and meal, as well as for the commodities now being distributed by the Department of Agriculture under section 416 of the Agricultural Act of 1949. Neither flour nor meal can be distributed under that section or under section 407 of that act because those sections do not permit the Commodity Credit Corporation to pay the cost of processing the corn and wheat held by it into meal and flour.

"The Department of Agriculture did not favor the bill as a surplus disposal operation, stating that the distribution provided for by it would be more in the nature of a relief program, which was not within their province. The subcommittee felt that the program was well justified as a relief program, and should be undertaken on that basis for a trial period.

"H. R. 2851 had been reported by the House Committee on Agriculture just prior to the subcommittee's hearing and was discussed by some of the witnesses. Witnesses for both the Department of Health, Education, and Welfare and the Department of Agriculture expressed opposition to H. R. 2851 on the ground that it would provide for two different systems of distributing agricultural commodities for relief purposes, and create administrative difficulties. The Department of Agriculture is now distributing surplus agricultural commodities and has developed a distribution system for that purpose which should be equally effective for the distribution of meal and flour. The subcommittee felt that the existing system should be used to distribute these additional commodities and that there is no need to bring an additional agency into its administration. In addition the subcommittee has been advised that the criteria in section 2 of H. R. 2851, as passed by the House, with respect to labor shortage and disaster areas, might prevent assistance being rendered under the bill in the small coal-mining towns and other areas which are in such great need.

"The subcommittee substitute provides for the use of not more than $15 million of section 32 funds (7 U. S. C. 612c) in any fiscal year for the distribution of cornmeal and wheat flour to needy persons during the period ending June 30, 1957. Distribution in any State would be made upon request of the governer and would be made through State agencies, other than institutions and schools.

"The use of section 32 funds under the bill would be exempt from the requirement of that section that such funds be devoted principally to perishable nonbasic agricultural commodities. Out of $448,860,295 available under section 32 for the fiscal year ending June 30, 1955, it is estimated that only $38,205,815 was expended, leaving $300 million to be carried over for use in fiscal 1956 (in addition to the amount appropriated for 1956) and $110,654,480 to be covered into the Treasury as miscellaneous receipts. Of the amount expended in 1955 it is estimated that 51.8 percent was devoted to perishables not entitled to mandatory price support. The use of $15 million a year for the purposes of the bill during the period ending June 30, 1957, in addition to the other amounts which might be spent for nonperishables during that period, therefore, would not interfere with requirements for the use of section 32 funds for perishable commodities.

"The subcommittee recommends that the title be amended so as to read: 'An act to make cornmeal and wheat flour available to needy persons.' This would make it conform to the subcommittee's substitute for the text of the bill.

"The report of the Department of Agriculture on S. 661 and the provisions of section 32 of the act of August 24, 1935, are set out below."

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 29, 1955.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry,
United States Senate.

DEAR SENATOR ELLENDER: This is in reply to your request for a report on S. 661, a bill to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts.

The Department does not favor passage of S. 661.

S. 661 would authorize the Commodity Credit Corporation to pay the cost of processing food commodities into a form suitable for home or institutional use in connection with donations to domestic recipients of price support commodities made under the authority of sections 407 and 416 of the Agricultural Act of 1949. By providing authority to pay processing costs, S. 661 would permit the donation of wheat and corn, in the form of flour and meal, respectively, to eligible domestic recipients.

The domestic distribution of wheat flour and cornmeal cannot be justified on the basis of the need for surplus disposal operations. Such distribution would be more in the nature of a welfare or a relief program, which is not a direct responsibility of this Department.

Wheat and corn are storable commodities and, with stock rotation, there presently is not a danger of substantial loss or waste of CCC-owned stocks. From the standpoint of inventory management, particularly since stocks of wheat and corn can be considered a reserve for strategic purposes, the Department's first responsibility is to secure all possible sales.

Moreover, as a possible surplus disposal operation, the domestic distribution of wheat flour and cornmeal would have limited impact. The amounts so moved would be small in relation to the size of present holdings. The additional costs to CCC (including administrative costs) would outweigh any probable increase in domestic consumption of wheat and corn or any possible net reduction in the level of Government stocks.

Because of the widespread use of cereal products, we also believe that it would be difficult to avoid significant interference with normal marketings of wheat flour and cornmeal, particularly in the case of schools and institutions. Even among needy persons and families, because of their relatively high consumption of cereal products, we would anticipate that a donation program would result in only a small overall increase in the use of cereal products.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

SECTION 32 OF THE ACT OF AUGUST 24, 1935

SEC. 32. There is hereby appropriated for each fiscal year beginning with the fiscal year ending June 30, 1936, an amount equal to 30 percent of the gross receipts from duties collected under the customs laws dur-

ing the period January 1 to December 31, both inclusive, preceding the beginning of each such fiscal year. Such sums shall be maintained in a separate fund and shall be used by the Secretary of Agriculture only to (1) encourage the exportation of agricultural commodities and products thereof by the payment of benefits in connection with the exportation thereof or of indemnities for losses incurred in connection with the production of that part of any agricultural commodity required for domestic consumption; (2) encourage the domestic consumption of such commodities or products by diverting them, by the payment of benefits or indemnities or by other means, from the normal channels of trade and commerce or by increasing their utilization through benefits, indemnities, donations or by other means, among persons in low-income groups as determined by the Secretary of Agriculture; and (3) reestablish farmers' purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption. Determinations by the Secretary as to what constitutes diversion and what constitutes normal channels of trade and commerce and what constitutes normal production for domestic consumption shall be final.

The sums appropriated under this section shall be expended for such one or more of the above-specified purposes, and at such times, in such manner, and in such amounts as the Secretary of Agriculture finds will effectuate substantial accomplishment of any one or more of the purposes of this section. Notwithstanding any other provision of this section, the amount that may be devoted, during any fiscal year after June 30, 1939, to any one agricultural commodity or the products thereof in such fiscal year, shall not exceed 25 percent of the funds available under this section for such fiscal year. The sums appropriated under this section shall be devoted principally to perishable nonbasic agricultural commodities (other than those receiving price support under title II of the Agricultural Act of 1949) and their products. The sums appropriated under this section shall, notwithstanding the provisions of any other law, continue to remain available for the purposes of this section until expended, but any excess of the amount remaining unexpended at the end of any fiscal year over $300 million shall, in the same manner as though it had been appropriated for the service of such fiscal year, be subject to the provisions of section 3690 of the Revised Statutes (U. S. C., title 31, sec. 712), and section 5 of the act entitled "An act making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June 30, 1875, and for other purpose" (U. S. C., title 31, sec. 713) (7 U. S. C. 612 (c)).

Mr. HOLLAND. Mr. President, Senate bill 661 was introduced by the senior Senator from Kentucky [Mr. CLEMENTS] for himself and various other Senators, whose names appear on the bill.

The purpose of the bill is to make available wheat flour and cornmeal to needy persons.

The real objective has to do with the making available of flour and meal, along with the other commodities now being distributed out of surplus stores to persons who are on the relief rolls of the States where there is serious unemployment.

As a matter of fact, the urge for the bill comes largely from the States in the anthracite and the soft-coal regions, where there is apparently great and continuing unemployment and distress in the locations of coal-mining centers.

Under existing law neither the Secretary of Agriculture nor the Commodity Credit Corporation is permitted to pay the costs of the processing of the surplus wheat into flour or the surplus corn into meal. Of course, as the Senate knows, we are sending surplus food packages—packaged flour and packaged meal—to various friends of ours overseas who are on relief; but no provision has as yet been made to permit the processing costs to be paid by the Commodity Credit Corporation in the case of the distribution of surplus commodities in the usable form of flour and meal to our own greatly distressed communities.

The House bill, of which I shall make mention later, was far too sweeping, in the opinion of the Senate committee, and also in the opinion of the two agencies which were most directly involved, that is, the Department of Agriculture and the Department of Health, Education, and Welfare. Both of them opposed the House bill, upon which hearings were held by the Senate, at the same time we considered our own bill, S. 661.

It was the opinion of the agencies and of the Senate committee that even the Senate bill was too sweeping in form. So, through the good offices of the senior Senator from Vermont [Mr. AIKEN], the matter was discussed in some detail with those in high position in the Department of Agriculture, in an effort to draft a measure which would have a reasonable chance to be supported and approved by the Department of Agriculture and by other administrative agencies.

The result of the efforts of the Senator from Vermont was the offering of a substitute measure in the Senate committee, which appears as an amendment to the Senate bill.

Under the terms of the amendment, the matter is limited, first, in point of time, to the 2 years, to expire June 30, 1957.

In the second instance, the bill is limited, in respect to the expense involved, by requiring that the cost of the program shall not exceed $15 million in each of the 2 fiscal years in which money will be made available out of section 32 funds, of which there is an ample supply on hand. In fact, it appears that sizable amounts of section 32 funds will be turned back to the general revenue funds.

Furthermore, the program is limited to the distressed areas which are certified to the Secretary of Agriculture by the governors of the States which are affected as being so thoroughly in distress as to require this kind of relief.

Moreover, there is a further limitation in that the Secretary of Agriculture himself is also required to approve the specific distribution of the commodities in the specific communities where great distress and continuing unemployment exists.

Likewise, the substitute bill which is being offered by the committee requires delivery in only 1 or 2 selected places in each State, where the program may be applied to the State relief agencies, which must then assume all responsibilities of the distribution of the relief products.

It is thought that every reasonable safeguard has been placed around the program.

I am able to say the subcommittee and the full committee unanimously approved the program, with the single exception that the distinguished senior Senator from Delaware [Mr. WILLIAMS] felt there should be adopted an amendment requiring the States in such cases to pay a certain portion of the value of the commodities.

All the members of the committee were not in accord with that proposal, but the distinguished Senator from Delaware joined in reporting the bill in the form in which it now is, reserving the right to offer an amendment on the floor, which I expect he will do.

Mr. President, I ask that the committee amendment to the Senate bill in the nature of a substitute be first adopted.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. I do not know whether the distinguished Senator from Delaware has prepared his amendment to the original bill or to the committee substitute, but, because of the parliamentary situation, wonder if the Senator would mind if the substitute were adopted, with the understanding that it should be treated as the original bill, so that the amendment could be offered to it.

Mr. HOLLAND. That would be satisfactory. I had assumed that before adopting the substitute the Senator from Delaware might be willing to offer the amendment, and that the Senate could act on the amendment. I will accede to the wishes of the Senator from Delaware. If he desires that the substitute of the committee, if adopted, be considered as the original text, so that his amendment may be offered to it, that procedure is agreeable. If he wishes to offer his amendment now, before the committee substitute is adopted, that procedure is equally agreeable.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the substitute be agreed to, with the understanding that the bill will then be open to amendment.

Mr. HOLLAND. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on agreeing to the committee amendment in the nature of a substitute.

The amendment was agreed to.

Mr. HOLLAND. Mr. President, I yield to the Senator from Delaware.

Mr. WILLIAMS. Mr. President, I have an amendment at the desk, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to insert the following:

Notwithstanding the foregoing no commodities shall be made available under this act in any State, unless payment shall be made to the Secretary of Agriculture from State or local funds of the lowest of the

following: (1) 25 percent of the Government's investment in the commodities, including costs of processing and distribution; (2) the domestic sales price of the commodities; or (3) the export sales price of the commodities.

Mr. WILLIAMS. Mr. President, the purpose of my amendment is very simple. I wish to say at the beginning that I am fully in agreement with the objective of the bill itself. Certainly there is much merit in the proposal that we should make available surplus commodities in our storage houses to those in need. I have no objection to that purpose.

My amendment merely provides that there shall be some contribution for the commodities at the local or State level.

Certainly the States have some responsibility toward the unemployed in their boundaries.

Furthermore, if we insist upon State participation in the cost of such relief programs we will be assured of better and easier administration. The proposal was recommended by the President in his message to Congress early last year. A similar amendment providing State participation should be incorporated in all such proposals.

In passing this bill, Congress will recognize that in the measure it is outlining a new policy whereby commodities in storage will be used for relief purposes. No one has any idea as to the future demand which may arise as a result of the enactment of the bill if substantial unemployment should develop in the States. In order to minimize the requests, and make sure that there will be proper supervision at the distribution level, I believe some State contribution is essential.

The amendment provides, as a safety catch, so the States will not be excessively charged, that in the event any agricultural commodity shall be sold abroad at a lower price than that which would result from the 25-percent formula, the States shall get the benefit of the lowest formula available.

The amendment is not being offered as a revenue-producing proposal, but as an administrative measure, because representatives of all the agencies involved admitted, in testimony before the committee, that if some provision were made in the program for State contribution some safeguards would be afforded in the distribution at the local level.

I hope the chairman of the committee, or the Senator from Florida, will accept the amendment and at least take it to conference and see if it cannot be worked out in a satisfactory manner there, because I think there is general agreement as to the necessity for such an amendment.

Mr. HOLLAND. Mr. President, I appreciate very fully the completely considerate way in which the Senator from Delaware has presented his proposal both on the floor and also in the subcommittee and full committee. He did not interpose any handicap at all to the consideration of the measure.

I wish I were in a position to accede to the suggestion of the Senator that I agree to take the amendment to conference, but that I cannot do, for reasons which I now state.

In the first place, the amendment was considered by both the subcommittee and the full committee, and was rejected. In the next place, it seems to me it would be unwise to make a distinction between meal and flour and any other commodity, by requiring States to pay 25 percent of the cost of the meal and flour under the terms of this measure, on delivery to the States, whereas, pursuant to the existing law regarding surplus commodities, no requirement is made that a State shall put up 25 percent of the cost. In other words, under the pending amendment there would be a difference between distribution of flour and meal and the distribution of butter, canned or fresh fruit, cheese, or products which come from other industries.

Mr. THYE. Mr. President, will the Senator yield?

Mr. HOLLAND. I shall yield in a moment. I think there would be justifiable reason on the part of producers of the commodities named, as well as others, for feeling that discrimination was being practiced.

In the third place—and I shall yield gladly in a moment to the Senator from Minnesota—it seems to me we would be imposing some handicap in meeting a situation which, confessedly, is one of emergency in distressed communities, if we required States to put up funds which are not now available, and which might necessitate action by special sessions of the State legislatures before the States could be in a position to have made available to them additional help from the Government.

For these reasons I cannot agree to take the amendment to conference, and I regret that that is the case.

I now yield to the Senator from Minnesota.

Mr. THYE. Mr. President, I should like to get a clear explanation of a question in my mind. For instance, we may have no available supply of fresh fruit in a particular season, depending on the area of the United States. If it were impossible to obtain fresh fruit, there would be an added cost in obtaining processed fruit, and there would be an added State contribution involved. Would that be a fact?

Mr. HOLLAND. That might be so. I do not know of any such commodity in the hands of the Federal Government, but if there were some such cases, that might be true.

Mr. THYE. Therefore, I think the amendment poses an administrative problem which is beyond anticipation at this time. I think it would add to administrative burdens. That is why I would have to oppose the amendment now. Dairy products are processed in the form of cheese, butter, and so forth. If fluid milk were involved, there would be no extra charge in connection with it. I think the amendment would pose an administrative problem with which we simply could not cope. That is why I have to oppose the amendment.

Mr. HOLLAND. I thank the Senator from Minnesota for his comment, which I think is appropriate.

Mr. WILLIAMS. Mr. President, will the Senator from Florida yield to me?

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Does the Senator from Florida yield to the Senator from Delaware?

Mr. HOLLAND. I yield.

Mr. WILLIAMS. Mr. President, I wish to say that if the amendment is read, it will be observed that it does not provide that it shall be applicable solely to the commodities mentioned in the bill. It says it shall be applicable to all commodities mentioned in the original act. I agree fully that we should not single out wheat and corn, but I repeat the amendment would be applicable to all commodities.

In the case of butter and similar commodities, certainly they are purchased on a processed basis, in that the processing charges are added to the cost. In the case of wheat and corn, the proposal here is that they be sent back to the mills for additional processing, the charges for which would be included.

So the formula spells out clearly that all these factors will be taken care of. The only question is whether we wish to provide for 25 percent State contributions, along with the Federal contribution.

I wish to say for the benefit of those who will be the recipients that in all cases the contribution will come free in exactly the same form. The question is merely whether or not in the formula States shall provide some of the contribution, or whether the Federal Government shall bear the entire load.

The Senator from Florida raised the objection that the State legislatures might not be in session. The argument based on that point might be a good one, except for the fact that last year a similar amendment was offered, and was rejected on the same basis; and this year, when all the State legislatures were in session, in January we voted on another bill, and at that time rejected a similar proposal. So let us not kid ourselves about the amendment. If you feel that the States have no responsibility toward those needing relief in their areas but that our relief problems is one solely to be solved at the National level then defeat the amendment.

If you feel that some Washington officials know more about the needs of your State than do the State officials then let us stop saying so much about States rights.

Do not forget that with State rights go State responsibility.

If States want the proposed relief extended, they can and should provide some of the necessary funds. If they do not wish to provide some of the necessary funds, then it is likely that their need is not so great as has been represented to the Federal Government. I think the fiscal situation of every one of the 48 States is as good as, if not better than, that of the Federal Government.

We hear many statements about States' rights and State responsibilities. Certainly under the various relief programs, the States have some responsibilities.

If the exact amount of the contribution—in this case, 25 percent—is the

point at issue, I want it clear I shall not argue about the exact percentage to be required. But I think some of the responsibility should be borne at the State level; and I believe that if this amendment were adopted, the program throughout the country would be much better and much sounder.

Mr. HOLLAND. Of course, Mr. President, I understand the attitude of the Senator from Delaware, and there is merit to it. However, some of his comments apply to the original bill, not to the committee substitute, because the committee substitute relates only to flour and meal, not to all the commodities mentioned in the original bill.

Furthermore, the amendment will not repeal existing law in any way, but simply will be supplemental thereto.

All the relief permissible under the present law would still be permissible, and would continue in effect if this bill is enacted into law. The only change made by the bill would be to make it possible for the Commodity Credit Corporation to process the wheat and the corn, in order to produce flour and meal; and then, when the governor of the State certified there was an acute distress situation, and when that certificate comported with the belief of the Secretary of Agriculture as to the acuteness of the situation and as to the usefulness of this particular method of affording relief, such relief could be provided under the terms of the substitute amendment.

Mr. LONG. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. I yield.

Mr. LONG. Is it not true that the Williams amendment would make it necessary that each of the 48 State legislatures be called into session and pass the necessary laws, in order to comply with the provisions of the amendment for a State matching formula, and in order that the amount of assistance in the form of the processed articles—in many instances might involve only small amounts of money—be made available to them?

Mr. HOLLAND. That might be true; but I do not think the situation would be so sweeping as the Senator from Louisiana has indicated, because, as drawn, the bill would be applied only to areas in which there is a great amount of distress. The bill is designed to take care of such situations in both the anthracite mining and the bituminous-coal-mining areas, where great distress exists; and one objection to the amendment of the Senator from Delaware is that the States affected by the bill, or those in which the people of the communities fall within the qualification of those who would be helped by the bill, might conceivably be required to call their legislatures into session.

It might be that the governor of such a State would have a small contingency fund which could be used to afford some relief; but if a considerable amount of money were involved, undoubtedly it would be necessary to have the legislature called into session, in order to have it provide for the necessary relief in such a situation.

Mr. LONG. As I recall, last year we provided for relief by means of making commodities available in the drought-stricken areas in a large number of the States of the Union. Conceivably, this fall or perhaps next summer there might be a drought because of which it might be necessary, under this amendment, that the State legislatures be called into session in a number of the States, in order to provide for a relatively small contribution. In that respect, it might be that the cost of convening the State legislatures would be as great as the amount of the contribution. Did that occur to the Senator?

Mr. HOLLAND. Certainly if there is need for relief in a given State, under the provisions of the amendment the Governor of the State would have to call the State legislature into session, in order to have it make provision for paying its part of the cost. There would be no exception to that arrangement; it would apply to every State which had a right to come under the provisions of this law.

Mr. LONG. Insofar as the average citizen is concerned, when he is providing relief for distressed persons, by means of paying his taxes, it does not make much difference to him whether a part of his taxes is channeled into the State Government and a part is channeled into the Federal Government. In any event, he would wish to have the necessary relief provided in the amount he thus had contributed; would he not?

Mr. HOLLAND. The committee thought so. But I wish to say that I think there is some merit to the position of the Senater from Delaware. He feels that the more restraint or the more safeguards we can provide for in various situations, the less likely there is to be abuse.

Having in mind the need for speed, and also having in mind the very real limitations as to the places to which these provisions would apply; the imposition of safeguards, by means of requiring the Governor of a State to find that, as a matter of fact, such an emergency existed, and to ask for help, and also that that would not happen unless there was a real distress situation; and also that the Department of Agriculture would be required to find that it would be proper to extend this relief; and further having in mind the other safeguards covered in the original presentation which has been made, the committee thought it had provided sufficient safeguards in order to achieve the desired result.

As a matter of fact, the program would be applied in a limited number of cases; it is an emergency program which is designed to meet emergency conditions in certain States—in particular in Pennsylvania and Kentucky, and perhaps in several of the other coal-producing States.

Mr. LONG. Did we require a 25-percent cash contribution when we undertook to give wheat to Pakistan and to India, or when we undertook to send commodities to Berlin, to assist distressed persons there?

Mr. HOLLAND. Of course, the Senator from Louisiana knows that in many cases we did not require such a cash contribution. As I recall, in the case of India, the program was on a 50–50 basis; but we loaned India the money for her 50 percent. However, as I recall, in the other cases the Senator from Louisiana has mentioned, all the relief was given by us outright.

The committee felt that under all the circumstances, the passage of the bill is justified in order to make it possible to extend the needed relief to a limited number of communities and to a number of our own people in such communities who are suffering from distress conditions, which we regret to report do not seem likely to be terminated in the very near future.

Mr. LONG. I thank the Senator from Florida.

Mr. WILLIAMS. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. I yield.

Mr. WILLIAMS. I wish to say that adoption of this amendment will make more food available to the needy in the United States than would be the case if the amendment were rejected, because under no circumstances will the amendment, if adopted, change the formula by means of which the needy receive such relief which is free of charge. By requiring the States to make their contributions, the amendment will add to the amount of food which will be available and which will be provided to persons in need, whereas if the amendment were to be rejected, a decreased amount of food would thus be made available.

However, I want to be frank by saying that is not the primary purpose of the amendment.

But, from the standpoint of those who need assistance, they would get more by the adoption of the amendment than without it. They would get such relief entirely free.

The only question with respect to this amendment is the question of who shall pay the bill, and whether or not the States will make some contribution. So far as the recipient is concerned, it makes no difference to him who pays it.

As to the argument that the State legislatures in the 48 States would have to be called into session, the Senator from Florida [Mr. HOLLAND] has already pointed out, that is not true. It would be true only in the case of States which had no State agencies or facilities, and had never made any effort to help distressed people of their States. I do not think there is a single State today which is not at least making some token effort toward helping the unemployed. If they are not, they had better get busy.

I know that in my own State, and in the State of the Senator from Louisiana [Mr. LONG] there are programs for helping those in need. Those programs could be tied in with the national program.

Therefore, all we have to do is to furnish 75 percent of the amount as Government aid, and the States can make their contributions by 25 percent. So there is no necessity for calling into session the legislatures of any of the States, except, perhaps, in the case of a State which has desperate need, but whose legislature has been in session, gone home, and paid no attention to their unemployed, in which case perhaps

the legislature had better come back and reexamine its own backyard.

I think the Senator from Florida will agree with me that any one of the States which has a program of relief for the needy can use the funds already appropriated to match the State share.

I recognize that there are arguments on both sides with respect to this bill. Why should not the States put up a part of this contribution? It has been argued on the floor, every time this amendment is offered, that everyone is in favor of it—tomorrow—but tomorrow never comes. We have been talking about the subject for 2 years.

I should like to see the amendment adopted today, so that we can put it into effect tomorrow.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. BARKLEY. With the permission of the Senator from Florida, I should like to say a word in regard to the background of this particular bill.

The bill grew out of a conference which some of us, representing the distressed areas, had at the beginning of this year with representatives of the Department of Agriculture.

The Senator from Florida has accurately described the unemployment and distress in certain regions of the country, and particularly the coal regions of West Virginia, Pennsylvania, Ohio, Kentucky, Virginia, and other States. The distress is so great in my State that today 225,000 people are on relief in Kentucky. That is nearly one-tenth of our population. The distress is very largely in the coal regions, because there is no other employment there. In many cases there is no other industry to which the unemployed can apply for jobs. Therefore, the call for relief has been great.

Last October I was in one town in eastern Kentucky to deliver an address. As I walked into the courthouse, the county judge of that county, through whom relief was distributed, told me that at that moment 300 men were standing in line for relief for their families, in that one town.

The conference with representatives of the Department of Agriculture to which I have referred was not with the Secretary, but with the Under Secretary or Assistant Secretary in charge of relief, to whom we had gone for specific relief in eastern Kentucky, West Virginia, and other places, in the distribution of flour and meal.

It developed in that conference that the Department of Agriculture interpreted the law to mean that they could not process wheat or corn into flour or meal so as to distribute the edible commodities in the communities where they were needed. It was generally agreed, I think, that Congress did not intend that to be the situation, but under the language of the law there was no other interpretation. We all agreed that it would be necessary to have legislation to correct that situation, authorizing the Department and the Commodity Credit Corporation to process wheat into flour and corn into meal. As a result, this bill was introduced.

The relief situation has not improved. It has improved in certain sections of the country, but in the coal regions it has not appreciably improved. In all relief legislation heretofore, in connection with flood distress, drought distress, or any other kind, we have never required a State to put up one-fourth, or any other percentage of the relief granted.

The corn and wheat belong to the Federal Government. They are now in storage. The Government cannot properly distribute corn and wheat in the grain, because we certainly would not require distressed people to eat whole corn and wheat, like hogs or horses. The grain must be ground into flour or meal.

This need has been in existence for months. It is now nearly the first of August. The need has existed all during this year. If we require the States of Kentucky, West Virginia, Ohio, Pennsylvania, Virginia, and other States to put up one-quarter of the amount, including the cost of the grain itself in the first place, I suppose, and including storage and the cost of processing, it will be necessary either to call the legislatures into to extraordinary session or to delay relief until January, or some other time, when they meet under their constitutions.

In the conference to which I refer, with the representatives of the Department of Agriculture, the point was raised that, inasmuch as we are sending flour and meal and processed grains to other nations—and I am for that; I have supported it, and intend to support it so long as the needs exist—it was certainly not inappropriate or inconsistent that we process whole wheat and corn into flour and meal for our own people.

I hope the amendment of the Senator from Delaware, for whom I have the greatest admiration, and whose sincerity I do not question, will not be agreed to, because the result would be that, because of the peculiar situation, we would be asked to deal with the relief problem involved in this case in a manner different from that in which we have acted in connection with any other matter pertaining to relief. It would be a great hardship upon those who are hungry and distressed. It would be a great hardship, without legislative action, to require a State legislature to meet in legislative session to comply with the terms of the bill. I hope the amendment will not be agreed to.

Mr. WILLIAMS. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. WILLIAMS. I should like to say to the Senator from Kentucky that my amendment would not affect the authority of the Department of Agriculture to process these commodities. We have already adopted a committee amendment which would authorize that, and I am not proposing to change it.

I fully agree with the Senator from Kentucky that certainly we are not going to propose that these grains be distributed in the raw form. My amendment does not affect that proposal at all. All I am trying to do is to spell out who shall pay the cost, and whether or not the State is to make any contribution.

I know that in the State of the Senator from Kentucky a substantial contribution is now being made by the State. If this amendment is adopted, there will be 25 percent more available to the people of Kentucky and other States, free of charge, than there would be without the amendment. In my opinion it is past time when we should provide that the States shall make a contribution. I think they should.

The decision is as to whether or not we are to adopt a policy. It is not a question of whether we give away certain commodities abroad or at home. In either case, with or without the amendment, we would be giving away the commodity, whether relief was accorded abroad or at home. We are not debating that point at all. We are merely trying to say that States which are constantly battling for States' rights should be willing to make some contribution toward meeting the requirements of their own people.

My amendment would diminish the administrative expenses, because the Federal Government would exercise the minimum supervision over the program. It would be left almost entirely to the States to distribute the relief through their regular channels.

I do not wish to debate the question any further. I recognize the fact that there are good arguments both for and against the proposal. I certainly know that the Senator from Kentucky, one of the authors of the bill, who appeared before our committee, is very sincere. He ably demonstrated to our committee that there is great need for the legislation. I conclude with the hope the amendment will be adopted, whereby we can provide for a distribution of the cost between the States and the Federal Government.

MUTUAL SECURITY APPROPRIATIONS, 1956

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The hour of 12:30 o'clock having arrived, which terminates the morning hour, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 7224) making appropriations for Mutual Security for the fiscal year ending June 30, 1956, and for other purposes.

Mr. CLEMENTS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

DONATION TO DISTRESSED COMMUNITIES OF PROCESSED FOOD COMMODITIES

Mr. WILLIAMS. Mr. President, I realize that the morning hour is concluded, and that automatically the unfinished business, the mutual-security bill, comes before the Senate. In debating the amendment, while I certainly hope it may be adopted, I was not trying to delay action on the amendment

and the bill by discussing the amendment until the close of the morning hour. Therefore, I ask unanimous consent that the Senate may proceed briefly with the further consideration of the bill. I should like to see the amendment and the bill disposed of, because I believe it is of some importance to those concerned. If it is agreeable to the acting majority leader, I should like to have the Senate proceed with the further consideration of the amendment and the bill.

Mr. HOLLAND. I hope the acting majority leader will agree that action be completed on the measure, and that the Senate may proceed for an additional 10 minutes with its consideration of the bill.

Mr. CLEMENTS. I certainly would have no objection, provided the bill is disposed of quickly. If it is not disposed of quickly, we shall have to proceed to the consideration of the mutual-defense bill.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. WILLIAMS. So far as I am concerned, I have nothing more to say on the subject. I believe we should vote on the amendment and the bill. It is unfortunate that consideration of the bill should have been cut off automatically by the expiration of the morning hour.

Mr. HOLLAND. If the distinguished Senator from Delaware will amend his request to provide for 10 additional minutes, I believe we can dispose of the bill in that time.

Mr. WILLIAMS. So far as I am concerned, I do not need any more time. I suggest that the Senate vote.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER (Mr. MONRONEY in the chair). Is there objection to the request of the Senator from Delaware?

There being no objection, the Senate resumed the consideration of the bill (S. 661), to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS].

The amendment was rejected.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. HOLLAND. Mr. President, there is a similar House bill before the Committee on Agriculture and Forestry. In order to expedite an immediate conference, I ask unanimous consent that the Committee on Agriculture and Forestry be discharged from further consideration of H. R. 2851.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HOLLAND. Mr. President, I now ask unanimous consent that the Senate proceed to consider the House bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 2851) to make agricultural commodities owned by the Commodity Credit Corporation available to persons in need in areas of acute distress.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HOLLAND. Mr. President, I move that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the text of S. 661, as amended.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDING OFFICER. Without objection, Senate bill 661 is indefinitely postponed.

The title was amended so as to read: "A bill to make corn meal and wheat flour available to needy persons."

RELEASE OF CERTAIN MARGINAL LANDS TO CLEMSON AGRICULTURAL COLLEGE

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1061, H. R. 4280.

The PRESIDING OFFICER. The Secretary will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 4280) to direct the Secretary of Agriculture to release, on behalf of the United States, conditions in two deeds conveying certain submarginal lands to Clemson Agricultural College of South Carolina so as to permit such college, subject to certain conditions, to sell, lease, or otherwise dispose of such lands.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSTON of South Carolina. The bill was introduced in the House by the six Representatives from South Carolina, a similar bill was introduced in the Senate by both Senators from South Carolina. The committee has reported the House bill, which was amended to meet some of the objections of the Department of Agriculture. The Department does not object to the bill in its present form. The report of the committee was unanimous.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. MORSE. Mr. President, I filed an objection to the bill with the calendar committee, because I wished to ask certain questions about it.

Am I correct in understanding that the amendment recommended by the Department of Agriculture, appearing on page 3 of the committee report, has been accepted by the two Senators from South Carolina, and is now a part of the bill?

Mr. JOHNSTON of South Carolina. That is correct. That fact is referred to in the House committee report.

Mr. MORSE. I do not have the House committee report. I have only the Senate committee report.

Mr. JOHNSTON of South Carolina. The House committee report so states.

Mr. MORSE. Are we to understand that this bill involves a piece of property which is probably worth in the neighborhood of a million dollars?

Mr. JOHNSTON of South Carolina. That is correct.

Mr. MORSE. Are we also to understand that the land contains considerable stands of timber?

Mr. JOHNSTON of South Carolina. There is some timber on the land.

Mr. MORSE. Am I correct in my understanding that the amendment of the Department of Agriculture, which has been accepted by the two Senators provides that the United States reversionary interest in the land can be sold, but that the proceeds from the sale shall be used to purchase other lands, which will become a part of the objective of the original project, and that therefore we, in fact, are dealing with an exchange of land, exchanging one tract of land for a to-be-purchased tract of land?

Mr. JOHNSTON of South Carolina. That is correct. The proceeds of the sale must be kept in a separate fund for that purpose.

Mr. MORSE. On the basis of the explanation of the Senator from South Carolina, the bill does not violate the Morse formula, because we are dealing with an exchange of land, exchanging one piece of land for another piece of land. Therefore there is no loss to the Federal Government and there is no need for the application of the Morse formula. I am pleased to withdraw my objection.

Mr. JOHNSTON of South Carolina. I thank the Senator.

Mr. THURMOND. Mr. President, Clemson Agricultural College is very much interested in the pending bill. Clemson College is one of the great agricultural colleges of the Nation and is rendering magnificent service. The Department of Agriculture does not have any objection to the bill. In fact, the bill was rewritten to comply with the Department's position. So far as I know, there is no objection to the bill, and I hope the Senate will pass it promptly.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H. R. 4280) was ordered to a third reading, read the third time, and passed.

SALE OF STOCKS OF BASIC AND STORABLE NONBASIC AGRICULTURAL COMMODITIES

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1060, S. 2170.

The PRESIDING OFFICER. The Secretary will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2170) to permit sale of Commodity Credit

Corporation stocks of basic and storable nonbasic agricultural commodities without restriction where similar commodities are exported in raw or processed form.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. EASTLAND. Mr. President, the pending bill would amend section 407 of the Agricultural Act of 1949 to include in "sales for export" sales made on condition that like commodities of comparable value or quantity be exported in raw or processed form. This would greatly facilitate export sales, since under it commodities could be sold at the Commodity Credit Corporation's export sales price to exporters who might export similar commodities of a quality desired by the foreign purchaser. Likewise, sales could be made at the export sales price to mills which might then export a like quantity of finished products.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 407 of the Agricultural Act of 1949, as amended, is amended by adding at the end of such section the following: "For the purposes of this section, sales for export shall not only include sales made on condition that the identical commodities sold be exported, but shall also include sales made on condition that commodities of the same kind and of comparable value or quantity be exported, either in raw or processed form."

AUTHORIZATION FOR COMMITTEE ON APPROPRIATIONS AND ALL STANDING COMMITTEES TO REPORT BILLS AND FILE REPORTS AND MOTIONS TO SUSPEND THE RULES DURING ADJOURNMENT OF THE SENATE TOMORROW

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the Committee on Appropriations and all other standing committees be permitted to report bills and file reports and motions to suspend the rules, during the adjournment of the Senate tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, I take it the Senator refers to the adjournment of the Senate over the weekend.

Mr. CLEMENTS. It is an adjournment which I hope will be over Saturday. It is certainly an adjournment over Sunday.

REVERSIONARY INTERESTS IN CERTAIN LAND GIVEN BY THE FEDERAL GOVERNMENT TO THE CITY OF CHANDLER, OKLA.

Mr. MORSE. Mr. President, I should like to ask whether the acting majority leader would be willing to recur to Calendar No. 883, House bill 4747, to which I filed an objection and with reference to which I wish to make a brief statement and then to withdraw my objection.

Mr. CLEMENTS. Will the Senator tell me the approximate amount of time that will be required?

Mr. MORSE. About half a minute.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the unfinished business be temporarily set aside, and that the Senate proceed to the consideration of Calendar No. 883, House bill 4747.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (H. R. 4747) to provide that reversionary interests of the United States in certain lands formerly conveyed to the city of Chandler, Okla., shall be quitclaimed to such city.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MORSE. Mr. President, the United States holds two reversionary interests in approximately 154 acres of land which was given by the Federal Government to the city of Chandler, Okla., in 1923.

One reversionary clause of the 1923 conveyance provided that if the lands were not used for public purposes, they would revert to the Government; the other gave the United States and Oklahoma the right to enter and occupy these lands for military and aviation purposes.

A portion of this property is now being used for city park purposes. The report states:

The enactment of the bill for valuable consideration of $3,000 would permit the city to obtain clear title to the lands and to proceed with plans for the public utilization of the area.

H. R. 4747 would authorize the United States to quitclaim to the city of Chandler upon the payment of $3,000. I have investigated the matter, and I am satisfied that the amount offered for the reversionary interest is even in excess of 50 percent of the appraised fair-market value of the reversionary interest. In fact, I think it is the fair-market value, and, therefore, the Morse formula does not apply, and I withdraw my objection.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

INVASION OF CIVILIAN AREAS BY MILITARY

Mr. JOHNSTON of South Carolina. Mr. President, I hold in my hand an article printed in the Washington Post and Times Herald of July 15, headed "Civilian Areas Invaded by Military, House Told." I ask unanimous consent that the article be printed in the body of the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CIVILIAN AREAS INVADED BY MILITARY, HOUSE TOLD

Representative ROBERT H. MOLLOHAN, Democrat, of West Virginia, warned yesterday that military men are encroaching on traditionally civilian areas such as Government, business, industry, and science.

MOLLOHAN told the House 32 retired generals and admirals have been appointed to what he called top policymaking and administrative positions in the Government in the past 2 years.

They include Rear Adm. Lewis L. Strauss, Chairman of the Atomic Energy Commission; Maj. Gen. Wilton P. Persons, deputy assistant to the President; and Lt. Gen. Joseph M. Swing, Commissioner of Immigration and Naturalization.

MOLLOHAN, a member of the House Armed Services Committee, said the concept of "civil supremacy over the military" has been one of the guiding principles of the United States form of Government.

"But today we see generals of the Army retire from active service on one day only to become the heads of such civilian agencies as the TVA and the Immigration and Naturalization Service on the day following," MOLLOHAN said.

MOLLOHAN has blocked House action on Senate-passed bills to place two more retired generals as assistant commissioners of immigration.

He also listed 33 retired generals and admirals with top jobs in private industry. He said many of the companies are among the "100 principal firms doing business with the Department of Defense."

"Without in any way reflecting upon the high qualifications and undoubted integrity of these officers," he said, "I nevertheless find it a too-startling coincidence that so many of those firms could not find qualified civilian personnel in their organizations, or in industry generally, to fill these positions.

MOLLOHAN also cited what he called an "unwholesome situation" disclosed by a House Armed Services subcommittee recently. He said "a retired general recalled to active duty, stated quite frankly and honestly that the business firm which had employed him during his retirement had since been making up the difference between his Government pay and his former salary."

MOLLOHAN apparently referred to Brig. Gen. W. W. White, who said he was drawing money from the Esso Export Corp. White is responsible for drawing up the Defense Department's oil policies.

JAPANESE THREAT TO UNITED STATES TEXTILE PRODUCTION

Mr. JOHNSTON of South Carolina. Mr. President, I hold in my hand an article written by Beverly T. Whitmire, of the Greenville News, Greenville, S. C., under date of July 19, 1955. The heading of this article is "Jap Textile Threat Discounted by Military Heads." In this article there is pointed out the fact that there is really no reason for anyone in America to become concerned, and that even if the exports of Japanese textiles were to double, they would still be less than 1½ percent of the American production.

I ask unanimous consent that the article be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JAP TEXTILE THREAT DISCOUNTED BY MILITARY HEADS

(By Beverly T. Whitmire)

TOKYO, JAPAN, July 18.—Hardly more than passing concern should be shown by the textile industry of America anent the lowering of tariff barriers on woven textiles from Japan.

This is the opinion of high military authority in the Far East as expressed today by Major General McNaughton through his aide on economic affairs, Lt. William R. Vizzard.

In the course of a briefing given at Far Eastern Headquarters, General McNaughton pointed out that here was a country, Japan, once industrious and powerful, now, still courageous, but bled white and with industries razed, two cities destroyed almost completely, and generally beaten into the earth. Here was a country, once our enemy and now our friend.

"It is very important," said General McNaughton, "that this friend becomes strong again, industrially and economically and militarily. At least she must become able to defend herself against an armed invasion. The Government is in favor of this, but unfortunately it is a minority government. However, we are making progress. We are giving the Japanese as much employment as we can. They are used in repair and maintenance of our ships. We buy all we can from them. Take aluminum wing fuel tanks. They cost us over $500 in the States but we can get them here in Japan for $280. So it makes sense both ways. We want to buy their manufactured goods. As soon as we can get Japan strong enough, we can withdraw. That is the ultimate aim."

The mention of manufactured goods prompted the question of "What about textiles?" and so General McNaughton called in Lieutenant Vizzard.

"There is really no reason for anyone in America to be concerned seriously. Even if the export of Japanese textiles were doubled it would still be less than 1½ percent of the normal United States consumption. And remember this: Japan gets her raw cotton from the United States. She used to get it from India, but now India is using her own cotton and selling the cloth to her own people and to Burma and a little in North Africa.

"Next, Japanese textiles are low-grade and cheap. They are not wanted in America. American machine textiles are far better and can be produced cheaper than Japanese machine textiles. In the weaving of cloth with much hand labor, Japan would have an advantage, but America doesn't want this cheaper stuff and Japan is trying to open markets in eastern Africa, Malaya, Thailand, and Formosa. They are also looking into the South American market.

"Japan can and does produce some very high quality cloth, very good brocades and such. These will find a market in America, but the amount will be very small and will disturb nothing.

"They are not skillful merchandisers, and on occasion a whole shipload will arrive and disturb the market for a few days, but that is all.

"The Japanese machines cannot compare with the American machines. The Japanese machines break down and do not do the precision work of the American machines. American labor is a skilled labor, a dignity that comes with handling a machine that does the work of many unskilled laborers. Japan is a long, long way from this, and we have nothing about which to worry. To translate it into GI language: Japanese versus American textiles—no sweat.

"Yet, this gesture, if it can be so termed, is terribly important to those whose mission it is to preserve the peace of the world."

AMERICAN COTTON TEXTILE INDUSTRY

Mr. JOHNSTON of South Carolina. Mr. President, the best profit year for the textile industry since World War II was 1947. According to the Federal Trade Commission and Securities and Exchange Commission statistics, in 1947 the textile-mill-products industry earned, after taxes, 8.2 percent on sales, or 19.5 percent on stockholders' equity. In 1954 the industry earned, after taxes, only 1 percent on sales, or 1.9 percent on stockholders' equity.

Let us consider imports from Japan. Cotton-cloth imports from Japan, a subject which is currently being discussed in the newspapers, increased by about 50 percent from 1953 to 1954; and imports so far in 1955 are running 50 percent ahead of 1954, even before the new lower tariff rates take effect.

I cite the comparison of cotton-cloth shipments from Japan to the United States, as follows:

In 1953, such shipments were 30,665,689 square yards.

In 1954, they were 47,693,496 square yards.

In 1955, from January through April, they were 23,096,987 square yards.

In addition, imports of cotton apparel made in Japan are increasing at a fantastic rate. The Japanese Ministry of International Trade and Finance estimates that in May 1955 a total of 239,200 dozen woven cotton shirts and blouses were exported to the United States.

In April 1955, shipments totaled 214,000 dozen.

For comparison, in the entire year 1954 such exports to the United States from Japan totaled 189,214 dozen.

The imports, in May 1955, alone, figuring 30 yards of cloth to a dozen shirts, were the equivalent of 7,100,000 yards of cotton cloth.

The great bulk of United States apparel imports are coming from Japan. At current rates, probably the equivalent of from eighty to ninety million yards of cloth will enter this country from Japan as apparel in 1955.

Cloth imports usually increase seasonally in the fall. Current imports in early 1955 indicate, at the old tariff rates, Japanese shipments of from seventy-five to eighty million yards to this country.

To the indicated 1955 total of textile imports from Japan must be added a substantial amount of imports in the form of such items as sheets, pillowcases, towels, and rugs. In the January to May 1955 period more than 5 million sheets and pillowcases, 7 million towels, and more than 2 million cotton rugs have been imported—a large proportion of them from Japan.

All in all, the 1955 textile imports from Japan can be conservatively estimated at 200 million yards.

In 1954 the Japanese exports of cotton fabrics totaled 1,278,121,000 square yards, up 39.4 percent over 1953.

Besides the United States of America, Japan's major textile customers were Pakistan, Australia, Great Britain, British West Africa, Burma, Thailand, Singapore, and Hong Kong.

I think anyone who examines the record will see that the Japanese are gradually moving more and more of their products into the United States and are coming into greater competition with labor in this country.

I call the attention of the Senate and of the people of the Nation to the fact that when we allow the products of cheap foreign labor to come into competition with labor in the United States, we must face the fact that it will mean doom to our own textile industry. When I make that statement I mean that our textile industry is now at the breaking point. In other words, if we should have taken away from us only a small percentage of our sales, it would mean that there probably would be more bankruptcies in our textile industries.

What does the military know about the situation? The military attempts to tell civilians how to run their business. I believe the military should stay in their place. Let the military run its own affairs and let the civilians run their side of the economy.

Although I thought Eisenhower was a good general, a good military man, one reason why I opposed him for the Presidency was that I thought he did not know a single thing about running the Government. The military are now telling the civilians what effect such imports will have upon our industries. When did it become the duty of a general to make statements which concern the textile industry of my State? I am one who believes that the military should stay in the military field and let the civilian population conduct political and economic affairs.

COMMENDATION OF THE MUTUAL SECURITY APPROPRIATIONS BILL

Mr. WILEY. Mr. President, there have been occasions in the past when the gentlemen of the Senate Foreign Relations Committee and our good friends of the Senate Appropriations Committee have differed a good deal on appropriations for mutual security purposes.

I am pleased to say that in the instance of the mutual security appropriations bill, H. R. 7724, which the Senate Appropriations Committee has reported, the members of the two committees see eye to eye, by and large.

I am particularly pleased at the restoration of funds decided upon by our friends on the Senate Appropriations Committee, over and above the more limited amounts which have been approved by our colleagues in the House of Representatives.

RESTORATION HELPS US AT GENEVA

I think that the action of the Senate committee in largely restoring the slashes is most beneficial, coming as it does, at the time of the Big Four meeting at the summit. It strengthens the hand of our Chief Executive and our Secretary of State.

The Senate committee's action serves notice to friend, foe, and neutral alike that the United States is not assuming that simply because the Big Four have been meeting, East-West problems are on their way to quick solution, or that we can let down our guard in the slightest, or arbitrarily slash our aid.

I trust that restoration of the funds, as voted in the Senate Appropriations Committee, which will be sustained, I believe, now on the floor, will be maintained, in turn, in the final Senate-House conference committee.

I realize full well the avalanche of requests for funds, as received by the

Appropriations Committees on the domestic and foreign fronts. But I think that it could be penny-wise and pound-foolish to harm a program which has reaped such important dividends for the security of the Western World.

If time permitted, I should like to comment on particular items of the Senate Appropriations Committee action which I feel were most commendable.

I do, however, want particularly to commend the support of the full budget estimate of defense support for Asia.

I commend as well the full support given to military assistance—$1.125 billion—for military equipment and training.

COMMENDATION OF $22 MILLION RESTORATION FOR SPAIN

I was pleased, too, to note that $50 million of defense support will be specifically available to Spain on a grant basis, with $22 million of the total to be used for agricultural commodities.

Fifty million dollars is the sum which the committee of conference on the Mutual Security Authorization Act, Public Law 138, had wisely specifically recommended. Continued prompt implementing of our friendly relations with the Spanish Government and people is, I believe, an absolutely sound objective—and one which, I trust, the Senate-House conference committee on this bill will rightly sustain. Spain looms ever larger in the sound planning for further Atlantic strength, and that is why I shall continue to seek her prompt admission into NATO.

CONCLUSION

Suffice it to say that I commend my colleagues on the Appropriations Committee, and express the hope that their fine work will be followed through in the conference committee which will be held.

MUTUAL SECURITY APPROPRIATIONS, 1955

The PRESIDING OFFICER (Mr. THURMOND in the chair). The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 7224) making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. CLEMENTS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HAYDEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYDEN. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, and that the bill be read for amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYDEN. Mr. President, the pending mutual-security appropriation bill for 1956, as it passed the House, provided for an appropriation of $2,638,741,750. The amount of the increase recommended by the Senate committee is $566,600,000.

In addition, there were unobligated balances amounting to $21,366,750, which were made available for the next fiscal year.

Mr. President, the increases are shown on a table appearing on page 2 of the committee report, and I ask unanimous consent that it be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Available, 1955	Estimates, 1956	Recommended in House bill, 1956	Recommended in Senate bill, 1956	Senate bill compared with—		House bill
					Available, 1955	Estimates, 1956	
Military assistance:							
Appropriation	$1,020,973,387	$1,125,000,000	$705,000,000	$1,125,000,000	+$104,026,613		+$420,000,000
Unobligated and unreserved balance	2,422,512,729	33,900,000	33,900,000	33,900,000	−2,388,612,729		
Total	3,443,486,116	1,158,900,000	738,900,000	1,158,900,000	−2,284,586,116		+420,000,000
Direct forces support	365,760,000	317,200,000	305,000,000	317,200,000	−48,560,000		+12,200,000
Defense support:							
Appropriation	1,162,577,808	1,000,300,000	947,500,000	1,027,000,000	−135,577,808	+26,700,000	+79,500,000
Unobligated balance	32,200,000	25,000,000	25,000,000	25,000,000	−7,200,000		
Total	1,194,777,808	1,025,300,000	972,500,000	1,052,000,000	−142,777,808	+26,700,000	+79,500,000
Development assistance	164,600,000	182,000,000	172,000,000	162,000,000	−2,600,000	−20,000,000	−10,000,000
Technical cooperation	126,354,621	172,000,000	150,500,000	155,500,000	+29,145,379	−16,500,000	+5,000,000
Other programs:							
Appropriation	130,834,000	470,141,750	358,741,750	418,641,750	+287,807,750	−51,500,000	+59,900,000
Unobligated balance	23,563,250	3,633,250	3,633,250	3,633,250	−19,930,000		
Total	154,397,250	473,775,000	362,375,000	422,275,000	+267,877,750	−51,500,000	+59,900,000
Undistributed unobligated balance		21,366,750		21,366,750	+21,366,750		+21,366,750
Total Mutual Security:							
Appropriation	2,971,099,816	3,266,641,750	2,638,741,750	3,205,341,750	+234,241,934	−61,300,000	+566,600,000
Unobligated balance	2,478,275,979	83,900,000	62,533,250	83,900,000	−2,394,375,979		+21,366,750
Total	5,449,375,795	3,350,541,750	2,701,275,000	3,289,241,750	−2,160,134,045	−61,300,000	+587,966,750

Mr. HAYDEN. Mr. President, the amount provided in the bill as reported to the Senate is $3,205,341,750.

The amount of the estimates for 1956 was $3,266,641,750.

The amount of the appropriations for 1955 was $2,971,099,816.

The bill as reported to the Senate is under the estimates for 1956 by $61,300,000, and over the appropriations for the past fiscal year by $234,241,934.

Inasmuch as the amendments are comparatively few in number, at least in comparison with those contained in other appropriation bills, I think the best procedure to follow in this case is to ask that the committee amendments be first considered, beginning with the first amendment on page 2. I make that request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ELLENDER. What was the request, Mr. President?

Mr. HAYDEN. To consider the committee amendments in the order in which they appear in the bill, beginning with the first amendment on page 2.

Mr. ELLENDER. The Senator from Arizona is requesting consideration of the committee amendments now, is he?

Mr. HAYDEN. Yes.

Mr. BYRD. Mr. President——

Mr. HAYDEN. I yield to the Senator from Virginia.

Mr. BYRD. Mr. President, with 1956 payments under appropriations in the pending mutual security appropriation bill, H. R. 7224, now before the Senate, gross expenditures by the United States for foreign aid since World War II will exceed $57 billion. Of this amount, nearly $37 billion will be in economic aid, and more than $20 billion will be in military assistance.

In addition to this sum, we could add still more billions of dollars, representing the value of military property which was transferred to both friendly and enemy countries in the closing days of the war, for the relief of their people.

This money has been spent over 11 years, through some 30 major foreign-assistance programs.

In the overall, this country has been on a deficit basis for the entire period. This means that all foreign-aid expenditures were paid for by borrowing and adding to the public debt. If it had not been for these foreign-aid programs, our debt today would be close to $225 billion, instead of at the current $280 billion level.

The interest on the Federal debt is now running at approximately $6.5 billion annually. If it were not for the debt piled up under these foreign-aid programs, Federal interest costs would be reduced by more than a billion dollars a year.

While we are pouring this money abroad, our people at home are suffering the cruel burden of peacetime tax rates near their peak. There is imperative need for Federal tax reduction and equalization, but such tax reduction should come only by reducing expenditures. A tax reduction on a deficit-financing basis would only increase the debt.

The President's budget document for fiscal year 1956 estimated foreign-aid expenditures at $4.7 billion. It estimated the Federal deficit at $2.4 billion.

If we did not now have this expenditure for foreign aid, and if we did not have to pay the interest on the debt created by previous foreign-aid expenditures, we could balance the budget and reduce taxes across the board by 5½ percent.

But instead of reducing foreign assistance programs the bill, following closely the President's request, would increase appropriations for foreign aid nearly 10 percent over those enacted last year.

The Mutual Security Act of 1955, enacted July 8, 1955, contained new authorizations for appropriations of new money totaling $3,286 million for foreign aid, and the authorization to reappropriate $200 million of unobligated, unreserved, unexpended balances. These figures total $3.5 billion in authorizations for fiscal year 1956.

Pursuant to the earlier authorization bill, the pending appropriation bill would appropriate new money totaling $3,205 million, and would reappropriate $84 million of unobligated, unreserved, unexpended balances. These figures total $3,289 million in appropriations for the fiscal year 1956.

The President's budget document for the fiscal year 1956 estimated that expenditures for foreign aid will total $4.7 billion, as compared with $4.3 billion in the fiscal year 1955. This is an increase of $400 million, or 9½ percent. Nothing in this bill would require substantial revision of this expenditure estimate.

To many of us who have been taking consolation in the thought that foreign aid was diminishing, it is startling and disturbing to find now that both appropriations and expenditures are to climb again.

Instead of curtailing foreign aid, we are expanding it. If we are to continue aid in Europe, and if we are to duplicate in Asia what we have done in Europe, many billions more will be added to the public debt for these programs.

The budget document estimated that foreign-aid programs would enter the fiscal year 1956 with unexpended balances on hand, from old appropriations, enacted in prior years, totaling $8.1 billion. The committee report on the Mutual Security Authorization Act of 1955 revised this unexpended balance estimate upward to $8.7 billion. The Senate committee report on this bill does not include an estimate of these unexpended balances. Treasury reports show that as of March 31, 1955, unexpended balances in foreign-aid appropriation accounts totaled $10.1 billion.

It is particularly disturbing to me that it is contemplated to increase foreign-aid authorizations and appropriations at a time when in existing appropriations there are unexpended balances of somewhere between $8 billion and $9 billion.

What part of these unexpended balances are obligated? How firm are the so-called obligations against them? It is doubtful whether anyone really knows the answers to these questions.

By long experience I have found, particularly in the case of foreign-aid programs, that there are different kinds of obligations. There are contract obligations, and there are obligations by so-called letters of intent. In foreign aid, especially, there seems to be obligations based on notations of ideas. And now reference is made to "reserved funds" in the nature of obligations—whatever that may mean.

Mr. LONG. Mr. President, if the Senator will yield to me, let me say that I have been informed that some of these funds have been obligated and deobligated as many as seven times, just to keep the money available to the executive branch, so it could be spent. As the Senator from Virginia is pointing out, nowadays they simply say they reserve funds, which means they are thinking of spending them; and that holds the funds available for expenditure.

Mr. BYRD. That is correct. As chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, it has been impossible to obtain any definite ideas as to these so-called obligations. I regard a contract obligation by means of a so-called letter of intent as no obligation at all; that simply means writing a letter stating that it is expected to do so and so. But that is not a binding obligation.

It should be noted that these foreign-aid programs have a way of changing to conform with the attitude of the times. I do not know whether we call it a change in bookkeeping terms, whether we call it changing names on doors, or whether we call it changing appropriation titles; but for instance, a new thing which is coming to the fore is called direct forces support. It seems to be a sort of twilight foreign-aid-spending program which could be regarded as either military or economic or both, depending on one's attitude. I think in that category, approximately $1 billion is so classified.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement as to the method by which these expenditures will be made under the provisions of the pending bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Appropriations in this bill may be summarized as follows:

Military assistance	$1,125,000,000
Economic assistance:	
Direct forces support	317,200,000
Defense support	1,027,000,000
Development assistance	162,000,000
Technical cooperation	155,500,000
President's fund for Asian economic development	150,000,000
Subtotal	1,811,700,000
Miscellaneous (special fund of the President, joint control areas, migrants, refugees, and escapees, U. N. children's fund, Palestine refugees, NATO civilian headquarters, ocean freight, control act, and administrative)	268,641,750
Reappropriation of unreserved, unobligated, unexpended balance	83,900,000
Total	3,289,241,750

Programs for which appropriations would be made in the pending bill are listed and described as follows:

Military assistance: Largely weapons, ammunition, and military transport and communications equipment	$1,125,000,000
Direct forces support: Civilian-type items required by military establishments, such as food, clothing, petroleum, etc	317,200,000
Defense support: Primarily machinery and commodities, including surplus agricultural commodities, to enable a country to maintain a higher level of defense activity	1,027,000,000
Development assistance: Aid for underdeveloped areas in the form of grants and loans for expansion of industry and agriculture, transportation, communication and power facilities, etc	162,000,000
Technical cooperation: Largely for personal services of trained technicians who are engaged primarily in training and demonstrations designed to aid underdeveloped countries (allocation includes $24 million for U. N. and $1.5 million for Organization of American States programs, remaining $130 million is for direct bilateral United States technical aid)	155,500,000
Special fund: An emergency fund which the President may use without regard to other requirements of the act	100,000,000
Joint control areas: Aid to areas formerly occupied by United States and other nations jointly; primarily general assistance to the city of Berlin and technical exchange in Austria	21,000,000

Migrants, refugees, and escapees: Three programs aiding and providing temporary care and permanent settlement of such groups: Intergovernmental Committee for European Migration	$12,500,000
United Nations Refugee Fund	1,400,000
Escapees	6,000,000
United Nations Children's Fund: Long-range child welfare programs in underdeveloped countries, operated by United Nations to which United States contributes 60 percent in 1955 with the 1956 request for 57½ percent	14,500,000
Palestine refugees: United Nations technical, economic, and development assistance to Palestine area; still includes much relief as well as rehabilitation	60,366,750
NATO civilian headquarters: United States contribution to civilian expenses of NATO, including construction of new building	3,700,000
Ocean freight: To subsidize ocean freight costs for surplus agricultural commodities, including shipments by voluntary relief agencies	14,500,000
Control Act expenses: Administration of the provisions of the Mutual Defense and Assistance Control Act (the Battle Act) with respect to restricting trade by our allies in strategic materials with unfriendly nations	1,175,000
Administrative expenses: General administrative costs, exclusive of military assistance and direct forces support	33,500,000
President's Fund for Asian Economic development: New special fund for a program designed to promote the economic development of the Asian region as a whole	150,000,000
Unexpended balances, unobligated and unreserved	83,900,000
Total	3,289,241,750

Mr. BYRD. Mr. President, to this date I have voted for reasonable military assistance, but the time has come to apply the rule of reason. In the first place, the United States should not continue military assistance for countries now able to provide for their own defense. In the second place, we should not appropriate for economic assistance in the guise of military assistance. But that is what the bill does, by changing the title, as I have stated, to "Defense Support," which has little, if anything, to do with actual defense.

I shall never hesitate to vote to provide food and shelter for those who need it. It is not my intention to oppose the United States undertaking its full share of the price for military defense of freedom.

But I ask with all sincerity if the time has not come for us to stop the programs which started out as economic rehabilitation but have now developed into subsidy of foreign enterprise which is competing with our own domestic production.

The distinguished presiding officer [Mr. THURMOND] knows that all through Europe and Japan economic aid was used to rebuild textile plants in those countries, so that today they have the finest plants in the world, exceeding in effectiveness and efficiency even our own plants. Not $1 did they pay for those plants. They were all paid for out of so-called economic aid.

It is appropriate indeed for us to inquire, When will foreign aid end?

With our debt at a staggering sum, with our taxes near their peacetime peak, with our Government still, after more than a quarter of a century, on a deficit financing basis, I ask for an answer to the question:

When will foreign aid return to a declining scale or cease?

Why is it necessary to increase appropriations nearly 10 percent for foreign aid at this late date?

Mr. ELLENDER. Mr. President, what is the question before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment, which will be stated.

The first amendment of the Committee on Appropriations was, under the heading "Mutual Security", on page 2, line 6, after the numerals "124", to insert "to remain available until expended."

The amendment was agreed to.

The next amendment was on page 2, line 7, after the amendment just above stated, to strike out "$705,000,000" and insert "$1,125,000,000."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. HAYDEN. Mr. President, very briefly I should like to say that this is the major item in dispute between the Senate and House. A number of circumstances induced the House to reduce the amount of this appropriation, but our committee believes that under the present circumstances, particularly with the President of the United States at Geneva, and in view of the fact that he asked for this money, it would be the part of wisdom to allow it.

The question which arises primarily in this respect is whether the difference, which is some four-hundred-million-odd dollars, was justifiably reserved or obligated by the Department of Defense on the 30th of June with the approval of the Bureau of the Budget. That question we shall have to argue out in conference. However, let me say that, in a broad way, your committee thought that in order to carry out the established American national policy, which is that we should be adequately prepared to defend ourselves if a war should come, the entire amount of the money heretofore appropriated for military assistance should be available at this time, and not be allowed to revert to the Treasury.

These appropriations are intended to provide the means required for the implementation of a foreign policy that is vital to all of us. They are designed to help in the creation throughout the free world of the kind of balanced military, political, economic, and moral strength which is fundamental to the attainment of our highest national aspiration—the establishment of a permanent, enduring peace under conditions that freemen can accept.

Mr. ELLENDER. Mr. President, I rise in opposition to the pending amendment. Its effect would be to add $420 million to the $705 million provided in the bill as passed by the House, making the total for military aid $1,125,000,000.

I listened with a great deal of attention to the speech just made by my good friend from Virginia [Mr. BYRD]. He asked the question as to when foreign aid may be expected to end. I have been seeking an answer to that question for the past 3 years.

As the record will show, I voted for the Marshall plan in 1948. I thought that economic aid would end soon after we placed our allies, our friends across the sea in Western Europe, on their feet; but instead, as the distinguished Senator from Virginia has just stated, aid has continued—and will apparently continue—perhaps under a different name from that with which it began, but it is continuing nevertheless. Today it is military aid—but it is aid which I submit can be eliminated. The committee's amendment should be defeated, first, because of the huge unexpended balances which are now on hand. I propose to document, as well as I can, the evidence adduced before the committee, which indicates that today, in round figures, there are in unexpended balances $8.4 billion, $6.5 billion of which is for military aid, aid of the same character that would be provided by the $1,125,000,000 which the Senate Appropriations Committee is now requesting.

Evidence given by those connected with the military demonstrates that if we should not appropriate a single dime this year there would be available sufficient funds to carry on this program for 2 years.

As I pointed out in the committee when the general defense bill was pending there, we ended the fiscal year 1954 with $15.6 billion of unobligated balances from defense appropriations. On June 30, 1955, we closed the year with $11.6 billion of unobligated funds for general defense purposes. The armed services admitted before the committee that when the present fiscal year ends, they will have an unobligated balance of $6.4 billion, as I propose to point out in connection with the pending measure.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LONG. My colleague has made a very thorough study of this subject. It seems to me that, in justice and fairness to himself, every Senator should hear the argument being made by the senior Senator from Louisiana. I observe that there are only about 20 Senators in the Chamber at this moment. If my senior colleague will permit it, I should like to suggest the absence of a quorum, if he will yield for that purpose.

Mr. ELLENDER. I doubt if any more Senators could be induced to remain in the Chamber.

Mr. LONG. There is about $600 million involved in the Senator's speech.

Mr. ELLENDER. The entire bill involves only $3,300,000,000. The amount I propose to trim away is, when compared with the whole, not much money. It is only chickenfeed. I hope that as we proceed, other Senators will enter the Chamber and interest themselves in this subject.

The record will show that the whole bill was considered by the Senate Appropriations Committee in hearings which lasted only 2 or 3 days. Most of that time only a few Senators were present. I am not complaining about that, because I know my colleagues are very busy. They are men of honor. They were occupied on other work, and, therefore, could not attend all sessions of the hearings.

As I have indicated, I wish to document the evidence which shows the huge unexpended balances which are available for the foreign-aid program, and which total $8.4 billion, of which $6.5 billion is for direct military aid.

On page 175 of the hearings Mr. McNeil testified as follows:

Senator ELLENDER. Maybe you did not understand my question. What was the total amount of money in hand since 1949–50; that is, for the mutual-security program, because the table that we have before us that was handed to us by Mr. Stassen yesterday shows an unexpended balance of $8,490,400,000.

Mr. MCNEIL. That figure of $8.4 billion is for the whole aid program, I believe, sir; not the military portion.

Senator DIRKSEN. Here is the figure on page 3. The total amount of the program in 1950–55 was roughly $19.2 billion. They have accomplished as of January 31, $11.3 billion.

So that the unaccomplished portion is $7.7 billion.

Now, that figure is refined to $6.5 billion, roughly, as of the 30th of June.

As I indicated, in addition to this huge amount, which is now on hand, we are going to add to the kitty, if the amendment of the committee is adopted, another $1,125,000,000. If the House bill is adopted, the amount added will be $705 million.

In committee I endeavored to reduce further the amount approved by the House. I offered an amendment to cut the appropriation provided by the House from $705 million to $500 million. Realizing, however, that there was no chance to have the committee adopt that amendment, I agreed to modify my amendment to provide $705 million, which is the House figure. Instead, the committee voted to restore the military-aid item to the full budget estimate of $1,125,000,000.

Of the huge sum of $6½ billion, representing unexpended balances as of June 30, 1955, for military aid, $5 billion—I ask Senators to listen to these figures—$5 billion is scheduled for military aid to Western Europe.

I now quote the testimony of Mr. McNeil, Assistant Secretary of Defense, to substantiate my statement:

Mr. MCNEIL. First, of the six and a half for military, $5 billion has been scheduled for Europe.

Senator ELLENDER. $5 billion is scheduled for Europe out of the $6½ billion? Now, what is the status of that?

Mr. MCNEIL. The shipments are going forward every day.

Senator ELLENDER. How much of that $5 billion is in reserve, sir?

Mr. MCNEIL. All of it, sir, except that portion which is directly obligated for offshore procurement contracts, or for unusual items, such as minesweepers, which are bought directly.

The amount for such purposes, as Mr. McNeil stated, is very small in comparison with the full amount on hand. The great bulk of the fund is not under contract; it is only reserved.

Mr. McNeil, in further answer to questions, stated that this amount was only technically obligated. What that means, I was unable to determine. However, the fact remains that the 5 billion-plus dollars, which has been accumulating for the past 6 or 7 years, is presently designated for Western Europe. It is my belief, Mr. President, something ought to be done to restudy and reevaluate the present-day conditions in Europe, so that we may make an all-out effort to get most of our allies, who are now well off, to assist us, at least, in carrying this huge armament and economic-aid load.

Mr. President, as I indicated a moment ago—and I will produce the evidence to show it—the amount now on hand is sufficient to carry the mutual-defense program for 2 years. That evidence is found on page 180 of the House hearings. I do not wish to read all of the excerpts from the Senate Appropriations Committee and House Appropriations Committee hearings that relate to this subject, because to do so would take considerable of the Senate's time. Therefore, I ask unanimous consent that the excerpts I have marked in these volumes be printed in the RECORD in connection with my remarks. I make that request in order to save the time of the Senate.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

RESERVATION FUNDS

Senator, the obligations, direct contracts recorded directly against military assistance money, are about $1.8 billion with $4.7 billion classed as reservation. The reservations cover orders to the Army, Navy, and Air Force.

Senator ELLENDER. In other words, that money is there to purchase material that may be in the hands of the Armed Forces or if they are not readily available from stock, to put them under contract. Is that right?

Mr. MCNEIL. Things that they might not have in stock, or are likely not to have in stock, will be under contract by them and are classified as obligations against Department of Defense appropriations.

Senator ELLENDER. What I am trying to get at is the actual amount. You say it is $4.7 billion that is in reserve, that is not obligated?

Mr. MCNEIL. Well, if this order that is placed by military assistance with the Army or with the Air Force were with a private firm, it would be truly obligated.

Senator ELLENDER. But it is not up to now. You have it there?

Mr. MCNEIL. It never will be technically obligated until the material actually is shipped, until the shipping ticket shows it is on its way.

Senator ELLENDER. And actually needed?

CONTRACT FOR TANKS

Mr. MCNEIL. For example, a contract is outstanding today with the Chrysler Corp. to build a number of tanks per month. That contract is an obligation for payment the next 2 years—it runs to the end of 1957 for a certain rate of production. That shows as an Army obligation, but the tanks from that contract when delivered will go to fill this requirement.

Now, Army does not have the money for it. They have, however, money to pay Chrysler until they can collect from military assistance, but we have to set that money aside in the military assistance appropriations, and to that extent it is in reality, under section 110, a firm obligation for reimbursement to the Army from military assistance funds. This is termed a reservation.

Senator ELLENDER. But you do have money on hand in that category of over $4 billion?

Mr. MCNEIL. That is right.

Senator ELLENDER. You want to add to that another $1,125 million?

Mr. MCNEIL. Yes. Out of that total for next year, which is the $6½ billion plus the $1.1 billion, the expenditures for deliveries and services are estimated at about $3 billion. We can give you a picture of what our situation will be 1 year from today.

(Senate hearings, p. 180.)

NEED FOR NEW FUNDS AND USE OF UNEXPENDED FUNDS

Mr. PASSMAN. Mr. Hensel, I have followed you very closely there.

Based on the request for this year, the amount of unexpended balances available for the future are such that this program really could go full steam ahead for 3 years, could it not, just based upon the average amount for the past 3 years, even though you did not get any money?

Mr. HENSEL. If you would say 2 years and a fraction I would agree with you, sir.

Mr. PASSMAN. $9,531,000,000?

Mr. HENSEL. The only thing I can follow is just the military assistance part of it. That is $7.2 billion or $7.1 billion.

Mr. PASSMAN. This says $7 billion.

Mr. HENSEL. Right.

Mr. PASSMAN. As of April 30.

Mr. HENSEL. Yes.

Mr. PASSMAN. In other words, there is sufficient money available in the pipeline to go full steam ahead for 2 years plus, if you had no additional money?

Mr. HENSEL. That is correct, sir. May I say there is a proviso to that, sir.

Mr. PASSMAN. The planning?

Mr. HENSEL. No. Right away, that has all been programed.

Mr. PASSMAN. Yes.

Mr. HENSEL. And it is assumed that that will be delivered, and it represents materiel and hard goods and training schedules. There are very few training schedules, because most of those are completed.

(House hearings, pp. 64–65.)

Mr. ELLENDER. Mr. President, as I stated a while ago, these reserved funds have not been tied down, as it were, by contract. The evidence showed, as the distinguished Senator from Virginia [Mr. BYRD] has pointed out, that much of the money which was appropriated in 1950, 1951, 1952, and down to the last fiscal year was shifted from one program to another, and from one country to another.

Much of the money which was set aside for Europe was used in Southeast Asia. Therefore, the amount we now have on hand can be used in any part of the world.

On page 182, the testimony shows:

Senator ELLENDER. Tell me this—Have you that $5 billion tied down and promised to those people? Is it so committed that you cannot change it?

Mr. MCNEIL. I would say you could change it. You have an obligation to fulfill but if they do not live up to their portion——

Admiral Radford, who appeared before our committee, testified on this subject. Admiral Radford testified that because of changing conditions these funds can be sent to Europe, southeast Asia, or to any other part of the world that the armed services desire they be sent. That, in effect, was his testimony. I ask unanimous consent that an excerpt from pages 112 and 113 of the Senate Appropriation Committee hearings be placed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Chairman HAYDEN. Is there enough flexibility that you could explain to some particular country that "You were told we were going to give them a certain thing this year, but now we are a little short; we have to take care of something else"? Are there commitments firm and binding so that you cannot get out of them?

Admiral RADFORD. No, sir; not so much that way. It is mainly because we have contracted for the material.

In other words, Mr. President, any material which is contracted for, of course, comes within the category of an obligation, but it can still be used wherever the Department of Defense sees fit.

Mr. President, as was stated by my good friend and colleague from Virginia, much of the funds which were appropriated in the past 4 or 5 years has been obligated and reobligated many, many times.

To quote Mr. Stassen, at page 73 of the Senate Appropriations Committee hearings:

Senator ELLENDER. Does that indicate any changes because of changed conditions, any reductions, or any transfer from one country to another?

Mr. STASSEN. That indicates that up to date as of January 31, 1955, that is the situation worldwide. Whenever something comes up that requires a change, then these master records in the Department of Defense are changed. It is a constantly changing picture.

Senator ELLENDER. That is what I want to look into.

Mr. STASSEN. You could go——

Senator ELLENDER. We are entitled to know these facts; we must find out where this equipment and money goes. I think that if that information was furnished, it would show that there is not any solemn agreement to do thus and so, as was indicated by Mr. Dulles yesterday.

Mr. President, I cite this evidence simply and solely to show that this is a changing program, and that there is no firm commitment covering these funds in the pipeline as many of us have been led to believe, and that if we should curtail any of these amounts which are now being requested we would not be violating a promise made to any of our allies. The evidence is replete with testimony which indicates that such is the case. I repeat, Mr. President, that with this huge sum of over $8 billion now in the hands of the administrators of the programs, they do not even need the amount which the House provided. They could do with much less; in fact, as was brought out in testimony before the Senate committee, if Congress did not appropriate another dollar for foreign military aid, the $6.5 billion which is now in the pipeline would carry the program forward for more than 2 years.

Mr. LONG. Mr. President, will my colleague yield?

Mr. ELLENDER. I yield for a question.

Mr. LONG. I notice in the House hearings that reference is made to one item in connection with which the obligation was made, and the item was changed seven times. Still, we are told that every penny is obligated.

Mr. ELLENDER. Is that on page 269 of the House hearings?

Mr. LONG. I was looking at page 198 of the House hearings.

Mr. ELLENDER. My colleague has anticipated him. That is the next item I was going to take up.

Mr. LONG. Furthermore, I notice in the House report that reference is made to the so-called obligated funds, and of those moneys $2,704,000,000 are referred to as being reservations pursuant to section 110, Public Law 778. As I understand, it is simply a matter of some officials of the Department thinking it would be a good idea to spend some money for airplanes for one country or airports for another country, and they have reserved the money and have never obligated it, in a contractual sense, with any country.

Mr. ELLENDER. The evidence shows that during the month of June in the neighborhood of a billion dollars was in that category. In other words, up to June 1, of the moneys appropriated for the past fiscal year, almost a billion dollars was put into that category of unobligated funds. It was simply transferred from one account to another. There is no human being on earth who could explain that billion dollars. I think it was on June 30, at 6:30 p. m., 5½ hours before the deadline, that more than $700 million was obligated.

Mr. President, I read from page 269 of the House hearings:

Mr. PASSMAN. Something was mentioned a little while ago in answer to Mr. WIGGLESWORTH's request for certain information, with respect to expenditures, and the amount of deobligations and reobligations in 1955.

According to the information furnished the committee, the deobligations and reobligations in 1954 and prior appropriations for FOA as of June 30, 1955—and this is for the FOA program—in general, the deobligated figure amounts to $87,402,183, and of that amount you reobligated $36,595,000.

In Indochina you deobligated $46,205,387 and reobligated $46,205,387; the total deobligations, $133,607,570; you only reobligated $82,800,387, leaving a balance carried as obligated of $51 million. You are familiar with that particular figure.

Mr. President, that is only one instance cited in the record. I attempted to ascertain information regarding some of these obligated and deobligated funds, but the responsible officials were unable to furnish the information. I am satisfied that if the truth were known, this transaction was made in order to bypass the so-called Mansfield amendment, because, under the bill, as I remember it, not more than $200 million in prior appropriations could be carried over into the new fiscal year. Is that correct?

Mr. MANSFIELD. That is correct.

Mr. President, will the Senator from Louisiana yield at that point?

Mr. ELLENDER. I yield.

Mr. MANSFIELD. On the last day of the fiscal year, within 5½ hours of the deadline, over $700 million was reserved, was it not?

Mr. ELLENDER. That is correct.

Mr. MANSFIELD. This thing is becoming more fantastic by the day. When I spoke with reference to it the other day, the figure was $575 million. Then I received a letter the next day from the Assistant Secretary of Defense, stating that it was $614 million on the last day. Now the senior Senator from Louisiana says the amount obligated within 5½ hours of the termination period was more than $700 million.

Mr. ELLENDER. The two items involved are $420 million, which members of the House committee refused to permit to be obligated, and $312 million to which they raised no objection.

Mr. MANSFIELD. I think the Defense Department and the Budget Bureau should be investigated and brought to account, because there is something questionable going on when such a transaction is made. I do not see how they could obligate that amount of money, unless by a wave of the hand, in that length of time.

Mr. ELLENDER. I am in complete agreement with my good friend, the junior Senator from Montana. There can be no question about it. That is one of the arguments I am advancing to demonstrate why the House figures rather than the Senate committee figures should be approved. I now propose to give other reasons why we should not accept the Senate committee figures.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LONG. When the executive branch of the Government knows it is facing a deadline for the expiration of authority to spend more than $700 million, and after the executive branch has worked for months trying to dispose of the money, by obligating it or spending it, but until the last 5½ hours of the fiscal year it has not found a way to obligate it, would not that indicate that perhaps the executive department could deobligate $700 million just as rapidly as it could obligate it?

Mr. ELLENDER. Of course, they could do in the future what they have done in the past. They have obligated funds and later deobligated them, and then used them for other purposes.

What actually happened, in my humble judgment, was simply that they tried to get under the wire before the expiration of fiscal year 1955, because they knew the Congress would not let them carry this huge amount forward into fiscal year 1956.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MANSFIELD. How does the Senator reconcile these situations: The executive branch allocated, reserved, ob-

ligated, or whatever one may wish to call it, more than $700 million in the last 5½ hours of the last day of the past fiscal year. At the same time they held back, in another bill, $46 million which Congress had appropriated to keep the Marine Corps at its present strength.

At almost the same time the executive department held back funds for 107 projects, which Congress said should be built for the development of the United States and for the benefit of the American people. That was to have been an investment of millions of dollars in America.

How does the Senator reconcile the action on the part of the executive branch in withholding those funds, contrary to the will of Congress, for projects which the executive branch testified before congressional committees they favored? Yet Congress is expected to honor the word of the Defense Department, which has never come before Congress for a supplementary appropriation for the aid program, indicating that over the years they have had far more than they could legitimately have spent.

Mr. ELLENDER. I certainly cannot furnish the answer to my good friend from Montana. The only difference is that one bill provides for foreign aid, while the other provides for domestic aid. I might point out, too, that there are some persons on the Washington level and in the field who are more persuasive advocates of the cause of our foreign allies than are our foreign allies, who cannot come before the Congress to plead their case. In other words, we have not had anyone from France come before the committee to tell us how much France needs. Neither have we had anyone from Great Britain or Italy come before the committee and tell us what those countries need.

It is our own representatives in the field who make the reports, and also the officials in Washington, who say, "This is what we ought to ask Congress to appropriate for our friends." The foreign-aid budgets are made in that manner.

I can assure the Senate that a representative of France could not possibly have come before us, even if France had sent her best statesman, and made a more persuasive case for France than was made by our own State Department officials and the officials who headed the old FOA, which came to an end on June 30.

Mr. LONG. Mr. President, will the Senator further yield?

Mr. ELLENDER. I yield.

Mr. LONG. The Senator was chairman of a subcommittee which made a study of the amount of money which should be appropriated to build flood control, power, and reclamation projects in the United States. After his committee, the Senate, and the House of Representatives had agreed to add a few million dollars to provide benefits for the people of the United States, the President then said he thought he had better hold up the funds, because he had not had the opportunity to give the projects the thorough study which they should have had. Actually, they had already been studied by the executive, the Army engineers, the respective departments involved, the committees of Congress and then, for a second time, by the Bureau of the Budget.

We find many items like the one appearing on page 198 of the House hearings, a small project, as to which the cost has been changed seven different times.

Mr. ELLENDER. I thank my colleague for his remarks. The projects to which he has referred have all been authorized by Congress in separate legislation. Congress heard the evidence as to whether a project was legitimately necessary and whether it should be built. After such a project has been authorized, studies and plans are made.

As to 2 or 3 projects which were considered by the Public Works Subcommittee of the Senate Appropriations Committee during the last month, it is my recollection that the evidence was not clear whether they had been sufficiently planned. With respect to the remaining 104 or 105 projects, all of them have been studied, restudied, planned, and are ready to go.

That evidence can be found in the record, because when the projects were presented to our committee, I made certain not only that they were justified, but that evidence was adduced to indicate that the money which was sought to be appropriated could be economically and efficiently spent during the present fiscal year.

It is true that there were some unbudgeted items. I believe that is the main objection of the President to the 107 projects. But the fact remains, as I shall indicate in a moment, that as to some of the funds requested in this bill to undertake public works projects in foreign lands—projects which are similar to the ones we are building in our own country—the planning for those projects has not even been done. The executive branch tells the Congress that it hopes to spend these funds in various foreign lands, without knowing how much actually will be spent in each country. It does not even know what the projects will be, as I shall indicate in a moment. It naturally follows that our planners have no idea how much they will cost.

As I stated a while ago, the huge unobligated balances which are now in the hands of the military—an amount sufficient, as I have pointed out, to operate the program for more than 2 years without any additional money—should be sufficient reason for the Senate to approve the amount provided by the House rather than the amount recommended by the Senate Appropriations Committee.

The second reason I wish to advance in opposition to the committee amendment is that in the light of the recovery which has been made in Europe by virtue of the money, running into billions of dollars, which has been sent overseas by the United States since World War II, the entire mutual security program should be reevaluated. Someone should be designated to make a study of the subject. We should determine the extent to which our allies are now able to assist themselves, and to lift from our shoulders at least a portion of the burden of preserving freedom throughout the world.

Mr. President, statistics relating to the industrial production of the countries of Western Europe show that the average production is in excess of 158 percent of prewar. In other words, the countries of Western Europe today are 158 percent better off industrially than they were before World War II.

Mr. President, it was my privilege to visit the countries of Western Europe last year, and I have never seen such prosperity. There were almost as many automobiles on the streets of Paris, London, Rome, and even the smaller cities, as there are in our own country. Yet, with all of that prosperity, we are being asked to keep on filling the tills of those countries with borrowed money—not money that is surplus to our needs, but every dime of which our Government has had to borrow.

As I pointed out a few weeks ago when the foreign aid authorization bill was before the Senate, we have had a balanced budget only 3 times during the past 24 years. Two of those occasions were after World War II, when there were numerous cancellations of war contracts and the money which had been appropriated for them had not been paid out, so we were able to recapture those funds and thereby balance the budget. We also balanced the budget when we imposed on the American people a 10 percent increase in income taxes, in order to finance the Korean war on a pay-as-you-go basis. That year we collected more money than we spent. That was the third year in which we balanced the national budget. But Senators should not be misled by the fact that our Government operated out of the red in those 3 years. As a matter of fact, we have not really and truly balanced our budget in the past 24 years. And, as I have stated, every dime and every dollar we are providing for foreign aid in the pending bill will be borrowed money.

At the end of the last fiscal year, on June 30, 1955, the Government ended up a little more than $4 billion in the red. Our national debt today is somewhere in the neighborhood of $277 billion, as I recall.

Why, Mr. President, in 1937, the year that I came to the Senate, the amount Congress appropriated in order to operate every department of Government, including funds to pay the interest on our then existing debt, and to make a small payment on the principal of the debt, was only a few hundred million dollars more than is now required merely to pay the interest on our debt alone.

Let us consider the $4 billion by which the Government went in the red for the fiscal year ending last June 30. We are going to have to pay interest on that debt at the rate of about 2½ to 2¾ percent per annum.

Mr. HUMPHREY. The interest rate is rising.

Mr. ELLENDER. Perhaps the interest rate will go up, as my good friend from

Minnesota has just suggested. Perhaps it will be 3 percent or 3½ percent. For every billion dollars we went into the red last year, it will cost us in the neighborhood of $30 million a year to carry the debt. And the same will be true with respect to our deficit during the current fiscal year.

As I have just pointed out, the European-recovery program started in 1948, and the military-assistance program took its place in 1950. We have appropriated annually for foreign aid since then. From some of these earlier programs huge unexpended balances—money that could not be spent—are still on hand, in sufficient volume to operate the program for 2 more years. In view of this fact, Mr. President, and, further, since every dollar we spend this year on foreign aid will undoubtedly be a borrowed dollar, I think it is a sin and a shame that we should continue to burden the Government and the American people in this manner.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. LONG. During my colleague's visit in Europe, I wonder if he noted some surprise on the part of people of those prosperous countries when they were told by the Senator that the money we were giving them was actually money we were borrowing.

Mr. ELLENDER. Yes; I may say to my colleague that on many of my trips I had occasion to talk to kings and to prime ministers and other high officials of various countries of the world, and when I told them of the condition of our treasury, at a time when I think the debt was between $267 billion and $268 billion, and that all the money we were lending them was borrowed money, they could not believe it. They said, "The United States should not do that." They sincerely felt that if we continued to overload ourselves, as they put it, it would be bound to affect our own economy.

Mr. President, it is not necessary that we have another war, in order to destroy our way of living. It is easy to anticipate what will happen if we simply destroy initiative and incentive. If we continue to pile up the debt as we have been doing, it is easy to guess what will happen. The result will not be pleasant.

I was told, not once, but many times, that if ever the United States Government goes under, because of economic failure, or otherwise, the whole world may be in darkness. That fear was expressed to me on 2 or 3 occasions by some of the rulers and foreign ministers with whom I talked, and who could not believe that the money which was being made available by us to them and to other countries was borrowed money.

Mr. President, as I indicated a while ago, industrial production in Western Europe has been on the increase. The figures I now submit show how industrial production in the countries indicated has increased over prewar production.

Denmark, 165 percent.
Belgium, 144 percent.
France, 148 percent.
Greece, 167 percent.
Italy, 171 percent.
The Netherlands, 172 percent.
Norway, 180 percent.
Turkey, 232 percent.
The United Kingdom, 147 percent.

Agriculturally, the progress has been considerable compared to what it was in prewar years.

In Belgium, agricultural production has increased 14 percent over prewar production.
In Denmark, 22 percent.
In France, 18 percent.
In Greece, 26 percent.
In Italy, 24 percent.
In the Netherlands, 19 percent.
In Norway, 15 percent.
In Portugal, 34 percent.
In Turkey, 64 percent.
In the United Kingdom, 29 percent.
In Germany, 18 percent.

Mr. President, those increases in industrial production have been due to our efforts in assisting those various countries, and also, of course, to their cooperation in carrying out the programs we were instrumental in initiating for them.

Mr. President, I now read from page 6 of the report of the Senate Foreign Relations Committee:

Our assistance of this character must always be held in reasonable bounds. It must take into careful consideration our own economic situation and our ability to furnish such aid consistent with the well-being and welfare of our own people, as well as the ability of the recipient countries to make proper use of it.

Since the United States embarked on major foreign-assistance programs in 1948, the emphasis has shifted from economic assistance to Europe, to military assistance to Europe, and then to military assistance to Asia. It is now shifting to economic assistance to Asia.

The positive results of these past programs are very impressive. Western Europe has been rehabilitated economically. It has been strengthened militarily. Communist aggression has been checked in the Far East, and the basis for the further generation of military strength in that area has been laid.

Mr. President, as I pointed out a while ago, there is now in the pipeline—that is, appropriated but unexpended funds from past programs, roughly $5,500,000,000 which is available to continue the assistance which now is being afforded to the countries of Western Europe. In the light of their great economic advancement, as well as their agricultural advancement, I believe the entire program should be restudied and reevaluated at this time in the hope that we can get them to do their just share in carrying the free world's burden—a burden that we are now being asked to carry alone.

Mr. President, I hold in my hand an article written by none other than Gov. Harold Stassen, who headed the FOA until June 30 of this year. I refer to an article entitled "Do It Yourself," written by Harold E. Stassen, and published in the June 1955 issue of the Veterans of Foreign Wars magazine. I read from the article—and this is Mr. Stassen himself speaking:

Since the Marshall plan began, Europe's recovery has been complete; industrial production is currently up 57 percent over 1948; agricultural output has climbed 26 percent; steel production and electric power output have risen 65 and 68 percent respectively; gold and dollar reserves are now at an all-time high, and intra-European trade has almost doubled.

Yet, Mr. President, even with such progress, we are still being asked to provide all of the cost of strengthening the economies of the Asian, African, and Latin American nations, as well as strengthening their military forces. Certainly our Western European allies are able, and should be willing to help us in this task.

I shall not take the time of the Senate to read the entire article by Mr. Stassen into the RECORD, although it is very interesting in its entirety, and it shows clearly the progress which has been made by our European friends. Instead, Mr. President, I ask unanimous consent to have the entire article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Veterans of Foreign Wars Magazine]

SHOWING THE FREE COUNTRIES OF THE WORLD HOW TO DO IT YOURSELF—AMERICA'S "PARTNERSHIP POLICY FOR PEACE" BUILDS RESISTANCE TO COMMUNISM

(By Harold E. Stassen, Director, Foreign Operations Administration)

This June marks the eighth anniversary of the Marshall plan proposal. On June 7, 1947, Gen. George C. Marshall, speaking at Harvard, urged all nations to join with the United States in developing a practical plan for "the revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist."

At that time the peoples of five once-free nations of Europe—Poland, Hungary, Eastern Germany, Bulgaria, and Albania—had already fallen into the Communist sphere. While proposals for economic cooperation were being debated and discussed in the capitals of the United States and Western Europe, two more nations with a long and distinguished tradition of freedom—Rumania and Czechoslovakia—were added to this list.

In all of these countries the people lost liberties which they possessed before the war. In none of these nations were the governments free to act independently any longer; each began to take orders from the Kremlin.

Meanwhile, the war-battered free countries of Western Europe were gripped by economic paralysis. Industrial and agricultural production lagged far behind prewar levels. Major industries, such as steel, electric power, lumber, and iron ore had been seriously crippled by the war.

Food shortages were further aggravated by unusually hard winters and severe droughts. Even the barest minimum dietary needs could not be met by the shrinking supply of basic foodstuffs, such as wheat, rye, meat, and milk.

The people of Western Europe were up against an economic dead end, and hope for recovery was fading until this entirely new avenue of economic cooperation was proposed.

Since the Marshall plan began, Europe's recovery has been complete; industrial production is currently up 57 percent over 1948; agricultural output has climbed 26 percent; steel production and electric power output have risen 65 and 68 percent, respectively; gold and dollar reserves are now at an all time high, and intra-European trade has almost doubled.

Even more noteworthy has been the steady rise in real wages and the 21 percent increase in per capita consumption.

I can also report that the defensive capacity of these nations to resist aggression has kept pace with economic growth. In 1951, when General Eisenhower became Supreme Commander of NATO, there were available 14 combat-ready divisions, 1,800 planes, half of which were part of Britain's home defense, 15 airfields capable of handling jets, and 700 combatant naval vessels.

By the end of 1954 the number of active divisions had increased by three times, plane strength had nearly tripled with modern jets replacing outmoded propeller driven craft, and 120 airfields were now available while NATO naval strength had more than doubled.

The Western European countries are now furnishing over 85 percent of NATO's ground forces.

In one fiscal year, 1954, Western Europe contributed $13 billion to defense, more than the entire cost of the Marshall plan, $12 billion, which covered a 3-year span.

Although defense contributions of our European allies have increased progressively, their standards of living have continued to improve. The people of Western Europe are today better fed, better clothed, and better housed than at any time in this century.

Besides helping effectively to restore the economic strength and defense capacity of our allies, mutual-security programs have produced other favorable results.

In Western Europe Communist Party strength has receded significantly, with losses in party membership ranging from 15 percent in Italy up to 61 percent in Germany.

Of even greater significance is the fact that since the Marshall plan began there have been no new aggressions in Western Europe.

Since 1951 the United States has spent between 40 to 50 billion dollars annually, or about 10–14 percent of our gross national product to build and maintain our own military forces.

The mutual security program in its entirety, including military, economic, and technical components, has never amounted to more than 2½ percent of our gross national product and since 1952 has declined markedly down to the current appropriation of $2.8 billion, less than 1 percent of the gross national product and less than one-tenth of our current defense expenditures.

Mutual security programs have also enabled the United States to conserve its most vital commodity—American manpower. Recently President Eisenhower reported that around the globe, our allies, with effective help from the United States, were "equipping and training the equivalent of more than 180 divisions, 551 combat vessels, 278 squadrons and related supporting units." This is roughly about nine times the number of ground divisions, twice the air squadrons, and about the same number of combat vessels maintained by the United States alone.

These direct results demonstrate conclusively that a relatively small investment in mutual-security programs has enabled the United States and the entire free world to generate large assets for peace.

A close, hard study confirms that the world has moved a long way on the road to peace in the last 2 years.

The bloodshed in Korea has been stopped and open warfare in Indochina has been halted.

In the Near East, Great Britain and Iran have reached an amicable settlement on the question of the Iranian oil refineries and production has been resumed.

The Suez Canal issue has been settled. Italy and Yugoslavia, after patient negotiation, have arrived at an agreement on the status of Trieste.

The historic Caracas declaration has substantially reduced the threat of international communism in Latin America. In Guatemala, where communism had gained an alarming foothold, the people themselves have driven the Communists out and restored republican government.

The Southeast Asia Treaty Organization has opened the gateway to new cooperation between Asia and the West for mutual economic improvement and growing collective security.

The London-Paris agreements to restore full sovereignty to the Federal Republic of Germany, and to bring that nation into participation in European defense will, when fully ratified, make Western Europe stronger militarily and economically than at any time since the end of World War II.

Certainly there are issues still to be resolved. International tensions produce daily hazards which can be overcome only by thoughtful, calm, and patient judgment of each unfolding situation and the complex economic and political considerations involved.

It should never be forgotten, however, that the threat of aggression is not confined to armed attack. Internal subversion and infiltration are employed incessantly to exploit the rightful hopes and aspirations of countries emerging with a new and sensitive nationalism.

This is particularly true in the lesser developed nations and especially in that vast "Arc of Free Asia" sweeping down from Afghanistan around through Japan.

Nearly one-third of all the peoples on earth reside in this region. Living standards are, for the most part, pitifully low, disease is widespread, and practical education has not reached sufficiently beyond the metropolitan communities.

Most of the governments are relatively young and there is a shortage of trained civil servants. Time has not seasoned them with experience and acquired skills, but they are learning at an astonishingly rapid pace.

For instance, gross food production in this region is now larger than ever before. Some countries have even managed to store surpluses for emergencies. There is, however, the resultant problem of inadequate transportation, of a trickle of commodities flowing between communities and nations where there could, and should be a swift-moving stream.

Three months ago I returned from an extensive journey through this region. I found there is a sound basis for continued cooperation—compelling testimony that the people of reborn Asia, if encouraged effectively by cooperative plans for long-range development, can and will wipe away the age-old patterns of poverty in the midst of plenty, and seal the future in a mold of confidence and hope.

Programs of cooperative self-help, both in the technical and development assistance fields, are products of our humanitarian heritage and reflect, in the deepest sense, the high value Americans place on the importance of the individual.

But they are more than that. They are just as obviously the product of hard-headed thinking. Cast in the direction of the lesser developed regions are strategic lifelines with raw materials necessary for our own long-term growth and essential to our present-day national security. The President's latest economic report to Congress indicates that it is possible for the United States to increase its gross national product from the current rate of about three hundred and sixty billion annually to five hundred billion within a decade.

If these expectations are to be realized, broader markets will be needed to nurture our constantly expanding industrial machine.

Apart from these factors the security of the United States is welded to the future of the free Asian countries in another way.

In Western Europe the Kremlin fiercely opposed the Marshall plan, and after economic cooperation got underway they did everything they could to undermine the programs. They realized that if the industrial resources contained in this region were added to those of the Soviet Union, the balance of industrial power between the Soviet and the United States would be approximately equal. They were also aware that if European recovery was successful the nations of Western Europe could effectively resist Communist threats.

Similar motives have prompted the Communists to turn their attention to Asia. For instance, Japan alone possesses industrial resources estimated at half those of the Soviet Union.

Throughout Asia the Communists have intensified trade fair activity, and encouraged trade agreements designed to make Asian countries increasingly dependent on the Communist sphere. They are also attempting to counter successful free world development programs with offers of technical and capital assistance.

The need for a long-range development program is clear and the United States is responding to that need.

The program envisioned for the "Arc of Free Asia" will not require large sums of outright grants as in the case of European recovery. The emphasis will be on long-term loans and the encouragement of increasingly effective private development.

It has been found that every dollar sent abroad by private enterprise does a job equivalent to three aid dollars. Each dollar investment carries with it management skills, promotional talents and know-how accrued over a long history of success in private industry. These qualities are just as important as the dollars themselves.

The entire program will, of course, depend on the decisions of Congress. I am convinced that when the facts are presented the Congress will recognize that the Foreign Operations Administration, building on the archway of experience, has hewed to the meaning and advanced significantly the objectives of the mutual security programs. I am equally certain that these programs will continue to move forward within the framework of President Eisenhower's "Partnership Policy for Peace."

Mr. LONG. Mr. President, I should like to ask about the tenor of the article, if my colleague will yield to me.

The PRESIDING OFFICER (Mr. SCOTT in the chair). Does the Senator from Louisiana yield to his colleague?

Mr. ELLENDER. I yield.

Mr. LONG. Was Mr. Stassen asking that these countries do these things for themselves, or was he asking that we do them for ourselves, while we give them the money?

Mr. ELLENDER. He was trying to show the progress which was made in Western Europe and the great job he had done. As my colleague remembers, Mr. Stassen was the head of the FOA, and I assume that was the incentive for writing the article. The FOA was about to be folded up, and I presume—I am only presuming now—that he was asked to write the article.

Mr. LONG. It seems to me that Mr. Stassen's article, entitled "Do It Yourself," perhaps would further the thought that those people should do something for themselves, rather than expect to receive our funds.

Mr. ELLENDER. Certainly the headline "Do It Yourself" should apply to those whom we have so abundantly helped in the past 5 or 6 years. That is the second point I am advancing in support of my proposal to have the Senate vote for the amount approved by the House of Representatives for direct

military aid, rather than for the amount recommended by the Senate Appropriations Committee.

Mr. President, I shall read now from an article which appeared in the Christian Science Monitor: "Land yields more—United States aid sparks French agriculture." That is the headline of the article, Mr. President; and it proceeds to show the great advances made by France in agriculture. I am here to say that I had the opportunity of traveling by automobile in many sections of France, and never before did I see such prosperity; but with all of that, I repeat—and I shall keep on repeating it, we are asked still to contribute, in order to assist the French and the other people in that area of the world, whereas they themselves should be the ones to assist us, because of the huge national debt we now have.

Mr. President, I ask unanimous consent that the entire article entitled "Land Yields More—United States Aid Sparks French Agriculture," be printed at this point in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor of June 28, 1955]

LAND YIELDS MORE—UNITED STATES AID SPARKS FRENCH AGRICULTURE

(By Egon Kaskeline)

American aid to the French economy brought about big changes in industry, but in agriculture it has generated a minor revolution.

France's hardheaded peasants have always clung to tradition. They used to run their farms exactly the same way as their forefathers did. As a result, the average yield of French agriculture was one of the lowest in Europe, much lower than that of industrially less-advanced countries.

All this is changing now. French farmers are increasingly using modern methods of cultivation and are getting much more out of their land than in the past.

The manufacture of agricultural implements and of commercial fertilizers is steeply rising. This is a sure sign that France's largest industry—40 percent of the French population are living on farms—is progressing.

From a prewar production of only 200 tractors a year, the output now has risen to 40,000 in 1954 and is scheduled to reach 50,000 this year. In setting up a virtually new industry for agricultural equipment, the influence of American aid was decisive.

PRICES HIGH

Of the nearly $60 million which were invested in this industry since the war, the largest part was obtained from the French treasury in Marshall plan counterpart funds.

The price of the French-produced farm machinery is still high, much higher comparatively than in the United States. It is beyond the reach of the pocketbook of most French peasants. But Government subsidies as well as the sale of heavy farm equipment to peasant cooperatives have brought about a large increase in sales.

In contrast to the high-powered farm tractors which are used in the United States Middle West, French industry has succeeded in meeting the needs of the small farmers who constitute the bulk of the French country population. Thus 65 percent of the tractors produced last year had less than 25 horsepower.

Despite fast growing mechanization, manpower and animal power still account for most of French farmwork. Agricultural progress is largely confined to those districts where the population is generally less tradition-bound.

TARGET EXCEEDED

But the target of 200,000 tractors on the French farms, which had been considered as fantastic by experts 10 years ago, now has been exceeded. The target of the new modernization plan is to increase the number of tractors to 600,000 within a few years.

As a result of up-to-date cultivation methods, French agricultural production is rising sharply. Last year, the wheat production of 10 million metric tons was an alltime record, while feed-grain production was also considerably more abundant than forecast.

France has ceased to import food from abroad and now is looking for markets for its surplus wheat, livestock, sugar, and more recently also dairy products.

At the end of the last year, the supply of soft wheat was sufficient to cover not only all domestic requirements but it left also a surplus of more than 1 million tons for export. The Government has been negotiating with West Germany within the framework of the French-German trade agreement, and some 200,000 tons of wheat have already been shipped across the Rhine. Attempts are also made to step up exports to Britain.

Mr. ELLENDER. Mr. President, I read from another article published in the Christian Science Monitor:

French Economy Takes Spurt.

A part of the article reads as follows:

Since the beginning of the current year, France's industrial production has soared upward and is now 70 percent over the last prewar year, and 25 percent above 1953.

Part of this expansion is due to the recent discovery of new sources of industrial power, such as the petroleum deposits near Bordeaux and natural gas near Lacq.

Mr. President, the article was published in the Christian Science Monitor of Tuesday, July 19, 1955.

I read from another paragraph of the article:

Some of France's traditional industries also are booming. Both output and consumption of electric power have risen to new heights, although—on a per capita basis—France still stays behind other countries of Western Europe.

Mr. President, I ask unanimous consent that the entire article be printed at this point in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor of July 19, 1955]

FRENCH ECONOMY TAKES SPURT

(By Egon Kaskeline)

France, a traditional country of last-minute rescues, has again come through a crisis by the skin of its teeth.

Its economy, stagnant for many months, seems to have taken a sudden turn upward.

News of a decisive improvement of economic conditions in France will no doubt, please Washington. For some time, this country had been looking askance at the French emergency. While other Western European countries which had been receiving American financial and economic aid at a much less lavish scale than the French, were increasingly prosperous, the French economy was lagging behind.

NEW SOURCES OF POWER

Now, France appears to be catching up with the general economic progress in Western Europe.

Since the beginning of the current year, France's industrial production has soared upward and is now 70 percent over the last prewar year and 25 percent above 1953.

Part of this expansion is due to the recent discovery of new sources of industrial power, such as the petroleum deposits near Bordeaux and natural gas near Lacq.

Some of France's traditional industries also are booming. Both output and consumption of electric power have risen to new heights, although—on a per capita basis—France still stays behind other countries of Western Europe. France's steel industry is working almost to capacity and—more generally—unemployment is at an alltime low.

French exports have been nosing out some of the foreign competition on the world markets. In April of this year they were 20 percent higher than during the last months of 1954. Yet this increase of 1955 is mainly due to the heavily subsidized exports of cereals which France now produces in abundance. Wheat shipments, mainly to Great Britain and West Germany, more than doubled in 1955.

OBSTACLE TO STABILITY

For the first time since the end of the war, France's industrial prosperity seems to have given some moderate benefits to the average Frenchman. While wages have been scaling upward slowly, consumers' prices generally stayed on the level.

Yet though the French economic picture has considerably brightened, it still does not satisfy those experts here and abroad who consider the inequal distribution of the French national income as a major obstacle to Western European stability.

These critics point out that, up to date, most French industries are not yet producing for a mass market. The present high level of industrial activity rests mainly on a sharp increase in the production of equipment goods, such as machinery, and other metal products. On the other hand, the output of consumer goods not only did not increase but actually declined slightly as compared to the last quarter of 1954.

The causes of France's industrial bottlenecks have been brought into sharp relief by two recently purblished reports on French economic conditions.

TRADE ASSOCIATIONS HIT

Dealing mainly with the consumers' aspect of the French economic problem, Mark T. Shaw, a United States consultant on marketing, distribution, and productivity in France used strong language in charging French trade associations with doing everything in their power to nullify competitive productivity in France.

According to Mr. Shaw, the French market is controlled by trade associations which, dominated by a few large, conservative concerns, want to preserve a high profit margin by paying low wages and restricting production. They have been reluctant in introducing superior American production and distribution methods.

Another important report, published last March by the United Nations Economic Commission for Europe, blames the lack of industrialization and the unequal distribution of industrial facilities for most of the French economic difficulties.

POPULATION SHIFTS

Seen under a long-range aspect, France actually has regressed industrially since the beginning of the century. In 1900, more of France's active population was engaged in industry than in any other European country, except Switzerland and Great Britain, but, today, France has relatively fewer people engaged in industry than any other Western European industrial nation.

Moreover, France's industrial growth is heavily concentrated in the Paris region, leaving the rest of the country with a few,

old-fashioned industries and a backward agriculture.

Modernization of French agriculture and population shifts from the farms to industry are held necessary to stimulate France's economic growth.

Mr. ELLENDER. Mr. President, I read now from another article published in the Christian Science Monitor:

Belgium Rides Crest of West European Economic Boom.

Mr. President, I shall read several paragraphs of the article, as follows:

Today Belgium has completely weathered the economic cutback which followed the end of the Korean war, and has pushed its industrial production to a record high.

Yet the case of Belgium is not only another example for the benefits America's postwar economic aid has brought to Western Europe.

* * * * *

As a result of the continued progress, trade among the Benelux countries has increased by 100 percent in 1953, while trade among all Western European nations went up only by less than 50 percent during the same period. The prophets of gloom have been wrong altogether.

Mr. President, I ask unanimous consent that the entire article be printed at this point in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor of July 20, 1955]

BELGIUM RIDES CREST OF WEST EUROPEAN ECONOMIC BOOM

(By Egon Kaskeline)

Belgium is riding the crest of Western Europe's spectacular prosperity.

A highly industrialized and densely populated country, Belgium has not only succeeded in attaining virtually full employment but also in raising the living of the workers considerably.

Today Belgium has completely weathered the economic setback which followed the end of the Korean war and has pushed its industrial production to a record high.

Yet the case of Belgium is not only another example for the benefits America's postwar economic aid has brought to Western Europe.

It is also shown that to sacrifice narrow economic egoism of national interests in favor of international cooperation can pay handsome dividends.

Belgium's rapidly expanding economic union with neighboring Holland also had its temporary drawbacks, it is true. As late as 1953, 6 years after the Benelux economic cooperation scheme was officially established by the Governments of Belgium, the Netherlands, and Luxembourg, the Federation of Belgian Industries expressed strong disagreement with the government's economic policy.

The federation insisted that without strong protection for its own industries, increasing Dutch competition would swamp the Belgian market and drive out of business many of the established enterprises.

Yet, the government refused to give in to pressure and kept firmly on its course toward more complete economic union among the Low Countries.

As a result of the continued progress, trade among the Benelux countries had increased by 100 percent in 1953, while trade among all Western European nations went up only by less than 50 percent during the same period. The prophets of gloom had been wrong altogether.

It was Belgium, not Holland, which skimmed the cream of the booming trade, exporting more goods to Holland than it had ever done before.

Belgian exports have been stepped up considerably in all directions. Shipments abroad during the first quarter of the current year were almost 30 percent higher than during the corresponding period of 1954. Exports to other members of the European Payment Union have continued to exceed Belgian imports from the same sources and have brought a favorable balance of some $26 million.

Prosperity is also reflected in a steady increase in currency circulation and in bank deposits which reached a record high of 73 billion francs ($1,460,000,000) last February. Yet there are no signs of inflationary developments, as the wholesale as well as the retail price indexes have continued to decline since the beginning of this year.

The average Belgian thus has realized a genuine gain in purchasing power. Unemployment, a persistent problem since the end of the war, which had reached a record high in the earlier part of 1954, has fallen sharply later last year and was down to 167,000 last April.

This spectacular development cannot be credited solely to Belgium's liberal and far-seeing policy of economic cooperation and its devotion to inter-continental trade. Much of the credit for Belgium's success is due to Belgian ownership of the fabulous Congo colony.

The Belgian Congo is one of the world's major suppliers of strategic raw materials, including 60 percent of the world's uranium output. The Belgian Government is making every effort to secure lasting prosperity for its African colony. It is trying to make sure that no slump in world mineral prices will wreck the Congo economy. A $1 billion development program, financed partly by public and partly by private funds is now underway to develop the many untapped resources of the Congo.

However, expanding the Congo economy as well as keeping up full industrial employment at home, may be a task beyond the means of a nation of only 10 million. The Belgians, in recent years, have increased consumption and achieved higher living standards at the expense of slowing down industrial investment.

Belgium's future depends on its ability to enlist foreign capital in the building up of its enterprises at home and in Africa.

Last year, Belgium borrowed Guilder 100 million ($26,400,000) in capital-rich Holland. More recently, a Belgian $30 million bond issue was floated on Wall Street, the first of this kind issued by a European government since the war. Simultaneously a loan of $20 million was obtained from the World Bank. Most of this money was used for developing transports and waterways, especially the new huge King Baudouin lock at Antwerp.

Yet these sums seem to be still inadequate as compared to Belgium's real capital needs. Its government, therefore, must be expected to continue to probe the international capital market for additional long-range investment funds.

Mr. ELLENDER. Mr. President, I wish to point out—and my judgment is based on an article which I shall read, from the Christian Science Monitor of June 28, 1955—that the United States arms aid is actually hurting the booming European economies and is creating resentment among our European allies, who desire to do more if the United States will only let them. I read from the article, by Volney D. Hurd, chief of the Paris news bureau of the Christian Science Monitor:

The French have developed jet fighters of first-class design, competitively priced, approved by the United States as meeting top standards of the North Atlantic Treaty Organization, and authorized for mass production. They started negotiations with the Dutch for the sale of planes. With the design and the price right they were about to close the deal when the United States, in a very well meant effort to help small countries with high-priced modern arms, offered the Dutch a 2-for-1 proposition, 1 American fighter free for each 1 the Dutch bought.

Think of that, Mr. President. The Dutch were on the verge of buying military aircraft from a neighboring country. But no; good, big-hearted Uncle Sam came along and said, "Don't you buy. We can give you a better bargain. We will make you a free gift of an airplane."

Things like that have been going on all over the world. Our own representatives abroad have been instrumental, as I shall presently show, in inducing nations to take their share of the money we appropriate, whether they really need it and want it, or not.

I ran across a case in Saudi Arabia. We had many thousands of dollars worth of equipment brought to Saudi Arabia at great expense, in the hope that King Saud would enter into an agreement with us for technical aid. But the king did not enter into the contract, and all the goods and materials we had sent there to build roads, dig wells, and do similar things, had to be removed from Saudi Arabia and shipped elsewhere, because the king would not sign the agreement.

Our representatives abroad have been begging the Syrians to start a point 4 and development assistance program, but up to now Syria has refused, and I hope she will continue to refuse. She is in good condition, and she can do much of the work herself. Glory be to Syria.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the article to which I have referred, from the Christian Science Monitor of June 28, 1955.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, Boston, Mass., of June 28, 1955]

UNITED STATES PLANE GIVEAWAY FRETS FRENCH

(By Volney D. Hurd)

PARIS.—An American giveaway program of arms threatens to undo some of the benefits Western Europe has derived from the Marshall plan.

The first signs of this new danger to a continued healthy economic expansion in Europe have been spotted in France, in the industry which has proved the most vital in modernizing its designs and production and seeking to be competitive in world markets—aviation.

Two important examples have been cited by Georges Glasser, vice president of the Union Syndical des Industries Aéronautiques and president of the Société Nationale des Constructions Aéronautiques du Sud Ouest.

M. Glasser told this writer: "You can't do anything competitively when you run up against something like that. We completely understand the American offer. It is big and generous like all the things your country has been doing for us over here. And certainly no one can blame the Dutch for accepting the offer. But from the hard, factual basis of trying to get the French

aviation industry on its feet, which like the rest of the French economy was primed with Marshall aid, such an unexpected situation is a distinct blow at the initiative, expansion, and momentum which we have so carefully and painfully built up.

"The French aviation industry is full of confidence in itself, given normal competition. But it cannot keep going without orders and it cannot get orders competitively when the competition can suddenly cut its price in half, even though done for a very high purpose."

GERMAN NEGOTIATIONS

From a European aviation industry point of view, an even more interesting case is that of Germany, M. Glasser pointed out.

The French have been negotiating with the Germans on the sale of fighters for the new German air force. The Germans have accepted, in principle, the quality and price offered by the French, but have then had to add, "There is a good chance that in order to get us on our feet quickly militarily the Americans will give us planes or sell them to us at a low price as they have to the NATO nations. In that case we would be foolish to buy from you and so we can do nothing until we know the final American decision."

The French aviation leader then pointed out in the case of Germany how this possibility of free or low-cost planes has a long-range angle which is equally disturbing to the French plane manufacturers.

First, he said, the European aviation industry would like to be pooled into a community, such as coal and steel, in order to meet modern non-European competition fully, and so, of course, Germany must play a major role as a key production unit in such an ensemble.

The projected German purchases of military planes from the French, continued M. Glasser, would eventually be replaced by German-made fighters under competitive conditions, as the German aviation industry gets on its feet again.

But, added this Frenchman, if American fighters are going to be provided free or on a 2-for-1 giveaway basis, as in the case of the Netherlands, then the German industry itself will have little incentive to invest the great amount of money and time demanded by modern fighter development and manufacture. This would mean an overall weakening of the European aviation industry as an ensemble.

Mr. ELLENDER. Mr. President, for the reason I have mentioned, namely, the vast improvement in the industrial capacity of countries of Western Europe, we should curtail these appropriations, restudy the validity of prior allocations, reevaluate the situation, and try to determine the extent to which the countries we are now trying to help can assist themselves. That is reason No. 2.

As I indicated a moment ago, much of the money which was carried over from last year was obligated at the close of the fiscal year. I should like to refer to the testimony of Mr. Struve Hensel, formerly assistant secretary of defense for International Security Affairs. First, however, let me give the Senate some background information.

There was a certain amount of conflict among Members of the House of Representatives, members of the Armed Services, and others, as to what really happened in respect to a $420 million reduction which the House imposed on the appropriation for direct military aid. In that connection I wish to point out that Mr. Struve Hensel, who was Assistant Secretary of Defense for International Security Affairs, did not testify before the Senate Appropriations Committee. I wish he had been here to testify, but he was not. I think he was in Europe. I believe that, with Mr. Struve Hensel present, we could have resolved the question as to who was right and who was wrong, as between the House and officials of the executive departments.

Mr. Struve Hensel said in testimony before the House Appropriations Committee:

There has been no rush to obligate, and as a matter of fact, I have been most reluctant both to spend and to obligate unless we were sure, and I would not want to tackle this $620 million just to meet an estimate I made and try to obligate some $500 million in the next 10 days. I just would not want to do it, and if I have to pay the price of losing the money for it, I am prepared to do it as a citizen. I will not rush out and do it.

Mr. Hensel was referring to the issue of his department obligating huge amounts of funds at the close of the fiscal year.

Quoting further from Mr. Hensel:

When we reserve, talking of the military, we have given a definite order to the services. Before we used to give them the money at the same time and it passed out of our control. We have set it aside. It is a definite amount of money, has the same effect as an obligation, and in my mind and the way I was speaking at the time it is an obligation.

Knowing that, knowing that actually we must indicate what the materials were that were to be purchased or with respect to which an obligation was to be made for our allies, he stated, as I have just read, that we must be very careful. He said:

I just would not want to do it, and if I have to pay the price of losing the money for it I am prepared to do it as a citizen.

There was a man who was unwilling to write a letter or attach a little memorandum as to what he proposed to do, unless the need were genuine. As I have previously indicated, much of the money is there, without being obligated; it is there only in the event it is needed.

I wish to discuss for a moment some of the circumstances surrounding an alleged agreement which was made between members of the House Committee on Appropriations, the Defense Department, and the Bureau of the Budget. From reading the evidence submitted by Mr. McNeil, from reading the evidence submitted by Mr. Hensel, and from conversations which I had with members of the executive department, there is no question in my mind that there was some kind of understanding reached between members of the Appropriations Committee of the House, the Bureau of the Budget, and the mutual defense assistance officials.

The evidence shows that the Bureau of the Budget was unwilling to earmark or reserve some $420 million in previously appropriated funds unless the consent of Mr. JOHN TABER, ranking minority member of the House Appropriations Committee, was obtained. The evidence shows that Mr. Hensel stated—and this is in the record—that he had seen Mr. TABER, and Mr. TABER had said it was all right for the $420 million now in question to be reserved, that is, allocated for expenditure.

I now wish to read from the hearings held before the Senate Committee on Appropriations on the pending bill, at page 166:

Senator ELLENDER. Now, we come down to what happened here. It is now very plain to me. Here was a memorandum for Congress, involving three Members of the House of Representatives, Representatives PASSMAN, TABER, and WIGGLESWORTH, in respect to the $732 million composed of these two items: $420 million and $312 million. Mr. Hensel suggested, or somebody suggested, that the apportionment be cleared with Mr. TABER.

Mr. MCNEIL. The Budget Bureau suggested that Mr. Hensel clear with Mr. TABER before this.

That is, before the money was obligated.

Senator ELLENDER. Now, when you say Mr. TABER said it was all right, that statement is a direct contradiction of the agreement that is now before us.

The agreement that was before us was a memorandum signed by Gen. R. S. Moore, who is Special Assistant to the Comptroller in the Office of the Assistant Secretary of Defense.

The memorandum reads as follows:

This is to make of record Mr. Shaw's and my understanding of the agreement reached yesterday, the 28th of June 1955, by the 3 members present in connection with the apportionment request of the Department of Defense for military assistance funds now pending in the Bureau of the Budget.

In substance the agreement was as follows:

(a) Unapportioned funds now held by the Bureau of the Budget in the amount of $420 million should not be released by the Bureau for immediate reservation by the Department of Defense to support common-item orders on the military departments to deliver approved program items prior to June 30, 1957, even though this procedure is authorized in accordance with section 110, Public Law 778, 83d Congress.

(b) That no objection would be interposed to the reapportionment by the Bureau of the Budget of approximately $312 million included in the apportionment request now pending which represents funds which were previously allocated to the military departments for direct obligation against shipbuilding, offshore procurement, facilities assistance, development of advanced weapons, and other similar purposes, of approved programs and which are now to be reserved before the end of the fiscal year for common items required by the program.

It is signed by R. S. Moore, major general, United States Army, retired, special assistant to the Comptroller.

General Moore testified he had been trying, according to his testimony, to effect some kind of compromise as to the allocation for expenditure of previously appropriated funds, and that he brought to the attention of the Defense Department the objections raised by Mr. TABER, Mr. WIGGLESWORTH, and Mr. PASSMAN, all of whom are members of the House Committee on Appropriations. It is my belief General Moore acted more or less as a middleman between the Defense Department and these representatives.

Soon after the bill was reported by the Senate Committee on Appropriations, and after Mr. TABER and Mr. PASSMAN had read the testimony which was elicited from Mr. McNeil and from others on the subject, I spoke over the telephone with

Mr. PASSMAN and Mr. TABER. Both stated that there was an agreement between themselves and the Defense Department. Whether or not that agreement was legal is immaterial. Every Senator knows that any language that a committee of Congress puts in its report, suggesting that certain things be done with certain appropriations, is generally respected by the Department affected.

In reading the testimony, it will be found that the Bureau of the Budget was requiring the Defense Department to get the consent of Mr. TABER before it would obligate the $420 million. In my humble judgment, there was no question but that if Mr. TABER had said, "I do not want to obligate it," the funds would not have been obligated. That is my judgment.

I asked Mr. TABER about it. I asked him whether he was consulted. I asked him what the true story was.

I said, "Mr. Hensel said he saw you, and that you told him it was all right to obligate the $420 million. He said he saw others, and he was told it was all right."

I have before me a letter which I received from Mr. TABER. It is dated July 20, 1955, It reads:

DEAR SENATOR ELLENDER: I was advised by you this morning that Mr. Hensel and Assistant Secretary McNeil, of the Defense Department, had stated that I had agreed to the $420 million release of the 30th of June in connection with the Foreign Operations Administration.

The fact of the matter is I never talked to either Mr. Hensel or Assistant Secretary McNeil on the subject.

The evidence is replete with Department of Defense officials' testimony that Mr. Hensel had a talk with Mr. TABER, who said it was all right, and that is why the $420 million was obligated.

I continue to read from Mr. TABER'S letter:

I was called on the afternoon of the 30th while I was on a conference on the State-Justice appropriation bill by Mr. Brundage, of the Bureau of the Budget, and was told that they were planning to release the $420 million for immediate obligation. I advised him that I could not agree to that release and that he should immediately call Congressman PASSMAN, who was the chairman of the subcommittee in charge of foreign aid appropriations, and that I had no right to go over his head, and that I would not if I could.

Very sincerely yours,

JOHN TABER.

I should like to read now a brief excerpt from the House report:

The reduction of $420 million is recommended by the committee—

I ask Senators to listen to this—

on the basis of a written understanding between responsible officials of the Defense Department and the committee that of the estimated unobligated balances of June 30, of $932 million, the amount of $420 million should not be released by the Bureau of the Budget for immediate reservation by the Department of Defense.

Mr. President, if one reads the evidence to which I have referred he will find it amounts to an indictment of every member of the Appropriations Committee of the House. The House committee's position—that is, that it was all right to obligate $312 million of the $732 million, but not to reserve the remaining $420 million—was ignored. That is the reason why the House proceeded to cut the $1,125,000,000 by $420 million. And that is what I am suggesting that the Senate do.

Mr. President, it strikes me that it smacks of bad faith on the part of the executive department, that is, the Bureau of the Budget and the Defense Department to ignore the House Appropriations Committee. If one reads the record we will see that General Moore was more or less a middleman between the House Appropriations Committee and the Defense Department. The letter which I have just read gives someone the lie.

But so much for that, Mr. President. I repeat that before we increase the appropriations to the amount suggested by the Senate Committee on Appropriations, the whole program should be reevaluated.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LONG. I am sure my colleague agrees with me that there is no great emergency involved in giving away all these millions of dollars. We could give them away next year or the year after that.

Mr. ELLENDER. The Senator is correct. Even in case of a bona fide emergency, provided a good case could be made, we could appropriate funds overnight, as we have always done when the national security is concerned.

Mr. LONG. We have been giving away slightly less than $5 billion a year. If we have overlooked any possibility where we could give money to someone, certainly we could correct the oversight starting in January. But here is the Department of Defense trying to give money away in the last 5 hours at the rate of $500 million an hour. There was some question about whether the money should be disposed of in this fashion, and there was objection on the part of the House Appropriations Committee.

Apparently there was a meeting of certain officials of the Department of Defense with House Members who had been studying the manner in which the money had been disposed of. An agreement was arrived at that it would be all right so far as the $312 million was concerned, provided that $420 million would not be committed. I have been told by some House Members that this was an agreement so that the Defense Department would not insist upon giving away the other $420 million. A letter was written signed by General Moore, stating that this was the agreement, but subsequently to the drafting by General Moore, the counsel insisted on inserting certain words which would make it appear that this was not an agreement between the House committee members and the Defense Department officials but it was, instead, only an agreement of three House Members. I understand General Moore has testified under oath that the words "by the three members present" were inserted by the counsel and not by General Moore at all. He said:

This is to make of record Mr. Shaw's and my understanding of the agreement reached yesterday, the 28th of June 1955, by the three Members present in connection with the apportionment request of the Department of Defense for military assistance funds now pending in the Bureau of the Budget.

He goes on to state that, in substance, the agreement was that unappropriated funds now held by the Bureau of the Budget in the amount of $420 million should not be released by the Bureau for immediate reservation by the Department of Defense.

Mr. ELLENDER. As I pointed out to the Senate committee, the letter to which my colleague refers would indicate an agreement between three Members of the House and the Defense Department. Let me ask my colleague: Would it not have been silly to get General Moore to reduce to writing an agreement between the three Representatives only?

Mr. LONG. The Senator is correct. Obviously, the only purpose of General Moore in writing the letter was to show what the agreement was. Otherwise, why would a letter have been written saying, "I met with you three fellows, but my understanding was you agreed to do something else."

Mr. ELLENDER. I have known Mr. JOHN TABER for some time, and I have faith in him. He is a fine American. After he read the testimony before the Senate committee, he was exasperated to learn that the Defense officials had said that he had approved the reservation of this $420 million.

There is no question in my mind that there was some kind of an understanding between the House committee and the Defense Department. I am not contending the agreement was legal, but it often happens that a committee places in its report, particularly where appropriations are concerned, certain language to indicate an understanding of how the money should be spent and what should be done with it. That language is usually respected. It is my considered judgment that Mr. TABER never consented to the obligation of the $420 million. I believe the Senate should stand behind the reputation of the House and vote down any increase in these funds.

Mr. President, we are pulling the whole load not only in our own country, but we are spending every dollar needed in order to build our own defenses at home. We buy a great amount of material from all over the world, from the friends we are helping, in order to build up our own Military Establishment. In addition to that, we are paying 90 percent of the cost of Korean reconstruction. As I pointed out sometime ago on the floor of the Senate, when the Korean war started we carried the load for the entire length of the war, or the police action, as some would call it. We paid 90 or 95 percent of the entire cost of the war, and furnished approximately 95 percent of the U. N. troops that fought in the war.

I read from page 78 of the hearings on the mutual security appropriation bill:

Senator ELLENDER. We are really carrying the load.

Mr. STASSEN. We carry about 90 percent of it.

Senator ELLENDER. The rest of it is carried by a little contribution they get from the United Nations?

Mr. STASSEN. From Canada and the United Kingdom.

Senator ELLENDER. But through the United Nations; is it not?

Mr. STASSEN. Through the United Nations; yes, sir.

Senator ELLENDER. And we contribute most of that through the United Nations?

Mr. STASSEN. That is right.

So, in addition to carrying the load ourselves, as I have just said, we are the greatest contributor to that part which is contributed by the United Nations. I continue to read:

Senator ELLENDER. So that our contribution is about 90 percent direct, and I would say half of the 10 percent indirectly, so that we end up by furnishing about 95 percent of the load in Korea; is that about right?

Mr. STASSEN. Putting it all together, it would be about 90 percent, taking everything into consideration.

Consider the difficulties which are now troubling southeast Asia and Formosa. Who is taking the lead in the defense of that region? We are putting up 100 percent of the cost in that area. Where are the British? Where are the French? Where are the New Zealanders? Where are the Australians? The United States is the one country which is putting up the entire amount—100 percent of it.

We are carrying the entire load in Indochina, both militarily and economically. The record so shows. No one else is assisting the countries in that area of the world. The United States is carrying the entire burden. Notwithstanding the fact that the countries of Western Europe are as vitally interested in that area as we are, or they should be, they are not furnishing a dime. Oh, perhaps a small amount is being furnished by France in Vietnam, to protect her interests there. That may be. But the United States is taking the lead in carrying the burden in that entire area.

If this program is permitted to continue unabated, our debt will be so burdensome that we will end by losing our way of life without a shot being fired. It will not be necessary to have a war to destroy our economy. Simply let our initiative be destroyed, and then see what will happen.

Consider the NATO organization in Europe. The United States pays 22½ percent of NATO administrative costs. Remember, NATO is an organization which is composed of the United States and 13 or 14 countries of Western Europe. Yet the United States is paying 22½ percent of the administrative costs and 45 percent of the cost of building air bases for NATO in that area.

Since NATO agreements are involved, the countries which are members of NATO should carry all the burden. But the United States is now paying 45 percent of the cost of the air bases in that area, plus 22½ percent of the NATO administrative costs.

Notwithstanding the present prosperity of Europe, the United States is paying almost one-half of the capital investment in housing for civil administrators of NATO. The exact amount is between 40 and 50 percent.

I desire to read a statement by Mr. Norman Paul, the Deputy Director of the International Cooperative Administration, formerly FOA, which appears on page 225 of the Senate hearings on the bill:

Of the total NATO civilian expenditure, we pay 22.5 percent of the operating costs and 45 percent of the capital expenditures. The United States, United Kingdom, and France pay equal shares of the regular operating costs.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LONG. My colleague is making a magnificent address on the subject. I believe he is proving his case. However, I fear that the result of the great fight being made by my friend will be the same as when the authorization bill was under consideration.

Mr. ELLENDER. I would not say that. I am hopeful of getting more votes than were obtained the last time. In fact, I am in hope of prevailing by a big vote, although there are many empty chairs in the Chamber at the moment.

Mr. LONG. If my colleague fails despite the magnificent address he is making, it will perhaps be because not more than 20 Senators have been listening since he began to make his speech. At present I observe he has only 12 listeners.

Mr. ELLENDER. In addition to what I have said in regard to supplying our NATO friends with about 26 percent of the hardware necessary to equip their armies, the United States is building plants to produce ammunition and spare parts for equipment which we have already supplied to NATO nations, and which the military aid officials plan to supply in the future. All of this is being done notwithstanding the prosperity which, as I have said, now prevails in Western Europe.

I now wish to read from pages 206 and 207 of the Senate hearings a description of the so-called facilities assistance program:

The facilities-assistance program provides United States financing on a joint venture basis with foreign governments. The foreign government agrees to furnish all land, structures, services, and some equipment and materials, and the United States agrees to contribute a portion of the needed equipment and material. The productive facilities thus established must constitute a net addition to the total capacity, existing or programed in the foreign country in question. That foreign country must commit itself to maintain the aggregate productive capacity thus established. In past negotiations, it has worked out that the financial contributions of the United States and the other foreign nations to these joint ventures have beeen approximately equal.

When this program was started in fiscal year 1954, its major attention was turned toward bringing the European capacity for propellants and explosives into balance with the existing capacity for metal components. At that time, capacity for these chemical components was less than the metal component capacity, this serious shortage being due to wartime destruction and postwar dismantlement. In the fiscal year 1954 and 1955 programs, a high priority has been given to increasing capacity for production of propellants and explosives. A rough balance has been achieved between the capacity for the metalworking components of ammunition and the capacity for propellants and explosives. Our engineers in the field report that some problems remain. They have estimated that an additional $20 to $30 million in United States investment, plus an equal European investment, will be needed to complete the task that has been set. When completed, a practical limit will have been reached in the expansion of European ammunition production capacity. Recent information is inadequate to appraise the desirability of assisting Germany to reconstitute its ammunition industries.

With respect to the establishment of military equipment maintenance shops it will be noted that the surface has merely been scratched, three projects being undertaken this fiscal year at an estimated United States cost of $1 million. The burden of maintaining MDAP equipment will increase as the equipment ages and it is probable that such burden will reach a maximum in 3 or 4 years. The contribution which could thus be made by a relatively small facilities assistance expenditure is extremely large. Already projects are under study for maintenance capacity which indicate that $12 million of United States contribution might well be devoted to this type of project in fiscal year 1956, without considering any facilities for such purposes in the Far East.

Mr. President, on every occasion when I have had the opportunity, I have tried to elicit from members of the executive department, at the Washington level and abroad, what effort was being made to get countries in Europe and elsewhere whom we have helped to carry a part of this burden. I was told that some effort was being made, but with no success; there were no contributions.

It strikes me—and I repeat—that we should by all means curtail the appropriation and reevaluate the entire program, in the hope that we may thereby persuade our allies to assist us, particularly in southeast Asia, where we are just starting out.

It will be remembered that when the war in Vietnam—Indochina—was going on, we, the United States, paid 80 percent of the cost of that war. There are other instances of what we are doing for others that they should do themselves.

Here is a small item I should like to bring to the attention of the Senate to show the extent to which our planners are spending our money abroad. Let us consider, for instance, the mutual weapons development program. I do not deny that is a good program. We have a similar program in this country; we carry it on ourselves. As a matter of fact, the armed services spend for research each year, as I remember the figures, in excess of $2 billion. Yet our friends across the seas carry on some research, and we are asked to contribute there also.

Through June 30 last, approximately $41 million has been obligated for the mutual weapons development program. The estimate for the amount we are to contribute in 1956 is $50 million. Is this a mutual security program, when we furnish practically everything? I see nothing mutual in that. There ought to be at least a free exchange of methods of manufacturing implements of war and of improving them between ourselves and our allies, but it seems that if we are to get any information from our allies, we have to make contributions. Whether we are being forced to do this, I do not

know. I presume that our representatives simply go to those countries and take the position that "Uncle Sam can well afford to help you out in this field, so here is $50 million."

Mr. President, as I said before, I have traveled all over the world, and I have found that in many cases foreign governments are being urged by our own representatives to take on programs which they do not really want. They are told by our officials: "The money is there. Come get your share." That is the basis on which much of the money is being spent.

Mr. President, let us stop and think. Hundreds of millions of dollars we are now spending—aside from all I have just referred to—are being devoted to building a network of air bases around the world. Are we receiving any help in establishing the tremendously large bases built in North Africa? No. We are building all those air bases on our own. We put up every dime of the money necessary to build them. The bases are being built not only for our protection, but for the protection of the whole free world, and it strikes me that those nearest the place where a conflict may develop, the people who are most vitally interested in maintaining a free world, should at least be willing to pay their share of this program. They do not, of course. They do not even pay for their own homeland defenses, in many cases. Uncle Sam must do it all.

I have in my hand a memorandum concerning construction by the Department of the Air Force which reads in part:

> The Department of the Air Force plans to spend a grand total of $929,100,000 on airbase construction during fiscal 1956. Of this amount $453,200,000 will be spent on overseas bases. At the present time, out of a total of 346 Air Force bases, 186 are overseas. These include Strategic Air Command bases in the Far East, United Kingdom, Morocco, and Spain, and tactical support bases designed to support the NATO forces in Germany, England, and France.

Mr. President, before I ask to put in the RECORD the remainder of the statement, I should like to read one more paragraph from this memorandum which deals with a reference in the hearings held before the Senate Appropriations Committee on the supplemental appropriation bill:

> Statement on page 165 by Lyle S. Garlock, Assistant Secretary of the Air Force for Financial Management, in answer to a question by Senator ELLENDER. Senator ELLENDER asked Mr. Garlock whether it was not true that the United States did not ask assistance from its allies in Europe in defending the free world. Mr. Garlock replied: "I would not want the record to show that we have made no effort. The record will show that we didn't get any."

Mr. President, the air bases are being built on the soil of our allies as much for their protection as ours, but they are being built entirely at our expense. All of that is in addition to the money we are spending in order to have our allies meet their NATO obligations—to provide their own hardware. This support we give them amounts to from 22 to 28 percent of the total cost of equipping and maintaining their NATO troops.

Mr. President, I ask unanimous consent that the memorandum which I read in part be printed in the RECORD at this point in my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMO RE UNITED STATES AIRBASES ABROAD

The Department of the Air Force plans to spend a grand total of $929,100,000 on airbase construction during fiscal 1956. Of this amount $453,200,000 will be spent on overseas bases. At the present time, out of a total of 346 Air Force bases, 186 are overseas. These include Strategic Air Command bases in the Far East, United Kingdom, Morocco, and Spain, and tactical support bases designed to support the NATO forces in Germany, England, and France. The following portions of hearings on the 1956 supplemental appropriations bill will be of interest in this connection:

1. Chart 2, page 206, indicates a proposed expenditure of $222,962,000 for Air Force bases in Europe. This expenditure represents 15.5 percent of the total worldwide programs projected for the Air Force during the 1956 fiscal year.

2. Page 201, statement by Senator STENNIS as to delays and oppositions by European countries in the construction of airbases.

3. Statement on page 165 by Lyle S. Garlock, Assistant Secretary of the Air Force for Financial Management, in answer to a question by Senator ELLENDER. Senator ELLENDER asked Mr. Garlock whether it was not true that the United States did not ask assistance from its allies in Europe in defending the free world. Mr. Garlock replied: "I would not want the record to show that we have made no effort. The record will show we didn't get it." Mr. John M. Ferry, Special Assistant for Installations, Office of the Secretary of the Air Force, stated in answer to a question from Senator ELLENDER on whether the United States was obtaining assistance from the French or British in constructing the bases in north Africa: "I think I would have to answer, sir, 'None.'"

4. The record is replete with reference to the fact that many countries restrict the use of counterpart funds in building American bases and housing for American troops abroad. Mr. John M. Ferry stated that the British have not permitted the United States to use any of the counterpart funds on deposit to our credit for housing.

5. In construction of bases in Britain and France, only British and French contractors are used. This of course means an additional flow of American dollars into the economy of these two countries.

(Source: Hearings on supplemental appropriation bill, 1956, pp. 153–232.)

Mr. ELLENDER. Mr. President, that about sums up the reasons why I think the House figure should be adopted. Our allies are well off. They are able to contribute. Let us have a reevaluation of all the projects and all the programs in effect, in the hope that we can make this a real mutual-security program, instead of having it a one-sided program—a program financed by the United States. If this is to be a true cooperative program, let us begin to make it so. The time has come to draw the line. Let us do it now.

Mr. DIRKSEN obtained the floor.

Mr. KENNEDY. Mr. President, will the Senator yield so that I may suggest the absence of a quorum, with the understanding that the Senator from Illinois will not thereby lose the floor?

Mr. DIRKSEN. I yield for that purpose.

Mr. KENNEDY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	Monroney
Allott	George	Morse
Anderson	Goldwater	Mundt
Barkley	Gore	Murray
Barrett	Green	Neely
Beall	Hayden	Neuberger
Bender	Hennings	O'Mahoney
Bennett	Hickenlooper	Pastore
Bible	Hill	Payne
Bricker	Holland	Potter
Bridges	Hruska	Purtell
Bush	Humphrey	Robertson
Butler	Ives	Russell
Byrd	Jenner	Saltonstall
Capehart	Johnston, S. C.	Schoeppel
Carlson	Kefauver	Scott
Case, N. J.	Kennedy	Smathers
Case, S. Dak.	Kerr	Smith, Maine
Chavez	Kilgore	Smith, N. J.
Clements	Knowland	Sparkman
Cotton	Kuchel	Stennis
Curtis	Langer	Symington
Daniel	Lehman	Thurmond
Dirksen	Long	Thye
Douglas	Mansfield	Watkins
Duff	Martin, Iowa	Welker
Dworshak	Martin, Pa.	Wiley
Eastland	McCarthy	Williams
Ellender	McClellan	Young
Ervin	McNamara	
Frear	Millikin	

Mr. CLEMENTS. I announce that the Senators from Washington [Mr. JACKSON and Mr. MAGNUSON] are absent on official business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is necessarily absent.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). A quorum is present.

The question is on agreeing to the committee amendment on page 2, line 7.

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays on the committee amendment.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, first let me refresh the recollection of Senators. There is pending at the present time a committee amendment to restore $420 million to the pending bill, which would erase the cut made by the House of Representatives. That is the pending question, and I assume that the vote on that amendment will be taken in a little while.

I listened with interest to the very distinguished Senator from Virginia [Mr. BYRD], to the colloquy between the distinguished Senators from Louisiana [Mr. ELLENDER and Mr. LONG], and to the very able presentation made by my distinguished and hard-working colleague on the Senate Appropriations Committee [Mr. HAYDEN]. I do him the honor of saying that he is one of the hardest working, most diligent Members of the Senate. I regret, of course, that the entire story has not been told as a predicate for the conclusion which I hope the Senate will reach.

I earnestly hope that the committee position will be sustained, and that the reduction will be restored.

I should say at the outset that the $420 million cut imposed by the House, which the Senate committee would restore, goes to the military aspects of the bill. We ought to keep that in mind.

Let me allude, first of all, for a moment or two, to the fiscal situation which is before the Senate. When the authorization bill was considered by the Senate and the House, the administration asked for $1,400,000,000 for the military purposes of the bill. After the military services had examined their records—and there were monumental records to explore—they discovered that the amount requested could be reduced somewhat, so the final request which came to both the Senate and House was for $1,125,000. Certainly that evidences the good faith of the administration. If it had wanted to do so, it could probably have asked for $1,400,000,000 and secured some defenders for it, but the administration felt that in the fiscal year 1956 it could get along with $1,125,000,000 in the military account. That is the question which was submitted to both the House and the Senate. The amount was reduced on the House side, and, as I have indicated, the Senate committee restored the cut. The bill was reported from the Senate committee by a vote of 17 to 3. So it might be appropriate first to examine some of the discussion which has taken place this afternoon.

It would be easy for me to vote for this reduction. It would be expedient for me to do so. It would be politically astute for me to do so. I live in the Middle West, and I read the editorials in the newspapers. I read a well-written editorial in one of the Chicago newspapers. If I were timid, I might follow that line and vote for the cut. But I shall not do so, because I think there are overriding considerations which the Senate must keep in mind.

With respect, first of all, to the observations made by the very distinguished Senator from Virginia [Mr. BYRD], I must say that I am as sensitive to the question of debt as is anyone else. I had a rather frugal rearing. I say this not immodestly, but I remember when the breadwinner in our family died. I was only 5 years old. My mother used to say to me, "My son, you have been very decorous; you have been very good this week. Here is a penny to spend. Don't spend it all in one place."

When one has had a frugal rearing like that, he becomes fully sensitive of the value of a dollar, and also the burden of debt on this country at the present time.

But that does not tell the entire story. Let us see what is involved on the military side. The entire amount which has been requested since 1949 for the military account in connection with mutual security is between $19 billion and $20 billion. Up to the 31st of January of this year, $11 billion of that amount has been expended for military purposes.

Let us take a look at some comparative figures. Let us keep in mind that we have spent $11 billion on mutual security for the military account, since this program started.

We spent $18 billion in Korea, and that does not include the holy blood of young men who never came back. We spent $18 billion on a 2-year war in Korea. Thus far we have spent $11 billion under this program.

When we talk about the national debt, let us bear in mind, also, that the country has been at peace. That is a great consideration, when we stop to consider that the gross national production, as reported yesterday, is probably in the neighborhood of $375 billion. We have spent $11 billion under this program since it started. Keep in mind the $18 billion for Korea. That shows how quickly conflict can dissipate the dollars of this country.

When we speak of the debt, I remind Senators that in the past 5½ years we have spent $170 billion upon the Armed Forces of our country. We spent $170 billion for the Army, the Navy, and the Air Corps in 5½ years. Thus far we have spent $11 billion under the mutual security program. That has been a pretty good investment.

The other day the Senate passed a Reserve bill. That will cost an estimated $3 billion a year, in addition to the other expenditures we must make. Eleven billion dollars is what we have spent on the program. During World War II we spent an average of $7 billion a month—a month, Mr. President. The appropriation requested in the bill before the Senate today, which has the sanction of the majority of the members of the Appropriations Committee, on the basis of World War II level would not last even 5 days. That is not so excessive, is it?

There is tranquility in our country. There is peace in the land. American GI's are not forfeiting their lives on some far off muddy battlefield. I think that is a pretty fine reflection.

Therefore, when we speak about the national debt—and I cringe a little whenever I hear the figures—and when we speak about our overall budget—and I cringe a little when I hear that figure, too—when we consider the tangibles and the intangibles, and when we consider the benefits this country has enjoyed since war took a holiday, $11 billion expended thus far is not so excessive after all.

Yet we do live in peace for the moment.

Therefore I remind Senators, when they hear the figure of the public debt, and when they hear how much has been expended abroad, that they keep in mind what has come to us.

I believe the term "foreign aid" is a very unhappy one. It implies and connotes a giveaway or welfare program. I remind Senators today that this is the most selfish program I know of. We are not undertaking it out of the charity of our hearts for other people 10,000 miles distant. We are doing it for our own skins.

Let us be realistic about it. The only justification for the program is that it is a projection and extension of the security of this country. We have only one interest, and that is to keep the enemy war machines away, so that destruction shall not be our lot.

My distinguished friend, the acting majority leader, and I took a little trip not so long ago. During the latter part of that trip I surveyed over again the war damage in Europe.

I saw it at its worst when, as chairman of a committee, I took 20 Members of the House to Vienna and Frankfort and Stuttgart and Berlin, and to other cities. I saw the raw, naked devastation in all its hideous brutality. That is what we are trying to keep away from our country.

Mr. President, we could not forfeit one good American city for what is involved here, when we measure the devastation to morale and the destruction of tangible values.

Therefore, when we stop to consider this matter for a moment, we must remember that what we are doing is intensely selfish. It is not a giveaway program. It is not a contribution for the welfare of any people. It is not charity. We are doing it for the greatest, most blessed, most prosperous country on God's footstool. That is the justification for this program.

I look at all of it realistically. I remember the day when I used to attack this program. I did it with a great deal of verve and vigor. I take it back. Publicly and privately, I take it back.

When I do, I confess there is a great deal of waste in the program, as there is in everything else which involves so many people. How are we going to assemble a big force all over the world, to administer a program involving billions of dollars, and escape waste? It cannot be done. In the very nature of human kind, it cannot be done. Notwithstanding the waste that may be involved, this has been a good program.

When we look at it in perspective, what is it all about? First, to enable us to do our part. I say that, because, argue as we may, we are a part of a collective system in the world. Therefore, we must do our full share.

Secondly, we expect our allies and the others who are identified with the free world to do their share. We hope they will. They have been doing their share.

Notwithstanding the figures we heard this afternoon, the whole NATO contribution in 1949 was only $5 billion. The contribution last year was $43 billion. They have been trying to do their share. This is not a one-way street.

If the United States were to try to do this on its own, we would have to put a great many more divisions in the field and buy much more equipment, and the effort could bankrupt our country. We get a pretty good deal as we go along. Therefore, we must do our share, and we expect others to do their share. We want to help them, if we can.

Thirdly, we must shore up their economies a little bit. We must teach them a little more know-how, although I am frank to say they are doing pretty well in that field.

Finally, of course, there must be some development aid. That is the whole program which is envisioned in the bill now before the Senate.

In the course of the discussion it was said that we must stop the economic aid, because prosperity abounds in the world. What is the fact? Here are the figures. How much economic aid for Europe is provided for in the bill? It is $70 mil-

lion. That is all. There has been a great deal of argument today which has departed from the fact. Sometimes I wonder whether there is not an allergy toward getting the whole story. $70 million is what is recommended for economic aid for Europe. We have come down progressively on this part of the program. What countries are involved? There are only 2, Spain and Yugoslavia. What kind of aid is involved? Agricultural surpluses. That is what those countries get. Then that aid is converted into local currencies or counterpart funds to help bring the expenditure down.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I would rather not yield for a while, until I have continued a little further with my statement.

When we look at Europe, we find that there has been a small addition to the appropriation made by the committee. The addition is approximately $22,200,000. The committee did that. It wanted to do something for Spain. They increase the amount for Spain, but it is on a commodity basis.

We have been insisting that we do something to get our surpluses into the world channels of commerce. That is what we are doing in Europe today.

The only other additions are for technical exchange, and the $21 million for the joint control in Berlin. The latter is the item I discussed at great length with Ambassador Conant in Berlin a few days ago. I think in the main our Government made a pretty good record over there.

Therefore, when we talk about defense support, it must be remembered that the figure is coming down.

However, I must admonish Senators that there is a critical and sensitive area in the world, namely, the East, where the Senator from Kentucky [Mr. CLEMENTS] and I visited. The Senator from Kentucky went to Japan and Korea, and we met in Formosa. Then we went to Vietnam, Cambodia, and Thailand. We took a look, and we saw what was there. Vietnam is a small country which has just gained its independence. It was formerly a part of the Associated States, commonly referred to as Indochina. It has a population of 11 million. At Geneva, although we did not sign the treaty, we were parties to a deal by which a line was drawn at the 17th parallel, as a result of which the land above that line is Red, and below it is Vietnam.

Those people are trying to hold freedom's line. They do not have much to work with. They have been under the tutelage of a European country for nearly 90 years. Mr. President, imagine a country which sets up a central bank of issue and does not have even one person who has had even the experience of a cashier in a country bank. Consider the load which is upon them. So they had to send to the Federal Reserve bank in New York to get a man to teach them how to set up a bank and get things going. That is a difficult assignment for a small country with 11 million people who were never taught anything about the administration of government.

Shall we forsake them? Shall we abandon them, or shall we stand by until the job is done?

The great George Bernard Shaw said that fear is the one universal pattern. From the baby in the cradle until the oldest living person feels the shadow of eternity fall across his course he is torn with fears all his life. The overriding fear of those people is that we will forsake them now. We do not dare to send that kind of message to the world. If we do, let us forget the whole business once and for all, and say we will set up a citadel in this hemisphere.

Money must be provided for the support of defense in Asia. We are getting out of the woods in Europe. In another year there may not be a dollar needed there. But it will not be that easy so far as Asia is concerned.

There is a great arc on which the first country is Burma. I sat with the Burmese Foreign Minister for over an hour in Rangoon not over 5 weeks ago to hear him tell me what he could not put down on a piece of paper.

Who developed the resources around Mandalay? Back in 1903 a man by the name of Herbert Hoover, a young engineer, started the oil wells, the zinc concentrate mines, and the silver mines aroud Mandalay. They are not operating today. Why? Because insurgents and brigands are operating there. One can hardly go 20 miles from Rangoon without running the danger of being shot.

Shall we forsake them?

In the House hearings, someone said all the nations should be like Burma, because Burma did not take our aid. They are afraid to take it. That is the answer. They have a thousand miles of common border with Red China. Do not forget that. We must find some way to help them without letting it be too obvious or too transparent.

Next to Burma is Thailand, an aggressive country containing 19 million people. There are more than 3 million Chinese in Thailand.

I suppose we should forsake the bastions in the Pacific. What would happen? There would be a great new orientation to Peiping, and then our work would really be cut out for us in Asia. I am in favor of standing firm and not retreating a foot. There are small countries that need help, such as the little country of Cambodia, with 4 million people, or the little country of Laos, where they are fighting this afternoon. The fighting is right on the Red Chinese line. These nations are underdeveloped. I will not say they are undeveloped. They are a part of the free arc of Asia. Shall we abandon them? Shall we forsake them? That would be the most colossal blunder we could ever commit. We are trying to help in connection with our surplus commodities. When we talk about economy, we should see where the money goes and see what good is accomplished. That is the only way to get the whole story.

Mr. President, I must take the time of the Senate to discuss the question of unexpended balances. It is a very tricky question. I wish to tell the Senate the whole story, because we took day after day and night after night to work it out a little at a time.

What the Senator from Louisiana said is correct. With reference to military balances, in round figures, there are $6,400,000,000 unexpended — obligated but not expended.

With references to economic balances, there are $2 billion unexpended or unobligated.

I know how easy it is to say, "They have $8½ billion piled up on the shelf. They have not spent it. Why give them any more?"

Let us take a look.

Mr. President, we bought some minesweepers for a definitive job. It was 3 years after they were bought before they were paid for.

We bought heavy equipment, some of which was purchased 4 years ago on which we are now dispersing money. There is a long lead time. Had this program started differently, this would not be necessary. By "differently" I mean that ever since I served on a House Appropriations Committee many years ago we have written into appropriation bills the amount of money needed for a year and at the same time provided contract authority. If we undertake to build a battleship, it takes 5 years to complete it. The first year we give the department $3 million for the planning, but we give them contract authority to go ahead. The next year they may ask for $15 million, and the next year for $40 million. But the authority was granted, and the job has to be done.

This program started out differently. The money was provided for contract authority. I know the Defense Department would rather have it any other way than to have all this controversy, because if they had the money in the first instance all this difficulty never would have occurred.

So, Mr. President, when we think of the long lead time, the time that elapses when a piece of equipment goes on the drawing board until it finally gets into the hands of the pilot or a soldier, somewhere in the distance, a long, long time goes by. But from the day the commitment is made the department has to be sure that the money will be there when needed.

I would refresh the recollection of my distinguished friend from Kentucky [Mr. CLEMENTS]. We had a very fine luncheon with the Prime Minister of the new-found country of Vietnam. My colleague will bear me out when I say that almost the first thing we were asked was, "What will happen on the 30th of June when your fiscal year ends in Washington? Will the moneys be forfeited?"

They know what goes on, Mr. President. Can we get them to commit unless the money is there? If we start to take the money away, how can we get them to commit their forces and undertake cooperation for the security of the free world? They will not do it.

That is the reason why the money is on the shelf.

Since 1953 appropriations for foreign aid have been going down. The yearly expenditures have been going down, and real progress has been made. But the

money is there and it must be there if this program is to proceed in smooth and coordinated fashion in the interest of our security, and, more importantly, perhaps, in the interest of the security of other places in the world.

Mr. President, what about the $1,125,000,000 which was cut by the House by $420 million? What is it for? The sum of $500 million is to protect our investments abroad. Think of the planes, the tanks, and the weapons we have abroad. The obtaining of spare parts is one of the greatest responsibilities, and great efforts constantly have to be made to go forward. So here is $500 million to protect an investment, as it is called. It includes, also, the training of soldiers elsewhere. Let me digress to allude to that for a moment.

I saw the stories in the syndicated columns, long before I reached Formosa, that the Nationalist Chinese had an antiquated, overage army. I leave it to my friend, the distinguished acting majority leader, to say what we saw. The overage men have been culled out of that army. That is one of the most rugged armies one will ever see in his lifetime. What a great field demonstration we saw. It was marvelous, as a matter of fact.

By this method we are getting 5 divisions for 1; or 6 for 1, as we are getting them in Korea. Is it not a good deal under this program when we get 6 foreign divisions in the field for 1 division of American boys, properly weaponed? If that is not a good deal in terms of dollars and cents, I have never seen one.

Today, what have we? We have a whole host of divisions in Korea. They are great fighting men. I saw them 2 years ago; the Senator from Kentucky [Mr. CLEMENTS] saw them within the last 4 or 5 weeks.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. CLEMENTS. I know it is not necessary to confirm what my friend from Illinois has said about the observations which we made there, but I am pleased to confirm them.

I wish to ask the Senator a question relative to the Taiwanese being inducted into the Chinese Nationalist Army. Is it not a fact that the approximately 60,000 or 70,000 who were looked upon as ineffectives in the Chinese Nationalist Army have now been replaced with young Taiwanese enlistees or inductees?

Mr. DIRKSEN. Oh, definitely so.

Mr. CLEMENTS. Is it not true that the average age of the members of the present Chinese Nationalist Army is approximately 25 years?

Mr. DIRKSEN. Yes; and we might implement that fact by stating for the record that General Smyth and General Chase, and other military leaders there are authority for that statement, and helped to do the culling job.

Mr. CLEMENTS. Is it not a fact that our own military authorities in that field, together with the Nationalist Chinese, are the authorities we would use for the statement that the average age of the members of the Chinese Nationalist Army today is approximately 25 years?

Mr. DIRKSEN. That is correct.

Mr. CLEMENTS. Is not that army one of the younger armies on the face of the globe?

Mr. DIRKSEN. I would think so.

Mr. CLEMENTS. Is it not true that the Koreans not only have a very tough, rugged army of comparable size, which their country and the United States should support at present, but also have not the Koreans developed a very sound, reserve principle of replacement?

Mr. DIRKSEN. Indeed, so, and I am glad they have, because it simply makes unnecessary in that part of the world additional soldiers from the United States.

Mr. CLEMENTS. Is that not one of the real needs of the Chinese Nationalist Army today—namely, that the same steps be taken in Formosa which have been taken in Korea to develop reserve forces which could be moved in when needed, and still not require the same expense as the regular forces require?

Mr. DIRKSEN. I am glad the acting majority leader has raised that point because last year I explored that question with General Van Fleet, who was the President's personal emissary to Asia. This year we explored the matter with Admiral Radford. I thought perhaps it was one of those things to which we could not allude, because it might be classified; but on page 136 of the record Senators will find in Admiral Radford's testimony that the matter of reserve divisions in Taiwan or Formosa has been very much in their minds for quite some time, and it is receiving consideration. If I may express a personal hope, I trust we can provide money in the bill to make it possible to proceed with that reserve training program, because it simply will add to our strength in the Pacific, and will enlarge the line of prompt duty.

Mr. CLEMENTS. Would my friend from Illinois say that with the support by the Senate of the committee's restoration of funds there is a greater opportunity for the military authorities to assist in starting the reserve divisions on their way?

Mr. DIRKSEN. I concur in that statement entirely. I trust that our military leaders also see the situation in that light, because it will simply strengthen the Pacific bastion.

Mr. CLEMENTS. Not only will new money be required to do that, but will not new money also be required to provide the equipment which it will be necessary for those divisions to use?

Mr. DIRKSEN. Quite so.

Mr. CLEMENTS. Would not my friend from Illinois agree also that the development of the army in Vietnam has followed about the same procedure as was followed in Korea? It took time to train the Koreans, who had never had any military experience or experience with mechanical equipment of any kind. The same practice was followed with the Chinese Nationalists. Is not the Senator from Illinois of the opinion that the Vietnam Army has made great headway within the short time General Daniel has been in charge?

Mr. DIRKSEN. What we saw during a field demonstration by that army was a splendid testimonial to a great American soldier and drill master, Iron Michael Daniel. I think we all ought to salute him for the job he has done.

Mr. CLEMENTS. I think my friend from Illinois and I agree with the military officials that the Reserve divisions are one of the real essentials; and that the next step will be to provide Reserve divisions for Vietnam.

Mr. DIRKSEN. I am confident that it will be.

Mr. CLEMENTS. With those military beachheads among our friends in that area, coupled with the Philippines, regardless of the fact that those armies are of a size which we might say are more important for internal security than they are to wage war, would not the Senator from Illinois agree with me that Southeast Asia can be saved if we give those countries the proper financial support?

Mr. DIRKSEN. Yes; and with those so-called beachheads our lines are so much foreshortened.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. SALTONSTALL. The colloquy between the two distinguished Senators has been very helpful to Senators who have not been to Asia. I ask the Senator from Illinois if it is not true that if the amendment of the senior Senator from Louisiana [Mr. ELLENDER] shall prevail, $220 million of the $440 million will come directly out of military assistance commitments, about which the Senator from Kentucky and the Senator from Illinois have been talking?

Mr. DIRKSEN. The Senator is exactly correct. I should admonish the Senate also that this is the first time the Korean version has been in the bill. Heretofore it was carried in other appropriation bills. This is the first time it has been carried in the mutual-security bill.

So, when we consider the increased burden and the reduced amount, it occurs to me that the administrators have done a splendid job.

Let me get around to the most abstruse question before us, because I know what a plausible argument one can make about the question of obligating the funds on the 30th day of June.

In the colloquy between the two Senators from Louisiana and the junior Senator from Montana anyone who did not know the whole record could very well concur. But let us examine what has happened as to any shift of responsibility which Congress has in the matter upon men of good faith who are well and diligently administering affairs in the executive branch.

In the second supplemental appropriation bill for 1954, which was approved on the 24th of August, for the first time Congress wrote what it regarded as a firm obligation of money. There are some eight categories, and they are all very nicely recited there. Congress did that. We said to every agency in the Government, "There is a definite obligation, and it is the law. You must abide by it, because if you do not you may make an obligation which will be invalid, illegal, or unlawful, and you will be responsible for it."

The law contained abstruse language which had been drafted by the General Accounting Office. We sweated over it for a long time. We have encountered this problem before. It had to be spelled out by regulation.

Mind you, Mr. President, the supplemental appropriation bill was approved on the 26th of August 1954. The regulations were drafted in the Pentagon. It took from the 26th of August until the 2d of November to draw up regulations which were reasonable and responsive to the statute which Congress enacted. Now the hands of the executive department are tied with respect to money until they send the regulations to the General Accounting Office. How long do Senators think they were there?

The law was approved on August 26. The regulations were finished by the Pentagon on November 2. They did not get out of the General Accounting Office until March of this year. That is how long they were there. And all the while there was the Pentagon, there was MDAP, and there was FOA, which had its hands tied. It could not tell how legal the obligation was until it was made clear. The General Accounting Office said 2 or 3 changes were to be made. That was in March, and it took until May before the changes were made. The Pentagon did not do it; FOA did not do it; we wrote the law, in which we said, "There is a definition of obligation, and, mind your p's and q's, you had better abide by it."

All this interminable time was spent in finding out how they could legally obligate money. In the law we provided that any money which is reserved for apportionment and appropriation must be supported by an audit, by a certificate, and by records. All this time they had their hands tied.

What happened? They said, "Air Corps, look. Tell us what you want to obligate and what you have on the books." They could have obligated it months before, but because of the task of having to explore and reexplore all their books, it was the 7th of June of last month before the Air Corps could get them all audited. I think it was the 17th of June before the Army and Navy could get their certificates ready.

Then a little difficulty arose. What happened? It was the 29th of June 1955 before they could comply with the law. We wrote into the statute the obligation to audit, record, and certify before they could have a valid obligation and before they could spend money. Who did it? They were simply abiding by a very abstruse section called section 1311 in the second supplemental appropriation bill. They were glad to have it. They said, "This is the first time an obligation has been defined in a law." But when one thinks of the millions of entries made it can be seen why they could not get the package together until the 29th of June.

What happened on the 30th of June, the last day they obligated money? They could not act any sooner. We had it fixed so they could not. But months before, they had all their data ready. They could tell one how many planes, how many tanks, how many 155 millimeter howitzers, were involved. They had all that information.

That is different from coming onto the Senate floor and saying, "Oh, these wastrels. They wait until the 30th day of June and then they obligate hundreds of millions of dollars." Who did it? We did it, and we ought to confess the fact instead of castigating good administrators in Government, who have been diligent in the pursuit of the public's business.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. DIRKSEN. Let me make one observation, and then I shall yield.

Mr. President, this is "rugged" kind of information to present. There is not much pleasure in doing this. I do not like to sit up nights to dig out the facts. But there has not been any other way to do it, and I am afraid it has not been done as it should be done, so the whole story may be placed before the public, instead of putting the departments in a bad light and saying that hundreds of millions of dollars were obligated on the 30th day of June, "and see what wasting scoundrels they are." That is a poor statement to make about men whose devotion and loyalty to the public service is not exceeded by that of anyone in this body, including myself. I will never charge them with bad faith. I think they go about their business as well as anybody in trying to serve a common boss, which is Uncle Sam.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). Does the Senator from Illinois yield to the Senator from Massachusetts?

Mr. DIRKSEN. I yield.

Mr. SALTONSTALL. I should like to ask my distinguished colleague if it is not true that when the money is reserved by the Mutual Security group of which the Senator has just been talking, the actual airplanes and tanks have been shipped or are on their way to delivery to the Army, the Navy, and the Air Corps; and when there has been a certification, it is for money appropriated by the mutual security bill, so that the equipment of the Navy, the Army, and the Air Corps can be replaced with the best possible and newest equipment for the equipment which has been used for the purposes of the mutual security program. Is not that correct?

Mr. DIRKSEN. That is correct.

Mr. SALTONSTALL. So if the money had not been obligated, as it was obligated, by the latter part of June, or on June 29, as the Senator has stated, it would mean that our Army, Navy, and Air Corps would not be able to replace the equipment.

Mr. DIRKSEN. Exactly so. We serve two purposes in that connection.

Mr. President, I wish to allude to the letter to which reference has been made. If one reads the House report, one might say there was a violation of an agreement in writing between the Pentagon and 3 Members of the House, 2 of them being Members of my own party and 1 a Member from the majority side. What did happen, as a matter of fact? We may just as well get the whole story out in the open.

While the discussion was going on as to whether or not the money could be taken out of the bill, General Moore and Markley White, who is deputy comptroller in the Pentagon, came to the Capitol to have a session with the Members of Congress. The question was raised, "Why did they have to have a memorandum about it?" I will tell my colleagues why. It was because in the discussion, the House committee clerk suggested to General Moore that perhaps he ought to reduce to writing his understanding of what happened in the conference with three Members of the House. That was his testimony before the Senate committee. That was done. I think the language was a little involved, but I thought I read it correctly the first time. General Moore has been appearing before committees of the House and the Senate for 19 years. He is the liaison man, and a good one, and a man of honor. He repudiated any implication that he ever entered into an arrangement with three Members of the House.

Let me ask my colleagues something. How in the world would a responsible person, who had served as a general in the Army, make a deal with 531 Members of the House and the Senate which would involve $420 million? That is as fantastic and incredible as anything I ever heard of. According to the memorandum, there was supposed to have been a deal.

I read from the first paragraph:

> This is a record of Mr. Shaw's and my understanding of the agreement reached yesterday, the 28th day of June 1955, by the three Members present in connection with the apportionment request of the Department of the Defense.

Does it say an agreement with anybody? Does it say an agreement with FOA? Does it say an agreement with the State Department? Does it say an agreement with the Pentagon? It says agreement with three House Members. Yet on that very basis there was written into the House report the statement that he had signed an agreement to put $420 million into the bill.

I have often heard semantics discussed. I have engaged in a bit of etymology myself in 25 or 30 years, but it would certainly test my credulity to read into the statement I have read that there was an agreement between three Members of Congress and the agencies downtown to put $420 million back in the bill.

If I thought three Members of the body where I served for 16 years could do that to the other 528 Members, I would wonder what had happened to the authority of the United States Senate and the other Members of Congress.

What I have referred to was the General Moore memorandum. I think we had better be a little careful as to how we read the memorandum. After all, $420 million is not hay, especially in the little town where I live.

Mr. President, in the course of the debate something has been said about Mr. Hensel.

Mr. THYE. Mr. President, will the Senator from Illinois yield to me?

The PRESIDING OFFICER (Mr. BIBLE in the chair). Does the Senator from Illinois yield to the Senator from Minnesota?

Mr. DIRKSEN. I yield.

Mr. THYE. Mr. President, as one who sat through most of the hearings, and endeavored to obtain all the facts and all the information, I wish to state specifically, for the RECORD, that I concur in everything the distinguished Senator from Illinois has just said.

I desire to say, further, that I know of no one who showed greater interest or asked more searching questions of those who testified before the committee relative to this appropriation than did the Senator from Illinois.

For that reason, I wish to state positively for the RECORD that I sat through most of the hearings, and that I concur wholeheartedly in the remarks and observations of the distinguished Senator from Illinois.

Mr. DIRKSEN. I thank the Senator from Minnesota very much.

Mr. President, Mr. Hensel's name has been mentioned. What is the situation? Of course, there is nothing like going back to the person who testified to obtain his definite statement on the matter. Therefore, Mr. President, I desire now to read into the RECORD a telegram from Mr. Struve Hensel, dated July 15, sent from Bohemian Grove, Calif., and addressed to the Honorable Wilfred McNeil, Assistant Secretary of Defense, at the Pentagon Building in Washington. The telegram reads as follows:

BOHEMIAN GROVE, CALIF., *July 15, 1955.*

Hon. WILFRED MCNEIL,

Assistant Secretary of Defense,

The Pentagon, Washington, D. C.:

I am distressed by newspaper reports that House Appropriation Committee feels there was undue haste in June military aid obligations and that I promised not to obligate all available money. There must be some mistake or lapse of memory on committee part because such reports have no factual basis.

First, I made clear in detailed tabulations that all unobligated money had been programed for obligation and expenditure, and encouraged Congress to indicate any item which it did not approve. No disapproval of any particular item has been indicated to my knowledge.

Second, appropriations request for 1956 was based on assumption that all unobligated money would be carried forward. Otherwise, foreign policy needs for 1956 would have required even more money than requested.

Because, Mr. President, if one took that view, it would be necessary to request for military purposes for 1956, appropriations of perhaps $2 billion instead of $1,125,000,000.

I read further from the telegram:

Third, when House Foreign Affairs reported bill which required money to be obligated or lost, I made long statement to House Appropriations to effect that such action released me from any statement made on assumption that unobligated money would be carried forward or that cuts, if made, would be related to disapproved programs. Unfortunately, TABER and WIGGLESWORTH missed that portion of committee hearing, but I trust they read record.

Fourth, before obligating money in June, I telephoned PASSMAN and TABER explaining my intentions and need for money to be carried forward. After my explanation, TABER said, "All right," and PASSMAN promised no cuts would be made unless disapproved items were clearly indicated.

Fifth, I feel strongly that Congress was fully and frankly advised of each program and each step taken, and I am deeply disappointed with House Appropriations' action in making meat-ax cut in 1956 funds without indicating which programs should be dropped. You may use this wire as you see fit.

STRUVE HENSEL.

Mr. BARKLEY. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. BARKLEY. As the Senator from Illinois knows, I am not a member of the Appropriations Committee, but I am a member of the Foreign Relations Committee. I listened attentively and with great appreciation to the able testimony of Mr. Hensel. I do not recall that I have ever listened to a more forthright witness before any committee of which I was ever a member. I recalled that in going over these funds and in trying to ascertain whether they constituted what in his mind was a minimum for the requirements, after all the screening which had occurred before the items reached us, not only from the military standpoint, but from the economic and other standpoints, I asked him the specific question whether this amount was regarded by him as the minimum with which the Department could fulfill our obligations, as set forth in the authorization bill. He most emphatically and repeatedly said that in his judgment it was the minimum with which they could carry out those obligations.

Mr. DIRKSEN. I think that is correct; and as we examine into the matter, we come to the same conclusion.

Mr. BARKLEY. How anyone could misunderstand Mr. Hensel, in connection with a matter of this sort, I am unable to understand.

Mr. DIRKSEN. It is unfortunate that sometimes there come to be inexplicable conflicts of testimony. But I cannot imagine that one with Mr. Hensel's background would say anything like that, unless it was based on one of the assumptions to which he had alluded.

So I think that answers any effort to place upon the language he used an interpretation which was not there.

Mr. SALTONSTALL. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. SALTONSTALL. Is it not true that we must base our judgment and our actions on the facts, not on whether an agreement was or was not kept?

Is it not also true that if this amount of money was held over, and was not spent in the fiscal year 1955, that is no evidence that additional funds will not be needed in the fiscal year 1956 and in connection with the 1956 program, in order to keep the commitments which already had been made in 1955, as well as the new commitments for the fiscal year 1956?

Mr. DIRKSEN. Definitely so; and if the need is not there, the money will not be used.

Mr. SALTONSTALL. Is it not a very dangerous practice for the Bureau of the Budget—and I criticize the Bureau of the Budget—to make with any Member of Congress, whether he be a Member of the House or a Member of the Senate, verbal statements and verbal agreements which do not show in any way in the record?

Mr. DIRKSEN. Exactly so.

In the course of the debate today, it has been observed that actually there is no emergency, and that these funds can wait; and the suggestion has been made that we might well wait until next year.

Mr. President, the Senator from Kentucky [Mr. CLEMENTS] and I went to Quemoy, and spent a day there. We examined the log of action on Quemoy. From September 3, 1954, to June 6, 1955, 17,000 rounds of howitzer ammunition fell on Quemoy, in 470 separate shellings. Is it said that no war is going on? Certainly a war is going on somewhere. We had the benefit of all the reconnaissance photographs showing airplanes on the mainland of China, all the way from Shanghai to Fuchow. Those photographs are available for inspection by anyone who wishes to examine them.

At the present time, fighting is going on in Laos; and let us not forget that the Red evil is still on the march, and the pressures are still there.

Consider the concern our friends in Thailand have at the moment. An autonomous government has already been created in Yunnan Province, running down into Thailand. What those forces are going to do is as plain as the nose on one's face, Mr. President. They are going to drive a wedge right through the middle of the Asian arc, if they can do so; and they will do it if we forsake those countries. Mr. President, are we going to forsake them, or are we going along with the mutual-security program?

The question has been asked, "How long will this last?" Mr. President, I do not know. But I do know that this very afternoon, as the sun goes down, it shines on a country which is at peace, and I do know that the young men of that country are not paying with their own sacred blood for any mistakes which might have been made. That is worth something, Mr. President; is it not? When we stop to consider that foreign aid of this kind has cost us $11 billion since 1949, whereas the Korean war cost us over $18 billion, if we put the tangibles and the intangibles together, the total score is a rather good one.

Mr. HOLLAND. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. HOLLAND. First, I desire to congratulate the able Senator from Illinois upon the excellent address he is making, and also upon the splendid observations which he, along with the distinguished acting majority leader [Mr. CLEMENTS], brought back from a completely bipartisan visit to the troubled areas of the world, and also for the fine leadership he is exemplifying in this cause, which I believe to be a highly necessitous one.

Mr. DIRKSEN. I thank the Senator from Florida.

Mr. HOLLAND. Mr. President, I have just consulted the RECORD. I find that

on June 2 of this year, the Senate passed the mutual-security authorization bill, which carries the authorization on which the appropriations included in the pending bill are based.

I note that 50 Senators voted for the passage of the bill, and that 11 others were shown by the RECORD as either paired or declared for the passage of the bill, making a total of 70 Senators approving its passage.

I note that 18 Senators voted against the bill, and that 2 other Senators were shown as either paired or declared against passage of the bill, making a total of 20 opposing its passage. The vote, as shown by the RECORD, with 6 Senators shown as not voting, was 70 to 20 for passage, or 3½ to 1.

I ask the distinguished Senator if he thinks those 70 Senators were joking on that day in June, only a few weeks ago, when, after long debate and long study, that vote was taken, authorizing the appropriation which we are now debating.

Mr. DIRKSEN. Certainly Senators were earnest and serious about it. They would have to be.

Mr. HOLLAND. I note that the amount voted by the House of Representatives on this particular item in the pending appropriation bill for direct military aid to our allies is $705 million. The amount in the authorization bill was $1,133,000,000. The present effort, of course, is to sustain the House amount, and not to recognize the restoration of the amount eliminated by the House but restored by the Senate committee. The total amount cut off this appropriation for military aid by the House was nearly 38 percent of the total.

Mr. DIRKSEN. So it was.

Mr. HOLLAND. I should like to have the Senator comment on this point of view: Many of those who are best informed as to the philosophy of our potential enemies, the Soviets, believe that one of their first objectives in engaging in the present talks "at the summit" was to soften our will to go through with the intensive and expensive military preparation of ourselves and friendly nations so that we could be so clearly prepared to meet any possible aggression that no aggression would come.

My question is this: Could anything be more encouraging to the Soviets, if that was one of their main objectives—as I believe it to have been—or more discouraging to nations which are friendly to us, than to see us, between the second of June and this date, when the only important thing which has happened in this field is the calling of the talks at the summit, so soften our determination to see this effort through that we cut off nearly 38 percent of the amount which, only a few short weeks ago, we agreed, by overwhelming majority. was a reasonable amount to appropriate for military aid to our allies?

Mr. DIRKSEN. I think it would be easy—and with reasonable justification—for other people to infer, if we cut 38 percent from the current military account, that the United States, notwithstanding all the noble sentiments it has uttered, notwithstanding all the idealism which has been expressed, notwithstanding its devotion to the cause of freedom and to humble people, by its very action now indicates to the world that when the time comes to put up, it draws back and chops off $420 million. How are we going to escape that inference, not only in Europe, but elsewhere?

Mr. HOLLAND. Mr. President, will the Senator further yield?

Mr. DIRKSEN. I yield.

Mr. HOLLAND. Does not the Senator think it would be a fair inference for others to draw that the friendly smiles which have been shown us at Geneva have so softened and warmed our hearts that we are wondering whether we were right in the first instance when, only a few weeks ago, we showed a willingness to devote to this program the entire amount in the authorization bill which was earmarked for military assistance? Will they not think that now, instead, those smiles have so softened us, have so warmed our neighborliness and our well-known American feeling of kindliness toward everyone who shows any degree of kindliness to us, that we are actually reducing help to the nations which are willing to stand with us, to the extent of 38 percent from the figure which, on June 2, we felt was vitally necessary?

Mr. DIRKSEN. Exactly so; and I have not departed from the conviction that this ideology is still moving in Asia. It is still moving in Europe. This is no time for us to draw back. I see on the horizon a ray of hope. Consequently I wish to be sure that that hope is reinforced.

Mr. HOLLAND. Mr. President, will the Senator yield for one further question?

Mr. DIRKSEN. I wish to yield the floor, but I will yield for one further question.

Mr. HOLLAND. Although the distinguished Senator from Illinois is not quite as old as is the Senator who is interrogating him—I hope—I am sure he can recall the tragic things which happened shortly after the termination of World War I. When it appeared that we had captured the imagination of the world, when the world had shown very great willingness to follow our leadership, our leadership came to grief upon the rock of division in thinking between our then President, Woodrow Wilson, and the then Senate of the United States. Does not the Senator remember that?

Mr. DIRKSEN. I do.

Mr. HOLLAND. Does the Senator think that anything could be more encouraging to our potential enemies, and more discouraging to the many nations who are our friends and who are willing to stand by us, then to see this body, which is peculiarly linked by our Constitution with the Executive in relation to foreign affairs, give up its determination to stand with an Executive who is peculiarly trained in military affairs, give up our determination, as shown on June 2, and, instead, showing material departure from his thinking and recommendations, particularly at the very time when he is engaged in the most critical conference imaginable, both with those who are close to us and those who are potential enemies?

Mr. DIRKSEN. Such action could carry with it grave implications.

Mr. HOLLAND. I hope the Senator will answer that question, because I do not know of anything that could be more discouraging than to see an apparent breach of thinking, an apparent unwillingness on the part of the Senate to follow the leadership of the President, and apparently a drifting in the same direction which resulted in the destruction of our leadership and our potential to accomplish peace after World War I. Such a development at this critical time, by a vote indicating that the Senate no longer is willing to follow the Chief Executive in a matter which he has told us is, in his opinion, clearly and completely necessitous as we pursue our quest for peace, would be disastrous.

Mr. DIRKSEN. It would carry with it its own frustration.

That leads me to observe that the items which are before us today are not cooked up in a single brain. After all, there are the National Security Council, the Resources Board, the President, as Commander in Chief, who is a military figure in his own right, and the men at the Pentagon who render diligent and devoted service. They try to arrive at stable and sound policies, which must be implemented with money, all in the interest, of course, of a continuing peace, and the preservation of freedom in the world. Therefore, I conclude——

Mr. POTTER. Mr. President, will the Senator yield before he concludes his statement?

Mr. DIRKSEN. Yes; I shall be glad to yield; but, first, I wish to add one thought. I trust that the Senate will support the committee. I hope on a yea-and-nay vote the Senate will support the committee amendment, and that it will vote down any amendment which seeks to impair the action of the committee so far as the military items are concerned. The military items are the crux of the bill. As the distinguished Senator from Florida [Mr. HOLLAND] pointed out, it would involve 38 percent of the whole request if the $420 million were denied. I believe the case on behalf of the $420 million can be made so well that I hope the Senate will support the committee.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. POTTER. Is it not true that the $420 million item, the military item, is the muscle of the bill?

Mr. DIRKSEN. That is correct.

Mr. POTTER. Is it not also true that unless the funds are restored, it may be necessary to reevaluate our own military needs at home, which would necessitate building up a further expensive standing Army, with American boys with rifles on their shoulders?

Mr. DIRKSEN. It would require a foreshortening of the existing program and a modification of the obligations, because when we cut the amount requested by one-third, it is a pretty serious thing.

Mr. POTTER. I wish to commend the Senator from Illinois. He is probably one of the best informed Senators on the subject which is before the Senate.

This is my first year as a member of the Committee on Appropriations. I know that the distinguished Senator from Illinois attended every meeting of the committee. He has studied the question very carefully, and he has performed a great service to the Senate and to the country in his presentation.

Mr. DIRKSEN. I am very grateful to my good friend from Michigan for his generous expression.

Mr. President, I yield the floor.

Mr. JENNER. Mr. President, years ago when the foreign aid program was started, I heard the words of Senator Vandenberg—and I remember them well—"So many years, not another day." I remember the words, "Only dollars, not men."

Here we are, Mr. President, talking about our peace and security. This mutual security program was not started with that in mind at all. The foreign aid program originally was offered to Communist Russia as well as to every other nation in Europe.

Years ago in debate I said that first it will be Europe and then it will be Asia. The appeal today is, "Do not touch this sacred thing. Do not cut a dollar off it."

Let us look at the record. The Senate of the United States used to be known as the greatest deliberative body in the world. Certainly in this session it has lost that reputation. We have approved treaties affecting the peace and security of the world which 90 percent of the Members of the Senate never even read.

Our responsibility under the Constitution is to deliberate. We are here to weigh and examine and exercise judgment.

It is possible for a government to operate without a congress. Governments have operated in the past and still operate today in many countries of the globe without a deliberative assembly of men who are chosen to represent a sovereign people.

I have seen man after man do a complete turnabout on the very important issue now being discussed. Why? It is because we have reached the point in public life where, if men do not conform, if they do not march along, if they do not stay on the popular side, they are out. That is why this body has sunk to such a low level.

However, it is not for us to act without deliberation, in our form of government.

We do not want a government which must act quickly, or spend without stint.

The Constitution set up an executive branch, but put on it the binding obligation to explain the need for every dollar of expenditure to a branch of government which is wholly independent and coequal.

I do not believe that the Senate has all the brains on Capitol Hill. The executive branch apparently has explained the program to the House of Representatives. But the House of Representatives which is responsible for initiating tax legislation, which has a great responsibility in foreign policy, and which is closest to the people, voted 250 to 113, I believe, for the reductions in the bill. Yet we are asked to say, "We will put it all back." We treat our coequal body as though its Members were all ignoramuses. Are we know-it-alls? There must be two sides to the story.

I am sorry that many Senators were not present on the floor to hear the distinguished Senator from Louisiana [Mr. ELLENDER] go into the testimony given before his committee. He heard the same testimony to which the distinguished Senator from Illinois listened. They serve on the same committee.

The legislative branch does not enjoy the powers that come from big spending. Only the executive gains.

The Constitution put the power of appropriating our money into the hands of that branch of government which had every reason to hold down the demands on the earnings of our people.

Historically, parliaments arose to block the desire of ever-hungry governments to tap the resources of the Nation.

Our primary function in Congress is to safeguard our people against the exactions of officials.

Nature has a penalty—extinction—for all living bodies which fail to exercise their functions.

About the only power we have left in Congress now is the power of the purse.

I ask, Mr. President, what is the explanation for the unseemly haste with which an appropriation for billions of dollars, to be given to foreign countries, must be approved almost overnight by this body, whose function is deliberation?

The House Committee on Appropriations protests in its report:

> The Congress and the committee have been handicapped in their attempt to give full consideration to the mutual-security program because of the delay in submission, by the administration, of both the authorizing and the appropriating legislation.

If the executive agency, which has a larger staff working with this program, full-time, every day in the year, cannot submit its requests to Congress in time, what is the reason why Congress, with its limited manpower and many responsibilities, must rush the mutual-security legislation through, without time to examine it properly?

Do Senators know when the committee report was handed to us, on the basis of which we are asked to vote today? Only yesterday.

Is $3 billion of additional debt on our children so trivial a matter?

The House report says:

> It would seem to the committee, now that certain portions of this program appear to be fairly well established, that administration requirements could be transmitted earlier in the session.
>
> Obviously, a situation which causes a hurried consideration of measures of this magnitude during the closing days of each session of the Congress, is not in the best interests of good government.

I fully concur in that statement, Mr. President.

I do not understand any reason at all why the authorization bill for this program was speeded through both Houses of Congress, and now the appropriation bills must be voted on at an even dizzier pace.

If the administration has failed to get its reports and draft legislation to Congress on time, there is no obligation on Congress, to reduce its scrutiny of Government spending, to make up the lost time.

The House Appropriations Committee began its hearings on June 9.

Listen to the chronological order of the legislation, Mr. President.

Its report was submitted to the House on July 8 but not really available until July 11.

The House passed the appropriation bill on the day the report was distributed.

Maybe that is why we have all this confusion, two interpretations of the same set of facts. But I am showing how we are legislating in the Congress.

The Senate began its hearings on July 12.

The report of the Senate Appropriations Committee is dated July 19, but it was not printed until the 20th, and yesterday was the 21st, and we are passing the bill today.

In less than 2 days, we are asked to vote away over $3 billion, and to get it all by still further raising the public debt.

It has always been a belief of mine that the financial security of this country is probably as important as is the piece of proposed legislation on which we are working today, because if it were not for the financial security of this country, where would the so-called allies of ours be today? If we go down the drain, what is going to happen to Vietnam, Korea, Formosa, and all the other nations which have been named today in such pitiful words?

If anything needs a little deliberation, it seems to me this bill needs deliberation, before we vote away billions to foreign countries, which cannot be paid out of our enormous tax load, but must be paid by adding to the heavy burden of future generations.

The question before us today is not whether to approve the foreign-aid program and its objectives.

That question arises in connection with the authorization bill.

The question here is how best to carry out the objectives approved in the earlier act.

Exactly how much money shall be spent and with what safeguards.

We all know well, Mr. President, that the foreign-aid program has at this moment a total of nearly $9 billion, appropriated in previous years, but still unspent.

As a part of that carryover, the military-assistance part of the program, for assistance and training of forces of other countries, has an unexpended balance of $6,800,000,000. Talk about lead time.

I have been listening to that for years.

The House Appropriations Committee says, dryly, this balance "provides more than adequate momentum for the continuation of this program in an undiminished manner throughout the ensuing year."

So it would seem, to anyone not dazzled with too much experience in spending billions of other people's money.

The direct forces support program which deals with nonmilitary items for the military forces of other countries, still has 80 percent of its past appropriations unexpended, and yet it is asking for a third of a billion dollars more.

Defense support, which covers general economic aid, has still unspent over a billion dollars of earlier appropriations for Asia alone.

Yet we are asked to vote another $827 million for defense supports in Asia.

Why should Congress keep on voting appropriations to strengthen the military power of the anti-Communist nations of Asia, when we know the foreign policy elite in our Government has always dragged its feet in giving hard military aid to countries whose anticommunism was beyond question?

We appropriated money for the defense of Korea, but what happened? They got $200 worth of baling wire.

What are we doing for our friends in Asia? What have we done to them, would be a better question.

The House Appropriations Committee, after careful examination of the operations of FOA, recommended that the House cut the agency's request for three billion three hundred million to two billion seven hundred million.

I do not believe, Mr. President, that is an unreasonable request on the part of the House.

This cut of six hundred twenty-seven millions was made chiefly by cutting off four hundred twenty millions which the Defense Department had promised the committee it would not spend but which was reserved by the Department on the last day of the fiscal year 1955, to carry it over for use in fiscal 1956.

The House committee also cut one hundred millions from the President's fund for Asian economic development.

Even the sponsors of this dream program admitted they could not spend more than half the sum they asked for in the coming year. But that is not all. There are other Asian programs.

The House also cut $21,500,000 from the request for the technical-assistance program.

The bleeding hearts are always asking for more money for technical assistance, as if it were something new, invented by Government; but this program has $189 million from earlier appropriations still unspent. Does the Senate think that a reduction of $21,500,000 will hurt the program, when $189 million is still unspent? I think we will be back here next year. I do not see much justification for our coming back, but we are supposed to come back. If the technical-assistance program is in trouble, we can find more billions to appropriate for it, and very quickly, I am certain.

The story of the $420 million goes to the heart of congressional power over the purse strings. I shall not speak about who is right or who is wrong. I have heard two versions on the Senate floor today. I shall approach the question from another angle. The $420 million goes to the heart of the congressional power over the purse strings.

We all know the fierce determination of Federal officals to spend all the money they can spend just before appropriation lapse on June 30.

Congress has been struggling with this waste for years.

When Federal agencies were given power to obligate funds for future spending they had a new and much wider opportunity to tie up all unspent money before the end of the year.

Finally, Congress put into the law a prohibition against obligating over 25 percent of mutual-aid funds in the last minute rush of May and June, to prevent waste and careless processing.

This year the FOA found itself with $920 million unobligated and unreserved as they approached the end of fiscal 1955.

They came to Congress and asked permission to obligate $312 million of that amount, and promised that $420 million of the remainder would not be reserved or obligated at all.

It would be returned to the Treasury.

Instead, they got a ruling from the executive branch that it could reserve these funds for use beyond the current year.

This reserving of funds would not count as an obligation, and so would not come within the restrictions in the law, but it would nevertheless be a binding commitment.

I shall read from the House report. It may be wrong, but if it is, let us find out. What is the rush? This is what the House report says:

> When they were given an interpretation of the law they rushed out and reserved several hundred million dollars during the last hour of the last day of the fiscal year 1955.
>
> Furthermore, under that action they obligated in excess of 42 percent of the entire fiscal year's appropriation in the last 60 days of the fiscal year.

Mr. President, we all know that obligating funds is often just fancy paperwork, especially when something like a billion dollars is allocated in 8 weeks.

I will not say it sometimes approaches the art of fiction, but if this were not the season for sweetness and light, I might be tempted to say so.

An allocation requires only a title, a description of the project, a few figures, and a cooperating agency.

The trained spenders and their aids know all about writing up projects.

It is always easy to get a cooperating agency, like an American university which can get FOA funds, to train Government workers in Thailand or Timbuktu. Such projects are not a very binding tie. They can always be revised.

The House committee reports that it is seriously concerned about the business of obligating funds by drawing up pretty projects. The report says:

> During the hearings, numerous examples were discussed showing that funds certified as obligations in the fiscal year 1954, were deobligated in fiscal year 1955, and then reobligated for entirely different purposes.

Yet it is said: "Oh, remember the lead time."

> There is reason to believe that funds are frequently obligated late in the fiscal year in order to carry them forward, even though the obligations are not based on firm agreements or commitments.
>
> Further, the committee has developed numerous instances where funds for projects initiated as far back as 1952 and 1953, are still being carried as obligations, despite the fact that little or no activity has taken place on such projects.

Yet we stand on the floor and say, "Do not touch this appropriation. It is sacred. Every penny is needed for the peace and security of our country."

Oh, what can we not do under the guise of peace and security for our country? If we continue to draft and pass legislation such as this, we shall bankrupt not only the peace and security of the United States, but of the entire free world.

Mr. LONG. Mr. President, will the Senator yield?

Mr. JENNER. I yield for a question.

Mr. LONG. Does not the Senator realize that when we are told the Government is not particularly asking for anything in the way of military aid for Europe, that statement is based primarily on the fact that $5,500,000 is available for military aid for Europe which was not spent last year?

Mr. JENNER. The program is choking to death with funds. As far back as 1952 funds have been earmarked as obligations.

Mr. LONG. Has it ever occurred to the Senator that some of the things for which money was appropriated in 1952 and 1953 might no longer be needed in Europe?

Mr. JENNER. I wonder. But we do not know. Congress does not know.

I shall read the conclusion of the House committee report. This is supposed to be a deliberative body. I realize that I said I would speak for only 30 minutes, but I still think the Senate ought to know what the House committee reported.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. JENNER. I yield.

Mr. LANGER. I hope the Senator from Indiana will take another hour. He is making one of the best speeches I have heard on the floor in a long while. I commend the Senator for it.

Mr. JENNER. I thank the Senator from North Dakota. Much of my speech contains quotations from the report of the committee of the House, which is a coequal branch of Congress, and is certainly entitled to great respect in the Senate. I quote from the House committee report:

> A careful reappraisal of all obligations on the books would give large amounts of money to finance future programs.

I might add, Mr. President, that $3,300,000,000 of obligations were brought forward from fiscal 1954 or earlier.

This action of the House Appropriations Committee was a most encouraging first step in putting foreign aid spending into the harness of congressional control of the purse.

The House sustained its committee by a vote of 251 to 123, or by more than 2 to 1. The House of Representatives sustained the cuts. Are we to sit here

blithely and slap them in the face and restore everything they cut, when they are on sound ground and we are not?

Although the vote on the cuts was 251 to 123, I have been personally informed by many, many Members of the House that they would have liked to cut the appropriation further. The fund available for foreign aid, after the cuts voted by the House, was $2,600,000,000 of new money and $8,700,000,000 of earlier appropriations, which is still unspent, making a total for this one operation of $11,355,841,750. Yet we worry about an unbalanced budget.

We have the report, as of yesterday, of the Senate Committee on Appropriations. What does it recommend? It urges that we restore to the bill practically all the cuts in the funds the House thought necessary. It says, in effect, that a Federal agency may violate the law and the intent of Congress, and its own written promise, and the Senate should uphold it.

There may be a controversy, because I have heard two different versions, but I do not see why there should be so much haste, when all of these unobligated funds are available. Congress will be back in session in a few months, and we can find out what is the truth. If the intent of Congress has been deliberately bypassed by the bureaucrats, it is time that Congress began to exercise its functions. If it does not, Congress is doomed to extinction.

Mr. President, we have sweetness and light and peace talk. Yet our Senate committee, in spite of all the unobligated billions, is recommending, in the bill on which the Senate is to vote in the next few moments, that the Senate appropriate $234 million more than the Senate appropriated for foreign aid in 1954.

Some may ask when is the program going to end? I ask, When is it going to be reduced? The Senate Committee on Appropriations knows that not only will foreign aid never end, but it will grow. This year it was $251 million more than it was last year. Is the world worse off? I thought it was better off. I have been hearing a lot of peace talk, sweetness and light.

My colleagues will remember how often—we talked about it today in the cloakroom—we have been told that if we gave our money for another year or so, the spending would come to an end. I have heard the plea made, "Don't throw a 15-foot rope to a man who is drowning in 30 feet of water. Let us help our friends until they can get on their feet, because of the war ravages they have suffered. Then it will be over." Instead, foreign aid grows larger each year.

The senior Senator from Idaho [Mr. DWORSHAK] pointed out that the American postwar-aid appropriations for foreign countries now total $65 billion, and the distinguished Senator from Illinois said he thought it was cheap, and was a small amount for a nation which had a national product of $370 billion. Somebody in the cloakroom told me he heard a whirling sound. I am sure that was Colonel McCormick turning over in his grave when the Senator made that statement.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. JENNER. I yield.

Mr. DWORSHAK. Since the Senator from Indiana has referred to the senior Senator from Idaho, I should like to call the attention of the Senate to the fact that in the decade following the termination of hostilities of World War II there has been authorized, for 146 categories of foreign assistance, the total sum of $65,142,000,000; but the report shows that so far we have expended only $61,147,000,000 in this decade.

I should like to point out to the Senator from Indiana that while we have expended only $61 billion, there is not much optimism in the forecasts which have been made by the great leaders in the field of foreign aid, like Harold Stassen, who recently informed our committee that Congress should expect to make this foreign aid program permanent. Does the Senator appreciate the connotation of the word "permanent"?

Mr. JENNER. I think I do, and I thank the Senator from Idaho, but I wish to remind him that the end is not anywhere near in sight.

The Senate committee have also added $50 million to the $100 million appropriated to the President for Asian economic development. They say "We are going to raise the amount." I stress Asian economic development, because there are other funds provided for that purpose; there is not merely one fund.

This raises another problem that goes to the heart of congressional power over the purse. The original budget request included one fund of $100 million to the President for a "Special Presidential fund"—I repeat, a "Special Presidential fund"—and another for $200 million for a President's fund for Asian Economic Development. So now there are $300 million in the different special President's funds.

I say this goes to the heart of the congressional power over the purse. Why? Not a penny of this second fund—$200 million—can be spent for military strengthening of other nations. Its sponsors admit it cannot be spent within the year. It is in fact designed to fit the will-o'-the-wisp nonsense that communism develops among the very poor, and that American spending in poor areas of the world will prevent Communists from getting in. This idea is so completely fallacious that it has been used again and again by the Communists to help us spend our way to bankruptcy.

The House cut the $200 million provided in the second fund for Asia to $100 million. The Senate committee wants the Senate to raise it to $150 million.

The Congress is attempting to put the reins on wild-cat obligating of whatever is left at the end of the fiscal year. It has not even begun to put a bridle on the dangerous business of Presidential funds.

Mr. President, does anyone know what the first Presidential fund in this bill is to be used for? The language says it is to be used for such purposes as the President may determine to be important to the security of the United States.

We know perfectly well that the President of the United States does not spend this money. The phrase is a cover for the fact that the spending elite wants money it can shift in any direction, for any purpose, without restraint of Congress.

Does anyone know what is going to be done with the other "President's fund for Asian economic development?" Probably Mr. Stassen knows. But does Congress know? Does Congress have any good reason whatever for believing that this fund will be used constructively to strengthen America's position in this dangerous world?

I say this request is for worldwide boondoggling. I say it serves no purposes which can be clearly defined, so Congress can check whether they are in the national interest. I say the device of the Presidential fund is basically totalitarian. It is a request for money over which Congress shall have no control. It is pure executive absolutism.

The Founding Fathers knew that the Chief Executive in their new Government would be a human being, who could do so much and no more. They gave him certain powers, but they knew most of the work of the executive branch would be carried on by other persons. They assumed the familiar machinery of "principal officers" in "executive departments."

Since 1789 it has been the practice that these "executive departments" were established by Congress. Their form of organization—their powers, duties, and limitations—were all prescribed by Congress before the officers could legally act. The device of Presidential funds is a clever device for bypassing the right of Congress, under the power of the purse, to define the powers and duties of executive agencies which use the public money.

The legal office which was set up under the Constitution, to be exercised by a human being—the President—has become a mystical center of absolute power to be occupied by a superhuman person, to whom all things can be entrusted without question. Behind the glamorous figure of this superhuman person the power is exercised by hidden bureaucrats, whose work Congress is not permitted to see or criticize.

We need to keep in mind the fact that the strongest impact of foreign-aid spending is at home. These billions of dollars buy American coal, American cotton, American business know-how, American radio agencies, and the services of colleges, voluntary social agencies, and officials of other Government departments.

These funds make possible the establishment of a large section of the spending bureaucracy, the new Government elite, which spend large amounts of the taxpayers' money, and reduce our private business and private agencies to satellites revolving about the sun. It is no part of the plan that these agencies should operate under congressional control.

Mr. President, it is the business of Congress to bring them back under restraint of law. That is not important as an expression of the power of Con-

gress, or of a tug-of-war between Congress and the executive branch. It is important because the Constitution was designed to prevent the bureaucratic tyranny of Europe, and we have ignored our obligation to follow its guidance.

We are told that the Senate committee has strengthened this bill by insisting on inspection of our projects in Yugoslavia. Why inspect projects in Yugoslavia, Mr. President, when we should not have any projects there at all.

The Soviet Government has just made a dramatic move to express its public friendship with Yugoslavia. Our press makes light of this move, but the Soviet leaders do nothing for fun. Alliance between the Soviet Union and Tito means that the Communists now practically reach to the Adriatic, and threaten Italy. But Italy is the headquarters of the NATO command of the Mediterranean. The Austrian Treaty cuts Italy off from Germany. The Soviet visit to Belgrade puts the Communists at the doorstep of Italy, that is, of NATO. And we are told that we can resolve the threat of Soviet-Yugoslav collaboration by having inspectors look at the projects our money is building on Communist territory. We are told the Senate has improved this bill by reducing the fund for economic aid to India from sixty-one million to fifty million.

Mr. President, why should we give fifty millions to India, when India is admittedly neutral in the irrepressible conflict between human dignity and human slavery?

During his recent visit to Moscow, Nehru said:

> We have set ourselves to the task of building by peaceful means. A Socialist pattern of society in our country.
>
> Although under the leadership of Mahatma Gandhi we followed a different course in our struggle, we admired Lenin and were influenced by his example.

Recently we were shown here in Washington motion pictures of Tibet, made by Lowell Thomas and his son. They were admitted to the most sacred places, and permitted to photograph the young Dalai Lama himself.

The Tibetans have none of the material advantages of civilization. They dislike materialism, because it interferes with their real interest, which is religious contemplation.

To the superficial observer, the picture may have been the quaint story of strange and far-off customs. But this simple travelog was a deeply moving tragedy.

Why did the rulers of Tibet, after centuries of silence, invite an American to visit their country? Because the Communists had just conquered China. The wise Tibetans knew, if the outside world did not, that the Communists would move swiftly to conquer Tibet before they could be halted.

The Tibetans thought that, if they told their story to America, the symbol of freedom and independance, the Americans would find a way to help. We did not help Tibet.

The Indians, who were closer to it, did not help Tibet. The Indians had time to carry on a bloody conflict with Pakistan, but no time to help Tibet. Now Tibet is dotted with airfields, from which fleets of planes are pointed at the heart of India.

Why should we give soft welfare aid to India? Fifty million dollars would not make India strong, or determined to help itself. It would not prevent communism by preventing poverty. If poverty were the cause of communism, India would be Communist from Burma to Iran. Welfare aid, without a sound foreign and military policy, is setting the table for Stalin.

At the Bandung Conference, nations to which we are giving little or no help spoke out in accents like those of 1776 in favor of true liberty. Small nations were ready to defy any power, however strong, which was reducing men once again to slavery.

Love of liberty comes from within. It cannot be bought.

Nations which do not support us because they love liberty will never be true allies of ours, because of our boondoggling foreign spending agencies.

Congress is responsible for imposing the restraint of law on these powerful and unrestrained spending agencies, by vigorous use of the power of the purse. It is important that the Senate should support the House in penalizing an executive agency which violates the law and breaks its own written word.

The House is the body which is responsible for originating all tax legislation. It carries a heavy responsibility in foreign affairs.

Its recommendations on this bill strengthen the rule of law, and reduce the waste of public money by boondoggling.

I propose, Mr. President, that we show our solidarity with the House, in affirming congressional control of the purse, by sustaining the cuts made by the House in this appropriation.

If these small cuts are not sustained, I may move to recommit the bill. In any event, I am against it with all my heart and all my soul.

I believe the foreign spending program will be able to limp along with $8,700,000,000, taken from the earnings of the American people, while Congress seeks a way to bring this gigantic, all-powerful, boondoggling foreign-aid spending back under the rule of reason and the restraints of law.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 2, line 7.

Mr. KNOWLAND. Mr. President, I do not intend to detain the Senate long.

The pending amendment is the second committee amendment, appearing on page 2, line 7 of the bill. I rise in support of the committee amendment, which was ably supported by the distinguished senior Senator from Arizona [Mr. HAYDEN] and by the distinguished Senator from Illinois [Mr. DIRKSEN].

Mr. President, I know of no fact from history, public press reports, or private advices from Geneva, which would warrant the Senate in starting to dismantle our mutual defense pacts in Asia or in Europe. The Chinese Communists are today in violation of the terms of the armistice in Korea. They are in violation of the terms of the armistice in Vietnam. They have been building up at a fairly substantial rate their air bases on the coastline of China, opposite Formosa and the offshore islands.

The Chairman of the Joint Chiefs of Staff, Admiral Radford, in his testimony before the Senate Committee on Appropriations, on page 109 of the hearings, had this to say:

> The mutual-defense assistance program is an integral part of our own national-security program. It is designed to generate essential military strength in the free world which is complemented by our own national forces. One basic fact which cannot be disregarded is that the United States alone does not have available, nor could we maintain on active duty for an indefinite period, the forces necessary to match the Communist block in manpower at every possible point of aggression around the globe. We need each and every one of our allies, and they need us, if we are to maintain stable economies at home, and at the same time, remain adequately prepared to meet the Communist threat of aggression, not just this year or next year, but for an indefinite period ahead.
>
> There are many valid reasons why it is more advantageous for us to assist our allies in maintaining their own national forces, especially ground forces, than it is for us to provide United States soldiers. Besides the lack of such unlimited manpower resources that would be required, the costs would be prohibitive even for this country. In addition, there is a psychological question of national pride and will to resist communism that is most important. Furthermore, our support under the military-assistance program has been supplemented by large expenditures by many of those allies on their own. In the aggregate, I am convinced that our mutual-defense assistance program is our best instrument for building up and maintaining the collective strength of the free world for the common defense.
>
> We cannot be secure without our allies and they cannot be secure without us. It is clearly a case of interwoven self-interest. Our security and that of our allies are in reality one and the same.

Mr. President, it is true that we have a two-House legislative body. It is true that the Congress of the United States exists as a coequal branch of the Government of the United States. However, I submit that we are a coequal branch of the same government, not of different governments. Under the Constitution a great responsibility rests upon the President of the United States as Commander in Chief of our Armed Forces.

The amendment to which I have referred does not relate to the economic phases of support. It does not relate to the technical point 4 program, and the other programs on which men may honestly differ. The amendment to which our attention is now directed—and it is the only amendment upon which a yea and nay vote has been ordered—deals with military assistance.

The President of the United States has had a wide and varied experience in the field of military affairs. He led the forces of the free world during World War II in Europe.

Perhaps the next man in our Government who has a heavy responsibility in this regard is the Chairman of the Joint Chiefs of Staff. Both have come before

us, as have the National Security Council and the Defense Department, and have expressed the viewpoint that these funds are necessary and essential.

Two distinguished Members of this body, one a Republican, the junior Senator from Illinois [Mr. DIRKSEN], and the other a Democrat, the senior Senator from Kentucky [Mr. CLEMENTS], the able acting majority leader of the Senate have just returned from a trip to the Far East. They have testified that the developments which have taken place there have been important not only to the defenses of Asia, but also to the defenses of the United States.

In the Republic of Korea today there is a force of approximately 600,000 men. It is the largest military force of the free world in that whole area of the far Pacific.

On the island of Formosa there is a force of approximately 500,000. It is perhaps the second largest military force of the free world in that area.

We are now in the process of helping to build up, in the small country of Vietnam, which is under great pressures at the present time, a force which may be able to sustain the independence of that country. No man can underwrite whether they will be able to do it. Certainly, based upon the testimony brought back by our two distinguished Senators, the situation is greatly improved today over what it was a few months or a year ago.

Those are the facts which are presented to the Senate as we vote on this important issue.

I could think of nothing which would give the Kremlin more satisfaction than to be given cause to believe that merely because there had been some smiles by Chou En-lai at Bandung, or because Mr. Molotov had smiled and worn a cowboy hat in the West, we had started to dismantle our collective system of defense either in Asia or in Europe. For that reason I shall vote for the amendment of the committee. I hope the Senate will adopt the amendment by an overwhelming vote.

Mr. WILEY. Mr. President, it was my privilege this afternoon to listen to what I believe to be one of the clearest and most statesmanlike addresses ever made on the floor of the Senate on the subject of the shrunken world of which we are a part and our obligation as a Nation. It was made by the distinguished junior Senator from Illinois [Mr. DIRKSEN] during his discussion of the mutual-security bill.

It is a wonderful thing when a man can stand in the Senate and admit that he has changed his mind because of the new facts of life that have come into being. A closed mind in this age is a dangerous thing. The Senator from Illinois is not only a versatile but a logical and convincing orator.

I cannot help recall an incident which occurred a few months ago when I was in Milwaukee. A very prominent businessman said to me, "You know, I am an isolationist."

I said, "Did you read the Milwaukee papers yesterday?"

He said, "Yes. What about it?"

I said, "Milwaukee has been chosen as a Nike site."

He said, "What is a Nike?"

I said, "You are not an isolationist. You are just blind to the changed facts of life." And the Good Book says, "The blind shall lead the blind and both will fall in the ditch."

"No," he said; "what is a Nike?"

I explained to him what a Nike was and told him that the Defense Department had recognized that, with the changed facts in the world, due to the ingenuity of mankind, Milwaukee has been made more vulnerable to enemy attack than New York City, over the Great Circle route. I told him that Milwaukee now was only 6 hours by fast plane from Siberia. I called attention to the further fact that when I went to Washington in 1939 the national income was $70 billion, now it is $280 billion and the national product was then $90 billion and it is now nearing $390 billion. And because of man's inventive genius, every nation is in every other nation's backyard.

He did not know those facts. He thanked me, and I am sure, for the first time, he sensed what changes had taken place in the world in the preceding years.

I told him that on one occasion when I was having breakfast with former President Hoover, I asked him—because he is a great engineer—whether it was true that we had an adequate supply in this country of only 9 of the 30 vital materials. He did not answer the question "Yes" or "No," but he figured it out on his fingers, and he said, "I have recommended to the Government that we keep on stockpiling." That was a sufficient answer for me. We know we do not have the manpower. We know that if there should be a world struggle, this country would have to be the great manufacturing and production plant for our allies."

Yes, the world is being shrunken by the ingenuity of man. As the distinguished Senator from Illinois has stated, it is in our national interest to do what is proposed to be done by the pending bill. In voting for this bill we are applying the law of self-preservation because of the changed world in which we live and because of the changed facts of life.

I shall, of course, support the recommendations of the Committee on Appropriations, and of the Foreign Relations Committee, which originally made the recommendations.

Mr. LONG. Mr. President, I have consistently voted to approve appropriations for foreign aid of various and sundry sorts, although I have felt time and again that there was great waste in the program. I have tried to point out wherein I felt that money was being wasted and that a more careful study should be made in order to protect the taxpayers of the Nation. Time and again I have tried to explain to some of my colleagues that there were already many billions of dollars on hand that could be used for desirable purposes in connection with the program.

As of the present time, for example, there is approximately $8,717,000,000 unexpended. Some Senators have tried to point out that not only is there unexpended money, but great amounts of unobligated money, while, in years gone by, we were piling five or six billion dollars on top of the money already available, billions of dollars not obligated to be spent for any purpose. The majority in the Congress has insisted that the money be obligated in order to justify carrying over these vast balances. They have found it necessary to develop a new way of meeting the problem.

Some of my colleagues heard my able friend the senior Senator from Georgia [Mr. GEORGE] explain that every cent was needed and that these vast unexpended balances would all be obligated before the end of the fiscal year, and that anything which is not obligated will have to go back.

A new budgetary procedure was started. Instead of obligating money, it is reserved. That means that the Secretary of Defense tells the Secretary of the Army that they may need perhaps a billion dollars' worth of tanks to give to some ally some day, or they will need another billion dollars' worth of airplanes for such a purpose. That is not an obligation. The Secretary of Defense can change his mind any time he wishes to do so, and he can reserve the money for something else.

This modification of the law now permits $2,700,000,000 to be regarded as obligated by the Secretary of Defense telling the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force that sometime in the future he believes they will need all these things, and that they should place the order.

But the items are not on order, because when they are on order, it becomes an obligation.

So, according to the House report, they have $2,704,000,000 reserved, which is treated in the same fashion. as being an obligation, although it is not an obligation, because the Secretary of Defense can change his mind any day in the week so that it would cease to be even a reservation.

In addition to that, we find there has been some careful scrutiny of the matter in the Bureau of the Budget, because rather than just letting the Secretary of Defense issue statements to the various departments to reserve all money in that fashion, it was felt in the Bureau of the Budget that these matters should be carefully examined to see whether it was actually or going to be expended for items placed on order.

We required by law that every dollar was to be obligated, otherwise the appropriation expired. The administrators of the program thus came to the last day of the fiscal year. They had 5 hours within which to act. They had not even reserved $743,000,000.

So, Mr. President, the Bureau of the Budget wanted to know the point of view of the House Appropriations Committee and perhaps the Senate Appropriations Committee. The chairman of the committee and the ranking members on each side of the aisle did not see the need of carrying over $743 million that the Defense Department did not know what it was going to do with.

Officials of the Department of Defense talked to the Appropriations Committee members. Mr. TABER told the individuals representing the Department of Defense that they should talk to the members of the subcommittee handling the bill. They did so, and the members of the subcommittee said they thought they had an agreement that $420 million of $733 million would go back, because it had not been obligated.

Some of it had been on hand since 1952. There was no real need for it, and it could be surrendered and go back. They felt that $312 million of the $732 million should be obligated.

Members of the Appropriations Committee thought it would be well that a letter be written to the House Appropriations Committee making it clear that there was an agreement between the Department of Defense and the ranking members of the House Appropriations Committee that $420 million, never having been obligated, and never expended, should go back, and $312 million would be reserved.

So, Mr. President, the letter which I hold in my hand was written. The letter says that it is written to make of record of "Mr. Shaw's and my understanding," as to the agreement which had been reached.

I am going to read a few very controversial words, because they were not in the first draft of the letter. They were put in by the man who signed the letter. The words are, "and by the three members present."

Those words make all the difference, because if they are taken out, the letter states that the Department of Defense, from the top level on down, understands and agrees that $420 million should go back, because it had not been spent since 1952.

If we put those five words in, it means that someone in the Department of Defense was merely trying to remind the Appropriations Committee the impression of the Defense officials of the agreement made by members among themselves.

Mr. President, I have before me a transcript of sworn testimony regarding the letter, in which the chairman of the subcommittee on the House side said:

> My understanding was, it was an agreement.

Someone said Representative TABER agreed they were to get $420 million. Here is Representative TABER's testimony saying that he made no such commitment; that he said no such thing as that.

Mr. President, here is the sworn testimony of the man who signed this letter. He said that when he dictated the letter and when the first draft appeared, those words "by the three members present" were not in the letter. He stated that after he finished dictating, Mr. Shaw came along and said he thought we should put those five words in there.

Mr. CASE of South Dakota. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. CASE of South Dakota. Mr. President, I note in the Senate hearings at page 30 that Mr. Shaw stated as follows:

> Yes, sir; that is the way I remember the situation to be. We met with the three Members of the House of Representatives for the purpose of trying to see whether or not they would be willing to allow us to utilize the $420 million that is under question.

The Senator from Louisiana has made quite a study of this matter. Most of us are limited to what we have heard this afternoon. I should like to ask the Senator, from his study of the question, what Mr. Shaw meant when he said:

> Wet met with the three Members of the House of Representatives for the purpose of trying to see whether or not they would be willing to allow us to utilize the $420 million that is under question.

Why should Mr. Shaw have come up to see whether or not the committee would allow them the use of the $420 million?

Mr. LONG. Let me answer the question by reading from the transcript, which is not yet in print, with regard to the testimony in this item. Mr. TABER was examining Mr. McNeil with regard to this issue:

> Mr. TABER. On page 164 of these hearings, and there is a copy in front of you, there appears to be a statement on your part, in the middle of the page, indicating that the Bureau of the Budget did not want to release the seven-hundred-odd million dollars unless Mr. Hensel got clearance from Mr. TABER.

Mr. Shaw will contend that only $420 million was involved. But there was more than that. Seven hundred and thirty-three million dollars was involved.

Mr. CASE of South Dakota. As I understand, there was $420 million under the so-called agreement which they did not agree to, but there was $312 million to which they agreed they would interpose no objection.

Mr. LONG. That is correct. What is more, it is my understanding that this was involved in the appropriation bill. This was $420 million which they were going to lose unless they could get an amendment to increase the amount in the bill on the House side by $420 million.

It was important to know the amount of money which remained from the previous appropriations, because naturally, based upon the number of millions of dollars which remained, it would then be possible to determine what additional amount they should have.

If they had $412 million on hand, which they did not need, perhaps we should appropriate $412 million less, in view of the very complete flexibility of the program.

Mr. CASE of South Dakota. Would the Senator say that the coming of Mr. Shaw and General Moore to the members of the House Committee on Appropriations—and I use Mr. Shaw's words—"to see whether or not they would be willing to allow us to utilize the $420 million," constituted recognition that they needed to get permission from the House before they could use the money in that way?

Mr. LONG. It is fairly easy to understand what the picture was. The House was trying to determine the amount of money which should be appropriated for foreign aid this year. The House had the good judgment to ascertain the amount of money which was already on hand for that purpose. Therefore, the Bureau of the Budget was in touch with the House committee while the funds were being committed, because the House wanted to know the amount of money which was on hand at that time.

Naturally, the Bureau of the Budget realized that the procedure which permits one to avoid the expiration of unobligated appropriation by merely reserving it was a procedure which was capable of explanation by all sorts of budgetary devices.

I assume the Bureau of the Budget was conscientious in not wanting to use this procedure as a device or scheme to avoid the intention of Congress that the reserve procedure should be used somewhat in the same manner as the obligation procedure is used. Therefore, the Bureau of the Budget wanted to know the attitude of the House Committee on Appropriations, apparently.

Mr. CASE of South Dakota. To sum up, would this be a fair statement, in the opinion of the Senator from Louisiana: That both the persons from the office of the Assistant Secretary of Defense and the members of the House Committee on Appropriations were seeking to proceed in good faith; that the representatives from the Department of Defense came before the House Committee on Appropriations and asked for their approval. They did not get it, but they got a clear statement it would be all right to utilize $312 million?

Mr. LONG. That it would be perfectly all right to go ahead with the $312 million.

Mr. CASE of South Dakota. But not with $420 million. Despite the fact that the representatives of the Department of Defense came before the House committee to ask for that permission, but did not get it, the Department then proceeded to utilize the $420 million in a way for which they did not get approval.

Mr. LONG. That is correct. By that means, they proceeded to get $420 million which was not intended to be used by them.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. LONG. I yield.

Mr. SALTONSTALL. I do not wish to prolong the discussion, but I may say to my friend, the junior Senator from Louisiana, for whom I have great respect, and in whom I have confidence, that, as I see the situation, it is simply this: We are speaking of honorable Members of the House. I want to consider them as such. One is my close personal friend. On the other side, we are dealing with 3 or 4 perfectly honorable men who have made a contrary statement.

We cannot appropriate money on the basis of a verbal disagreement between two groups of honorable men. Therefore, the only thing the Senate can do is to reinstate the amount in full. We cannot have $300 million of it considered as

being right by one group, and $100 million considered as being right by another group. Either it is all right or it is all wrong. In any event, there should not be verbal agreements or understandings between the Bureau of the Budget and Members of Congress. Therefore, since honorable men are involved on both sides of the question, all we can do is to reinstate the amount and discuss it in conference.

Mr. LONG. Let us consider this matter from a slightly different point of view. There was a backlog of $8,717,000,000. That is a large sum of money to be carried in a backlog. In order to carry over such a tremendous backlog, it was necessary to take advantage of the new reserve procedure. It was not possible to do that unless approval could be obtained from certain members of the House Committee on the Bureau of the Budget. So representatives of the Department told the Bureau of the Budget they had received the approval, when, as a matter of fact, they did not have such approval.

The House committee said, in effect, "That being the case, you have $420 million which you should never have had, because that amount should have gone back under the stipuation in the law that unless the money can be obligated, it must revert to the Treasury." The House committee was saying, "You have $420 million more than we think you should have, so we will give you $420 million less." That makes good sense. That is the issue which is involved.

Mr. CASE of South Dakota. Mr. President, will the Senator yield for a question?

Mr. LONG. I yield.

Mr. CASE of South Dakota. I make this statement because reference has been made to the characters of honorable persons who are involved. Twelve of the years I served in the House were with two of the persons involved, namely, Representative TABER and Representative WIGGLESWORTH. I served with them, I may say, on the subcommittee which handled the first appropriation for aid under the Marshall plan, in 1948, I believe it was, or approximately then.

I have known Mr. McNeil for many years.

I knew General Moore for a great many years when he was legislative liaison for the War Department, at the time when I was a member of the Subcommittee on Appropriations dealing with that department.

All of the persons cerncerned are honorable men.

Personally, I do not see how the issue revolves upon whether the agreement was between the representatives of the Government department and the members of the Committee on Appropriations.

Mr. LONG. The Senator from South Dakota is making a speech. I shall be glad to yield to him if he wishes to ask a question.

Mr. CASE of South Dakota. Will the Senator indulge me for a minute, because of the comment he made upon the issue I had raised?

I do not think it is necessary to resolve the issue on the basis of whether some persons were honorable and others were not. So far as I know, there were honorable men involved on both sides of the question.

But if as a result of the visit by the men who came before the committee to get permission to do something which they did not get permission to do, the action was taken in any event, then I think Congress can act and say that the $420 million should be newly justified if it is to be appropriated.

But if it is not possible to make a justification for the amount sought, I do not see any reason why we should reinstate it in the bill simply on the question whether the agreement was between them or simply on the part of the members of the House Committee on Appropriations.

Mr. LONG. That is my feeling; $420 million had been on hand, some of it, since 1952. It had not been obligated or even reserved under the new reservation provision. In other words, the Secretary of Defense had not even told the Secretary of the Army to place the orders for the certain number of guns, tanks, and end items to be purchased with funds in question.

The money was on hand. The $420 million, not having been obligated in all those years should have been subject to restudy. The money should have gone back to the Treasury. If it was decided that it was needed after all, a justification should have been made for it, because years have gone by when most of the military aid to Europe was voted.

Nowadays we agree that the European situation is in pretty good shape, so very little money is being asked for Europe. But huge unexpended balances are on hand for Europe—almost $5,500,000,000, I understand. It would be well to have the funds which have not been obligated or which have not been spent returned to the Treasury. Then Congress could examine into the question again and determine whether the funds should be spent.

That is true of the $420 million here in question.

With regard to the general issue, this is a question of how far Congress wants to go—pile funds on top of other funds, and in continuing to permit the practice of the loose procedures by Government agencies to enable them to carry over huge unexpended balances.

We have on hand $8,717,000,000, with new funds recommended of $2,638,000,000, a grand total, as recommended by the House, and as brought to the Senate by the House, even if we agree to the House language, of $11,355,000,000, providing $2,638,741,000 on top of the other funds of which amount $2,700,000,000 is not obligated, but merely reserved—and those reservations can easily be changed—with $4 billion obligated.

The record shows that even this obligated money can be deobligated, and some of it has been deobligated as much as seven times.

With all these vast sums of money on hand, why should we provide an additional $402 million, which in effect would be $402 million to make good obligations in the form of reservations which were made on the last day of the year, when the Department was pumping money in all directions at the rate of $125 million an hour, so that the money could be carried over although it could not be justified, and when the Department had been told by Congress that it had a given amount of time to obligate the money; otherwise, it should go back to the Treasury?

For that reason I am convinced that there was a commitment on the part of the Department of Defense that $420 million of the appropriation which had been carried over from year to year should be surrendered, and that the amount should be justified again in the future if it were to be expended.

Therefore, it seems to me there has been a larger balance carried over than was intended, and certainly a higher balance than the House committee understood to be intended.

There will be available and on hand $2,638,000,000 of new money in addition to $2,704,000,000. That is merely a reserve and not obligated. That is money which can be transferred by a mere change of mind on the part of the Secretary of Defense. He can take it from one category and put it into another any time he so decides. There is a total of over $5 billion out of the $11 billion unexpended which may be expended in the way the Secretary of Defense provides.

If we should make a mistake in failing to give money or give our resources to a certain nation which might need them, we shall certainly be in session again next year to study the request of any nation and ascertain wherein we had failed or overlooked the opportunity to help a particular ally.

SECRETARY OF THE AIR FORCE HAROLD E. TALBOTT

Mr. MORSE. Mr. President, I rise to pay my disrespects to the Secretary of the Air Force, Mr. Talbott. By way of introduction to my speech, I ask unanimous consent to have printed in the RECORD at this point a news story written under the byline of one of the most able reporters in America, W. H. Lawrence, which appeared in the New York Times of Thursday, July 21. I also wish to have an article which appeared in tonight's Washington Evening Star on the Talbott hearing of today written by another able reporter, James Newton, printed in the RECORD. These two articles show the lack of sensitivity of Mr. Talbott to the ethical obligations he owes to a position of public service. I ask unanimous consent to have the two stories printed in the RECORD at this point.

There being no objection, the news stories were ordered to be printed in the RECORD, as follows:

[From the New York Times of July 21, 1955]

TALBOTT PUSHED FIRM'S BUSINESS, LETTERS INDICATE—SENATE GETS CORRESPONDENCE OF AIR SECRETARY SHOWING HE SOUGHT TO AID MULLIGAN—PUBLIC HEARING WEIGHED—OFFICIAL REPORTED PONDERING SEVERING RELATIONS WITH NEW YORK COMPANY

(By W. H. Lawrence)

WASHINGTON, July 20.—Senate investigators have correspondence and documents

purporting to show that Harold E. Talbott actively promoted from his Pentagon office new business for a New York industrial engineering firm.

The Secretary of the Air Force has continued to share in the firm's profits while in office.

It was reported that Mr. Talbott had under consideration a suggestion that he offer to sever all connections with the Mulligan company for the future. However, members of the subcommittee said no such proposal had as yet been advanced.

A series of letters to industrialists—many of them written by Secretary Talbott on Air Force stationery—were circulated this afternoon to members of the Senate Permanent Subcommittee on Investigations. They bore a confidential stamp.

Secretary Talbott already has denied to the subcommittee that there was anything illegal or unethical about his acknowledged continuing association in Paul B. Mulligan & Co., a New York firm, which specializes in clerical efficiency studies.

A SPECIAL PARTNER

Before he was confirmed in January 1953 Mr. Talbott advised the Senate Armed Services Committee that he would remain a special partner in the Mulligan firm. But he said he would otherwise sever all business connections.

The Investigations Subcommittee is awaiting further communications from Mr. Talbott before deciding whether to hold public hearings on the case. The subcommittee, a branch of the Senate Committee on Government Operations, is headed by Senator JOHN L. MCCLELLAN, Democrat, of Arkansas.

When asked tonight whether he had any comment to make regarding the correspondence in the possession of the subcommittee, Secretary Talbott told a Times reporter:

"I don't want to talk to you. I don't care what you print. I have nothing to say."

Mrs. Talbott took the telephone from her husband and said to the reporter, who had been instructed to inform the Air Secretary of the story out of courtesy.

"It is a pretty snide, low, sneaking group that has done this. My husband is tired. Don't you call him anymore."

At issue is the question of whether Mr. Talbott may have violated the spirit or letter of the conflict in interests laws.

The letters, taken from the files of the Mulligan Co. by committee investigators, show that Mr. Talbott wrote or telephoned to prominent industrialists after he became Air Force Secretary. The letters suggested that they at least consider retaining services of the Mulligan company.

Among the important contracts landed was one covering the entire operations of Avco Manufacturing Co., of New York, headed by Victor Emanuel. This company as of last month had a backlog of $200 million in defense contracts for the Air Force and the Navy.

Other big firms that employed Mulligan since 1953 were the Baldwin-Lima-Hamilton Corp.; Olin Industries; the Greyhound Corp.; and the Libby-Owens-Ford Glass Co., of Toledo, Ohio. In every instance, the files show that Secretary Talbott played a part in approaching company officials directly to arrange an appointment for Mr. Mulligan or his associates.

TALBOTT URGED EXPANSION

Indeed, the business of the small firm grew to such an extent that Mr. Talbott himself urged on other officials of his company an expansion program so that more clerical studies could be undertaken.

Secretary Talbott wrote, among others, to John W. Hanes, of Olin Industries, on February 12, 1953. This was shortly after he took office in the Pentagon. He said he was asking Paul Mulligan "to drop in to see" Mr. Hanes.

"I will appreciate it very much if you can arrange to give him 30 minutes," Mr. Talbott added. "You can be really helpful to me I feel sure."

The carbon copy of Mr. Talbott's letter in the Mulligan Co. files bore no letterhead. But Mr. Hanes' reply was addressed to Mr. Talbott as "Secretary of the Air Force" at the Department of Defense. Mr. Hanes, on June 3, 1953, said his executive committee had authorized establishment of a clerical control cost program by the Mulligan Co.

On October 6, 1954, Mr. Talbott wrote to Neil S. McCarthy, Los Angeles attorney, explaining that the Mulligan firm's only client on the west coast was the Richfield Oil Corp.

"I feel that there is quite a business potential there [on the west coast] and I would greatly appreciate any advice that you might be able to give Mulligan, and possibly an introduction or two," Secretary Talbott added.

"When I appeared before the Armed Services Committee in connection with my appointment, I explained what this company did and it was agreed that I could keep the company—but that we would not do business with any of the aircraft contractors. At least, that has been the status to the present time."

Mr. McCarthy, like Mr. Hanes, wrote back to Secretary Talbott at his Air Force office address. He said he had suggested to Mr. Mulligan appointments with motion picture figures such as Jack Warner and Walt Disney.

On February 11, 1955, Mr. Talbott made an approach to the Chrysler Corp., which handles millions in defense contracts. A letter in the files records that he first "chatted" with L. L. (Tex.) Colbert, president of Chrysler, and then telephoned the New York offices of the Mulligan Co. to arrange for two of his associates to go to Chrysler's Detroit headquarters on February 14.

"I appreciate very much your seeing these men and feel sure that you will be very much interested in the story as they present it," he wrote Frank Misch of the Chrysler Corp.

COMPLAINT REGISTERED

One of the questions raised by the Senate Armed Services Committee in January 1953 was whether Mr. Talbott had "severed" his relations with companies of which the formerly had been a director. The list included Chrysler, Baldwin-Lima-Hamilton, Electric Auto-Lite Co., and the Standard Packaging Corp.

Another letter in the files, dated July 17, 1953, shows that he complained in a "private and confidential" communication to R. G. Martin of the Electric Auto-Lite Co., at Toledo, about developments in the companies he had left.

"I have been particularly disgusted with the way Standard has acted since I resigned," Mr. Talbott wrote. "They closed up some work which I initiated which would have been very profitable. They, without any ado, asked Jack Chrysler to resign from the board and Walter Sheehan moved in as chairman of the board. I told Doc this would happen unless Doc stood up and handled the thing in a very strong way—apparently he didn't do this."

The letter concludes with a suggestion that Electric Auto-Lite and the Mulligan Co. could take over some space that was becoming available in the Chrysler Building in New York.

The files reflect a continuing exchange of correspondence between Secretary Talbott and his partner, Mr. Mulligan, about new business they might seek, or work underway on which they should consult.

A memorandum by Mr. Mulligan on April 7, 1953, headed "Subjects To Be Discussed With HET" includes this list of firms: Olin Industries, Baldwin-Lima-Hamilton, Western Union, Gillette Safety, American Can, American Smelting, Hanover Bank, General Cable, Grand Union, Kennecott Copper, Philip Morris, Schenley Industries, Sperry Corp., Underwood Corp., Stewart-Warner, Ford Motor, American Greeting Card, Perfection Stove, Cleveland Electric Illuminating, Atcheson, Topeka & Santa Fe, Greyhound, Cincinnati Milling Machine Co., J. & W. Seligman, Minneapolis-Honeywell, and Maytag.

On May 4, 1953, on Air Force stationery, Secretary Talbott wrote Mr. Mulligan in part:

"I think that it is perfectly proper and fine for you to go over and have a visit with (Lewis) Douglas, and I also believe that if you go to Chicago it would be perfectly proper for you to make a date and drop in to see Mr. (Orville) Caesar, president of Greyhound Corp. * * *

"I was delighted about the Baldwin situation, and also I am hopeful that the Victor Emanuel Co. will work out for you."

FIRM WON A BOOSTER

The deal with Mr. Emanuel went through, and he became an enthusiastic booster for the Mulligan firm, the correspondence showed. Mr. Emanuel wrote some letters urging his friends to talk to Mr. Mulligan. He wrote that the firm "has done excellent work for us as well as excellent work for a number of leading companies here."

"I met Mr. Mulligan originally through Mr. Harold E. Talbott, who is now our Secretary of the Air Force and was prominently identified with a number of important American companies before he went to Washington," Mr. Emanuel added. "Mr. Mulligan's firm does unusual type of work and it has borne fruit for Avco and the other companies he has worked for."

Another letter of Secretary Talbott, also written on Air Force stationery, shows that he was concerned on May 20, 1953, about the best approach to doing business with the Ford Motor Co.

"I haven't forgotten the Ford matter, but I am a little worried about the best approach in there," he wrote Mr. Mulligan. "Therefore, I haven't come to any decision."

Business for the Mulligan firm boomed. On March 17, 1953, Mr. Mulligan wrote his partner, Secretary Talbott, that "in general, it appears that our staff should be completely occupied for the balance of the year although this is not cause for relaxing on sales efforts."

Secretary Talbott wanted to expand the company. On Air Force stationery, he wrote Miss Irene Howard of the Mulligan Co., on July 17, 1953, a letter that said in part:

"I am very anxious to see Mulligan put on some adidtional engineers. As I size it up now, our monthly expense with Mulligan & Co. is approximately $20,000 per month. That means that we must have four jobs going on simply to take care of our overhead. Therefore, in order to make our operation really successful, we should have a minimum of 7 jobs going on at all times and preferably 10. I am inclined to believe that this can be done if we can find good personnel."

There was a continuing series of reports by Mr. Mulligan on the work the company was doing and the new business he was seeking on the basis of introductions often supplied by Secretary Talbott.

Mr. Mulligan reported at one point that work being done for the Radio Corporation of America had brought recommended savings "ranging in excess of 40 percent."

[From the Washington Star of July 22, 1955]

TALBOTT PROBE STILL OPEN—BREAK WITH FIRM OFFERED

(By James Y. Newton)

A Senate investigation was "still open" today into Air Force Secretary Harold E. Talbott's activities in a New York industrial

engineering firm that have yielded him a sizable side income during his Government service.

Unanswered for the moment was the question of whether Mr. Talbott should sever all connections with Paul B. Mulligan & Co. in the best interests of the Air Force.

Mr. Talbott offered to do that late yesterday at a hastily called public hearing if the members of the Senate Investigations Subcommittee thought he should.

The subcommittee withheld its opinion and Chairman McCLELLAN said the inquiry was "still open." Mr. Talbott said he had not decided whether to break the private connection.

PUTS INCOME AT $50,000

He said he needed the income received from the Mulligan company, which makes clerical surveys for industrial firms. He put the amount of that income at about $50,000 a year. Senator McCLELLAN said it was about $60,000 during 1953 and 1954, the 2 full years Mr. Talbott has served as Air Force Secretary.

The Secretary denied reaping "improper" profits as a "special partner" of the company, some of whose clients hold large Government contracts.

Mr. Talbott admitted soliciting business for Mulligan while with the Government, but added that with one exception, all of the industrialists he had approached were "intimate friends" of long standing. The exception was a young official of Chrysler Corp. to whom Mr. Talbott sent a letter. Mr. Talbott had resigned as a director of Chrysler upon taking the Air Force job.

The Pentagon official told of a special agreement he made with his partner, Paul B. Mulligan, before he came to Washington in January 1953. It provided that Mr. Talbott would not profit from fees the firm collected from companies engaged primarily in defense work.

ARRANGEMENT NEVER USED

Mr. Talbott said he wished to remain as above suspicion as "Caesar's wife." But he said the special business segregation arrangement with Mr. Mulligan was never used.

One of the Mulligan clients, Avco Corp., headed by Victor Emanuel, of New York, Senator McCLELLAN said, was engaged about 50 percent in Government contracts. Mr. Talbott said he wasn't aware of that at the time the Avco contact was made, adding that his firm did business only with the Crosley division of Avco.

While saying the inquiry was still open, Senator McCLELLAN set no date for a resumption of hearings into the propriety of Mr. Talbott's activities. The subcommittee was looking into possible violation of the conflict of interests law. Publication of some letters written by Mr. Talbott forced the hearing before the Senate group actually had decided whether one was called for, Mr. Talbott demanding the hearing.

Mr. Talbott, handled kindly by the Senators, was accompanied by a private attorney, Roger Robb.

CITES GREAT PROPRIETY

The Secretary said he thought he had served the Air Force with great propriety. Referring to the leak of news about the preliminary inquiry, he said it was "a shocking thing to point the finger of suspicion at a man when he doesn't deserve it." He added: "I don't think I deserve it."

Senator McCLELLAN and Subcommittee Counsel Robert F. Kennedy questioned Mr. Talbott closely about his contacts with the Radio Corporation of America after the RCA Service Co., an affiliate, had questioned the propriety of renewing an agreement with Mulligan in view of Mr. Talbott's position of Air Secretary.

Mr. Talbott said he asked that the negotiations be dropped when he learned that RCA had demanded that Mr. Mulligan get from Attorney General Brownell an opinion on the propriety of the contract.

He said he had talked to David Sarnoff, RCA chairman and an old friend, but that it would have been unthinkable for him to urge RCA to sign the Mulligan contract in the circumstances.

DOESN'T RECALL STATEMENT

Mr. Kennedy asked if Mr. Talbott had not telephoned Samuel Ewing, RCA attorney, and told him that "RCA ought to come off their high horse and not be so high and mighty."

"My memory is that I never made such a statement," Talbott replied.

The Secretary said he could not remember much about the conservation with Mr. Ewing and another one, which Mr. Kennedy said took place this year.

Democrats on the subcommittee were silent as to whether they believed Mr. Talbott should sever connections with the Mulligan company. But Senator McCARTHY, Republican, of Wisconsin, told the Secretary "to give it up would be an admission that there is something wrong about it." He said he saw no impropriety so far.

Senator BENDER, Republican, of Ohio, agreed that Mr. Talbott had done nothing wrong. But he urged the official to divest himself of the private business connection.

Mr. MORSE. Mr. President, in speaking against the public record of Mr. Talbott and in criticism of that public record, I also speak out in support of clean government. Government will not be clean until we can clean out of it men who have no greater appreciation of their ethical obligations in respect to conflict of interests than men such as Mr. Talbott.

Unfortunately, I think the facts are that throughout this administration there are too many men who do not have a high degree of sensitivity in regard to the spirit and intent of the conflict-of-interest statutes. Public officials should have such a sensitivity if they are to give this country clean government.

I call to the Senate's attention what I think is a very interesting, and, in some respects, a very telling and illuminating document, the CONGRESSIONAL RECORD for February 4, 1953. One has only to read the speeches in defense of Mr. Talbott made by some of my colleagues in the Senate to learn how easy it is for men of sincerity and good intentions to develop myopia when it comes to the facts about a man's record. The facts about Talbott's lack of sensitivity to ethical and moral obligations he owed his Government in respect to conflict of interest were put in the RECORD of February 4, 1953, as anyone can see if they will only read the RECORD. The facts were set out in the RECORD, yet only six Members of this body voted against confirmation of the Talbott nomination.

I have always been at a loss to understand why the Senate did not insist on a strict compliance with the conflict-of-interest statutes in this country at the time the major Defense Department nominations of the Eisenhower administration were before us. Many of those nominations, including Wilson, Stevens, and Talbott, violated the spirit and intent of conflict-of-interest prohibitions. Talbott was so hardened in his avarice that he was not willing to give up all of his business interests. The Senate was so taken in by his professings of innocence and martyrdom that all but six Senators did not require him to give up all of his business interests. Only six of us insisted that he should be required to comply with both the letter and the spirit of the conflict-of-interest statutes. We warned then that this man was lacking in high ethical standards.

I read what I said on that occasion, not in an attitude of "I told you so," but because I think the record has to be kept straight. I think we need to have the attention of the Senate called to the position taken by some of us 2 years ago in opposition to the Talbott nomination. Nothing that Mr. Talbott has been doing since his confirmation 2 years ago in connection with the Mulligan partnership surprises me. He has simply demonstrated again that he has that lack of sensitivity to ethical obligations which a sincere public servant ought to have if he believes in clean government.

On February 4, 1953, I said in part:

Mr. MORSE. Mr. President, I join with the Senator from Tennessee [Mr. KEFAUVER] in opposition to the nomination of Harold E. Talbott to be Secretary of the Air Force. I have tried to think of a more appropriate term for describing properly my feelings in connection with this particular nomination.

I am opposed to this nomination, because I think it stinks, and the terrific odors emanating from it are sufficient to give warning of the great danger of the decay of the whole pattern of ethical standards of government.

If the Senate does not stop confirming for high office the nominations of men who I think are involved, as the nominee under consideration is involved, in a background of relationship with the Defense Establishment, the men thus nominated will be suspect from the moment they are confirmed.

To my way of thinking, it is incumbent upon the Senate to lean over backward to keep out of office men whom a large segment of our population view with suspicion and distrust. I do not know what character of mail other Senators are receiving, but I know the wind of mail I am getting. I need only to read my own mail to know that there is anything but unanimity on the part of the American people with regard to the nominations to the Defense Establishment. I believe we are going to discover that millions of American people are going to be shocked by this nomination, as, indeed, I think they ought to be shocked by it.

Let us take a look at the record.

Then for several pages in the RECORD I discussed the participation of Chief Justice Hughes in an investigation of a company with which this man as a young man had corporate connections. Talbott's record in that matter was not to his credit. My speech pointed out that his testimony before the Armed Services Committee in 1953 at the time of his confirmation hearing demonstrated very clearly a lack of sensitivity that we had a right to expect from one who has been nominated for appointment as Secretary of the Air Force, in respect to his obligations under the conflict-of-interest statute.

I read further from my speech of February 4, 1953:

In my judgment there are three main questions involved in the Talbott case. First, there is his insensitivity to the conflict-of-interest problem, which I think is the same as exists in the Wilson and Stevens cases. Here again I incorporate by reference, so that I will not have to repeat those long arguments, my objections to Wilson and Stevens,

which likewise apply to Talbott, in connection with the conflict-of-interest problem, and the inescapable affinity of interest which they will have in carrying out their duties in the Defense Department in connection with great concerns which are doing business with the Defense Establishment. I say that it is not good public policy to place officials of corporations in charge of the Defense Establishment when the corporations which they served are going to do a great amount of business with the Defense Establishment. Find other posts for them in the Government, but do not put them in such positions of judgment and decision. Do not put them in a position where they will have to disqualify themselves with respect to specific contracts, for that will not remove the suspicion, because when they disqualify themselves from passing on some particular contracts, all that means is that some colleague and associate in the Defense Establishment will have to pass on such contracts for them.

Mr. President, I digress from quoting from the speech I made in opposition to confirmation of the nomination of Mr. Talbott, to say that the matter now before us involves the same principle of clean government which I advocated when I spoke in opposition to the Capehart amendment involving the appointment of the so-called w. o. c.'s. It was a very great mistake to approve that amendment by a vote of 46 to 45 because it increases the danger of further violations of conflicts of interests in government service. It was an amendment which sought to place w. o. c.'s in Government. Government officials cannot serve two masters. These businessmen who serve in Government positions without pay from the Government but who continue to draw fat paychecks from their corporations are a serious threat to clean government. No man in peacetime should be allowed to serve in a Government policymaking or administrative job without compensation from the Government, and at the same time be allowed to draw a big salary from his company. The danger of such a practice resulting in corruption is too great. We cannot expect such a person to occupy a policymaking position in the Government and, when a matter involving his company or his selfish economic interest comes up, not be influenced by his business connections. It is fakery to pretend that he can fulfill his conflict-of-interests obligations if he just steps aside and allows some deputy or subordinate to pass judgment on it. It defies common sense to pretend that when he turns over to a subordinate the negotiating of a contract with his own company or industry that deputy or subordinate will not at least be confronted with the temptation of doing what he well knows will serve the selfish interest of the w. o. c. who is working with him in the same Government office. The Comptroller General has warned us that such abuses are being discovered by his investigators. We should put a stop to the corruption of our Government by such practices by w. o. c.'s. Likewise in order to protect the people of the United States in their right to clean government, we should put an end to the placing of persons such as Talbott in positions of administrative power.

Of course, I think Talbott should be removed forthwith from the position of Secretary of the Air Force, because I think his entire record shows that he has not overcome his insensitivity to his obligations in connection with the intent of the statute which relates to the conflict-of-interest problem. He shows that he is the kind of a person who is willing to use his Government position to further his own economic interests. He impresses me as being a cheat.

Mr. President, I read further from my speech in the Senate on February 4, 1953:

I should think we would be better students of human behavior than to assume that association does not breed intimacy, that association does not result in the creation of very many intangible psychological factors of which I think we can take judicial notice—factors which are bound to play a part when former officers of great corporations come to pass judgment upon negotiations and proposed contracts to be entered into with such corporations headed by men who, in the past, were their colleagues. We ought to be on guard against such temptations. That is why the burden of my argument in the other cases, as in this one, has been directed so much to the matter of the indirect interests and influences which motivate human behavior. These men are human.

Mr. Talbott stated at the second hearing:

"In my previous appearance before the Armed Services Committee, I disclosed my holdings in business which now have, or reasonably may have, dealings with the Department of Defense. At that time I did not appreciate fully the fact that my holdings in two of the companies involved—namely, Chrysler Corp. and Electric Auto-Lite Co.—would be of moment in the consideration of my availability for the position of Secretary of the Air Force."

Mr. President, if that is not insensitivity to ethical obligations I do not know how to define the term. Certainly he is not naive; and the very fact that he did not have the sensitivity to recognize the potential danger of a conflict of interest by holding on to his corporate holdings in my judgment disqualified him from being confirmed in that nomination. It is one of the controlling reasons why I voted against confirming his nomination.

In that connection, I said on that occasion:

I am surprised that he did not. I am surprised at such naivete. I am surprised that he thought that question would not be raised. He leaves me with the impression, as I read his testimony in cold print, that he thought this nomination would glide through the Armed Services Committee without any question being raised. He was disillusioned. Questions were raised. I think what he does not fully appreciate is that questions will continue to be raised so long as he occupies that post. It is that insensitivity about him that bothers me in connection with this nomination.

Mr. President, that was Mr. Talbott's pattern of behavior on that occasion, when he was caught under examination in the Armed Services Committee. Thereafter he came back a second time, and said, "All right; I will withdraw from these corporate connections."

Mr. President, at the present time Mr. Talbott is following the same pattern. It is being pointed out now that his participation in connection with the Mulligan partnership has again raised a violation on his part of the spirit and intent of the conflict-of-interest statute. Now he says, "I will now withdraw from that partnership, if you Senators want me to do so." It was unethical for him to remain in that partnership while he has been serving as Secretary of Air particularly in view of the undue influence he has sought to exercise over contractors.

Mr. President, let me say, as I close my remarks, that in this case we are dealing with a man who does not have the sensitivity which guarantees to the American people a clean Government under his administration of the Air Force. He should be removed from office; he should be cleaned out. I announced in the first place that his nomination stinks; and I wish to say that, in my judgment, the odor is still just the same odor that does violence to clean government in the United States that I detected in 1953 when his nomination was before us. I have never known these individuals of black and white color to change their stripes. His odor remains the same; and he should be removed from office.

MUTUAL-SECURITY APPROPRIATIONS, 1956

The Senate resumed the consideration of the bill (H. R. 7224) making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes.

The PRESIDING OFFICER (Mr. ALLOTT in the chair). The question is on agreeing to the second committee amendment.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, we are about to vote on the pending amendment. I merely wish to invite the attention of Senators to the fact that the only issue involved in this vote is with respect to military assistance. It has nothing whatever to do with the question of direct forces support or defense support, which question was discussed a while ago by the distinguished Senator from Illinois [Mr. DIRKSEN] and the distinguished acting majority leader.

In the Washington Evening Star for Wednesday, June 22, 1955, appeared an article reading as follows:

UNITED STATES FINDS $100 MILLION IN OWN ARMS IN VIETNAM

SAIGON, SOUTH VIETNAM, June 22.—The United States has uncovered a $100 million surplus of its arms, equipment, and munitions in South Vietnam and is shipping it to American defense installations in the Pacific, usually reliable sources said tonight.

The mountain of military materiel is made up of guns, tanks, bombs, bullets, cannon, transportation and electronic equipment handed over to France in the last years of the Indochina war.

The continuing inventory of these contributions, which reached a $1 billion a year

peak toward the end of the war, has only scratched the surface so far. The surplus being reclaimed by the United States is moving from the port of Saigon to American bases in the Philippines, Formosa, South Korea, and Japan:

So far $25 million worth has been loaded into American-owned transport ships based in Japan and moved elsewhere.

After the huge inventory has been completed there still will remain enough military "hardware"—the arms and explosives needed in war—to supply the Vietnamese armed forces as well as those of the neighboring states of Cambodia and Laos.

The process of inventorying these American donated munitions and supplies is the chief job of the small military aid and advisory group under the direction of Lt. Gen. John O'Daniel, who also is responsible for the training and reorganization of the Vietnamese armed forces.

The reorganization program originally called for the reduction of the 217,000-man army to 100,000 by the end of this year. The Vietnamese now have asked the United States and France to revise that figure upward to 150,000.

At this point I wish to place in the RECORD an excerpt from the testimony of Mr. Dulles before the subcommittee of the House Committee on Appropriations. It is found on page 8 of the House hearings. This testimony confirms information contained in the article from which I have read.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

DISPOSITION OF AMERICAN EQUIPMENT IN INDOCHINA

Mr. GARY. What is the situation with reference to American property in Indochina now and the property that we gave to the Indochinese Government?

Secretary DULLES. We gave it in the past primarily to the French Government for use in the French Union forces, which at that time included the forces of Vietnam, Laos, and Cambodia. That equipment, such of it as was then in the northern area, was salvaged—a very effective job was done in getting it out—and taken down south to Saigon and is now being employed primarily for the reequipping of the Vietnamese National Army, and will be used to some extent for the forces of Cambodia. The French are pulling their troops out fairly rapidly, at a rate which I think is about 10,000 a month, and we are having to equip the troops of Vietnam as the French go out. Much of that equipment used by the French is now being left behind by the French and being taken over and used by the Vietnamese. So that we do not have any particular item in MSA for hardware for Vietnam, because that is already there.

Mr. GARY. Did you have any substantial losses of equipment to the Communists in Indochina?

Secretary DULLES. No. Some was lost in the battle of Dien Bien Phu; but, as far as the evacuation of the Tonkin Plateau is concerned, it was all gotten out.

Mr. GARY. What is your opinion of the statement made this morning, I believe it was, by the Russians with reference to some sort of new alliance between India, China, and Russia?

Secretary DULLES. I heard there was such a statement; I have not actually seen it. I would be quite surprised if India went into any alliance with Russia or China.

Mr. GARY. I think the same statement carried with it some implication or some assertion that they wanted a solution of the Formosan question.

Secretary DULLES. Well, we know that is the case. Of course we all want a solution.

Mr. ELLENDER. Also, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an excerpt from the hearings before the Senate Appropriations Committee, beginning on page 176, in the testimony of Mr. McNeil, showing the recovery of vast amounts of war materials in Indochina, which materials are being made available to the various countries we are now assisting in southeast Asia.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCESS MATERIAL IN INDOCHINA

Senator ELLENDER. I brought to the attention of the committee the other day that I read a recent newspaper item stating that there was found over $100 million of hardware that you did not know you had in Indochina alone. Will you tell us the circumstances of that?

Mr. MCNEIL. I believe I can.

Senator ELLENDER. I wish you would.

Mr. MCNEIL. During the difficulty in Indochina last year, because it was a very dangerous, ticklish situation, every effort was made to provide the Vietnamese and the French with enough material so they could do a job. When the settlement was made, really dividing Indochina as of present, there was some equipment on the way, and some of which had actually been put ashore in south Indochina which was no longer needed.

A part of that was moved to Formosa to beef up and strengthen the Government of the Republic of China because of the trouble in the Formosa Straits in the last several months.

We think there is additional material there that can be made available.

Senator ELLENDER. Why do you say think? Do you not know?

Mr. MCNEIL. We haven't completely identified the different amounts by the different items of equipment. We hope to get some salvage and move it to other areas of the Far East, move it there, or help to take care of the requirements in Korea and Formosa.

Senator ELLENDER. In making up your requirements, in requesting these additional funds, did you know of the existence of these goods?

Mr. MCNEIL. Yes, sir.

BUDGET FORMULATION

Senator ELLENDER. When did you make your budget? I thought you made it a year in advance?

Mr. MCNEIL. Really it was brought together last December.

SURPLUS MATERIAL IN INDOCHINA

Senator ELLENDER. When was this material found?

I thought it was just a few months ago?

Mr. MCNEIL. No; we knew of the existence of a substantial amount of equipment last July, soon after the Geneva Conference, when the decision was made to temporarily at least partition Indochina or separate the south from the north Indochina.

In fact, in that month some material was diverted that had not yet arrived. I think that has been watched rather closely and we recovered some.

Now, we have a problem in that when we get that material, some of it is not in good shape. Some of it is out in the weather; some of it has been used. Perhaps some of the equipment is excess to the size of the new Vietnamese Army.

That has to be all reworked. The cost of the reworking of that comes out of funds we had planned to use for other purposes. By doing so, however, we can help fill some other requirements.

AMOUNTS USED FOR NATO COUNTRIES

Senator ELLENDER. Now, could you tell us what proportion of the entire amount that you are now talking about, that is the $18 billion-plus, was utilized for Western Europe to assist NATO countries? Please indicate whether that includes Turkey and Greece.

Mr. MCNEIL. While Mr. Shaw is looking up the answer to your question, I would say, for example, that some of the equipment that we knew of and recovered from Indochina as excess will help provide equipment for the forces in the Associated States, such as Cambodia and Laos.

In answer to your question, Senator, of the total program, $13 billion was for Europe, of which $7.8 billion has actually been accomplished and $5.24 billion remained to be accomplished as of January 1955.

Mr. ELLENDER. The question of economic aid by way of direct force support, defense support and development assistance will come before the Senate later in the evening. I repeat that the amendment on which we are now called upon to vote deals solely with military assistance. If the amendment which is pending is defeated, it will mean that $705 million will be added to the present "kitty" of $6,500,000,000, instead of $1,125,000 as recommended by the Senate Appropriations Committee.

Mr. LONG. Mr. President, will my colleague yield for a question?

Mr. ELLENDER. I yield.

Mr. LONG. The Senator realizes, of course, that the amendment involves $400 million and relates to the fact that there is on hand under this title about $5½ billion of unexpended money. In order to carry over the $5½ billion, it was therefore necessary to resort to a certain amount of fiscal wizardry to carry the additional $400 million. Is that correct?

Mr. ELLENDER. I wish to state that there is in this military aid kitty at the present time $6½ billion to carry over, $5 billion of which is for Western Europe.

Mr. LONG. On this particular item, for this purpose, there is already available $6½ billion. Is that correct?

Mr. ELLENDER. Yes; $6½ billion. If the House figure is adopted, we will add to the $6½ billion, $705 million more.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. A vote "yea" is a vote in support of the committee amendment; a vote "nay" is a vote in support of retaining the House figure. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Delaware [Mr. FREAR], the Senator from Georgia [Mr. GEORGE], and the Senators from Washington [Mr.

JACKSON and Mr. MAGNUSON] are absent on official business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

On this vote the Senator from Delaware [Mr. FREAR] has a pair with the Senator from Texas [Mr. JOHNSON]. If present and voting, the Senator from Delaware would vote "nay" and the Senator from Texas would vote "yea."

I further announce that if present and voting, the Senator from Georgia [Mr. GEORGE] and the Senators from Washington [Mr. JACKSON and Mr. MAGNUSON] would each vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is necessarily absent, and, if present and voting, he would vote "yea."

The Senator from Nevada [Mr. MALONE] and the Senator from Pennsylvania [Mr. MARTIN] are absent on official business.

The result was announced—yeas 50, nays 38, as follows:

YEAS—50

Aiken	Hayden	Neely
Allott	Hennings	Neuberger
Barkley	Hickenlooper	O'Mahoney
Beall	Hill	Pastore
Bender	Holland	Payne
Bennett	Humphrey	Potter
Bridges	Ives	Purtell
Bush	Lefauver	Saltonstall
Butler	Kilgore	Smith, Maine
Carlson	Knowland	Smith, N. J.
Case, N. J.	Kuchel	Sparkman
Clements	Lehman	Stennis
Cotton	Martin, Iowa	Symington
Dirksen	McCarthy	Thye
Douglas	McNamara	Watkins
Duff	Millikin	Wiley
Green	Morse	

NAYS—38

Anderson	Bricker	Case, S. Dak.
Barrett	Byrd	Chavez
Bible	Capehart	Curtis
Daniel	Johnston, S. C.	Robertson
Dworshak	Kennedy	Russell
Eastland	Kerr	Schoeppel
Ellender	Langer	Scott
Ervin	Long	Smathers
Fulbright	Mansfield	Thurmond
Goldwater	McClellan	Welker
Gore	Monroney	Williams
Hruska	Mundt	Young
Jenner	Murray	

NOT VOTING—8

Flanders	Jackson	Malone
Frear	Johnson, Tex.	Martin, Pa.
George	Magnuson	

So the committee amendment was agreed to.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the RECORD following the vote a statement of military assistance fund availability and planned use.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Statement of military assistance fund availability and planned use

[In billions of dollars]

	Total appropriation, 1950–55	Net transfers to other than military programs and rescissions and lapses	Available for military programs	Expended to June 30, 1955, i. e., services rendered and materiel delivered	Carryover of unexpended balance, June 30, 1955	Direct obligations against unexpended carryover	Reservations, i. e., orders upon military departments with obligations by them for common items	Carryover of unobligated funds
1950 to 1955 fund availability	20.2	1.7	[1] 18.5	12.0	[1] 6.5	1.8	4.7	.034
1956 unobligated carryover								.034
1956 budget requirements:								
I. Administrative expenses				.024				
II. Protection of investment:								
Maintenance and spare parts				.325				
Training				.105				
Packing, crating, handling, and transportation				.144				
III. Commitments:								
Support of international military headquarters				.005				
Infrastructure				.122				
Military assistance commitments				.330				
IV. Projects for improvement:								
Mutual weapons development				.050				
Facilities assistance				.020				1.125
If 1956 request of $1,125 billion is approved, additional program and obligational authority would be								1.159
Breakdown of unexpended but obligated and reserved balance by classification of effort:								
A. Equipment and supplies:								
Common items				4.70				
Offshore procurement				1.30				
Navy shipbuilding				.03				
B. Services:								
Training				.11				
Packing, crating, handling, and transportation				.09				
Supply operations				.06				
Facilities				.03				
Mutual weapons development				.04				
International military headquarters				.01				
Infrastructure				.16				
Administrative expenses				.01				
Total					6.5			

The $6.5 billion unexpended balance is obligated or reserved to:

(1) In the case of ships and aircraft complete, the equipping of combat forces,

(2) In the case of common items on order from the services to provide the supplies which would be required by friendly nations during the early months of war.

[1] Excludes local currency generated under sec. 550, Public Law 165, and sec. 402, Public Law 665.

NOTE.—Military assistance: A reduction of $420 million in the President's request of $1,125 million for military assistance would result in reductions in our programs for maintenance and spare parts ($100 million), training ($25 million), packing, crating, handling, and transportation ($30 million), military assistance commitments ($220 million), mutual weapons development ($30 million), and facilities assistance ($15 million).

The major effects of such reductions would be (1) curtailment during fiscal year 1956 in essential training and in the delivery of equipment, maintenance items, and spare parts, (2) commitments or agreements with certain foreign governments will not be honored, and (3) the mutual weapons development and facilities assistance programs would be reduced drastically. Consequently these would be a serious decrease in the effectiveness of the combat forces or their essential supporting forces being supported by the military assistance.

Vol. I of mutual security program fiscal year 1956 summary statements, pp. 30 and 31, revised, give the obligations and expenditures for the program as a whole.

Mr. McCARTHY. Mr. President, I send to the desk an amendment and ask that it be read, and I ask for its immediate consideration.

The PRESIDING OFFICER. The Chair would advise that the committee amendments should be first considered.

The clerk will proceed to state the next committee amendment.

The next amendment was on page 2 in line 9, after "(a)", to strike out "and in addition not to exceed $33,900,000 of unobligated and unreserved funds heretofore appropriated under authority of section 103 (a) (1) of the Mutual Security Act of 1954, as amended, are continued available until June 30, 1956, for the purposes of section 103 (a) (2)."

The amendment was agreed to.

The next amendment was, on page 2, line 15, after the figures "$305 million" to insert "and in addition $12,200,000 for additional assistance to Formosa and Thailand."

The amendment was agreed to.

The next amendment was, on page 2, line 18, after "131 (c) (1)", to strike out "$70 million" and insert "$85,500,000", and in the same line, after the amendment just above stated, to insert a colon and the following proviso:

Provided, That at least $50,000,000, on a grant basis, shall be made available for assistance to Spain exclusive of technical exchange: *Provided further*, That not less than $22,000,000 of the amount available for Spain shall be used for agricultural commodities.

Mr. ELLENDER. Mr. President, I have two amendments to offer on the defense support item. As it will be

noted in the bill, there is defense support for Europe, defense support for the Near East and Africa, and defense support for Asia. One of my amendments seeks to strike from these various defense support items 25 percent of the amount recommended by the Senate Appropriations Committee.

I also have an amendment which affects the item for development assistance, Near East and Africa, and which seeks to cut by 25 percent the amount recommended by the committee.

In order that time may be saved—it is growing late and I know that Senators are anxious to get through with the bill—I ask unanimous consent that my amendments be considered en bloc because, as I have said, they affect all the amounts which are provided for defense support in Europe, defense support in the Near East and Africa, defense support in Asia, and development assistance in the Near East and Africa.

Mr. LANGER. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. LANGER. How much will the sum be?

Mr. ELLENDER. My amendments seek to reduce the amounts recommended by the committee for the various items by a total of $274.9 million.

The PRESIDING OFFICER. One of the Senator's amendments is not an amendment to the committee amendment.

Mr. ELLENDER. That is correct.

Mr. President, I ask that my amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYDEN. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. HAYDEN. What does the Senator propose to do? There is pending before the Senate now the item providing defense support for Europe, for which the House allows $76 million, and our committee allowed $85 million. What does the Senator wish to do about that?

Mr. ELLENDER. My amendments would reduce the amount recommended by the committee by 25 percent.

Mr. HAYDEN. Why not move to strike out $85 million and insert $64 million?

Mr. ELLENDER. That is the way the amendment is worded. The next item, which relates to $50 million for Spain, would be cut 25 percent. It is tied in with the first amendment covering defense support for Europe.

The item for defense support in Asia as contained in the committee bill is $127,800,000, and my amendments seek to reduce this by 25 percent. In other words, each item of defense support is to be cut 25 percent, and in the case of development assistance for the Near East and Africa, that is likewise cut 25 percent.

I thought that in order to save time, we might vote on the amendments en bloc. Otherwise, there would probably be four yea-and-nay votes.

Mr. CASE of South Dakota. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. CASE of South Dakota. Will it not be necessary for us to have an agreement that we vote on the several committee amendments en bloc? Otherwise, we would be in a position of having first to consider each of the committee amendments.

The PRESIDING OFFICER. The amendments offered by the Senator from Louisiana [Mr. ELLENDER] will be stated.

The CHIEF CLERK. On page 2, line 18, it is proposed to strike out "$85,500,000" and insert in lieu thereof "$64,000,000."

On page 2, line 19, it is proposed to strike out "$50,000,000" and insert in lieu thereof "$37,500,000."

On page 2, line 21, it is proposed to strike out "$22,000,000" and insert in lieu thereof "$16,500,000."

On page 2, line 25, and page 3, line 1, it is proposed to strike out "$113,700,000" and insert in lieu thereof "$85,300,000."

On page 3, line 1, it is proposed to strike out "$26,200,000" and insert in lieu thereof "$19,700,000."

On page 3, line 4, it is proposed to strike out "$827,800,000" and insert in lieu thereof "$621,000,000."

On page 3, line 11, it is proposed to strike out "$73,000,000" and insert in lieu thereof "$54,800,000."

Mr. DIRKSEN. Mr. President, I must object to the unanimous-consent request of the Senator from Louisiana. For one thing, I think it would confuse the Senate. In the interest of orderly procedure, the amendments should be considered singly. I doubt that it will take any more time.

Mr. ELLENDER. Mr. President, I ask for the yeas and nays on these amendments.

The yeas and nays were not ordered.

Mr. BARKLEY. Mr. President, is the Senator offering amendments to the original text of the House bill, or to the amendments of the Senate committee?

Mr. ELLENDER. They are amendments to the Senate committee amendments.

Mr. BARKLEY. Are they all amendments to the Senate committee amendments?

Mr. ELLENDER. That is correct, except the one relating to development assistance, on page 3, line 11.

Mr. BARKLEY. Is the Senator proposing to amend the amounts provided in the committee amendments?

Mr. ELLENDER. By reducing them 25 percent; that is correct.

The PRESIDING OFFICER. The question is on agreeing to the first amendment offered by the Senator from Louisiana to the committee amendment on page 2, line 18, to strike out "$85,000,000" and insert in lieu thereof "$64,000,000."

Mr. ELLENDER. Mr. President, were the yeas and nays ordered?

The PRESIDING OFFICER. The yeas and nays were not ordered; there was not a sufficient second.

Mr. ELLENDER. I renew my request for the yeas and nays.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, I shall discuss at this time all of my amendments, so that after my general statement, each amendment may then be voted upon one after the other and thereby save time.

The purpose of the first amendment I have offered is to reduce defense support in Europe by 25 percent—that is, a reduction of 25 percent from the Senate committee figure of $85,500,000. In order that the amendment may conform to the proviso which was added by the Senate committee earmarking a specific sum of the European defense support funds for Spain, my second amendment reduces by 25 percent the amount which would be earmarked for Spain, and likewise, my third amendment reduces by 25 percent that part of the amount earmarked for Spain which must be used for agricultural commodities.

My fourth amendment relates to the item for defense support in the Near East and Africa, for which the Senate committee provided $113,700,000. My amendment seeks to lower this amount to $85,300,000, a 25 percent reduction.

There is a provision in the committee amendment covering defense support for the Near East and Africa, to the effect that of the sum of $113,700,000, $26,200,000 is earmarked for Greece. In order to conform with my proposed 25 percent overall cut, I have offered a fifth amendment under which the amount of $26,200,000 is also reduced by 25 percent.

In respect to the item for defense support in Asia, the sum provided by the Senate committee, $827,800,000, would be cut to $621 million, or a reduction of approximately 25 percent, by a sixth amendment which I am proposing.

Likewise, for development assistance, Near East and Africa, for which the House provided $73 million, and the Senate made no change, I am suggesting a 25 percent reduction, or a total amount of $54,800,000 for development assistance in the Near East and Africa.

As I indicated a while ago in my opening statement, the pending bill contains two categories of economic aid—defense support and development assistance. They are basically the same, in that they both afford economic aid, pure and simple. Defense support is economic aid which goes to the nations which maintain armed forces, whereas development assistance is for nations which do not maintain defense forces. Otherwise, the purposes of the funds are the same.

Mr. President, I now ask unanimous consent to have printed at this point in the RECORD a statement by Secretary of State Dulles, in which he differentiates among the various support programs.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DEFENSE SUPPORT

Then there is the other quarter of the fund, which is the so-called defense support. This is economic aid given to countries which have agreed to maintain a bigger Military Establishment, and we think they should have this Military Establishment, than they can support themselves if their economies are not helped to some extent.

As I indicated in my opening statement, a Military Establishment is not only something which is not productive, but it is, in fact, a subtraction of productivity which otherwise would be available. This manpower, that is recruited and used in armies,

is not able to work productively and produce the food, the clothing, and so forth, that they need for themselves. They have to be supported by other people. In some areas, such as Korea, Turkey, Formosa, it is deemed by our military advisers, by the National Security Council, and the President advisable to have the United States help support Military Establishments larger than the countries could support themselves without United States assistance.

So that accounts for the other quarter of the program. The allocation of funds, as I say, is made in terms of two basic decisions: First, is it desirable that the country in question have a Military Establishment of a given size? Second, assuming that it has a Military Establishment of that size, is it able to support it alone, or can it only have a Military Establishment of that size if some help is given? Those two criteria are applied to each country to determine whether and how much so-called defense-support assistance is given.

ECONOMIC AID

That leaves you with the remaining quarter of the program, about $800 million, which is not covered by either of the standards that I have applied. It is not direct military aid nor is it defense-support aid. It is economic aid unrelated to a military program, but is, nevertheless, deemed desirable in order to help build up the economies of countries which are non-Communist, which are struggling to maintain their non-Communist position, and which can be inspired and helped to do so by a limited amount of economic aid from the United States.

Mr. SMATHERS. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. SMATHERS. I am a little unclear as to whether the amendment which the Senator is now offering proposes to cut the amount for development assistance to Latin-American countries.

Mr. ELLENDER. It does not.

Mr. President, it is my judgment that it is time for us to begin reducing our foreign economic aid program. If I had my way, I would cut it out altogether. But I know that the temper of Congress today is not in line with my view. However, I do believe, and I urge upon the Senate now, that we should begin to cut back in this category of aid.

The proponents of the full amounts contained in the Senate committee bill have stated, and undoubtedly will continue to state, that these funds must be voted if the foreign nations to which they flow are to remain strong. That may be so, but it is my firm belief that the host country lands should contribute more equitably to the cost of the programs. In addition, since this effort is declared to be necessary in order to strengthen the free world, I think we should obtain assistance from our allies in financing this work. They are well able to give it, and this is, in my opinion, a good time for us to demand it. And the surest method of obtaining their assistance is for the Congress to reduce the amounts of economic aid appropriations that are now before us, and let that serve as notice to our well-to-do allies that from now on we expect them to pick up at least a portion of the check.

Mr. President, as I pointed out in my opening remarks concerning the amendment relating to direct military aid today, all the countries we have assisted in Western Europe are well able to make a sizable contribution toward the development of the Asiatic and African countries.

We now have, as unexpended balances in the 2 categories of defense support and development assistance, more than a billion dollars which is unspent and which will be available for spending in fiscal year 1956. It strikes me that with such a huge amount on hand, added to the amounts which would be provided under my amendments, or 75 percent of the amount recommended by the Bureau of the Budget, ample economic-aid funds will be available to assist our friends.

Senators should bear in mind that defense support is simply a new name for economic aid. The defense-support funds are used in almost the same manner as were Marshall-aid funds. They will be used in order to create counterpart funds, and in the countries where counerpart funds are created they can be spent to develop roads, to build dams, and, in general, to do other things similar to those which were permitted to be done under the Marshall-aid plan.

As I pointed out earlier today, the countries of Western Europe, as well as many countries in the area under discussion, countries which we are seeking to assist, are well able to help themselves.

I have in my hand a clipping from the Christian Science Monitor, dated June 16, 1955, in which appears an article under the heading "New Zealand Prosperity Held Greatest on Record." I visited Australia last year, as well as New Zealand, and I can vouch for the fact that both of these beautiful countries are in a very prosperous condition.

Notwithstanding the prosperity which exists in those countries, and their being located in an area where, if anything occurs, they would probably be the first to feel the blow, we are being asked to furnish money in order to assist the other nations of that Southeast Asia area, while those who will feel the repercussions as much as, and probably more than, we will, are going to escape without putting up a dime.

Mr. President, I am not going to take the time of the Senate to read the article from the Christian Science Monitor to which I have referred. I ask unanimous consent that it may be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW ZEALAND PROSPERITY HELD GREATEST ON RECORD

WELLINGTON, NEW ZEALAND.—How democracy pays off in higher living standards and more amenities was pointed up recently by Prime Minister Sidney G. Holland, of New Zealand's private enterprise National Government.

The New Zealand leader said he was confident his people had never enjoyed greater prosperity than at present. "While I can say that there are difficulties facing New Zealand," he declared, "I can also say with equal confidence that the future, provided no unforeseen problems arise, looks full of promise, and the development that has marked the last 4 or 5 years is likely to continue into the foreseeable future."

JOB VACANCY PROBLEM

As Mr. Holland pointed out, one of New Zealand's most difficult and embarrassing problems was an abundance of job vacancies, presently estimated at about 35,000, and with little prospect of filling them.

Although this South Pacific democracy has an ambitious immigration program in full swing, the addition to the national work force of another 35,000 new workers, would not solve this job vacancy problem.

As some expert opinion has pointed out, the influx of new workers would simply add to demand in every direction and the consequent expansion would open up further job opportunities which would need still more workers.

With a 40-hour week and comparatively high rewards for unskilled labor, the trend in recent years has been toward economic democracy, with class distinctions, never of great significance in this easygoing country, now even more difficult to define.

In New Zealand, where the great bulk of the population lives in individual houses, each with its own garden, any man who does not tend his garden himself or wash his own car is apt to be conspicuous. Custom, now stimulated by the chronic labor shortage, has made do-it-yourself even more truly New Zealand's unofficial national motto. At least, if this situation keeps New Zealanders busy with household chores, it certainly makes for a sturdy independence in the national character.

RECORD PER CAPITA EXPORTS

One of the keys to New Zealand prosperity is its great export earnings from meat, wool, and other farm products. In fact, this country has the greatest export trade per capita of any nation in the world.

This year, New Zealand earnings from wool exports appear set for a new national record, valued at an estimated $200 million. Britain remained New Zealands's top export market but there was a significant increase in exports to Germany, the Netherlands, and Australia. But exports to the United States declined as well as those to Japan. The bulk of imports, on the other hand, came from Britain and Australia in that order.

The volume of business continued to expand, so much so, that Government revenue estimates were substantially exceeded. This surplus situation, in the opinion of some experts, suggests that personal taxes will again be cut in the forthcoming budget.

This would make pleasant reading for New Zealanders but the national press contended that this increase in Government revenue, in face of previous tax cuts, was extremely significant.

As one influential daily declared: "The lesson to be drawn from this is that tax cuts in times of development and progress, far from reducing the state's income, tend by stimulation of business and personal spending to generate a larger, not smaller, return to the state coffers." Taxation, it added, remained too heavy in spite of past reductions.

GOVERNMENT SURPLUSES

The surplus in Government accounts, however, means that businesses in search of new capital will not have to compete with Government borrowing in the country's loan market, since the Government has said it has enough in hand from surpluses to tide it over the next 6 months.

The entire subject of Government finance is to be investigated shortly by a Royal Commission on Banking, under the chairmanship of Justice Arthur Tyndall. Principal aims of the investigation will be to find means for "fostering a greater degree of stability in prices, maintaining full employment, ensuring the healthy development of national resources and promoting generally the economic, financial, and social welfare of the people."

Promoting social welfare in this land of extensive social services, might seem like gilding the lily to some less fortunate peoples. For example, New Zealanders are eating more meat than last year with consumption at 217.2 pounds per head and in other directions there was an increased consumption of both goods and services.

On the other hand, New Zealanders do not appear to be making the best use of some major resources. A group of scientists, working independently of the Government, recently stated that New Zealand was wasting much more power than it used.

The group declared there was a 20 percent wastage in generated electricity, an 80 to 85 percent loss in power from coal and a 75 percent loss in the case of oil fuel. Heating in houses, it said, could be halved if dwellings were more efficiently insulated.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MORSE. Is it not true that the observations which the Senator from Louisiana is now making happen to be based upon the conclusion he reached as the result of his traveling a good many hundreds of miles in the very area of the world to which he has been referring?

Mr. ELLENDER. Partly.

Mr. MORSE. Am I correct in my understanding that the Senator from Louisiana is not objecting to funds which will be used for loan purposes, but that he is objecting to such a large portion of the funds going into grant arrangements or out-and-out giveaway arrangements?

Mr. ELLENDER. The Senator is partially correct. Another reason for my opposition is that much of the huge sums we provided last year is unspent. As a matter of fact, in one category less than 20 percent has been spent. Yet we are adding more and more to the unspent balances for those countries. It must be remembered that those countries are not as advanced as are the nations in Europe. It does not require, comparatively speaking, much money to make a start in these underdeveloped countries. They do not have a large industrial capacity. And it must be remembered, too, that we also furnish technical aid or point 4 assistance in that area. Aside from the amounts I am now discussing, we are spending several million dollars to send technicians to that area in order to teach the people who live there our way of doing things. This direct aid, which our planners call defense support, is used in order to implement some of the technical-aid funds. It all boils down to the fact that the amounts requested for this area simply cannot be spent economically.

Mr. MORSE. Mr. President, will the Senator yield for a further question?

Mr. ELLENDER. I yield.

Mr. MORSE. On the basis of the personal observation of the Senator from Louisiana, did he come away from that area of the world with the opinion that those countries would be willing to take more money under loan arrangements, if we insisted upon more of the money taking the form of loans, and less going for grants?

Mr. ELLENDER. I could not answer that question specifically. I may state that it would depend on the purpose for which the money was to be spent. If the money were to be used for the development of dam sites for electricity, it might be that the foreign countries would contribute, and they might borrow a good deal of the money. However, when it comes to the building of roads, and everyday purposes of that kind, I doubt that we could obtain assistance from them. We have to do the job alone.

Mr. MORSE. Mr. President, will the Senator yield for a further question, and my last question?

Mr. ELLENDER. I yield.

Mr. MORSE. Did the Senator from Louisiana form any opinion as to whether or not we might have opportunities in the part of the world where he traveled to increase American businessmen's investments if we would enact legislation which would guarantee to give them what would amount to some form of the deposit insurance principle, such as we apply to depositors in banks in this country?

Mr. ELLENDER. I have no doubt that American investment capital could be obtained if we adopted some means of guaranteeing those investments; but a climate would have to be created whereby they could be protected from the government of the host country.

Mr. MORSE. That was the point I wished to make.

Mr. ELLENDER. Yes.

Mr. MORSE. I find myself leaning very strongly in the direction of first providing for a greater percentage of loans and a smaller percentage of grants, and also directing our attention to legislation which will work out, shall we say, some form of economic trade treaty between the foreign countries and our own country, whereby American investors could go into those countries and invest their money, and then we would guarantee their investments. Investors would have to invest with reasonable consideration of treaties, and a controversy arising from any violation of a treaty would be a matter between our Government and the foreign government, but we would keep the American investor whole.

It seems to me we ought to start in that direction by giving consideration to the amendment the Senator is proposing.

Mr. ELLENDER. I think, if the Congress adopted my amendment, it would be on the right track. We are making available to some countries millions of dollars they are not prepared to spend. As a matter of fact, that statement applies to most countries in southeast Asia. I would judge 85 to 90 percent of the people in those countries are engaged in agriculture. It strikes me that much less money should be spent by us there in the light of our own agricultural surpluses. It does not require the amount we are now providing in order to give those people the technical assistance and the other assistance they should have. We could save a great deal of money if we would veto some of the grandiose schemes of our economic aid planners.

My fear is that if the huge sums now proposed are made available, much money will be wasted. I am sure the Senator is aware of the charges which have been made with respect to the Korean aid program. We spent millions of dollars in Korea. The pending bill provides for between $600 million and $700 million of various kinds of aid and assistance, military and otherwise, to Korea.

I should like to call attention to an article which appeared in the Christian Science Monitor of June 8, 1955, criticizing the manner and method in which our aid money is being spent in Korea.

The title of the article is "United States Levels Blast at Korea on Aid Program."

I read from the article:

The attack is contained in a document summarizing complaints made by local representatives of the Foreign Operations Administration, the State Department, and the Far East Command.

In the article it is stated that much graft is occurring in Korea because of the huge and unrealistic sums of money put into the hands of persons who, I suppose, never before knew that there was so much money in the world. The same is true in Cambodia, Laos, and other places. We are simply giving these people so much money, it cannot be wisely spent; much of it will be wasted.

So I am trying to have us curtail the amount by 25 percent, in the hope that the money we then provide will be more economically spent. If more is later found to be needed, we should make every effort to get our friends in Western Europe, who are able to assist, to give us a hand, rather than for us to carry the entire load alone, as we have in the past.

Mr. MORSE. Mr. President, will the Senator from Louisiana yield to me?

The PRESIDING OFFICER (Mr. CASE of New Jersey in the chair). Does the Senator from Louisiana yield to the Senator from Oregon?

Mr. ELLENDER. I yield.

Mr. MORSE. In support of the observations made in the article published in the Christian Science Monitor, let me say that I have in my office a rather voluminous file of correspondence from an American official in Korea, who has a position of considerable responsibility in connection with our aid program there. Before going into the Government service, he had a very responsible background. In his correspondence with me he verifies the point set forth in the article in the Christian Science Monitor, namely, that there is terrific waste in connection with our program; and he supports my position in favor of the making of investments and of loans, rather than grants, to Korea. He began to write to me when I first pointed out the need for working out trade treaties with these countries, so that United States businessmen could make investments there, and so that we would back them up with a guaranty.

Mr. ELLENDER. I thank the Senator from Oregon.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the article to which I have referred.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor of June 8, 1955]

LONG LIST OF ACCUSATIONS: UNITED STATES LEVELS BLAST AT KOREA ON AID PROGRAM

(By Gordon Walker)

TOKYO.—United States Government agencies in South Korea have come out with an exceptionally strong denunciation of corruption, deliberate sabotage, and general lack of cooperation on the part of the Syngman Rhee government in connection with the administration of United States aid in that country.

The attack is contained in a document summarizing complaints made by local representatives of the Foreign Operations Administration, the State Department, and the Far East Command.

The document is by far the most blistering assault on the Republic of Korea Govment's handling of United States aid yet made and formalizes complaints which United States agencies in South Korea have been muttering under their breath for the past year.

Summarizing ROK implementation of the United States South Korean aid agreement, the report charges that the ROK Government has evinced lack of desire to adhere to even the most solemn agreement.

RHEE IN SADDLE

It charges that corruption and inexperience are the norm within government.

It charges the Government with delays in instituting legislative reforms required, and adds that there is waste inherent in the half-hearted manner in which ROK implementation has proceeded.

It explains that highly placed ROK Government officials cater to President Rhees' strong views in reference to such matters as exchange rates, sovereignty rights, and ROK relations with Japan. And it charges that ROK officials are taking advantage of their knowledge that the United States considers Korea highly important in terms of protecting American interests in Asia.

The report then states that because of the situation a total of 41 billion hwan has been lost as revenue to the government, which the United States has been seeking desperately to put on a firm financial foundation.

Of this sum the report states that 10 billion hwan was lost due to preferential and unrealistic prices placed by South Korea on aid goods from the United States. Loss of foreign exchange loans by preferential and undervalued exchange rates has cut out 9 billion hwan.

Refusal to sell surplus rice has resulted in a loss of 8 billion hwan. Nonsale of foreign exchange has resulted in a loss of several billion. And a ROK boycott of goods which the United States could purchase at low prices in Japan has resulted in a loss of another 7 billion.

DELAYS HIT

The report goes on to charge that South Korea has used certain devices to procrastinate against making it possible for genuine long-term economic growth. Progress in providing ways and means for investment of private foreign capital, according to the report, indicate that the ROK Government has attempted to circumvent this portion of the aid agreement so that the actual result will be to preempt all business in South Korea for South Korean nationals.

Another portion of the lengthy report points out that the ROK Government has effectively sabotaged a United States request that private ownership be pushed in connection with the United States aid program. The report states the ROK Government has deliberately failed to make private enterprise attractive as to price, decontrol, and credit facilities.

By maintaining a scarcity of capital funds and promoting a lack of business confidence the report adds the South Korean Government has assured continued state control of the business economy and especially transportation, power, and mining. Regarding United States efforts to get a reasonable exchange rate through dollar auctions, the report says that the Government has utilized intimidation, opposition, and false information releases as a means of sabotaging the auction program.

COUNTERPART FUNDS

The South Korean Government, the report further charges, has refused to abide by the December 22, 1954, agreement relative to orderly counterpart-fund procedure. Instead, the Seoul government has released no counterpart funds for expenditure of items required by the Government. And the Government has furnished no information to the United States concerning actual counterpart-fund holdings.

A long list of other complaints against the Rhee government pertain to such matters as refusal to make purchases of aid products in Japan, interference in sales of United States Army surplus property, evasion of measures recommended by the United States to avoid inflation and to secure a balanced budget, and refusal to send surplus rice to Japan.

In the latter connection, it is pointed out that Japan agreed to purchase surplus rice at $185 a ton—the price originally asked by the Rhee government. As soon as the Japanese agreed, however, South Korea refused to deliver and jacked the price up $5 a ton.

SITUATION SUMMARIZED

Observers who have watched the progress of the United States-aid program in South Korea meanwhile are not surprised by the report which merely summarizes a situation that has been steadily deteriorating for the past year.

Many of the specific details of the report have been discussed in the past with United States newsmen by such officials as former United States Ambassador Ellis Briggs and former Far East Commander Gen. John E. Hull.

The feeling throughout the ranks of almost all United States Government personnel, in Korea has been that the aid program is being seriously subverted and that the intended beneficiaries—the Korean people—have not received what was intended by the American taxpayers who foot the bill.

Mr. ELLENDER. Mr. President, I shall not take the time of the Senate to point out in detail where and in what manner all these funds will be spent. However, most of them are to be spent in various areas to build highways, flood control projects and for harbor construction projects and various other purposes—in short, to do the very things we so urgently need in our own country, and for which we provided, I would say only a moderate sum of money, a few weeks ago, when the public works bill was passed by the Senate.

For instance, in the case of Egypt we are going to spend money for highways, waterways, grain silos, irrigation pumping stations, and similar projects. I have compiled a host of similar projects.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a summary in regard to how these funds will be used.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

EGYPT

Development assistance: Amount for fiscal year 1956 included in regional totals only.

The development-assistance program for 1956 will continue to be geared to the country's overall development plan and aim to accelerate efforts toward a more stable economy. The planned activity for fiscal year 1956 breaks down in 4 areas:

(a) Highways: Additional equipment is required to supplement the fiscal year 1955 development assistance financed equipment pool, the expansion of which is designed to accelerate the road program. Major construction will concentrate on the Cairo-Aswan Highway.

(b) Waterways: It is planned to augment the fiscal year 1955 program by adding a floating crane and power shovel for port development improvement.

(c) Grain silos construction is proposed at 2 major centers in order to conserve the estimated 5 percent of domestic annual production now lost by inadequate storage facilities, thereby reducing demands on foreign exchange for grain imports. The project is designed in part to encourage private construction of similar facilities by demonstrating the commercial feasibility.

(d) Irrigation pumping stations and powerplants—these are proposed to open new delta canals to agriculture and improve water use on land now under cultivation. Powerplants will be built to provide power for major pumping stations.

IRAN

Defense support: Total, fiscal year 1956, $37.5 million.

1. Provide $17.5 million in rials to meet the local costs of defense construction projects now planned but not undertaken because of lack of financial resources. Foreign exchange costs of common-use items needed for the same projects are to be financed under direct forces support funds.

2. Finance $3.5 million of local currency requirements for continued technical cooperation projects, which the Iranian Government is not yet in a position to fully support.

3. Provide a budgetary support in the amount of $16.5 million, thus making a partial contribution to the increased costs of the Iranian Armed Forces (apart from the defense construction projects) and civilian costs contributing to an anticipated budgetary deficit.

4. Defense support aid will be furnished through commodity imports (an estimated $15.4 million of sugar and wheat and $221 million in industrial items) which will help to cover the foreign exchange deficit.

ISRAEL

Development assistance: Total, fiscal year 1956, included in regional totals only.

It is planned that half of the development assistance funds will be made available on terms of repayment and that about half of the assistance will be in the form of surplus agricultural commodities. Further attention will be given to the possibility of utilizing funds to encourage projects with regional significance.

JORDAN

Development assistance: Total, fiscal year 1956, included in regional totals only.

The largest portion of the economic aid funds would again be devoted to highway and water development. The north-south system would be further extended and an east-west link provided to join the most populous areas of Jordan. The success of the water development program has resulted in a multitude of requests for assistance in this field of work from farming communities and desert tribes. Current requests, which

include offers of contributions to the maximum community capabilities, number 130 for cisterns, 20 for water spreading, 200 for irrigation improvement, and 50 for spring development during fiscal 1956. These requests would be honored to the extent possible under available funds in those cases where engineering examinations reveal them to be practical. There will be greater emphasis on well drilling and development for which 150 requests are already in hand.

LEBANON

Development assistance: Total, fiscal year 1956, included in regional totals only.

A development assistance program, most of which would be on a loan basis and a part of which would be in commodities, is proposed along the line of the fiscal year 1955 program. The funds would be used primarily in the fields of agriculture and natural resources, industry and transportation.

SYRIA

Development assistance: Total, fiscal year 1956, included in regional totals only.

Syria has not sought assistance from the United States for bilateral programs in the past, and no provision therefore has been made in present plans for a technical-cooperation program in Syria. If Syria should seek such aid, it may prove to be in our interest to make funds available for this purpose.

TURKEY

The fiscal year, 1956 program: In fiscal year 1956, $50 million in defense support is proposed in order to provide machinery and equipment for expanding industrial, agricultural, and mining output, exclusive of technical cooperation, and to provide adequate counterpart to supplement the defense budget. This $50 million will provide the counterpart which finances the difference between what is needed to attain those defense levels set by NATO, and that portion of its budget Turkey is able to assign to defense activities.

Dollars available under defense support will be used primarily for trucking, highway, and railway and agricultural equipment and spare parts, and for machinery needed in the development of smaller industrial plants. Funds will also be made available to the Industrial Development Bank to provide dollar exchange for private producers in the industry and mining fields who require imports from the United States.

For fiscal year 1956, $20 million worth of direct forces support assistance is proposed for items such as POL, machinery, raw and semifinished products for direct consumption by the military force.

INDIA

Development assistance: Total, fiscal year 1956, $70 million.

1. Ten million dollars, agriculture and natural resources.

(a) Four million dollars, fertilizer.

(b) Four million dollars, additional deep irrigation wells.

(c) Two million dollars, river-valley development (irrigation).

2. Twenty million dollars, industrial development.

(a) Five million dollars, electric-power facilities.

(b) Fifteen million dollars, steel. (Also some part of this may be used to aid small rural industries by supply equipment.)

3. Six million dollars, transportation.

This will support agriculture, mineral, and industrial development as well as foreign trade. This would represent a continuation of the program to rehabilitate the Indian railways. It is planned that steel for fabrication of railway rolling stock in India and equipment to expand freight-car fabrication in India will be supplied.

4. Four million dollars, malaria control.

5. Thirty million dollars, agricultural surplus commodities.

The sales proceeds of these commodities are expected to be used for agreed economic development purposes such as local costs of irrigation, flood control, and power.

NEPAL

Development assistance, total, fiscal year 1956, $1 million.

1. Three hundred thousand dollars for irrigation, land reclamation, and other agricultural development programs.

2. Five hundred thousand dollars for transportation and communication equipment and materials needed from outside Nepal.

3. Two hundred thousand dollars for development of hydroelectric power on a very small scale, and to aid small industries.

PAKISTAN

Direct forces support: Total, fiscal year 1956, $20 million.

Will provide to the military forces such items as tools, spare parts and cordage; textiles for uniforms, construction material, including structural steel and steel sheets; dockyard equipment and machinery; and aviation gas and lubricants to—

A. Assist in provision of goods required for training in the use and utilization of MDAP materiel.

B. Assist in the development and rehabilitation of essential defense facilities required for adequate maintenance and support of MDAP and related materiel.

Defense support: Total, fiscal year 1956, $63 million.

The program is aimed at "sustaining current consumption and industrial production levels and increasing the rate of development required by Parkistan to attain a stronger more diversified economy consistent with economic development goals and defense commitments. By comparison with the fiscal year 1955 program, United States aid to development will concentrate far more on industry and mining and transportation. A new long term development plan drawn up by the Government of Pakistan with the help of the Ford Foundation will provide a comprehensive framework for future industrial and investment projects. FOA will strive to activate key parts of this plan by providing expert guidance in investment, starting pilot plant and industrial development centers. A start will be made on an industrial investment bank to encourage expansion of private capital development.

"Counterpart derived from United States aid in the fiscal year 1956 prcgram will be used to supplement Pakistan's defense and economic development efforts."

KOREA

The fiscal year 1956 program:

(a) Overall magnitude:

For fiscal year 1956, it is proposed that $460 million be made available to Korea: $180 million for direct forces support, $272 million for defense support, and $8 million for technical cooperation. The fiscal year 1956 total compares with fiscal year 1955 assistance, exclusive of military end items, of $498.5 million.

The amount requested for fiscal year 1956 assumes that the Korean Government will be able to provide, by noninflationary means, 20 to 30 percent of the funds needed for local procurement of supplies and equipment for the ROK military forces. Should the ROK not be able to meet this goal, the possible alternatives would be to decrease the size and cost of the military establishment or to reduce the amount planned for capital investment in fiscal year 1956. In view of the high priority given to maintenance of the military establishment, however, any shortfall probably would force a cutback in the investment sector in order to make more funds available for salable commodity imports which would generate the local currency needed to supplement ROK budgetary resources.

Present estimates of probable developments during the coming year strongly suggest that $460 million will prove to be the minimum amount of assistance necessary to assure maintenance of relative internal stability and some further progress in fiscal year 1956 toward the attainment of joint United States-ROK goals.

No provision is made for a United States contribution to UNKRA in fiscal year 1956, since the present intention is to terminate the program when existing funds are exhausted.

(b) Components of the program:

Direct forces support: The funds requested for direct forces support in fiscal year 1956 will be used to import aviation gasoline, lubricating oils, motor-vehicle parts, construction materials, raw cotton, clothing, wheat, and daily necessities for the ROK forces. The decrease from $218.5 million in fiscal year 1955 to $180 million in fiscal year 1956 reflects not a reduction of requirements for this type of assistance but a shift in part from dollar to local currency financing of supplies available from indigenous sources.

Defense support: Of the $272 million requested for defense support in fiscal year 1956, approximately 65 percent ($176 million) will be required to finance imports of industrial raw materials and consumer goods to meet Korean supply requirements and to generate counterpart funds for supplementing Government budgetary resources. These imports will include approximately $45 million of surplus agricultural commodities, as compared with $32 million in fiscal year 1955; also $32 million of coal, $16 million of petroleum products, and $61 million of fertilizer.

Funds to be devoted to the purchase of capital equipment for agriculture and industry, as presently planned, total approximately $95 million in fiscal year 1956, as compared with $100 million in fiscal year 1955. The investment component thus comprises about 35 percent of the defense-support program. Irrigation and flood control, railway and highway construction, steam power, chemical fertilizers, telecommunications, and small private-industry development will receive special emphasis.

CHINA (FORMOSA)

Direct forces support: total, fiscal year 1956, $37 million.

The proposed increase from $31 million in fiscal year 1955 to $37 million in fiscal year 1956 reflects a partial shift from local procurement to direct importation. This shift is proposed partly to speed implementation of military projects, and partly to free counterpart funds for special projects having a high local cost component, such as the retired servicemen's project. The funds requested for fiscal year 1956 will be used to meet additional needs for such imports as aviation gasoline, lubricating oils, motor vehicle parts, construction materials, raw cotton, wheat, and soybeans. Surplus agricultural commodities will total almost $10 million in fiscal year 1956, as compared with less than $5 million in the previous year.

Defense support: Total, fiscal year 1956, $62 million.

As in prior years, the major portion of aid resources in fiscal year 1956 will necessarily be used for defense support, primarily to maintain economic stability. The $62 million requested for fiscal year 1956 compares with a fiscal year 1955 total of about $104 million, including $42 million of supplemental funds. More than half of the amount proposed for fiscal year 1956 will be required to finance imports of industrial raw materials and consumer goods to meet Chinese supply deficiencies and to generate counterpart funds needed to supplement Government budgetary resources. These imports will include about $30 million of surplus agricultural commodities, as compared with about $25 million in fiscal year 1955.

Funds to supplement Chinese foreign exchange resources for imports of capital equipment for agricultural and industrial development total approximately $20 million in fiscal 1956, as compared with about $30 million in fiscal year 1955; in percentage terms the investment component comprises about 20 percent of the defense support total in fiscal year 1956, compared to about 24 percent the year before. Hydroelectric and steam power, chemical fertilizers, metal manufactures, and small industry development will receive special emphasis in fiscal year 1956.

Other factors permitting, it would be desirable to increase the amount of aid funds for capital development in fiscal year 1956, since it contributes directly to increasing Formosa's capacity for self-support. However, because of the overriding need to support the military effort and to offset the inflationary pressures that would result from commodity shortages, substantially larger amounts cannot be safely programed for investment without a commensurate increase in overall aid. Any increase in direct dollar investment, moreover, would entail increased expenditures of local currency as well, thus requiring additional dollar funds for counterpart generating imports.

Present plans are to continue working with the Chinese Government to refine and improve programs for achieving a self-supporting economy. Should military developments in fiscal year 1956 prove sufficiently favorable to provide a sound basis for setting a timetable for the attainment of this goal, it is proposed to direct future United States aid toward that end as an integral part of a jointly approved economic development plan based on agreement as to armed force levels and civilian consumption standards to be maintained.

PHILIPPINES

The fiscal year 1956 program: The recommended level for assistance in fiscal year 1956, exclusive of military end items is $28.5 million, distributed as follows: $2.3 million for direct forces support, $19.7 million for defense support, and $6.5 million for technical cooperation. The magnitude of aid and the distribution of funds among these functional categories have been determined on the basis of requirements and proven capacity of the Philippines to implement an integrated program of this size.

After 4 years, progress achieved with assistance from the United States has reached the point where emphasis can be shifted from problems of immediate social unrest and political instability to those related to basic economic development, upon which the Philippines must rely for the solution of its fundamental, longer term problems. Unemployment and underemployment, particularly in urban areas, and vulnerability of foreign exchange income to world prices of its exports are the most important of these problems. The Philippine Government plans to attack them through diversification of the economy and industrial expansion. Existing or potentially favorable factors are: relative internal security, undeveloped natural resources, expanding power supply, an increasing reservoir of trained or trainable labor, and initiative in private enterprise. The timing also is propitious since, under existing slightly deflationary conditions in the Philippine economy, a substantial investment program could be undertaken with a minimum of financial disturbance.

A program based on these favorable conditions can demonstrate to Asians how an Asian nation can, through democratic procedures and in cooperation with the United States, raise itself to a higher standard of living and to a position of greatly increased political and military security.

Of the $19.7 million requested for defense support in fiscal year 1956, $4.7 million is intended to provide local currency support of the military effort from counterpart funds generated by salable commodity imports. The balance is programed in part for continuation of projects of proven value begun in earlier years, and in part to provide a further stimulus to private industrial investment by expansion of the program initiated in fiscal year 1955. The significant feature of this program is that it supplements foreign exchange available for imports of industrial equipment and at the same time stimulates the expansion of local commercial credit.

The $2.3 million of direct forces support recommended for fiscal year 1956 is to be utilized for imports needed to expand military facilities.

The technical cooperation program proposed for fiscal year 1956, amounting to $6.5 million, as compared with $7.3 million in fiscal year 1955, provides principally for continued support of projects initiated in prior years for which dollar financing is still required. These funds provide a minimum of supplies and equipment for demonstration and instruction, technical services, and contractual costs for projects in public administration, agriculture, industry and mining, and education.

Philippine Government contribution to mutual objectives: Contributions by the Philippine Government to United States assisted and related projects in the nonmilitary field amounted to the equivalent of $47.5 million in 1954, and are expected to reach the equivalent of $71.5 million in 1955, or about 2½ times the assistance being provided by the United States.

In addition to this financial contribution, the Philippine Government has instituted legislative and administrative reforms to improve government services and operations and to encourage private investment. The operations of several key government offices, including the Bureau of Lands, Budget Commission, Department of Finance, and Bureau of Internal Revenue, have been reorganized and modernized. Bills liberalizing foreign investment regulations and revising the retail trade nationalization law (to relieve restrictive provisions on commercial activities of aliens) have been introduced in the Philippine Congress.

A significant Philippine contribution to the United States policy of fostering regional cooperation has been the increasingly important role assumed by the Philippines as a center of technical training for other Far Eastern countries. In fiscal year 1955 nearly 300 participants from other Southeast Asian countries received training in various Philippine educational institutions, and an agricultural extension workshop, held in Manila in February 1955, was attended by 39 representatives of several Asian countries, including Japan, Nationalist China, Thailand, Indonesia, Vietnam, and the Republic of Korea.

THAILAND

Direct forces support: Total, fiscal year 1956, $8.2 million.

Assistance for direct forces support will help to provide essential supplies, such as petroleum products; and to construct key military installations and facilities, including improvements at airfields, ports, and military training centers, and vehicle and aircraft engine rebuild plants.

Defense support: Total, fiscal year 1956, $31.8 million.

Of the $31.8 million proposed for defense support, about $22.7 million will be required to finance the local currency costs of forces support and defense support projects, which cannot be met from the Thai Government's budget. The local currency will be generated through sale in the local market of United States-financed imports of essential commodities.

CAMBODIA

The fiscal year 1956 program: Substantially increased assistance is proposed for Cambodia in fiscal year 1956. As in fiscal year 1955, most of the funds are needed to provide supplies and equipment and local currency financing for the military effort. In fiscal year 1956 for the first time there will be an identifiable technical cooperation component and increased funds will be provided for projects which will enhance the mobility of defense forces and lay the foundation for more effective utilization of the country's resources.

Efforts in fiscal year 1956 will be directed toward the following goals:

Support of defense and internal security forces: The net cost to the United States for support of the Cambodia military establishment will increase somewhat in fiscal year 1956 because of an anticipated decline in government revenues as a result of this year's drought. More than two-thirds of United States aid funds will be used to help defray expenses in local currency for pay and allowances, training costs, construction, medical service, and similar items. The balance will be used to provide imports for the direct use of the armed forces.

Improving transportation facilities: In fiscal year 1956, as in fiscal year 1955, the port-highway project is accorded highest priority among Cambodia's defense support undertakings. Much of the heavy equipment to be procured for construction of this highway will be used subsequently in the country's public works program. Local technicians will be trained to operate and maintain the machinery.

To increase their military and commercial usefulness, it is planned to drain, lengthen, and resurface the four principal airports in Cambodia and to install modern safety equipment. This will enable heavy four-engine planes to land even during the rainy season. France has promised assistance in building a new air terminal at Phnom Penh.

Improving rural conditions: With agriculture the mainstay of the economy, substantial expansion is planned for projects in irrigation and water conservation, agricultural extension, animal husbandry, seed improvement, rice milling and marketing cooperatives, and low interest rural credit. Greater attention will be given to encouraging the diversification of crops to improve nutrition. In cooperation with the World Health Organization, technical assistance and supplies will be provided for disease control, nurses training, health education, and the establishment of dispensaries and health centers in smaller communities. A major drive will be conducted in environmental sanitation to provide training and simple facilities for the sanitary disposal of waste and to develop a sanitary water supply through a well-digging project.

Substantially increased funds will be provided in fiscal year 1956 to speed up all phases of the Cambodian education program. These will encompass teacher training, curriculum development, and textbook preparation at the elementary level, technical and vocational training, and assistance to an existing project which is training villages, through practical demonstration, in self-help methods of improving many of the phases of their daily life. These agricultural, health, and educational activities (combined in many cases in community development projects) will demonstrate to the individual Cambodian that by supplementing his own efforts with technical help from the free world, substantial improvement in his living conditions can be achieved.

Increasing the effectiveness of government operations: Technical equipment and training will continue to be furnished to the

Cambodian Government to assist in widespread dissemination of anti-Communist information by mass media. A greatly expanded program is scheduled to increase technical skills and to help the government overcome its acute shortage of trained administrators and technicians in such fields as banking, foreign trade, budgeting, statistics, public works engineering, personnel administration, and administrative management. This will be accomplished both by supplying United States specialists to Cambodia and by training Cambodian officials in the United States. As the wheels of government turn more smoothly, the strength and stability of this friendly government will be more firmly established.

LAOS

The fiscal year 1956 program: Assistance proposed for Laos in fiscal year 1956 is somewhat larger than in fiscal year 1955. The most significant feature is an internal shift toward increased utilization of United States aid funds for activities conducive to social improvement and expansion of productive resources. Though planning is still in the preliminary stages, this is a means of building economic strength and increasing Lao capabilities to contribute toward support of its costly military establishment.

Support of defense and internal-security forces: Support of the armed forces remains the highest priority item in the United States aid program for Laos. While the cost estimate for fiscal year 1956 as for fiscal year 1955 has yet to be firmed up on the basis of more complete study than has been possible to date, it appears fairly clear that, whatever the final estimate, the entire cost of the Lao military effort will have to be met for some time entirely out of foreign-assistance funds.

A positive step toward strengthening the internal-security situation will be taken in fiscal year 1956 by initiating a program for the training of Lao police officers in Thailand. This is part of a larger program to be developed on the basis of recommendations of a United States police survey team now in Laos.

Improved utilization of resources: The fiscal year 1956 fund allocation for transportation improvement is about eight times that for fiscal year 1955. Most of the funds will be used to construct new highways linking key cities, which are now readily accessible only by air, and to improve farm-to-market roads. Two additional ferries across the Mekong are planned in order to improve communications and facilitate trade between Laos and Thailand.

Strengthening government administration: To strengthen the government's ability to perform essential public services, a substantial expansion is planned in the training of technicians and administrators and in the number of technical advisors to be made available to government ministries and agencies and to the provincial governments. United States experts attached to Lao agencies will help tide the government over the next few years until currently planned training programs begin to yield a corps of competent specialists and administrators.

Improving rural conditions: To assist the Laos in attacking problems affecting rural living conditions, a coordinated program in agriculture, health, education, and community development will be launched in fiscal year 1956. The elementary and vocational education program will be expanded to include the establishment of a normal school for teacher training, curriculum development, and textbook preparation. An effort will be made to develop a curriculum which relates in a practical way to the problems of Laotian life.

Assistance also will be given the government in enlarging its agricultural extension service. Emphasis will be on improving rice production so that Laos will be less subject to famines. Attention also will be given to improvement of livestock, once an important foreign exchange earner for Laos, but unproductive in recent years. Further steps will be taken to eradicate the diseases which plague Lao villages and to improve environmental sanitation.

Through a contract with International Voluntary Services, Inc., 1 or 2 demonstration projects in village life improvement will be undertaken. This group will focus on practical solutions to the problems of village life in the fields of health, agriculture, self-help housing, family welfare, and education. These projects will demonstrate to the Lao people what can be accomplished in improving living standards through self-help, plus a minimum of outside assistance in training and equipment.

VIETNAM

The fiscal year 1956 program: As currently estimated, requirements for United States assistance to Vietnam in fiscal year 1956 are expected to decline from the level of fiscal year 1955. This reduction reflects entirely an anticipated decline in aggregate costs for maintaining its military establishment and, particularly, reduced local currency costs.

Any significant increase in Vietnam's capacity to support a substantial military establishment will depend upon the progress it makes in the building of economic strength. The nonmilitary portion of assistance recommended for fiscal year 1956 clearly recognizes this fact and consequently includes an increased amount for assistance to activities which will provide support to the defense effort and concurrently help build such strength.

As in fiscal year 1955 priority will be given to the refugee resettlement and rehabilitation program. Even though refugees from North Vietnam may need less assistance in fiscal year 1956 than the year before, aggregate funds required for this program will be about the same in order to assist over a million and a half South Vietnamese displaced from their homes during the war years, as well as demobilized military personnel.

In addition, activities of proven value begun in earlier years will be expanded in a variety of fields, and new activities will be undertaken as details are more fully developed. Funds will provide for expansion of activities in the field of agriculture, principally to assist in the establishment of demonstrational production, storage, and primary processing cooperatives, and to provide substantially increased short-term production loans to farmers. Increased funds are needed to expand activities in irrigation and drainage rehabilitation, especially in newly liberated areas.

Activity in the transportation field will be significantly increased, principally to rehabilitate main highways and provide access to areas evacuated by the Vietminh. Major improvement is planned for the main highway from Saigon to Phnom Penh, as well as for roads from Saigon to outlying areas. Improvement of the ports of Saigon and Tourane will be continued and dredging activities to bring inland waterways into serviceable condition will be expanded.

Public administration assistance to improve the police force, civil service, key ministries of the government, and tax and budget administration will be continued, largely under contractual arrangements. Increased attention will be given to programs such as adult education, community development, social welfare and housing, and health and sanitation, which provide tangible evidence of the government's interest in the people's welfare and thus help win popular support.

GREECE

Defense support: Total, fiscal year 1956, $15 million.

The total amount would be used for wheat for the civilian economy. The local currency generated from the sale of this wheat would be used to support the defense budget, enabling the government to maintain the army at a level commensurate with NATO force goals.

YUGOSLAVIA

Direct forces support: Total, fiscal year 1956, $4 million.

Funds are proposed for the provision of common-use items (such as aviation fuel) for consumption by military forces.

Defense support: Total, fiscal year 1956, $36.5 million.

It is planned that the agricultural commodities and raw material component of the program would require over 50 percent of the proposed fiscal year 1956 defense support funds.

Remaining defense support funds, total, fiscal year 1956, $7 million (to be concentrated upon critical defense sectors).

Four million dollars, purchase of United States earthmoving and highway construction equipment for strategic roads.

One million dollars, port and terminal facilities.

Two million dollars, breaking bottlenecks by supplying spare parts, repairs, and critical equipment to industrial sectors.

(It may also be necessary to devote a portion of defense support funds for the correction of the power deficit, which is threatening to create a serious bottleneck in military and nonmilitary production.)

Technical exchange: Total, fiscal year 1956, $1 million.

1. Three hundred and fifty thousand dollars for agricultural projects intended to improve production and distribution methods in view of increased domestic consumption demands.

2. Two hundred and eighty-five thousand dollars for industrial management projects in critical defense sectors.

3. Fifty thousand dollars for fields of transportation and communication in conjunction with the defense support program in these same areas.

4. Fifteen thousand dollars for assistance in improving public administration.

5. Twenty-four thousand dollars for community development and housing.

6. Two hundred and seventy-six thousand dollars for other projects and technical support purposes.

NOTE.—Counterpart funds, amounting to $20 million, from MSP sales of surplus agricultural commodities, will be programed in this country for defense support.

SPAIN

Defense support: Total, fiscal year 1956, $26 million.

1. Eight million two hundred thousand dollars, projects relating to military activities.

Six million nine hundred thousand dollars, railroads; $700,000, port facilities at Cadiz; $600,000, safety equipment for civilian airports and petroleum-testing laboratory.

Total, $8.2 million.

2. Twelve million eight hundred thousand dollars, agriculture and electric power.

Five million, equipment for irrigation and reclamation; $800,000, machinery to build irrigation dams and canals; $1 million, to expand nitrogen-fertilizer industry; $6 million, power transmission lines, substation, etc.

Total, $12.8 million.

3. Five million dollars, purchase of United States cotton.

Technical exchange: Total, fiscal year 1956, $2 million.

About half will go to industry and transportation and will include defense production projects for electric power and other industries. The balance will provide technicians, train engineers in the field of agriculture, and train management for industry, etc.

NOTE.—Of the counterpart equivalent of the $26 million supplied under the heading "Defense Support," 10 percent will be used for "general United States purposes"; 60 percent for local currency costs of United States base-construction projects; and 30 percent for "agreed projects in the transportation and defense production fields."

JOINT CONTROL AREA

Berlin programs: Total, fiscal 1956, $20 million. * * * To maintain programs in West Berlin now in operation.

Excerpt from progress to date narrative: "The United States is cooperating with the Federal Republic and the Berlin city government in supporting the public program for reconstructing the city. This program creates employment by clearing rubble, replacing sorely needed facilities and houses, and by various apprenticeship and retraining programs related to these and other undertakings."

To help alleviate the strains imposed by the continuing influx of refugees into Berlin and West Germany, the United States made available the counterpart currency equivalent of $15 million derived from sales of surplus agricultural commodities (sec. 550) for a refugee housing program. Approximately $5 million of this sum was earmarked for refugee housing construction in West Berlin. Construction is now in progress on 3 large projects totaling 1,300 dwelling units, and it is anticipated that an additional $1.8 million in local currency from section 550 sales will soon be made available for a similar program in Berlin.

PALESTINE REFUGEES IN THE NEAR EAST

Relief program: Total, fiscal year 1956, $16.5 million.

Eight hundred and thirty-four thousand daily rations of about 1,600 calories are being distributed among a total of 887,000 refugees as of June 30, 1954, no significant change having occurred in this total for the past 3 years. The cost of this ration is about $3 per ration per annum. It is considered just adequate for the requirements of the refugee group, and more often than not UNRWA is criticized by observers from abroad for not providing enough. Many of the refugees, however, are able to supplement their rations by occasional work available to them. Any significant increase in rations may result in some cases in placing a premium on idleness, and in other cases in creating a willingness to work at cut-rate wages, thus intensifying the already serious pressure of refugee labor in the local labor market and resulting in still further hardship on the settled population, particularly in Jordan and in Lebanon.

Great advances have been made in the past years in providing shelter, and at the present time, only about 10 percent of the refugees are housed in tents. This indicates that more substantial housing has been found for no less than 200,000 people since March 1951. Two-thirds of the refugees have found shelter otherwise than through UNRWA.

The cost of the relief program approximates $25 million annually, and this figure is not likely to be reduced until substantial employment occurs on the projects for rehabilitation. While substantial numbers of refugees are finding their way quietly into useful employment, their places on the ration rolls are claimed by the natural increase in the population of the refugees which amounts to about 20,000 annually.

Reintegration program: Total, fiscal year 1956, $48.5 million.

This project (in Sinai) is estimated to involve the irrigation of 50,000 acres, to provide a living for 70,000 or 80,000 refugees, and may cost as much as $50 million. It involves increasing the capacity of the present sweetwater canal which leads from the Nile to the Suez Canal; a siphon to convey water under the canal; a pumping operation to raise the waters a few meters to an appropriate height to permit gravity flows to agricultural lands; land-reclamation operations similar to those practiced in the Nile Valley; establishment of farms and necessary community centers.

The second major project involves the rational development of the waters of the Jordan River to benefit both Israel and the interested Arab States of Lebanon, Syria, and Jordan. Agreement on this project will result in important economic benefits in the area, including the perennial irrigation of approximately 125,000 acres in Jordan of which approximately 40,000 acres are now irrigated part of the year. The cost of principal and secondary irrigation works, and of community facilities, is estimated to be of the order of $90 million. While this program will undoubtedly be carried out in phases, it will be necessary to make a sizable commitment once agreement has been reached by riparian states with Ambassador Johnston; the first stage will inevitably require commitments on reservoir-control works and canals as well as certain other elements of the entire project through the farm and community centers. It is considered appropriate to make provision for initiating substantial segments of this project with fiscal year 1956 funds, although completion of the project would take a number of years, and will require a still longer period before its full effects are manifest.

In addition, UNRWA has financed several smaller resettlement programs and is also devoting rehabilitation funds to education and training. The educational program now affects no fewer than 154,000 refugees or 17 percent of the total refugee population. The cost of this program, including elementary and vocational training and a certain amount of advance study, was $2.5 million in fiscal year 1954, charged to rehabilitation funds. It is intended to expand the educational program.

Total cash requirements, less assets July 1, 1955, for UNRWA for fiscal year 1956	$95,400,000
Proposed contribution from United States	65,000,000
Proposed contribution from others	30,400,000

Mr. ELLENDER. Mr. President, let me point out, further, that in this bill we are providing an appropriation of almost $5,500,000 for what is described as Western European Technical Exchange. That sum of money is to be used for the following activities, among others: Management development, marketing and distribution, community self-help, development of competitive business practices, and housing. Mr. President, let us remember that these funds are to be spent in Western Europe, which is now prosperous, as I have indicated earlier this afternoon. These funds will also be used for giving technical help in government administration and to teach collective-bargaining techniques. In the latter case, an appropriation of $365,000 is provided. Among the other items are the following: Manpower utilization, $35,000; agricultural training and extension, $135,000. These moneys are to be spent—some earlier appropriations are now being spent—notwithstanding the fact that there are similar programs now in effect. These are conducted by the United Nations, as well as under our regular technical-aid program, which is generously taken care of in another section of the bill.

Also included in this field of so-called technical exchange activity are the following items: Strengthening free trade unions, scientific training projects; arranging and supporting of self-financed projects.

Under the head of "Operations Cost," we find the following: European support and arrangements, $1 million; and Washington support and arrangements, $800,000.

Mr. President, the amounts to be spent for all these purposes aggregate nearly $5.5 billion. The program involves duplication of a great deal of work which already is underway. The assistance is supposed to be given in support of countries which themselves can well afford to pay the expenses of sending their technicians to the United States—just as we should pay the expenses of sending our technicians to those countries. I think it is sinful for us to continue to make these unwarranted expenditures in the case of countries which are well able to take care of themselves.

Mr. President, I would sincerely like to inform the Senate further about various details in connection with this matter. However, because I know that Senators wish to conclude action on the bill as soon as possible, I shall content myself with having the data printed in the RECORD; and I now ask unanimous consent for that purpose.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Western European technical exchange, excluding Spain and Yugoslavia

Multicountry: Total, fiscal year 1956, $5.45 million.

Undistributed: Total, fiscal year 1956, $1.05 million.

NOTE.—This includes the $1 million from the joint control areas funds.

"Great emphasis will be placed on the development of permanent institutions from which knowledge about the modern economy can be spread to ever-increasing numbers of persons. Thus, the program will provide for establishment and strengthening of business schools and institutes for training of European managers and industrialists, for training young trade-union leaders in collective bargaining techniques and union organization, and for an increased strength and activity on the part of the European Productivity Agency of the OEEC as the spearhead of European programs."

Fields of activity:

Management development	$1,200,000
Marketing and distribution	270,000
Community self-help	550,000
Development of competitive business practices	50,000
Housing	150,000
Government administration	230,000
Collective-bargaining techniques	365,000
Manpower utilization	35,000
Agricultural training and extension	135,000
Strengthening free-trade unions	600,000
Scientific-training projects	165,000
Arranging and supporting of self-financed projects	50,000
Operations cost:	
European support and arrangements	1,000,000
Washington support and arrangements	800,000

Mr. ELLENDER. Mr. President, it is high time for us to give some thought to what we are doing in the way of obtaining some assistance from our allies in

bearing the free world's burdens. At present we frequently must not only finance the economic development of underdeveloped lands but we must move in and "pick up the check" for rectifying damage which was caused by years of misrule, and to clean up other "dirty" situations which have been created by our allies.

For instance, consider the situation in Iran. There the British oil exploitation resulted in a virtual revolution. There the British wanted not only a pound of flesh but also the lifeblood of Iran. They in effect had been bleeding Iran white under the terms of the contract they had with the Iranian Government concerning the production of oil. A number of American companies were operating in that same area—for instance, in Saudi Arabia. United States companies had contracts there, and under them they had the right to drill for and produce oil, just as the British had in Iran. However, when those American companies saw trouble coming they revised their contracts to suit the situation. They made available to the countries in which they were operating a greater share of the proceeds from the oil being extracted from the earth. That was not done by the British in Iran. As a result, there was chaos in Iran. What happened then? Uncle Sam stepped in and spent over $100 million in an attempt to rectify the damage which had been done there.

The same occurred in many other countries—for instance, in India and in Egypt; and also in Indochina as a result of the French maladministration there. I shall not take the time of the Senate to discuss all those situations; they are well known. I ask only that the Senate recognize the import of what we are having to do, and what our ambitious planners have mapped out for us.

Mr. President, we are not only cleaning up messes in former colonies of some of our allies, we are giving technical aid to colonial possessions in Africa and South America. I am not complaining about the aid we are giving to South America. I believe it will pay us to invest more money in South America and Central America, because I have often said that if the countries of South America and Central America experience the industrial development which has occurred in the United States, we shall soon run short of the materials we require, including iron, copper, and zinc, in addition to others.

In order for us to continue to forge ahead as we are now doing, it will become increasingly necessary for us to look to the south of us, to South and Central America, in order to obtain the resources we shall need to maintain our industrial production at the present level. For that reason I believe we should help to develop the countries to the south of us, in the hope that in some way we can mesh our own economy with theirs and, by assisting them in developing their natural resources, we can thereby obtain from them in exchange much-needed raw materials for our own needs. However, I do believe that our allies could well afford to advance the technical know-how of their own overseas countries. It should not be our task—it should be theirs.

As I previously pointed out—and I shall not go into it again—we are carrying the entire burden of military and economic assistance for Southeast Asia. The United Nations is in the picture in a small way, but we are paying more than 90 percent of the cost of Korea, and another healthy sum by way of contributions to the United Nations. So the result is that we are carrying almost the entire burden in Korea; we are carrying the entire burden in Formosa, and, in fact, in all of Southeast Asia. It strikes me that efforts should be made in order that the friends we have supported in Western Europe, and who are now well able to assist us, may be put on notice that we shall expect help from them in the future. We should tell them to stop dragging their feet.

Mr. President, I do not care to go into any further details. The Senate is pressing for passage of this bill. I am hopeful that the amendments which I suggested will be adopted. From personal observation, I am convinced that if we go about this training in Southeast Asia, in the countries which have no industrial development, by beginning at the bottom rung of the ladder and building with them, we can do a good job. But if we go there with millions and millions of dollars and try to teach them our way of life and our way of doing things overnight—because that is really what we are trying to do in the industrial field, as well as in the agricultural field—we are faced with the problem of teaching people who are not capable of absorbing the level of knowledge we are trying to impart. They are different from the people of central Europe and southern Europe, who are advanced technically That is particularly true with respect to Cambodia, Laos, Vietnam—all of Asia, the Near East, the Middle East, and Africa.

It strikes me that if we spent less money in those areas, and spent it in offering skills and know-how which are in keeping with the ability of the people to absorb what we are trying to teach them, much more progress could be made, and a great deal of money could be saved.

As I indicated a while ago, the remarks I have made pertain not only to the pending amendment, but to all the amendments which I have submitted, and which I understand are to be voted upon separately.

Mr. DIRKSEN. Mr. President, the item which is now before the Senate is for defense support for Europe. It does not mean a thing until it is broken down. The House allowed $70 million. The Senate committee increased the amount to $85,500,000. When we say "Europe," it does not mean much. What is involved? Two countries are involved, namely, Spain and Yugoslavia. Certainly the Senate committee was generous with Spain. The House allowed only $25 million. We increased the amount to $50 million. Hundreds of millions of dollars are being invested in bases in certain areas such as Spain. All of this particular item is for agricultural commodities. There is not a dollar in it otherwise, except $1 million for so-called technical exchange. If we want to get rid of surplus commodities, this is our opportunity to do so; but the Senator from Louisiana wishes to reduce this item.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. ELLENDER. I wish to point out to my good friend that today we are spending millions of dollars in building airports in Spain. The expenditures there are of infinite aid to the economy of Spain. If we continue to spend millions of dollars more in that country, such expenditures are bound to affect their economy adversely. Such expenditures create inflation. We shall disrupt the Spanish economy.

Mr. DIRKSEN. Mr. President, I do not yield further.

The Senator from Louisiana does not contest the argument of the Senator from Illinois. This item has to do with surplus commodities.

Mr. ELLENDER. Mr. President——

Mr. DIRKSEN. The Senator has had his time. Let me proceed for a moment.

Mr. ELLENDER. I wish to answer the Senator's fallacious argument.

Mr. DIRKSEN. I know what is in this bill. I have had something to do with its preparation.

There is $30 million for Yugoslavia. The President of the United States is at Geneva trying to do a job. Here is Yugoslavia, which we have been trying to coax along and nurture, and persuade to come into our corner. Many think it is a bad idea. Some think it is good. I do not pass upon the merits of the proposal, but I do say that we are deeply immersed in the program now. Are we to cut it off suddenly by way of retaliation?

Yugoslavia and Spain are involved in this program. It has to do with surplus agricultural commodities. To be sure, it costs money. We have to buy the commodities from the Commodity Credit Corporation. But under the Trade Development Act, the Agricultural Assistance Act, and the provisions in this bill, we have been urging Governor Stassen and others to get rid of some of our surplus agricultural commodities. Here is the opportunity. But the Senator from Louisiana wants to chop off the program. I hope his amendment to the committee amendment will be rejected.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. HUMPHREY. Is it not true that the money which is derived from the sale of surplus agricultural commodities under the provisions we are now discussing is in the form of counterpart funds, or local currency, which is used to pay for labor on the projects in which our Government is investing in terms of the defense of our country?

Mr. DIRKSEN. Directly so.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the distinguished chairman of the committee.

Mr. HAYDEN. I merely point out that last year, for defense support in Europe, we appropriated $142,760,000. The Senate committee proposes to reduce that amount to $85 million. The Senator

from Louisiana would further reduce the amount to $64 million. It seems to me that a cut from $142,760,000 to $85 million is a fair cut, which indicates a decline in this activity.

Mr. DIRKSEN. That was the attitude of the committee.

Mr. ELLENDER. Mr. President, I wish to point out, in answer to what my good friend from Illinois has stated, that in the contract with Spain which deals with the building of airbases, provision is made to use some of that money in order to buy the agricultural commodities about which the Senator speaks. That money will be reduced to counterpart funds, to pay for the labor. So Spain will have ample money, aside from this appropriation, in order to buy American farm surpluses. I point out to my good friend that I am not proposing to eliminate the entire amount. All I am doing is proposing a reduction of 25 percent.

Mr. DIRKSEN. The Senator wishes to cut that much off the surplus commodity item relating to Yugoslavia and Spain. That is the whole issue. The military appropriation, including bases, and so forth, is not involved here at all, because this is the item for defense support for Spain and Yugoslavia.

Mr. President, I hope the amendment to the committee amendment will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER] to the committee amendment on page 2, line 18. On this question the yeas and nays have been ordered.

Mr. SMITH of New Jersey. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on agreeing to the amendment offered by the Senator from Louisiana to the committee amendment on page 2, line 18.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The Senator from Minnesota will state it.

Mr. HUMPHREY. A "nay" vote is a vote to sustain the action of the committee; is that correct?

The PRESIDING OFFICER. The Senator is correct.

The clerk will call the roll.

The Chief Clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Delaware [Mr. FREAR], the Senator from Georgia [Mr. GEORGE], the Senator from Washington [Mr. JACKSON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

On the vote, the Senator from Delaware [Mr. FREAR] has a pair with the Senator from Texas [Mr. JOHNSON]. If present and voting, the Senator from Delaware would vote "yea," and the Senator from Texas would vote "nay."

I further announce that if present and voting, the Senator from Georgia [Mr. GEORGE], the Senator from Washington [Mr. JACKSON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Washington [Mr. MAGNUSON] would each vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is necessarily absent.

The Senator from New Hampshire [Mr. COTTON], the Senator from Nevada [Mr. MALONE], and the Senator from Pennsylvania [Mr. MARTIN] are absent on official business.

The Senator from Ohio [Mr. BRICKER] is detained on official business.

If present and voting, the Senator from New Hampshire [Mr. COTTON] and the Senator from Vermont [Mr. FLANDERS] would each vote "nay."

The result was announced—yeas 22, nays 63, as follows:

YEAS—22

Barrett	Ellender	McClellan
Bible	Ervin	Robertson
Byrd	Goldwater	Russell
Case, S. Dak.	Hruska	Thurmond
Curtis	Jenner	Welker
Daniel	Johnston, S. C.	Williams
Dworshak	Kerr	
Eastland	Long	

NAYS—63

Aiken	Hayden	Murray
Allott	Hennings	Neely
Anderson	Hickenlooper	Neuberger
Barkley	Hill	O'Mahoney
Beall	Holland	Pastore
Bender	Humphrey	Payne
Bennett	Ives	Potter
Bridges	Kennedy	Purtell
Bush	Kilgore	Saltonstall
Butler	Knowland	Schoeppel
Capehart	Kuchel	Scott
Carlson	Langer	Smathers
Case, N. J.	Lehman	Smith, Maine
Chavez	Mansfield	Smith, N. J.
Clements	Martin, Iowa	Sparkman
Dirksen	McCarthy	Stennis
Douglas	McNamara	Symington
Duff	Millikin	Thye
Fulbright	Monroney	Watkins
Gore	Morse	Wiley
Green	Mundt	Young

NOT VOTING—11

Bricker	George	Magnuson
Cotton	Jackson	Malone
Flanders	Johnson, Tex.	Martin, Pa.
Frear	Kefauver	

So Mr. ELLENDER's amendment to the committee amendment on page 2, line 18, was rejected.

Mr. ELLENDER. Mr. President, I have an amendment at the desk which I ask to have stated and on which I ask for the yeas and nays.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Louisiana.

The LEGISLATIVE CLERK. In the committee amendment on page 2, line 19, it is proposed to strike out "$50,000,000", and insert in lieu thereof "$37,500,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana to the committee amendment.

Mr. DIRKSEN. Mr. President, I think before the Senate votes we should devote at least a minute to discussing the amendment.

Does the Senator from Louisiana wish to take any time?

Mr. ELLENDER. Not on this amendment. I thought, when we had before us the item relating to defense support for the Near East and Africa——

Mr. DIRKSEN. That is what this amendment relates to.

Mr. ELLENDER. I was under the impression that when we voted just now it covered the amendment beginning on line 18, down to line 23, on page 2.

Mr. DIRKSEN. Mr. President, it is only a modification of the delimiting clause under defense support for Europe. So I urge that the Senate vote down this amendment very vigorously, as it did the last amendment.

Mr. ELLENDER. I withdraw my request for the yeas and nays.

Mr. HOLLAND. Mr. President, may we have the amendment again stated?

The PRESIDING OFFICER. The clerk will again state the amendment offered by the Senator from Louisiana to the committee amendment.

The LEGISLATIVE CLERK. In the committee amendment on page 2, line 19, it is proposed to strike out "$50,000,000", and insert in lieu thereof "$37,500,000."

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The clerk will state the next amendment offered by the Senator from Louisiana.

The LEGISLATIVE CLERK. In the committee amendment, on page 2, line 21, it is proposed to strike out "$22,000,000" and insert in lieu thereof "$16,500,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 2, line 25, after "131 (c) (2)", to strike out "$102,500,000" and insert "$113,700,000, including not less than $26,200,000 for assistance to Greece."

Mr. ELLENDER. Mr. President, I ask that my amendments, on page 2, line 25, and page 3, line 1, be acted upon together.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the amendment offered by the Senator from Louisiana.

The LEGISLATIVE CLERK. In the committee amendment, on page 2, line 25, and on page 3, line 1, it is proposed to strike out "$113,700,000" and insert in lieu thereof "$85,300,000."

Mr. HUMPHREY. Mr. President, is this a committee amendment?

The PRESIDING OFFICER. It is an amendment to the committee amendment, at the bottom of page 2 and the top line of page 3.

The question is on agreeing to the amendment offered by the Senator from Louisiana to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 3, line 4, after "131 (c) (3)", to strike out "$775,000,000" and insert "$827,800,000", and in the same line, after the amendment just above stated, to strike out "and in addition not to exceed $25,000,000 of unobligated balances of funds heretofore appropriated under authority of section 121 of the Mutual Security Act of 1954, as amended, are hereby continued available through June 30, 1956."

Mr. ELLENDER. Mr. President, I have an amendment to the committee amendment which I ask the clerk to state.

The PRESIDING OFFICER. The amendment offered by the Senator from Louisiana to the committee amendment will be stated.

The LEGISLATIVE CLERK. On page 3, line 4, it is proposed to strike out "$827,800,000" and insert in lieu thereof "$621,000,000."

Mr. ELLENDER. Mr. President, the amendment simply seeks to cut 25 percent from the item "Defense support—Asia." One of the reasons why I propose this reduction is that for defense support in Asia, the record shows that on April 30, 1955, there remained unexpended $1,856,000,000 from prior appropriations. This money is to be used for economic aid. I wish to reiterate that, in my humble judgment, there is no possibility of economically and efficiently spending such a huge sum in those areas. As I pointed out a while ago, there exists in Korea today, because of the large and unrealistic expenditures being made there, graft and much waste of money which we have appropriated for reconstruction. It strikes me that we should cut this item at least 25 percent. Even if my amendment should be adopted, we will still add $621 million to the $1.8 billion carryover now in the Asia economic-aid till. I sincerely believe that is sufficient.

I ask for the yeas and nays on this amendment, Mr. President.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, the item before the Senate is defense support for Asia. The House allowed $775 million, and the Senate committee has reported the amount of $827,800,000. The senior Senator from Louisiana proposes to cut roughly $206 million from this item.

In so doing, what would happen? I remind the Senate that our Army, as well as the armies of other nations, marched up and down Korea. There is $272 million in this item for Korea. Either we owe Korea support, or we do not. Everyone whom I know who testified before the committee feels that we have an obligation to Korea, where our soldiers are stationed today. We can likewise be grateful, indeed, that the Republic of Korea divisions stand there today and man that line.

But if we adopt the amendment offered by the senior Senator from Louisiana, we shall be chopping off the amount provided for Korea by 25 percent, and taking out $70 million.

We have an anchor post in the Far East or the Middle East, in the form of Pakistan. The United States has been nurturing Pakistan, and trying to bring her into line. She has entered into a treaty with Turkey. We have a large investment in Pakistan. The committee amendment provides $63 million for Pakistan. If we reduce that amount by more than $15 million, we shall weaken our position in that country.

The committee amendment provides $62 million for Formosa. The senior Senator from Kentucky [Mr. CLEMENTS] and I were there. We observed a field demonstration on the part of the Formosan Army which was something of which they could be proud. Formosa is a little island having a population of 10,500,000. The going is pretty hard. Their economy has to be supported somewhat. The bill provides $62 million for that purpose. The amendment offered by the Senator from Louisiana would reduce the amount by more than $15 million and would make the progress difficult, indeed.

There is $379 million provided for the Associated States. We bailed almost a billion dollars into Indochina. Are we going to forfeit that investment now? Vietnam is just getting on its feet after the Geneva Convention. It is just beginning to walk under a new Prime Minister. He is all we can tie to. That little country has a population of 11 million.

Another country is Cambodia, having a population of 4 million. Another is Laos, with 4,500,000.

If this is the way we are to feel, why not bring General O'Daniel home, instead of setting up a fine new Vietnamese Army. If the amendment offered by the senior Senator from Louisiana shall be agreed to we will be making a cut of 25 percent, and will not only be cutting the ground out from under that effort, but we will also be destroying the morale which has been improving in the last 4 or 5 months.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. KNOWLAND. Is it the Senator's understanding that the amendment offered by the Senator from Louisiana will actually hit directly at the stanchest non-Communist nations in all of Asia?

Mr. DIRKSEN. It will hit at the Asian arc and at all those who are our friends.

This amendment is simply a meat-ax approach, and would undo the good which we have accomplished in the last few years. It would constitute a retreat at the most critical time.

I hope the amendment offered by the Senator from Louisiana will be overwhelmingly rejected.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the senior Senator from Louisiana [Mr. ELLENDER] to the committee amendment, on page 3, line 4, to strike out "$827,800,000" and insert in lieu thereof "$621,000,000."

The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Delaware [Mr. FREAR], the Senator from Georgia [Mr. GEORGE], the Senator from Washington [Mr. JACKSON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

On this vote, the Senator from Delaware [Mr. FREAR] is paired with the Senator from Texas [Mr. JOHNSON]. If present and voting, the Senator from Delaware would vote "yea" and the Senator from Texas would vote "nay."

I further announce that if present and voting, the Senator from Georgia [Mr. GEORGE], the Senator from Washington [Mr. JACKSON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Washington [Mr. MAGNUSON] would each vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is necessarily absent.

The Senator from New Hampshire [Mr. COTTON], the Senator from Nevada [Mr. MALONE], and the Senator from Pennsylvania [Mr. MARTIN] are absent on official business.

The Senator from Ohio [Mr. BRICKER] and the Senator from Arizona [Mr. GOLDWATER] are detained on official business.

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Arizona would vote "yea" and the Senator from Vermont would vote "nay."

If present and voting, the Senator from New Hampshire [Mr. COTTON] would vote "nay."

The result was announced—yeas 24, nays 60, as follows:

YEAS—24

Barrett	Ervin	Mundt
Bible	Hruska	Robertson
Byrd	Jenner	Russell
Case, S. Dak.	Johnston, S. C.	Schoeppel
Curtis	Kerr	Scott
Dworshak	Langer	Thurmond
Eastland	Long	Welker
Ellender	McClellan	Williams

NAYS—60

Aiken	Case, N. J.	Hickenlooper
Allott	Chavez	Hill
Anderson	Clements	Holland
Barkley	Daniel	Humphrey
Beall	Dirksen	Ives
Bender	Douglas	Kennedy
Bennett	Duff	Kilgore
Bridges	Fulbright	Knowland
Bush	Gore	Kuchel
Butler	Green	Lehman
Capehart	Hayden	Mansfield
Carlson	Hennings	Martin, Iowa

McCarthy	O'Mahoney	Smith, N. J.
McNamara	Pastore	Sparkman
Millikin	Payne	Stennis
Monroney	Potter	Symington
Morse	Purtell	Thye
Murray	Saltonstall	Watkins
Neely	Smathers	Wiley
Neuberger	Smith, Maine	Young

NOT VOTING—12

Bricker	George	Kefauver
Cotton	Goldwater	Magnuson
Flanders	Jackson	Malone
Frear	Johnson, Tex.	Martin, Pa.

So Mr. ELLENDER's amendment to the committee amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 3, line 4.

The amendment was agreed to.

Mr. ELLENDER. Mr. President, I have another amendment, and I ask that it be considered at this time. It would cut 25 percent from the development-assistance program. This program is economic aid, pure and simple.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 3, in line 11, it is proposed to strike out "$73,000,000" and insert in lieu thereof "$54,800,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana on page 3, line 11.

Mr. DIRKSEN. Mr. President, may the clerk again state the amendment?

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 3, line 11, it is proposed to strike out "$73,000,000" and insert in lieu thereof "$54,800,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER].

The amendment was rejected.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The LEGISLATIVE CLERK. On page 3, line 4, after "$827,000,000", it is proposed to strike out the following: "and in addition not to exceed $25,000,000 of unobligated balances of funds heretofore appropriated under authority of section 121 of the Mutual Security Act of 1954, as amended, are hereby continued available through June 30, 1956."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 3, line 14, after "201 (a) (2)", to strike out "$61,000,000" and insert "$51,000,000", and in the same line, after the amendment just above stated, to insert a colon and the following proviso:

Provided, That of the funds made available by this act, no more than $50 million shall be available for assistance to India exclusive of funds provided for assistance authorized in section 304 (b) of the Mutual Security Act of 1954, as amended.

Mr. HUMPHREY. Mr. President, as I understand, there is no necessity for offering an amendment to the amendment if one wants to agree with the figure or support the figure which was recommended by the House Appropriations Committee and adopted by the House. In other words, I wish to support the figure of $61 million for development assistance for Asia, which $61 million in the main relates to India, with the exception of about $1 million which under the title is deducted for Nepal.

The PRESIDING OFFICER. The statement of the Senator from Minnesota is correct.

Mr. HUMPHREY. I believe that the action which was taken by the committee in this entire section on development assistance is most regrettable. I know that following the discussion of this particular committee amendment, namely, the reduction to $51 million from the budget estimate of $71 million, we shall also discuss the proviso which is now written into the committee bill.

I have been informed that the proviso which follows the figure of $51 million may well be taken out of the bill by common consent.

Mr. HAYDEN. Mr. President, will the Senator yield to me?

Mr. HUMPHREY. I yield.

Mr. HAYDEN. I have in my hand a letter dated July 22, 1955, addressed to me by John B. Hollister, from which I should like to read the pertinent paragraphs. After the introductory paragraph, the letter reads:

It is our understanding that your committee inserted this proviso for the purpose of insuring that the administration would not seek, through the use of transfer provisions or other special authority vested in the President, to furnish development assistance to India over and above the amount specifically appropriated by the Congress within the authority of section 201 (a) (2) of the Mutual Security Act of 1954, as amended.

I wish to assure you that the International Cooperation Administration intends to comply fully with the intent of the Congress with regard to the amounts and types of assistance to be furnished to India, as well as to all other recipients of assistance under the Mutual Security Act. I urge the deletion of the foregoing proviso, however, because I feel that it tends to limit the flexibility authorized to the President under the basic mutual-security legislation to an undesirable degree.

The final paragraph reads:

For the reasons given above, and in consideration of the assurances expressed herein, it is the earnest desire of the Department of State and the International Cooperation Administration that action be taken, if possible, to delete the above proviso, which I sincerely believe might seriously hamper the progress of economic development in the region of free Asia and deny to the President the full use of his emergency powers.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. Since the committee amendment deals with both a figure and a proviso, might we have the amendment divided so that the first vote will be on the amount and the second vote will be on the proviso?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I shall not object, but I might say they are related. However, for the convenience of my colleagues, because I know they are anxious to move on with action on the bill, I shall withhold any objection to the request.

I propounded the inquiry about the proviso so that the Members of the Senate might know that as we vote upon the amount, namely, the committee amendment figure of $51 million, we might have the knowledge of the reaction of the International Cooperation Administration and the State Department to the proviso which has been referred to by the Senator from Arizona [Mr. HAYDEN].

I am pleased that the State Department has asked that the language of the proviso be deleted and I am under the impression that at the appropriate time it will be stricken from the bill. It was my intention to offer an amendment striking out the proviso. Even then I say the figure of $51 million is not adequate for the responsibilities our country has assumed and for the policy and the program we are forwarding in the Asian area, and particularly in India.

I want to talk as plainly as I can——

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SMITH of New Jersey. It seems to me that in order to keep the matter clear, it would be more appropriate to get unanimous consent to vote on the proviso first, because then we could deal with its merits first.

Mr. HUMPHREY. I think we shall have a pretty good understanding of what we are doing if we proceed in order. A moment ago there was objection to the disruption of the regular order on the amendments, and I think it is pretty well understood what is intended. I have tried to be frank about it. The chairman of the committee, the ranking minority member of the committee, the minority leader, and, as I understand, other Senators are in favor of striking out the proviso. So there does not seem to be much difference of opinion among the leaders of the Senate Appropriations Committee. Everything I say from this point on will be said in light of that observation, so no one will think we are going to leave the proviso in the bill. If the proviso is left in, it will be quite a shock to me, because once the leaders in this body have made up their minds what they want to do, generally it is done.

With that situation in mind, if the distinguished Senator from New Jersey will permit me, I should like to direct my attention to the item of $51 million, with the clear understanding that I expect the proviso to be stricken from the bill. Permit me to say that it is indeed desirable to strike the proviso from the bill. To have had it written into the bill at all was most unfortunate.

We are not passing this foreign aid bill—as the Senator from Illinois has so well pointed out today—merely because we want to be generous with all the other nations around the world. By the way, Mr. President, there is nothing in our Constitution which permits the Senate

of the United States to be a social welfare body for the rest of the world. Whatever we do is supposed to be in the common defense and the general welfare of the people of the United States of America.

I can think of no greater blunder at this hour than for us to indicate by word or deed or action any lack of faith in the greatest non-Communist nation in Asia.

Mr. BRIDGES. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield for a question.

Mr. BRIDGES. Does not the Senator from Minnesota believe this bill is for the purpose of providing mutual aid?

Mr. HUMPHREY. I do believe it is for mutual aid.

Mr. BRIDGES. Then how can the Senator from Minnesota sponsor an amendment to increase the funds to be appropriated for India, when he himself has admitted that the bill is for the purpose of mutual aid, and when India has by her every act in the past few years refused to cooperate or support the objective of the United States?

Mr. HUMPHREY. Mr. President, I gather that the objective of the United States in its foreign policy, or at least one of its objectives, is to see to it that communism does not take over other countries. That is one of the reasons why we poured money into country after country. I say that no other country on the face of the earth that has gained its independence within the past 10 years, has done a greater job in protecting its own territorial integrity and in assuring the independence and freedom of its people, and in fighting the battle against communism within its own ranks, than has India.

Mr. BRIDGES. Mr. President, will the Senator from Minnesota yield further to me?

Mr. HUMPHREY. Mr. President, I do not choose to yield at the moment, although, of course, I shall yield very soon to the Senator from New Hampshire.

Mr. BRIDGES. Mr. President, I know the Senator from Minnesota is a scholar, and is well read; but when he states that India has been the leading opponent of communism, I cannot believe that he has been reading very much in the past 2 or 3 years.

Mr. HUMPHREY. I say to my friend, the Senator from New Hampshire, that it is my understanding that our purpose in connection with a part of our foreign policy, at least, is to make sure that countries such as Great Britain, France, Italy, West Germany, Spain, Formosa, Burma, Indochina, and India do not go Communist. We have poured billions of dollars into those countries. I would say most respectfully to my friend, the Senator from New Hampshire, that the most decisive political defeat the Communist Party has suffered in the last 10 years, occurred a few months ago in India. I say to the Senator from New Hampshire and to other Senators that the Communist Party in India was literally pummeled in an election in which the Prime Minister of India and the leading political party of India chose the issue of communism, and fought it out in one of the greatest political elections in the history of independent nations.

Mr. BRIDGES. Mr. President, will the Senator from Minnesota yield further to me?

Mr. HUMPHREY. Of course I yield, Mr. President.

Mr. BRIDGES. Does the Senator from Minnesota recall that within the last month or two the Communist Party in India has come out in support of the Prime Minister of India and the Government of India? Is not that a little contradictory of what the Senator from Minnesota is saying?

Mr. HUMPHREY. Mr. President, if we should determine our foreign policy by the gyrations of the Communist Party, we would be in for a great deal of embarrassment, because the Communist Party switches and changes its policy and its clothes and its voice. As a matter of fact, I point out most respectfully that the Congress Party in India has been the long-time, historic enemy of communism. However, it is even more important that in connection with this bill we think in terms of some long-range objectives. I am one of those who have publicly expressed disappointment in some of the activities of some of the Indian leaders. I have said that I felt that at times they were too sensitive, and that at times they have said unkind things about the United States of America; and I think they have been entirely too friendly, in their overt acts and their words, to Communist China.

But I also know that today India is a free nation; and that more than 100 million persons in India went to the polls less than 2 years ago; and that today India represents more than 350 million persons. I know further that there will not be a counterforce in Asia against Red China merely by building up Formosa and Korea—important as they are. It takes people to oppose people.

It so happens that we shall appropriate more funds for Formosa than we shall appropriate for the 350 million people of India. The Nationalist Government of China, on Formosa, and Formosa itself are loyal to the United States; and for that we are eternally grateful. On the other hand, we have been loyal to them. In the last appropriation bill we included an item of over $1 billion for Indochina. We have put hundreds of millions of dollars into Korea. All of this is to the good, and I am not trying to say that we should deny assistance to one country because we deny it to another.

We are giving additional funds to Spain—which is entirely desirable under the terms of our arrangements there.

On the other hand, we must look to the long run. What happens if India is driven farther and farther into the hands of the Soviet Union?

Furthermore, the Prime Minister of India has not said any more kind things about Russia than the President of the United States has said about Russia. The Prime Minister of India went to Moscow to see Bulganin, and President Eisenhower went to Geneva to see Bulganin. Both the Prime Minister of India and the President of the United States have said kind things in their conversations with the Russians.

Moreover, when Nehru was in Moscow, to see Bulganin, Nehru got Bulganin to sign a contract or agreement of noninterference with other states, and to sign an agreement that the Cominform would no longer conduct its activities in independent countries.

Mr. BRIDGES. Mr. President, will the Senator from Minnesota yield on this point?

Mr. HUMPHREY. I yield.

Mr. BRIDGES. The Senator from Minnesota does not attach any significance to that agreement on the part of Soviet Russia, does he? The Senator from Minnesota has heard before of the so-called disbanding of the Cominform; but the Senator from Minnesota is too intelligent and too bright to put any credence in such a statement, is he not?

Mr. HUMPHREY. Mr. President, I appreciate the compliments and encomiums being tossed my way. However, what is President Eisenhower doing at Geneva, if he is not there to sign some agreements with the Russians?

Mr. BRIDGES. I did not know there were any agreements there.

Mr. HUMPHREY. If there are to be no agreements, is the President simply making a trip there?

I say most respectfully that if we are to build one country in one instance, we shall have to build up another country in another instance.

Mr. KNOWLAND. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I am happy to yield to the distinguished Senator from California.

Mr. KNOWLAND. Mr. President, I did not intend to enter the debate, and I hope it will not be unduly prolonged. However, let me inquire whether the Senator from Minnesota is familiar with the fact that India has sterling balances with the Government of Great Britain—sterling balances owed by the British Government—amounting to more than $1,500,000 American dollars; in other words, that is the value in American dollars of those sterling balances.

Mr. HUMPHREY. Yes; I understand they are such sterling balances, and that they are in soft currency; and there is a considerable amount of soft currency lying around in the world. However, it so happens that the people of India like hard currency; they want dollars.

In this case $71 million is requested by the administration for the 350 million people of India, the second largest nation in the world on the basis of population—a nation that is progressing by leaps and bounds in its development; a nation which has a growing constitutional government; a nation which has taken serious measures against communism. Included in the $71 million, which is requested, is approximately $10 million which is to be used for loans, not grants; and also included is an item of more than $30 million to be used for the purchase of foodstuffs from American agricultural surpluses.

Mr. BRIDGES. Mr. President, will the Senator from Minnesota yield further to me?

Mr. HUMPHREY. I yield.

Mr. BRIDGES. If India is so prosperous and is forging ahead so rapidly

and has the greatest industrial development in the world——

Mr. HUMPHREY. I did not say that, Mr. President; I said India is moving ahead and I said we should be aware of her progress; and I remind the Senate that India has a population of more than 350 million and I also remind the Senate that, in terms of geopolitics, India is most strategically located. I further remind the Senate that India has free elections and I also remind the Senate that India does business with the United States.

Mr. BRIDGES. And I remind the Senator from Minnesota that the pending bill is a mutual-security bill.

Mr. KNOWLAND. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. KNOWLAND. Is the Senator from Minnesota familiar with the fact that, in addition to the approximately $1,500,000,000—of course, it is actually in pounds sterling—but it amounts to approximately $1,500,000,000, at the present exchange rate, India also has a charge of upward of $600 million against Pakistan? While I do not wish to go into the details with respect to their metallic base, they also have a substantial gold reserve.

Mr. HUMPHREY. I appreciate those facts, Mr. President.

Of the total amount which is being asked by the Senator from Minnesota, $61 million, the State Department testified that $60 million would be in loans. If that is the case, this is the best investment and the best loan we could make, because if only $61 million is being asked, and $1 million goes to Nepal, and $60 million to India, with all the gold reserves and sterling silver the Senator from California talks about, India will pay back her loan. In fact, she is already paying on her loans to the United States.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KNOWLAND. I do not know whether the Senator was present when the distinguished Senator from Virginia [Mr. BYRD] spoke, and mentioned the $280 billion debt of the United States. Is the Senator aware of the fact that the Government of India has an internal debt of less than $400 million?

Mr. HUMPHREY. I am aware of that fact. The Government of India is making tremendous efforts to try to establish a going enterprise, a going democracy, and I think we ought to help her.

I think I should say one thing further—

Mr. SPARKMAN. Mr. President, will the Senator yield before he gets away from that point?

Mr. HUMPHREY. I yield.

Mr. SPARKMAN. Is it not true that of the $71 million total, $30 million would have been used in connection with the disposal of agricultural surpluses?

Mr. HUMPHREY. That is correct.

Mr. SPARKMAN. And that more than $60 million would have been in the form of loans, leaving virtually nothing for grants?

Mr. HUMPHREY. That is practically correct.

Mr. SPARKMAN. Is it not true that heretofore India has been taking care of her obligations to the United States?

Mr. HUMPHREY. India has done so. India has made her contributions to international organization. She pays her debts.

I point out that most of the loans we would make would be spent in America, for American equipment and American fertilizer. $30 million would be spent for American locomotives, and $30 million for American food, the loans to be paid back to the United States.

India may not talk as much as we would like to have her talk, in terms of being on our side. We divide the world into the free world and the Communist world. India is neutral. So is Sweden. So is Switzerland. So is Finland. We like those countries very well. Some of them recognize Red China.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HUMPHREY. In a moment.

Some of them recognize Red China, as does India. No one would say that Sweden, Finland, and Switzerland are not great democracies. No one can say that they do not do their part for world freedom. I realize that those nations have not asked for foreign aid, but I realize that India came out of colonialism less than 10 years ago. I realize the abject poverty that exists in that country. I realize, as does the Senator, that in the soil of poverty, misery, and sickness which prevails in these backward and undeveloped countries there is fertile ground for Communist growth and infiltration.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I will yield in a moment.

I should like to point out to my friend that the United States takes the bulk of Indian exports of monazite sands, manganese, and mica. The Chinese Communists and Russia would be delighted to get these and other strategic materials from India.

Mr. WELKER. Mr. President, will the Senator yield?

Mr. HUMPHREY. Not at the moment.

There is legislation on the books, as we know, designed to control the flow of these strategic materials and to prevent them from going to the Soviet bloc.

Does India cooperate? I refer to the Battle Act. Perhaps she does not cooperate publicly, and perhaps she does not talk about it, but let us look at the record.

In 1951, before the Battle Act, the total value of Indian exports to the Soviet bloc was $30,900,000. By 1953 the value of such exports had dropped to $14,600,000. That includes both strategic and nonstrategic goods. The figures for Indian imports from the Soviet bloc are even more startling. In 1951 India imported $38,400,000 worth of goods from the Soviet bloc. By 1953 the figure of imports had dropped to only $7,900,000.

India has been playing ball, so to speak, on the issues we think are important. The State Department thinks so. Representatives who have visited that country think so. I say that the only reason these funds are being reduced at this particular time, and in this bill, is as a sort of reprisal against India for what is considered to be her petulant action, at times, as reflected in the speeches of her leaders and in the activities of some of her representatives with whom we do not seem to agree.

Mr. WELKER. Mr. President——

Mr. HUMPHREY. This is a poor way to conduct our foreign policy. When I think of the money we have poured into other countries, I am amazed. Speaking of helping countries which do not agree with us, only the other day I read a statement to the effect that the President of the South Korean Republic had rebuked President Eisenhower for going to Geneva. I heard the President of the South Korean Republic, speaking before a joint meeting of the two Houses of Congress, say that we ought to invade North Korea, which is a cold contradiction of American foreign policy.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield first to the Senator from Idaho [Mr. WELKER].

Mr. WELKER. Mr. President, I appreciate the kindness of my friend from Minnesota.

He has mentioned monazite sands, a highly strategic material. I wonder if the distinguished Senator from Minnesota happens to know about the production in the United States of monazite sands.

Mr. HUMPHREY. I am not very familiar with it.

Mr. WELKER. A moment ago the Senator made the statement that India had given all her monazite sands to the United States.

Mr. HUMPHREY. No. I said that she had sold them.

Mr. WELKER. Does the Senator realize that the State of Idaho produces more monazite sands than any other State in the Union, and that we cannot even sell them here?

Mr. HUMPHREY. I hope Idaho produces them. My only point was that the sands were not being sold to the Communist bloc. They were being sold to the free world.

Mr. WELKER. They were being sold to the free world. I think the Senator will remember when we had to give them butter a few years ago before they would sell that commodity to us; and we have it running out of our ears in Idaho.

Mr. HUMPHREY. Mr. President, I shall say no more on this subject. I merely say that I think we ought to look after our own interests.

Mr. HUMPHREY subsequently said: Mr. President, in connection with my remarks concerning the amendment on page 3, line 14, and my references to India, I ask that a statement and several newspaper clippings be printed in the RECORD.

There being no objection, the statement and newspaper clippings were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

From the point of view of American foreign policy, economic aid to India to help

that country's economic development occupies a special place. As pointed out in Partnership for Freedom: (ADA's pamphlet on economic development), the main thrust of Communist expansion is now directed against economically underdeveloped countries. The Communists have argued that their system of development under regimented, authoritarian methods will raise the standard of living and improve the conditions of the working population faster than the methods of democratic government. The showcase examples of this are China and India, which the whole Asian world is watching. The Chinese are claiming spectacular results in their efforts to industrialize China, improve its agriculture, and bring benefits to its people. India, for all the talk of neutralism, is firmly committed to the democratic methods of development and this country has an enormous stake in seeing that the Indian program of development is successful. Nothing would more strengthen the Asian forces of democracy than a demonstration that India with the help of the free nations of the West can carry out a program of economic development under a democratic regime.

India presents a case of special importance in another respect. Underdeveloped countries differ very greatly in their capacity to absorb capital for economic development. In the very earliest stages of the transition from an undeveloped rural economy, productive applications of capital must proceed slowly to provide what might be called the economic and social preconditions to development. As development progresses, the economy grows more rapidly and both the opportunities for productive investment and the generation of native capital increase. India is notable among the countries which have made progress to the point where they are now able to absorb productively increasing amounts of capital and where capital assistance from abroad will stimulate both production and sources of Indian capital at an accelerated rate. India has now reached the stage approximating the stage which our own country had reached in the first half of the 19th century. It has achieved the preconditions of economic growth and has formulated a program for development. The major limitation on the Indian program is now the availability of capital. There is a tendency of course to harbor resentment against India for its so-called neutralist attitude. While this resentment may be understandable, from the point of view of United States policy it would be shortsighted and self-defeating to permit this attitude to stand in the way of our program of economic aid to India. Again the analogy to our own history is instructive: in its preoccupation with its own problems and its own development, India feels now as the United States did in the early 19th century that its welfare lies in building its own strength and independence as a necessary prerequisite to its survival. From the point of view of the United States, a failure or a slowdown of the India development program would provide the Soviet world with its propaganda example par excellence. Nothing would please the Soviet world more than to step into the breach created by the failure of the West to help India and to provide such comparatively small amounts of capital as are at issue in this appropriation.

There are several points worth noting about the India program as formulated by the administration. The first is that a very large fraction would be made available to the Government of India in the form of loans. Last year this was 75 percent of the total India program, and there is no reason to assume that it would not be substantially the same this year if the program is carried out as formulated in the appropriation request.

A second point is that $30 million of the original $70 million requested is intended to finance the sale of United States surplus agricultural commodities—$14 million for wheat and $16 million for cotton. The proceeds of the sale of these commodities in India by the Government of India—the counterpart funds—would be devoted to Indian development projects. Obviously, the need for dollars for capital purposes being so great, India will have to curtail its use of dollar exchange for consumption if the total amount of the program is reduced. This would mean less sales of surplus wheat and cotton.

The rupees available in counterpart funds are intended for use in multipurpose river-valley-development projects to provide irrigation, flood control, and power. These, of course, are all greatly needed to expand Indian production.

Specific among the purposes for which these funds are intended are:

The continuation of malaria control, using United States manufactured supplies. These control programs must be maintained continually for a number of years—at least 5—in order to be effective; otherwise the progress made is lost.

Fertilizer purchases in the United States for increasing food crops.

About $15 million of purchases of steel from the United States. India is short of steel and is operating under an allocation system under which it is particularly difficult for new manufacturers and small manufacturers to obtain allocations necessary for their continued growth.

It is impossible to say precisely how the program would be redesigned in the event of a severe cutback in the total appropriation. In general it is true that the purchases of United States materials would decline since India would be forced to look to closer and therefore lower priced sources.

From the point of view of United States foreign policy, perhaps the most serious of the committee's actions is the proviso that no part of the President's fund for Asian economic development shall be used for projects in India. This fund ($200 million requested, $100 million approved by the House, $150 million approved by the Senate committee) is intended for a revolving fund for multicountry development projects (for example, river developments crossing national frontiers, deepening of harbors to promote trade among Asian countries). The administration concedes that only $100 million of this might be obligated in the fiscal year but requested the additional $100 million as no-year appropriations to give assurance of the continuity of the program. Regardless of the amount, however, very great damage would be done by writing in a specific exclusion of India from this program. In the first place this is a gratuitous and vindictive affront to India. In the second place, India and Japan, being the dominant countries of the arc of Asia, it is difficult to see how a program could operate under a flat statutory exclusion which would prohibit Indian participation or projects in India. Even if it is finally determined to be the intent of the Senate to concentrate this program in other parts of Asia, ways should be found of doing this other than writing it into the statute.

ELIMINATE DISCRIMINATION AGAINST INDIA

Effect of Appropriations Committee Language (p. 3, lines 14 to 18): This language, including the proviso, would limit assistance to India to $50 million. It singles India out as the one non-Communist Asian country not to be considered for assistance under the President's Special Fund for Asia.

Legislation in appropriations bill: This language is probably subject to a point of order as a violation of senate rule XVI, paragraph 4, which provides that "no amendment which proposes general legislation shall be received to any general appropriations bill."

Makes an enemy of the strong: The appropriations language picks out the biggest, the most powerful, and the most influential free nation in Asia and says in effect that we don't trust her; it lines us up with the weak nations of Asia and tends to drive the most powerful nation into the hands of the Communists.

It would be better to do nothing than to do it this way.

Where did this amendment come from? It looks like a China lobby amendment to punish India for being friendly with the Chinese Communists, for urging Communist admission to the U. N., and for not being in love with Mr. Chiang Kai-shek.

It seeks to punish Mr. Nehru for having a talk with Mr. Bulganin—the very thing the President is now doing.

Neutral India: India is neutral on our side. She doesn't go around shouting that she loves us. But the record shows she's a free nation.

Monazite sands, manganese, mica: The United States takes the bulk of Indian exports of these critical materials. The Chinese Communists and Russia would be delighted to get these and other strategic materials from India. If we keep up our sniping at India she may well look elsewhere to sell these materials.

The Battle Act: There is legislation on the books designed to control the flow to the Soviet bloc of strategic materials from free countries receiving our aid. Does India cooperate? Maybe not publicly, but look at the record. In 1951 the total value of Indian exports to the Soviet bloc was $30.9 million. By 1953 the value of those exports dropped to $14.6 million. In other words, this trade was halved in 2 years.

The Indian import figures from the Soviet bloc are even more startling. In 1951 India imported $38.4 million worth of goods from the Soviet bloc. By 1953 the value of such imports had dropped to $7.9 million.

If we want to reverse this trend, the process is simple. All we need to do is to continue to insult India and to make it impossible for her to participate with other free nations in developing their own trade relations by use of the President's fund. This will force India to look to the Soviet bloc for trade purposes.

American fliers: Had it not been for Mr. Nehru we would not have gotten back 4 of our 11 fliers. I hope he can help us get the others back. But why should Nehru keep on helping us if we take every chance we get to push India into Communist arms?

India fights Communists: At the elections last March in the Indian state of Andhra, the Indian Communist Party was routed—largely as the result of the personal leadership of Mr. Nehru. The New York Times reported that the Communist Party in Andhra was left politically crippled and publicly rejected.

"INDIA REDS ROUTED IN ANDHRA VOTING—BIG GAIN BY NEHRU—ONCE COMMUNIST STRONGHOLD BACKS CONGRESS COALITION IN LANDSLIDE BALLOT SHIFT

"(By A. M. Rosenthal)

"NEW DELHI, INDIA, March 2.—The Indian Communist Party has taken a drubbing at the polls in the state of Andhra. It has been left politically crippled and publicly rejected in a state that has been a Communist stronghold.

"The results of the hardest-fought elections in independent India's history show that a coalition, led by Prime Minister Jawaharlal Nehru's Congress Party is piling up a landslide majority. The heavy vote in favor of the coalition has stunned the Communists and has come as a shock even to Congress Party leaders.

"Late tonight, with more than a third of the vote counted, the 3-party coalition had won 57 seats in the state legislature, the

Independents had taken 11, the Praja Socialist Party had won 5, and the Communists were bringing up the rear with 4.

"Communist leaders in New Delhi tonight said that their candidates were being routed in normally Communist districts and that the returns still to come could not change the picture of a heavy Congress Party majority in the new legislature.

"LEFT WITHOUT A VOICE

"One Communist politician said this: 'In the last Andhra legislature we were almost as strong as the Congress Party. In fact, we were dictating terms. Now our party, in effect, has been left without a voice.'

"K. A. Nambiar, Communist member of India's lower house, said that the results so far were 'impossible.' He said the only way the Communists could have lost so heavily was by crooked poll-counting.

"It was believed in New Delhi that the Communists would open a drive in the national Parliament and in the Communist press to attribute their defeat in Andhra to fraud at the polls. The elections took place on 5 polling days last month and the counting began yesterday. The election boxes have been under police guard but the Communists indicated tonight that they would charge that stuffed boxes were substituted en route to the counting stations.

"The 11 million voters in Andhra have been choosing a legislature of 196 seats. In the old legislature of 140, the Communists held 45 and the Congress Party 46. The Communists were so strong and the Congress Party so weakened by internal dissensions that the Communists, in November 1954, were able to topple the Andhra State Government and force new elections.

"On the basis of the results so far, a Communist politician predicted that the coalition led by the Congress Party, would get 150 seats in the new legislature. The results so far show that the Communist opposition leader in Andhra, T. Nagi Reddi, has been defeated and so has his deputy, M. Hanmantha Rao.

"There are more fragments that add up to a Communist debacle. In the normally Communist town of Vijayawada the Communists once held two seats; tonight they hold none.

"Badava Punniaha, member of the upper house of the Indian Parliament and an official of the Central Committee of the Communist Party, sent into the election fight for his prestige value, has been defeated.

"Politicians agreed tonight that one big reason for the Communist defeat was the formation of the anti-Communist coalition, a move strongly supported by Mr. Nehru. Joining with the Congress Party were the People's Party and the Farmers Party. They agreed not to split the vote by putting up opposing candidates. United, they routed the Communists.

"The Communists and the Congress Party put a great amount of prestige, money, and organizational talent into the fight for Andhra, a tropical state where political passions run high and violent.

"Mr. Nehru himself toured the state and urged the people to reject the Communists. His lieutenants then ran an even more bitterly anti-Communist campaign in Andhra, telling the people that the security of the whole country, as well as the future of their own state, was up for decision.

"The election results do not indicate the relative showings made by the three parties in the anti-Communist coalition. But the leaders of the Congress Party are hoping that the Andhra results will revitalize the party throughout the country.

"The hope, too, that the Andhra election will weaken the Communists in other parts of south India where the Communists have been making a concentrated attempt to carve out a political belt."

CI——710

India supports efforts to reduce tension: As recently as May 31, Nehru praised President Eisenhower for his efforts to lower tensions in the world.

"[From the New York Times of June 1, 1955]

"EISENHOWER GETS PRAISE OF NEHRU—INDIAN LEADER IN RARE PRESS CONFERENCE HAS GOOD WORD FOR THE SOVIET, TOO

"(By A. M. Rosenthal)

"NEW DELHI, INDIA, May 31.—Prime Minister Jawaharlal Nehru praised President Eisenhower and the United States today for helping to lower tensions in the world.

"The Indian leader also had a pleasant word for the Soviet Union, Comunist China, and Britain. Because of Mr. Nehru's sharp statements in the past on United States foreign policy, diplomats in New Delhi were paying special attention to his comments on Washington.

"Mr. Nehru held a 2-hour press conference in which he ranged a wide field of international and Indian affairs. He was aware that comments on foreign affairs were expected and he gave them.

"His voice became enthusiastic when he turned to problems of India's economic planning that have been taking up most of his working day for weeks.

"With Mr. Nehru press conferences are rare affairs. The last time the Prime Minister held one was in November 1954. The occasion for today's was the fact that Mr. Nehru will leave Saturday for a visit to the Soviet Union with stop-overs on the return journey in Poland, Yugoslavia, Egypt, Austria, and Italy.

"NEHRU'S TONE MILD

"Mr. Nehru has been a sharp and public critic of United States foreign policy in the past but today his tone was mild. The Indian Government believes the chances are better now for United States-Chinese Communist negotiations and he also believes it is up to all the interested parties to say nothing that might upset things. Mr. Nehru's comments seemed to be in line with those beliefs.

"No Indian leader recalled that last year he had praised President Eisenhower for contributing greatly to the lessening of world tension. Other steps had been taken since then in the United States that confirmed his impression, Mr. Nehru said.

" 'I think that applies also to many developments in the Soviet Union, China, and in the United Kingdom,' he said, 'so there has been in spite of suspicion a tendency in the right direction which is greatly to be welcomed.

" 'There is a little more hope in the world and there is a little more understanding in the world,' he said at another point. 'I do not wish to exaggerate, but that is the general impression one gets.'

"Mr. Nehru said the Chinese Communists had released four United States airmen 'as a first step.' He welcomed the move as helping in the general trend.

"Mr Nehru made it clear that he was still unhappy about the West's systems of military alliances, especially Pakistan's adherence to them. In reply to a question, he said he believed the decision of the eastern European Communist lands to form a unified command also added to fears and tensions.

"Another questioner asked Mr. Nehru about the Cominform, the Soviet-dominated group of Communist parties. He replied that at the Asian-African Conference at Bandung, Indonesia, he had declared that the operations of the Cominform amounted to interference and were not compatible with the noninterference clause of the conference declaration.

"HOPES TO EASE TENSIONS

"As for his visit to the Soviet Union, Mr. Nehru said he hoped it would help in lowering international tensions. He said he was more interested in getting the feel of the Soviet Union than in seeing any specific thing.

"Turning to the problem of Indian-Pakistani relations Mr. Nehru said recent talks he had with Prime Minister Mohammed Ali, of Pakistan, covered new ground and avoided dead ends.

"Mr. Nehru has been under pressure from the Praja Socialist Party to take strong action against Goa, a Portuguese colony on Indian's west coast. Mr. Nehru insisted that while India could take economic and other peaceful measures against the Portuguese she could not abandon the principals of nonviolence."

How the Russians treat India: In sharp contrast with the action proposed here, note the New York Times account of the way the Russians treated Mr. Nehru. "Nehru in Moscow—Ovation Stunning," reports the New York Times in its headline. The Russians are "smart like a fox." It's about time our attitudes toward India were based on good sense and not wild, irresponsible emotionalism. I ask unanimous consent that the five points of agreement between Prime Minister Nehru and Premier Bulganin be printed at this point in the RECORD:

"At the invitation of the Government of the U. S. S. R. Shri Jawaharlal Nehru, Prime Minister of India, has paid a visit to the Soviet Union. During his stay in Moscow he had several talks with Mr. Bulganin, Prime Minister of the Soviet Union, and other members of the Soviet Government.

"These talks have taken place in a friendly and cordial atmosphere, and have covered, over a wide range, both matters of mutual interest to the two countries and the larger problems of international interest and concern arising from current world affairs.

"The relations between the Soviet Union and India happily rest on a firm foundation of friendship and mutual understanding. The Prime Ministers are resolved that these relations shall continue to be informed and guided by the following principles:

"1. Mutual respect for each other's territorial integrity and sovereignty.

"2. Nonaggression.

"3. Noninterference in each other's internal affairs for any reason, of an economic, political, or ideological character.

"4. Equality and mutual benefit.

"5. Peaceful coexistence."

Who gets hurt by this amendment aimed at India? This amendment doesn't hurt the Soviet—it helps the Soviet win friends in India. While the amendment may hurt India, if we manage to take India out of the arc of free Asia, we will weaken every free nation in Asia. I can't believe the sponsors of this amendment believe it will promote the national interest of this country.

Does this language express the sense of the American people? I can't believe that the American people would support petty, petulant action of this kind. We are too big and too understanding a people to engage as a matter of national policy in forcing free nations into a satellite posture before we give them assistance, especially when the only reason we provide assistance is to promote our own national interest. I cannot support making India a whipping boy for political interest in this country.

Finally, I cannot support legislation which seems to be based on the assumption that every nation in this world is either with us, or against us. That is a totalitarian approach to foreign policy with which I cannot agree. I am willing to divide the world for purposes of discussion into the Communist world and the free world, but only to provide a basis for the observation that the fundamental characteristic of the free world is freedom—freedom to disagree with us and freedom to agree. We do not promote freedom by a foreign policy based on the concept of reward and punishment, of candy or

a stick. Freedom is promoted if we treat other free nations as equals and if we encourage them severally and jointly to develop their free political and economic institutions.

I propose that we strike this offensive language from the bill.

"[From the New York Times of July 20, 1955]

"LETTERS TO THE TIMES—NEHRU'S VISIT TO RUSSIA—BENEFITS TO FREE WORLD FROM PRIME MINISTER'S TRIP EVALUATED

"(EDITOR'S NOTE.—The writer of the following letter is president of the India League of America.)

"To the EDITOR OF THE NEW YORK TIMES:

"The United States press, radio, and other media of information have been quite critical of Nehru's visit to the Soviet Union. Your own editorial was quite severe. Americans were not happy either to hear that Nehru had invited Premier Bulganin to visit India. Above all, they were quite annoyed that a joint statement was issued by Nehru and Bulganin.

"I venture to suggest that Nehru's visit to the Soviet Union, especially in long-range terms, will be very beneficial and helpful to the cause of the free world.

"Those who have had the opportunity of watching Chinese Premier Chou En-lai at Geneva last summer and later at New Delhi and Rangoon and again early this year at the Bandung conference maintain that contacts with the outside world, and meeting people like Eden, Mendès-France, Nehru, U Nu and other Asian and African leaders at Bandung, has left a deep mark on Chou En-lai. It is hoped that Bulganin, too, may learn a lesson or two in the free atmosphere of a democratic republic like India.

"In the deluge of criticism of the joint statement issued by Premier Bulganin and Prime Minister Nehru one very important point went unnoticed.

"COMINFORM ACTIVITIES

"Prime Minister Nehru has unequivocally declared that the activities of the Cominform represent interference in the internal affairs of other countries. Not only has Nehru come out against the Cominform but the Congress Party, the ruling party of India, has officially denounced the activities of the Cominform.

"Yet Prime Minister Nehru got Marshal Bulganin to sign a statement in which one of the clauses provides for 'noninterference in each other's internal affairs for any reason, either of economic, political, or ideological character.' Informed sources in India believe that as a result of the Nehru-Bulganin joint declaration the Cominform is likely to be dissolved. If that happens, it will be most welcome and excellent news. We all know that the danger of overt aggression by the Communists has been greatly lessened, but not the danger of subversion.

"It is true that even if the Cominform was dissolved, subversive activities could be continued. But having agreed to noninterference in the affairs of other countries in a joint declaration, if the Communists surreptitiously continue their activities they will be doubly condemned. Then Asians, too, will lose all faith and trust in the written promises of the Communists.

"One more point: The headlines and interpretive writings have created the impression that the joint statement of Prime Minister Nehru and Premier Bulganin took the 'extreme' position on Formosa of handing it over to Communist China. This is not correct.

"DECIDING LEGITIMATE RIGHTS

"The clause on Formosa in the declaration reads as follows: 'It is the earnest hope of both the Prime Ministers that it will be possible by peaceful means to satisfy the legitimate rights of the Chinese People's Republic in regard to Taiwan' (Formosa). The operative word in this sentence is 'legitimate.' Who is to decide what are the legitimate rights of the Chinese People's Republic in Formosa? The Prime Ministers did not say that in their opinion the 'legitimate rights' of the Chinese Communists are that Formosa should be handed over to them.

"It is obvious from this statement that the question of the 'legitimate rights' must be negotiated, perhaps at a roundtable conference, under international auspices. This is not much different from the British or the American position.

"And what is even more important is the fact that Prime Minister Bulganin agreed to a settlement of the Formosa question by peaceful means.

"Finally, one need have no fears that Prime Minister Nehru was 'taken in,' during his visit to the Soviet Union, or that he is so naive as not to see the difference between dictatorships and free countries. Nehru is one of the greatest living champions of the democratic way of life and the dignity of man. He has fought for these principles all through his life, and he will die fighting for them. And, what is more, his faith in democracy is so complete and intense that he has no cringing fear of communism.

"J. J. SINGH.

"NEW YORK, *July 17, 1955.*"

Mr. LEHMAN. Mr. President, last month I and the overwhelming majority of other Members of the Senate voted in favor of the mutual-security authorization bill. I am confident that the vote was so unusually one-sided and controversy was so lacking in large part because of the great respect which all of us have for the senior Senator from Georgia [Mr. GEORGE], in particular, and for other members of the Foreign Relations Committee.

Today we are faced with a decision which we shall all have to make shortly when the vote on this committee amendment is taken as to whether we still support the statesmanlike position enunciated so clearly to us by the Foreign Relations Committee in its report on the mutual-security bill. I should like to read an excerpt from that report:

India is a free, sovereign nation, which in its domestic policy follows a firm anti-Communist line. Its foreign policy is one which seems to India best designed to protect and promote India's interests. Despite their differing policies toward the Soviet Union, the United States and India share a common devotion to free representative forms of government. A strong, free India is an immeasurable influence for a strong, free Asia. Certainly it is far preferable for India to be neutral than to become a member of the Soviet bloc. The committee recommends approval of the full amount requested for India, which is approximately the same as last year, and which will be used to a considerable extent in the form of loans.

That, Mr. President, is the language of our Foreign Relations Committee. That was the basis for its recommendation of an authorization of $70 million for development assistance for India this year. That was what this body overwhelmingly endorsed only a few weeks ago.

Has anything occurred on the international scene since that date that might affect the position which we so recently took with regard to India? Yes, Mr. President; there have been developments of note. A conference is being held in Geneva in which our lives and the lives of our children may well be at stake. Yesterday President Eisenhower told the world how he had searched his heart and mind for a proposal which would demonstrate to the most skeptical precisely how much this Nation of ours is willing to do to insure a real lasting peace among nations.

It does no good for the President to make such a statement, avowedly to clarify our position as a peace-loving nation, and then for us here in Congress to vote to reduce drastically economic aid to one of the greatest new nations of our time because some of us do not think she is sufficiently toeing the mark, our mark. By reducing by almost 30 percent the vital economic aid this Congress authorized for India, we would be effectively undercutting our efforts at Geneva.

Mr. President, I do not wish to be a party to such an action during this crucial week in the history of our times. I want the press, radio, and diplomatic channels to inform the Conference in Geneva and the entire world that the Senate of the United States wants a peaceful world. I want the world to know that this great body, representing the most powerful free people on earth, does not believe that every other nation and every other people must always obey our wishes and follow our leadership if they are to enjoy our friendship and our assistance. We do not always see eye to eye with India, nor with her leader, Prime Minister Nehru. But the people of India are freedom-loving people, like our own. We must help them to help themselves, in their own way. That is one of the answers to communism in Asia.

Therefore, Mr. President, I am going to vote against the committee amendment reducing development assistance to India. I hope that the great majority of my colleagues, after considering the many implications of a substantial cut in funds for India at this time, will likewise vote against the amendment.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 3, line 14.

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. NEUBERGER. Mr. President, I rise in support of the position taken by the Senator from Minnesota [Mr. HUMPHREY] and the Senator from New York [Mr. LEHMAN] on the pending amendment.

I was very much interested in the remark of the senior Senator from New Hampshire [Mr. BRIDGES] that his was a mutual program in which there should be reciprocity. I should like to point out to the Senator from New Hampshire that in one respect, which has been ignored thus far on the floor of the Senate, there has been reciprocity. It has been within the power of the Government and the people of India in the past year to strike a terrible blow at the children of America. At any time India could have completely terminated the Salk vaccine program, which has been discussed time and time again on the floor of the Senate, merely by putting a ban on the exportation of rhesus monkeys from India to the United States.

The monkeys are sacred animals to millions of people in India. The Government of India has defied public opinion to permit the exportation of the rhesus—monkeys, so that they could be used——

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. NEUBERGER. I shall be happy to yield to the Senator from New Hampshire after I have finished this sentence. The Government of India has permitted the continued exportation of the rhesus monkeys so that they could be used experimentally in the Salk vaccine program, which is so important to the children of America.

I am now glad to yield to the Senator from New Hampshire.

Mr. BRIDGES. Were these monkeys donated to this country?

Mr. NEUBERGER. No; they were not donated.

Mr. BRIDGES. Were they paid for?

Mr. NEUBERGER. Neither is the money involved in the bill to be donated to India.

Mr. BRIDGES. What is not to be donated?

Mr. NEUBERGER. Let me say this about the monkeys being donated. The monkeys that are being sent to the United States are being sold to the United States. They are being sold to the United States over the great emotional resistance of millions of people in India. I can imagine what would happen in the United States if dogs and cats, beloved by millions of Americans as pets, were being sold to another country for experimentation in medical research.

Mr. BRIDGES. I thought the Senator was going to mention squirrels.

Mr. NEUBERGER. No, I did not mention squirrels, because squirrels interfere so much with the golf putting at the White House that many of them are gone. Therefore, I did not mention something that is gone.

However, I will say it is quite interesting that this subject should be considered such a joke. Only recently I heard the Senators from Idaho talk about the tragic deaths which occurred in Idaho of children who had received vaccine which had not been properly tested. The Senators from Idaho very properly protested, particularly the junior Senator from Idaho [Mr. WELKER], who I do not believe is on the floor at the present time.

Let me say further to the Senator from New Hampshire, so far as medical research now knows, there is only one way of testing the vaccine so as to prevent tragedies such as have occurred in Idaho, and that is with the use of rhesus monkeys imported from India. The vaccine is injected into the monkeys, the monkeys are destroyed, and the tissues of the dead monkeys are examined.

All this may be a joke, or something to laugh about. However, it is not anything to laugh about when vaccine is not tested adequately. I should like to read from an Associated Press dispatch which I took from the news ticker earlier today. It reads:

NEW DELHI, INDIA.—The United States will get all the Indian rhesus monkeys needed for Salk antipolio vaccine work under a new agreement with India, an informed source said today.

The 1-year agreement, expected to be announced in Washington and New Delhi in the next few days, replaces a temporary arrangement in effect since last April and will be effective August 1 the informant said.

They added the pact requires the United States Government to guarantee the status of American agencies using the monkeys, which would be shipped only by Indian exporters certified by the Indian Government.

I emphasize the next sentence:

Many Indians consider monkeys sacred. Complaints that monkeys were being mistreated led to India banning shipments last March. The ban was partly lifted a month later with a temporary licensing system.

Mr. President, for some months, while we have been discussing the Salk vaccine program on the floor of the Senate, I have been interested in the subject because I read in a British magazine about the terrific feeling which had occurred in India when 3 or 4 hundred monkeys died in transit in London while they were on their way to the United States.

Quite a sacrifice is being made by the Indian people who consider the rhesus monkeys sacred. It may be funny that they consider the monkeys sacred. However, I warrant that one people necessarily do not understand all the customs of another people. It seems to me that the Government of India has been quite courageous in defying public opinion, in sending and continuing to send the monkeys to the United States. Thousands of monkeys are needed in the Salk vaccine program, and perhaps one of the things that has made this program break down has been the fact that so many monkeys must be destroyed in order to test the vaccine.

I have before me several clippings from Indian newspapers describing the feeling in India in protest against the sending of the monkeys to the United States. The Government, nevertheless, has continued to give permission to the exportation of the rhesus monkeys to the United States so that the program can be carried on for the benefit of the children of America.

I ask unanimous consent that the items taken from various Indian newspapers and elsewhere be printed in the RECORD at this point in my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Statesman of February 5, 1955]

MONKEYS' EXPORT OPPOSED—APPEAL TO INDIAN GOVERNMENT

LONDON, February 3.—A deputation from British animal protection societies today asked the Indian Government to prohibit the export of monkeys.

The request was made at a meeting here today with Mrs. Vijayalakshmi Pandit, India's High Commissioner in London, and other top officials at India House.

The deputation, led by Mr. Peter Freeman, a labor member of Parliament and a member of the Council of the Royal Society for the Prevention of Cruelty to Animals, was cordially received.

They pointed out that in the last 2 years 100,000 monkeys have passed through London airport for the United States of America. Of them 75 percent were intended for experimental purposes, the deputation alleged and the remainder for use in rocket research.

After the meeting an RSPCA spokesman said that although they had provided a hostel at the airport to give the creatures some comfort on their journey, casualties in the 2 years had amounted to about 1,000.

[From the Statesman of February 5, 1955]

ONE HUNDRED AND FIFTY MONKEYS SEIZED IN DELHI—CASE FILED AGAINST FIRM

About 150 monkeys were seized by the SPCA, Delhi, from a place on Bela Road on Friday. The monkeys belonged to the proprietor of a New Delhi firm and were packed in five crates, which, according to the SPCA, were below standard. A case has been filed against the proprietor of the firm.

The SPCA stated that the crates did not conform to the Indian Tariff Rules which prescribed dimensions and sizes of crates for transporting monkeys. The substandard crates had resulted in injuries to the animals, some of which had been badly maimed.

The monkeys are earmarked for export and they were brought from Lucknow.

[From the Times of India of February 16, 1955]

CAUSING CRUELTY TO MONKEYS—RS.50 FINE IMPOSED

For causing injuries to monkeys by crowding them in smaller crates, Hardit Singh, a businessman of Karol Bagh, was on Tuesday sentenced by Dewan Gopal Saran Das, magistrate, to a fine of Rs.50 or in default undergo simple imprisonment for 1 week.

According to the prosecution, 133 monkeys were found crowded in 5 crates at Bela Road by Mr. Madan Lal, an inspector of the Society for Prevention of Cruelty to Animals. The crates belonged to the accused. On examination by a veterinary inspector some of them were found to have sustained injuries. The accused had brought these monkeys from Lucknow for sale to a Delhi firm which exports monkeys to the United States.

While sentencing the accused, who had pleaded not guilty to the charge, the magistrate said that 5 crates of 31 cubic feet each should have been used to bring so many monkeys. The crates in which they were brought were measuring about 18 cubic feet each, he said. The railway booking clerk at Lucknow should have checked up whether the sizes and structures of the crates conformed to the rules or not.

[From the Statesman of March 11, 1955]

BAN ON EXPORT OF MONKEYS—GOVERNMENT'S PRIOR APPROVAL NEEDED

NEW DELHI.—While a number of States are offering prizes for the slaughter of monkeys and issuing special gun licenses for the purpose, the Government of India today announced a total ban on the export of monkeys except with its prior approval.

The sole cause of this step is the recent accident in London in which some monkeys were suffocated to death.

The exceptional nature of the incident has not deterred the Government though the monkeys were employed purely for medical research, especially on polio, from which hundreds suffer in India.

Today's Government decision modifies the 1946 notification which defined a closed season—March 31 to August 31—during which the export of monkeys was banned.

Free export by air was allowed during the rest of the year on the condition that monkeys were required for medical research and were given humane treatment in transit.

EXPORTERS' VIEWS

The ban on the export of monkeys from India to the United States of America, the United Kingdon, and other parts of the world may have far-reaching consequences, according to exporters in New Delhi.

Mr. T. E. Patterson, who exports 60,000 monkeys from India every year at a cost of several lakhs of rupees, said on Thursday that research for the prevention of polio being conducted by the United States National Foundation for Infantile Paralysis would be seriously affected by the ban. Americans, he said, had invested millions of dollars in this research work. India would not only lose money as the monkeys were "tremendous dollar earners" but might also lose its market for monkeys permanently by once stopping their export.

Rhesus monkeys, on which research is conducted, cannot be replaced by other species of animals for certain reasons, one of them being the possible nonavailability of large quantities of animals other than monkeys.

MONKEY MENACE

Mr. Patterson disclosed that he had received 200 to 300 letters from people in different parts of Northern India urging him to arrange for the catching of monkeys in order to rid them of the menace.

By imposition of the ban, he said, 1,000 people, including 700 trappers, employed by him would be without work.

He claimed that the monkeys exported by him were looked after properly; his losses had been none so far. He had arranged to fly his consignment this week.

Another exporter feared that thousands of monkeys would be held up in Delhi, Calcutta, and Bombay, the three exporting centers, by the ban. One monkey costs about Rs. 10 and is sold in the United States of America for $3.50 or $3.75. In addition there would be the expense of feeding the monkeys.

[From the Hindustan Times of March 12, 1955]

EXPORT OF MONKEYS BANNED

The Government of India have decided to ban the export of monkeys, except with their prior approval, says a press note.

Under a notification issued on September 7, 1946, the export of monkeys by sea or land was banned during March 31 to August 31 each year. During this period, exports were allowed only by air if the Government were satisfied that monkeys were required for medical research and the monkeys received humane treatment while in transit. There was no restriction on exports during the open season, that is, the period September to March.

By a notification issued on Thursday, the Government of India has decided that with immediate effect the export of monkeys should not be allowed except with their prior approval.

[From the Times of India of March 16, 1955]

ALLEGED CRUELTY TO MONKEYS—ASSEMBLY QUESTIONS

(By a staff reporter)

Mr. Brahm Prakash, Development Minister, informed the Delhi State Assembly during question hour on Tuesday that cases of monkeys meant for export having been huddled together under unhygienic conditions had been brought to the notice of the Government.

Replying to Mr. Anand Raj Surana, Mr. Brahm Prakash added that the Government did not take direct action in such cases. But cases of cruelty were dealt with by the Society for the Prevention of Cruelty to Animals.

[From the Times of India of April 2, 1955]

EXPORT OF MONKEYS

To the EDITOR, TIMES OF INDIA:

SIR: Shrimati Rajkumari Amrit Kaur, Union Health Minister, has written to the Ministry of Commerce to remove the ban on the export of moneys as in her opinion such export is essential for medical research. Without going into the question of utility, is it incumbent on the Indian public to yield to every action of cruelty to animals in the name of research?

Monkeys have been considered sacred by a wide section of the Indian public from ancient times. On the one hand our Government has been preaching the doctrine of nonviolence while on the other cruelty to animals is being tolerated on scientific and industrial pleas. The removal of the ban will be resented by a large section of Hindus and Jains.

TANSUKH RAI JAIN,
Organizer, Humane Education Society.
DELHI, *March 30.*

[From the Times of India of April 6, 1955]

RAJYA SABHA QUESTIONS BAN ON EXPORT OF MONKEYS—STATEMENT BY MINISTER

Export of monkeys, except with the previous sanction of the central government, has been banned with effect from March 11 last.

Mr. T. T. Krishnamachari, Minister for Commerce and Industry, who stated this in reply to a question by Mrs. Violet Alva in the Rajya Sabha on Tuesday, added that the idea of regulating the export of monkeys arose from the fact that when the Prime Minister was in London it was brought to his notice that monkeys had been subjected to inhuman treatment.

Mrs. Alva pointed out that in the relevant government notification export of monkeys by land and sea only was mentioned. Could they be exported by air?

Mr. Krishnamachari said that a legal interpretation might suggest that export by air was free, but that was not so.

Mrs. Alva said that it was reported in the press that Commerce Ministry officials had assured a person that the ban would be lifted in a week's time.

Mr. Krishnamachari: "I can't see how they have been authorized because I still happen to be the minister."

In reply to a large number of supplementaries about the use monkeys were put to in the United States, Mr. Krishnamachari said that government would give due regard to international codes in this regard. He had been assured by responsible men that monkeys were not used for any purpose other than medical research. As regards atomic research, one of the foremost scientists of India, Dr. Bhaba, had expressed the opinion that monkeys were not being used for that purpose. He added that recently the exports had increased because of the National Foundation of Polio Research of the United States having set about finding a vaccine for polio.

[From the Hindustan Times of April 6, 1955]

EXPORTED MONKEYS NOT USED FOR ATOMIC TESTS—REPORTED ASSURANCE TO GOVERNMENT

NEW DELHI.—Mr. T. T. Krishnamachari, Commerce and Industry Minister, stated in the Rajya Sabha today that the Government of India had been assured that monkeys exported from India were being used for medical research only and not for atomic experiments.

He was replying to a question by Mrs. Violet Alva. He added that this assurance had been reinforced by India's top atomic scientist, Dr. H. J. Bhaba.

Mr. Krishnamachari said since March 11 export of monkeys had been banned except with the sanction of the Government. One shipment of 800 monkeys to the United States of America was allowed on March 19.

There were several supplementaries on the subject. At one stage, Dr. Radhakrishnan remarked: "We should have a separate motion on the subject."

Toward the end, the Minister offered to make a comprehensive statement on the subject but before he could get even halfway through it, the question hour was over.

Replying to one of the supplementaries, the Minister said during the Prime Minister's stay in London it was brought to his notice that some monkeys had died during transit owing to inhumane conditions. Then the decision was taken to regulate the export.

Mrs. Alva asked whether it was a fact that the export had been banned only by sea and land and, therefore, by implication, not by air. There was no such lacuna, the Minister said.

OFFICIAL'S STATEMENT

She asked whether he was aware that some foreigner had told the press in Calcutta that he would be approaching Pakistan for export of monkeys and that he had been assured by a Commerce Ministry official that the ban would be lifted within a week. Mr. Krishnamachari said the reported statement of the official was obviously unauthorized.

Mrs. Rukmini Arundale asked whether it was a fact that monkeys were used apart from medical purposes to further capitalist interest. The minister said medical research and capitalist interest need not necessarily be mutually exclusive.

She then inquired if the Polio Association of the United States of America had announced that by trying the polio vaccine on monkeys they were taking a calculated risk. He replied: "Sir, what can I say about the opinion of this expert body? My knowledge of vaccine is limited."

Mr. Agnibhoj asked what was the commercial purpose for which monkeys were used in India. The minister said the questioner also belonged to India and should know all about it.

Replying to a supplementary question by Mr. Dhage, he revealed that last year nearly 64,000 monkeys were exported. During the previous year 16,000 were exported. The polio vaccine was likely to be released by the middle of this year and for that the United States of America needed about a lakh of monkeys. It was true that the export of monkeys aroused a lot of resentment, both in the house and among the public.

[From the Statesman of April 6, 1955]

BAN ON EXPORT OF MONKEYS—MINISTER'S REPLY IN RAJYA SABHA

Export of monkeys except with the previous sanction of the Central Government has been banned with effect from March 11 last.

Mr. T. T. Krishnamachari, Minister for Commerce and Industry, who stated this in reply to a question by Mrs. Violet Alva in the Rajya Sabha on Tuesday, added that the idea of regulating the export of monkeys arose from the fact that when the Prime Minister was in London it was brought to his notice that monkeys had been subjected to inhuman treatment.

Mrs. Alva pointed out that in the relevant Government notification export of monkeys by only land and sea was mentioned. Could they be exported by air?

Mr. Krishnamachari said that a legal interpretation might suggest that export by air was allowed but that was not so.

PRESS REPORTS

Mrs. Alva said it was reported in the press that Commerce Ministry officials had assured a person that the ban would be lifted in a week.

Mr. Krishnamachari: "I can't see how they have been authorized because I still happen to be the Minister."

In reply to many suplementaries about the use monkeys were put to in the United States of America, Mr. Krishnamarchari said the Government would give due regard to international codes in this regard. He had been assured by responsible men that monkeys were not used for any purpose other than medical research. As regards atomic research, Dr. Bhagha, who knew about atomic

research, had said that monkeys were not being used for that purpose.

He added that recently exports had increased because of the National Foundation of Polio Research of the United States of America having set about finding a vaccine for polio. (PTI.)

Mr. WELKER. Mr. President, will the Senator yield?

Mr. NEUBERGER. I am very happy to yield.

Mr. WELKER. The Senator from Idaho is on the floor, and he has heard nearly 98 percent of what the Senator from Oregon has said.

Mr. NEUBERGER. I am happy the junior Senator from Idaho is on the floor. I was on the floor a few days ago when he delivered his very appropriate remarks about the bungling which had taken place in the handling of the Salk vaccine program in Idaho. I merely wished to emphasize the fact that the only way the vaccine can be tested for safety is with the use of rhesus monkeys imported from India.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. Is the question now on agreeing to the committee amendment on page 3, line 14, which would reduce the amount from $61 million to $51 million?

The PRESIDING OFFICER. The Senator is correct.

Mr. KNOWLAND. The proviso has been separated from the amendment, and it will be considered later; is that correct?

The PRESIDING OFFICER. The Senator is correct. The question is on agreeing to the first part of the committee amendment on page 3, line 14. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. BRIDGES. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New Hampshire will state it.

Mr. BRIDGES. Is the Senate now to vote on the amendment offered by the Senator from Minnesota [Mr. HUMPHREY] to increase the amount, or is the vote on the committee amendment?

The PRESIDING OFFICER. The vote comes now on the first portion of the committee amendment on page 3, line 14.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. A vote "nay" is a vote to restore the House language providing for $61 million, and a vote "yea" is to keep the Senate figure of $51 million?

The PRESIDING OFFICER. That is correct. The clerk will call the roll.

The Chief Clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Delaware [Mr. FREAR], the Senator from Georgia [Mr. GEORGE], the Senator from Washington [Mr. JACKSON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

I further announce that if present and voting, the Senator from Delaware [Mr. FREAR], the Senator from Georgia [Mr. GEORGE], the Senator from Washington [Mr. JACKSON], the Senator from Texas [Mr. JOHNSON], and the Senator from Washington [Mr. MAGNUSON] would each vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is necessarily absent.

The Senator from New Hampshire [Mr. COTTON], the Senator from Nevada [Mr. MALONE], the Senator from Pennsylvania [Mr. MARTIN] are basent on official business.

The Senator from Ohio [Mr. BRICKER] and the Senator from Kansas [Mr. SCHOEPPEL] are detained on official business.

If present and voting, the Senator from New Hampshire [Mr. COTTON], the Senator from Vermont [Mr. FLANDERS], and the Senator from Kansas [Mr. SCHOEPPEL] would each vote "yea."

The result was announced—68 yeas, 16 nays, as follows:

YEAS—68

Aiken	Eastland	Millikin
Allott	Ellender	Monroney
Anderson	Ervin	Mundt
Barkley	Goldwater	O'Mahoney
Barrett	Gore	Pastore
Beall	Green	Payne
Bender	Hayden	Potter
Bennett	Hickenlooper	Purtell
Bible	Hill	Robertson
Bridges	Holland	Russell
Bush	Hruska	Saltonstall
Butler	Ives	Scott
Byrd	Jenner	Smathers
Capehart	Johnston, S. C.	Smith, Maine
Carlson	Kerr	Smith, N. J.
Case, N. J.	Kilgore	Stennis
Case, S. Dak.	Knowland	Thurmond
Chavez	Kuchel	Thye
Clements	Langer	Watkins
Curtis	Long	Welker
Daniel	Martin, Iowa	Williams
Dirksen	McCarthy	Young
Dworshak	McClellan	

NAYS—16

Douglas	Lehman	Neuberger
Duff	Mansfield	Sparkman
Fulbright	McNamara	Symington
Hennings	Morse	Wiley
Humphrey	Murray	
Kennedy	Neely	

NOT VOTING—12

Bricker	George	Magnuson
Cotton	Jackson	Malone
Flanders	Johnson, Tex.	Martin, Pa.
Frear	Kefauver	Schoeppel

So the committee amendment was agreed to.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The next committee amendment will be stated.

The next amendment was, on page 3, line 14, to strike out:

Provided, That of the funds made available by this act, no more than $50 million shall be available for assistance to India exclusive of funds provided for assistance authorized in section 304 (b) of the Mutual Security Act of 1954, as amended;

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. KNOWLAND. Mr. President, I respectfully suggest that since the Chairman of the Committee on Appropriations read several paragraphs from the letter he received from the International Cooperation Administration, he might place the entire letter in the RECORD at this point.

Mr. HAYDEN. Mr. President, I ask unanimous consent that I may do so.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INTERNATIONAL COOPERATION ADMINISTRATION,
Washington, D. C., July 22, 1955.

Hon. CARL HAYDEN,
Chairman, Committee on Appropriations, United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: I am writing to you to express the sincere hope of the Department of State and the International Cooperation Administration that it may be possible for the Congress to reconsider the proviso contained in H. R. 7224, as reported by the Senate Committee on Appropriations (Rept. No. 1033) on page 3, lines 14 through 18, reading as follows:

"*Provided*, That of the funds made available by this act, no more than $50 million shall be available for assistance to India exclusive of funds provided for assistance authorized in section 304 (b) of the Mutual Security Act of 1954, as amended."

It is our understanding that your committee inserted this proviso for the purpose of insuring that the administration would not seek, through the use of transfer provisions or other special authority vested in the President, to furnish development assistance to India over and above the amount specifically appropriated by the Congress within the authority of section 201 (a) (2) of the Mutual Security Act of 1954, as amended.

I wish to assure you that the International Cooperation Administration intends to comply fully with the intent of the Congress with regard to the amounts and types of assistance to be furnished to India, as well as to all other recipients of assistance under the Mutual Security Act. I urge the deletion of the foregoing proviso, however, because I feel that it tends to limit the flexibility authorized to the President under the basic mutual-security legislation to an undesirable degree.

Specifically, I feel that it is essential that the President's Fund for Asian Economic Development be available for use in those parts of Asia where it will do the most good in terms of the long-range future development of the entire region. It is impossible to think of the orderly development of this area without considering the role which India, as its largest country, must play in that development. It is quite conceivable that regional projects, involving joint resources of countries such as India and Japan may be developed which will be of great importance not only to those two countries but to other free Asian nations as well. For this reason, I would like to preserve for the President the authority to use a part of the Asian Development Fund for assistance in projects of a regional nature which may involve India. You have my assurance that if such authority is permitted, it will not be used by the International Cooperation Administration in a manner which increases the amount of funds for the bilateral development assistance program with India.

The elimination of the above proviso would have another very important effect. As it now reads, the proviso would prevent the President from exercising his emergency powers under section 401 of the Mutual Security Act, insofar as India is concerned. This would mean that if, during the course of the fiscal year, an unforeseen emergency should arise in that country, which in the opinion of the President called for immediate and decisive action by the United States Government, he would be powerless to move.

A less serious effect of this proviso, but along the same general lines, is the inability to pay the ocean freight costs, under section 409 (d) of the Mutual Security Act on the shipment of surplus agricultural commodities to India under Public Law 480, either for distribution to needy persons through voluntary agencies or to meet situations created by natural disasters. As in the case of the President's Fund for Asian Economic Development, you may have my complete assurance that the International Cooperation Administration would not recommend invoking the emergency powers under the Mutual Security Act in a manner which would supplement the funds appropriated by the Congress for Development Assistance to India.

For the reasons given above, and in consideration of the assurances expressed herein, it is the earnest desire of the Department of State and the International Cooperation Administration that action be taken, if possible, to delete the above proviso, which I sincerely believe might seriously hamper the progress of economic development in the region of Free Asia and deny to the President the full use of his emergency powers.

Yours very sincerely,

JOHN B. HOLLISTER.

Mr. BRIDGES. Mr. President, do I understand correctly that the chairman of the committee now asks that the committee amendment be rejected?

Mr. HAYDEN. In the light of the commitment made in the letter, which is now in the RECORD, I ask that the Senate reject the amendment.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on line 3, page 14.

The amendment was rejected.

The next amendment was, on page 3, line 24, after "304 (b)", to strike out "$125 million" and insert "$130 million."

The amendment was agreed to.

The next amendment was, on page 4, line 13, after "405 (a)", to strike out "$10 million" and insert "$12,000,000."

The amendment was agreed to.

The next amendment was, on page 4, line 20, after "405 (c)", to strike out "$1 million" and insert "$1,400,000."

The amendment was agreed to.

The next amendment was, on page 5, line 4, after "407 (b)", to strike out "$56,366,750" and insert "$60,366,750", and in line 5, after the amendment just above stated, to strike out "and in addition not to exceed $3,633,250 of the unobligated balances of funds appropriated under the head 'Palestine Refugee Program' in the Mutual Security Appropriation Act, 1954, are continued available through June 30, 1956, for the purposes authorized by section 407."

The amendment was agreed to.

The next amendment was, on page 5, line 16, after "409 (d)", to strike out "$10,000,000" and insert "$13,000,000."

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, have we passed through lines 12, 13, and 14, on page 5? I wish to offer an amendment on page 5.

The PRESIDING OFFICER. That is not in order at this time.

Mr. HUMPHREY. Is the Senate now considering only committee amendments?

The PRESIDING OFFICER. The committee amendments are being disposed of first.

Mr. HUMPHREY. Do I correctly understand that we shall return to the original language of the bill as passed by the House?

The PRESIDING OFFICER. The bill will then be open to amendment.

The clerk will state the next committee amendment.

The next amendment was, on page 6, line 1, after "418 (b)", to strike out "$100,000,000" and insert "$150,000,000 to remain available until June 30, 1958."

Mr. ELLENDER. Mr. President, this is the so-called Asian regional development fund. Under the bill, the President has three funds from which to draw. One of them consists of $50 million. This amount may be obtained by transferring funds from the various appropriations in this bill. The second fund is $100 million, which is specifically appropriated to him in the bill to be used as he sees fit. He can donate it; he can allocate it on a loan basis. He is the master of what can be done with the $100 million, and with the other $50 million which he can transfer from other appropriations in this bill.

The third fund is the item which is now under discussion—the $200 million budget request for a so-called Asian regional development fund. The House has reduced the amount from $200 million to $100 million.

It strikes me that the evidence which was presented to the House Committee on Appropriations as well as that presented to the Committee on Appropriations of the Senate makes it imperative that the Senate adopt the House figure of $100 million.

It will be recalled that some time ago a statement was made by Mr. Stassen that a Marshall-aid plan for Asia was in the offing. There was quite some controversy about it, so much so that the idea was ostensibly abandoned.

Yet, we have before us tonight a 3-year plan, which is nothing but a Marshall-aid plan for Asia. I wish to refer to the hearing held before the Senate committee. I call attention to the following testimony:

Senator ELLENDER. Then this Asian development program does not differ materially from that which you suggested earlier this year except as to amounts?

Mr. STASSEN. That is right.

In other words, it is the same Marshall plan for Asia which Mr. Stassen advocated in the early part of the year, and which did not meet with approval in the press, in public opinion, in the Halls of Congress, or even among some members of the President's Cabinet.

The evidence shows that this is a long-range program, one which is similar, as I have indicated, to the so-called European Marshall plan which we so generously financed. I shall read from the hearings held in the House, page 446:

Mr. DENTON. This is a new program?

Mr. STASSEN. Yes. This is what the President has described as the arc of free Asia to defeat the Communists in that area. Unless we get into an early war, I think this will be the most important money in this next fiscal year. It is a long-range proposition, but it is the place where the Communists are putting on their big effort.

I ask Senators to bear this testimony in mind. This is a long-range proposition. The moment we start it, there will be no end to it.

On the basis of this testimony, plus the fact that our own foreign-aid officials have admitted that they could not obligate more than $100 million during the 1956 fiscal year, the House cut the request in half. The House appropriated for the Asian Marshall plan only that money which the foreign-aid planners said they could obligate during the next fiscal year. Let me read the testimony on that point. Mr. Normal Paul was testifying, and I questioned him, as follows:

Senator ELLENDER. I would like to ask the witness a few questions about this $200 million item for Asian development.

I think the House cut that in half because it was stated by Governor Stassen that $100 million of this would not be used until fiscal year 1957, or some such language.

What do you have to say about that?

Mr. PAUL. It is true, Senator, that we estimated that, of the $200 million authorized, we would obligate only $100 million during this coming fiscal year.

Acting on the evidence to which I referred in my questioning of Mr. Paul, the House cut the figure back to $100 million. The Senate Appropriations Committee increased the amount to $150 million.

The administration has admitted that it has not yet planned just how it will spend even the $100 million approved by the House. They have submitted in their justification some sample projects which they consider to be worthy, but there is no specific outline of just how the money will be used. As a matter of fact, no such outline exists. All the foreign-aid planners have is a "guesstimate," as Mr. Paul put it.

Let me run down the information so that the Senate can see what we may be getting into. These are some of the sample schemes our planners have worked up; these are some of the ways in which the President's fund of $200 million may eventually be spent:

Regional or subregional development projects:

(a) The Mekong River development.

(b) Fisheries—Exploration and development.

(c) Projects related to natural-gas development.

(d) Minerals exploration, transportation, and development.

(e) Transport and communications development.

2. Production projects.

(a) To provide, through participating country or its financial institutions, a portion of the foreign exchange cost of a new enterprise.

(b) To provide the minimum amount of foreign exchange required to permit the establishment of small local industries.

3. Regional training centers.

(a) Agricultural training center.

(b) Regional management training center.

(c) Regional training center for development of small scale labor intensive industry.

(d) Testing laboratory for agricultural implements and machinery best adapted to rice and other crops in that area.

Mr. President, it is not my purpose to detain the Senate with the details of the sample projects, but some of them are incorporated in the document I have in my hand, and I ask unanimous consent that it be printed in the RECORD at this point in my remarks.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

ASIAN REGIONAL DEVELOPMENT

ILLUSTRATIVE PROJECTS

In presenting the following illustrative projects which might receive financial assistance from this fund, no country-by-country breakdown of fund allocations is being proposed, since the fund will be used to support meritorious projects as they are developed by countries in the area. Similarly, the projects are not subdivided between technical assistance and capital development categories of aid. In most of the projects technical assistance would be required preliminary to and as a basis for the investment of capital either from the fund or from other sources. It also is emphasized that illustrative projects rather than an illustrative program are presented. Several of these projects have already been subject to considerable study but, as a group, they are intended to illustrate the types of activities for which the fund might be used rather than as projects to which the United States Government is in any way committed.

1. Regional or subregional development projects

(a) The Mekong River development: Thailand, Laos, and Cambodia all have a vital interest in the irrigation, transportation, and power potential of this large river basin in one of the most crucial areas of Southeast Asia. Such potential uses would require careful exploration and engineering studies of all aspects of the problem. A portion of the costs of this project, including initial surveys and evaluation, might be met from this fund. Inland navigation, power for Laos, Cambodia, and Thailand, irrigation, and development of the abundant timber resources of the area, could all be derived from this development.

(b) Fisheries: Exploration and development: The fish resources of this region are very extensive, but, except for Japanese fisheries and limited coastal fisheries in most of the other countries, their exact locations are not known with certainty and the techniques involved are primitive and in many cases destructive of basic fish resources. Some intraregional technical assistance is already being provided by Japan but organization on a regional basis and the necessary minimum financial support is not available. The successful implementation of this project could add greatly to the protein supply in the area. Some capital could also be profitably invested in refrigeration and other facilities on a country-by-country basis and loans from the fund combined with private and governmental resources could be soundly utilized.

(c) Projects related to natural gas development: The further development of uses of Pakistan's natural gas deposits at Sui, in which some British private capital and IBRD funds have already been invested, would permit the establishment of important industries such as fertilizer production, which is in short supply in the region, particularly in India and Afghanistan. A fertilizer plant is under consideration in Hyderabad using Sui gas; its products might be available to northern India. Similarly, another plant could be built in west Bengal (India) with part of the production going to east Bengal (Pakistan) where no gypsum or other raw materials are available for fertilizer. This would economize on transportation costs and further encourage cooperation between the two countries. Part of the financing of such projects may be obtained from private resources or from established lending institutions. However, the uncertainty of dollar savings from fertilizer production and sale in the subcontinent may make some loan financing from the regional fund desirable to encourage the undertaking of the joint natural gas and fertilizer projects.

(d) Minerals exploration, transportation, and development: In most of the countries of free Asia, mineral resources are known to exist, but the full extent, quality, and grade of such resources are only superficially realized. In the Philippines, Afghanistan, and, to a limited extent elsewhere, work is going forward under country programs to survey and evaluate some of these resources. The Economic Commission for Asia and the Far East has also done some work on a regional basis on general geological surveys. With the help of technicians, such as the Japanese who are knowledgeable on the requirements of their countries for mineral products, a considerable amount can be done of a regional technical assistance nature. There has been an indication that a good deal of local capital in the south and southeast Asian countries, and Japanese capital, may be available for investment in this industry. Some investment has already occurred, for example, in the Philippine iron and copper resources. There is, however, an important deficiency of roads, short-line railroads, and harbor facilities required to expand the output and reduce the cost of minerals production, both for domestic use and export. These facilities cannot be financed, in most instances, by private interests, due to the risk involved and because they are needed for other uses as well, and their costs should not at all rest on the mining industry. Governments should usually be able to undertake the cost if long-term, low-interest loans are made available. Examples are the rail, loading, and production facilities involved in the development of the iron-ore resources of India. This project has been under study for about 2 years by Japanese and Indian authorities. The ore is of good quality and its export only requires the construction of rail and port facilities. The development of larger Indian-Japanese trade is important to the economic unity and strength of the area as a whole. Some private investment, possibly to provide for initial processing of the ore in India, might be associated with this undertaking.

(e) Transport and communications development: In several major portions of the region, improved transportation and communications, especially across land frontiers, would contribute very substantially to the mutual economic development of two or more countries. This is particularly true in the Indian subcontinent where between India and Nepal, Pakistan, and Afghanistan, and between east and west Pakistan, transport and communications are unsatisfactory. The political relationships and cohesion of the area are thereby retarded. Prejudices and rivalries stemming from the past together with the strained financial resources of the countries involved, prevent a satisfactory solution to these problems. Allocations of funds under this program could, if combined with local resources, and perhaps technical assistance, act as a lever to accomplish some of these undertakings.

For example, inland water transportation between Calcutta and points in east Pakistan could be substantially improved by the adoption of modern tugs, barges, and other inland water craft. A United Nations expert from Holland has already made a survey of this project. It involves the purchase and demonstration of equipment estimated at about $2 million. The United Nations Technical Assistance Administration might be able to furnish the technicians required if the equipment were available. In view of the importance of inland river transportation to many countries of south and southeast Asia, this project would be of substantial demonstrative value throughout the area. In order to assure proper servicing of the water craft, a training center for diesel-engine mechanics would be established which would service the equipment, as well as train mechanics for servicing vessels in the future.

2. Production projects

Increases in the productivity of free Asian countries requires a combination of capital investment, technical knowledge, and initiative and management, none of which are now present in adequate quantity. Some of the suggestions made below for regional training projects would contribute substantially to meeting the last 2 of these 3 requirements. Private foreign ventures in the area, in combination with local interests, would contribute to all three. Increasing attention is being paid to ways of bringing about such investment in United States programs. Long-term loans from this fund cannot meet any large portion of the capital investment that would be required in industrial categories to cope with problems of unemployment and low productivity in the area. However, it is intended that such funds, in cooperation with internal and external private investment, and other resources, be used to encourage small- and medium-sized industrial projects. This may be done under one or a combination of the following techniques:

(a) To provide, through a participating country or its financial institutions, a portion of the foreign exchange cost of a new enterprise where a concern in an Asian country has entered into an arrangement for a joint venture with an American company, principally to utilize the latter's technical and managerial capacities in the initial years of construction and operations. Financing from the fund would be on a loan basis and usually through a local financial institution. The American concern might also invest capital in the project, perhaps in sufficient amount to retain control. Such an arrangement might be made in a situation where otherwise, either the host government might not encourage foreign investment to take place because of the future foreign exchange costs of profit and capital remittances involved, or where an economical unit would require an investment by the American company beyond its desire to risk its capital in the venture. The United States would look to the participating country for repayment.

(b) To provide the minimum amount of foreign exchange required to permit the establishment of small local industries where, owing to limitation of the local market or other economic hazards, the risk involved is substantial, but where the industry would contribute in large measure to employment opportunities or to the fuller utilization of indigenous materials. Industries which might qualify for assistance are those in which local investors are willing to risk capital, but not foreign investors, and where the foreign exchange position of the country does not permit an allocation of dollars to purchase equipment. In the Philippines, a device has been utilized under which the commercial banks, which had not previously been willing to invest capital in long-term small-industry loans, were willing to do so when the necessary foreign exchange and certain loans and guaranties from the counterpart fund were made available to them. Simple farm machinery, furniture, forest products, housing materials from indigenous raw products, improved rice and fish processing plants are examples of industries adaptable to Asian countries. The United States would look to the governments concerned for repayment.

3. Regional training centers

As is well known, Japanese agricultural techniques, as evidenced by crop yields, the use of fertilizer, and diversification and quantity of agriculture products, are well in advance of most other countries in the Far East and South Asia. Consequently, the establishment in Japan of an agricultural

training center, which might train several hundred participants from other Asian countries each year, has been proposed by the Japanese Government. Participants from India, Indonesia, and other countries are already visiting Japan in substantial numbers. No insurmountable political or other problems seem to be associated with this project, and it is strongly recommended by those conversant with Far East agriculture problems.

Together with the shortage of capital and engineering and other technical capacities, the lack of business initiative and skill is conceded to be a major impediment to industrial and other economic advances in the private sector of Asian economies. Reputable institutions for business education are not available in most of these countries. The establishment of a regional management training center would greatly reduce the cost and the time involved in acquiring training of sufficient thoroughness to meet practical requirements in the region. The association with such business training center of a United States educational institution of appropriate stature is proposed. In the same general category would be some additional assistance on a regional basis to the Agricultural College of the University of the Philippines, to which we have been making a contribution for some time, and which requires only a modest amount of additional support to make it a valuable organization for regional training and scientific agriculture.

Japan has built up her home and small scale industry to the point where it constitutes a significant segment of her total industrial structure. In most other countries of the region beginnings have been made, but usually the development of efficient production and distribution facilities has not yet occurred. The utilization of Japanese techniques together with the pooling of the most efficient special skills and experiences of other countries in a regional training center seems to offer considerable promise of developing small scale labor-intensive industry. The need for this to cope with unemployment, to produce simple consumer goods required to meet local demands and reduce foreign exchange expenditures, as well as produce for export, is everywhere apparent.

Governments and experts familiar with the needs for available training centers in the area have suggested a large number of other fields in which the specific aptitudes of one country could be utilized for the betterment of a substantial grouping of other countries. Nearly all of these undertakings could be tied in one way or another to United States educational, or other research and training organizations, with the help of reasonably modest allocations from this fund. One example would be a regional testing laboratory for agricultural implements and machinery best adapted to rice and other crops of the area. A large variety of such tools are presently utilized in the different countries with very little standardization or interchange of technical information. Improvements and standardization of these tools would not only increase the efficiency of agriculture, but might give rise to small or medium scale local industries to produce them in some of the countries for both domestic and export markets. Japan, of course, might derive substantial benefit from this in expanding her markets in Southeast Asia, but other countries such as the Philippines, India, and Pakistan might also develop specialized production based on regional requirements.

The organization of these and other regional training facilities, possibly under the aegis of the Colombo plan organization, offers many opportunities, not only of raising the incomes and coping with other economic problems of the countries of the region, but also of developing associations and relationships of great value from a political and security point of view.

Mr. ELLENDER. Mr. President, I wish to emphasize that none of these projects are planned. Our planners are simply reaching into the air for this sum, and they do not know where the money is going to be spent, or how. The whole scheme is based purely on guesswork. That is what caused Mr. Stassen, as well as Mr. Paul, to indicate to the committee that no more than $100 million could be obligated during the coming fiscal year.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. ANDERSON. Do I understand correctly that testimony was given and was not at any subsequent time refuted?

Mr. ELLENDER. The Senator is correct.

Mr. ANDERSON. The only estimate was that the $100 million was to be used this year?

Mr. ELLENDER. This year only $100 million would be obligated, that is correct.

Mr. ANDERSON. And another $100 million would be used next year, or might be used?

Mr. ELLENDER. The testimony was that only $100 million could be obligated this fiscal year. If Congress appropriated $200 million, it could not be obligated this year, but would have to be obligated in future years. Just when it would be obligated, or even spent, is not known.

My point is we should not appropriate more than our planners can obligate this fiscal year. If more money is needed, a request can be made next year.

Mr. President, just a week ago the President told Congress that he would not spend money the Congress recently appropriated to begin work on some domestic water conservation navigation and flood-control projects until more detailed planning on them was complete.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SMITH of New Jersey. Did I understand the Senator correctly to say that the testimony given was to the effect that only $100 million could be used?

Mr. ELLENDER. Only $100 million could be obligated during the 1956 fiscal year.

Mr. SMITH of New Jersey. When Mr. Hollister was quoted in the press, Mr. Hollister said he was quoted incorrectly. The $200 million must be appropriated, because the projects would extend over a 2-year period. Under the rules, projects cannot be authorized and commitments cannot be made unless the money is appropriated.

Mr. ELLENDER. Mr. Hollister did not testify before the committee. Mr. Hollister did say—he was quoted in the New York Times as saying—that it made no difference to him if only $100 million were appropriated; that they could not use more than $100 million.

Mr. SMITH of New Jersey. I took the matter up with Mr. Hollister. He wrote me and the chairman of the committee a letter in which he said distinctly that an appropriation of the $200 million was desirable because they needed the appropriation so that they could make commitments.

Mr. ELLENDER. Mr. Hollister may have written to correct what he was quoted as having said in the New York Times, but Mr. Hollister never appeared before our committee. I have quoted from testimony given by Mr. Stassen and Mr. Paul, and it indicates that only $100 million can be obligated this coming fiscal year. I would be willing to bet a hat that even that $100 million will not be obligated and that there will be a carryover of most of that money.

Mr. President, as I indicated a moment ago, the President told Congress less than 10 days ago that he would not spend money appropriated to begin work on some domestic water conservation, flood control and navigation projects until more detailed planning was complete.

All of us are familiar with what the President said about the 107 projects, to the effect that because of a so-called lack of planning and because the projects were unbudgeted, the money might be, in effect, impounded. At best, it would not be spent.

Mr. President, I ask unanimous consent that an excerpt from the statement by the President be printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

> The second matter which concerns me is the large increase in the number of new construction starts for the Corps of Engineers and the Bureau of Reclamation.
>
> Many of these projects which have been added by the Congress have not had detailed engineering studies completed. As a result, we have no basis for determining their financial soundness and their ultimate cost to the Federal Government.
>
> In all, 107 unbudgeted projects were added by Congress. We can only guess what their total cost to the taxpayers will ultimately be because of this lack of detailed engineering studies on many of them. The best guess that can be made at the present time is upwards of $1,500,000,000, but when planning is completed, this guess, in the light of past experience, may well prove to be far too low. While the first-year appropriations made in this bill amount to only about $47 million, the appropriations and expenditures in future years will increase sharply and quickly reach a half-billion-dollar level.
>
> As a consequence of these considerations, initiation of the added projects cannot be undertaken until the detailed engineering plans have been completed and we have a sound basis for cost estimates. In the case of projects involving reimbursable items, such as electric power and water supply, we must be assured that satisfactory financial arrangements have been completed for return of the Federal investment.
>
> The public is entitled to this measure of protection to the tax dollars that go into the construction of these projects.

Mr. ELLENDER. Yet almost in the same breath we are being asked to appropriate $200 million to finance a variety of public-works projects in Asia. The administration does not even know what they will be—where they will be located—how much they will cost—what benefits they will provide. I find it hard to reconcile the attitude expressed in this request for an Asian Marshall plan, and the attitude expressed with reference to much needed projects here at home.

Mr. ANDERSON. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. ANDERSON. Did I understand the Senator from Louisiana a few moments ago to refer to rice projects which are going to be started?

Mr. ELLENDER. Yes.

Mr. ANDERSON. I understand we have a great rice surplus in this country, and farmers who raise that crop are being asked to help subsidize such projects. Is that correct?

Mr. ELLENDER. That is correct, and I think it is unconscionable. That is one of the reasons I oppose this program.

Mr. JENNER. Mr. President, will the Senator from Louisiana yield to me so that I may request the yeas and nays on this question?

Mr. ELLENDER. I yield for that purpose.

Mr. JENNER. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, for my own part, I would like to see the full amount removed. I do not want our country to get bogged down in a Marshall plan for Asia. But the sentiment of the Congress seems otherwise. Under the circumstances, I ask the Senate to give our foreign aid planners only the amount of money they can actually obligate during the next fiscal year. This is the only prudent course to follow. I would also suggest that next year our planners come in with more definite information on some of the projects they contemplate. Under no circumstances should the Congress be compelled to write a blank check for this amount of money.

Mr. President, I hope the Senate committee amendment will be rejected, and the House figure of $100 million will be retained in the bill.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. RUSSELL. I wish to commend the distinguished senior Senator from Louisiana for the very valiant effort he has made to keep this program within proper proportions. I must say to him that the fact that he has urged that a part of the money cannot be spent will not prevail on the Senate, because the Senate votes for what is asked and not for what can be spent or what is needed. Nevertheless, I commend the Senator from Louisiana for the effort he has made to keep the program within reasonable bounds.

Mr. ELLENDER. I thank the Senator from Georgia.

Mr. DIRKSEN. Mr. President, what the distinguished senior Senator from Louisiana has said about two funds is quite correct. First of all, there is a special Presidential fund of $100 million. The distinction between the two funds is that the Asian development fund is limited entirely to Asia. The other Presidential fund can be used for any purpose anywhere in the world.

I think we ought to discuss that one fund a little, in the interest of clarity. My colleagues will remember the Guatamalan situation, which filled the headlines sometime ago. There was no money available to be used to rectify that situation and help put Castillo, who was on our side, in power. So the President of the United States took money out of the $100 million fund and used it to keep Guatemala on even keel.

My colleagues will remember when Prime Minister Mossadegh in Iran was in difficulty. It looked for all the world as if the Soviet orbit was going to be extended down through Iran and to the Persian Gulf. The President of the United States dipped into that special fund for $20 million, and today we are on pretty good ground in Iran.

There was a drought in Yugoslavia, and there was real difficulty there, and the President of the United States dipped into the special fund to help the cause.

There was a flood in the Danubian Valley, and when I was in Vienna about 3 weeks ago it was said that it was the worst flood in 50 years. It could have had some impact on the ultimate outcome of the Austrian Treaty. The President, being able, if necessary, to use the funds on an unvouchered basis, was able to use money in that area and salvage the situation. It is probably the best money this country ever spent. With the President having a special fund available, which he can use at any time——

Mr. ELLENDER rose.

Mr. DIRKSEN. Mr. President, the Senator from Louisiana has had his time in which to speak, and I ask him to let me proceed.

Mr. ELLENDER. I desire to ask a question of the distinguished Senator from Illinois. I hope he does not object to a question.

Mr. DIRKSEN. Mr. President, I wish to proceed for a further moment.

Now we come to the Asian development fund of $200 million. What the distinguished Senator from Louisiana has said is absolutely correct, in so far as the testimony is concerned.

Mr. ELLENDER. Yes.

Mr. DIRKSEN. It is true that Governor Stassen testified before the House committee that he did not believe they could obligate more than $100 million. I believe 1 or 2 other witnesses made the same statement. But what is forgotten is that we fail to go back to primary sources for information. The Appropriations Committee did not write the authorization bill. The authorization bill was written in the Senate Foreign Relations Committee. In respect thereto, when the justification came to us, what did the executive branch of the Government say? I shall read that statement; it appears in section 3, on page 345 of the justifications:

> It would be highly desirable not to require that the obligation of this special fund be completed during the fiscal year 1956.

They did not ask that all of it be obligated. But what they wanted was a chance to program it.

When the Foreign Relations Committee reported the bill with the inclusion of that fund, the committee provided that it would be a 3-year fund, extendtending to June 30, 1958. So this program is to cover a period of 3 years. They did not ask to obligate all of it in 1 year. But if $100 million is obligated in the first year, what will be left for the other 2 years of the program?

The important factor in all this situation is the times. The sixth largest river in the world flows through the Asian arc; it is the Mekong River. If we are to do anything with the development of that river, by way of hydroelectric developments or other developments, it will take several years even to get the engineering under way, and it will be necessary to deal with four separate countries. That is why the President emphasized that this development must be on a regional or group basis.

Similarly, let me say there are some oil pockets in Pakistan; and in developing them it will be necessary to deal with Pakistan, Nepal, and India. To deal with those three nations, on the one hand, and with the United States on the other, will take a little time. If we have no money available when the time comes, we shall be frustrated and stopped.

Mr. SALTONSTALL. Mr. President, will the Senator from Illinois yield to me?

The PRESIDING OFFICER (Mr. BIBLE in the chair). Does the Senator from Illinois yield to the Senator from Massachusetts?

Mr. DIRKSEN. I yield.

Mr. SALTONSTALL. I understand that the whole purpose of the fund is to make it possible to continue the work for more than 1 year. So unless we have the money on hand now, none of these countries will proceed with the developments, because they cannot be certain what will be available next year.

Mr. DIRKSEN. That is entirely correct.

For instance, there has not been a year in recent times when Admiral Radford has not testified before the committee that they have had to start on a contract-authorization basis. That has been done; and this item follows that entire thesis.

Mr. SALTONSTALL. And the entire purpose of providing for the funds to continue to June 30, 1958, is to permit the planning for more than 1 year at a time.

Mr. DIRKSEN. Entirely so. If there is to be development of the Mekong River, it will take time to get Laos and Cambodia and Vietnam into the picture. Such things cannot be done overnight.

The House of Representatives voted $100 million, and the Senate committee voted $150 million. The committee's theory in taking that action was that, if the $100 million voted by the House of Representatives was found to be a little on the short side, we should add $25 million, so that the work would not have to be cut short because of the reaching of a certain limit; and then we provided for an engineering fund, so that some of the money could be used for engineering purposes. That is the entire theory.

There is the Presidental special fund, and the estimated amount for it has been reduced.

However, this fund is limited entirely to Asia; and I remind my colleagues that 50 percent of the fund must be in loans, not in grants; and not in excess of 25 percent of the fund can go to any one country.

Inasmuch as the Senate passed by a very resounding vote the authorization bill, providing for a 3-year Presidential fund to run until 1958, it would come with poor grace if we were to tie the hands of those who are to direct the work, and who have a very good idea of what the purpose is.

It is said that the details in this case are vague. Of course they are, because not even the engineering plans can be begun until funds are available to send engineers—in this case, to send them to the Mekong River, and to the Kosi River, in Nepal or to have them do a proper job in connection with refrigeration for the fishing industry, or to prospect or explore for minerals, in which the Asian arc is very rich, indeed.

How is a start to be made? How are we to help them? The one thing which must be done is to enrich those countries a little, from the resources they have. In view of the 50-percent limitation and in view of the 25-percent limitation on the amount of the fund which may be spent in any one country, I believe this proposal is a very good one; and I think the committee was reasonable in arriving at a figure in between, so to speak, so there would be a little more money with which to operate, and also some funds for engineering.

For these reasons, Mr. President, I hope the position of the committee will be sustained.

Mr. SMITH of New Jersey. Mr. President, I desire to commend the distinguished Senator from Illinois for his very fine exposition regarding this fund. I have studied it a great deal, and I have discussed it with many persons in different countries.

We are trying to bring some order out of chaos, especially in the case of Southeast Asia. We wish to encourage the countries of that area to get together with their plans.

As an illustration, I point out that Japan needs a steel industry, but does not have sufficient ore. There are areas, however, in India where explorations may be made for ore.

So one country must be of assistance to another, if possible. That is the President's plan. I think this is one of the most important features of the entire bill, and I sincerely hope that the committee's position will be sustained.

Mr. DIRKSEN. Furthermore, Mr. President, the amount voted by the House of Representatives is $150 million——

Mr. ELLENDER. It is $100 million, Mr. President.

Mr. DIRKSEN. That is correct; the House figure is $100 million, and the amount voted by the Senate committee is $150 million, and the budget figure was $200 million. Of course the bill must go to conference, and we do not know how this item will come out finally. The House may insist upon the $100 million. But, at least, the committee's recommendation will provide a little bargaining power for the conferees on the part of the Senate, particularly in light of the considerations I have advanced for sustaining the committee's position.

Mr. LONG. Mr. President, I wish to state briefly my position on this matter.

One strong tendency with which we must deal is that of treating foreigners so much better than we are willing to treat the people of the United States.

Not long ago the Congress passed an appropriation bill including funds for 107 projects which had been studied many times—studied both in the field and in the Pentagon, and approved time and time again by the Bureau of the Budget, and brought before the Congress; and the projects were authorized, and the authorization bill was signed by the President. However, when the appropriation bill covering those projects was passed—it contained appropriations only for projects which already had been authorized by Congress. After Congress made that appropriation, the President said—merely because some of the money had not been budgeted for this particular year—"I will not spend the money, because I want to have a study made, to see about these projects." Yet the projects had previously been approved by the Army engineers and had been authorized by the House of Representatives, and had been authorized by the Senate on two different occasions. Yet we are told by the President that the projects will not be undertaken until the President had sufficiently studied them.

Now let us consider what happens in the case of overseas projects. Let us consider the proposed development for the Mekong River, to which reference has been made. It looks as if our friends overseas are afraid that they should not go ahead with plans for the development of the Mekong River unless we are willing to put up our money 2 years in advance.

That is the statement which was made here. They are not satisfied to go along like 48 States. The 48 States in the United States are willing to take their money year by year, but our friends overseas must get it 2 years in advance. Why do we insist on treating foreigners better than we treat Americans? That is something I cannot understand.

These foreign projects have not been passed upon by Congress. They have not been authorized. They have not been studied by any Government agency, except some of our friends who wish to pass on this money to our friends overseas.

The last $50 million is for projects the people do not know about. We like to give this money away somewhere, so we are asked to appropriate the last $50 million without even knowing where the projects are. That is the difference between getting money to develop projects in this country and getting money to develop projects in some foreign country.

There is not a single project in any State, involving the construction of anything from a chicken coop to a highway, with respect to which we can appropriate money more than 1 year in advance; yet we must do it for our foreign friends. A new principle must be applied. We are told by our distinguished colleague from New Jersey [Mr. SMITH] that this is the most important thing in the bill. I suppose that is because we are establishing the principle of doing for our friends abroad what we would not dream of doing for our citizens at home.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. KNOWLAND. My good friend the distinguished senior Senator from Louisiana [Mr. ELLENDER] the chairman of the Subcommittee on Civil Functions, raised this question the other day in the Committee on Appropriations. I happen to be the ranking minority member of that subcommittee. Upon the issue being raised several days ago, I made inquiries, and was assured that no freezing of the funds was involved. It was merely desired to determine whether or not engineering studies would be available. It is my personal belief that there will be no such freezing of the funds in the appropriation bill for civil functions.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. RUSSELL. Is the Senator from California willing to state on his responsibility that these funds will not be tied up?

Mr. KNOWLAND. I will say to the Senator that to the best of my information—and I made inquiry because I was concerned, as was my good friend the senior Senator from Louisiana, chairman of the Civil Functions Subcommittee—no general freezing of the funds is involved. The only thing the Director of the Budget wished to be certain about was that before a project was started there would be sufficient engineering studies on the part of the Army engineers. I believe that, at least insofar as concerns items placed in the bill by the Senate—and I think that probably is true with regard to a great many of the items placed in the bill by the House—actually, there have been rather extensive studies made by the Army engineers.

Mr. RUSSELL. I did not ask the Senator what he thought because the Senator is the ranking member of the subcommittee and is thoroughly familiar with all the projects. I asked the Senator if he thought, on his responsibility as the leader of the administration's party in the Senate, he could say that these projects would be approved.

Mr. KNOWLAND. It is my judgment that they will be unless there are projects with respect to which there are no engineering studies.

Mr. RUSSELL. That is a very indefinite statement, so far as I am concerned.

Mr. LONG. Mr. President, I wish to make this statement with regard to the development of this country. Among the 107 projects for which money was appropriated by an act of Congress this year, there was not a single one that had not previously been studied by the Bureau of the Budget, by the House committee, and by the House, passed affirmatively by the House, and studied and passed affirmatively by the Senate, and signed by the President of the United States, prior to the time any move was made to appropriate money for such projects.

When, finally, money is appropriated for such projects, it is appropriated year by year. It is urged that our foreign friends should not have to worry about that hazard. It is said that if Congress appropriates a large sum of money for 1 year, the Congress might not permit the project to go ahead at full speed. That is the type thing that our people at home must worry about. With respect to projects overseas, it is urged that the principle must be established that we shall see to it that our friends overseas get their money 2 years in advance. I assume that next year or the year after there will be a proposal to extend the principle so that we may appropriate for 5 or 10 years in advance.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ANDERSON. The Senator was speaking of projects in other countries. I was looking at the justification which the senior Senator from Louisiana used. I find that in Pakistan there are some natural gas deposits which are now being exploited by British private capital, but they want some money to expand natural gas production. They are proposing to make fertilizer out of it. Is the Senator familiar with the fact that in this country fertilizer plants are facing the fact that they may have to close down, in an area where they have always had markets?

Mr. LONG. There might be some difficulty in getting some of that money if we knew what the project was going to be. It is urged that we appropriate $50 million in advance, without knowing what the projects are going to be, in order that such projects may go ahead without any cessation or slowdown, and without any study by the Congress.

Mr. ANDERSON. A moment ago the Senator heard that public spending projects might be held up because of lack of engineering studies. With respect to the Mekong River development, we are going to put up money to complete the surveys and engineering studies. Such surveys and studies will require the services of American engineers which we might use on American projects.

Mr. LONG. We shall have no opportunity to study those issues. Those who wish to commit themselves to this type of principle, and this type of loose handling of Federal money, may do so. The pending amendment, which is being opposed by my colleague from Louisiana [Mr. ELLENDER], does not relate to the $100 million which the President had available and some of which he used to go into Guatemala and other places. The $100 million is to be left with the President, to use wherever he wants to use it. He has another $50 million fund, but that is not involved here. This provision deals with the particular fund for Asiatic development. The question is whether we want to give money to them for 2 years in advance, or for only 1 year.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ELLENDER. Under the law last year, before the present act, the President had $150 million at his disposal. There was no cash involved, except that which he obtained from other appropriations in the bill of last year. This bill provides for a $100 million cash fund, in addition to the $200 million or $150 million which is being asked for the Asiatic fund. The fund to which the Senator from Illinois [Mr. DIRKSEN] referred a while ago is not disturbed. It is there, just as it was last year, with the exception that only $50 million of it can be taken from other appropriations, and $100 million is being appropriated in cash.

Mr. CAPEHART. Mr. President, will the Senator yield, in order that I may ask the senior Senator from Louisiana a question?

Mr. LONG. I yield.

Mr. CAPEHART. Is it not a fact that half of this sum is in the form of loans?

Mr. ELLENDER. Yes; that is, the $200 million.

Mr. CAPEHART. The $150 million. Half of it is in the form of loans.

Mr. ELLENDER. That is correct.

Mr. CAPEHART. Of course, the Export-Import Bank, and the International Bank, for which we appropriate money, are in a similar position. We never know in advance to whom they are going to lend money. Therefore, half of it can be taken out of the category which Senators are discussing.

Mr. ELLENDER. But that is not usually done.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ANDERSON. Let me ask one final question. I notice that rice production is mentioned. Is the Senator aware of the fact that the Committee on Agriculture and Forestry has been holding hearings on a two-price system for rice, because rice farmers are trying to produce enough rice to pour into the breadbasket of the world? They increased their production in this country from 30 million hundredweight to 59 million hundredweight. Now it is proposed to cut American production back to 40 million hundredweight. The rice production project abroad would fit very nicely into that program.

Mr. LONG. I did not realize that rice production was involved. That is the kind of thing citizens of America would like to ask about, while we go forward with developmental programs. What has this program to do with the average American citizen? If we approve the appropriation in its present form, there will be no opportunity to ask questions.

Mr. HUMPHREY. Mr. President, I think there have been some very strong and valid arguments made against the appropriation of this substantial sum of money. I was particularly impressed by the failure to program under the $150 million appropriation. I brought this issue up in the Senate Foreign Relations Committee, as was done a year ago, when the junior Senator from Montana [Mr. MANSFIELD] brought up the question of the special weapons fund. It was a special fund for special weapons for which no one had any designs or about which no one knew anything at all.

I wish to point out, however, that, as the Senator from Indiana has indicated, 50 percent of the fund is for loans. That is mandatory; 50 percent of the money must be used on a loan basis.

Another factor which ought to be emphasized for the judgment of the Senate is that the fund is a regional fund for the purpose of regional projects as well as individual nation projects. Therefore, there may be times when it will be necessary to have cooperative relationships exist between neighboring States in regional pacts, which pacts may not be completed at this time. Yet the fund would be necessary for proper programing.

However, Mr. President, I believe the real point about the fund is this. I have had it in mind for a long time, and I have witnessed it here in the Senate tonight. We have cut aid for certain countries. A moment ago we cut $20 million from the budget estimate of a programed program which had been outlined, tabulated, presented, and documented. I refer to the India program. We cut $20 million from that.

If we can cut $20 million from a programed program, I believe we can certainly cut a little out of a nonprogramed program.

I say very frankly that I know one of the reasons this fund was provided is that the administration knew that someone in the Senate would do just about what we did in cutting funds. If Senators do not mind my saying so, their chickens are coming home to roost. Senators who are in favor of the committee amendment are about to lose one more vote, and that is my vote. I had it a few moments ago when I saw a cut made in the India program that had been presented to our committee. It is a program for a nation that needs it. It is for a nation which had a long-term commitment from our Government for its 5-year plan.

We cut $20 million out of that program because we do not like what Mr. Nehru is saying. Mr. President, at least we know what Mr. Nehru is saying.

I do not know what the $150 million fund is for specifically. I voted for it in the authorization bill because I saw the necessity for the President to have flexibility. I am in favor of the President having flexibility in connection with our foreign policy.

While I have the floor, let me say very frankly that if there is any danger facing this country today it is the fact that we are prejudiced about Asia. It is a fact that there is too little constructive thinking going on about Asia. It is a fact that in Geneva the Soviet Union may now be ready and willing to stabilize Western Europe and to stabilize the whole European picture, in order to move her forces into Asia. What do we do? We write off people who do not go along with us and say, "Thank you, Uncle Sam." As long as people will thank us, we will pour billions of dollars to them. Billions of dollars have gone to people who have insulted us all day, but who have said, "We still love you," the next morning. We do it for any country who will say, "You are just wonderful."

Mr. President, let us make no mistake about it. With respect to the $150 million fund which is being asked for, part of that money is to be used by the administration to cover up the cuts that we are making on the floor of the Senate.

I submit that we have cut out $20 million where we should not have cut it, even though we have eliminated the proviso in the bill. That proviso was an insult to our friends and certainly not a compliment to our intelligence. I was determined that such a limitation and proviso be stricken. Fortunately we have done so.

We eliminated that proviso on sober reflection.

There is flexibility in the bill. There is plenty of movement of capital from nation to nation under the transfer clause in the bill. There is a $100 million presidential fund which may be used anywhere. It is not restricted to the European area.

The fund involved here was primarily intended for use in Asia. I believe the Senator from Louisiana [Mr. ELLENDER] has made a good argument on the promise that we should obligate funds for only 1 year.

My regret in the whole thing is that we have shown what I consider to be an attitude of disdain toward Asia. It is because of that that I feel so strongly about what we are about to do in the whole bill. We have underplayed where we should have overplayed, and perhaps we have overplayed where we should have shown a little more economy.

I am convinced we can get by with $100 million, and I am convinced it will get us by for the next fiscal year. I am further convinced it is about time that the administration came through with projects. Furthermore, Mr. Hollister does not know what the $150 million is for. He said so before he was confirmed.

We ought to face the fact that if we put in $100 million, as the House requested, there will be plenty of money to get us by for the next fiscal year. I join with those who want to cut the $50 million. As long as we cut off a programed program, let us cut off an unprogramed program. Let us see whether or not cutting from a real programed program makes sense. When we had a chance to do what was right, we should have done it. If we need more money for the Asian fund I suggest the administration ask for it in one of our supplemental appropriation bills. I shall vote for it. I want to strengthen our Asian policy—but I want a policy—one that is known to the Congress and to the world.

Mr. CAPEHART. Mr. President, I do not think anyone can quarrel with anything that has been said on the floor of the Senate in the last hour. There is much virtue in every word that has been spoken. However, as a member of the Foreign Relations Committee, and as one who sat in the hearings, I should like to say that one-half of the amount involved here, $75 million, must be loaned.

Let us not fool ourselves at all. The other $75 million is an emergency fund. That is all it is. It is a fund which the President can spend in Asia, wherever he sees fit, when an emergency arises. As we know, we are spending billions of dollars to stop communism. The plea was made that something may happen in the next year or in the next 2 years, in connection with which we ought to spend a few million dollars, or give the President the right to spend the money. We ought not to tell the Communists what it is for, but we ought to have it available. I do not know whether the President will spend it. I hope the emergency will never arise. That is the basis on which the money is being asked for.

Under the circumstances, inasmuch as we are opposed to communism, and because we do not know where the Communist Chinese might strike next, I believe it would be wise to give the additional $75 million to the President to spend if an emergency should arise.

Mr. AIKEN. Mr. President, the Senator from Indiana [Mr. CAPEHART] has given a correct explanation of the fund. It is to meet an emergency which may not be foreseen at the present time. Should an invasion be threatened in any part of southeast Asia, and it should become necessary to have roads and bridges and utilities, the money would be available to provide them.

I do not understand that it is to make up for cuts in other parts of the bill. It is an emergency fund. I do not believe it would be smart, even if we knew, to say where it was to be spent. It will be available if it is necessary to make an expenditure of a considerable amount of money.

Mr. MUNDT. Mr. President, I shall not detain the Senate long. However, as a member of the Committee on Appropriations, and after having listened to many discussions of this fund, and as one who started out originally on the assumption that I was going to support the House figure of $100 million, I should like to say that the debate here has convinced me that this is a wise expenditure, and I shall support the $150 million fund. Therefore, although the debate here has lost a vote from Minnesota, it has gained one from South Dakota. Therefore, we are back to where we started.

I have two reasons for supporting the fund. One is that it concerns an area of danger in the world. It is a wise expenditure. I quite agree that it involves a dangerous area of the world. There is one place where we are in tricky waters. It is the one place where we know nothing is going to happen at the summit conference to affect it. It is a good plan to have a little extra powder in our ammunition kit.

I like the fund, because it is not programed. It is going to be programed before it is spent, but I like it because it is a reserve; it is there as a reinforcement. If we need it, we are going to need it quickly and in abundance.

The second reason why I shall support the fund is because it does deal with the whole region.

I wish to say to the Senator from Minnesota [Mr. HUMPHREY] who has expressed himself with reference to taking away money from India, that this money is not going to be used to give money to India through the back door, which the Senate denied on yea and nay vote to give through the front door. I do not think it is prudent or wise to be parsimonious with reference to money which we may need desperately before the end of another fiscal year.

Mr. BARKLEY. Mr. President, I sat through the hearings before the Committee on Foreign Relations on the foreign-aid authorization bill. I heard all the testimony in regard to the $200 million Presidential fund which was recommended to the Senate and to the House. The authorization bill contemplated a 3-year program. Obviously, the money could not all be obligated in 1 year, and it ought not to be obligated in 1 year, because if it is all obligated in 1 year there is no more money available for appropriate use or emergency use during the remainder of the following 2 years.

It was said that only $100 million could be obligated for the first year. It seems to me that is all that ought to be obligated. If it is all obligated for the first year, then nothing will be left to spend during the rest of the period.

If the President of the United States is to have such a fund, he should have one which will be useful in the fight against communism, and useful to bolster the stamina of nations which are our friends. It seems to me the fund should be sufficiently large to serve the purpose presented to the Congress.

Therefore, I feel that the amount provided in the Senate amendment ought to be retained. I think the cut made by the House was too great a cut. I doubt whether the fund should have been cut at all. No one can foresee what may happen in Asia in the next 3 years. No one knows whether we may need more money to stabilize the countries which must be stabilized if our military aid is to be worth anything. It is useless to send military aid to a country whose economy is unstable and on the verge of collapse.

For those reasons, Mr. President, I shall support the committee amendment.

Mr. YOUNG. Mr. President, for better or for worse a great change has come over my Republican colleagues. I recall that in past years they were always very critical of appropriations for foreign countries. They wanted to know all about the projects before any money should be appropriated. Here we are appropriating $200 million for projects which we know nothing about at all. By comparison Henry Wallace was a piker when he proposed that we give milk to all the people in Asia. We talk about half the money being a loan. That is true, but little of this will ever be repaid. We may as well say that the whole thing will be a gift. There will be no repayment to the United States, and there probably will be no appreciation in the end.

SEVERAL SENATORS. Vote! Vote!

Mr. ELLENDER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ELLENDER. A "yea" vote would be a vote to sustain the Senate committee's figure, and a "nay" vote would

be a vote to sustain the House figure. Is that correct?

The PRESIDING OFFICER. That is correct. An affirmative vote would be a vote to sustain the committee amendment, and a negative vote would be a vote to sustain the House figure.

Mr. LONG. Mr. President, I spoke against the amendment because I thought it had not been adequately justified, and I differed with the principle involved. I am now constrained to think that from the argumentive point of view it is the most justified provision in the bill. It depends on whom one is talking to as to what the justification is. The first explanation was that the money was needed for a new and unprecedented purpose so that the President could have enough money to carry him 2 years instead of 1 year. That sounded very good to some Senators. That is apparently what was testified to before the Appropriations Committee, because a distinguished member of the Foreign Relations Committee and a distinguished member of the Appropriations Committee said that is what the committees were told.

Some of us thought the amount might be reduced, and a new argument was made. Someone had taken the Senator from Minnesota off on the side and explained to him that India's funds might be cut, and, because the Senator from Minnesota did not think that should be done, it was argued that they could cover the cut by making it up from this fund.

Someone explained it differently to another distinguished Member of this body, to the effect that it was an emergency fund. The President already had two emergency funds, one of $100 million, granted without challenge or contest; another one for $50 million without any strings to it. This would now be a third one without any strings. The world does not even know about this fund, and we are not supposed to know about it. Senators can take their choice. They have three good arguments.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Delaware [Mr. FREAR], the Senator from Georgia [Mr. GEORGE], the Senator from Washington [Mr. JACKSON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

On this vote the Senator from Delaware [Mr. FREAR] has a pair with the Senator from Texas [Mr. JOHNSON]. If present and voting, the Senator from Delaware would vote "nay" and the Senator from Texas would vote "yea."

I further announce that if present and voting, the Senator from Georgia [Mr. GEORGE], the Senator from Washington [Mr. JACKSON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Washington [Mr. MAGNUSON] would each vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is necessarily absent, and, if present and voting, he would vote "yea."

The Senator from New Hampshire [Mr. COTTON], the Senator from Nevada [Mr. MALONE], and the Senator from Pennsylvania [Mr. MARTIN] are absent on official business.

The Senator from Ohio [Mr. BRICKER] and the Senator from Kansas [Mr. SCHOEPPEL] are detained on official business.

On this vote, the Senator from New Hampshire [Mr. COTTON] is paired with the Senator from Kansas [Mr. SCHOEPPEL]. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from Kansas would vote "nay."

The result was announced—yeas 46, nays 38, as follows:

YEAS—46

Aiken	Duff	O'Mahoney
Allott	Green	Pastore
Barkley	Hayden	Payne
Beall	Hennings	Potter
Bender	Hickenlooper	Purtell
Bennett	Holland	Saltonstall
Bridges	Ives	Scott
Bush	Kilgore	Smith, Maine
Butler	Knowland	Smith, N. J.
Capehart	Kuchel	Sparkman
Carlson	Lehman	Stennis
Case, N. J.	Martin, Iowa	Thye
Chavez	McCarthy	Watkins
Clements	Millikin	Wiley
Dirksen	Mundt	
Douglas	Neuberger	

NAYS—38

Anderson	Gore	Monroney
Barrett	Hill	Morse
Bible	Hruska	Murray
Byrd	Humphrey	Neely
Case, S. Dak.	Jenner	Robertson
Curtis	Johnston, S. C.	Russell
Daniel	Kennedy	Smathers
Dworshak	Kerr	Symington
Eastland	Langer	Thurmond
Ellender	Long	Welker
Ervin	Mansfield	Williams
Fulbright	McClellan	Young
Goldwater	McNamara	

NOT VOTING—12

Bricker	George	Magnuson
Cotton	Jackson	Malone
Flanders	Johnson, Tex.	Martin, Pa.
Frear	Kefauver	Schoeppel

So the committee amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 6, after line 2, to insert:

To the extent authorized by the Mutual Security Act of 1955, the unexpended balances of funds appropriated under authority of the Mutual Security Act of 1954 (except for $100,000,000) are hereby continued available for the general purposes for which appropriated, and may be consolidated with appropriations made available for the same general purposes in this act.

The amendment was agreed to.

The next amendment was, under the subhead "General Provisions", on page 11, line 16, after the word "year", to insert a colon and the following proviso: "*Provided*, That whenever the President determines that an emergency condition requires obligations and/or reservations in excess of the 20-percent limitation during the last 2 months of the fiscal year, this provision shall not prevail: *Provided further*, That whenever the President makes such a determination, he shall advise the Senate and House of Representatives immediately."

The amendment was agreed to.

The next amendment was, on page 12, after line 6, to insert a new section, as follows:

SEC. 108. Funds heretofore or hereafter allocated to the Department of Defense from any appropriation for military assistance (including funds consolidated with any such appropriation but excepting funds obligated directly against any such appropriation for offshore procurement or other purposes) shall be accounted for by geographic area and by country solely on the basis of the value of materials delivered and services performed (such value to be determined in accordance with the applicable provisions of law governing the administration of military assistance). Within the limits of amounts available from funds so allocated, the Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursement from such allocations, and no funds so allocated and available shall be withdrawn by administrative action until the Secretary of Defense shall certify that they are not required for liquidation of obligations so incurred. Unobligated amounts of such allocations equal to the value of orders placed with the military departments against such allocations shall be reserved and shall remain available until expended, for making such reimbursements (except in case of funds obligated directly against such allocations) only upon the basis of materials delivered and services rendered: *Provided*, That reports of items to be delivered against funds reserved as provided herein shall be furnished quarterly by the Secretary of Defense to the Committees on Appropriations of the Senate and the House of Representatives and, not less often than once each quarter, said Secretary shall make a detailed report to the Committees on Appropriations of the Senate and the House of Representatives, on a delivery or service-rendered basis, on all military assistance funds allocated and available to the Department of Defense as of the end of the preceding quarter: *Provided further*, That no reimbursements for materials or services shall be made after June 30, 1955, until the value of materials delivered and services performed shall equal the amount of expenditures made from all appropriations herein and heretofore made for military assistance as of said date: *Provided further*, That in the event the President shall determine that supplies and equipment ordered against funds so allocated are required for the defense of the United States, the amount allocated for supplies and materials required for such purpose shall be returned to the appropriation from which allocated: *Provided further*, That funds appropriated in this act for military assistance (including funds consolidated with any such appropriation), shall be maintained in one account, and funds made available to the Department of Defense under section 401 of the Mutual Security Act of 1954, as amended, may be, where authorized by the President, maintained in such account, which shall be used for all transactions involving military assistance.

The amendment was agreed to.

The next amendment was, on page 14, line 7, to change the section number from "108" to "109."

The amendment was agreed to.

The next amendment was, on page 15, line 14, to change the section number from "109" to "110."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. The bill is open to further amendment.

Mr. HICKENLOOPER. Mr. President, I wish to address a question to the chairman of the committee. Heretofore and historically, ever since the adoption of the so-called Connally amendment, 6 or 7 years ago, there has been in the bill an amendment in the nature of an attempt to coerce, if you please, faithful performance of treaty obligations on the part of the French in Morocco, so far as the fair treatment of American citizens is concerned. Such an amendment has been in the bill every year for the past several years, except this year. By some procedure, that provision of the law of last year has been eliminated from the bill this year. I refer to the proviso added to section 105 of the act of last year, which is as follows:

Provided, That none of the funds herein appropriated shall be used to make up any deficit to the European Payments Union for any nation of which a dependent area fails to comply with any treaty to which the United States and such dependent area are parties and said failure to comply has been adjudicated adversely to said nation in any court of competent jurisdiction.

This is the important part, because the European Payments Union is substantially out of the way; it is the important provision of last year's law, which is a sequel to previous provisions:

Nor shall any of the counterpart funds generated as a result of assistance under this act be made available to such nation.

That has been the general inhibition or prohibition contained in these laws for the past several years.

The International Court of Justice has adjudicated that the treaties are in effect and are enforceable between the United States and Morocco. France has been violating the treaties for years.

This provision has constituted an attempt on the part of Congress to get the State Department and our other representatives to use merely common justice and common vigor in an effort to protect the rights of American citizens vis-a-vis the French nationals in Morocco, who are reaping fantastic profits out of the colonialism which they are inflicting upon Morocco, and which is rising up to smite them.

I apologize to the chairman of the committee for this preface to my question, but I wonder if the chairman would care to comment upon the reason why this language, or language to this effect, has been omitted from the appropriation bill this year?

Mr. HAYDEN. I do not know why the House omitted it. We did not find it in the bill, so we did not include it.

Mr. HICKENLOOPER. I suggest to the chairman that the Senate has found it necessary to put it in ab initio of its own accord. I do not know whether there was any particular reason why there should not be a safeguard in this particular bill, as there has been in those of the past several years.

Mr. HAYDEN. As the Senator has stated, we have heretofore placed such language in the bill, but have ended by accomplishing nothing.

If the Senator wants to do that again, I will accept the amendment and we will take it to conference.

Mr. HICKENLOOPER. The Senator from Iowa is subject to the same discouragement that comes from frustrations year after year, but I still believe in the old fable, "Try, try, try, again."

I shall not only suggest it, but I offer an amendment at this time to section 105 of the pending bill, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 11, line 13, after the word "debts", it is proposed to strike out the period, insert a comma, and add the words "nor shall such funds or counterpart funds be used for assistance other than military assistance of any country of which a dependent area fails to comply with any treaty to which the United States and such dependent area are parties and which treaty has been declared valid by the International Court of Justice."

Mr. HAYDEN. The language of the amendment is identical to the language contained in the bill last year, is it not?

Mr. HICKENLOOPER. Not exactly. I have eliminated in this amendment any reference to payments to European Payments Union.

I am glad the Senator has stated he will take the amendment to conference, but I assure him that I do not have my tongue in my cheek on this amendment being taken to conference. I shall expect complete insistence on the amendment by the Senate conferees. It has been in the law, as I say, for several years. It is not a Republican or a Democratic measure. It is a measure which has been generated on both sides of the aisle. It is a measure which, in my opinion, has not been respected by the Democratic administrations or the Republican administrations in the State Department. I think it is high time that the State Department should undertake to give a little more attention to the repeated directions of the Congress of the United States, so far as concerns citizens' rights abroad under treaties.

Mr. HAYDEN. Mr. President, I shall accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa, on page 11, line 13.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, I send to the desk an amendment, which I ask to have stated.

The LEGISLATIVE CLERK. It is proposed on page 5, line 14, to strike out "$1,500,000" and insert in lieu thereof "$2,000,000."

Mr. HUMPHREY. Mr. President, I have talked to the chairman with reference to the amendment. It applies to funds made available for ocean shipments of supplies of voluntary agencies, such as CARE, Catholic Welfare, Lutheran Welfare, and other church groups who send supplies overseas.

I think the amendment is highly desirable.

I ask unanimous consent that a telegram signed by the Reverend Monsignor Edward E. Swanstrom, executive director, Catholic Relief Services, in support of the amendment, be printed in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., *July 19, 1955.*

Hon. HUBERT HUMPHREY,
United States Senate,
Senate Office Building,
Washington, D. C.:

Grateful your understanding and support on matter of ocean freight reimbursement for voluntary agency shipments to refugee and needy groups overseas. Our own agency and sister voluntary agencies form link between mountains of American surplus and neediest groups of work including refugees in West Europe, Vietnam, Hong Kong, Korea. Hope that Senators mindful of threats to peace in these needy groups will restore 3 million cut in original $13 million allotted for ocean freight on surplus. Of this sum, at least $10 million might well be allocated solely for voluntary agency shipment. Hope Senators will also restore cut of half million for ocean freight on regular overseas relief shipments of agencies. Budgets of agencies strained to utmost by extra administration costs in connection with surplus distribution as well as rehabilitation and resettlement programs. It seems a tragic contradiction to halt worldwide programs so vital to easing of tension on account of so small a cut in appropriation. We shall deeply appreciate your continued concern and aid. Best wishes.

Rt. Rev. Msgr. EDWARD E. SWANSTROM,
Executive Director, Catholic Relief Services NCWC, 350 Fifth Avenue, New York, N. Y.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point a statement which I have prepared on the amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

I rise to support my amendment that would increase the appropriation for ocean freight on voluntary relief shipments from one million five to two million dollars. This fund helps America's voluntary overseas relief agencies provide relief assistance to people all over the world. As President Eisenhower said in his message to Congress on foreign aid on April 21 of this year:

"One of the unique, least expensive, and most fruitful aspects of the mutual security program is the participation, largely in humanitarian projects, of 47 voluntary organizations representing many millions of our citizens. The organizations do an exceptionally effective work in helping the escapees and refugees become self-supporting. They distribute large quantities of food on a people-to-people basis. But certain costs for transporting food, and for supplies beyond their own voluntary resources, are needed and should be provided."

The church groups and other humanitarian organizations that have been carrying on this relief work overseas have been helped enormously by Federal assistance for ocean freight shipments. This assistance has multiplied the relief programs that our voluntary agencies have been able to bring to people in need and distress abroad. And by bringing such relief to needy persons in other countries, the work of the voluntary organizations carries with it an expression of the humanitarian spirit that has always charac-

terized America. As one outstanding civil leader has said of these activities:

"The religious faith programs account for an extraordinary percentage of the total of the voluntary relief work made possible abroad by the interest and efforts of Americans as individuals. * * *

"The religious faith work done abroad is of very great value to the United States. While it is carried on by the faith groups as a witness to their religious convictions and principles and in the general cause of brotherhood and humanitarianism, the mere fact that it is American—and virtually every overseas recipient knows this because delivery is universally through religious agencies—makes it of outstanding significance in the overall foreign relations picture.

At this time, when distrust, suspicion, and confusion so distort impressions of the United States abroad, the world-wide relief efforts of the churches—given and accepted on a simple people-to-people basis of human kindness—are particularly effective in portraying our true feelings to our neighbors overseas."

Actually the voluntary overseas relief agencies are assisted through two appropriations contained in the mutual-security appropriations bill now under consideration. One appropriation provides for assistance for ocean freight on surplus agricultural commodities. The Agricultural Trade Development and Assistance Act which we passed last year provides that up to $300 million worth of surplus commodities held by the Commodity Credit Corporation may be used over a 3-year period to provide assistance to friendly peoples in meeting famine or other urgent relief requirements. Further surplus agricultural commodities may be made available to eligible United States voluntary agencies for distribution overseas to needy people under certain circumstances.

The appropriation contained in the mutual-security appropriation bill which we have here under consideration is to assist the voluntary agencies in transporting the surplus agricultural commodities overseas. The amount programed for this specific purpose in fiscal 1956 was $13 million. This was reduced in the House to only $10 million, but I am glad to say that the Senate Appropriations Committee has restored the appropriation to the $13 million needed for ocean freight on surplus agricultural commodities during this coming year.

The other appropriation for assistance to these activities is for ocean freight on voluntary relief shipments. These are the regular shipments by approved American nonprofit voluntary agencies of relief and rehabilitation supplies to people in need and in distress in other parts of the world. The budget amount estimated as needed in fiscal 1956 for ocean freight on voluntary relief shipments was $2 million.

But the House reduced this amount to only $1,500,000 and the Senate Appropriations Committee has not restored the cut. I would like to indicate to my colleagues why this reduction of $500,000 will severely hamper the activities of the voluntary relief agencies and prevent them from carrying out as fully as they might the fine humanitarian programs which bring so much credit to the United States throughout the world.

There are two main reasons why the voluntary relief agencies need a half-million dollars more for shipments of relief materials in 1956 than they have in 1955. Shipping charges have increased 10 to 15 percent during the past year. This would mean that they would need 10 to 15 percent more funds for freight charges during 1956 than in 1955, all other factors remaining the same.

But the agencies are shipping greatly increased amounts over last year to such places as Vietnam, Formosa, and Hong Kong. These shipments are in addition to the regular shipments to European and other points not so far distant from the United States. So it is clear that greater funds will be needed to assist the agencies in their shipments if they are to contribute to the relief and rehabilitation of people displaced and suffering from war in the Far East and are at the same time to carry out the activities they have been engaged in right along.

To indicate the extent to which the funds provided these voluntary agencies help others throughout the world, let me just quote to you the figures on the shipments carried out in the year just ending.

American voluntary agencies have shipped 68,250,000 pounds of relief supplies contributed by their constituents, either in kind or purchased, to 18 different countries where ocean freight reimbursement was provided. The value of the goods shipped amounts to $23,250,000.

Let me make it quite clear that this sum represents funds collected and raised from private sources and in no way represents money spent from the Public Treasury.

What we are doing here is merely assisting these very worthy organizations in the fine work they are doing for people in distress and in need of help. And I also wish to point out that the voluntary agencies ship relief supplies to many countries in the world where ocean freight is not reimbursable and where they themselves must pay the cost.

Obviously, whenever the voluntary agencies must pay the ocean freight charges out of their own funds, they are, to that extent, deprived of funds to be used for actual relief supplies and services. If we do not provide adequate appropriations for ocean freight on voluntary relief shipments, the voluntary relief agencies will have to curtail their activities during the coming year and will not be able to assist people needing their help in many parts of the world.

It is for that reason I have introduced the amendment increasing the appropriation for ocean freight on voluntary relief shipments from $1,500,000 to $2 million.

I urge my colleagues to support this amendment so that the humanitarian work of the voluntary overseas relief organizations can fully reach those people in need and in distress throughout the world.

I would like to explain further the need for the appropriation for the other activity—to cover ocean freight charges on surplus agricultural commodities. I have already spoken of how this assistance permits the distribution to needy persons in other parts of the world of surplus agricultural commodities that would otherwise be spoiled or wasted. As I indicated, the Appropriations Committee has already restored the appropriation for this purpose to $13 million. But I wish to emphasize why this full amount is needed and, in fact, is less than the amount that could be used to help in the distribution of surplus farm commodities overseas.

The funds used for this purpose during the past fiscal year totaled approximately $7,300,000. However, this amount was used during only the last 5 or 6 months of the fiscal year, when the agencies surplus distribution programs were getting fully underway. During the first half of fiscal 1955 comparatively little surplus over previous programs was shipped.

The forthcoming quarter, now that the surplus agricultural commodities distribution program is in full swing, that is the quarter we are now in, from July through September will require nearly $4 million for ocean shipping of farm surpluses.

So we get a truer picture of what will be needed for this purpose during the coming year if we multiply the funds needed for the present quarter than if we take the amount required for the past fiscal year when the program was only becoming operative.

In fact, as the shipments of some commodities, such as butter and cheese, are restricted during the summer months, shipments during subsequent quarters will be even a bit heavier so that the estimate should be somewhat higher. Also, in several countries such as Vietnam, programs of some agencies are only getting underway, so that shipments to these areas will be increased later in the year.

In all, the voluntary relief agencies estimates that their need will be at least $17 million in ocean freight funds to carry on the surplus commodity distribution programs during fiscal 1956.

I wish to make it clear that the figure of $13 million allowed in the Budget estimate and which I am here supporting is proposed solely because it is all that is authorized under the present legislation.

I am aware of the need for greater funds even than that contained in the appropriation bill under consideration and wish to go on record as recommending that greater funds undoubtedly will be needed for overseas shipment of surplus farm products before the fiscal year is over. I think we should recognize the need and be ready to authorize additional funds for this purpose when we convene next session.

A further consideration concerning this appropriation for ocean freight on surplus agricultural commodities is that at least $10 million of the $13 million should be clearly earmarked for the use of the voluntary relief agencies.

Let us consider what lack of adequate funds for this purpose means—the American Council of Voluntary Agencies for Foreign Service, made up of 42 religions and humanitarian organizations, has stated the case in these words:

"Insufficient ocean-freight funds for the movement of supplies during the past year severely limited their program. One agency alone, for instance, was able to move only 57 percent of its program requirements and could have shipped and distributed another 150 million pounds of surplus food had the enabling freight funds been available."

And the American Council of Voluntary Agencies for Foreign Service goes on to ask:

"What happened because the ocean-transport funds made available to the voluntary agencies were inadequate? Two things: (1) Millioms of men, women, and children continued to endure endless days of hunger while (2) America's surpluses continued to pile up in storage at tremendous cost to the American taxpayer. The amount of foodstuffs one agency planned to ship overseas during the past year—but could not because of inadequate ocean-freight allocation—for instance, is costing the American taxpayer more than $1½ million just to keep in storage for the period October 1, 1954, through June 30, 1955, alone."

So let me reiterate, Mr. President, we should support the full $13 million presently provided in the bill for ocean freight of surplus farm commodities, earmark at least $10 million of this for assistance to the voluntary relief agencies, and be ready to authorize the additional funds that will be needed before the end of the fiscal year.

In conclusion, let me again state that the amendment I have introduced would help the voluntary agencies provide a maximum of relief to those in distress from war and those suffering other needs in many parts of the world.

By increasing the ocean freight on the voluntary relief shipments appropriation to $2 million, it would insure that these humanitarian activities for the relief and rehabilitation of the needy would not be curtailed during the coming year. And, similarly, the $13 million included in the bill for ocean freight for surplus agricultural commodities should be supported with the thought in mind that additional funds will be needed

and should be authorized before the fiscal year is over.

May I say that by assisting the activities of private voluntary agencies in their relief work overseas, we are getting a great deal more for our investment even than when we spend Federal funds directly for these purposes.

Let me quote again from the American Council of Voluntary Agencies for Foreign Service about the voluntary agencies:

"Their work contrasts with the usual government-to-government approach. During the past year alone they have concretely demonstrated that they can bring the great heart and good will of the American people directly to the needy overseas with an impact so often lost when governments carry out or control distributions. They have proven that they are an inexpensive and effective way of placing a portion of America's surpluses at the disposal of the needy of the free world.

"The voluntary overseas relief agencies of America, registered with the United States Government, number among their constituents the overwhelming majority of the people of America. They are ready and willing to lend their full support to relieving the human misery throughout the world with American abundance as Congress so evidently intended. It would be a tragic contradiction if they were unable to do so due to insufficient ocean freight funds or the diversion of available funds to other uses."

Mr. HAYDEN. Mr. President, this is an amendment to the text of the bill. I will accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. HUMPHREY] on page 5, line 14.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill was read the third time.

The PRESIDING OFFICER. The question now is, Shall the bill pass?

Several Senators asked for the yeas and nays, and the yeas and nays were ordered.

Mr. McCLELLAN. Mr. President, because of pressing committee duties, I have not been able to be on the floor much of the day during the debate on this bill. I am sure there is yet need for some assistance from the United States to some other nations in the world. I would be willing to vote for some reasonable appropriation for specific purposes.

When I say that, Mr. President, I mean if we could have specific projects before us, with reports on them as to what the purpose of the appropriations was and what the results would be, just as we require when we are asked to vote for or against appropriations for projects for public improvements in the United States. But we do not have that here in this bill. Something over $50 billion has been appropriated and expended for foreign assistance since the end of World War II. It is time to stop this or at least reduce these expenditures to the minimum.

I had thought that such a program was to be a temporary program, and in that hope I voted for the Marshall plan. I thought it was to restore war-torn countries so they could be rehabilitated to a certain economic standard and could become self-sustaining. The principal nations which needed rehabilitation at that time have been restored, and have been restored far beyond their prewar production and economic capacities. That task we assumed, that project is finished.

Now we are confronted with the proposition of whether this is to become an indefinite program and a permanent burden upon the American taxpayer. We already have in the till and in the pipeline, from previous appropriations for countries all over the world, $8 billion. There is no promise from any responsible source that there will be an end to this program. Instead, we are told that, so far as the foreseeable future is concerned, it must be continued indefinitely. I do not agree.

I know but one way to call a halt to this thing. That is to vote against it. We will have the same thing next year, the fiscal year after that, and the fiscal year after that. I know of but one way to call a halt to it, and that is to stop appropriations. I am going to vote against the passage of the bill.

I would be perfectly willing to vote for $1 billion, or perhaps for $1½ billion, or, at the extreme, $2 billion, if it could be pointed out to me that the money would be going for a definite, specific purpose, and if I knew the money was going to build up the strength of the free nations of the world. But I can no longer tolerate the philosophy that we must purchase friendship. I never have believed in that philosophy, and I do not believe in it now. It is fallacious. It is unsound and untrue.

When there is before Congress a proposal to spend a few dollars for a project in Arkansas, for example—and there are many down there, and I am not talking only about my own State, but the situation is common in all the States—where this Government could spend a few thousand dollars or a few million dollars even to build a project of internal improvement, which would enhance the economy of the area involved, we are subjected to all kinds of reports and surveys and budget control. Then after we pass the bill, as the distinguished senior Senator from Louisiana referred to the matter tonight, we are threatened with a freezing of the money.

I am fed up with it, and I am going to vote against the bill, until this administration or the next administration—and I am not singling out this administration—comes to its senses, and we all come to some practical evaluation of realities with respect to this foreign-spending program. If some Senators wish to make this program a permanent wart on the fiscal burden of our Nation, if so, I do not agree. We have gone along; I think I have voted for almost every appropriation bill for the foreign-expenditures program. When I have lost in an attempt to make a reduction, I have gone along with the final bill.

But now I am unwilling to go further, Mr. President; I have made that decision. I may be criticized for it. We have a summit meeting now in progress and I hope great and most beneficial results will come from it. But I do not believe we make any progress by offering an inducement of indiscriminate permanent financial assistance. I do not believe we make permanent friendships in that way. We have spent money and spent money; and tonight we are not quite certain whether we have made friends—enduring friends and permanent friendships. In some instances I know we have not.

Mr. President, I regret very much to do so; but under these circumstances I shall have to vote again this bill, although I would be willing to vote for the bill if it had been reduced to an amount which in my judgment was generous under the conditions obtaining today, and with some provision for a specific program, some way for us to know what the objective is, what the money is for and what are the promised benefits of the hoped for results. In that case, I would again, as I have in the past, go along with the general trend and support this foreign spending appropriation.

But, in my judgment, the only way to stop this thing—and Senators had better think about it; and I know there are those of my colleagues who tonight are on the borderline—is for us once and for all to express our disapproval until such time as our administrative authorities come to their senses. They will continue to spend and spend without rhyme or reason unless we—the Congress—stop them.

It is in that spirit that I shall vote against the bill. It provides too much money. Between $8 billion and $9 billion is available now for expenditure from previous appropriations. It is time to slow down and to make some evaluations.

Other Members may, and of course, will differ with me as to what they believe is right. I have simply stated my position; I state it for the RECORD, because I wish the RECORD to show why I shall vote as I have announced I will.

Mr. CASE of South Dakota. Mr. President, the Senator from Arkansas has quite well expressed my view regarding this particular bill. The bill as reported to the Senate called for a total of $3,205,341,750. At least several million dollars of appropriations have been added to the bill during its consideration on the floor of the Senate.

This appropriation bill carries a total of $234,241,934 more than the apropriations for the same purpose in last year's bill, plus the amounts added here on the floor of the Senate, which makes the total appropriations carried by the bill amount to approximately one-fourth of a billion dollars more than the amount appropriated last year for this purpose.

Mr. President, I have observed the foreign-aid program from its inception. I was a Member of the House of Representatives when it began. I recall the promises made then regarding how long the program would run and what it would cost. It has continued long beyond the time when it was said that it would be necessary. I have seen those in charge of that program predict, each year, dire consequences unless Congress appropriated the last penny requested. At the end of every year I have seen

the RECORD spread with tributes to the achievements in that year, despite any reductions which have been made.

It is absurd to claim that this year the program is being tapered off; such a claim is absurd on the face of things, inasmuch as the appropriations carried in this bill total almost one-quarter of a billion dollars more than the appropriations in last year's bill.

This bill takes us in the wrong direction, if we really have any idea at all of eventually eliminating or reducing to a reasonable size the appropriations for the foreign-aid program.

I shall vote against the bill because I think it provides too much money, and because I think this year we should not be appropriating more money than we appropriated for this purpose a year ago.

Mr. DIRKSEN. Mr. President, I shall take only 15 seconds in which to advise the Senate that, as regards the argument that the pending bill carries larger appropriations than those carried in the corresponding bill of last year, this is the first year the Korean burden is carried by the bill. That puts it in an entirely different light—when there is talk about appropriating more money this year than last.

The PRESIDING OFFICER. The question is, Shall the bill pass?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Delaware [Mr. FREAR], the Senator from Georgia [Mr. GEORGE], the Senator from Washington [Mr. JACKSON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

I further announce that if present and voting, the Senator from Georgia [Mr. GEORGE], the Senator from Washington [Mr. JACKSON], the Senator from Texas [Mr. JOHNSON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Washington [Mr. MAGNUSON] would each vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is necessarily absent.

The Senator from New Hampshire [Mr. COTTON], the Senator from Nevada [Mr. MALONE], and the Senator from Pennsylvania [Mr. MARTIN] are absent on official business.

The Senator from Ohio [Mr. BRICKER] and the Senator from Kansas [Mr. SCHOEPPEL] are detained on official business.

On this vote, the Senator from New Hampshire [Mr. COTTON] is paired with the Senator from Kansas [Mr. SCHOEPPEL]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Kansas would vote "nay."

Also, on this vote the Senator from Vermont [Mr. FLANDERS] is paired with the Senator from Nevada [Mr. MALONE]. If present and voting, the Senator from Vermont would vote "yea," and the Senator from Nevada would vote "nay."

The result was announced—yeas 62, nays 22, as follows:

YEAS—62

Aiken	Gore	Mundt
Allott	Green	Murray
Anderson	Hayden	Neely
Barkley	Hennings	Neuberger
Beall	Hickenlooper	O'Mahoney
Bender	Hill	Pastore
Bennett	Holland	Payne
Bible	Humphrey	Potter
Bridges	Ives	Purtell
Bush	Kennedy	Saltonstall
Butler	Kilgore	Scott
Capehart	Knowland	Smathers
Carlson	Kuchel	Smith, Maine
Case, N. J.	Lehman	Smith, N. J.
Chavez	Mansfield	Sparkman
Clements	Martin, Iowa	Stennis
Dirksen	McCarthy	Symington
Douglas	McNamara	Thye
Duff	Millikin	Watkins
Ervin	Monroney	Wiley
Fulbright	Morse	

NAYS—22

Barrett	Goldwater	Robertson
Byrd	Hruska	Russell
Case, S. Dak.	Jenner	Thurmond
Curtis	Johnston, S. C.	Welker
Daniel	Kerr	Williams
Dworshak	Langer	Young
Eastland	Long	
Ellender	McClellan	

NOT VOTING—12

Bricker	George	Magnuson
Cotton	Jackson	Malone
Flanders	Johnson, Tex.	Martin, Pa.
Frear	Kefauver	Schoeppel

So the bill (H. R. 7224) was passed.

Mr. HAYDEN. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HAYDEN, Mr. CHAVEZ, Mr. ELLENDER, Mr. HILL, Mr. CLEMENTS, Mr. BRIDGES, Mr. SALTONSTALL, Mr. KNOWLAND, and Mr. DIRKSEN conferees on the part of the Senate.

AMENDMENT OF INTERNATIONAL CLAIMS SETTLEMENT ACT OF 1949

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1063, House bill 6382.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 6382) to amend the International Claims Settlement Act of 1949, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with amendments.

NEWSPAPER COMMENT ON ILLNESS OF SENATOR JOHNSON OF TEXAS

Mr. DANIEL. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point as a part of my remarks certain articles from the Dallas News and the Austin American, concerning my distinguished colleague, the majority leader [Mr. JOHNSON of Texas].

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Dallas Morning News of July 16, 1955]

BEFORE DEPARTURE—PRESIDENT VISITS LYNDON JOHNSON

(By Walter C. Hornaday)

WASHINGTON.—President Eisenhower took time out Friday from his preparations to fly to Geneva and visited Senate Democratic Leader LYNDON B. JOHNSON at Bethesda Naval Hospital.

He spent 15 minutes with JOHNSON, who was finishing a luncheon steak when the President walked in. The Texan is recovering from a heart attack he suffered last July 2.

Mrs. Johnson knew Mr. Eisenhower was coming, but the visit was unexpected to JOHNSON.

Only a nurse was in the room while the President and JOHNSON chatted.

JOHNSON gave his wife a fill-in as soon as the President left, and Mrs. Johnson passed on the information to newsmen.

This is what occurred, according to Mrs. Johnson's report:

The President informed JOHNSON he had held an excellent bipartisan meeting last Wednesday on the forthcoming summit meeting at Geneva. He said he was sorry JOHNSON couldn't be there and had missed him.

Mr. Eisenhower told JOHNSON he had wanted to come out last week, but was advised by the hospital physicians, through the White House doctor, that he shouldn't at that time.

The President went on to say that he did want to drop by before leaving for Geneva to wish JOHNSON well.

JOHNSON told the President that he believed if he would explain the American people and their attitude to the people of the world it would be a great achievement that would help ease world tensions.

The Texan said Mr. Eisenhower appeared in a hopeful mood about results of the Geneva Conference and stated he was going there to learn what he could and do what he could to help ease world tensions.

As the President left the hospital floor where JOHNSON is recovering from a heart attack he told Mrs. Johnson the Senator looked fine, better than he expected.

"My heart will stay with you and Lyndon on my trip," he said to Mrs. Johnson as he caught the elevator to the ground floor.

The Navy nurse who watched and listened to the Johnson-Eisenhower meeting was Lt. Dorothy Anson, of Ferndale, Wash. She remained because of strict orders that the Texan is not to be left without a qualified attendant.

The President was accompanied by Dr. Howard Mc. Snyder, the President's personal physician.

Flowers have been sent to JOHNSON on three occasions by the President and Mrs. Eisenhower since he was stricken.

[From the Dallas Morning News of July 14, 1955]

ILL WIND BLOWS GOOD FOR JOHNSON

(By Ruth Schumm)

The heart attack which almost cost the life of Senate Democratic Leader LYNDON B. JOHNSON has served to publicize his beliefs and accomplishments more spectacularly than anything else would have, short of an obituary. After he was stricken, every newspaper and news broadcast brought the work of the Texas Senator dramatically and

simultaneously to the attention of the whole Nation.

Although JOHNSON's name recently had been mentioned more frequently and prominently as a possible presidential candidate because of his Senate record, observers had pointed out that this record was not well known outside Washington.

JOHNSON's success as majority leader has been based largely on his smooth-working tactics behind the scenes, personal contacts and private phone calls which don't make headlines. This solved problems but did not produce the colorful conflict that attracts publicity.

JOHNSON was getting the job done in remarkable, some thought unprecedented, fashion. But he was getting it done in a way that would bring him credit only among those who know the inside workings of the Senate.

Now his unique success in achieving party unity and such a notable record is being praised on every hand and called to the attention of the man in the street by editorial writers, columnists, and commentators.

Conservatives who have shied away from JOHNSON as Democratic standard-bearer because they remember him as a young, idealistic Roosevelt-idolizing Congressman from New Deal days are now being reminded of JOHNSON's achievements by compromise as a feet-on-the-ground progressive.

Liberals who could not warm up to the idea of having JOHNSON as their candidate because they thought of him as a typical Southern conservative are now hearing about progressive measures which passed the Senate due largely to his work.

Independents are hearing of JOHNSON's determination to make the Democratic opposition in the Senate a responsible one—a philosophy particularly appealing to the voter who wants to cast his ballot for the good of the country, regardless of party lines.

Even though Democratic leaders may believe now that a national convention would never nominate a man for President who had had a heart attack, JOHNSON's complete recovery, combined with a continuation of his successful policies of Senate leadership, may change their minds.

A clue to some of the thinking along this line comes from JOHNSON's Senate colleague, PRICE DANIEL. DANIEL, who supported President Eisenhower in 1952, made the following observation about JOHNSON this week in his newsletter to Texas papers:

"It is he more than anyone else who has been able to bring together for the good of the country a majority in the Senate on many important issues. It is he more than anyone else who might be able to help restore unity and confidence in the Democratic Party, both in Texas and in the Nation."

[From the Austin American of July 16, 1955]

ON GENEVA EVE—PRESIDENT PAYS VISIT TO LYNDON

WASHINGTON, July 15.—President Eisenhower took over 2 hours out of his busy last day here before going to the Geneva meeting to ride out to Bethesda Naval Hospital to visit Senator LYNDON JOHNSON. The President spent fully 15 minutes with JOHNSON privately discussing his plans and hopes for the meeting at the summit.

This time it was JOHNSON, the sick man, trying to give encouragement and good hope to the well man who must go forward to help lead the world.

And when the President left that bedside he must have been touched, for he told Mrs. Johnson he was leaving his heart with the Texas Senator who was felled by a heart attack while constructing laws, some of which will help Eisenhower to show a strong hand at Geneva.

The President told the Senator that there had been a fine bipartisan meeting on July 12, but he had missed him at the White House. Then the President launched into a discussion of what he expects to find at Geneva and what he thinks can be done there.

Later Senator JOHNSON said he and the President had talked about peace; the Senator thought the President appeared hopeful of the results.

JOHNSON told the President that he had a way of getting others to work together; he thought the President would do well in handling affairs of nations and would correctly convey the United States desires for peace. Senator JOHNSON gave the President this thought:

"If you can interpret America to the world, you will have done a tremendous thing here." The President seemed to receive inspiration from the thought.

He said later that JOHNSON was looking better than he had expected. The President had wanted to visit JOHNSON last week but was cautioned by doctors not to do so. The Senator did not know today that the Chief Executive whom he tried to serve in the Senate was coming to call. Mrs. Johnson did. She was sworn to secrecy; hours later the Johnson family had to wait for the White House to announce the visit.

THE WICHITA MOUNTAINS WILD GAME REFUGE

Mr. MORSE. Mr. President, I had intended to deliver an address on a very serious conservation problem, but I shall forego that speech by making a very brief reference at this time to an exceedingly able statement on this subject which was made on July 12, 1955, by Mr. C. R. Gutermuth, vice president of the Wildlife Management Institute, who testified before the House Appropriations Committee in behalf of representatives of five national conservation organizations.

Mr. Gutermuth and his associates appeared in opposition to the Army's attempt to take over 10,700 acres of the Wichita National Wildlife Refuge in Oklahoma.

I have read the testimony of Mr. Gutermuth. All he attempted to do in that testimony was to review the position taken by those five large national conservation organizations in regard to the Army's attempt to take over a part of the Wichita National Wildlife Refuge in Oklahoma.

In my opinion Mr. Gutermuth is one of the most able experts, and one of the best witnesses in the entire United States on this national conservation problem. He certainly made no attempt to question, either directly or indirectly, or by inference, the accuracy of any of the statements of the witnesses of the United States Army. He replied to them and set forth his differences with them. He was speaking in behalf of five national organizations which were merely presenting their views on the important subject matter under consideration, as to whether or not there was any real justification for permitting Fort Sill to take over a substantial part of the Wichita National Wildlife Refuge in Oklahoma.

Therefore, as I read the transcript of the hearing, I was somewhat amazed to discover that the witnesses on behalf of the Department of the Army should resort to the age-old tactic of attempting to discredit an opposition witness in an effort to gain their objective. I think the unkind criticisms and inferences which these Army witnesses hurled at this noted conservationist were simply uncalled for.

He had testified that within the very recent past he and certain of his associates had been over this particular territory, and he had stated that he was very familiar with the territory. There is no question about the fact that he is familiar with the territory. There is no question about the fact that he had inspected the territory very carefully. But the Army witnesses sought to raise serious questions as to his veracity and reliability when they called attention to what they considered to be some errors in certain parts of his testimony.

One of the Army witnesses, by way of rebuttal and in commenting upon differences of opinion which exist between the Army and Mr. Gutermuth, said:

This error on Mr. Gutermuth's part belies his earlier statement that he is familiar with the land in question.

I may say to the brass who made that statement that the brass had better get out and march over the land, as Mr. Gutermuth walked over it. If they did that, they would know for a certainty that Mr. Gutermuth testified from actual experience and contact with the land.

In my judgment, some of the rebuttal statements of the Army witnesses are not to the credit of the Army. I believe the very fine statement Mr. Gutermuth made on this occasion should be made a part of the RECORD. Therefore, rather than speak at greater length, as I had intended originally to do, I shall close my remarks by expressing my complete confidence in the reliability of Mr. Gutermuth, and by asking unanimous consent that his testimony before the Senate Committee on Appropriations on July 20, 1955, be incorporated at this point in the RECORD as a part of my remarks.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF C. R. GUTERMUTH BEFORE THE SENATE APPROPRIATIONS COMMITTEE

Mr. Chairman, we certainly appreciate this opportunity to appear before your committee. We will not take more than 15 minutes of your valuable time. Permit me to introduce my colleagues, Mr. Charles H. Callison, conservation director of the National Wildlife Federation; Mr. Michael Hudoba, conservation director of the Outdoor Writers Association of America, and the Washington editor of Sports Afield; Mr. Fred M. Packard, executive secretary of the National Parks Association; and Mr. Howard Zahniser, executive secretary of the Wilderness Society. I am C. R. Gutermuth, vice president of the Wildlife Management Institute.

Mr. Chairman, we feel that the members of your committee, and the other Members of Congress, are not being given all of the facts in this latest attempt on the part of the Army to grab a large part of the Wichita National Wildlife Refuge in Oklahoma. News of the passage of the authorization bill is getting around, and wires and letters of protest are coming in from all parts of the country. As stated to the House Appropriations Subcommittee, we have been able to pacify some of the outraged citizens by repeating what was said in the House hearings on H. R. 6829, and in the Senate debate, that the authorization bill did not constitute

final action, and that the proposed land acquisition program for Fort Sill would have to be justified later before the Appropriations Committees.

Mr. Chairman, we discovered in the special hearing granted to us on July 12 by Chairman SIKES, before his House Appropriations Subcommittee for Army Construction, that many of the Members of Congress did not realize that the authorization and appropriation of that $3,053,000 item for Fort Sill would be regarded by the Army as having received congressional approval for the taking of the 10,700 acres of land from the Wichita Refuge. No mention is made of any such transfer of those valuable refuge lands in the supplemental appropriation bill, nor in the House report (No. 1116) on the bill. It is, therefore, easy to understand why so little objection was raised either in the House or in the Senate.

In view of that, Mr. Chairman, we would like to include the following questions and answers appearing on pages 3874–75 of the Military Public Works Report No. 20 covering the House hearing on H. R. 5700 (H. R. 6829):

"The CHAIRMAN. If you acquire it, how would you do it?

"Colonel SHULER. It would be an administrative transfer, Mr. Chairman, at an estimated $1,000 and we would have to work it out with the Department of the Interior.

"General WILLIAMS. It is presumed, sir, that since the Budget Bureau has approved this, that we have executive approval for the transfer from the Interior Department.

"Mr. BRAY. You would not need authorization from this committee legally for administrative costs in that matter?

"Colonel SHULER. We feel we would, sir, on an acquisition such as this. We would need authority, or authorization from this committee.

"The CHAIRMAN. Anyhow, you would like the sanction of the committee?

"Colonel SHULER. Yes, sir; that is what we want.

"The CHAIRMAN. To be persuasive with the Interior Department?

"Colonel SHULER. We are trying to be honest."

Mr. Chairman, we do not think that the far-reaching effects of this proposal are realized fully, particularly in the House. We are cognizant of the tremendous demands placed upon Congress, of the burdens that each of you gentlemen must carry, and of the necessity of getting these bills out of committee. We only wish that the recent Fort Sill statement in rebuttal were correct on this point, that the Army's testimony against that of opposition witnesses had been weighed carefully. The record is clear, however; only one Congressman from Texas, and two landowners from Oklahoma, were heard during the House hearing on the authorization bill. Mr. Callison has the reply that he received from the committee chairman with him here now. With reluctance, he filed his statement in that 1,196-page record.

Gentlemen, we did not get to appear before the House Appropriations Subcommittee until after the full committee had reported H. R. 7278, but after hearing the testimony of this group, Chairman SIKES stated on the floor of the House at the time that the supplemental appropriation bill was being debated, that his committee had acted on the assumption that Fort Sill was requesting an inaccessible part of the refuge, and that the national conservation organizations subsequently had submitted testimony that was diametrically opposed to that of the Army, and while urging the prompt passage of the Army's $553,880,000 appropriation, he expressed the hope that the Senate would give more consideration to this matter, and to the urgent need for keeping those refuge lands open to the public.

Mr. Chairman, we wish to reiterate that the Army tried to take over the entire refuge by a paper transfer 2 years ago, and as a result of the overwhelming number of protests that were received, the Secretary of the Army wrote to Mr. Packard, here, of the National Parks Association, that the acquisition was not necessary. The last paragraph of that letter, dated April 6, 1953, read as follows:

"The Army has decided to endeavor to carry out its mission at Fort Sill without acquiring additional land, either privately owned or on the refuge, for an indefinite period, in an effort to determine if the problem of range requirements can be resolved short of acquisition. Accordingly, there are no plans for expansion into the wildlife refuge in the immediate future."

Mr. Chairman, we would like to say to you gentlemen, that even though the Secretary of the Army did say that this land is needed now, there is more to this than that. We are glad that the requests of the executive branch of the Government must be passed upon by the legislative bodies. We have studied the Army's request and have reviewed the transcript of the hearings and of the floor debate on H. R. 6829, and we still fail to see where the Department of Defense has justified the need for those refuge lands. The situation does not seem to be any different today from what it was 2 years ago. Even if there were an urgent need for more land, any such transfer would be a grave mistake, since it would have a fundamental bearing on the future of the entire wildlife refuge system.

The record shows that there are only about 2,500 officers and men in the Fort Sill artillery school now, as compared to 10,000 during World War II. It, therefore, is obvious that the present facilities handled around four times as many people not too long ago, and everyone concedes that we produced the world's best artillerymen. The Army admitted that the students never get to fire the 280-millimeter cannon, and that it seldom is fired at extreme ranges at Fort Sill.

Colonel Knowles stated in the House hearing that both the 280-millimeter cannon, and 762-millimeter "Honest John" rocket can be fired at the following places: Fort Bliss, Tex.; Fort Bragg, N. C.; Fort Hood, Tex.; Camp Stewart, Ga.; White Sands Proving Grounds; and Yuma test station, Arizona. It was brought out that the students still are using the 105-millimeter and 155-millimeter fieldpieces mostly, and that the ranges of those guns are 12,000 yards and 16,000 yards respectively, as always. Fort Sill desires to have all operations at one place, and infers that its school is handicapped, but when reading that testimony about inconvenience, we are constrained to give some thought to the million or more people that will be deprived of the best recreational area in Oklahoma.

I wish to emphasize that we are familiar with the Wichita Refuge. The land in question was inspected by me 3 weeks ago. Mr. Zahniser has tramped over the area, and Mr. Packard just returned from there week before last. Mr. Chairman, that omnibus authorization bill moved along so swiftly that there was no opportunity to correct some of the misleading statements that were made during the hearings and the floor debate. It has been repeated over and over again that the part of the refuge to be taken by the Army is the most inaccessible, and the part which is used neither by the public nor for game propagation. Attached is a copy of a letter that was written to Senator MONRONEY calling attention to some of the inaccuracies in the statements made during the Senate debate, and a copy of a telegram that was sent to Charles Wilson, Secretary of Defense, and to Secretary of the Army, Robert T. Stevens. Due to the seriousness of the situation, I want to read that wire.

That part of the refuge that has been used by Fort Sill for several years under a cooperative agreement with the United States Fish and Wildlife Service, and which the Army now wishes to acquire, is the most accessible. This may sound repetitious, but we want to stress the fact that it is not "fenced off." It is the land that has been serving the highest public use—it includes 6 good recreational lakes, 7 major picnicking and camping areas, the only youth group camp area on the entire refuge, and many miles of scenic drives. While the Fish and Wildlife Service has tried to keep most of the big game on certain parts of the refuge, practically all of the different species inhabit the portion that the Army wants. It is used by big game throughout the year, and it is the wintering ground of the bison, and of that remnant herd of longhorn cattle. That area includes some of the best wild turkey habitat on the refuge.

You may be wondering about the difference between the number of recreational areas given in this statement, and in the telegram, and here is the reason—even after the authorization bill has become law, and the appropriation bill has passed the House, neither the refuge manager of the Wichita, the Chief of the Refuge Division of the Fish and Wildlife Service, nor the Director himself, or the Secretary of the Interior, knows where the Army actually proposes to draw the new boundary line. We understand Fort Sill has decided to let the refuge keep a few of its larger recreational areas along the main road leading to the headquarters—but wherever that proposed new boundary fence is to be located, if the Army is to get 10,700 acres, the Boulder, Pecan Springs, Post Oak, and Elm Springs Camps, and Post Oak and Treasurer Lakes will be included, and will be closed to the public.

During the floor debate, Senator STENNIS replied to a number of the Senators who were objecting, by saying, "First, let me say that the proposition will come before the same subcommittee, for there must be agreement with the Armed Services Committee regarding the final taking and use of the land. If at that time there are any reasonable restrictions which can be imposed as a safeguard of the wildlife land, the subcommittee will certainly seriously consider them, and everyone interested will have an opportunity to be heard. I am sure that such restrictions will be imposed as are considered consistent with the necessary purposes for which the land is to be used."

Senator CASE then stated: "I hope the Defense Department will take due notice that, at the time it makes its presentation, it will be expected to show, if it is to justify this acquisition, that it is impracticable to consider the use of some alternate range in some other part of the country for the firing of the long-range pieces which are here involved." Senator CASE stated further, "At the same time, its value as a wildlife refuge will be greatly impaired. Let there be no mistake about that."

Attached also is a copy of a reply that Mr. Packard received from Acting Secretary of the Interior Clarence A. Davis, dated May 27, 1955, which outlines a counterproposal that was made to the Department of the Army. What is wrong with that plan, and why has so little been said about it and other alternatives? The answer seems to be, why dicker when you can get what you wanted?

Gentlemen, we trust that the Congress will not approve this or any other attempt to break down the refuge system that has been built up painstakingly over a period of many years. The Wichita Mountains area is one of the oldest refuges. It was established by President Theodore Roosevelt in 1905. It was administered by the United States Forest Service for many years, but was transferred to the Bureau of Biological Survey in 1935, which is now the Fish and Wildlife Service of the Department of the Interior. It is a

unique and outstanding wildlife area, and it has the heaviest public recreation use of all the refuges. The Wichita provides splendid facilities for wholesome recreation for people from all parts of the country. Over 850,000 people used the area last year, and a substantial part of the recreational facilities is concentrated in the area that the Army proposes to take.

Fort Sill has been using portions of the refuge for gun-emplacement positions for many years, Mr. Chairman—for the firing of the heaviest artillery and rockets that they have. The firing has been done from the refuge to Fort Sill. We cannot understand why that cooperative agreement cannot be continued. If the operations were reversed, as the Army seems to want, the part of the refuge that would be left would be subjected to repeated fire losses.

There are many questions that should be explored more fully before authorizing any expansion at Fort Sill. With the new military weapons that have come out in recent years, and the amazing developments that are being made all the time, we doubt that the Army ever will be able to meet all future needs at Fort Sill, so why destroy the refuge? Another question, Should that type of long-range firing be practiced in such a populated area? The Army is not making full use of some of its larger holdings, like Camp Stewart, and then there are vast open areas in Arizona and Nevada.

When Congressman BROOKS inquired about the size of Fort Sill Colonel Knowles stated that it is about 28 miles long and 6 miles wide. We know little about range requirements, but if the Army should be permitted to acquire that 20,000 acres of private lands along the south of the refuge, they would add another continuous strip of about 8 miles long and 3½ miles wide at its narrowest point. That would be 63,000 yards. The maximum range of the 280 millimeter cannon is 31,000 yards. What is wrong with continuing to use the refuge lands as a buffer zone under a cooperative agreement? There has been little, if any, friction or dissatisfaction between the refuge personnel and the officers at Fort Sill.

Mr. Chairman, the Wichita Refuge is one of the remaining places in the United States where present-day Americans can get some concept of the waving grasses of the pioneer prairies. It is about the only place where biologists, botanists, ecologists, and other scientists can study the original flora and fauna in somewhat near its original state. More than 1,000 American bison (buffalo) roam the valleys, along with deer, elk, and pronghorn antelope. America's biggest herd of longhorn cattle, more than 350 prize specimens, can be seen at close range. Some of the steers have horns with a 7-foot spread. Wild turkeys, prairie dogs, and most of the other forms of original plains animals provide enjoyment for those that are privileged to visit the area.

The Wichita has been providing display animals for public zoos. The surplus big-game animals are removed annually to keep the herds within the carrying capacity of the range. It is no wonder that the Army wants that area. It is a marvelous place for anyone, of course, but it is especially important as an area being preserved for its present purposes. It is about the best demonstrational area that can be found, of the kind of rangeland that can be maintained under a sound management program.

Gentlemen, the Director of the Fish and Wildlife Service, Mr. John L. Farley, stated before a House subcommittee last July that the Federal Government should acquire and develop 4 million acres of additional refuge lands, and that the States collectively should obtain and develop a minimum of 5 million acres, if the wildlife resources are to be maintained at somewhere near their existing level. The Army has been trying to grab the Cabeza Prieta game range and the Kofa refuge in Arizona. They recently got more than 100,000 acres in Alaska, and they want more. Whether it is because the Federal land does not cost them anything, or they want to add attractive hunting and fishing areas to their domain, we cannot be sure.

A number of bills have been introduced in the House and Senate which would prohibit the Secretary of the Interior from disposing of or relinquishing all or any part of any of the Federal refuges without the prior approval of Congress. Many people believe that such legislation would help to safeguard the relatively few acres that have been dedicated to wildlife, and we trust that the Congress will not shatter those hopes by permitting the Army to take over and close to the public 10,000 acres of the best recreational land in the Wichita National Wildlife Refuge, including Mount Lincoln.

Mr. Chairman, if it should be decided to appropriate funds for the purchase of those private lands for Fort Sill, we respectfully request that a statement be included in the appropriation bill to prohibit the taking of the refuge lands. Thanks.

ORDER FOR CALL OF THE CALENDAR ON MONDAY—CONSIDERATION OF SUPPLEMENTAL APPROPRIATION BILL ON TUESDAY

Mr. CLEMENTS. Mr. President, I ask unanimous consent that at the conclusion of the morning hour on Monday there be a call of the calendar for the consideration of measures to which there is no objection, from the beginning of the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLEMENTS. Mr. President, I should like to announce that following the call of the calendar on Monday, bills to which there is no real objection, but which should not be considered on the call of the calendar, will be taken up on motion.

I should also like to state that it is the plan of the acting majority leader to call up the supplemental appropriation bill on Tuesday.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. CLEMENTS. I yield.

Mr. LANGER. Will any other business be taken up on Monday aside from the call of the calendar?

Mr. CLEMENTS. On Monday the calendar will be called. In addition, following the call of the calendar, bills will be taken up on motion. Those will be bills which have not been disposed of on the call of the calendar and which are not considered to be calendar business.

Mr. LANGER. I thank the Senator.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. CLEMENTS. Mr. President, I ask unanimous consent that when the Senate concludes its business tonight it adjourn until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the call of the Executive Calendar begin with nomination in the Department of Defense.

The PRESIDING OFFICER. Without objection, the clerk will state the nomination in the Department of Defense.

DEPARTMENT OF DEFENSE

The legislative clerk read the nomination of Reuben Buck Robertson, Jr., to be Deputy Secretary of Defense.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES CIRCUIT JUDGE

The legislative clerk read the nomination of John R. Brown to be United States circuit judge, fifth circuit.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES DISTRICT JUDGES

The legislative clerk read the nomination of Ronald N. Davies to be United States district judge for the district of North Dakota.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of George S. Register to be a United States district judge for the district of North Dakota.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. LANGER. I wish to say a few words in behalf of both nominees, Mr. Davies and Mr. Register.

For approximately a year we have had no Federal judge in the State of North Dakota, and for any judicial work that had to be done in the State of North Dakota is was necessary to bring in a judge from another State. The State of North Dakota and the citizens of our State have been deprived of having a man from the State of North Dakota sit as a Federal judge in North Dakota. These two judges are very good men, and I am glad that their nominations have been confirmed by the Senate.

Mr. CLEMENTS. Mr. President, will the Senator yield for a question?

Mr. LANGER. I yield.

Mr. CLEMENTS. Is it my understanding that one of these judges is to fill a new judicial position?

Mr. LANGER. That is correct. The position was created more than a year ago.

Mr. CLEMENTS. The reason I ask the question is that I desire to commend my friend from North Dakota for his success in having a new judicial district created in his State. Some of us have tried very hard to do likewise in our States, but have not been so successful as has my friend from North Dakota. My hat is off to him.

Mr. LANGER. I thank the Senator. It required a great deal of work. I appreciate the fact that Senators gave North Dakota another judgeship.

Mr. CLEMENTS. It would appear that it was a very constructive effort.

Mr. LANGER. Yes; as the distinguished Senator knows, oil has been discovered in North Dakota. As a result, there is a great deal of litigation pending. At the present time there are about 200 cases on the calendar. A great many of the cases deal with condemnation of land in connection with Garrison Dam, and in connection with lawsuits involving title to land as a result of the discovery of oil.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. MORSE. Do I understand that a new judgeship has been created for North Dakota? Are we confirming a judge for a new judgeship in North Dakota?

Mr. LANGER. Yes. Congress created a new judgeship about a year ago.

Mr. MORSE. I wonder whether the Senator, at his leisure, sometime, would enlighten the Senator from Oregon as to how he did it. For some time we in the Pacific Northwest have found ourselves in need of a new judicial position. I compliment the Senator from North Dakota. I also appreciate work well done.

I always try to learn new techniques. I have tried every technique I know in this parliamentary body to gain recognition of the need for an additional judgeship in the Pacific Northwest. Sometime, at his leisure, I wonder whether the Senator from North Dakota will give me some suggestions on that subject.

I am sure there must have been a need for a new judgeship in North Dakota or the Senator would not have asked for it. Therefore, I am glad to join in the confirmation of the nomination.

Mr. LANGER. In reply to the Senator's question, I should like to say that it is a very simple matter for the Senator from Oregon to get a new judgeship created in Oregon. All he has to do is to come to see me and spend about 5 or 10 minutes with me, and I will tell him how simple it is.

Mr. MORSE. I shall be glad to spend hours of my time with the Senator from North Dakota if he will help me.

CIRCUIT COURTS, TERRITORY OF HAWAII

The legislative clerk read the nomination of Luman N. Nevels, Jr., of Hawaii, to be a judge of the third circuit, circuit courts, Territory of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

MUNICIPAL COURT FOR THE DISTRICT OF COLUMBIA

The legislative clerk read the nomination of Harry Lee Walker of the District of Columbia to be an associate judge of the municipal court for the District of Columbia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Army are confirmed en bloc.

UNITED STATES AIR FORCE

The legislative clerk proceeded to read sundry nominations in the United States Air Force.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Air Force are confirmed en bloc.

IN THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the nominations in the Navy be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk read the nomination of Lt. Gen. Oliver P. Smith to have the grade of lieutenant general on the retired list in the Marine Corps, effective from the date of his retirement.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. CLEMENTS. I move that the President be notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified of all nominations confirmed this day.

LEGISLATIVE SESSION

Mr. CLEMENTS. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

ADJOURNMENT TO MONDAY

Mr. CLEMENTS. Mr. President, pursuant to the order previously entered, I move that the Senate now stand adjourned until Monday, July 25, 1955, at 12 o'clock noon.

The motion was agreed to; and (at 10 o'clock and 39 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, to Monday, July 25, 1955, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate July 22, 1955:

TAX COURT OF THE UNITED STATES

Craig S. Atkins, of Maryland, to be a judge of the Tax Court of the United States for the unexpired term of 12 years from June 2, 1950, vice Charles R. Arundell, retiring.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 22, 1955:

DEPARTMENT OF DEFENSE

Reuben Buck Robertson, Jr., of Ohio, to be Deputy Secretary of Defense.

UNITED STATES CIRCUIT JUDGE

John R. Brown, of Texas, to be United States circuit judge, Fifth Circuit.

UNITED STATES DISTRICT JUDGES

Ronald N. Davies, of North Dakota, to be United States district judge for the district of North Dakota.

George S. Register, of North Dakota, to be United States district judge for the district of North Dakota.

CIRCUIT COURTS, TERRITORY OF HAWAII

Luman N. Nevels, Jr., of Hawaii, to be judge of the third circuit, circuit courts, Territory of Hawaii, for a term of 4 years.

MUNICIPAL COURT FOR THE DISTRICT OF COLUMBIA

Harry Lee Walker, of the District of Columbia, to be an associate judge of the municipal court for the District of Columbia for a term of 10 years.

IN THE ARMY

The following-named officer under the provisions of section 504 of the Officer Personnel Act of 1947 to be assigned to a position of importance and responsibility designated by the President under subsection (b) of section 504, in rank as follows:

Maj. Gen. Samuel Davis Sturgis, Jr., O9325, United States Army, to rank as lieutenant general.

The following-named officers for appointment in the Regular Army of the United States to the grades indicated under the provisions of title V of the Officer Personnel Act of 1947:

To be major generals

Maj. Gen. Robert Gibbins Gard, O12247.
Maj. Gen. George Windle Read, Jr., O12603.
Maj. Gen. Richard Clare Partridge, O12630.
Maj. Gen. Edward John McGaw, O12631.
Maj. Gen. Charles Kenon Gailey, Jr., O12782.
Maj. Gen. Francis William Farrell, O12784.

To be brigadier generals

Maj. Gen. Lionel Charles McGarr, O17225.
Maj. Gen. Paul Donal Harkins, O17625.
Maj. Gen. Mark McClure, O14935.
Maj. Gen. Joseph Howard Harper, O15083.
Brig. Gen. Frank McAdams Albrecht, O15131.
Brig. Gen. Emil Lenzner, O15810.
Brig. Gen. Emerson Charles Itschner, O15516.
Brig. Gen. Gerald Edward Galloway, O16043.
Maj. Gen. Robert Lee Howze, Jr., O16055.
Brig. Gen. David Henry Tulley, O16075.
Brig. Gen. William Henry Nutter, O16095.

The following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of subsection 515 (c) of the Officer Personnel Act of 1947:

To be major generals

Brig. Gen. Charles George Holle, O12612.
Brig. Gen. Carroll Heiney Deitrick, O14796.
Brig. Gen. Douglas Valentine Johnson, O15072.
Brig. Gen. Einar Bernard Gjelsteen, O15143.
Brig. Gen. John Joseph Binns, O15207.
Brig. Gen. Charles Vinson Bromley, Jr., O15239.
Brig. Gen. Robert Ward Berry, O15554.
Brig. Gen. William Thaddeus Sexton, O15777.
Brig. Gen. Raleigh Raymond Hendrix, O15897.
Brig. Gen. Peter Conover Hains 3d, O15657.
Brig. Gen. Willard Koehler Liebel, O15723.
Brig. Gen. Emil Lenzner, O15810.

To be brigadier generals

Col. Harold Willard Glattly, O16967.
Col. John Frederick Bohlender, O17814.
Col. John Ruxton Wood, O17821.
Col. Paul Dunn Berrigan, O16741.
Col. Henry Joseph Hoeffer, O16765.
Col. Gerald Francis Lillard, O16770.
Col. Parmer Wiley Edwards, O16775.
Col. Charles Pennoyer Bixel, O16808.
Col. Louis Howard Foote, O17010.
Col. Lyle Edward Seeman, O17082.
Col. Robert John Fleming, Jr., O17095.
Col. William Ross Currie, O17115.
Col. Ralph Thomas Nelson, O17308.
Col. John Ogden Kilgore, O29008.
Col. Alvin Galt Viney, O17511.
Col. James Percy Hannigan, O17531.
Col. Philip Henry Draper, Jr., O17543.
Col. Harold George Hayes, O17554.
Col. John David Francis Phillips, O17584.
Col. William Darwin Hamlin, O17619.
Col. Robert Little Cook, O17675.
Col. Lester Skene Bork, O17685.
Col. Thomas Norfleet Griffin, O17775.
Col. Lloyd Roosevelt Moses, O29362.
Col. Frederick Theodore Voorhees, O29374.
Col. Lou George Van Wagoner, O41668.

UNITED STATES AIR FORCE

The following-named officers for temporary appointment in the United States Air Force under the provisions of section 515, Officer Personnel Act of 1947:

To be major generals

Brig. Gen. Hugh Arthur Parker, 505A.
Brig. Gen. Walter Irwin Miller, AO913582.
Brig. Gen. John Paul Doyle, 247A.
Brig. Gen. Manning Eugene Tillery, 293A.
Brig. Gen. Edward Pont Mechling, 327A.
Brig. Gen. Frank Hamlet Robinson, 336A.
Brig. Gen. Walter Robertson Agee, 413A.
Brig. Gen. Harold Winfield Grant, 497A.
Brig. Gen. Henry Keppler Mooney, 589A.
Brig. Gen. Raymond Judson Reeves, 1082A.
Brig Gen. Thomas Patrick Gerrity, 1613A.

To be brigadier generals

Col. Leslie Granger Mulzer, AO138777.
Col. John Caswell Crosthwaite, 295A.
Col. Robert Scott Israel, Jr., 354A.
Col. Edgar Alexander Sirmyer, Jr., 394A.
Col. Lawrence McIlroy Guyer, 454A.
Col. Donald Philip Graul, 455A.
Col. John Coleman Horton, 457A.
Col. Winslow Carroll Morse, 515A.
Col. William Leroy Kennedy, 517A.
Col. George Frank McGuire, 539A.
Col. Edward Bone Gallant, 577A.
Col. Julian Merritt Chappell, 583A.
Col. Edward Nolen Backus, 604A.
Col. Robert Lee Scott, Jr., 640A.
Col. James Simon Cathroe, 18821A.
Col. Robert Edward Lee, 19033A.
Col. William Charles Kingsbury, 923A.
Col. Charles Anthony Heim, 1033A.
Col. Haskell Erva Neal, 1047A.
Col. George Bernard Dany, 1061A.
Col. Perry Bruce Griffith, 1075A.
Col. William Harvey Wise, 1083A.
Col. John William White, 1087A.
Col. Robert Morris Stillman, 1114A.
Col. Thomas Joseph Gent, Jr., 1130A.
Col. Dolf Edward Muehleisen, 1144A.
Col. Harold Lee Neely, 1161A.
Col. John Edward Murray, AO372910.
Col. Emmett Buckner Cassady, 1095A.
Col. Cecil Edward Combs, 1203A.
Col. Lawrence Clinton Coddington, 1275A.
Col. Avelin Paul Tacon, Jr., 1566A.
Col. Claude Edwin Putnam, Jr., 1593A.
Col. Frank Edwin Rouse, 1595A.
Col. William Kemp Martin, 1697A.
Col. Ralph Lowell Wassell, 1730A.
Col. Horace Milton Wade, 1872A.
Col. Joseph Randall Holzapple, 1897A.
Col. Joseph James Preston, 1966A.

IN THE NAVY

The nominations of Lloyd R. Sellman and 856 other officers of the Navy for promotion to the grades indicated in the line and staff corps of the Navy, subject to qualifications therefor as provided by law, were received by the Senate on July 13, 1955, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of Lloyd R. Sellman, which appears on page 10425, and ending with the name of Robert A. Edlin, which is shown on page 10427.

IN THE MARINE CORPS

Lt. Gen. Oliver P. Smith, United States Marine Corps, to have the grade of lieutenant general on the retired list in the Marine Corps, effective from the date of his retirement.

EXTENSIONS OF REMARKS

Subversives in Defense Facilities

EXTENSION OF REMARKS
OF

HON. JOHN MARSHALL BUTLER

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Friday, July 22, 1955

Mr. BUTLER. Mr. President, as one who has served now for a considerable period of time as a member of the Internal Security Subcommittee of the Senate, I am convinced that the potentiality for subversion and sabotage within our essential defense industries and facilities has not decreased with the changing attitudes of world affairs.

The Secretary of the Army, Mr. Wilber M. Brucker, has testified that—

> There are known subversives now working in vital defense facilities without there being adequate authority in the Federal Government to meet this potential threat to our productive capacity and therefore to our military effectiveness.

To fill this gap in our internal-security structure, I have introduced, with the sanction of the administration, Senate bill 681, which would "guard strategic defense facilities against individuals believed to be disposed to commit acts of sabotage, espionage, or other subversion."

As was to be expected, this proposal has been the subject of criticism from certain misinformed and misguided persons and groups. However, the July 23, 1955, issue of the Saturday Evening Post contains an excellent editorial entitled "New Law Needed To Bar Spies From War Plants," which very capably, in my opinion, demolishes these continuing attacks upon any legislation vital to our national defense.

Mr. President, I ask unanimous consent that this editorial be printed in the CONGRESSIONAL RECORD, along with my newsletters of May 9, 1955, and July 11, 1955, on the same subject.

There being no objection, the editorial and newsletters were ordered to be printed in the RECORD, as follows:

[From the Saturday Evening Post of July 23, 1955]

NEW LAW NEEDED TO BAR SPIES FROM WAR PLANTS

Although a worker in an industrial plant can sometimes be fired for taking too long for a smoke in the washroom, it will be news to many people that it is impossible to get rid of suspected subversives and Soviet agents planted in our sensitive defense industries. To remedy this situation, the Department of Defense prepared a bill, which was introduced by Senator BUTLER, of Maryland, designed to give the Government the right to exclude these dubious characters from places where they could cause trouble. It does seem about time some attention was paid to this matter.

One explanation of this extraordinary situation is the almost pathetic anxiety of the Government not to be accused of violating somebody's civil liberties. A year ago a statement made on behalf of the General Electric Co. before the Senate Judiciary Committee pointed out that "Government agencies direct contractors to exclude from 'classified' defense work all employees whom they find to be 'security risks,' but the individual employer does not receive from the Government the evidence which supports its conclusion."

In its statement the company declared that when the Korean war broke out it attempted to have the Government give the names of any employees considered to be subversive. "We could not get such information and were advised that the entire security program was under study." It is obvious that FBI files cannot be turned over to private individuals, but it is a monument to the fatuous tolerance of democracy that subversives can't be disturbed in their activities because there is no legal way to identify them.

Undoubtedly, if an employer undertook to dismiss a suspected worker without having had access to the Government's information about the man, the employer would probably have his plant closed by a strike and in the end be compelled to restore the suspect to his job. Since the employer is unable to act by himself, and Government officials do not give the needed information, a statute is called for, making it mandatory for the Government to boot subversives out of our defense industries. The Butler bill was designed to fill this gap.

Although certain labor leaders, the Americans for Democratic Action, and other so-called liberal groups have criticized the Butler bill as setting up "an approximation of the police state," the measure seems adequately cautious in its approach to the subject. For example, before its terms can be carried out the President must issue a proclamation "that the security of the United States is endangered by reason of actual war or threatened war, or invasion, or insurrection, or subversive activity, or of disturbance or threatened disturbance in the international relations of the United States." Important as it is to protect the rights of individuals and to stay within the limits of "due process of law," the layman will wonder why spies cannot be hightailed out of defense plants until the menacing circumstances cited above are present.

Even when the FBI has put the finger on a suspected subversive in a defense plant, nothing could happen to him under this proposed law until he has been notified of the charges against him and given an adequate opportunity to defend himself against them. He may request a hearing, and if the charges

are based on the testimony of informants whose identity must be withheld for security reasons, the suspect "shall be furnished with a fair summary of the information in support of the charges against him." The bill did provide that "any investigatory organization [meaning the FBI]" shall not be required to disclose the source of its information if such disclosure would "endanger its investigatory activity." The spy who is collared despite all the protections set up in the Butler bill may not destroy the FBI on his way out of the plant.

All this would appear to give subversives and suspected Soviet agents in defense plants protections which are denied to employees accused of "sassing" the foreman or arriving on the job 10 minutes late. One explanation seems to be that unions feel that communism, like portal to portal, should be a subject for negotiation with employers. The less practical complaints of the liberals are not so easily comprehended.

It ought not to be necessary to add that the mass of American labor is overwhelmingly opposed to communism and that the evil which the Butler bill was designed to meet concerns only a few people, many of them not members of unions at all. However, the important thing from the Soviet point of view is not how many rank-and-file union members can be turned into Marxists, but how to plant a few hundred spies and agents in key spots in our defense industries. Testimony before congressional committees has made it plain that these industries have been infiltrated to some degree. Senator BUTLER declared that, without this bill, the United States would be powerless to act against subversives in our industrial plants. Are we so drugged by peace propaganda that we don't care?

THE NATIONAL SECURITY

(A weekly newsletter by Senator JOHN MARSHALL BUTLER)

WASHINGTON, July 11, 1955.—In the present posture of world affairs, the problems of national security, while not in the headlines as much as heretofore, have not decreased in magnitude or importance. There are those, however, who continue to argue that this problem is poppycock—a figment of the conservative mind.

As chairman of a Senate internal-security task force created to review security procedures in our defense facilities, I have just completed hearings at which the real significance of this problem was revealed in its ominous potential. Expanding upon the accounts by FBI Director J. Edgar Hoover that there are still more than 20,000 Communists—active or passive—in this country, incoming Army Secretary Wilber M. Brucker testified that the Government does not have sufficient authority to remove subversives from certain of our vital industries. To fill this void I have introduced legislation which, when passed, would deny such individuals access to our defense plants.

It is in this setting, compounded by the ugly history of subversion and infiltration in the last quarter century, that the charge of poppycock has arisen. These misguided antagonists, despite their oftentime intellectual leanings, are quick to overlook a few axioms basic to the society of man. For example, back in the Roman days, Justinian, the Emperor of the East, proclaimed that "the safety of the state is the supreme law." President Madison once said: "Security against foreign danger is one of the primitive objectives of civil society." Of more recent gleaning, Supreme Court Justice Frankfurter has asserted that "the right of a government to maintain its existence—self-preservation—is the most pervasive aspect of sovereignty."

Through the ages self-protection and survival have been a motivating premise of government. Yet in recent years this maxim has become confused with the issue—not wholly unrelated, however—of due process of law. While there are many judicial precedents which capably disentangle these perplexities and place them in clear perspective, the courts have concluded that due process in the context of security programs is "properly definable in terms of the maximum procedural safeguards which can be afforded the individual without jeopardizing the national security."

Let those who contend that our internal security is not always in danger heed A. F. of L. President George Meany's warning of last week, "The sweet words of Soviet leaders betoken no change in their basic aim of world domination."

JOHN MARSHALL BUTLER,
United States Senator.

COMMUNIST INFILTRATION AND NATIONAL SECURITY

(A weekly newsletter by Senator JOHN MARSHALL BUTLER)

WASHINGTON, May 9, 1955.—All too frequently, we as freedom-loving people overlook the real meaning—or more aptly, the real menace—of the international Communist conspiracy. Unfortunately, we often seem to forget the creepy conquests of the Russian dictatorship, and the inhuman brutality and devious cunning of these conquests. As a dictatorship and conspiracy, world domination is the all-pervading goal. The evil operations of the Kremlin, its agents and pawns, influence practically every phase of our free society.

This penetration is ceaseless, taking many forms, and is but part of a precisely conceived plan. Responsible experts have concluded that more than 20,000 trained, hard-core Communist Party members continue to function in this country, mostly in cloak and dagger secrecy. Unimpeachable testimony records extensive and repeated exposures of Communist infiltration in our industrial and defense plants. In accordance with a basic Communist doctrine that "the end justifies the means," it can be accurately predicted that infiltration is a prelude to active sabotage and subversion.

With utter abhorrence of the frightening prospect of another global conflict, and with full realization of the delicate international situation, there is no alternative to preparation and security. We must be alert to any eventuality. It is in this setting that I have introduced legislation which would prevent access to all defense facilities of persons likely to commit sabotage, espionage, and other subversive acts.

As expected, the self-appointed saints of American liberalism, with neurotic denunciation, are attacking this measure on the grounds that the rights of workers will be violated. These deluded individuals endeavor to popularize such idioms that my proposal would result in "a lot less freedom but no more security." These unfounded assaults tend to cloud the true purpose of the legislation and the vital need for adequate precautions. Contrary to these assertions, this bill would protect the rights and freedoms of all Americans and simultaneously safeguard our Nation.

I would remind these self-styled liberals that: "Communism is the religion of the devil; it is a distillation of evil; it is the very antichrist. We will never be safe from this evil faith until it is driven back to the hell from which it came." These are the words of Adm. William H. Standley, a wartime Ambassador to Russia, who can, with authority, attest to the real meaning and foreboding of the Communist conspiracy.

JOHN MARSHALL BUTLER,
United States Senator.

Korean War Prisoner Veterans Entitled to Monetary Benefits

EXTENSION OF REMARKS
OF
HON. EVERETT M. DIRKSEN
OF ILLINOIS
IN THE SENATE OF THE UNITED STATES

Friday, July 22, 1955

Mr. DIRKSEN. Mr. President, it might be well to publicize the fact that quite a number of Korean veterans who were prisoners of war and who would be entitled to monetary benefits under the provisions of Public Law 615, enacted in the 83d Congress, have not applied for benefits. As a matter of fact, the former Claims Settlement Commission has been unable to locate a substantial number of the Korean veterans, and I am including herewith a list of those veterans and their serial numbers in the hope that through the publicity afforded by the CONGRESSIONAL RECORD some of them may be alerted to the fact that there is a deadline for the filing of an application for the benefits provided under this act.

Applications must be postmarked on or before midnight, August 21, 1955, as required by existing law.

These veterans would be entitled to payment at the rate of $2.50 per day for each day they were in prison. I might add that those members of the United States Armed Forces who are still prisoners of war as a result of Korean hostilities would be eligible to file their claims within 1 year after returning to American military control. In the case of survivors of prisoners of war who have not returned to the jurisdiction of the United States Armed Forces, such survivors may file claims not more than 1 year from the date that the Defense Department determines that the prisoners of war actually died or were presumed to be dead.

Here, then, as of June 30, 1955, is the list of Korean prisoners of war whose addresses are unknown to the Foreign Claims Settlement Commission, who are entitled to these benefits. I sincerely hope that the list will have wide publication because these men are deserving of these benefits for the service they rendered.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

UNSOLICITED KOREAN POW'S ADDRESSES UNKNOWN TO FOREIGN CLAIMS SETTLEMENT COMMISSION, JUNE, 30, 1955

Acevedo, Francisco, US 50107130.
Agustynovich, Stephan, US 15219105.
Allen, Taggett, RA 15421724.
Auman, Neil C., Pvt. 2, US 52274157.
Ball, Joe L., US 53026595.
Bancroft, Russell J., Pvt. 2, RA 16320729.
Blair, Robert L., ER 55021425.
Boyden, Melvin, Pfc., RA 13355354.
Bradley, George W., RA 13306767.
Brown, Johnnie C., Sfc., RA 14291360.
Burns, Peter J., Pfc., ER 42200296.
Bruner, Joseph M., RA 18279404.
Cerino, Joseph Jr., RA 12312845.
Dean, Ercel W., Sgt., RA 15282501.
Di Gardi, Anton, RA 21936768.
Dutro, Darrell W., O–1997521.
Enoki, Ted T., RA 10735192.

Escobar, Torres Vic., RA 30432249.
Fernandez, Joseph, RA 33559586.
Fitzgerald, William, RA 20219234.
Gibson, Maxie L., Pvt., RA 14314631.
Garrison, Herbert D., RA 16307477.
Gifford, Allen J., RA 13282225.
Gilardi, Robert W., O21766.
Gonzales, John, RA 19332137.
Good, Vernon L., RA 16302082.
Goodburlet, Raymond, RA 12283162.
Gouin, Phillip A., RA 16315443.
Graiales, Nueves, US 50114497.
Greenwood, Charles, RA 12349405.
Grizzard, Lewis, O-2008593.
Groulx, George E., RA 19032085.
Groyum, Elden F., 407127.
Guynn, John E., RA 35902554.
Hamilton, Raymond L., RA 16323889.
Harris, Charles L., RA 44104771.
Heffler, Kenneth J., RA 18275585.
Hicks, Joseph E., O-2208560.
Higgins, John H., O-1048407.
Holley, Freddie, RA 15274722.
Holmes, Roy E., RA 14291279.
Huffner, Robert A., RA 15419699.
Hughes, Melvin D., RA 13333238.
Hunter, Carson, RA 16254447.
Huntley, Robert M., RA 06558601.
Irizarry, Jose B., ER 30430402.
Jackson, Warren F., RA 13282069.
James, Davis E., RA 35759615.
Kastuch, Joseph J., ER 06933367.
Key, Joseph E., RA 33379856.
Locke, William S., 12453A.
Lovett, John M., RA 20246176.
Lyda, Gedion P., Jr., 54065042.
Marsh, Harold L., RA 06919920.
Martin, John E., RA 16322959.
McMillan, George, RA 12326889.
Melsness, Earl W., RA 16282172.
Montejano, Edward, NG 28127358.
Moreland, Harry D., O-0555419.
Mueller, Herbert, RA 16316790.
Naranjo, Pete D., RA 19314062.
Nolan, Lawrence T., RA 12319287.
North, Charles R., RA 15415785.
Nunnery, Edward D., ER 14260535.
Obrien, William F., RA 14285858.
Paillette, Ted Eugene, 4237278.
Paruolo, Salvatore R., 652045.
Patterson, Joseph H., RA 52033759.
Pickett, Herbert L., RA 16620A.
Pizzamiglio, Edward, RA 26333377.
Potts, Hubert W., O-2014804.
Pritchett, Alexander, RA 13344545.
Purser, Trenton E., RA 14291324.
Quentin, Rudy S., RA 19364440.
Radcliff, Warner R., RA 13347491.
Raines, Earl L., RA 15413103.
Ransier, James H., ER 57149266.
Rockett, Edward M., 058504.
Schairb, George D., RA 15271296.
Sarnowski, Francis, RA 13285991.
Scott, Howard, 226403.
Seger, Jake L., Pvt., 1151464.
Smith, Robert, Pfc., RA 15274357.
Sugrue, Daniel, US 51063967.
Sweet, Richard L., RA 18260543.
Tamura, Akira, RA 37714253.
Thompson, Jackie R., RA 18315371.
Thompson, Paul W., RA 11166974.
Triplett, James, RA 13322265.
Trollope, Harry B., O-1688430.
Truscott, David J., RA 16284907.
Walter, Arthur E., US 53001801.
Warren, Edgar O., Pvt. 2, RA 15294163.
Warrington, John M., RA 14313938.
Wayland, John N., RA 13321136.
Webb, Marvin J., RA 19346846.
Wetmore, Carl E., RA 15260289.
Whirley, Bobby G., 1324900.
White, John P., Pfc., 1234100.
Wiese, Eugene A., RA 46082739.
Wildinson, Joseph M., RA 13328571.
Williams, Victor K., RA 17255863.
Willis, Jack J., RA 16303934.
Wilson, Theodore R., RA 15214004.
Wilson, Winston W., RA 14005329.
Wolfe, Raymond E., ER 52031455.
Wright, Kenneth R., RA 15379133.
Ywung, Gerald R., Cpl., RA 18271945.

Increasing the Number of Foreign Language Experts in Our Country

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES

Friday, July 22, 1955

Mr. WILEY. Mr. President, for a long time I have been deeply interested in increasing the reservoir of American specialists in foreign languages.

The fact of the matter is that we have a very insufficient number of Americans who can read and write with genuine familiarity foreign tongues, in many areas which heretofore have been almost unknown to us, but which now occupy great strategic significance.

Three-quarters of a year ago, I took this matter up with many Federal agencies. I pointed out that if the United States is to combat communism through greater economic, political, and cultural contact and through military assistance, it would be unthinkable for us not to be able to communicate with the very people whom we are trying to assist in maintaining their sovereignty.

One of the public officials whom I contacted was the distinguished Director of the Central Intelligence Agency, the Honorable Allen W. Dulles, who indicated his deep recognition of this problem of an insufficient number of foreign-language specialists and his desire for a remedy to this problem.

Months have passed, but unfortunately the remedial action which Director Dulles and other public officials and I have sought has been lagging. On June 29, the Hoover Commission Report on Intelligence Agencies of the Government pointed up this problem as one of its many findings dealing with the United States intelligence effort. The Hoover Commission task force stated:

> Lack of adequate linguistic preparation often has proved to be a serious handicap to our representatives abroad. This became painfully apparent during the Korean war. The ability to write and speak the language fluently, and to interpret foreign words and idioms accurately always helps an American to get around in an alien land, to win the confidence of its people, and to understand them.

And so the Commission went on to make as its formal recommendation No. 9:

> That a comprehensive, coordinated program be developed to expand linguistic training among American citizens serving the intelligence effort; and
>
> That the Department of Defense expand and promote language training by offering credit toward Reserve commissions to ROTC students and drill credit to Reserve personnel for completion of selected language courses.

By way of further background on this subject, I send to the desk the text of an editorial from the Superior (Wis.) Telegram of October 20, 1954, endorsing my effort to overcome the international language barrier. I append excerpts from Director Dulles' reply of the same period. Also included is the text of a letter from the Acting Director of the United States Information Agency, Mr. Abbott Washburn. In it he reflected USIA's deep concern with this problem, particularly in view of the then imminent move of the Voice of America from New York to Washington, which resulted in making it difficult to fill various foreign specialist vacancies.

I ask unanimous consent that all three of these items be printed in the RECORD.

There being no objection, the editorial and letters were ordered to be printed in the RECORD, as follows:

[From the Superior (Wis.) Evening Telegram of October 20, 1954]

FOREIGN LANGUAGE BARRIER

Senator ALEXANDER WILEY says not enough Americans speak foreign languages, with the result that it's exceedingly difficult for us to reach people in Communist dominated countries.

Wisconsin's chairman of the Senate Foreign Relations Committee says "It is almost as tough as the Iron-Curtain barrier which separates us from the slave world." He hopes Americans will face up with the situation by overcoming the language barrier.

WILEY, of course, isn't speaking about such languages as French, Spanish, German, and some of the others that get more or less attention in our schools. He's referring to such less familiar languages as Amharic, Chuvash, Kurdish, Burmese, and quite a few others. Only a few persons in America can speak such languages fluently.

WILEY's committee is so concerned about the matter that it engaged the American Council of Learned Societies to make a survey of how many Americans can speak foreign languages. It's findings were far from encouraging.

The Council found for example, only one American familiar enough with a knowledge of Thai to carry on a convincing conversation in Thailand. Also, only 1 person claimed complete fluency in Vietnamese, and but 3 indicated proficiency in Burmese.

In all, the Council listed only 25,500 persons in the United States with professional training in languages. That is not many for a Nation with a population well over 150 million.

Senator WILEY is right in maintaining that if Americans are to exchange ideas with other countries, we must have people who can talk their languages.

He is also right in contending that it is important that sufficient language scholars be available to such Government branches as the Central Intelligence Agency, the State Department, and the Defense Department.

These agencies should always have at hand personnel so familiar with the tongue of a foreign land that they could be placed there at a moment's notice to deal intelligently with any emergency that might arise.

Wisconsin's Senator has announced his intention to recommend to the next Congress a greatly stepped up language training program. He deserves all-out support on this commendable effort.

CENTRAL INTELLIGENCE AGENCY,
OFFICE OF THE DIRECTOR,
Washington, D. C., October 9, 1954.

The Honorable ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: This is in response to your letter concerning a reservoir of language specialists. It is gratifying to learn of your awareness of a problem which concerns not only the Central Intelligence Agency but also many other agencies of Government which must communicate with and understand foreign peoples.

You have identified an important element in the overall problem in observing that the greatest difficulty lies in connection with peoples with whom we have had comparatively little contact but who now, or may in the future, occupy a status of great strategic significance. Previously, scholarly endeavors in the fields of language and area studies in the United States have rather closely paralleled our commercial interests. No doubt there was a time when United States commercial interests and the interests of national security lay in the same areas and peoples of the world, and our educational centers were geared to produce sufficient language specialists to satisfy both commercial and Government demands.

With regard to the matter of programs which our Government might set in motion to increase the availability of language specialists, several thoughts occur to me: (1) the Government might ascertain its requirements in the way of active and reserve specialists in the various languages; (2) a national inventory of language specialists might be compiled; (3) a schedule of our resources might be undertaken to determine the adequacy of our educational centers for producing language specialists equal to our requirements.

Since these projects require considerable time, the determination of requirements, inventory and resources would probably require about 5 years each. The institution of a program of scholarships in 1955 to encourage students to study some of the more exotic languages would contribute nothing to the reservoir of language specialists before 1960. It may well be that the needs of the Government for some years to come can only be satisfied by a program of training competent, qualified career Government employees at public expense.

In mid-1951 an Inter-Agency Committee on Area and Language Specialists was established for the purpose of exploring the problem on a Government-wide basis. Copies of the initial reports of that committee are enclosed.

In this era of science and technology most of us have become aware of the factor of lead-time in the development of new devices and weapons. Lead-time is no less a factor in the development of other national assets, and I trust that you will be encouraged to press for a solution of this problem which you have correctly identified as of great strategic significance to our country.

Sincerely,

ALLEN W. DULLES,
Director.

UNITED STATES INFORMATION AGENCY,
Washington, August 27, 1954.

The Honorable ALEXANDER WILEY,
United States Senate.

DEAR SENATOR WILEY: I was pleased to receive your letter enclosing an excerpt from the CONGRESSIONAL RECORD entitled, "Reservoir of Language Specialists."

The basic function of this Agency is communication with people abroad. To be effective we must reach them in languages they understand. Finding proficient language specialists is, as you point out, a serious problem for this Agency. The full magnitude of our problem can be appreciated when language proficiency and our high employment standards are taken in combination with the requirements for professional competence in communications media and techniques and for area or country knowledge. The number of Americans who can offer that combination of skills is indeed small.

We are now in process of conducting a civil-service examination for foreign language information specialists to staff the language desks in the International Broadcasting Service. Many of these vital positions will become vacant when the Voice of America moves from New York to Washington (a move now completed—Senator WILEY). We are experiencing difficulty in locating an adequate number of American citizens who can write professionally in a foreign language for radio broadcasting purposes.

Fortunately, in our missions abroad, we employ citizens of other countries who are dedicated to the program, who work effectively with their countrymen, and who know sufficient English to serve as a channel of communication for us. In an effort to increase the language knowledge available to the Agency, we have installed a modest area and language training program for a few carefully selected American employees. Also we are installing a modest language training program at selected overseas posts for American employees. However, we cannot hope, through these training programs, to attain even an optimum level of language proficiency within any reasonable period of time.

I am sure you will excuse my stress on the immediate importance of language competence to the work of this Agency. I do recognize its continuing importance to the work of other Government programs. Its importance as a vital manpower resource to the United States Government and the American people during these times of global emergency may well warrant the attention and study of the Congress.

Sincerely yours,

ABBOTT WASHBURN,
Acting Director.

Dedication Ceremonies at the Tacoma Waterway, Tacoma, Wash.

EXTENSION OF REMARKS
OF
HON. ALAN BIBLE
OF NEVADA

IN THE SENATE OF THE UNITED STATES

Friday, July 22, 1955

Mr. BIBLE. Mr. President, dedication ceremonies were held today in Tacoma, Wash., at the opening of the Tacoma Waterway. The senior Senator from Washington [Mr. MAGNUSON] made an address on this occasion, and I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

"The Case of the Industrial Waterway" is drama.

In a play we have to have stars. One of them is Maurie Raymond—your own port commissioner. His supporting cast includes some stellar performers. It is a huge supporting cast. It includes everyone in this room, plus the Corps of Engineers, plus the Congress of the United States.

The story begins July 1953 when Maurie Raymond came to Washington. The Port Industrial Waterway was on dead center. We needed an economic and engineering survey. The Corps of Engineers said they did not have the money. He came to my office—we got busy—and 2 weeks later we had an allocation of $5,000.

Act I was underway.

You will remember some of the episodes. The Corps of Engineers held a hearing in Tacoma. Their engineers and economists went to work with the port commission and by March 1954 the district office had a favorable report.

The curtain went up on act II.

Action was then focused on the omnibus rivers and harbors bill. It was moving through the House. Could we get the engineers' report through the Rivers and Harbors Board, through the Chief of Engineers, through the Secretary of Army, through Bureau of Budget in time to catch the bill before it got through the Senate?

June 15 was the deadline—the last meeting of the Rivers and Harbors Board. The project could not be authorized—or so we thought—without that Board's approval.

The supporting cast went to work. The report moved out of Portland in jig time, but jig time in this case meant the middle of May.

The chief's office had been alerted. The report was sent to the Rivers and Harbors Board. At that point one of the chief actors stubbed his toe, and the report was sent back to the field for further information.

In the meantime the omnibus bill had moved out of the House and into the Senate. The next episode took place before the Public Works Committee of that so-called august body. On hand was Senator JACKSON and myself.

We sold the committee on the project. They voted it into the omnibus bill without clearance from the Rivers and Harbors Board or Chief of Engineers or Secretary of Army or Bureau of Budget. As a matter of fact Bureau of Budget did not clear the report until about 2 weeks ago.

The curtain went down on act II. All and sundry declared it a stellar performance.

The curtain went up on act III.

Part of the cast decided to risk $373,000 of your hard-earned tax money to start dredging, to gain time, to anchor down this oil refinery. The reviews said the curtain went down on act III with great applause, and I should add, the gnawing of fingernails. The question was, Would you ever get the $373,000 back?

The curtain went up on act IV. The locale is the Senate Appropriations Committee. The supporting cast was meager—myself; outsiders are not allowed when that "club within a club" is marking up a bill. After a fight the committee agreed that the project was worthy, that it should be built, and that $646,000 is a small price to pay for admission when a $10 million refinery and corollary development is hanging in the balance.

The Senate approved it. We held it in conference. The Senate committee had added the punch line—$373,000 to reimburse the port of Tacoma for money they had already spent on the project.

The curtain goes down on the case of the industrial waterway and even when the cast came out for a final encore, without the Secretary of Army, Bureau of Budget, and administration approval.

It was a great play. All of you here in Tacoma deserve top billing.

The finale, however, is only the beginning so far as Tacoma is concerned.

I like an occasion like this. This is growth and development for Tacoma and that's the story we have been having in the Pacific Northwest for the last 2½ decades. If we weren't dedicating a project, we were planning one, and every one of those projects brought in new industries, new people, new optimism, and added to Washington's future.

But dedicating this project recalls one of the worst foes we have to face.

We congratulate each other on the part we played. We recall the history and what led up to the eventual victory. But there's too much of a tendency to consider this the end, not the start.

The Tacoma Waterway isn't the end of the line. It shouldn't be the end of the line. We should use it to build bigger and better industries that can be pointed to 30 years from now as an example of what can be done with planning and work.

Our Nation is a good example of what I mean. No question about it, we lead the world and most of the world allows us to

lead. Backward peoples come to us for ideas. They want to use our skilled personnel. We are their teachers. No question about it, there is a light in their backward eyes of not only appreciation, but actual awe of what we have been able to do. It is right for that light to be in their eyes, but let us not misinterpret it and be so busy taking bows that we fail to look at the work undone behind stage.

Our Pacific Northwest has had more visitors of this type than most section of the Nation. They have come to see our system of dams along the Columbia River. They have looked at blueprints and taken them home to start projects of their own. They have stood at Seattle-Tacoma Airport, marvelled at the modern terminal we have constructed. They have gone to the Boeing Aircraft Co. to see the efficient way we put airplanes together. They have watched arid acres produce fabulous crops in the Columbia Basin project, and I think they have caught some of the spirit from our Pacific Northwest leaders who aren't content with the past, who won't be content unless the future develops at the same pace with the same results. No one knows better than those who have had a hand in the development of the last 2½ decades that there is still plenty to be done. We can never stand still and make achievement.

Before coming to Tacoma, I asked the Department of Defense, for example, exactly how much was going to be spent by that agency in the State of Washington during fiscal 1956. I got the answer that $282 million is the estimated expenditure in the State of Washington. That breaks down into these figures: $110 million for the Army; $63.6 million for the Navy, and $108.8 million for the Air Force. Now that's an example of what I mean about never standing still. To the casual observer driving by Larson Air Force Base, or the Hanford project, or Fort Lewis, or McChord Field, or the Bremerton Navy Yard, those projects look pretty complete. Yet, to equip these bases with the housing facilities needed and the latest available technical equipment it's going to take $282 million this next year to do the job.

The expansion of the Tacoma Waterway reminds me of the dock modernization program this Nation is going to be forced into very shortly. As chairman of the Interstate and Foreign Commerce Committee of the Senate, I have had occasion to sit down with industry and labor representatives to discuss dock modernization. The casual observer driving by a dock may think the facilities are the most modern in the world. Certainly they are better than most, but they are not up to the standards we need for complete efficiency.

For example, most of the cranes at our docks are between 20 and 30 years old. They aren't as efficient as the new cranes turned out. In too many cases we are still doing by hand what should be done by machine. We are moving by stevedore, a piece at a time, what can be done in bulk. We might assume that labor would protest any modernization, but it doesn't take that view at all. It knows that through proficiency in mastering new techniques it not only gains more skill, but more money; because in dock management, time is money, and the faster goods can be moved the more money is available for those who utilize the new techniques.

Undoubtedly, the Federal Government is going to step into the dock modernization picture, probably through a matching funds program. And it should, because it's in the national interest to have docks ready for instantaneous handling of goods in case of national emergency. I am happy to report that labor and management stand united in this program of progress.

Our shipping lags far behind the times. I fought in the last Congress for several prototype ships which the Maritime Administration could build to show the way for efficient shipping for the next decade or longer.

Those ships should have been off the drawing boards and on the ways by this time, but they aren't. Perhaps the delay comes under the heading of economy, or maybe it's strictly red tape. But, whatever the reason, we are not moving fast enough in this field.

I was still pressing to get the prototype ships underway when the President came out with his atomic showboat plan. Now that, in a way, comes back to what I was talking about, about being so busy with curtain calls that we forget what we are supposed to be doing. He wanted an atomic ship to show the rest of the world. I have been calling since 1950 for one that would work, that would cut costs in shipping, that could iron out the bugs so atomic engines could be installed in our present ships.

In other words, I want one that is practical, one that during the space of a comparatively few years can clear the way for utilizing atomic power on the high seas as we have used it on dry land.

Of course, there is a long way to go before we get our merchant fleet equiped with atomic reactors, but the day will come.

We also should be looking ahead to the day of the atomic engine in airplanes.

Those are some of the problems our 20th century pioneers in industry and Government face right now. There are others. Just as you faced problems in getting this Tacoma Waterway. Before you could effectively move on this project you had to have public backing. The people of Tacoma had to want this project badly enough to fight for it. It reminds me very much of the way the Columbia River was developed, the way we obtained dams at Bonneville, Grand Coulee, Hungry Horse, Chief Joseph, and McNary, and the way we are getting them at The Dalles and John Day and Ice Harbor.

We have been shown the course in hydroelectric projects, but suddenly we have been confronted with a new problem, which I consider to be apathy. Entirely too many of us are resting on laurels at this point. We are so busy taking bows for what has been accomplished, and reciting history to all who will listen, that we forget there is still a job to be done.

Our Northwest won't have complete hydroelectric development until every last dam that can be built economically and face the test of paying back the loan advanced to build it, is constructed, generators installed, and the power surging through the lines to Hanford, or its successor; to Boeing and its B–52's; and to the thousands of industries which aren't here now, but will be when these other dams are completed. Midway in this battle for Northwest development, we have allowed ourselves to be stymied, at least we were until Ice Harbor went into the public works appropriation bill in this 84th Congress.

We had been so busy accepting congratulations that we forgot two things: One is, how the dams were obtained to start with, and, secondly, how we are going to get the rest of them.

Figures used in the latest attack on our area showed a breakdown of what each citizen in the Nation has invested in Pacific Northwest projects.

Congress has known per capita costs ever since starting on the Northwest program. Congress considers that 1.2 billions invested by the Federal Government in Columbia Basin dams, one of the soundest investments the people of this Nation have ever made; for example, the 1954 annual report of the Bonneville Power Administration plainly shows that this investment is being repaid $65 million ahead of schedule. You have to look far in the Nation's portfolio investments to find any more gilt-edged than these. Dams like Grand Coulee, Hungry Horse, Bonneville, McNary, and Chief Joseph not only pay their own way, repay cost of construction plus interest on the money borrowed to build them, but they pay off in other respects too.

Look at the new jobs established in the Pacific Northwest. Look at the B–52's flying away from Boeing Aircraft Co. because we had low-cost power to produce the aluminum that went into the planes. Look at the people employed in that aluminum industry. How much safer is the Nation today because we had low-cost power which would make all this possible.

We are not going to stand by and see our Pacific Northwest development picture discredited in the eyes of the general public through use of slight-of-hand statistics.

We ask the Nation's taxpayers only to advance the money for such great and worthwhile projects so that we can utilize the power, pay for it with interest, and provide employment opportunities for the boys and girls who are growing up in the State of Washington.

My chief concern now, is that sitting at the dawn of victory, we will be content with what we have, will spend our time defending that, instead of fighting on until orderly development of the Snake River is achieved, just as we have done on the Columbia River. As long as there is 1 kilowatt of energy that can be rung economically from the Columbia or the Snake or its tributaries, as long as there is 1 plant that needs to be located in the Pacific Northwest from the standpoint of national security, a higher standard of living, for economic betterment of this Nation, our job has not been completed and we will be letting down those who had the vision and the courage and the stamina to give us this steppingstone to victory.

SENATE

MONDAY, JULY 25, 1955

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, like the dew of the morning on parched ground, like the mystic, quiet summer twilight, steal upon our spirits now, we beseech Thee, as at another week's beginning we bow at this altar of prayer with a sense of eternal values. We bring our fainting hearts to the cool springs of Thy renewing grace. We bring our hands, soiled with the world's uncleanness, to the holiness that shames our unworthiness and yet forgives our iniquities. We bring our restless unstableness to the patience that outlasts our fickleness.

Give us a sobering realization that our individual attitudes go to make the national and international climate of these dangerous days in which we live. By the warmth of our own spirits help us to contribute to the final dispelling of the atmosphere of skepticism and suspicion in which grow only the rank weeds of hatred, which so often are rooted in ignorance. Make us willing partners in the garden of good will, cultivating the flowers of appreciation and understanding which will at last climb over all dividing walls and make the fields of all nations blossom as the rose. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. CLEMENTS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, July 22, 1955, was dispensed with.

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Pursuant to the order of the Senate of July 22, 1955,

Mr. HAYDEN, from the Committee on Appropriations, to which was referred the bill (H. R. 7278) making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes, reported it favorably, with amendments, on July 23, 1955, and submitted a report (No. 1094) thereon.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. CLEMENTS, and by unanimous consent, the Judiciary Committee and the Investigating Subcommittee of the Committee on Government Operations were authorized to meet today during the session of the Senate.

CORDELL HULL

Mr. GORE obtained the floor.

Mr. KEFAUVER. Mr. President, will the junior Senator from Tennessee yield in order that I may suggest the absence of a quorum?

Mr. GORE. I am happy to yield, provided I shall not lose my right to the floor.

Mr. KEFAUVER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BIBLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. GORE. Mr. President, it is my sad duty to announce to the Senate the death of the Honorable Cordell Hull, formerly a Member of the House of Representatives, a Member of the United States Senate, and the Secretary of State of the United States. I present on behalf of myself and the senior Senator from Tennessee a resolution and ask unanimous consent for its immediate consideration.

There being no objection, the Senate proceeded to consider the resolution (S. Res. 138), which was read, as follows:

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Cordell Hull, formerly a Senator and Representative from the State of Tennessee, and a former Secretary of State.

Resolved, That the Secretary transmit a copy of this resolution to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the former Representative, Senator, and Secretary of State, the Senate, at the conclusion of its business today, do adjourn.

Mr. GORE. Mr. President, in the passing of Cordell Hull the United States has lost one of her truly great men. From the obscurity of a cabin in the remote Cumberland Mountains of Tennessee he rose to the councils of the world's great and powerful. Even from these summits he towered like a great oak on the peaks of his native hills. His was an exemplary life of service, marked especially by toil and an inflexible devotion to principle.

From woodsman, farmer, student, and soldier, to State legislator, judge, Member of the House, party leader, Senator, Secretary of State, father of the United Nations, and beloved elder statesman, he rose, ever wafted on by the confidence of his fellow men. And I believe, Mr. President, he has now been wafted on to an even greater reward, for from his life and his faith we may take confidence that the peace which he coveted for his fellow men is now, by the grace of a just and loving God, the full and eternal possession of his soul.

Mr. KEFAUVER. Mr. President, I join in the tribute of my colleague, the distinguished junior Senator from Tennessee [Mr. GORE], who for many years represented in the House of Representatives the district which Cordell Hull represented in the House, and whose hometown of Carthage was also the residence of Mr. Hull.

It is with real and deep sadness that I rise to make these feeble remarks about the great statesman from Tennessee, Cordell Hull, who died Saturday. Mr. Hull was a source of sage advice and comfort to those of us who followed him into the Congress and into the Senate from the Volunteer State.

Cordell Hull will always be remembered as a great Tennessean and a great American. He was always cordial to Tennesseans in government and he afforded inspiration to all of us who represent in the Congress the State of Tennessee.

It is noteworthy that practically at the hour of Mr. Hull's death, the President of the United States, attending the meeting of heads of state at Geneva, was emphasizing the necessity for trade among nations as a pathway toward peace.

Mr. Hull, father of our trade policy, was a real and lasting architect of peace. To him also must go much of the credit for our successful sponsorship and participation in the United Nations, which is still our best hope of peace.

During all his life, Cordell Hull gave of himself unselfishly in the service of his country and his fellow man. His place in history is secure, his memory will live long after him.

As Secretary of State and later in retirement, he was always willing to give us his counsel, and many of the things which I and others from Tennessee have done in the House and in the Senate were done after consultation with Cordell Hull. He was in a true sense our elder statesman.

In perhaps one of his greatest and most lasting achievements, his trade program, Cordell Hull was able to grasp a simple fact and apply it to a great international situation. I recall, in reading his memoirs, the story he told about two of his neighbors in the Tennessee mountain country, who innocently planted the seed with him which later was developed in his reciprocal trade-agreement program. Mr. Hull wrote that these neighbors, because of some past misunderstanding, became real enemies. They did not speak to each other on the street, and although both attended the same church, they refused to recognize each other at Sunday services. Then misfortune befell both. One neighbor's mule became lame, and, in the days before mechanized farms, a lame mule was a serious loss to a farmer in the mountainous area around Cordell Hull's home. The other neighbor's feed crop went bad and he had nothing with which to feed his animals. A third neighbor, seeing the situation of the two, proposed a trade. Through his good offices the one with the lame mule provided the food for his neighbor's stock and his neighbor in turn allowed him to make use of his mules. Cordell Hull wrote in his memoirs that these two men became the best of friends. Out of necessity and a trade both realized that they were interdependent upon each other.

Cordell Hull applied this theory among nations. He saw in his program not only an opportunity to improve the economic welfare of all the participating nations but an opportunity to establish lasting friendship between those nations. As he has often said, nations which trade together are not anxious to fight each other. Mr. Hull's entire life was devoted to the great objective of bringing about peaceful relations among the nations of the world. He crowned this achievement with the founding of the United Nations.

It was Cordell Hull's profound belief that no matter how seemingly impossible might be the disagreement between nations, so long as their representatives sit down at the same table and discuss as frankly as possible their divergent viewpoints, there is hope they will find a peaceful solution. The United Nations has borne the brunt of much criticism but I know that Cordell Hull never lost faith in it. I am remindful of the words of President Eisenhower on the occasion of the 10th anniversary of the United Nations. At that time President Eisenhower observed that all our failures would have still been failures had the United Nations not been in existence, but that the United Nations achievements might very well have been failures too.

In the death of Mr. Hull the Nation has lost a great American. The world has lost a great statesman. We shall not soon be able to replace that loss.

I should like to have printed in the RECORD as a part of my remarks an editorial published in the New York Times of Sunday, July 24, 1955, commenting upon Mr. Hull's death and his work.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CORDELL HULL

Cordell Hull will rank among our great Secretaries of State beside the foremost statesmen of his time. The epic years in which he served this Nation would alone have given him eminence. His own qualities—his integrity, courage, steadfastness, human dignity, and scope of mind—mark the true measure of his stature.

He began life as an obscure Tennessee farm boy. But he was raised among the traditions which made and kept him a stalwart southern Democrat until the national crisis of the war stripped him of all sectionalism. He was studious but had little schooling, though he remained always a stern and exacting self-teacher. An aptness for debate carried him early into politics and there, save for a brief service at the front in the Spanish-American War, his career lay until ill health forced him to retire.

It was to be a long and constructive life. As President Roosevelt's Secretary of State, he left such a mark upon his time that many have forgotten how long he served his apprenticeship. Except for 2 years as Democratic national chairman, he was a Member of Congress, either as Representative or Senator, from 1907 until he was called into the Cabinet. His work in Congress shaped the economic structure of the Nation in such measures as the income tax, the Federal inheritance tax, and the legislation he had most at heart—the reciprocal trade treaties.

Mr. Hull's interest in the tariff had made him an internationalist and he believed deeply in cooperation and economic disarmament. Indeed, he had begun to achieve it when France, one of the major powers, signed a reciprocal trade treaty in 1936. Even then, however, he foresaw the war that was coming in the rise of the Axis dictatorships. When it came he tried by every legitimate diplomatic means to limit its scope, not by stepping backward but by standing firm, as his President did, against aggression.

The Secretary knew that Japan would strike and believed it would be a foul blow. He issued repeated warnings which were never fully implemented. He lived to see the Axis nations defeated, but his own contribution to victory has still to be revealed when the story of our economic warfare is fully told. More than any other man he was responsible for the solidarity of this hemisphere. He was the spiritual father of the United Nations. If the declaration of Moscow which he personally worked to formulate had been loyally carried out by the Soviets, the problems debated last week at Geneva would have been solved years ago.

Mr. Hull's personal charm was pervading. Politicians understood and respected him as easily as statesmen did. He was amiable, quiet in the courtly southern manner, and even gentle. Yet he did not easily brook opposition. When aroused, fiery language would flow from him in a blistering torrent. He will live long in the fond memory of innumerable friends and in the history of the Nation.

Mr. KEFAUVER. Mr. President, the editorial in the New York Times is typical of the acclaim which has been given to Mr. Hull by the press throughout the Nation, without regard to partisanship. I know of no other man who has received from persons throughout the Nation and the world such universal and unanimous praise for the deeds which he accomplished and the purposes for which he spent his energy and his life than has Mr. Cordell Hull.

Mr. KNOWLAND. Mr. President, I would not want the opportunity to pass without expressing the profound regret of Members on this side of the aisle at the news of the death of former Secretary of State Cordell Hull, who had a long, distinguished career as a Member of the House of Representatives and of the Senate of the United States.

There are few instances in the history of our great country of a longer or more devoted career as a public servant than that of Cordell Hull.

I join with the two distinguished Senators from Tennessee in expressing sadness at the news of Mr. Hull's passing.

Mr. SMITH of New Jersey. Mr. President, it is with deep sorrow that we all heard of the death of our famous and beloved former Secretary of State, Mr. Cordell Hull.

I am one of those who has entertained the greatest admiration for Cordell Hull, and for the outstanding contribution he made in working out the problems of international disputes by methods of peace and cooperation. I join with others in mourning the loss of a great American.

Mr. MANSFIELD. Mr. President, I join with my two distinguished colleagues from Tennessee in expressing my deep sorrow at the passing of a great Secretary of State. Cordell Hull had a distinguished career as a citizen, as a soldier in the Spanish-American War, as a Member of the House of Representatives for many years, as a United States Senator, and as a Secretary of State whose tenure in that office was the longest in the history of our country.

This great man can be called the father of the United Nations and of the idea of reciprocal trade. He was among the first to feel that only in an exchange of ideas and goods can the peoples of the world come to a reasonable settlement of their differences.

The death of Cordell Hull is a loss not only to the State of Tennessee and the United States of America, but to the entire world, as well. I feel deeply the passing of this great man. I only hope that the foundations which he has laid will continue to be built upon, brick by brick, by us who remain.

Mr. HUMPHREY. Mr. President, over the weekend we have lost one of the greatest statesmen of our time. I join with our two distinguished colleagues from Tennessee and with other Senators in paying tribute to the late distinguished Cordell Hull. Mr. Hull served as Secretary of State longer than any other man in our Nation's history. During those years his leadership helped us take our proper place in world affairs.

His counsel always led us in the direction of understanding and good will among nations. His greatest achievements, for which he will be remembered always, were our reciprocal-trade policy, our good-neighbor policy, and the planning and vision that led to the United Nations.

Cordell Hull brought to his task of directing our foreign affairs a long experience of public service. First, as a judge in his native State of Tennessee, then, for many years, as a Member of both this body and also the other House of Congress, he acquired that wisdom and political astuteness that he later brought to the deliberations of the councils of the world.

We of the Democratic Party are especially proud of Cordell Hull. His presence and wise counsel served our party well during the years of his political activity. Most of all, he assumed the Democratic executive committee chairmanship at a particularly troublesome time and worked to strengthen the party with the same firmness of purpose he brought to everything he undertook.

History will note better than we can here the contribution Secretary of State Hull made to world peace; but during his lifetime he was honored with the Nobel peace prize, the highest recognition any statesman can receive.

His efforts at Dumbarton Oaks, and the inspiration he brought to that task, are embodied today in the United Nations. In this, as in all his life's work, Cordell Hull had before him the vision of a world in which men work together rather than wage war against each other. As we move toward that goal along the paths he set for us we shall always remember Cordell Hull for the way in which he served, not only his Nation but all mankind.

Mr. O'MAHONEY. Mr. President, I should like to add my feeble words to those which have been spoken in the Senate today, and which will be spoken, in tribute to Cordell Hull. I was personally acquainted with Cordell Hull over a long number of years. I knew him as a Member of the House. I knew him as a Member of the Senate. I knew him as the great Secretary of State he was.

After the retirement of Cordell Hull, through the circumstances of our both living in the same hotel I had frequent conferences with him. Throughout this long period, I can give personal testimony to the fact that I have known no man in public life who was more devotedly dedicated to the basic principles of freedom than was Cordell Hull. He worked and labored and built, not for temporary results, but for permanent accomplishment. The fame that is his will be a permanent fame, for it was he who had the wisdom to point out the roadway down which we should travel to achieve a steadily enlarging circle of free governments, popular control of government, good neighborliness among all the peoples of the world, and the advancement of human welfare and mutual understanding.

The Nation has suffered a great loss in the passing of Cordell Hull, one of the great men, not only of our time, but in the whole life of this Nation.

Mr. SPARKMAN. Mr. President, I wish to join with my colleagues in paying tribute to the great man who has just left us after a long and fruitful life.

Cordell Hull served first in the House of Representatives. He then had outstanding service in the Senate. He became the Secretary of State in one of the most troublesome periods of the world's history.

As has been pointed out several times already, he served longer as Secretary of State than did any other person in the history of the United States. It was during that time that convulsions were

occurring throughout Europe, and, indeed, throughout the whole world, which led eventually to World War II. Cordell Hull continued to serve as Secretary of State during practically all of World War II.

As has been pointed out, Cordell Hull was the author of the good-neighbor policy, which might very well be called the forerunner of the later point 4 program, the technical-assistance program, because I know the pattern in both programs was the same. Cordell Hull was the author of the Reciprocal Trade Agreements Act.

I recall, Mr. President, nearly 3 years ago, when I was in the Bethesda Naval Hospital for a week, my room was near that of Mr. Hull's. One day, while I still was not able to leave my room, Cordell Hull came to call on me. A few days later, when I was able to move about, I went by his room and had a very pleasant visit with him. I shall never forget his very earnest dissertation at that time on the Reciprocal Trade Agreements Act and its possibilities. He told me something of the things he had dreamed for it when he originally advocated it. He said that while some of those goals had been attained, there was much more that remained to be done.

I think Mr. Hull may very well be described as the father of the United Nations. It was during the time he was Secretary of State, and under his leadership, that various conferences were held which led up to the eventual formulation of the United Nations Charter. He was, indeed, a great statesman, who wrought well over the long years.

Mr. President, I should like to touch very briefly on the fact that last night I received a telephone call from a representative of the Nashville Tennessean, at Nashville. I was told that the suggestion had been made there that there should be erected in Washington a memorial to Mr. Hull, to be paid for by popular subscriptions throughout the country. I was asked for my comment. I said I knew of no man in the Nation's history who was more deserving of a lasting memorial than was Cordell Hull, and that I thought it would be entirely proper and appropriate for such a memorial to be provided by appropriations made by Congress, but that, of course, it would be a much more fitting memorial if it should be paid for by popular subscription.

I hope that we may keep this thought in mind, and that there may be provided for the generations yet to come a fitting memorial to this great American, who will long live in the hearts of those whom he served so well.

Mr. WILEY. Mr. President, I rise to join in the expressions of other Senators who have spoken in memory of a great American, Cordell Hull. When I first came to Washington, or shortly thereafter, it was my privilege to be summoned to Mr. Hull's office when he was Secretary of State. We had a long discussion. Many things that took place in that discussion were also of a humorous nature. Subsequently I met Mr. Hull from time to time. It was also my privilege to visit with him in his home. On that particular occasion, which I think must have been 3 years ago, he gave me a set of his books, some of which he autographed.

Men come and men go, but the principles for which men live abide. He was a lawyer in his home State. He came up, as it were, the hard way. Yet, out of the grist of a general legal practice, he developed into a man with world vision, a man whose mind was not closed to the fact that he was living in a changing world. This man, whose home was in a small town in a mountain State, lifted his vision to include the whole world. It has been said that Cordell Hull had a great deal to do with the establishment of the United Nations. The point is that he sensed that the time was ripe when the problems of the world had to be met by some kind of coordinated effort and by an improved mental attitude on the part of people everywhere.

I enjoyed very much my various contacts with him. I learned much from him. He was a man of deep, but simple, faith. He believed in the fundamental things that are right.

He made a profound contribution to the welfare of the Nation. When historians 50 or 100 years from now write the history of this age, certainly Cordell Hull will not be overlooked, because he stood for the expanding principles which are so necessary in this expanding world.

Mr. BARKLEY. Mr. President, I have learned with a deep sense of depression and sorrow of the death of Cordell Hull. He belongs to the category of men who, it seems to me, should never die.

When I came to the Congress of the United States on March 4, 1913, Cordell Hull was then a Member of the House of Representatives from the State of Tennessee. On the same day, SAM RAYBURN, now the Speaker of the House, entered that body; and a little before that time, CARL HAYDEN, now a Member of the Senate, had entered it. So SAM RAYBURN, the present Speaker of the House of Representatives; CARL HAYDEN, the present senior Senator from Arizona, and chairman of the Appropriations Committee; and I, are the only three Members of the Congress of the United States who then were serving in the House of Representatives with Cordell Hull.

Cordell Hull wrote the first income-tax law ever enacted in the United States; it was written as a part of the Underwood Tariff Act of 1913.

I served with Cordell Hull for many years in the House of Representatives, and later in the Senate. His family and mine were intimate friends. I would not detain the Senate by referring to our intimate personal friendship, but I wish to express my profound admiration, respect, and adoration, if I may use that term, for this great statesman from Tennessee.

Not only did I serve with him for a good many years in the House of Representatives, and followed his leadership there but later I served with him in the Senate. I came to the Senate in 1927; and, as I recall, he entered the Senate in 1931.

I remember that when he was Secretary of State, he asked me to get together an equal number of Democratic and Republican Senators, to consider the charter of the United Nations. In my younger days in the House of Representatives, following World War I, I had been a supporter of the League of Nations, of which the United States never became a member. When World War II was drawing to a close, I recall that Secretary Hull asked me, as majority leader of the Senate, to get together an equal number of Democratic and Republican Senators, to consider the work of Dumbarton Oaks, which laid the foundation for the charter of the United Nations, in order that we might discuss that charter as a preliminary activity to the San Francisco Conference, which had been called for April 25, as I recall, 1945.

I remember those conferences in which I, as majority leader of the Senate, participated, along with Senator Tom Connally, of Texas, then chairman of the Senate Committee on Foreign Relations; Senator George, of Georgia; and Senator Gillette, of Iowa—four Democratic Senators—and from the opposite side of the aisle, Senator Vandenberg, of Michigan; Senator Wallace White, of Maine; Senator Warren Austin, of Vermont; and Senator Robert La Follette, Jr., of Wisconsin. So an equal number of Members from both sides of the aisle of this Chamber participated in the conferences. We were attempting to work out the fundamental ideals of a charter which would be applicable to the entire world; and these were submitted to the San Francisco Conference in April 1945, and finally became the fundamental ideals of the United Nations.

Mr. President, I am proud of those associations. I am proud of my relationships with Cordell Hull when he was a Member of the House of Representatives, when he was a Senator, and, later, when he was the Secretary of State. He served as Secretary of State longer than any other person in the history of the United States.

Cordell Hull was born in a log cabin in Tennessee, and served as a judge in a rugged era of Tennessee history and United States history. Later, he served in the House of Representatives, as a pioneer in the great enterprise of attempting to tax the American people according to their ability to pay. Later, he served in the Senate of the United States; and, subsequently, he served as the Secretary of State in a pioneer era, in a sense, in the development of our relationships with other nations. Cordell Hull was the author of the Good Neighbor policy between the United States and the Republics of Central America and South America.

Mr. President, I am sure the Senate will understand my profound sorrow and grief over the death of this great statesman, my profound admiration for his public service and his character, and my belief that as history unfolds, Cordell Hull, in every respect, for the fine ability he evidenced in all the levels of government in which he served, and for his approach to the great problems which faced our country and the world during his

illustrious career, will be accorded a position among the statesmen of the United States and of the world that will not be excelled by any other man in our history.

For him I entertained a deep personal affection. For his lovely wife, who preceded him to the grave, my family entertained an affectionate regard. On the basis of my service with him in the House of Representatives and in the Senate, and on the basis of my relationships with him as Secretary of State, I shall always carry with me a happy and a profound appreciation of his character, his service, and his great name among the statesmen of America.

Mr. GEORGE. Mr. President, I wish to identify myself with the sentiments expressed by the distinguished junior Senator from Kentucky [Mr. BARKLEY] and other Members of this body.

I first knew Cordell Hull when he was a Member of the House of Representatives. I knew him rather intimately because he discussed with me many problems, particularly those relating to taxation and tariffs. He had a profound conviction that our tariff laws should be modified in the interest of a larger and freer interchange of goods among all the countries of the world.

I knew him when he was associated with the national committee of the party to which he belonged. I knew him when he came to the Senate. I knew him when he became a member of the Senate Committee on Finance, with which I have been identified for a long time. For many years in the House he had been a member of the Ways and Means Committee, which is the corresponding committee in the House.

He was a valuable member of the Senate Committee on Finance. His thought was constantly directed toward an enlargement of trade and commerce. He really did not deserve the opinion which gradually developed, that he was entirely a freetrader. He was never that, but he was a man of liberal views, and favored liberal trade policies and programs.

I knew him as Secretary of State. I knew him during the Dumbarton Oaks consideration of what subsequently became the basis or nucleus of the treaty which we now know as the United Nations Treaty.

As the distinguished Senator from Kentucky well recalls, I knew him in many conferences with respect to the formulation of some program for peace after the end of the war in which we were then engaged.

I knew him on that fateful day when he received notice of the treachery of the Japanese collaborators here, when he thought they had broken all faith that men of honor and character display toward one another.

I knew him in later days, when the war came on. I knew him also when he undertook to serve this country in important conferences in the Far East, or, as we say now, in the Soviet areas of the world.

I had an intimate acquaintance with the Secretary of State, because I had known him as a Member of the Senate and as a member of the Finance Committee. I had known him as a man of far-visioned approach to all the problems which confront mankind.

He was never little. He was never provincial. He never held narrow views or opinions, although from his experience and background one might have thought that he might have been somewhat narrow in his opinions and decisions.

He was a man of great breadth of understanding and great breadth of character and vision. He always seemed to me to be thinking beyond the present hour and day, not only with respect to the Senate and the United States, but in contemplation of a better day for a greatly enlarged and expanded world. Yet he was never anything but a realist. He was strictly a realist. He was devoted to realism in its true sense. He was never swept off his feet by emotion. He was a man of great character, unswerving devotion to principles, and particularly to what he thought were first and abiding principles.

I remember very well when he returned from his trip to Moscow. I had a personal conversation with him. He expressed himself freely to me as an individual, because he had known me in the Senate and in committee. I have never forgotten the wise observations which he made.

Cordell Hull was not a narrow-minded man. He looked beyond the immediate day in which he lived. He knew that the world was expanding and growing. He knew that greater problems were coming to face mankind by the hour, by the day, by the month, and by the year. He was always ready to meet them.

I remember him in the great campaign which brought about the election of President Franklin D. Roosevelt. I remember how earnestly he felt that it was in the interest of this country and of the world that there be a change in our political philosophy and in our outlook on world affairs.

He thought first, of course, of domestic affairs, but he also thought of world affairs, and never overlooked the importance of world affairs in undertaking to draw a picture of what the world ought to be like, at home as well as abroad.

I remember very well the part he played in the formation of the Cabinet of President Roosevelt. On more than one occasion he discussed with me—and doubtless with many other friends in the Senate—the advisability of this appointment or that appointment. He was earnestly devoted to the creation of a strong administration, an administration with a real vision, a vision in behalf of the people of this country.

He was not a man who appealed to the dramatic. He did not seek the limelight. He did not court public opinion, or even the opinion of the press and the friendly consideration of the fourth estate. But he felt always that this country had a great mission in the world. He believed that its mission was to become the leader of the world, not in the sense of dominating, not in the sense of dictating, but only in the sense of forming and furnishing a leadership which would be helpful to mankind.

Perhaps he was misunderstood in his day. However, beyond all doubt, Cordell Hull was a man of genuine integrity. He was a man who thought honestly of the problems which faced the United States and the world. He never lost sight of the great opportunity he thought this country had to serve the real interests of mankind.

He was to me a friend and a counsellor. His wife was a devoted friend of my family. When she passed away, in March of last year, I knew it could not be very long before Cordell Hull, too, would go. She was truly a helpmeet, truly an adviser, and truly a faithful friend in the solution of all his problems.

Perhaps in connection with what we now refer to as the reciprocal trade agreements, I knew him more intimately than any other Member of the Senate. He came to me early and he said, "We must make some progress toward a repeal of the high prohibitive tariffs. We must get away from the monopoly idea, which takes such a strong hold upon so much of our business community. This is the best approach to take I know of."

We talked it over. I was then a member of the Committee on Finance. I assumed the burden at the request of Senator Pat Harrison, my beloved friend from Mississippi, who was then chairman of the committee. I said I would do the best I could with the program. It was a long time ago. However, Cordell Hull never lost interest in that program. He knew very well that it was imperfectly administered. He knew very well it was not properly adjusted here and there. But he had a strong faith in his belief that if the world could trade together on a more liberal basis it would finally understand itself better, and all segments of the world would begin to know each other better.

I knew Cordell Hull very well in those days, and in the long number of years that followed the original Trade Agreements Act. He knew what we had to encounter in the Senate. He had been a Member of the Senate. He knew very well what the call of the American people was for protection. He acquired, as I have already said, the deceptive term of freetrader. He was never, in fact, an outright freetrader. He was a realist. He believed we could have more liberal trade policies with the world and survive. He felt we could better survive if we had such trade policies.

I knew Mr. Hull very intimately as a personal friend. I knew him when he advised with President Roosevelt about the selection of his Cabinet. He came to me particularly with respect to two members of it. I will not call their names. They were mentioned. They were named.

Mr. Hull had a profound respect and a very great confidence in the rectitude of his own course, because he felt he was right. He looked at the world objectively, not through narrow partisan glasses, as one might think would be done by a man from the border between Tennessee and Kentucky line. He understood the South because he was a part of it. He understood the middle section of the country. He understood

all parts of the United States. He was predominantly an American. He had no prejudices, as such, which kept him from knowing the virtues and the strength and the integrity and the sterling character of men and women throughout the Union.

I am very happy to pay my feeble tribute to him. I have always regretted that he outlived his good wife. But such is the order of things in the divine providence of our human affairs. I have always been glad that I knew Cordell Hull, that I knew him as a man, that I knew him as a committee associate, that I knew him on this floor, and that I knew him as a man of real worth.

He had no sympathy with false pretense. He had no understanding of sham. He was a genuine American. Perhaps he was of the old school, and maybe of the old type. However, he was of that fiber of men and women who have contributed to the lasting growth and prosperity and honor of a great Nation.

Long years he served in public life. He served longer than any other man as Secretary of State. Yet in no phase of his career was there ever an incident which will ever leap to light to shame Cordell Hull and his memory.

Mr. GORE. Mr. President, in conclusion, I wish to express the appreciation of the people of Tennessee and of my colleague and myself, but particularly of the people of Judge Hull's hometown—his neighbors, his friends, and his relatives—for the magnificent tributes which have been paid to his memory today.

As I left Carthage this morning, the people of that small community had their heads bowed in sorrow, and yet in appreciation.

The VICE PRESIDENT. The question is on agreeing to the resolution submitted by the Senator from Tennessee [Mr. GORE].

The resolution (S. Res. 138) was unanimously agreed to.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. CLEMENTS. Mr. President, under the rule, there will be a morning hour for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine matters, and I ask unanimous consent that statements made in connection therewith be limited to 2 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. LANGER rose.

Mr. CLEMENTS. Mr. President, there is only one matter on the Executive Calendar to be taken up. I know my friend from North Dakota sat through a full day's session of the Senate a few days ago, waiting for the confirmation of two fine appointments to the judiciary in his State. If he objected to the consideration of the Executive Calendar at this time, I would understand.

Mr. LANGER. I certainly shall not object.

Mr. CLEMENTS. If he does not object, I should like to have the Senate take action on the one nomination on the Executive Calendar at this time.

I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. GEORGE, from the Committee on Foreign Relations:

Charles W. Yost, of New York, a Foreign Service officer of class 1, now Envoy Extraordinary and Minister Plenipotentiary of the Kingdom of Laos, to be Ambassador Extraordinary and Plenipotentiary to the Kingdom of Laos; and

Julian F. Harrington, of Massachusetts, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the Republic of Panama.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

COLLECTOR OF CUSTOMS

The Chief Clerk read the nomination of William J. Nixon, of Idaho, to be collector of customs, district No. 33.

Mr. MANSFIELD. Mr. President, it may seem a bit odd that a Democratic Senator is opposing the nomination of a Republican nominee from the State of Idaho for a position in the State of Montana, but the ironical part, I suppose, is that my distinguished colleague, the senior Senator from Montana [Mr. MURRAY] and I would like to see a Montana Republican appointed to this job. There are many good Montana Republicans who could fill this position but, by this appointment, the opportunity is being denied them.

I am not objecting to a Republican nominee for this post, for I recognize the prerogative of the Executive to appoint members of his party to fill vacancies. My objection is that this appointment should be made in Montana instead of Idaho. It was my understanding that a Montanan was recommended by the State Republican central committee for the post, but was rejected.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a copy of the statement I made before the Committee on Finance relative to the nomination of Mr. Nixon to be collector of customs for customs collection district No. 33, with headquarters at Great Falls, Mont.

I should like to state that my distinguished colleague [Mr. MURRAY] also joins me in opposition.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MANSFIELD BEFORE COMMITTEE ON FINANCE

COLLECTOR OF CUSTOMS APPOINTMENT

Mr. Chairman, my purpose in appearing befor this committee today is to protest the nomination of William J. Nixon, of Idaho, to be collector of customs for customs collection District No. 33, with headquarters at Great Falls, Mont.

First, I want to express my appreciation to the committee for holding up consideration of this nomination until the return of my distinguished colleague, the senior Senator from Montana, Mr. MURRAY, who was attending the International Labor Organization Conference in Geneva.

I am not objecting to a Republican nominee for this post for I recognize the prerogative of the Executive to appoint members of his own party to fill vacancies. My objection is that this appointment should be made in Montana, instead of Idaho. It is my understanding that a Montanan was recommended by the State Republican Central Committee for this post, but it was rejected.

As you know the Government maintains a series of ports of entry along the Canadian border. The Idaho-Montana line bordering Canada forms district No. 33 and a quick glance at a map will show that the portion of Montana bordering our northern neighbor comprises by far the largest portion of district No. 33. There are 540 miles of common border between Montana and Canada with 11 ports of entry. The Idaho border is only 56 miles long, with 2 ports of entry and is largely mountainous terrain.

The Montana ports of entry are much more active and are direct routes to Canadian business centers such as Regina, Edmonton, Calgary, and Banff National Park. This past week I was notified that the hours at the Montana stations would be extended from 9 to 13 hours per day because of increasing north and south traffic. The Montana ports of entry do about $35 million worth of business annually. In contrast the two stations in Idaho do only $1 million worth of business annually, less than 3 percent of the Montana total.

In view of the facts just stated the most logical place to look to fill this vacancy would be in Montana. The appointee should be familiar with the conditions in the portion of the district doing the greatest volume of business. He should also be a resident of the State in which the headquarters are located.

The Executive nomination sent to the Senate is that of an Idaho man, one who is undoubtedly capable but completely unfamiliar with the customs situation in district No. 33. This post has traditionally gone to a Montanan and should continue to do so. The records do not show an out-of-State appointee in this post at any time.

I feel that a Montana administrator can do a better job as collecter than a nonresident in a position which deals almost exclusively with Montana affairs. There are numerous persons in my State who can qualify for this position.

Mr. Chairman, I respectfully request that this committee request the administration to withdraw the name of Mr. Nixon so the name

of a Montana candidate can be sent to the Senate for confirmation.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination of William J. Nixon to be collector of customs for customs district No. 33?

The nomination was confirmed.

Mr. CLEMENTS. Mr. President, I ask that the President be notified forthwith of the nomination today confirmed.

The VICE PRESIDENT. Without objection, the President will be notified.

LEGISLATIVE SESSION

Mr. CLEMENTS. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

ESTABLISHMENT OF DATE OF RANK FOR PAY PURPOSES FOR CERTAIN NAVAL RESERVE OFFICERS

A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to establish a date of rank for pay purposes for certain Naval Reserve officers promoted to the grades of lieutenant and lieutenant commander (with an accompanying paper); to the Committee on Armed Services.

REPORT ON NUMBER OF OFFICERS ASSIGNED TO DUTY IN EXECUTIVE ELEMENT OF AIR FORCE AT SEAT OF GOVERNMENT

A letter from the Director, Legislative Liaison, Department of the Air Force, reporting, pursuant to law, that as of the end of the fourth quarter of the fiscal year 1955 there was an aggregate of 2,720 officers assigned or detailed to permanent duty in the executive element of the Air Force at the seat of Government; to the Committee on Armed Services.

REPORT ON BORROWING AUTHORITY

A letter from the Director, Office of Defense Mobilization, Executive Office of the President, transmitting, pursuant to law, a report on borrowing authority, for the quarter ended March 31, 1955 (with an accompanying report); to the Committee on Banking and Currency.

REPORT OF FEDERAL BUREAU OF NARCOTICS

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, the annual report of the Federal Bureau of Narcotics for the calendar year ended December 31, 1954 (with accompanying report); to the Committee on Finance.

REPORT ON THE MINIMUM BENEFIT UNDER OLD-AGE AND SURVIVORS INSURANCE

A letter from the Acting Secretary, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report entitled "The Minimum Benefit Under Old-Age and Survivors Insurance" (with an accompanying report); to the Committee on Finance.

REPORT ON PROGRESS IN CONSTRUCTION OF SANTA MARGARITA PROJECT, CALIFORNIA

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, that, pending the settlement of the case of *United States* v. *Santa Margarita Mutual Water Company*, now before the Court of Appeals for the Ninth Circuit, no determination can be rendered by the Department of the Interior as to the economic and engineering feasibility of the Santa Margarita project; to the Committee on Interior and Insular Affairs.

FILING OF VESSEL UTILIZATION AND PERFORMANCE REPORTS BY OPERATORS OF CERTAIN VESSELS

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend title II of the Merchant Marine Act, 1936, as amended, to provide for filing vessel utilization and performance reports by operators of vessels in the foreign commerce of the United States (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

EXPERIMENTAL OPERATION AND TESTING OF VESSELS OWNED BY THE UNITED STATES

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend title VII of the Merchant Marine Act, 1936, as amended, to provide for experimental operation and testing of vessels owned by the United States (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

AUTHORIZATION FOR MEDALS AND DECORATIONS IN THE UNITED STATES MERCHANT MARINE

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize medals and decorations for outstanding and meritorious conduct and service in the United States merchant marine, and for other purposes (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

REPORT OF CLAIMS SETTLED UNDER MILITARY PERSONNEL CLAIMS ACT OF 1945

A letter from the Secretary of the Army, transmitting, pursuant to law, a report of the claims settled under the Military Personnel Claims Act of 1945, by the Department of the Army, for the fiscal year 1955 (with an accompanying report); to the Committee on the Judiciary.

REPORT OF TORT CLAIMS PAID BY DEPARTMENT OF THE ARMY

A letter from the Secretary of the Army, transmitting, pursuant to law, a report of tort claims paid by the Department of the Army, for the fiscal year 1955 (with an accompanying report); to the Committee on the Judiciary.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution of the Executive Council of the Commonwealth of Massachusetts; to the Committee on the Judiciary:

"Whereas the Refugee Relief Act passed by the Congress in 1953 proposed admission for 209,000 immigrants to the United States prior to December 31, 1956; and

"Whereas only 30,000 visas under this act have been issued when well over half the time during which these people may be admitted has expired; and

"Whereas the President of the United States has requested that this act be substantially amended in order to obtain the objectives of the act: Now, therefore, be it

"*Resolved*, That this council favor the amending of the Refugee Relief Act along the lines recommended by the President to the present session of the Congress, and that copies of this resolution be sent to the President, the majority and minority leaders of the United States Senate, and to the Speaker, the majority and minority leaders of the House of Representatives.

"Adopted in council July 21, 1955.

"CLARENCE R. ELAM,
"*Executive Secretary.*"

A resolution adopted by the National Council of the Junior Order United American Mechanics, relating to revolutionary activities in the United States; to the Committee on the Judiciary.

The petition of Frank A. Hourihan, of Chicago, Ill., praying for a redress of grievances; to the Committee on the Judiciary.

A resolution adopted by the National Council of the Junior Order United American Mechanics, relating to the improvement of the free public schools; to the Committee on Labor and Public Welfare.

FEDERAL AID FOR HIGHWAY CONSTRUCTION—RESOLUTION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD, a resolution adopted by the board of city commissioners of the city of Fargo, N. Dak., protesting against the enactment of the bill (H. R. 7072) to amend and supplement the Federal Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Resolution

Whereas on June 28, 1955, Representative FALLON introduced H. R. 7072 in the House of Representatives; and

Whereas section 7 of said H. R. 7072 reads as follows: "SEC. 7. (a) Subject to the conditions contained in this section, 50 percent of the cost of relocation of utility facilities necessitated by the construction of a project on the Federal primary or secondary highway systems or on the National System, including extensions thereof within urban areas, may be paid from Federal funds whenever, under the laws of the State where the project is being constructed, the entire relocation cost is required to be borne by the utility. (b) For the purposes of this section, the term 'utility' shall include publicly, privately, and cooperatively owned utilities. (c) For the purposes of this section, the term 'cost of relocation' shall include the entire amount paid by such utility properly attributable to such relocation after deducting therefrom any increase in the value of the new facility and any salvage value derived from the old facility. (d) Any utility required to relocate a facility in connection with projects undertaken pursuant to this act shall be entitled to reimbursement for its share of the costs thereby incurred. The Secretary is authorized to make such payments on the basis of an agreement approved by him, entered into between the State highway department and the utility, which agreement shall contain an estimate or an agreed price of the cost of relocation. In lieu of such agreement, the

utility may file with the State highway department a certified statement of the cost of relocation, subject to the approval of the State highway department. The State highway department shall transmit such statement to the Secretary with the final voucher for approval by the Secretary;" and

Whereas the bill was referred to the Committee on Public Works and will shortly be before the House for action: Now, therefore, be it

Resolved by the board of city commissioners, That the city of Fargo of the State of North Dakota hereby opposes the passage of H. R. 7072 because of the provisions contained in the above-quoted section 7 for the reason that it may cause a reduction in the allocation of Federal funds for highway construction; be it further

Resolved, That copies of this resolution be mailed to each of the Senators and Representatives in the Congress of the United States from North Dakota.

RESOLUTIONS OF OREGON STATE GRANGE

Mr. NEUBERGER. Mr. President, the Oregon State Grange has a long record of outstanding leadership in matters of public policy in my home State. Members of this progressive farm organization played a major role in enactment of such advances as establishment of the initiative and referendum, which eventually became known as the Oregon system for direct legislative action by the people. Also, they have led the fight in Oregon for sound development of natural resources and for equitable distribution of the benefits derived from those resources.

At its 1955 session in Klamath Falls, Oreg., June 6 to 10, the Oregon State Grange adopted a number of resolutions which show that the Grange's historic tradition of forward-looking action is being continued. I ask consent to have printed as a part of my remarks, the text of three resolutions which were forwarded to me by the distinguished master of the Oregon State Grange, Elmer McClure.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Whereas there are large acreages of dry land in the Klamath district that can be irrigated provided power is made available at a cost low enough to economically operate the pumps; and

Whereas there is now water available to irrigate these acreages, and bring them into full production, provided we get action in the near future, otherwise we will lose it forever to more progressive and water hungry districts down the river; and

Whereas it has been the experience of other cities that when 2 or 3 mill power becomes available population increases rapidly, due to the demand for labor by the many new industries attracted to the city and by the many employees needed by the expanding business district; and

Whereas the Bonneville Administration, recognizing the need in the Klamath district for their life-giving power, built a hi-line southward to satisfy that need, and when the line had almost reached the city limits it was taken over without moral or legal right, by the California Oregon Power Co., thus nullifying the reason for its existence and thus blighting the whole Klamath Basin with the burden of costly electric power: Therefore be it

Resolved, That we urge our Senators and Representatives in the Congress to do everything in their power to secure the return of the hi-line to the Bonneville Administration to the end that it may fulfill the purpose it was intended to accomplish; and be it further

Resolved, That we urge all citizens and organizations interested to bend their energies to accomplish this most desired result.

WHEAT CERTIFICATE PLAN

Whereas our national economy and well-being depend on a prosperous agriculture; and

Whereas wheat is a basic agricultural product; and

Whereas the production of wheat was regulated as a war measure and a surplus built up for a backlog of food during the Korean conflict; and

Whereas parity price represents a reasonable price relative to cost of production; no business can be expected to survive at 90 percent of a reasonable price; and certainly cannot at 82 percent or 75 percent; and

Whereas we as farmers do not favor subsidies unless in emergency and feel that each product should pay its own way when possible; and

Whereas we feel that the American farmer is entitled to his home market at a parity price, and also should have free access to other markets on a supply and demand basis in order to make his own adjustments, without further large Federal expenditures; and

Whereas the wheat certificate price plan formulated by the Oregon Wheat League comes much nearer meeting these requirements than rigid or flexible support programs and other plans that have been proposed: Therefore be it

Resolved, That we endorse the wheat certificate plan advocated by the Wheat League; that we urge our Representatives and Senators to work for its enactment, and ask our Secretary of Agriculture to take note of our views.

SOCIAL SECURITY BENEFITS

Whereas the present law limiting the amount ($1,200 in any year) which a wage earner or self-employed person may receive through a gainful occupation, and still be eligible for social-security benefits, places a premium on idleness and deprives the industrious persons who do work from receiving the insurance benefits for which they have paid, and reduces them to a substandard living: Therefore be it

Resolved, That the Oregon State Grange go on record as opposing any such limitation on individual earnings and ask the Congress to repeal such provisions; and be it further

Resolved, That copies of this resolution be sent to the National Grange and to our Sentors and Representatives in Congress.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. O'MAHONEY, from the Committee on the Judiciary, without amendment:

H. R. 6454. A bill to amend the joint resolution approved August 30, 1954, relating to the establishment of the Woodrow Wilson Centennial Celebration Commission, and for other purposes (Rept. No. 1096).

By Mr. KILGORE, from the Committee on the Judiciary, without amendment:

S. 433. A bill for the relief of Markos Demetrius Spanos (Rept. No. 1097);

S. 1125. A bill for the relief of Stephen Fodo (Rept. No. 1098);

S. 1226. A bill for the relief of Soterios Christopoulos (Rept. No. 1099);

S. 1299. A bill for the relief of Mrs. Esteni Rodriguez Estopinan de Witlicki (Rept. No. 1100);

S. 1348. A bill for the relief of Anna Jerman Bonito (Rept. No. 1101);

S. 1357. A bill for the relief of Ingeburg Edith Stallings (nee Nitzki) (Rept. No. 1102);

S. 1594. A bill for the relief of Dosinda Gonzalez Mendez (Rept. No. 1103);

S. 1676. A bill for the relief of Antonio Domenico Narciso Bianchi (Rept. No. 1104);

S. 1682. A bill for the relief of Maria del Carmen Intriago Martinez (Rept. No. 1105);

S. 1706. A bill for the relief of Spyridon Saintoufis and his wife, Efrossnin Saintoufis (Rept. No. 1106);

S. 1732. A bill for the relief of Panagiotis Nicolas Lalos and his wife, Antyro Panagiotis Lalos (Rept. No. 1107);

S. 1882. A bill for the relief of Constantine Salmon (Rept. No. 1108);

S. 1888. A bill for the relief of Cesare Picco (Rept. No. 1109);

S. 1972. A bill for the relief of William Theodore and Emily Sansur Saad (Rept. No. 1110);

S. 1973. A bill for the relief of Toufic N. Jildeh (Rept. No. 1111);

S. 1983. A bill for the relief of Myra Louise Dew (Rept. No. 1112);

S. 2036. A bill for the relief of Rosa Roppo (Rept. No. 1113);

S. 2575. A bill for the relief of Mrs. Gertrud Hildegard Nichols (Rept. No. 1114);

H. R. 939. A bill for the relief of Laura Safir (Rept. No. 1115);

H. R. 999. A bill for the relief of Nurith Spier (Rept. No. 1116);

H. R. 1159. A bill for the relief of Anna Histed (nee Wiesneth) (Rept. No. 1117);

H. R. 1160. A bill for the relief of Vittorio Capano (Rept. No. 1118);

H. R. 1976. A bill for the relief of Luigi Tomasella (Rept. No. 1119);

H. R. 2788. A bill for the relief of Miguel Sandoval-Michel (also known as Arturo Rodriguez-Gomez) (Rept. No. 1120);

H. R. 3626. A bill for the relief of Ilse Werner (Rept. No. 1121);

H. R. 3856. A bill for the relief of Leopoldine Simonetti (Rept. No. 1122);

H. R. 3956. A bill for the relief of Elizabeth Rotics Whitney (Rept. No. 1123);

H. R. 4970. A bill for the relief of Edeltraudt Margot Gallagher, nee Hackelberg (Rept. No. 1124);

H. R. 5080. A bill for the relief of Florence E. McConnell (Rept. No. 1125);

H. R. 5767. A bill for the relief of Sally S. Shulman or Zeli Sholman (Rept. No. 1126);

H. R. 6002. A bill for the relief of Helene Rapp (Rept. No. 1127);

H. R. 6036. A bill for the relief of Mrs. Florentine Kintzel (Rept. No. 1128); and

H. R. 6896. A bill for the relief of Luisa Guidi Miller (Rept. No. 1129).

By Mr. KILGORE, from the Committee on the Judiciary, with an amendment:

S. 366. A bill for the relief of Bart Krijger (Rept. No. 1130);

S. 421. A bill for the relief of Jose Alvarez (Rept. No. 1131);

S. 1105. A bill for the relief of Mrs. Lieselotte Emilie Dailey (Rept. No. 1132);

S. 1787. A bill for the relief of Edith Kalwies (Rept. No. 1133);

S. 1905. A bill for the relief of Winston Bros. Co. and the Utah Construction Co. and the J. A. Terteling & Sons, Inc. (Rept. No. 1134);

S. 2053. A bill for the relief of Ivan Gerasko (Rept. No. 1135);

H. R. 1393. A bill for the relief of the E. J. Albrecht Co. (Rept. No. 1136); and

H. R. 5546. A bill for the relief of Francisca Alemany (Rept. No. 1137);

By Mr. KILGORE, from the Committee on the Judiciary, with amendments:

S. 1118. A bill for the relief of Katharine Schneeberger (Rept. No. 1138); and

S. 1933. A bill for the relief of Dr. Elpedio Dosado, Aurelia, wife, and Deanna, Elpedio, Jr., and Ambrosia, their children (Rept. No. 1139).

PROPOSED BANK HOLDING COMPANY ACT OF 1955—REPORT OF A COMMITTEE

Mr. ROBERTSON. Mr. President, from the Committee on Banking and Currency, I report favorably, with an amendment, the bill (S. 2577) to define bank holding companies, control their future expansion and require divestment of their nonbanking interests; and I submit a report (No. 1095) thereon. I ask unanimous consent that an explanatory statement I have prepared concerning S. 2577 be printed in the RECORD at this point.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar; and, without objection, the statement will be printed in the RECORD.

The statement presented by Mr. ROBERTSON is as follows:

The present law regulating bank holding companies was enacted as part of the Banking Act of 1933, commonly known as the Glass-Steagall Act. The existing law is concerned primarily with the soundness of the banking affiliates of the holding companies and covers only 18 bank holding company groups. The expansion of bank holding companies and their acquisition of nonbank interests are not subject to regulation under the present law.

Since 1933 there has been a tremendous development in the operation of bank holding companies, especially in the north and northwest sections of our country. The need for further regulatory powers over bank holding companies was recognized in 1947 by the Board of Governors of the Federal Reserve System, which administers this law. In that year, the Chairman of the Board, Marriner S. Eccles, submitted a proposed bill to the Senate Banking and Currency Committee to give the Federal Reserve Board a greater measure of control over bank holding companies. The proposed legislation was endorsed by the American Bankers Association and the Independent Bankers Association, and was reported favorably by the committee. However, the Senate adjourned without taking action on the bill.

In 1950 the then Chairman of the Federal Reserve Board, Thomas B. McCabe, renewed the advocacy of the Board for greater powers over bank holding companies. I introduced a bill on the subject which was likewise endorsed by the American Bankers Association and the Independent Bankers Association. One important feature of my bill was the provision for dual control by the Federal Reserve Board and the Comptroller of the Currency in regard to the acquisition of stock in national banks by bank holding companies. During the course of the extensive hearings on my bill, it developed that while the Comptroller of the Currency endorsed the provision for dual control, the Federal Reserve Board was firmly opposed to it. As a consequence of the ensuing controversy over this portion of my bill, the committee took no action on the proposal during that session.

The bill I am reporting today is a stronger bill for the protection of independent bankers than either the Eccles bill of 1947 or my bill of 1950. By placing the final control over the expansion of bank holding companies in the hands of the Federal Reserve Board, S. 2577 conforms to the position taken by Mr. McCabe in 1950 and which is now concurred in by the Comptroller of the Currency.

This bill provides a fair and equitable method for the regulation of the future expansion of bank holding companies and the divestment of their nonbanking assets. I am sure S. 2577 will be supported by a majority of both the bank holding companies and the independent bankers.

I have prepared the following sectional analysis of S. 2577 for the information of the Members of the Senate and all other interested persons:

SECTION ANALYSIS OF S. 2577

Section 1. Short title: Bank Holding Company Act of 1955.

Section 2. Definitions:

(a) Bank holding company means (1) any company owning 25 percent or more of voting shares of each of 2 or more banks or a bank holding company; or (2) any company controlling election of a majority of the directors of 2 or more banks; or (3) any company for whose shareholders trustees hold 25 percent or more of stock of 2 or more banks or of a bank holding company. Excludes (A) bank controlling shares in a fiduciary capacity (unless controlled for benefit of bank shareholders); (B) any company or affiliate registered under Investment Company Act of 1940, unless owns 25 percent of shares of 2 or more banks; (C) any company engaged in underwriting securities; (D) any company formed for the purpose of soliciting proxies.

(b) Company means any corporation, business trust, association, or similar organization. Excludes United States or State-controlled companies, partnerships, religious, charitable, and educational organizations.

(c) Bank means any national bank, State bank, savings bank, or trust company. Excludes any corporation organized for international or foreign banking and any organization not doing business in the United States.

State member bank means any State bank which is a member of Federal Reserve System.

District bank means any State bank organized or operating under District of Columbia Code.

(d) Subsidiary means (1) any company 25 percent or more of whose voting shares (excluding those held by United States) is controlled by bank holding company; (2) any company election of majority of whose directors is controlled by bank holding company; or (3) any company 25 percent or more of whose voting shares are held by trustees for benefit of bank holding company shareholders.

(e) Successor means any company acquiring bank shares from a bank holding company, if no substantial change in bank control or beneficial share ownership results. Empowers Federal Reserve Board to define "successor" further to prevent evasion of act.

(f) Board means Board of Governors of Federal Reserve System.

Section 3. Acquisition of bank shares or assets:

(a) It shall be unlawful except with prior Board approval (1) for a company to become a bank holding company; (2) for a bank holding company or subsidiary to acquire over 5 percent of voting shares of any bank; (3) for a bank holding company or subsidiary, other than a bank, to acquire substantially all assets of bank; or (4) for bank holding company to merge or consolidate with any other bank holding company. Prohibition does not apply to (A) bank holding company (bank) acquiring shares in fiduciary capacity (except for benefit of own shareholders) or in collecting debt (but must divest in 2 years), and (B) bank holding company (bank) acquiring additional shares in a bank of which it owns majority of voting shares.

(b) Thirty days before approving any acquisition, merger, or consolidation Board shall notify: (1) Comptroller of the Currency if bank to be acquired is a national or District bank; (ii) State supervisory authority if bank being acquired is a State bank. If such notified authority disapproves it in writing within 30 days, Board holds hearing to grant or deny application.

(c) Standards to be followed by the Board in granting or denial of approval include (1) bank holding company's and bank's financial history and condition; (2) prospects; (3) management; (4) convenience, needs, and welfare of area concerned; and (5) sound banking, public interest, and bank competition.

Section 4. Interests in nonbanking organizations:

(a) Bank holding company may not acquire or own voting shares of a nonbank company or engage in any nonbank business (except those related to banking as listed below in (c) of this sec. 4). Divestment of such business required within 2 years. Board may extend this time to not more than 5 years after date of act or of becoming a bank holding company, whichever is later.

(b) After 2 years following date of act, no bank holding company share certificate shall bear statement purporting to represent shares of nonbank or nonbank holding company, nor shall the ownership, sale or transfer of shares of a bank holding company be conditioned upon a like transaction in shares of any other company except a bank or a bank holding company.

(c) The following are expressly exempted from the divestment requirements:

(1) Shares of company which (i) holds or operates premises used or to be used by a subsidiary bank, (ii) conducts a safe-deposit business, or (iii) serves the holding company and its subsidiaries in auditing, appraising, investment counsel, or liquidating assets;

(2) shares acquired by bank holding company (bank) or its subsidiary bank, in satisfaction of debt contracted earlier. Shares must be disposed of within 2 years after acquisition or 2 years after act, whichever is later;

(3) shares acquired from a subsidiary as result of disposal requested by a Federal or State examining authority. Shares must be disposed of within 2 years after acquisition or 2 years after act, whichever is later;

(4) shares held as a fiduciary by a bank which is a bank holding company, or of kinds and amounts eligible for investment by national banks;

(5) shares owned by a bank holding company not in excess of 5 percent of outstanding voting securities of a company, and having a value not greater than 5 percent of total assets of the bank holding company;

(6) shares of financial, fiduciary, or insurance company which Board decides is closely related to banking; and

(7) labor, agricultural, and horticultural organizations.

Section 5. Administration:

(a) Each bank holding company is to register with Federal Reserve Board within 180 days after act or 180 days after becoming a bank holding company, whichever is later. Registration shall give information on company's financial conditions, operations, management, intercompany relations with its subsidiaries, and related matters. Board may extend time for registration.

(b) Board may issue regulations and orders.

(c) Board may require sworn reports from time to time to determine compliance. Board may examine bank holding company and subsidiaries at their expense. Board shall use examination reports of Comptroller of the Currency, FDIC, or State bank supervisory authority so far as possible.

(d) Board to report to Congress within 2 years after act, and annually thereafter, not-

ing administration, difficulties, and recommendations.

Section 6. Borrowing by bank holding company or its subsidiaries:

(a) Unlawful for a bank to—

(1) Invest its funds in shares or obligations of its parent bank holding company or subsidiary;

(2) take any shares or obligation of its parent bank holding company or subsidiary as collateral for advances to anyone, except for previous debts, in which case the collateral can't be held for more than 2 years;

(3) buy under a repurchase agreement shares or obligations from its parent bank holding company or subsidiary; or

(4) lend, discount, or extend credit to its parent holding company or subsidiary.

Noninterest-bearing deposits and giving immediate credit to a bank upon uncollected items received in usual course of business are not considered as loans or advances.

(b) Exempted from the provisions of this section are:

(1) Obligations of company listed in section 4 (c) (1) of act, bank premises, safe deposit, auditing, etc.);

(2) company which became a subsidiary due to a debt to the bank contracted before it became a subsidiary;

(3) company which is subsidiary because of bank control of company's voting shares in a fiduciary capacity (except where shares are held for benefit of majority of bank stockholders).

Section 7. Reservation of rights to States:

This act shall not prevent a State from using powers or jurisdiction regarding banks, bank holding companies, and subsidiaries so long as State action is more restrictive than this act.

Section 8. Penalties:

Up to $1,000 per day fine for company convicted of violating act. Up to $10,000 or 1 year imprisonment, or both, for individual convicted of willful participation in violation. Section 1005 of title 18, United States Criminal Code (up to $5,000 fine or 5 years' imprisonment, or both) applies to bank holding company personnel convicted of making false entries.

Section 9. Judicial review:

The bill provides an appeal from Board order for aggrieved party. Case to be heard by United States Court of Appeals. Board finding of facts is final, if based on substantial evidence.

Section 10. Amendments to Internal Revenue Code of 1954:

Adds a new part VIII (secs. 1101 to 1103) to chapter 1, subchapter O, of the Internal Revenue Code of 1954 dealing with favorable Federal income-tax treatment for property distributed to shareholders of bank holding companies because of the requirements of this bank holding company act:

"SEC. 1101. Distribution Pursuant to Bank Holding Company Act of 1955.

"(a) No tax assessed on gains acquired by a bank holding company shareholder certified as a result of divestment of nonbank holdings.

"(b) No tax assessed on gains acquired by a bank holding company shareholder as a result of disposal of property which would cause the company to be a bank holding company if held by it, on Board certification that disposal is therefore necessary and is appropriate under the act.

"The provisions of section 1101 (a) and (b) are mutually exclusive; the shareholders can't take the benefit of both of them.)

"(c) (1) (A) The shareholder of the bank holding company does not get the special tax benefit on property the company acquires after May 15, 1955, unless it acquired it in a distribution covered by section 1101 (a) or (b) above, or unless it acquired it in exchange for all its stock under the provisions of section 1101 (c) (2) or (3) above.

"(B) The shareholder of the bank holding company does not get the special tax benefit on property distributed to the company because of stock acquired by the company after May 15, 1955, unless the stock was acquired in a distribution under section 1101 (a) or (b), or unless the stock was acquired in exchange for all the company's stock under the provisions of section 1101 (c) (2) or (3).

"(c) (2) The denial of the special tax benefits to shareholders for property or stock acquired by a bank holding company after May 15, 1955, does not apply where the company (A) exchanges for all the stock of a corporation formed to receive it, property eligible for distribution under section 1101 (a), and (B) then distributes the stock of the formed spinoff corporation to the bank holding company shareholders, if before the exchange the Board certifies such action appropriate to carry out divestiture of nonbanking interests.

"(c) (3) This is a like provision to (2) above for distribution of property covered by section 1101 (b) (to stop a company from being a bank holding company). The Board certification in this case must state the property distributed would cause the company to be a bank holding company if held, that its disposal is therefore necessary, and the exchange and distribution are appropriate to carry out the policies of the Bank Holding Company Act.

"(d) The tax benefits of section 1101 (a) or (b) to a shareholder are not available for any property distribution attributable to a capital contribution to the distributing company made after May 15, 1955, unless the Secretary of the Treasury determines that one of the principal purposes of the capital contribution was not to avoid Federal income tax.

"(e) (1) Denies tax benefits of section 1101 (a) upon property distribution unless Board certifies that a bank holding corporation has distributed by deadline all nonbanking property.

"(2) Denies tax benefits of section 1101 (b) upon property distribution made to stop company from being a bank holding company, unless Board certifies a bank holding corporation has distributed by deadline all property which, if held, would make it a bank holding company. The deadline under this paragraph (2) is 2 years after the date of enactment of this amendment to the Internal Revenue Code or after the company becomes a bank holding company, whichever is later; but the Board may extend this to 5 years in either case.

"SEC. 1102. Special rules.

"(a) Basis of property acquired in distribution: If no gain is recognized on property distribution due to section 1101, the tax basis of such property for the shareholder receiving it (and of the stock responsible for the distribution) is an adjusted basis determined by allocating between the property and the stock the stock's adjusted basis. The allocation shall be made under regulations issued by the Secretary of the Treasury.

"(b) Period of limitations: Extends period for compelling payment of tax deficiency arising from a distribution under section 1101. Sets limit at 5 years after date distributing corporation notifies Secretary of the Treasury that distribution deadline has expired. (Limits under sections 6501 and 6502 of the Internal Revenue Code of 1954 vary from 3 years after filing of a tax return for assessment and 6 years after assessment for collection to no limit in the case of no returns, false returns with intent to evade taxes, or any willful attempt to evade taxes.)

"(c) Allocation of earnings and profits: If under section 1101 (c) (2) or (3), a bank holding company exchanges property for stock of a spin-off corporation formed to receive the property, any earnings or profits of the bank holding company shall be allocated between it and the receiving corporation, under regulations issued by the Secretary of the Treasury.

"(d) Itemization of property: Board shall itemize property in any certificate it gives, so that tax provisions may be carried out.

"SEC. 1103. Definitions.

"(a) Bank holding company: Same definition as in section 2 of the Bank Holding Company Act.

"(b) Qualified bank holding corporation:

"(1) In general: To qualify for the favored tax treatment provided in section 1101, a corporation (including an association) must (1) be a bank holding company and (2) hold 'prohibited property' (as defined in section 1103 (c)). Besides, such property must have been acquired by the corporation (A) by May 15, 1955; or (B) in a distribution in which gain was not recognized because of section 1101 (a); or (C) in an exchange covered by section 1101 (c) (2), under which the bank holding company's stock is surrendered in exchange for the property.

"(2) Limitations: Even though a corporation meets the requirements of paragraph (1) of this subsection, it must also meet the requirements of subparagraphs (A), (B), and (C) of this paragraph (2) in order to be a 'qualified bank holding company.'

"(A) To be qualified, a bank holding company must have either met the requirements of the Bank Holding Company Act assuming it was law on May 15, 1955, or must be a bank holding company solely by reference to property acquired before May 15, 1955, property acquired under section 1101 (a) or (b) with no recognition of gain, and property acquired by it in exchange for all its stock under section 1101 (c) (2) or (3).

"(B) To be qualified due to acquiring property as to which no gain is recognized because of section 1101 (a) or (b), the property must have been acquired in a distribution with respect to stock acquired by the bank holding company (i) by May 15, 1955, or (ii) in a distribution as to which no gain is recognized because of section 1101 (a) or (b), or (iii) in exchange for all its stock under section 1101 (c) (2) or (3).

"(C) To be qualified, a bank holding company must have a certificate from the Board that it meets the requirements of this subsection (b).

"(c) Prohibited property means property it would be appropriate to dispose of in order to divest a bank holding company of its nonbank-related interests, if the company continued to be a bank holding company beyond the deadlines set under section 4 (a) of this act or section 1101 (e) (2) (B) of the Internal Revenue Code of 1954 as added by this act, Does not include nonexempt property or shares or obligations of a company held by a bank holding company in accordance with section 4 (c) (5) of this act (general minority investments).

"(d) Nonexempt property (property that doesn't enjoy favored tax treatment under the tax provisions in this act) means:

"(1) obligations maturing in 24 months or less, excluding days of grace,

"(2) Government securities, or

"(3) money and right to receive it.

"(e) Board means Board of Governors of the Federal Reserve System."

Section 10 (b). Amends table of parts of chapter 1, subchapter O, of Internal Revenue Code of 1954 by adding "Part VIII. Distributions pursuant to Bank Holding Company Act of 1955."

Section 10 (c). These tax provisions in section 10 (a) apply to taxable years ending after the enactment of the act.

Section 11. Saving provision: This act not to be construed as approving any action in violation of existing law. This act to be no defense in any proceeding now pending or later begun because of any prohibited antitrust or monopolistic action.

Section 12. Separability of provisions: If any provision of this act is held invalid or its

application to any person or circumstance is held invalid, the rest of the act is not affected by any such holding.

PROPOSED ATOMIC ENERGY COMMUNITY ACT OF 1955—REPORT OF A COMMITTEE

Mr. ANDERSON. Mr. President, from the Joint Committee on Atomic Energy, I report an original bill to facilitate the establishment of local self-government at the communities of Oak Ridge, Tenn., and Richland, Wash., and to provide for the disposal of federally owned properties of such communities; and I submit a report (No. 1140) thereon.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar.

The bill (S. 2630) to facilitate the establishment of local self-government at the communities of Oak Ridge, Tenn., and Richland, Wash., and to provide for the disposal of federally owned properties of such communities, reported by Mr. ANDERSON, from the Joint Committee on Atomic Energy, was received, read twice by its title, and placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LANGER:

S. 2623. A bill for the relief of John A. Anderson; to the Committee on the Judiciary.

By Mr. SMITH of New Jersey (for himself and Mr. CASE of New Jersey):

S. 2624. A bill to amend an act entitled "An act to provide for the sale of the Port Newark Army Base to the city of Newark, N. J., and for other purposes," approved June 20, 1936, as amended; to the Committee on Armed Services.

(See the remarks of Mr. SMITH of New Jersey when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON (by request):

S. 2625. A bill to amend title 14, United States Code, entitled "Coast Guard," to authorize expenditures for recreation and welfare of Coast Guard personnel and the schooling of their dependent children; to the Committee on Interstate and Foreign Commerce.

By Mr. DIRKSEN (by request):

S. 2626. A bill for the relief of Krikor-Vahe Srabian; to the Committee on the Judiciary.

By Mr. LEHMAN:

S. 2627. A bill for the relief of Hermengildo V. Santos and his son Felipe Cruz Santos; to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina (for himself and Mr. CARLSON) (by request):

S. 2628. A bill to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CASE of South Dakota:

S. 2629. A bill to provide for entry and location, on discovery of a valuable source material, upon public lands of the United States classified as or known to be valuable for coal, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. CASE of South Dakota when he introduced the above bill, which appear under a separate heading.)

By Mr. ANDERSON:

S. 2630. A bill to facilitate the establishment of local self-government at the communities of Oak Ridge, Tenn., and Richland, Wash., and to provide for the disposal of federally owned properties of such communities; an original bill reported and placed on the calendar.

(See the remarks of Mr. ANDERSON when he reported the above bill, from the Joint Committee on Atomic Energy, which appear under a separate heading.)

SALE OF THE PORT NEWARK ARMY BASE TO CITY OF NEWARK, N. J.

Mr. SMITH of New Jersey. Mr. President, on July 13, on behalf of myself, and my colleague, the junior Senator from New Jersey [Mr. CASE], I introduced the bill (S. 2519) amending an act providing for the sale of the Port Newark Army Base to the city of Newark, N. J.

The bill was referred to the Armed Services Committee and a report was requested and obtained from the Department of Defense. The Department recommended certain changes in the bill.

I, therefore, on behalf of myself and my colleague, the junior Senator from New Jersey [Mr. CASE], introduce, for appropriate reference, a new bill, to amend an act entitled "An act to provide for the sale of the Port Newark Army Base to the city of Newark, N. J., and for other purposes," approved June 20, 1936, as amended. I am informed that the Department of Defense has no objection to this revised bill.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2624) to amend an act entitled "An act to provide for the sale of the Port Newark Army Base to the city of Newark, N. J., and for other purposes," approved June 20, 1936, as amended, introduced by Mr. SMITH of New Jersey (for himself and Mr. CASE of New Jersey), was received, read twice by its title, and referred to the Committee on Armed Services.

ENTRY AND LOCATION ON DISCOVERY OF A VALUABLE SOURCE MATERIAL UPON CERTAIN PUBLIC LANDS

Mr. CASE of South Dakota. Mr. President, I introduce, for appropriate reference, a bill to provide for entry and location, on discovery of a valuable source material, upon public lands of the United States classified as or known to be valuable for coal, and for other purposes. I should like to state, in connection therewith, that this bill is a revision of S. 2278. It seeks to incorporate in a clean print certain amendments which have been proposed by the Western Oil and Gas Association and certain other amendments which, I understand, have been worked out by a committee in the House of Representatives with respect to similar legislation pending in that body.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2629) to provide for entry and location, on discovery of a valuable source material, upon public lands of the United States classified as or known to be valuable for coal, and for other purposes, introduced by Mr. CASE of South Dakota, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

AMENDMENT OF TITLE II OF SOCIAL SECURITY ACT—AMENDMENTS

Mr. COTTON. Mr. President, I submit, for appropriate reference, amendments intended to be proposed by me to the bill (H. R. 7225) to amend title II of the Social Security Act to provide disability insurance benefits for certain disabled individuals who have attained age 50, to reduce to age 62 the age on the basis of which benefits are payable to certain women, to provide for continuation of child's insurance benefits for children who are disabled before attaining age 18, to extend coverage, and for other purposes. I ask unanimous consent that a statement, relating to the proposed amendments, be printed in the RECORD.

The VICE PRESIDENT. The amendments will be received, printed, and referred to the Committee on Finance; and, without objection, the statement will be printed in the RECORD.

The statement presented by Mr. COTTON is as follows:

I have today proposed an amendment to H. R. 7225, the Social Security Amendment of 1955 now before the committee. The amendment, which I originally introduced as S. 1198, is identical with the administration's public assistance bill recommended by the President and introduced in the House by Mr. REED of New York (H. R. 3293). I believe the bill is important to the welfare of the 5 million recipients of public assistance in the country and for this reason am asking the Committee on Finance to add its provisions to the social insurance bill.

The provisions which I consider the most important to the needy aged, blind, and disabled, and to dependent children, not only of my State but in the Nation, are those relating to medical care. Public assistance recipients are among the neediest people in the Nation and by reason of age and disability have medical needs well beyond those of the average citizen. Medical care is not adequately provided for these people. Some States do a reasonably good job while others do very little. I am proud that my State makes an effort to see that the aged and other recipients get some medical care. These services are costly, however, and it is a great strain on any State to provide them. I am convinced that it is of national concern that the basic medical needs of this important group of our fellow citizens be met.

Great progress has been made by medical science in dealing with the illnesses of the aged, much of this as a result of research work carried on or stimulated by the Federal Government. It is necessary that we in the Congress make sure that this valuable knowledge is used in behalf of the needy in whose welfare we have agreed to share responsibility with the States.

Under the proposed amendment the Federal Government would share with the States on a dollar-for-dollar basis in the cost of medical care provided for the recipients of public assistance up to a maximum determined by multiplying $6 a month by the number of adult recipients and $3 a month by the number of children. In New Hampshire, for instance, in a recent month there were about 8,000 adults receiving help, and about 3,000 children. Thus, in the case of New Hampshire, the Federal contribution for improved medical care could be as much as half of an expenditure of $48,000 for adults and $9,000 for children, or a total of $28,500 per month. I believe that a significant

amount of medical care can be secured by the States for the needy under these provisions.

The amendment also makes other significant changes. It modifies the formula for Federal sharing in old-age assistance to take account of the tremendous growth in the old-age and survivors insurance program. Under H. R. 7225, the old-age and survivors insurance program would be still further expanded; thus making even more necessary the adjustment in the rate of Federal participation provided for in the amendment.

The bill also recognizes that public assistance recipients have capacities which, with a little help, can be realized. Many people now receiving assistance can be aided to achieve self-support or self-care. Sometimes, with proper help, employment is possible. Even if this is not feasible for many, especially among the aged, social services can help other people achieve self-care. In some cases, arrangements can be worked out for the needy to live more satisfactorily in a family home than in a more costly institution. In other instances, the remaining capacities of an aged or disabled person, while not great, if sympathetically recognized and used in planning, can result in a more satisfying and comfortable life in which he shares in his own care.

All of this has as its objective a saving of public funds and a recognition of individual worth in the American spirit. These services, under these amendments, can be provided to applicants and recipients of assistance with the Federal Government sharing in the cost.

I believe passage of these amendments represents one of the important steps we must take if we are to have a stronger, healthier Nation.

The President has recommended enactment of this type of legislation in his state of the Union message, his budget message, and his special health message of January 31, 1955.

I hope the committee will include the amendments in its consideration of the social-security bill and that it, and the Senate, will take favorable action on them.

COMMEMORATION OF 175TH ANNIVERSARY OF ESTABLISHMENT OF CONSTITUTION OF MASSACHUSETTS

Mr. SALTONSTALL (for himself and Mr. KENNEDY) submitted the following concurrent resolution (S. Con. Res. 50), which was referred to the Committee on the Judiciary:

Whereas the 175th anniversary of the establishment of the Constitution of the Commonwealth of Massachusetts will occur on October 25, 1955; and

Whereas there are embodied in this constitution cultural, social, and legal principles which form a major part of the proud heritage of the Commonwealth of Massachusetts; and

Whereas the people of the other States of the Union share with the people of Massachusetts the blessings of a society founded upon these principles; and

Whereas the importance in these troubled times of keeping alive in the Nation and in the world the tradition of courage, the love of freedom, and the consideration of one's fellow man, which are embodied in the historic document upon which representative government was founded in Massachusetts: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress extends its felicitations to the Commonwealth of Massachusetts on the 175th anniversary of the establishment of its Constitution, and expresses the gratitude of the American people for the part played by the early statesmen of Massachusetts in building the foundations which have served the Commonwealth and the Republic so well.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ENTITLED "STOCK MARKET STUDY"

Mr. FULBRIGHT submitted the following concurrent resolution (S. Con. Res. 51), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Committee on Banking and Currency 1,000 additional copies of the hearings entitled "Stock Market Study," held before the above committee during the 84th Congress.

REMOVAL AND RELOCATION OF INDUSTRIAL PLANTS AND FACILITIES IN THE INTEREST OF NATIONAL DEFENSE

Mr. CURTIS submitted the following concurrent resolution (S. Con. Res. 52), which was referred to the Committee on Armed Services:

Resolved by the Senate (the House of Representatives concurring), That the Joint Committee on Atomic Energy, or any duly authorized subcommittee thereof, is authorized and directed to conduct a full and complete study and investigation of means of securing dispersion and relocation of industries and facilities essential to the defense and security of the United States to locations in the interior of the country, particularly to the Missouri River Basin region, in order to reduce the vulnerability of such industries and facilities in the event of an attack upon the United States involving the use of atomic weapons. Such study and investigation shall include, but not be limited to, consideration of (1) direct action by the Government of the United States, in cooperation with the governments of the States and their local political subdivisions, to provide industrial sites, plants, and facilities in locations least vulnerable to atomic attack and (2) action by the United States, through the granting of tax incentives and otherwise, to encourage the voluntary dispersion and relocation of such industries and facilities.

SEC. 2. The joint committee shall report the results of the study and investigation conducted pursuant to this resolution, together with its recommendations, to the Senate and the House of Representatives not later than January 31, 1956.

SEC. 3. In carrying out its duties under this resolution, the joint committee is authorized to employ, on a temporary basis, such experts and consultants and such technical and clerical assistants as it deems necessary and advisable.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Address on problems of dairying broadcast by him July 24, 1955.

NOTICE OF HEARINGS ON CERTAIN NOMINATIONS BY COMMITTEE ON FOREIGN RELATIONS

Mr. GEORGE. Mr. President, the Senate received today the nominations of the following-named persons to be representatives of the United States of America to the 10th session of the General Assembly of the United Nations, to serve no longer than December 31, 1955:

Henry Cabot Lodge, Jr., of Massachusetts.

Brooks Hays, of Arkansas.

Chester E. Merrow, of New Hampshire.

Dennis Joseph Roberts, of Rhode Island.

Colgate Whitehead Darden, Jr., of Virginia.

There were also received the nominations of the following-named persons to be alternate representatives of the United States of America to the 10th session of the General Assembly of the United Nations, to serve no longer than December 31, 1955:

Robert Lee Brokenburr, of Indiana.

Laird Bell, of Illinois.

Jacob Blaustein, of Maryland.

James J. Wadsworth, of New York.

Mrs. Oswald B. Lord, of New York.

I give notice that these nominations will be considered by the Committee on Foreign Relations at the expiration of 6 days, in accordance with the committee rule.

NOTICE OF HEARING ON NOMINATION OF MARY H. DONLON, TO BE JUDGE, UNITED STATES CUSTOMS COURT

Mr. O'MAHONEY. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, July 28, 1955, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of Mary H. Donlon, of New York, to be judge, United States Customs Court, vice Genevieve R. Cline, retired.

At the indicated time and place all persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of myself, chairman, the Senator from Texas [Mr. DANIEL], and the Senator from North Dakota [Mr. LANGER].

NOTICE OF HEARING ON CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. O'MAHONEY. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Friday, July 29, 1955, at 10:30 a. m., in room 424, Senate Office Building, upon the following nominations:

Warren E. Burger, of Minnesota, to be United States circuit judge, District of Columbia circuit, vice Harold M. Stephens, deceased.

Thurmond Clarke, of California, to be United States district judge, southern district of California, to fill a new position.

At the indicated time and place all persons interested in the above nominations may make such representations as

may be pertinent. The subcommittee consists of myself, chairman, the Senator from Texas [Mr. DANIEL], and the Senator from North Dakota [Mr. LANGER].

TRIBUTE TO METROPOLITAN POLICE DEPARTMENT OF WASHINGTON, D. C.

Mr. SALTONSTALL. Mr. President, a number of Massachusetts citizens, now residing in Washington, have telephoned me recently in connection with an achievement which has impressed them and has also impressed me greatly. I refer to the outstanding work of the Metropolitan Police Department in handling the extraordinarily heavy traffic load resulting from the labor-management dispute of the Capital Transit Co. The accomplishment has once again demonstrated the effective and efficient police service which the Department, under the able leadership of Chief Robert V. Murray, furnishes to the Nation's Capital.

The entire Department has done its job with capability, and, I might add, with a cheerfulness that could hardly be expected under the strain of the excessive heat of a Washington summer. The men, I am sure, have made personal sacrifices to keep traffic moving. They have given up leave and worked extra hours with a sense of duty and responsibility that has reflected great credit on themselves and the Department.

I should like to add my congratulations to the many which Chief Murray and his men have received from so many others for handling the traffic so well.

Mr. THYE. Mr. President, I should like to associate myself with the remarks of the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL] in paying tribute to the Washington police. I drove this morning through the central part of the District of Columbia, including Connecticut Avenue and Pennsylvania Avenue, and I could not help sensing not only the cheerfulness of the policemen at every intersection, but the efficient manner in which they handled the traffic and kept it moving. As I have been driving through the city all during the transportation strike, I could not avoid a feeling of satisfaction and pride in the splendid work which the police of the District of Columbia have done.

THE PRESIDENT AND THE GENEVA CONFERENCE

Mr. THYE. Mr. President, I have followed very carefully the conference which took place at Geneva or "at the summit." On July 22, I addressed to President Eisenhower a letter which I now wish to read into the RECORD, as follows:

JULY 22, 1955.

The Honorable DWIGHT D. EISENHOWER,
The President,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: As a Member of the United States Senate I want to commend you for the very moving and effective presentation you made at the Geneva Conference concerning the position of the United States in world affairs.

I followed the proceedings very closely. Through the work of our entire delegation the world can see that the United States wishes to establish world peace and freedom for all peoples.

Your proposal for exchange of information with the Soviet Union through blueprints and aerial photography demonstrated to what extent we are willing to go to attain that goal.

My heartiest congratulations to you and the American delegation. I know America is grateful for such leadership.

With kindest personal regards,

Sincerely yours,

EDWARD J. THYE,
United States Senator.

Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD an editorial published yesterday in the Washington Post and Times Herald.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LIFTING THE BARRIERS

President Eisenhower seems born for the role he has been playing at Geneva, and he has been playing it supremely well. No other American could command the confidence of the Russians with the same display of initiative, intuition, and open motives. Professional diplomats may distrust such performances, but there is every indication that the President has gaged the mood of his Soviet counterparts correctly and that the technique is working.

Again yesterday Mr. Eisenhower's own heartfelt convictions elevated the sights of the Big Four conference. Even though the charting of practical ways to ease restrictions on information, travel, and trade will require more time than is available here, Mr. Eisenhower's sincerity cannot help rubbing off on the Russians. In discussing the contribution such moves could make toward transforming "this century of recurring conflict into a century of enduring and invigorating peace," the Chief Executive candidly acknowledged that the United States, for its own security, has been forced to place some restrictions on communication and movement of persons. Such an admission, obvious as it is, is likely to be well received as evidence of good faith.

Even Mr. Eisenhower's startling proposal to give blueprints of military establishments and permit free aerial photography has been accepted by the Russians privately in good spirit—and the Russians do not like to be startled. Far from regarding it as propaganda, as a number of observers here did, the Russians seem to have taken it as an illustration of one possible step toward making a nuclear alarm system based on adequate inspection and reporting more effective. Prime Minister Eden's more limited proposal for inspection of forces facing each other in Europe may represent a more readily attainable objective, but it is well to have the President's concept as a spur.

Despite the procedural disagreement last night, it appears that progress has been made on the difficult issue of German reunification and European security. It is an old Russian habit to emphasize final concessions by holding out until the last minute. Nevertheless part of the "bridge" that Mr. Eisenhower has been talking about may be the pact proposed by Premier Bulganin between the NATO and Warsaw Pact powers individually not to use force pending establishment of a European security system. This could complement Sir Anthony Eden's proposal to extend arms controls on the principle now embodied in the Western European union. For its part, the United States reportedly is examining an alternative to German membership in NATO which might be provided eventually, in consultation with Chancellor Adenauer, concurrently with unification and a workable broader security system. Obviously this country cannot do anything that would have the effect of weakening NATO in the present context, because this would have a chain reaction in countries that have been beseeched to increase their support. But many possibilities are open to discussion, given concessions on both sides and a basic wish to agree.

This wish to agree, or at least to forgo any actions that might indicate failure of the conference, seems to be the keynote of the Russian performance. Among the Soviet delegation Mr. Khrushchev is reliably reported to be acting as the boss, but Premier Bulganin is much more than a front man and plays an active part in the consultations. Marshal Zhukov obviously was included as a link with President Eisenhower. Foreign Minister Molotov alone appears silent and disgruntled, possibly because the negative approach, of which he was for so many years the exemplar, is being reversed in so many ways.

Agreement among the heads of government here today will not in any way mean that all the problems between East and West are on the way to easy solution. Undoubtedly many arduous labors are ahead even with the best of feeling, and one of the real problems in the United States will be to avoid letting down the guard in a premature relaxation. On the eve of adjournment, however, the conference appears to justify both President Eisenhower's foresight and his confidence that it will point definite steps toward an era of better feeling in which big problems may be capable of solution.

RENEWED EMPHASIS ON MORAL AND ETHICAL VALUES—THE BOOK THE SPIRITUAL WOMAN

Mrs. SMITH of Maine. Mr. President, one of the very encouraging trends in American life today is the renewed emphasis by people in all walks of life on moral and ethical values. President Eisenhower has set a national example through his own deeply spiritual concept of life. We in the Congress have recently enacted much legislation reaffirming the spiritual foundations of our Nation.

This attitude, which has pervaded every area of living, is reflected in many new publications which deal with religious and moral subjects. The most recent of these is a book entitled, "The Spiritual Woman," edited by Marion Turner Sheehan. Here 14 distinguished women have written of the human qualities which have made their own lives creative and fruitful.

One of these authors is my colleague in the House, the Honorable FRANCES P. BOLTON. In a chapter, "Woman in Politics," this respected woman legislator explains the philosophy that has guided her for more than 15 years in the House of Representatives. She writes, in one moving passage:

Just as the individual must examine his own soul before he assumes duties which involve others, so must we who are women go deep into our hearts and minds to ascertain what it is that we have which is so vital to the full purposes of the Infinite. Once we are convinced and aware that only as

we take upon ourselves these broad aspects of our womanhood can we hope to see the dawn of peace, the day of light, only then shall we give richer meaning to citizenship in this free land of ours.

I could not think of a more fitting credo for any woman planning to enter the field of politics. It does honor to every American woman in public life.

Throughout the book, the other authors write with equal vigor and conviction. Eloise Spaeth writes on the arts, Esther Eberstadt Brooke on business and management, Alice V. Keliher on communications, Ilona Massey of communism, Millicent C. McIntosh on education, Lillian Gish on entertainment, Patricia Crowley on family life, former Representative Mary T. Norton on industry, Elizabeth S. Ridder on leisure, Helen C. White on literature, Sister Elizabeth Kenny and Valerie Harvey on nursing, and Jane M. Hoey on social work. In the final chapter, the editor summarizes their philosophies.

The authors and the editor have arranged to donate all royalties to charity. I commend this book to the attention of the Members of the Senate.

ST. LAWRENCE SEAWAY MANUAL, SENATE DOCUMENT NO. 165

Mr. WILEY. Mr. President, I am pleased to announce that there is now available in the Senate and House Document rooms, Senate Document No. 165, the manual on the Great Lakes-St. Lawrence Seaway.

This document has been many months in preparation under my direction. It contains a complete chronology of the history of the seaway, a description of all of its economic, engineering, power, maintenance, legal, and other ramifications.

The seaway authorized under the Wiley law, Public Law 358 of the 83d Congress, has, of course, occasioned tremendous interest throughout the Great Lakes area. Floods of inquiries have poured in from all over our country. I believe the manual will help answer these inquiries.

Copies of the manual, over and above the limited supplies available through congressional offices, the document rooms and the Senate Committee on Foreign Relations, may be purchased from the Superintendent of Documents, of the Government Printing Office, at $1.50 a copy.

Incidentally, I hope that before this session ends, we will have taken the necessary action to complete this great project by the enacting of connecting-channels legislation already unanimously approved by the House Committee on Public Works. Time is very short, but there has not been the slightest word of dissent on the connecting-channels bill to date.

I ask unanimous consent that the text of an article on the impact of the seaway on Great Lakes ports, as printed in Nation's Business issue of April 1955, be printed in the body of the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SEAWAY SPARKS BILLION DOLLAR TRADE RACE

(By Joseph M. Gambatese)

The $1 billion St. Lawrence Seaway development, just begun, has sparked a race for port improvements and expansion among a score of cities ringing the 5 Great Lakes all the way from Oswego, N. Y., the country's first fresh-water port, to Chicago and Duluth, Minn.

Another $1 billion in both private and public funds is likely to be spent in and around the lakes and connecting rivers before a ship from the Atlantic Ocean steams up the new St. Lawrence Seaway and into the lakes with the first 10,000-ton cargo for some lake port. This will happen 4 years from now if present schedules are met.

The prize: more than 40 million tons of increased cargo which will pass through the seaway's canals and 7 locks along the St. Lawrence River after the Midwest's gate to the Atlantic is enlarged.

With shipments over the St. Lawrence waterway now limited by the 14-foot controlling depth of the present Canadian locks and canals in the 114-mile stretch between Montreal and Ogdensburg, N. Y., only 10 million tons of cargo can get through to the lakes. The vessels must be restricted to loads of less than 2,500 tons, even though they may have larger capacity.

When the seaway development is completed, two things will be achieved:

1. Cargo ships of 20,000 tons will be able to maneuver the St. Lawrence, thereby increasing the potential annual tonnage moving between Montreal and Lake Erie to more than 50 million tons.

2. Northern New York State and part of eastern Ontario will share 1,880,000 kilowatts of electricity from a hydroelectric power project at Massena, N. Y., a potential capacity now exceeded only by the 1,974,000 kilowatts of Grand Coulee Dam on the Columbia River.

The United States has authorized $105 million and Canada is spending $261 million for the joint navigation project, which will increase the controlling depth to 27 feet from the Atlantic to Toledo on the western end of Lake Erie. The New York Power Authority and the Ontario Hydro-Electric Power Commission are building the $600 million power project, consisting mainly of a powerhouse and 145-foot spillway dam at Massena and a control dam at Iroquois, Ontario. They will share both the cost and the electric power which will start flowing in 1958.

Beyond Toledo, however, waterborne commerce to Detroit and into Lakes Huron, Michigan, and Superior is limited by a controlling depth in the connecting channels of 25 feet downbound and 21 feet upbound.

The plan to deepen these channels to 27 feet was left out of the present authorization which passed Congress last May, although it was included in earlier seaway development bills which failed to pass.

Members from Midwest States are pushing for approval of the connecting channels phase in this Congress. This will cost $110,327,000; or $115,818,000 if a cutoff channel is dug to eliminate a bend in the St. Clair River above Detroit, as recommended by the Army's Board of Engineers for Rivers and Harbors.

The connecting-channels plan involves deepening of three links between Lake Erie, Huron, Michigan, and Superior at Detroit, the Mackinac Straits and the approaches to the Soo locks. The Welland Canal joining Lake Erie and Lake Ontario is in Canada and will need slight deepening, which Canada is doing as part of the approved navigation project.

Opponents of the seaway warn, however, that even the 27-foot depth will be inadequate to make real ocean ports out of lake cities, and that Congress will soon have to provide for further deepening to 30 feet or more at a cost of many more millions.

Such skepticism has not deterred the cities from pushing ahead with big plans to get the jump on their rivals and be ready with the best and the most facilities when the larger ships come steaming in.

As one lake city was advised: "Traffic flows where transportation facilities are provided. Waiting until the traffic exists may not be wise."

These cities want to make sure they get their share—or more—of the increase in waterborne tonnage and the anticipated economic benefits from the seaway. These benefits are expected to include attraction of industries which will find the seaway advantageous either for receiving bulk raw materials or for shipping products overseas, and increased business activity related to foreign trade.

Improved harbor and port facilities will benefit some ports even without much seaway traffic, through the handling of more of the present lake shipping and by attracting chemical and other industries which rely heavily on fresh water and shipping within the lake areas. This, of course, has been—and for many years will likely continue to be—the major basis for improvement of Great Lakes harbors, ports, and rivers, which the Federal Government has been doing for more than 125 years.

A Nation's Business survey of port activity stimulated for the most part by the coming of heavier seaway traffic into the largest manufacturing center in the world—now being called a new frontier in the heartland of America—discloses that:

Work in the two major Canadian ports—Toronto and Hamilton, Ontario—has progressed further than in most United States ports.

At least eight United States cities have made, or are making, studies costing more than $300,000 to find out what economic impact the new seaway tonnage will have on their ports and what, if anything, they should be doing about it. From east to west, these cities are: Oswego and Buffalo, N. Y.; Erie, Pa.; Cleveland, Lorain, and Toledo, Ohio; Detroit, and Duluth.

Legislation is being pressed in State capitals to permit port authorities for Toledo, Erie, Buffalo, and Oswego Harbors to facilitate their development, growth, and operation.

Some $8 million already has been spent in Green Bay and Milwaukee, Wis.; Muskegon, Mich.; Hamilton, and Toronto, for warehouses, docks, buildings, and other facilities.

Another $9 million worth of similar port improvements has been started in Green Bay, Milwaukee, Hamilton, Ontario, and Ashtabula, Ohio.

More than $200 million in port development, exclusive of harbor dredging by the Federal Government, is being planned in Milwaukee, Chicago, Muskegon, Windsor, Ontario; Toledo, Cleveland, and Oswego.

President Eisenhower has asked Congress for more than $11 million during the next fiscal year for dredging, widening, and otherwise improving harbors and channels at Duluth, Sault Ste. Marie, Chicago, Indiana Harbor, Ind.; Cleveland, and Buffalo.

The Army's Corps of Engineers, which handles river and harbor improvements, is doing preliminary work on plans for a $4,900,000 extension of the Ashtabula harbor area and for shoal removal and construction of a detached breakwater at Osego costing $2,500,000. Congress has also directed the engineers to determine the economic justification for further improving the harbors of Duluth, Milwaukee, Toledo, Lorain, Cleveland, and Conneaut, Ohio. Studies have

been proposed for Buffalo and other ports as well.

Major lake harbors will require dredging to 27 feet and new facilities to accommodate larger vessels. Only at Duluth, Chicago, Ashtabula, and Buffalo has Congress "authorized" depths of more than 25 feet, and only Duluth's harbor actually is more than that depth. Its lake approaches are 32 feet. Depths of 28 feet have been authorized at Chicago and Ashtabula and 27 feet at Buffalo.

Before getting into the details of what each port city is doing, let's look at the total seaway development and its impact as a whole.

Basically, developing the St. Lawrence Seaway consists of enlarging a series of bottlenecks which now limit the size of vessels which can navigate between Lakes Superior and Michigan on the west and the Atlantic Ocean on the east—a total distance of 2,350 miles from Duluth to the ocean. This navigation phase involves the widening and dredging of narrow passages and bypassing dams, unnavigable falls and rapids with locks and canals so that the ships may rise and drop the 600-foot elevation between Lake Superior and the ocean.

At the same time, the descending water level permits the development of hydroelectric power. At Niagara Falls at present the United States power station has a capacity of 445,000 kilowatts and that on the Canadian side has 848,000 kilowatts. With the seaway, it is planned to increase the kilowatt capacities to 1,945,000 and 2,276,000, respectively.

The New York-Ontario power project in the International Rapids section of the seaway at Massena will produce 1,880,000 kilowatts. Water backed up by the 145-foot long Sault Spillway Dam to be built at this point will create a pleasure lake almost 30 miles long and 4 miles wide, inundating considerable land, mostly on the Canadian side, and forcing the relocation of railroads, highways, and even whole towns.

Below Massena, where the St. Lawrence runs completely within Canadian borders, that country has developed 1,408,000 horsepower (1,083,000 kilowatts) at the Beauharnois powerplant in the Soulanges area and hopes to raise it to 2 million horsepower. It also plans to develop 1,200,000 horsepower farther down at the Lachine Locks, near Montreal. (Canadians measure electric-power capacity in terms of horsepower. It takes 1.34 horsepower to produce a kilowatt.)

Thus, there are 3 major phases of the seaway development: (1) The St. Lawrence navigation project, with Canada and the United States participating jointly; (2) the power project shared jointly by Ontario and New York, and (3) the deepening of the connecting channels, which it is expected the United States will do alone.

The United States section of the navigation project is being built by a Government agency created specifically and solely for that purpose: St. Lawrence Seaway Development Corporation. It is headed by Administrator Lewis G. Castle, who, when appointed last summer, was president of the Northern Minnesota National Bank in Duluth and of the Great Lakes-St. Lawrence Association, which led the postwar fight for the seaway.

The Seaway Corporation has designated the Corps of Engineers as its agent to supervise construction of the United States section, mainly two locks and a canal to bypass the power project at Massena. Congress fixed a spending limit of $105 million, which the Treasury will advance as needed against 50-year revenue bonds to be issued by the Corporation. Tolls fixed by the International Toll Commission will be charged on the seaway to liquidate the bonds. Congress, in passing its first seaway bill last May, also included construction of a lock at Point Rockway, across from Iroquois, to bypass on the United States side the Iroquois control dam being built as part of the power project. But Canada insisted on building its own lock on its side of the dam, and in fact began construction. As a result, it was agreed a month ago that the United States will not build its lock at the control dam upriver and Canada will not build its locks on the Canadian side of the powerhouse and spillway dam, both governments reserving the right to build the locks in the future, but not without consulting the other beforehand.

The net result, then, is that the control dam upriver will be bypassed through a Canadian lock at Iroquois and the power project near Massena will be bypassed through two United States locks—leaving each country dependent on the other for through passage.

The United States will also dredge to 27 feet the Thousand Islands section of the St. Lawrence—68 miles from Ogdensburg, N. Y., upriver to Lake Ontario, at a cost of $2 million.

Canada, in addition to the Iroquois lock, is building 4 more locks and digging canals along the 68 miles within the Canadian border from the power project to Montreal, and will deepen the Welland Canal to 27 feet, the latter costing only $2 million because the 8 locks within the canal already meet the 27-foot measure.

Lake ports already handle 500,000 tons of overseas shipping a season, much of it United States and Canadian grain, but it is carried in small vessels lightly loaded.

This tonnage, however, is an almost negligible one-fifth of 1 percent of the more than 250 million tons of total shipping on the lakes, about one-third of it iron ore moving down from Lake Superior.

With the new seaway, overseas shipping is expected eventually to exceed 5 million tons.

During the first year Administrator Castle estimates that the seaway will carry 12,100,000 tons of grain, 10,500,000 tons of iron ore, 6,400,000 tons of general cargo, 3,700,000 tons of coal, 2,300,000 tons of petroleum, 800,000 tons of nonferrous ores, and 700,000 tons of woodpulp. Grain and iron ore shipments are expected to dominate seaway freight.

New and larger ore freighters now on the lakes were built to fit seaway specifications.

The more than 50 million eventual tonnage will exceed by about 25 percent the tonnage through the Panama Canal.

Hardly any luxury ocean liner traffic is expected.

Specific lake harbor improvements planned by the Corps of Engineers during the coming fiscal year and the necessary funds requested of Congress include:

Cleveland: $5,300,000 to widen bends and alter obstructing bridges in 23-foot Cuyahoga River, on which most industrial piers are located. This is part of $20 million river program on which $11 million already has been spent.

Chicago: $4 million—the beginning of an $80 million project—to start widening to 225 feet the Calumet-Sag Channel, important link between the Mississippi River and Lake Michigan on the southern edge of Chicago.

Buffalo: $1,200,000 to complete deepening of the Buffalo River, part of the Buffalo Harbor, to 23 feet. This job was started this fiscal year with $1,100,000.

Soo: $338,000 to begin alterations at the Soo Locks. This includes removal of an island in the St. Mary's River to facilitate approach to the locks and alteration of a railroad bridge. It will take $3 million more to complete.

Duluth: $215,000 to complete a 25-foot channel in a part of the Duluth Harbor. Project was begun this fiscal year with $300,000.

Indiana Harbor: $45,000 to widen a portion of the harbor canal, which leads into the Calumet-Sag Channel.

Here, in addition to the engineers' program, is what United States lake cities are doing to improve their ports:

DULUTH

Gov. O. L. Freeman has asked the Minnesota Legislature to study the seaway's impact on the State's economy and look toward development of the Duluth Harbor. The 3-man port authority has been reactivated and legislation is being considered to create a more effective 7-man authority. The port authority has a $100,0000 budget for each of the next 2 years—$53,500 to come from the State legislature, $38,000 from the Iron Range Resources and Rehabilitation Commission, and $8,500 from a local levy. Some $76,000 is being spent for a survey of the harbor's economic potential, with 4 studies by the University of Minnesota's business research division already under way.

MILWAUKEE

A $200,000 addition to Municipal Transit Shed No. 1 is opening this spring. A $2 million viaduct is being built to carry harbor truck traffic over 2 railroad lines. The following $4,700,000 in projects have been projected for completion before the 1959 seaway opening:

New pier and general cargo terminal	$4,000,000
Replacing obsolete cranes and equipment	350,000
Dredging outer harbor slips to 27 feet	200,000
Highways to serve outer piers	80,000
Expanding harbor railroad system	70,000

Harbor deepening is being sought from Congress, with a study being made by the Corps of Engineers.

There were 188 sailings with 43,000 tons of overseas cargo from this port last year, according to Harry C. Brockel, Milwaukee port director, who is also a director of the Great Lakes-St. Lawrence Association.

GREEN BAY

A new city harbor and industrial commission is directing technical development of the port. A nonprofit industrial development corporation, set up within the Green Bay Association of Commerce, is selling 100 shares of $100 to raise money for port promotion. Leicht Transfer & Storage Co. has built two $250,000 warehouses and is planning another. Efforts are being made to get funds for improving the harbor with a turnaround basin in the river mouth, a project approved by the Corps of Engineers some time ago. Sixty foreign ships used the port last year.

CHICAGO

As part of a 10-year $125 million program, the regional port board is issuing $25 million in bonds to start construction of facilities around Lake Calumet. Present plans include four major transit sheds, two 6,500,000-bushel grain elevators, 1,000 feet of universal bulk dock and other docks, heavy lift cranes, and other facilities. A large liquid tank farm, positioned to handle rail, barge, truck, lake, and ocean traffic, will also be built.

Because of vast and modern facilities and its unique link between the lakes and the Mississippi River, Chicago expects to handle 50 percent of the general cargo moving through the seaway and also to become, in the opinion of Maxim M. Cohen, general manager-secretary of the Chicago Regional Port District, "the most strategic grain-shipping port on the American Continent."

Chicago's port handled 178,000 tons of overseas shipping in 1953 and expects this to increase four times, according to A. H.

Schwietert, traffic director of the Chicago Association of Commerce and Industry.

MUSKEGON

This port is planning 2 more docks to match the existing $2 million dock and related facilities. With one of the lakes' best natural harbors, it stresses ship repair work but, like many other small lake ports, it is thinking in terms of handling more of the present fleet of 2,000-ton vessels serving Great Lakes and foreign ports.

Larger lake ports will find it uneconomical to handle some of these smaller ships.

John C. Beukema, president of the Great Lakes Harbors Association, says the association has counseled smaller lake ports to be cautious and make detailed studies before making appropriations and letting contracts for improvements which may prove unwise.

DETROIT

A $50,000 economic survey of the port has forecast an increase in overseas trade from 150,000 tons to 300,000 tons within a year of the seaway's opening. If suitable facilities and services are developed, overseas trade will increase to between 750,000 and 1 million tons 5 years later. There were 320 foreign sailings in 1953, many of them carrying automobiles and trucks to foreign ports.

The harbor needs little development except deepening of the Detroit River. Gov. G. Mennen Williams asked the State legislature to approve a $500 million bond issue for highways, to build in 3 to 5 years what would normally take 15 to 20 years. The road program includes a north-south highway from Saginaw Bay, down through Detroit and almost to Toledo, which will aid the port development.

TOLEDO

An $8,000 study recommended construction of a $20 million general cargo terminal on the Maumee River and a $5,900,000 recreational area on the bay.

A hot scrap is raging over whether the port should be run by the city or the Toledo-Lucas County Port Commission with new powers of a port authority. Toledo is sponsoring a port authority bill which the Ohio Legislature is expected to pass. The bill would let a county set up a port authority with power to issue bonds, levy taxes, build navigational facilities, rent the facilities and amortize the bonds from revenues.

Toledo, a leading coal port with annual shipments of 20 million tons, also handles considerable overseas shipping of petroleum and grain. Ships of foreign registry in the Toledo port increased from 1 in 1946 to 80 last year.

CLEVELAND

A $40,000 port development study is being made by New York consultants.

Cleveland is seeking Federal participation in a proposed $15 million breakwall 6½ miles long running west from downtown. Inside of this a $30 million highway would be built facilitating vehicular traffic to and from the harbor.

A $500,000 service road connecting with a freeway on the east side is being started this spring. Director of Port Control William J. Rogers says the city is considering a $5 million bond issue to build a cofferdam from 500 to 700 feet out in the lake to permit filling and extension of the waterfront land.

Cleveland leases its two piers to a stevedoring firm. The waterfront will be zoned and made available for development by private industry, which is expected to spend $20 million for port facilities. Curtis Lee Smith, president of the Cleveland Chamber of Commers, feels private industry "is fully capable of taking care of whatever new business develops from the new seaway."

The Cleveland Electric Illuminating Co. has intensified its promotion of northeastern Ohio as the best location in the Nation for new industry.

An international trade exposition in 1959 is being considered by Mayor Anthony J. Celebrezze. Mayor Celebrezze and private industry are cold to a port authority, because the harbor is within city limits and was developed by the city.

Cleveland is also the focal point of a fight over the proposed construction of a 103-mile $300 million belt conveyor between Cleveland and East Liverpool on the Ohio River. The enclosed conveyor would carry 20 million tons of iron ore down from Cleveland to East Liverpool, whence barges would take it to Pittsburgh steel mills. In the other direction, the conveyor would move 45 million tons of coal, particularly metallurgical coal, from West Virginia needed by steel mills in Youngstown and Cleveland.

LORAIN

A $10 million harbor improvement is sought to meet present needs. The Corps of Engineers is restudying the economic justification for improving the harbor, which handles 8 million tons of iron ore and 2,600,000 tons of coal. Dr. N. R. Danielian, president of the Great Lakes-St. Lawrence Association, has been retained as a harbor and seaway expert for 2 years to help get Federal aid for present harbor improvement needs and to survey the port's expansion possibilities. Dr. Danielian does not visualize Lorain as a major seaport, pointing out that ports need an economic hinterland to feed on. Lorain is between Toledo and Cleveland.

ASHTABULA

Private industry is spending $3,710,000 for construction of slips, docks, and handling facilities, including 2 bulk-cargo docks 2,000 feet long and 500 feet wide.

Ports of Ashtabula and nearby Conneaut will be aided by a Conneaut-Cincinnati 350-mile toll highway, costing $500 million, which the State is planning to build. It will have a spur connecting the State capital, Columbus, with Toledo.

This northeast-southwest diagonal expressway will connect with, and cross, the 241-mile, $325 million east-west toll road extending from the Pennsylvania Turnpike, near Pittsburgh, across Ohio to the Indiana border, near Toledo. This will be completed in October and will be useful to other Ohio ports as well.

ERIE

Additional dock and warehouse facilities will be built after completion of a survey costing $15,000. Members of the Erie Engineering Societies Council donated $30,000 in services in making a preliminary study of the port's potential. The State legislature has been asked to authorize an Erie Port Authority.

BUFFALO

A $50,000 port study is being made. Findings and recommendations will not be completed until next month, but it is reported the port will need:

A 600-foot, $2,950,000 pier; an $800,000 package cargo warehouse; $500,000 for handling facilities; $350,000 for administration and engineering; $500,000 for financing and interest the first 2 years; $400,000 for contingencies; and $35,000 for dike repair.

The port board has approved a $5,535,000 port improvement program as the first phase of a master development plan and is seeking authority from the State legislature to create a Niagara Frontier Port Authority of wider scope.

Improvement of the harbor by the Corps of Engineers is only 36 percent complete, with $11 million more needed to finish the job.

Buffalo's major gain from the seaway is expected to be ore shipments from the rich open-pit deposits of 600 million proven tons—with a potential of 1,500,000,000 tons—whose postwar discovery in the barren Quebec-Labrador region helped get the seaway through Congress. Buffalo will have an advantage because it is nearer the deposits than other lake ore ports.

Six Midwest steel and ore companies under the leadership of Secretary of the Treasury George M. Humphrey, then head of M. A. Hanna Co., participated in the discovery and development of the deposits. Almost $300 million is being spent on the Quebec-Labrador project.

A railroad was built to carry the ore 360 miles to freighters at Seven Islands on St. Lawrence Bay.

This Quebec-Labrador ore will supplement the dwindling deposits of the Mesabi Range on Lake Superior which have fed more than 3 billion tons to hungry iron and steel mills since the Soo Locks were opened 100 years ago this spring. The centennial anniversary will be celebrated at the Soo on June 18.

First ore shipment from the new Canadian deposits left Seven Islands July 31, and more than 1,700,000 tons was moved before the shipping season—only 244 days—closed because of freezing. Most of the ore went to east coast and European ports on large ore freighters, but 170,000 tons moved up the St. Lawrence on 2,000-ton "canalers" to mills near the lakes. Almost 70,000 tons went to Buffalo.

ROCHESTER

A survey of more than 700 companies in western New York has been made by the Rochester Chamber of Commerce to determine what use they might make of seaway shipping. The potential tonnage indicated will serve as a guide in planning port development. Preliminary examination of the questionnaires returned indicates "quite a bit of interest," according to Fidelis J. Taylert, chairman of the chamber of commerce subcommittee making the survey.

OSWEGO

Oswego is the lake port closest to the seaway and at the terminus of the northern branch of the New York State Barge Canal, whose 9-foot depth extends from Buffalo to Albany on the Hudson River—the shortest water link between the lakes and the Atlantic.

Here is its program:

1. A $20,000 study indicates it will take $10 million to improve and expand the harbor to attract seaway shipping. This covers only harbor deepening to 28 feet and construction of a $2,500,000 detached breakwall approved by Congress, but funds for this have not been appropriated.

2. A budget of $20,000 for the employment of Arthur W. Mengel, of Cleveland, as port director and for port promotion activity. Port authority legislation is being sought.

3. Advertising Oswego as the "port of central New York" to attract foreign trade shipments.

4. Stepping up Operation Oswego, which last year induced three companies to locate in the area.

5. Obtaining the Federal funds necessary to improve the harbor, which handles more than 2 million tons a season. Lionel A. Mohnkern, executive manager of the Oswego Chamber of Commerce, says more than $11 million in improvements has been planned and approved by the Corps of Engineers.

ELSEWHERE IN THE UNITED STATES

There is also considerable activity in many other cities on the lakes and along the seaway route.

In Michigan, the Monroe Port Commission is improving its port, hoping to attract waterfront industries and become a rail-truck-water terminal for lower Michigan and upper Indiana. Grand Haven plans to improve its channel; the city plan commission is working on waterfront industrial subdivision

projects. Benton Harbor plans to move a ship canal and build a slip and a 500-foot dock and wharf.

Along the St. Lawrence, Ogdensburg, and Massena—46 miles apart at the ends of the International Rapids where the power project and United States navigation construction is taking place—are planning largely for tourist business and new industries which the seaway and the power will attract. Many recreational facilities will also be developed around the huge lake and inlets which will be created between them.

CANADA

Canadian lake port activity is concentrated at Toronto, Hamilton, and Windsor.

TORONTO

Planning and construction for the seaway began 3 years ago. A $1 million freight terminal for handling ocean ships and a $1,250,000 new dock wall have already been built. A new dock within the new dock wall is being studied. Toronto expects soon to have port facilities for 20 larger ships which will come up the St. Lawrence. After the seaway is a fact, it hopes to accommodate twice that many.

HAMILTON

Hamilton has built a $2,750,000 harbor administration building and has started an additional $2 million dock expansion and improvement program. It is extending the Welland Street docks to take care of six more oceangoing vessels and installing modern equipment to handle any kind of cargo.

On the books for later: Construction of more docks toward edge of city nearer to the big industrial area.

WINDSOR

Allocation of $2,800,000 for new dock facilities is the first step in a recommended development which will total $19 million. Construction of dock space and terminal warehouses would follow.

COMMENTS BY NEW PRESIDENT OF INTERNATIONAL CHAMBER OF COMMERCE

Mr. WILEY. Mr. President, on May 11 I commented in the RECORD with regard to the meeting in Tokyo of the International Chamber of Commerce, a vital organization of businessmen throughout the free world. I feel that the international chamber is an important means of helping to assure the prosperity and security of the free nations of the earth.

I was pleased to note in last week's New York Times an interview with the distinguished new president of the international chamber, Mr. Warren Lee Pierson, who had formerly served as chairman of the International Chamber's United States Council. I believe that Mr. Pierson's comments will be of interest to my colleagues. And I ask unanimous consent that the text of the New York Times article be printed in the body of the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EASED TENSIONS HELD WORLD BOON—NEW HEAD OF INTERNATIONAL COMMERCE CHAMBER SEES BIG BENEFIT TO BUSINESS—PROSPERITY WITH PEACE—FREE NATIONS HAVE THE EDGE OVER COMMUNISTS, HE SAYS, IN SUPERIOR PRODUCTION

Eased world tensions, commercial and political, should work primarily to the advantage of the free world, Warren Lee Pierson, newly elected president of the International Chamber of Commerce, asserted yesterday.

Mr. Pierson's election was announced by Thomas J. Watson, Sr., at the Overseas Press Club. Mr. Pierson, who recently served as chairman of the chamber's United States Council, is chairman also of Trans World Airlines, Inc. Mr. Watson, who was president of the chamber from 1937 to 1939, is chairman of International Business Machines Corp. The chamber election was by mail ballot.

The new president succeeded Camille Gutt, whose term was extended after the death last May of president-elect George A. Sloan, industrialist and civic leader. Mr. Gutt, now head of Banque Lambert, Brussels, is former managing director of the International Monetary Fund.

NO FEAR OF COMMUNISTS

"The free nations," Mr. Pierson said, "have nothing to fear from economic competition with Communist countries. If these countries choose to open their markets to free competition with goods produced by private enterprise, it will not be long before we again demonstrate the superiority of our system of production."

Mr. Pierson noted that in the last 10 years, military, political, and commercial activities everywhere had been strongly influenced by international tensions. While there are growing signs of reduced tensions, dramatized in the summit meeting at Geneva, there still is reason for caution on Russian aims. But the outlook is hopeful, he added.

"If the hopeful view is justified," he declared, "no groups will rejoice more wholeheartedly than the business community in every free country. This is true not only because peace is the hope of all clear-thinking people, but also because businessmen have the greatest material stake in a world that has cordial international relations."

REASON FOR OPTIMISM

Mr. Pierson observed that the present prosperous trend of business in the United States and Canada gives every reason for optimism. Should it be possible to set aside the danger of war, he said, the free nations could look forward to a decade of unparalleled prosperity.

They would then have the opportunity for further expansion of the free world's economy that would extend peace-encouraging prosperity to many more areas, Mr. Pierson said. Given this progress, the possibilities for prevention of war would grow even stronger, he emphasized.

Asked about the outlook for increased East-West trade, Mr. Pierson said he did not believe the Geneva Conference would reach any conclusion on the matter. He noted that the free nations had greatly reduced restrictions on export nonstrategic goods to the Soviet bloc, and that the issue of East-West trade was no longer critical.

Should it become possible for free countries to sell competitively to Communist countries, he said, the latter would not be able to export as much as they would want to buy.

CONDITIONS ONE-SIDED

Asked what conditions would be required for closer economic ties between free and Communist countries, Mr. Pierson declared that the initiative for establishing these would be up to Russia. Present conditions are one-sided, he said, inasmuch as the Communist countries buy and sell through state trading organizations and do not permit establishment of private trade companies within their borders.

A freer position for private enterprise in establishing sales branches in Communist countries would be an essential step toward closer economic relations, he added.

Among major points in the chamber's program for the next 2 years, Mr. Pierson said, would be the adaptation of atomic energy as an aid to countries whose progress is impeded by a shortage of power. A main problem, he noted, would be the definition of the roles of private enterprise and governments in this development.

MORE AND BETTER DEFENSE FOR LESS MONEY—STATEMENT BY SENATOR CURTIS

Mr. CURTIS. Mr. President I ask unanimous consent that there be printed in the RECORD a statement I have prepared on the subject More and Better Defense for Less Money.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CURTIS

MORE AND BETTER DEFENSE FOR LESS MONEY

The greatest item of cost for the American taxpayers is the cost of the defense load. It has been the objective of the Eisenhower administration and of Secretary of Defense Wilson to provide more and better defense for fewer dollars. I am happy to report that progress is being made toward that objective. It can be done, and it is being done.

Every American, whether he has served in the military service or not, can cite instances of great waste and unnecessary cost in the military field. Perhaps it has always been so. This is not a condemnation of every man and every officer in the service, as individuals. It is a wasteful system.

In considering ways to cut the cost of our military program we first might mention a few ways that it cannot be done. There is no magic involved, no one can wave a wand and bring about more defense for less money. It cannot be done by ruthlessly using a meat ax on a military budget. Of course, it cannot be done by eliminating part of our necessary defense program. It cannot be accomplished in any easy, simple way. It will never come about through an abundance of ignorance.

Economy in our defense program can only come about by the combination of (1) by using the highest possible scientific know-how, (2) by applying this know-how to an awkward, unruly, cumbersome system, and (3) an honest desire to eliminate waste, prevent overlapping and reduce cost. This can only come about by hard, determined, and oftentimes uninteresting work.

I want to congratulate and commend the civilian leadership in our Department of Defense, the military leadership in our Air Force, the Bureau of Navy Ordnance, and elsewhere in our services.

I recently learned of a program which no one in the Defense Department had ever brought to my attention and I consider it most noteworthy. We are all well aware of the greatly increased requirements of the Armed Forces for products of the electronic industry. The Air Force with a substantial part of its budget being spent on electronic gear recognized that it could stretch that budget much further if such costly and complex equipment capabilities were studied and evaluated by unbiased experts. In a very far-sighted move, they engaged a private research group to study and evaluate much of this equipment. This group, still headed by a distinguished scientist, Dr. Carl L. Frederick, of Bethesda, Md., is quietly working with the Air Force to net savings running into the hundreds of millions of dollars. These savings are brought about in the following ways:

1. Eliminate duplications and overlaps in available equipment.

2. Locate gaps in coverage and recommend new developments to insure adequate equipment for future needs.

3. Systematize the classification and provide concise technical descriptions of avail-

able equipments in a form such that potential users can conveniently locate the sources of test equipment.

4. Present pertinent data so that manufacturers working on Air Force contracts will be better able to select and procure the best available equipment for their purpose.

5. Avoid duplications in developing new equipment.

6. Increase the use factor of various equipments and thus decrease the stocks of equipment as well as spare parts.

7. Simplify the procurement and supply cycle of logistics personnel and the users.

To those of us who do not possess a scientific mind and are not trained in electronics, it may be necessary that it be pointed out just how such a program saves money for the taxpayers. Let us consider an example. When our Air Force buys an electronic instrument from company A for installation on our military airplanes, that instrument cannot be used unless there is also supplied equipment to test that instrument. Usually, company A, then develops such a piece of testing equipment and they sell that to the Air Force. But, the Air Force uses hundreds, and perhaps thousands of different pieces of electronic equipment. These various pieces of equipment may have been purchased from many different companies. The Air Force, perhaps, in turn buys testing equipment for each one of these many electronic instruments or gadgets. Let us consider how this effects the inventory of supplies that the Air Force must maintain. This testing or measuring equipment is sent out to the various airbases. They are placed in storage depots. A fine supply sergeant, but who is not an electronic scientist, carefully catalogs, stocks, and maintains this testing equipment. What does the man in charge of the supplies do when some of his equipment gets down below a certain number, why he orders some more because he will be held accountable if that particular item is needed and is not on hand.

Continuing on with our example, wise leaders in the Air Force realize that no doubt, in this one field alone of measuring equipment there must be considerable duplication. They turned to the Frederick Research Corp., which is headed by my distinguished scientist friend whom I mentioned, Dr. Carl L. Frederick, who has as his associates many outstanding scientists and engineers. They undertook the job.

The decision on the part of the Air Force to follow such a course was not only basically sound, but it was a great public service to the American taxpayers. I want to give you an account of what happened.

The evaluation report on frequency measuring equipment revealed that 474 items with Government nomenclature were available from which to choose. Of this large number it was found that only 52 items were essential to meet the needs of the Air Force.

Cutting this category down from 474 to 52 items would save the Government millions of dollars in the development, manufacturing, and repair phases, and in the storage and handling of components which are now required as spare parts or auxiliary equipment for the major item.

In another Frederick Research Corp. evaluation report, it was found that there were 273 items of signal-generating equipment with military nomenclature. This number includes combination or group test sets as well as signal generators. Of these, only 46 items were found to be required for supporting Air Force prime equipments at the time the evaluation of this category was made.

Here is a perfect example of small business teaming up with the Defense Department to save the taxpayer's money. This type of work should be recognized and encouraged more often in the Government circles. I feel the responsible persons in the Air Force and at the Wright Air Development Center deserve to be and are commended for their very farsighted efforts in this regard. The Bureau of Ordnance of the Navy has, likewise, started such a program.

I have known Dr. Carl L. Frederick for many years. In addition to being one of the Nation's distinguished scientists, he is a devoted and dedicated citizen who is tackling a job that needs to be done. His thoroughness and his honesty have resulted in great savings for the American taxpayers. Perhaps no money spent by any government anywhere yields more than the money that has been spent to employ scientists of this kind for this particular job.

I have been in touch with various individuals in our military setup concerning the benefits of this work. Dr. Frederick has already saved the Government a tremendous amount of money. It is not possible to put an exact figure on the savings that have been brought about by reason of this activity. Responsible officers say that it runs into the millions. I know that it has already saved the taxpayers of this country hundreds of millions of dollars. If this program continues for a few years more, it can well be said that it will cut down Air Force inventories one-third and the savings to the American taxpayers will run into billions of dollars.

Yes, we are on our way with a program to provide more and better defense for fewer dollars. It is being brought about by the slow, hard, and intelligent way. That, however, is the only way anything worthwhile is accomplished. I want to congratulate again the leadership in our Defense Department, Dr. Frederick and his associates, and all others like him who are serving our Nation so well.

CALL OF THE CALENDAR

The PRESIDING OFFICER (Mr. SCOTT in the chair). Is there further morning business? If not, morning business is closed.

Mr. CLEMENTS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. PAYNE in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Pursuant to the order previously entered, the calendar will now be called for the consideration of bills to which there is no objection. The clerk will state the first measure on the calendar.

RESOLUTIONS AND BILLS PASSED OVER

The resolution (S. Res. 17) to amend rule XXV of the Standing Rules of the Senate was announced as first in order.

Mr. ERVIN. Over.

The PRESIDING OFFICER. The resolution will be passed over.

The bill (S. 300) to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado, was announced as next in order.

Mr. ERVIN. Over.

The PRESIDING OFFICER. The bill will be passed over.

STUDY OF MERCHANT MARINE TRAINING AND EDUCATION

The Senate proceeded to consider the resolution (S. Res. 35) providing for a study of merchant marine training and education in the United States, which had been reported from the Committee on Interstate and Foreign Commerce without amendment and subsequently reported from the Committee on Rules and Administration with amendments.

The amendments of the Committee on Rules and Administration were, on page 1, line 3, after the word "directed", to insert "in accordance with section 134 of the Legislative Reorganization Act of 1946 and pursuant to its jurisdictions specified by rule XXV of the Standing Rules of the Senate"; on page 2, after line 4, to strike out "The committee shall determine the scope of such study and investigation." and insert "Sec. 2."; in line 9, to change the section number from "2" to "3"; in line 18, to change the section number from "3" to "4"; on page 3, line 1, after the word "States", to strike out "The expenses of the committee" and insert "Sec. 5. The expenses of the committee"; and in line 3, after the word "paid", to insert "through January 31, 1956,"; so as to make the resolution read:

Resolved, That the Senate Committee on Interstate and Foreign Commerce, or any duly authorized subcommittee thereof, is authorized and directed in accordance with section 134 of the Legislative Reorganization Act of 1946 and pursuant to its jurisdictions specified by rule XXV of the Standing Rules of the Senate to make a full and complete study and investigation of merchant-marine training and education in the United States including the status, cost, and training at the United States Merchant Marine Academy at Kings Point, N. Y., and at the State-operated merchant-marine academies, the training of merchant seamen, and the future personnel needs of the merchant marine as it relates to the national defense.

SEC. 2. The committee shall report its findings, together with such recommendations as it may deem advisable, to the Senate not later than January 31, 1956.

SEC. 3. For the purposes of this resolution, the committee or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of the 84th Congress, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable.

SEC. 4. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to employ upon a temporary basis such experts, consultants, and other employees as it deems necessary in the performance of its duties, and is authorized, with the consent of the head of the department or agency concerned, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government of the United States.

SEC. 5. The expenses of the committee under this resolution, which shall not exceed $50,000, shall be paid through January 31, 1956, from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The amendments were agreed to.

Mr. PURTELL. Mr. President, I offer an amendment, on page 3, line 3, after

the word "exceed", to strike out "$50,000" and insert "$30,000." This amendment is by agreement with the sponsor of the resolution [Mr. PAYNE] and with the committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut.

The amendment was agreed to.

The PRESIDING OFFICER. The resolution is open to further amendment.

Mr. LEHMAN. Mr. President, reserving the right to object—and I do not intend to object to the consideration of this resolution—I merely wish to say that on a great many occasions I have objected to the consideration of this resolution on the call of the calendar. I have done so because I felt that it was important, before we approved such a resolution, that a bill I had introduced early in the session to amend the Merchant Marine Act to provide for the permanent maintenance by the Federal Government of a Merchant Marine Academy, an old and splendid institution at Kings Point, N. Y., be favorably acted upon by the committee and placed upon the calendar, so that there would be no delay in the consideration of the bill. A companion bill to my bill, previously passed by the House, has now been favorably reported and is on the calendar—Order No. 1102.

Therefore, I am glad to say at this time that I have no objection to the proposed study. I am sure the committee will make an objective and fair survey of the entire question of education for service in the merchant marine. We have need for both Federal and State training schools and the resolution requires a report by January 1, 1956. I have assurance that the Kings Point bill will be promptly taken up at the next session of the Congress.

The PRESIDING OFFICER. The resolution is open to further amendment. If there be no further amendment, the question is on agreeing to the resolution as amended.

The resolution, as amended, was agreed to.

BILLS, JOINT RESOLUTION, AND RESOLUTIONS PASSED OVER

The bill (S. 51) to amend the act entitled "To confer jurisdiction on the States of California, Minnesota, Nebraska, Oregon, and Wisconsin, with respect to criminal offenses and civil causes of action committed or arising on Indian reservations within such States, and for other purposes, was announced as next in order.

Mr. PURTELL. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The joint resolution (S. J. Res. 31) proposing an amendment to the Constitution of the United States providing for the election of President and Vice President was announced as next in order.

Mr. PURTELL. Over.

The PRESIDING OFFICER. The joint resolution will be passed over.

The bill (S. 912) to amend the act of April 23, 1930, relating to a uniform retirement date for authorized retirements of Federal personnel was announced as next in order.

Mr. PURTELL. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 63) to provide for the appointment of the heads of regional and district offices of the Post Office Department by the President by and with the advice and consent of the Senate was announced as next in order.

Mr. PURTELL. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1644) to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes, was announced as next in order.

Mr. PURTELL. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 636) to revise the Federal election laws, to prevent corrupt practices in Federal elections, and for other purposes, was announced as next in order.

Mr. PURTELL. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 3338) to amend section 1 of the act of March 12, 1914, was announced as next in order.

Mr. BIBLE. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 1408) for the relief of Caterina Ruello, was announced as next in order.

Mr. BIBLE. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The resolution (S. Res. 129) to certify the report of the Committee on the Judiciary to the United States attorney for the District of Columbia to the end that Joseph Starobin may be proceeded against in the manner and form provided by law, was announced as next in order.

Mr. PURTELL. Over.

The PRESIDING OFFICER. The resolution will be passed over.

The resolution (S. Res. 130) to certify the report of the Committee on the Judiciary to the United States attorney for the District of Columbia to the end that Harry Sacher may be proceeded against in the manner and form provided by law, was announced as next in order.

Mr. BIBLE. Over, by request.

The PRESIDING OFFICER. The resolution will be passed over.

The resolution (S. Res. 131) relating to the refusal of Harvey M. Matusow to answer questions before a Senate subcommittee, was announced as next in order.

Mr. BIBLE. Over, by request.

The PRESIDING OFFICER. The resolution will be passed over.

The bill (H. R. 4808) to authorize the transmission through the mails of certain keys, identification devices, and small articles, and for other purposes, was announced as next in order.

Mr. PURTELL. Over.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF VETERANS REGULATION NO. 1 (A)

The bill (H. R. 5893) to amend paragraph I (a) part I of Veterans Regulation No. 1 (a), as amended, to make its provisions applicable to active service on and after June 27, 1950, and prior to February 1, 1955, and for other purposes was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. PURTELL. Mr. President, reserving the right to object—and I shall not object—I wonder if we may have an explanation of the bill.

The PRESIDING OFFICER. An explanation is requested of Calendar No. 1030, House bill 5893.

Mr. BIBLE. Mr. President, the Senator from Virginia [Mr. BYRD], chairman of the Committee on Finance, is not present in the Senate Chamber at the moment.

This is a bill to amend paragraph I (a) of part I of the Veterans Regulation No. 1 (a) to include disabilities incurred during the Korean war.

The bill would amend section 212 of Public Law 212 of the 72d Congress to substitute $10,000 for $3,000 as the maximum amount which a retired officer of the United States Armed Forces, not retired for disabilities incurred in combat, can earn from both his retired pay and compensation for employment in the Federal or District of Columbia Governments.

The bill increases from $3,000 to $10,000 the limit under the so-called dual compensation provision.

Mr. PURTELL. I thank the Senator from Nevada for his explanation. I have no objection to the consideration of the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of House bill 5893?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 4744) to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act was announced as next in order.

Mr. PURTELL. Over.

The PRESIDING OFFICER. The bill will be passed over.

BILL PLACED AT FOOT OF CALENDAR

The bill (H. R. 6382) to amend the International Claims Settlement Act of 1949, as amended, and for other purposes, was announced as next in order.

Mr. ERVIN. Mr. President, this bill is the unfinished business. I ask that it be placed at the foot of the calendar.

The PRESIDING OFFICER. Without objection, the bill will be placed at the foot of the calendar.

PERMANENT COMMITTEE FOR THE OLIVER WENDELL HOLMES DEVISE

The Senate proceeded to consider the bill (S. 2346) to establish a permanent committee for the Oliver Wendell Holmes Devise, and for other purposes, which had been reported from the Committee on Rules and Administration with an amendment.

Mr. SALTONSTALL. Mr. President, House bill 7029, which is an identical bill, is now before the Committee on Rules and Administration. I ask unanimous consent that the Committee on Rules and Administration be discharged from the further consideration of House bill 7029, and that the Senate proceed to consider the House bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none; and the Committee on Rules and Administration is discharged from the further consideration of House bill 7029.

The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 7029) to establish a Permanent Committee for the Oliver Wendell Holmes Devise, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of House bill 7029?

There being no objection, the Senate proceeded to consider the bill.

Mr. SALTONSTALL. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Massachusetts will be stated.

The LEGISLATIVE CLERK. On page 2, line 4, after the word "rate", it is proposed to strike out "based on the market quotations for the longest term obligations of the United States outstanding at the time of deposit" and insert "to be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month preceding the deposit on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from the first day of such month."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2346 is indefinitely postponed.

Mr. MANSFIELD. Mr. President, should not the House bill be passed?

Mr. SALTONSTALL. It is my understanding that the House bill has been passed, with the committee amendment to the Senate bill inserted as an amendment. I further understand that the Senate bill has been indefinitely postponed. In that way we will get action in the House. That procedure is in accordance with the suggestion of the Parliamentarian.

The PRESIDING OFFICER. The Senator from Massachusetts is correct. The House bill, as amended, has been passed, and the Senate bill has been indefinitely postponed.

SUBCOMMITTEE ON WORLD DISARMAMENT—RESOLUTION PASSED OVER

The resolution (S. Res. 93) appointing a subcommittee to work toward the goal of world disarmament, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. PURTELL. Mr. President, I ask that the resolution go over.

Mr. MANSFIELD. Mr. President, will the Senator withhold his objection, so that I may make a brief explanation?

Mr. PURTELL. I am happy to do so.

Mr. MANSFIELD. The resolution was considered by the Committee on Foreign Relations some time ago. The idea behind the resolution is to fix a goal toward which similar measures may be directed.

In the Committee on Rules and Administration the appropriation requested was reduced from $50,000 to $25,000, and the committee reported the resolution unanimously.

Mr. PURTELL. I am not expressing a personal opinion on the merits of the resolution, but I must ask that it go over, by request.

The PRESIDING OFFICER. The resolution will go over.

RETIRED PAY OF COAST GUARD OFFICERS OF 40 YEARS SERVICE OR MORE

The bill (S. 1834) to authorize certain retired commissioned officers of the Coast Guard to use the commissioned grade authorized them by the law under which they retired in the computation of their retired pay under the provisions of the Career Compensation Act of 1949, as amended was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 511 of the Career Compensation Act of 1949, as amended, is amended by striking out *"Provided,* That" and inserting in lieu thereof the following: *"Provided,* That for the purpose of the computation of (b) above, the retired or retirement pay of each commissioned officer of the Coast Guard who, upon retirement, was advanced one grade pursuant to the provisions of the act of January 12, 1923 (Public Law 381, 67th Cong.), shall, unless a higher rank or grade is authorized by any provision of law, be based upon the commissioned officer grade authorized for such officer by such act: *Provided further,* That."

SEC. 2. The amendment made by this act shall be effective as of October 1, 1949.

USE IN COASTWISE TRADE OF THE BARGE "IRRIGON"

The bill (S. 2432) to permit the use in the coastwise trade of the barge *Irrigon* was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 27 of the act of June 5, 1920, as amended (46 U. S. C., sec. 883), the barge *Irrigon,* official number 264,569, owned by Babbidge & Holt, Inc., an Oregon corporation, shall, upon compliance with documentation requirements other than those contained in such section, be documented as a vessel of the United States entitled to engage in the coastwise trade, and may be used in such trade as long as it is owned by a citizen of the United States and is so documented.

INVOLUNTARY RETIREMENT OF CERTAIN OFFICERS IN THE COAST GUARD

The bill (H. R. 5875) to amend title 14, United States Code, entitled "Coast Guard," for the purpose of providing involuntary retirement of certain officers, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

DESIGNATION OF OCTOBER 22, 1955, AS NATIONAL OLYMPIC DAY

The joint resolution (H. J. Res. 359) to authorize the designation of October 22, 1955, as National Olympic Day was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

DESIGNATION OF PERIOD FROM SEPTEMBER 17, THROUGH SEPTEMBER 23, AS CONSTITUTION WEEK

The concurrent resolution (S. Con. Res. 40) to designate the period from September 17, through September 23, as Constitution Week was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the President is authorized and requested to issue a proclamation designating the 7-day period beginning September 17 and ending September 23, 1955, as Constitution Week, and inviting the people of the United States to observe such week in schools, churches, and other suitable places with appropriate ceremonies and activities.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that a statement prepared by me be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KNOWLAND

Senate Concurrent Resolution 40, designates the period from September 17 through September 23 as Constitution Week. In this day and age during a period when constitutional and representative government is under unceasing attack by the forces of totalitarianism, it seems to me to be critically necessary to focus the attention of our citizens and public officials on those historic acts which, taking place during the week of September 17, 1787, have brought the fullest development of freemen in a free society the world has known to date.

To individuals engrossed in the history of past ages and governments, a period of 168 years of achievement and progress under a free republic might not be considered a significant era of individual development when measured against the sands of time. However, I submit that history also records that where civilizations have flourished and died in the past, their decline has been due in a great degree to either the absence of a moral foundation for their form of government, or the failure of its citizens to pay proper allegiance to the form of government which had been established. In other words, Mr. President, as Benjamin Franklin so wisely announced, "We have given you a republic if you can keep it."

In May 1787, the outstanding leaders of the then young country assembled in convention in Philadelphia to propose amendments to the Articles of Confederation and to create a Federal Government having authority and power to regulate the Nation's affairs. George Washington, Benjamin Franklin, James Madison, Alexander Hamilton, Robert Morris, Edmond Randolph, and John Rutledge were among the 55 delegates to the Convention who met in continuous session for 5 months until the product of their labors, the United States Constitution, was approved unanimously by the Convention on September 17, 1787. During the week that followed the proposed Constitution was made known to the people throughout the country and 10 days later was transmitted by the Congress to the respective States.

It has long been my conviction that the men who sat at Philadelphia were motivated by divine guidance in submitting to the country and the world at large a representative system of law, order, and liberty. In these times of atheistic challenges of tyranny and suppression it behooves all of us, 165 million Americans, to appreciate and pay our allegiance and respect to the Constitution of the United States.

CELEBRATING THE 200TH ANNIVERSARY OF THE ACADIAN MIGRATION

The concurrent resolution (H. Con. Res. 50) commemorating the 200th anniversary of the migration of the Acadians from Nova Scotia to Louisiana and other areas was considered and agreed to.

The preamble was agreed to.

ISSUANCE OF COMMEMORATIVE MEDALS IN OBSERVANCE OF BENJAMIN FRANKLIN'S BIRTHDAY

The Senate proceeded to consider the bill (S. 463) to authorize the issuance of commemorative medals to certain societies of which Benjamin Franklin was a member, founder, or sponsor in observance of the 250th anniversary of his birth, which had been reported from the Committee on Banking and Currency, with amendments, on page 1, line 7, after the word "struck", to strike out "seventy" and insert "seventy-one"; in line 9, after the word "of", to strike out "twenty" and insert "twenty-one"; on page 2, at the beginning of line 23, to insert "and The Library Company of Philadelphia"; and on page 3, line 1, after the word "other", to insert "enterprises", so as to make the bill read:

Be it enacted, etc., That, in commemoration of the 250th anniversary of the birth of Benjamin Franklin occurring on January 17, 1956, and in connection with the observance and celebration of that event, the Secretary of the Treasury is authorized and directed to have struck 71 bronze medals of an appropriate design and inscription and to provide for the presentation of 21 such medals to the following-named scientific, educational, and welfare societies of which Benjamin Franklin was a member: The American Philosophical Society (Philadelphia), Philadelphia Society of the Sons of St. George, Accademia di Scienze, Lettre et Arti in Padors (formerly Reale Accademia), (Italy), L'Academie des Sciences, L'Institute de France (formerly Academie Royale), the Royal Society (England), Konigliche Gesellschaft der Wissenschafter, Gottingen (Germany), the Royal Society of Arts (England), Bataafsch Genootschap der Proefondervindelijke Wijsbegeerte (Netherlands), The Academie de Medicine (France), The Medical Society of London, The American Academy of Arts and Sciences (Boston), the Royal Society of Edinburgh, Real Academia de la Historia (Spain), Academie Nationale des Sciences, Belle-Lettres et Arts de Lyon (France), Real Accademia delle Science di Torino (Italy), the Manchester Literary and Philosophical Society (England), the Societa Patrioca diretta all'avanzamento dell'Agricultura delle Arti e delle Manifatture, Milano (Italy), the Philadelphia Society for Promoting Agriculture, the Society of Antiquaries of London, the Societe d'Agriculture, Sciences, Belle Lettres et Arts, Orleans (formerly Societe Royale) France, and the Library Company of Philadelphia, and for the presentation of 50 medals in cooperation with the 250th anniversary committee of the Franklin Institute to other enterprises, institutions, and societies founded or helped in their early development by Benjamin Franklin.

SEC. 2. Such sums as may be necessary to carry out the purposes of this act are hereby authorized to be appropriated.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOSE ARMANDO QUARESMA

The bill (H. R. 2949) for the relief of Jose Armando Quaresma was considered, ordered to a third reading, read the third time, and passed.

MODIFICATION OF BOUNDARIES OF YUMA AUXILIARY PROJECT, ARIZ.

The bill (S. 1683) to amend the act of June 13, 1949 (63 Stat. 172), and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the boundaries of the Yuma auxiliary project, Arizona, as limited by the act of June 13, 1949 (63 Stat. 172), are modified so as to exclude therefrom the following lands, containing two hundred eighty-five and thirteen one-hundredths irrigable acres more or less, and located in Yuma County, Ariz.:

TOWNSHIP 10 SOUTH, RANGE 23 WEST, GILA AND SALT RIVER BASE AND MERIDIAN

Section 6: Southwest quarter northeast quarter northwest quarter, west half northwest quarter southeast quarter northwest quarter, west half east half northwest quarter southeast quarter northwest quarter, southwest quarter southeast quarter northwest quarter, southwest quarter northwest quarter, northwest quarter southwest quarter.

Section 7: Southwest quarter northeast quarter northwest quarter, northwest quarter northwest quarter, northwest quarter southeast quarter northwest quarter, north half southwest quarter northwest quarter, southwest quarter southwest quarter northwest quarter, northwest quarter southwest quarter, north half southwest quarter southwest quarter, southwest quarter southwest quarter southwest quarter.

Section 18: North half northwest quarter northwest quarter, and in lieu thereof to include in said project those lands in the same county and State which are situate in section 33, township 9 south, range 23 west, and in sections 4 and 9, township 10 south, range 23 west, and which lie between the east boundary of the project as limited by said act and the east boundary of the right-of-way of the project's existing B-Main Canal and containing two hundred eighty-five and five one-hundredths irrigable acres more or less.

SEC. 2. This act shall become effective upon acceptance by the Unit B Irrigation and Drainage District of an amendment to its contract dated December 22, 1952, with the United States whereby the description of the Yuma auxiliary project therein contained or incorporated by reference is revised to conform to the modification of the boundaries of said project as hereinbefore provided.

BILL PASSED OVER

The bill (S. 1194) to provide for construction by the Secretary of the Interior of Red Willow Dam and Reservoir, Nebr., as a unit of the Missouri River Basin project was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. ERVIN. Mr. President, I ask that the bill go over, by request.

The PRESIDING OFFICER. The bill will be passed over.

COMPACT BETWEEN THE STATES OF KANSAS AND OKLAHOMA RELATING TO APPORTIONMENT OF WATERS OF THE ARKANSAS RIVER

The Senate proceeded to consider the bill (S. 730) granting the consent of Congress to the States of Kansas and Oklahoma to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Arkansas River and its tributaries as they affect such States, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 2, line 6, after the word "the", where it appears the first time, to insert "President and to the"; in line 10, after the word "and", to strike out "approved" and insert "consented to"; and in line 11, after the word "States", to insert a colon and *"Provided,* That any compact negotiated under the authority of this act shall recognize the respective rights of the States of Kansas and Colorado in the waters of the Arkansas River, as established by the Arkansas River Compact consented to by Public Law 82, 81st Congress, 1st session", so as to make the bill read:

Be it enacted, etc., That the consent of Congress is hereby given to the States of Kansas and Oklahoma to negotiate and enter into a compact relating to the interests of such States in the development and protection from pollution of the water resources of the Arkansas River and its tributaries, and providing for an equitable apportionment among them of the waters of the Arkansas River and its tributaries flowing between such States, and for matters incident thereto, upon the condition that one qualified person appointed by the President of the United States shall participate in such negotiations as chairman, representing the United States, and shall make a report to the President and to the Congress of the proceedings and of any compact entered into. Such compact shall not be binding or obligatory upon any of the parties thereto until it shall have been ratified by the legislatures of each of the respective States, and consented to by the Congress of the United States: *Provided,* That any compact negotiated under the authority of this act shall recognize the respective rights of the States of Kansas and Colo-

rado in the waters of the Arkansas River, as established by the Arkansas River Compact consented to by Public Law 82, 81st Congress, 1st session.

SEC. 2. There is hereby authorized to be appropriated a sufficient sum to pay the salary and expenses of the representative of the United States appointed hereunder: *Provided*, That such representative, if otherwise employed by the United States while so employed, shall not receive additional salary in the appointment hereunder.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COMPENSATORY ABSENCE OF COAST GUARD PERSONNEL

The Senate proceeded to consider the bill (S. 2566) to amend title 14, United States Code, so as to provide for compensatory absence of Coast Guard military personnel serving at isolated aids to navigation, and for other purposes, which had been reported from the Committee on Interstate and Foreign Commerce, with amendments, on page 2, line 6, after the word "inserting", to strike out "following and underneath item 510", and in line 9, after the word "inserting", to strike out "immediately following section 510 thereof,", so as to make the bill read:

Be it enacted, etc., That section 432 (f) of title 14, United States Code, is amended by inserting the words "as amended" following the words "Federal Employees Pay Act of 1945."

SEC. 2. Section 432 (g) of title 14, United States Code, is amended by amending the first sentence thereof to read as follows: "The head of the department in which the Coast Guard is operating, under regulations prescribed by him, may regulate the hours of duty and the pay of civilian keepers of lighthouses and civilians employed on lightships and other vessels of the Coast Guard, but such personnel may be called upon for duty in emergency circumstances or otherwise at any time or all times."

SEC. 3. The analysis of chapter 13 of title 14, United States Code, is amended by inserting in such analysis, the following item:

"511. Compensatory absence of military personnel at isolated aids to navigation."

SEC. 4. Chapter 13 of title 14, United States Code, is amended by inserting a new section as follows:

"§ 511. Compensatory absence of military personnel at isolated aids to navigation.

"The head of the department in which the Coast Guard is operating, under regulations prescribed by him, may grant compensatory absence from duty to military personnel of the Coast Guard serving in lightships and at lighthouses and other isolated aids to navigation of the Coast Guard when conditions of duty result in confinement because of isolation or in long periods of continuous duty."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DISTRICT OF COLUMBIA ARMORY BOARD

The Senate proceeded to consider the bill (H. R. 6259) to amend section 8 of the act entitled "An act to establish a District of Columbia Armory Board, and for other purposes," approved June 4, 1948, which had been reported from the Committee on the District of Columbia, with an amendment, on page 1, line 5, after the numerals "1948", to strike out "sec. 2–1706" and insert "sec. 2–1708."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CONSTRUCTION OF BRIDGE OVER POTOMAC RIVER

The Senate proceeded to consider the bill (S. 2568) to amend title 1 of the act entitled "An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes; which had been reported from the Committee on the District of Columbia, with an amendment, on page 2, line 7, after the word "the" where it appears the second time, to strike out "Fine Arts Commission" and insert "Commission of Fine Arts", so as to make the bill read:

Be it enacted, etc., That subsection (a) of the first section of title I of the act entitled "An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes", approved August 30, 1954 (68 Stat. 961), is amended (a) by inserting immediately after the phrase "Potomac River", where it first appears, the phrase "to be known as the Theodore Roosevelt Bridge,"; and (b) by striking the period at the end of said subsection and adding the following: ": *Provided further*, That the bridge hereby authorized to be constructed may cross such portion of either of the two islands comprising the said Theodore Roosevelt Memorial Island as may be agreed upon between the Theodore Roosevelt Association and the Commissioners. The general plan and profile of the bridge structure shall be subject to the approval of Commission of Fine Arts. The general location of the bridge, approaches, interchanges, and connecting roads on lands under the jurisdiction of the Secretary of the Interior shall be subject to his approval. The bridge, approaches, interchanges, and connecting roads at both ends of the bridge shall be constructed with a view to retaining so far as possible the monumental setting and the artistic design of the Lincoln Memorial, the Arlington Memorial Bridge, and other monumental structures, properties, and park lands in the general area."

SEC. 2. Section 102 of said act approved August 30, 1954, is amended by striking the period at the end thereof and adding the following: ": *Provided*, That the Secretary of the Interior shall retain control and jurisdiction over all park lands in the vicinity of the bridge other than such lands as may be required for the actual bridge structure and other than the surface of the approach roads and streets between curbs, which shall be the responsibility of the government of the District of Columbia."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONSTRUCTION OF VENTURA RIVER PROJECT—BILL PASSED OVER

The bill (S. 926) to authorize the Secretary of the Interior to construct, operate, and maintain the Ventura River reclamation project, California, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. ERVIN. Mr. President, by request, I ask that the bill go over.

Mr. KUCHEL. Mr. President, will the Senator withhold his objection for a moment?

Mr. ERVIN. I am glad to do so.

Mr. KUCHEL. Will the Senator tell me who requested that the bill go over?

Mr. ERVIN. I will, if the Senator will consult with me privately.

Mr. KUCHEL. I shall do that. I thank my friend from North Carolina for withholding his objection for the moment. I want to make a comment or two at this time.

The Commissioner of Reclamation, Mr. Wilbur A. Dexheimer, testified before the committee that S. 926, introduced by my senior colleague [Mr. KNOWLAND] and me, is perhaps the finest piece of proposed reclamation legislation which it has ever been his responsibility to urge Congress to approve during the time he has served in his present position.

I wish my friends on the Democratic side of the aisle, as well as those on the Republican side, to know that the bill was approved unanimously by the Subcommittee on Irrigation and Reclamation, and it was also approved unanimously by the Committee on Interior and Insular Affairs. It is a $27 million multipurpose water project, completely reimbursable except for $167,000.

The bill would permit the people of the county of Ventura, in the State which I have the honor in part to represent in the Senate, to obtain Federal assistance in the construction of a multiple purpose water project, almost the entire cost of which would be reimbursed to the Federal Treasury by the residents and the taxpayers to be served.

Water is critical in my State, Mr. President. Ours is a semiarid State. We have cycles of dry years and cycles of wet years. If water is not conserved by public works, it wastes into the ocean, and it is not replaceable. Ventura County, Calif., is a beautiful area. It adjoins the Pacific. Its climate is salubrious. Good people live there, Mr. President, in cities and towns, and on ranch properties, and orange, lemon, and avocado groves. They need this legislation. It will assist them in their water supply, municipally, agriculturally, and industrially. Their principal city, Ventura, now has wells close to the ocean. Salt water intrusion is a continuing hazard. This bill will help them. Who should oppose this legislation and why?

I say that, Mr. President, because I am not so much hurt as I am shocked to learn that a Senator has requested the chairman of the majority calendar committee to object to the bill.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. MORSE. I believe the project under discussion is a very sound one. I have studied it very carefully. I hold to

the view that it makes no difference where the project is located, whether in Florida, or Maine, or California, or Idaho, or Iowa, or anywhere else, so long as the project is sound and meets the cost-ratio formula, and will help to develop the resources of the country, it should be approved.

Mr. KUCHEL. Do I understand correctly that the Senator approves the proposed legislation?

Mr. MORSE. I am reinforcing the position taken by the Senator from California. I believe it is a sound project.

Mr. KUCHEL. I thank the Senator very much.

Mr. ERVIN. Mr. President, as a result of a request made of the calendar committee, I ask that the bill go over.

The PRESIDING OFFICER. The bill will go over.

REPAYMENT CONTRACT WITH THE YUMA MESA IRRIGATION AND DRAINAGE DISTRICT, ARIZONA

The Senate proceeded to consider the bill (S. 1689) to authorize the Secretary of the Interior to execute a repayment contract with the Yuma Mesa Irrigation and Drainage District, Gila project, Arizona, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 2, after line 3, to strike out "by the Secretary among the 12,252.7 acres of class 2 lands and the 7,717.3" and insert "by the Secretary among the 12.023.6 acres of class 2 lands and the 7,946.4", and on page 4, line 5, after the word "district", to insert "which disposition is hereby authorized on terms and conditions satisfactory to the Secretary", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized to execute a contract with the Yuma Mesa Irrigation and Drainage District, Gila project, Arizona, on such terms and conditions as the Secretary deems appropriate, which shall provide, among other things, for repayment by the district to the United States over a period of not exceeding 60 years from the end of the development period for each irrigation block established by the Secretary for lands situate within said district of (1) an average of $200 per acre for lands in said district for which irrigation facilities have been constructed, to be allocated as determined to be appropriate by the Secretary among the 12,023.6 acres of class 2 lands and the 7,946.4 acres of class 3 lands in the district, as classified in the Bureau of Reclamation report titled "Land Classification Report, Unit 1, Yuma Mesa Division, Gila Project, Arizona, May 1949," as amended, made pursuant to subsection (d) of section 4 of the act of December 5, 1924 (43 Stat. 702, 43 U. S. C. 462); (2) the unpaid operation and maintenance charges which accrued prior to June 30, 1954, totaling $297,167.45, as allocated by the Secretary to said lands situate within the district; and (3) the costs of the works authorized in section 2 thereof, not exceeding $1,350,000, and further providing for the release, on such terms and conditions as the Secretary finds appropriate, of the existing predevelopment contracts and mortgages held by the United States on the lands situate within the district which were predeveloped by the United States, and for the repayment to the United States by the lands benefited by said predevelopment of the amounts provided for in said mortgages in the same period within which the costs for the construction of the irrigation facilities are to be repaid.

SEC. 2. The Secretary is authorized on such terms and conditions as he deems appropriate to make drainage surveys and investigations of the lands within the district, to construct drainage facilities and works, therefor, to install additional pump capacity in the Yuma Mesa Pump Plant of not to exceed 275 cubic feet per second, to construct such buildings determined by him to be appropriate in connection with the operation and maintenance of the lands situate within the district, and to provide in the contract referred to in section 1 hereof for the performance of such work.

SEC. 3. Expenditures by the United States in excess of the amounts to be repaid by the district as provided in section 1 hereof, which have been allocated by the Secretary (a) to acreage eliminated from the Gila project pursuant to the act of July 30, 1947 (61 Stat. 628), (b) to dust control on the Yuma Mesa Division, Gila project, (c) to that portion of predevelopment costs not heretofore covered by contracts and mortgages covering predevelopment charges on land situate within the district, and (d) other costs allocated by the Secretary to the lands situate within the district not otherwise covered by the repayment obligation in section 1 hereof to be assumed by the district or not otherwise allocated by the Secretary to other contracting entities and which are assumed or are to be assumed by them, shall be nonreimbursable: *Provided*, That all revenues from the disposal of public lands within the district, which disposition is hereby authorized on terms and conditions satisfactory to the Secretary, or from special water service contracts other than those which the Secretary determines are allocable to operation and maintenance costs of the district shall be retained by the United States.

SEC. 4. The authority granted in section 1 of this act to execute said contract shall terminate on December 31, 1957.

SEC. 5. This act is declared to be a part of the Federal reclamation laws as they are defined in the Reclamation Project Act of 1939 (53 Stat. 1187).

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 2442) to provide for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects, and for other purposes, was announced as next in order.

Mr. ERVIN. Mr. President, because of a request made of me, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2603) to authorize the providing of family housing for the chairman of the Joint Chiefs of Staff was announced as next in order.

Mr. ELLENDER. Mr. President, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

CONVEYANCE OF CERTAIN LANDS WITHIN CAVEN POINT TERMINAL, NEW JERSEY

The Senate proceeded to consider the bill (S. 1261) to authorize the conveyance of certain lands within Caven Point Terminal and Ammunition Loading Pier, New Jersey, to the New Jersey Turnpike Authority, which had been reported from the Committee on Armed Services, with an amendment, on page 4, line 13, after the word "Authority", to insert "its successors, contractors, lessees, or assigns", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Army is hereby authorized and directed to convey by quitclaim deed to the New Jersey Turnpike Authority, a body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey, for street or road purposes and other purposes connected therewith or related thereto, including restaurants, gasoline stations, rest rooms, parking areas, maintenance shops, and storage areas for maintenance equipment, whether operated by the New Jersey Turnpike Authority or others, all right, title, and interest of the United States, except as otherwise reserved in this act, in and to a certain parcel of land within Caven Point Terminal and Ammunition Loading Pier, New Jersey, situated in the city of Jersey City, county of Hudson, and State of New Jersey, and more particularly described as follows:

Parcel R–30A–2 as designated on a map filed or about to be filed in the Office of the Register of Deeds of said county, entitled: "New Jersey Turnpike Authority, New Jersey Turnpike, Newark Bay-Hudson County Extension, Parcel Property Map."

Said Parcel R–30A–2 including specifically all the land and premises lying within the proposed lines of the New Jersey Turnpike, Newark Bay-Hudson County extension, and described as follows:

Beginning at a point in the division line of lands now or formerly of the United States Army, and lands now or formerly of Lehigh Valley Railroad Co., said point being a point common to lots 1B and 1A; thence (1) north 37 degrees 13 minutes 52 seconds east continuing along last-mentioned division line 495.43 feet to a point; thence (2) north 79 degrees 24 minutes 23 seconds east continuing along aforesaid last-mentioned division line 440.75 feet to an angle point in said division line; thence (3) north 71 degrees 17 minutes 52 seconds east, continuing along said division line 444.40 feet to a point in the northwesterly boundary of lands now or formerly of Tankport Terminals, Inc.; thence (4) southerly along the division line between lands of the United States Army, and lands now or formerly of Tankport Terminals, Inc., said division line being a curve to the left having a radius of 441.68 feet, an arc distance of 384.72 feet to a point; thence (5) running along the proposed right-of-way line of the Newark Bay-Hudson County Extension of the New Jersey Turnpike, the following courses and distances, said right-of-way line being a curve to the left having a radius of 374.27 feet, an arc distance of 120.27 feet to a point; thence (6) south 21 degrees 13 minutes 47 seconds west, a distance of 134.93 feet to a point; thence (7) following a curve to the right having a radius of 531.44 feet, an arc distance of 578.18 feet to a point; thence (8) south 83 degrees 33 minutes 52 seconds west, distant 136.69 feet to a point; thence (9) along the arc of a curve to the left having a radius of 493.34 feet, an arc distance of 54.39 feet to a point in the line dividing lot 4C and lot 1A; thence (10) north 33 degrees 13 minutes 08 seconds west, a distance of 273.59 feet to the point of beginning, containing 396,913.0 square feet more or less, or 9.11 acres more or less, being also designated as part of lots 1A, 1D, 2, 3C in block 1500, and part of lot 1D in block 1494 on the tax map of the city of Jersey City, together with any and all right of direct access to and from the aforementioned extension of the New Jersey Turnpike constructed or to

be constructed on land hereinabove described.

SEC. 2. The conveyance authorized by this act shall be made subject to (a) the condition that the New Jersey Turnpike Authority pay into the Treasury of the United States, in return for the land conveyed, an amount equal to the fair market value of such land to be determined by the Secretary of the Army after appraisal of such land, and (b) such other conditions, limitations, or reservations as the Secretary may deem necessary to assure that the use of such land by the New Jersey Turnpike Authority, its successors, contractors, lessees, or assigns, shall not interfere with the operation of the aforementioned installation and to assure that the interest of the United States shall be protected.

SEC. 3. All mineral rights, including gas and oil, in the lands authorized to be conveyed by this act shall be reserved to the United States.

SEC. 4. There shall be further reserved to the United States in the conveyance of the above-described lands, rights-of-way for water lines, sewer lines, telephone and telegraph lines, power lines, and such other utilities which may now exist or which may become necessary to the operation of the Caven Point Terminal and Ammunition Loading Pier. Any such utility crossings required by the United States subsequent to the opening of the Newark Bay-Hudson County extension of the New Jersey Turnpike to traffic, shall be installed underground and at the expense of the United States.

SEC. 5. In executing the deed of conveyance authorized by this act, the Secretary of the Army shall include specific provisions covering the reservations contained in sections 3 and 4 of this act.

SEC. 6. In the event actual construction of such street or road and other construction connected therewith or related thereto is not commenced within 2 years from the date of enactment of this act, or in the event such property shall cease to be used for street or road purposes and other purposes connected therewith or related thereto for a period of 2 consecutive years, then title to such land, including all improvements made by the New Jersey Turnpike Authority, shall immediately revert to the United States without any payment by the United States of compensation therefor.

SEC. 7. The provisions of section 601 of the act of Congress approved September 28, 1951 (Public Law 155, 82d Cong.), shall not apply to the conveyance authorized by this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MORSE. Mr. President, I wish to commend the Senators from New Jersey [Mr. SMITH and Mr. CASE] and the Senator from Massachusetts [Mr. SALTONSTALL] for the form in which the bill appears. It provides for the reservation of all mineral rights and for payment on the basis of appraisal according to the fair market value. I think it is a sound bill.

ADJUSTMENTS IN THE DATES OF RANK OF NURSES OF THE REGULAR ARMY AND AIR FORCE

The bill (H. R. 2150) to further amend section 106 of the Army-Navy Nurses Act of 1947, so as to provide for certain adjustments in the dates of rank of nurses and women medical specialists of the Regular Army and Regular Air Force in the permanent grade of captain, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

CREDIT FOR PRIOR ACTIVE SERVICE PERFORMED BY CERTAIN COMMISSIONED OFFICERS

The bill (H. R. 4106) to authorize the crediting for certain purposes of prior active Federal commissioned service performed by a person appointed as a commissioned officer under section 101 or 102 of the Army-Navy Nurses Act of 1947, as amended, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

LOAN OF CERTAIN ARMY, NAVY, AND AIR FORCE EQUIPMENT TO THE GIRL SCOUTS OF THE UNITED STATES

The bill (H. R. 4218) to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment, and to provide certain services to the Girl Scouts of the United States of America for use at the Girl Scout Senior Roundup Encampment, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

RELEASE OF EXPRESS CONDITION AND LIMITATION ON CERTAIN LAND CONVEYED TO THE VILLAGE OF SAG HARBOR, N. Y.

The bill (H. R. 4717) to provide for the release of the express condition and limitation on certain land heretofore conveyed to the trustees of the village of Sag Harbor, N. Y., was announced as next in order.

Mr. MORSE. Mr. President, I have a problem or two in connection with this bill which I should like to have cleared up before I consent to its passage.

I understand that in 1926 the United States conveyed to the village of Sag Harbor, N. Y., a tract of 2,988 square feet for $150, subject to a reversion to the grantor in the event the tract should cease to be used for park purposes.

The village erected a fence on what it thought was the west boundary of the property. In fact, the fence was 13 feet east of the west boundary. A private owner then erected a two-story building at the fence boundary, assuming it to be correct.

The bill would authorize the Secretary of the Army to release by quitclaim deed the public-use condition with respect to 650 square feet of the original 2,988 square feet, which is 1.5 percent of an acre. There is no provision for payment of consideration.

I realize that the committee report points out that it is a de minimus matter and recommends that the interest be given up. However, the report states that the Morse formula is not applied here. It must be on the basis of de minimus. Is that the only theory involved?

Mr. ERVIN. Mr. President, I would state that that is the reason the committee approved the bill. It would cost more to have an appraisal to determine the market value than the market value itself would seem to be.

Mr. MORSE. That is what I wish to bring out, in order that it may be perfectly clear for the RECORD. If I insist upon 50 percent of the appraised fair market value for this property, I will be insisting upon something which the committee can assure me would cost more, by way of appraisement, than 100 percent of the property would be worth.

Mr. ERVIN. That is the reason why the committee reconsidered the question of whether it should amend the bill to require payment of the fair market value. We were satisfied that the appraisal would cost more than the Government could realize from the property.

Mr. MORSE. Mr. President, I wish the RECORD to be perfectly clear. I have never made any exception to the application of the Morse formula, which requires the payment of 50 percent of the appraised fair market value of a piece of property sought to be transferred, because I have never had presented before a case in which 50 percent of the appraised fair market value would not be at least one copper over and above the cost of having an appraisement. The whole purpose of the Morse formula is to save money for the taxpayers. The purpose is not to cost the taxpayers anything.

The committee presents to me a situation in which only a few square feet of land are involved, and the Government has a reversionary interest in that——

Mr. SALTONSTALL. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. SALTONSTALL. It is my understanding that Sag Harbor Village paid $150 for the whole tract in 1926, and the purpose of the bill is to relieve the cloud with reference to a portion of the land which has not even a nominal value.

Mr. MORSE. It is not a transfer of any property other than a reversionary interest to a few square feet of property which in and of itself constitutes a cloud on the title. Sag Harbor originally paid $150 for these few square feet of property. If we insisted upon the application of the Morse formula, it would cost more to appoint an appraiser and pay his expenses than could possibly be obtained by way of a return from the property.

With that explanation, Mr. President, and since, in my judgment, the bill, therefore, does not violate the Morse formula, because its purpose is to save money for the taxpayers and not to cost them money, I raise no objection to the bill.

I also wish to commend the committee on the fact that they show by their report their recognition of the soundness of the principle of the Morse formula. If the situation were not such that it would cost more to collect than the value which would be received, it would be perfectly clear that the Morse formula would be applicable in this case.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill (H. R. 4717) was ordered to a third reading, read the third time, and passed.

ELIGIBILITY FOR RETIREMENT OF CERTAIN COMMISSIONED OFFICERS OF THE NAVY, MARINE CORPS, AND COAST GUARD

The bill (H. R. 4886) to provide that active service in the Army and Air Force shall be included in determining the eligibility for retirement of certain commissioned officers of the Navy, Marine Corps, and Coast Guard was considered, ordered to a third reading, read the third time, and passed.

TRANSPORTATION AND STORAGE OF HOUSEHOLD GOODS OF MILITARY PERSONNEL

The bill (H. R. 6277) to amend subsection 303 (c) of the Career Compensation Act of 1949 relating to transportation and storage of household goods of military personnel on permanent change of station was considered, ordered to a third reading, read the third time, and passed.

SUBSISTENCE ALLOWANCES TO ENLISTED PERSONNEL

The bill (H. R. 7194) to authorize subsistence allowances to enlisted personnel was considered, ordered to a third reading, read the third time, and passed.

ISSUANCE OF COMMISSION POSTHUMOUSLY TO SEYMOUR RICHARD BELINKY

The joint resolution (H. J. Res. 251) to authorize the President to issue posthumously to the late Seymour Richard Belinky, a flight officer in the United States Army, a commission as second lieutenant, United States Army, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 2107) to amend the National Defense Facilities Act of 1950 to provide for additional facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes, was announced as next in order.

Mr. PURTELL. Mr. President, reserving the right to object, and I shall object, without expressing in any way a personal opinion with reference to the bill, I feel that since the sum of $250 million is involved, it is not properly consent-calendar business. Therefore, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

PERMANENT APPOINTMENTS IN THE UNITED STATES NAVY AND UNITED STATES MARINE CORPS

The Senate proceeded to consider the bill (H. R. 2109) to authorize permanent appointments in the United States Navy and in the United States Marine Corps, which had been reported from the Committee on Armed Services, with an amendment on page 4, to insert:

SEC. 5. The authority contained in this act shall expire 2 years from and after the date of enactment of this act.

The amendment was agreed to.

Mr. MORSE. Mr. President, I offer an amendment, which I ask to have read.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Oregon.

The LEGISLATIVE CLERK. At the appropriate place it is proposed to insert an additional section, as follows:

SEC. —. (a) That part of the third sentence of the 11th paragraph of the 1st section of the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1883, and for other purposes," approved August 5, 1882 (22 Stat. 286) which immediately precedes "And provided further" is amended to read as follows: "Hereafter, except as may be authorized or approved by the President by and with the advice and consent of the Senate, or as otherwise provided by law, there shall be no promotion or increase of pay in the retired list of the Navy but the rank and pay of officers on the retired list shall be the same that they are when such officers shall be retired."

(b) This section shall be effective January 1, 1942.

Mr. MORSE. Mr. President, the amendment I offer aims to modify certain discriminatory legislation which 73 years ago was written into an appropriation bill—the Naval Appropriation Act for fiscal 1883, 22 United States Statutes 286, enacted August 5, 1882. Certain language in that act has in recent years proved to be discriminatory against the retired list of the Navy, whereas the Army, the Air Force, and the Marine Corps are not affected by it nor by any similar statutory language.

At present the old language I seek to amend reads thus:

Hereafter there shall be no promotion or increase of pay in the retired list of the Navy, but the rank and pay of officers on the retired list shall be the same that they are when such officers shall be retired.

My amendment simply inserts the following phrase after the word "hereafter":

Except as may be authorized by the President by and with the advice and consent of the Senate, or as otherwise provided by law.

My amendment would be made effective from January 1, 1942, near the start of World War II, when rapid, short-cut, informal promotions systems came into vogue.

That the existing language discriminates against the Navy retired list alone was confirmed 2 years ago, when the Air Force Judge Advocate General advised a Member of Congress, Representative JAMES P. S. DEVEREUX, that the act of August 5, 1882, 22d United States Statutes at Large, page 286, title 34, United States Code, section 402, was applicable only to the Navy, and that the Army and Air Force were never brought under the policy by that or any similar act.

In addition to removing this indisputable area of discrimination between branches of the military service, my amendment would very properly modify language which comes disturbingly close to invading the appointive powers of the President under the Constitution.

My amendment would simply restore to the President his constitutional power, by and with the advice and consent of the Senate, to appoint a retired officer of the Navy to a higher grade on the retired list, and to receive the retired pay of the higher grade, in circumstances where such appointment would satisfy the ends of equity and individual justice.

Finally, I may say that a year ago, on June 18, 1954, the Arends subcommittee of the House Committee on Armed Services, after a hearing and due deliberation, actually voted to amend the old Naval Appropriation Act of fiscal 1883 along much the same line and with substantially the same intent as my amendment now seeks to do, but final action never was taken by the other body.

The opportunity again knocks, Mr. President, to remove this inconsistent area of military or naval discrimination, as well as to recede from a position which borders close to an infringement upon the constitutional appointive powers of the President. Let us do it now.

I hope, Mr. President, that the Senate will agree to the amendment I have offered.

Mr. ERVIN. Mr. President, I hope the Senator from Oregon will withdraw his amendment. It is not germane to the bill. As I understand, it relates to the retirement of officers of the Navy. The bill under consideration relates to persons who have not yet been admitted to the Navy or the Marine Corps.

All the bill does is to authorize the Department of the Navy, during the period of the 2 years next ensuing the passage of the bill, to grant commissions in the Regular Navy and the Regular Marine Corps. In the case of the Navy, commission would be made available to 500 Reserve officers of the first 3 grades for each year, and in the case of the Marine Corps, commissions would be authorized for 250 reservists for each year. In other words, the bill relates to persons who have not been admitted to either the Navy or the Marine Corps. I think the bill is meritorious.

The amendment offered by the Senator from Oregon, as I understand, relates to the retirement of persons from the Navy. While I am not sufficiently familiar with the retirement matter to pass on the merits of the Senator's amendment, I think the amendment relates to something which should be introduced as a separate bill and referred to the Committee on Armed Services for further study.

Mr. MORSE. Mr. President, I may say to the Senator from North Carolina that I am speaking about a cause célèbre. The injustice which is being sought to be corrected has been before Congress for about 4 or 5 years.

I observe the senior Senator from Massachusetts [Mr. SALTONSTALL] on the floor. I am certain he will recall that when I was a member of the Committee on Armed Services we tried to do equity

in this case. The feeling in the Senate for a long time has been that justice should be done.

We have run into a roadblock in the Navy Department for many years. The Navy Department keeps hiding behind discriminatory legislation.

The amendment is germane in the sense that we are trying to have the Navy correct a wrong. We have tried almost every route to accomplish justice in this case. I am not the first person who has attempted to do justice. I think I am about the sixth among the Senators who, at one time or another, have sponsored amendments of this type. All the Senators who have studied the facts of this case have reached the conclusion that the Navy is doing an injustice.

I repeat what I have said in years gone by about this case. The Government never should become so big and grow so cold that it cannot do justice to individuals. I shall press for the acceptance of my amendment.

Mr. ERVIN. Mr. President, I hope the Senate will reject the amendment, because the bill only opens the door to the future for about 750 reservists. They ought not to have the door closed on them in order that there might be the correction, assuming the correctness of the premise of the Senator from Oregon, of an inequity of the past.

I hope the Senate will reject the Senator's amendment, and will pass the bill, so that the reservists can be given commissions in the Regular Navy and the Regular Marine Corps.

Mr. MORSE. May I make an inquiry or two of my friend from North Carolina? Can he advise me whether or not the Rawlins case is being considered by any subcommittee of the Committee on Armed Services, so that we may have some hope of receiving a report from the Committee on Armed Services on the matter?

Perhaps the senior Senator from Massachusetts can help us, because in times past he has been insistent on having the injustice corrected.

Mr. SALTONSTALL. Mr. President, will the Senator from North Carolina yield?

Mr. ERVIN. I am glad to yield to the Senator from Massachusetts, so that he may answer the inquiry of the Senator from Oregon.

Mr. SALTONSTALL. Last year, when the Rawlins and the Shanahan cases were considered, a statement was made for the first time, so far as I know, that Admiral Denfeld and Admiral Carney were very sympathetic to the cause of Commanders Rawlins and Shanahan.

In order not to have that matter attached to another bill, I agreed to introduce a bill at this session. That bill, at the request of the chairman of the Committee on Armed Services, has been assigned to a subcommittee for consideration. I do not think the subcommittee has as yet made its report to the full committee.

I support the statement made by the Senator from North Carolina that the bill under consideration with relation to junior Reserve officers of the Navy and Marine Corps is a meritorious one. It will enable such officers to give up their status as reservists and to become Regular officers, if they wish to make the Navy or the Marine Corps service their career. As I understand, that is possible in the Army and the Air Force at present, but is not possible in the Navy and Marine Corps. The purpose of the bill now being considered is to make it possible in the Navy and the Marine Corps.

So far as the Shanahan and Rawlins cases are concerned, I observe the junior Senator from Missouri [Mr. SYMINGTON] on his feet. He is the chairman of the subcommittee considering that bill. Perhaps he wishes to make a statement.

Mr. SYMINGTON. Mr. President, will the Senator from North Carolina yield?

Mr. ERVIN. I am glad to yield.

Mr. SYMINGTON. I respectfully say to my able colleague from Oregon that a subcommittee composed of the junior Senator from Idaho [Mr. WELKER] and myself have been looking into the matter for some months. We have had hearings and have heard the witnesses whom the principals wanted us to hear. We expect to file a report, the draft of which I have seen, before the end of this week.

Mr. MORSE. Mr. President, I have accomplished my purpose of fixing attention on the Rawlins case, because in these closing days of the session there is always a danger that we may overlook individual injustices while pursuing the routine of proceedings. I appreciate what the Senator from Massachusetts and the Senator from Missouri have told me. Knowing that consideration has been given to the matter, I withdraw my amendment.

Mr. ERVIN. I thank the Senator from Oregon for withdrawing his amendment.

Mr. SYMINGTON. Mr. President, I should like to associate myself with the remarks of the Senator from North Carolina [Mr. ERVIN] on this bill.

The PRESIDING OFFICER. The question is on the engrossment of the committee amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CONVEYANCE OF CERTAIN WAR HOUSING PROJECTS TO THE CITY OF NORFOLK, VA.

The bill (S. 2351) to authorize the conveyance of certain war housing projects to the city of Norfolk, Va., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding any other provision of law, the Housing and Home Finance Administrator is authorized to sell and convey at fair market value as determined by him on the basis of an appraisal made by an independent real-estate expert to the city of Norfolk, Va., or to the Norfolk Redevelopment and Housing Authority, or to any agency or corporation established or sponsored in the public interest by such city, all of the right, title, and interest of the United States in and to War Housing Project VA-44075 and War Housing Project VA-44184, or either of them. Any sale pursuant to this authorization shall be on such terms and conditions as the Administrator shall determine, and the amount received for each project shall be reported by the Administrator to the Committee on Banking and Currency of the Senate and the Committee on Banking and Currency of the House of Representatives.

SEC. 2. The authority conferred by this act shall terminate 6 months after the date of its enactment.

SALE OF WELLES VILLAGE WAR-HOUSING PROJECT TO THE HOUSING AUTHORITY OF GLASTONBURY, CONN.

The bill (S. 2513) to authorize the sale of Welles Village war-housing project in Glastonbury, Conn., to the housing authority of the town of Glastonbury, Conn., was announced as next in order.

Mr. MORSE. Mr. President, I wish to make a brief comment on both this bill and the preceding bill. The two bills authorize the sale of properties at their fair market value on the basis of an independent appraisal. I wish to commend the committee for coming forward with a report that will assure the American taxpayer full value for the property.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. SPARKMAN. I should like to say to the able Senator from Oregon that the Subcommittee on Housing has adopted this as a policy in the disposition of all such projects.

Mr. MORSE. I congratulate the subcommittee. I think the policy is absolutely sound.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with amendments, on page 1, line 7, after the word "him", to insert "on the basis of an appraisal made by an independent real-estate expert selected by him", and on page 2, line 7, after the word "determine", to insert "and the amount received for each project shall be reported by the Administrator to the Banking and Currency Committee of the Senate and the Banking and Currency Committee of the House of Representatives", so as to make the bill read:

Be it enacted, That notwithstanding the provisions of any other law, the Housing and Home Finance Administrator is authorized to sell and convey all right, title, and interest of the United States (including any offsite easements) at fair market value as determined by him on the basis of an appraisal made by an independent real estate expert selected by him, in and to war housing project CONN 6028, known as Welles Village, containing 199 dwelling units on approximately 34½ acres of land in Glastonbury, Conn., to the Housing Authority of the town of Glastonbury, Conn., subject to the approval of the legislative body of the town of Glastonbury, for use in providing moderate rental housing. Any sale pursuant to this section shall be on such terms and conditions as the Administrator shall determine, and the amount received for each project shall be reported by the Administrator to the Banking and Currency Committee of the Senate and the Banking and

Currency Committee of the House of Representatives: *Provided*, That full payment to the United States shall be required within a period of not to exceed 30 years with interest on the unpaid balance at not to exceed 5 percent per annum: *Provided further*, That the provisions of this subsection shall be effective only during the period ending 12 months after the date of approval of this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN PROPERTY TO THE STATE OF LOUISIANA

The bill (H. R. 5512) to provide for the conveyance of certain property under the jurisdiction of the Housing and Home Finance Administration to the State of Louisiana, was announced as next in order.

Mr. MORSE. Mr. President, may we have an explanation?

The PRESIDING OFFICER. An explanation of H. R. 5512, Calendar No. 1100, is requested.

Mr. SPARKMAN. Mr. President, the senior Senator from Louisiana [Mr. ELLENDER] is interested in the measure. I should like to ask him to say a word about the bill.

Mr. ELLENDER. Mr. President, a certain number of Federal buildings were erected on property belonging to the Central Louisiana Hospital, which is State property. The bill simply provides for the conveyance of the buildings erected on State land to the State for a total of $300,000, payable in 3 annual installments. As I understand, the real estate is not taken into consideration. It seems there was a contract entered into between the State of Louisiana and the Federal Housing Authority whereby the buildings would be erected.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. MORSE. Am I correct in my understanding that the price of $300,000, which was agreed upon in this deal, is fair and reasonable compensation for the buildings concerned, and is at least equal to 50 percent of the appraised fair market value?

Mr. ELLENDER. I do not think there is any doubt about that.

Mr. MORSE. My understanding is that the bill would return to the taxpayers of the country at least 50 percent of the appraised fair market value of the property. Therefore I have no objection.

Mr. ELLENDER. I may state that I think it is a good bargain, in that the buildings were erected on land which belongs to the State.

Mr. MORSE. As I have studied the bill, I think it is a fair bargain.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. SPARKMAN. Three hundred thousand dollars was the price agreed upon between the State of Louisiana and the Housing and Home Finance Agency.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with an amendment on page 2, after line 6, to strike out:

SEC. 2. Any allotment available to the State of Louisiana for hospital construction under the provisions of the Hospital Survey and Construction Act, as amended (42 U. S. C., sec. 291, and the following), may be applied by the State of Louisiana to the purchase price established in the first section of this act.

And in line 13, to change the section number from "3" to "2."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

CONVEYANCE OF THE OLD COLONY PROJECT TO THE BOSTON HOUSING AUTHORITY

The Senate proceeded to consider the bill (H. R. 6980) providing for the conveyance of the Old Colony project to the Boston Housing Authority, which had been reported from the Committee on Banking and Currency with an amendment, on page 2, line 5, after the word "determine", to insert a comma and "and the amount received for each project shall be reported by the Administrator to the Banking and Currency Committee of the Senate and the Banking and Currency Committee of the House of Representatives."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (H. R. 6043) to amend section 216 (b) of the Merchant Marine Act, 1936, as amended, to provide for the maintenance of the Merchant Marine Academy was announced as next in order.

Mr. PURTELL. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

DISPOSAL OF CERTAIN FEDERAL PROPERTY IN BOULDER CITY, NEV.—BILL PASSED OVER

The bill (S. 514) to provide for the disposal of certain Federal property in the Boulder City area, to provide assistance in the establishment of a municipality incorporated under the laws of Nevada, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. PURTELL. Mr. President, reserving the right to object, and I shall not object, may we have an explanation of the bill?

The PRESIDING OFFICER. An explanation is requested of Calendar No. 1103, S. 514.

Mr. PURTELL. My reason for requesting an explanation is that we did not have the report before us until a very late hour this morning.

Mr. BIBLE. Mr. President, I am very happy to make an explanation of the bill.

As the title of the bill indicates, it is designed to provide for the disposal of certain Federal property in the Boulder City area, in the vicinity of Hoover Dam, on the Colorado River. It also provides for assistance in the establishment of a municipality incorporated under the laws of the State of Nevada.

The pending measure had its origin in a virtual mandate from the Appropriations Committees of the Congress as far back as 1948 that the Federal Government should divest itself of strictly municipal functions, under which deficits were mounting. Up to this year the total deficits on strictly municipal operations since 1941 amount to approximately $1,400,000.

The Secretary of the Interior in 1950 had Dr. Reining, of the University of Southern California, make an objective survey of Boulder City. In the main, his recommendations, modified by the Department, the Bureau of the Budget, and the Committee on Interior and Insular Affairs, from the substance of the bill before the Senate for passage.

Public hearings were held at Boulder City in May of this year, when the local people were given full opportunity to express their opinions. Following those hearings, a special subcommittee, of the parent committee of the Senate, reviewed the entire record and recommended certain amendments to S. 514, which are outlined in report No. 1091, and which I am suggesting as committee amendments to be considered prior to the passage of the bill.

It should be pointed out that the Federal Government has an investment of more than $150 million in Hoover Dam and powerplant, which is the vital source of electric energy for southern California, Arizona, and Nevada. In addition, it is the regional headquarters of the Bureau of Reclamation. The Bureau of Mines has an important installation there, and the National Park Service operates the Lake Mead Recreational Area.

More than 2 million persons, from every State in the Union and many foreign countries, visit Hoover Dam and the Lake Mead Recreational Area annually. While a charge is made for inspection of the dam and for the recreational facilities, none of the proceeds would go to defray muncipal costs that are incident to handling this vast number of visitors, most of whom pass through Boulder City.

Under the provisions of the bill, the Government would recoup its investment of $1½ million in more than 200 homes that are owned by the Government, and which it is now renting to its employees. The Federal Government owns all of the land in the city, on which approximately 800 private homes and commercial buildings have been erected. The land is under long-term leases, with a maximum

term of 53 years. It is proposed that the land be sold at the full appraised value, the value to be determined immediately after the passage of the enabling legislation. All the land not needed for Federal activities would be transferred to the municipality, subject to existing leases. School property constructed by the Government at a cost of approximately $1,700,000 would be transferred to the local school district. A special fund made up of revenues from the disposal of Federal property would be set up.

I may say that over the years the costs have been prorated between the Federal Government and the two allottees who operate Hoover Dam as the operating agency, one being the Department of Water and Power, and the other being the Southern California Edison Company. From this fund, an appropriation of $395,000 would be authorized for deferred maintenance of city facilities and utilities and for providing additional facilities and utilities in the Lake View Addition area. Over the years there has been very little maintenance of the streets and alleys, and this fund is necessary in order to place the city in proper condition for disosal under this measure. From this fund an appropriation of $395,000 would be authorized for deferred maintenance of city facilities and utilities and for providing additional facilities and utilities in the Lake View Addition area.

Up to 19,500 kilowatts of power from Hoover Dam would be made available to the city, for resale in the municipal area.

The Federal Government would deliver to the municipality water which is filtered and potable.

Every 5 years after the act goes into effect, the Secretary of the Interior would be required to investigate the need for continuance of all or part of the water supply, and to make recommendations to the Congress. In all, the bill seeks to reduce the Federal supervision of strictly municipal operations, and to place responsibility on the local residents, of whom there are approximately 4,000. About half of the 4,000 include employees of the Federal Government and their families.

Mr. President, I can make a more detailed explanation of the bill, paragraph by paragraph, if that is desired.

Mr. PURTELL. Mr. President, I thank the distinguished Senator from Nevada for his explanation.

I have no objection to passage of the bill.

Mr. MORSE. Mr. President, reserving the right to object—and I may object, until another calendar call, although I am very much of the opinion that the plan to have the Federal Government dispose of this property has a very desirable objective, nevertheless in this case we are dealing with subject matter which may establish a precedent for the disposal of other Federal municipalities. So I wish to be doubly sure—that is my only purpose in this connection—that the people of the country will get their money's worth from the disposal.

Of course, as my friend, the Senator from Nevada, has pointed out, Boulder Dam attracts a great many visitors to that area each year. I am sure that no one in Nevada or Arizona or California, either, regrets that. Such Federal projects which attract visitors are great sources of revenue for the States which are visited by the tourists.

I should like to have the attention of the Senator from Nevada as I read a brief summary of the bill, as I understand it. This summary is very much skeletonized, but it covers some of the highlights which I believe are involved:

Senate bill 514 would authorize the Secretary of the Interior to dispose of certain Federal property in Boulder City, Nev., by sale.

With respect to dwellings, duplex houses, garages, and personal property thereon, a system of priority of purchase is provided for the benefit of Federal employees.

The bill, as originally drafted, called for payment of the appraised value of the housing to be sold; but as the bill has been amended by the Committee on Interior and Insular Affairs, the price to be paid will be the lower of two figures: first, the appraised value; or, second, the net cost of construction, operation, and maintenance of the Government-owned housing, less the rentals.

The current fair market value is approximately $2 million. The net value, under the formula just mentioned, is $1,414,639, as of May 31, 1953. I obtained these figures from the committee's report.

All land within the municipal limits not needed for Federal purposes would be transferred to the municipality, without cost. The existing lessees would have the option of purchasing their lots from the municipality at the appraised value.

The bill would authorize the United States to transfer, without consideration, all school buildings in the Boulder City municipal area to the appropriate school districts.

I am troubled about two things, which perhaps can be cleared up; or perhaps the bill can go to the foot of the calendar, and in the meantime can be discussed among ourselves; or, better still, perhaps it can go to another call of the calendar, because I understand there will be another calendar call in a day or two.

I am troubled about the interesting formula which results in the transfer of some of the property for less than its fair market value, the property to go to private citizens for private use. I do not know why we should transfer such property for less than its fair market value, when the land is to be for private use.

Mr. ANDERSON. Mr. President, will the Senator from Oregon yield briefly to me?

Mr. MORSE. I yield.

Mr. ANDERSON. In any operation in which a number of Government workers are living, if we do not give them some priority, we may find that someone else—in this case, perhaps someone interested in the fishing at Boulder Dam—will buy the property. In that case, the first thing we know, the persons whose services are essential to the operation of Boulder Dam will be without housing, and the Government will have to construct new housing for them.

So it seemed to us that the persons who live there and who operate the plant should live in these houses, rather than to have them occupied by other persons. That was one of the reasons we had.

Mr. MORSE. I have no objection to giving priority to the Government workers; I think we should do so. But I do not understand why we should give them priority plus the property at less than its fair market value.

Mr. BIBLE. Mr. President, will the Senator from Oregon yield to me at this point?

Mr. MORSE. I yield.

Mr. BIBLE. I should like to try to clear up that point. We had some difficulty in working out the formula. The thought was that under the formula the United States Government would receive each and every cent it had invested in the homes from 1931 to date. Approximately 250 homes remain to be sold under the formula. The majority—approximately 195 of the homes—are occupied today, and have been for many years, by Bureau of Reclamation personnel, all of whom are an integral part of the operation of Boulder Dam. They have paid the rentals from 1931 to 1955.

The theory of the committee which examined this measure very carefully was to make the Government whole as regards the amount of money shown on the books, namely, approximately $1,400,000, to which the Senator from Oregon has referred. The committee felt that was the fair return for the 205 homes which are to be sold under this measure. That is why the formula was arrived at by that method, namely, by providing that the amount paid would be the appraised value or the book value, whichever was the lower. The purpose is to give full weight to two factors: First, by and large, the homes are old ones, and have been occupied for more than 20 years in many cases by the same persons, the average occupancy being approximately 17, 18, 19, or 20 years; and also it was the feeling of the committee that the method proposed is the fair one by means of which to give the tenants an opportunity to purchase the homes at the value shown on the books of the city manager of the Bureau of Reclamation for Boulder City.

Mr. MORSE. Mr. President, I ask unanimous consent that we may proceed for another 5 minutes on this measure.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MORSE. Mr. President, the explanation given by the Senator from Nevada [Mr. BIBLE] raises a point which disturbs me very much. I do not know why we should sell the property to these Government employees for what the United States has in the property. I imagine that across the country there are hundreds of million of dollars' worth of pieces of property, owned by the United States Government, which citizens would like to purchase for what the Government has in those properties.

To me this is a pretty cold business proposition. We have some houses there owned by the Federal Government. They have a fair market value. What

difference does it make that some Government employees have rented the property for 5, 10, 15, or 20 years? Have the rents been reasonable? Have the renters obtained their money's worth? Have we not spent taxpayer's dollars in maintenance?

I see no reason why we should give renters, when they come to buy the property, an offset of the rent they have already paid, when that rent has been fair over the years. This property has a fair market value. To say that these houses are old is only another way of saying that their value is not so high as it would be if they were new. But who paid for the deterioration over the years? The taxpayers of the United States. I hope the Government has been getting enough rent for the houses to make up for the depreciation.

It is proposed to sell this property for private use. It is not for public use. It is proposed to be sold for private housing. Certainly we want to keep these Government employees; but there will be other Government employees. Government employees working on this project will come and go. As I see it, as of this moment, what we are doing is selling Federal property for private purposes for less than its fair market value. I think that is wrong.

The second problem raised by the bill is whether or not we are to obtain any compensation whatever from the school districts for the school property. It is a very pleasant thing for a school district to have an entire school system handed to it for nothing.

I want the Senator from Nevada and the Senator from Alabama to understand that I am not adamant on this question. I am merely not satisfied that I understand the situation sufficiently to justify my voting for the bill today. I am very much concerned about transferring this property to Government employees for less than its fair market value, when it is to be put to private use. Therefore I object. I hope I can reach some agreement with Senators who are interested between now and the next call of the calendar.

The PRESIDING OFFICER. Objection is heard; and the bill will be passed over.

CONSERVATION, DEVELOPMENT, AND UTILIZATION OF WATER RESOURCES OF ALASKA—CONFERENCE REPORT

Mr. LONG. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3990) to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development, and utilization of the water resources of Alaska. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3990) to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development, and utilization of the water resources of Alaska, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same.

HENRY M. JACKSON,
RUSSELL B. LONG,
ALAN BIBLE,
THOMAS H. KUCHEL,
BARRY GOLDWATER,
Managers on the Part of the Senate.

CLAIR ENGLE,
WAYNE N. ASPINALL,
LEO W. O'BRIEN,
A. L. MILLER,
JOHN P. SAYLOR,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. KNOWLAND. Mr. President, is this the conference report which the Senator from Louisiana discussed with the minority leader and the acting majority leader a while ago?

Mr. LONG. It is.

Mr. KNOWLAND. As I understand, it involves merely the acceptance by the House of the Senate amendment.

Mr. LONG. The Senator is correct. The bill is in the form in which it passed the Senate by unanimous consent. The House receded from its disagreement to the amendment of the Senate, and agreed to the Senate amendment. From the Senate point of view, there is involved only the matter of the House concurring in the amendment of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

BILL PASSED OVER

The PRESIDING OFFICER. The next bill on the calendar will be stated.

The bill (S. 56) authorizing construction of certain public works on the Mississippi River for the protection of St. Louis, Mo., was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. PURTELL. Mr. President, reserving the right to object, I wish to make it clear that I am not expressing either approval or disapproval of the proposed legislation. However, I feel that because $123 million is involved, this is a bill which ought not to be acted upon on the call of the calendar. Therefor, for that reason only, I object.

Mr. SYMINGTON. Mr. President, will the Senator withhold his objection for a moment?

Mr. PURTELL. Certainly.

Mr. SYMINGTON. I should like to ask the Senator from Connecticut exactly what his objection to the bill is. It has been approved by the subcommittee and the full committee, and it has been considered very carefully.

Mr. PURTELL. To repeat, I am neither expressing approval nor disapproval of the proposed legislation, but inasmuch as it involves an expenditure of approximately $123 million, I feel that it is not a proper subject for consideration on the call of the calendar. That is the only reason for my objection at this time. The bill can be taken up on motion. At that time I shall offer no objection.

Mr. SYMINGTON. I should like to ask my able friend from Connecticut how he suggests the bill be handled in the future?

Mr. PURTELL. I object only because I feel that the bill, involving an expenditure of $123 million, is not proper Consent Calendar business. I suggest to the Senator that the bill be taken up on motion later, at which time the Senator from Connecticut will offer no objection.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF RICE MARKETING QUOTA PROVISIONS OF THE AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

The bill (S. 2573) to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. ELLENDER. Mr. President, the pending bill would prevent rice producers from receiving more than one allotment on the basis of the same production and allotment history.

Rice allotments are apportioned on the basis of production and allotment history. In some States they are apportioned on the basis of the history of the producer, and in other States on the basis of the history of the farm. As now worded, the law could be construed to require such history to be counted in the State in which it accrued, and also in any other State in which allotments are made on a producer history basis. This bill would make the law incapable of such a construction and prevent producer history from counting toward more than one allotment.

Mr. President, I ask unanimous consent that an excerpt from the committee report be printed in the RECORD at this point.

There being no objection, the excerpt from the report (No. 1093) was ordered to be printed in the RECORD, as follows:

This bill would prevent rice production or allotment history from being used in computing allotments in any State other than the State in which it was earned. In some States rice acreage allotments are based on past production and past allotments of the producers (rather than the farms). In those States there is some question as to whether producers operating in more than one State should receive credit for past production and allotments in other States, thereby receiving double credit for such history. The bill would clarify this situation, and prevent this

manifestly unfair result by crediting such history only toward allotments in the State where it was earned.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., July 22, 1955.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry,
United States Senate.

DEAR SENATOR ELLENDER: This is in reply to your request for a report on S. 2573 to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

This bill would amend section 353 (b) of the act to provide that in States where farm rice acreage allotments are established on a producer basis only the past plantings of rice by the producer within the State and acreage allotments previously established in the State for the producers would be used in determining such allotments.

We favor the enactment of this bill.

The wording of the present provisions of law permits an interpretation that in any State where farm rice acreage allotments are established on a producer basis past plantings of rice by the producer and acreage allotments previously established for the producer in any State must be considered in determining such allotments. This means for example, that a farmer who operates a farm in a State where rice allotments are determined on a farm basis and who has produced rice in such State during the base period could obtain a farm in another State in which rice allotments are established on a producer basis and secure an allotment for such farm by virtue of being permitted under the law, as now worded, to use the same rice history in both States.

S. 2573 would clarify the language of the law so as not to permit the duplicate use of individual producer's rice history in determination of farm allotments and thus contribute to a more effective and equitable administration of the production adjustment program for rice.

It is anticipated there would be no additional expense, program or administrative-wise, in the passage of this bill.

Due to your urgent request there was insufficient time to obtain Bureau of Budget clearance.

Sincerely yours,

TRUE D. MORSE,
Under Secretary.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 353 (b) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting in the first sentence thereof the words "in the State" immediately following the words "on the basis of past production of rice" and immediately following the words "taking into consideration the acreage allotments previously established."

SUPPLEMENTAL APPROPRIATIONS, 1956

The bill (H. R. 7278) making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes, was announced as next in order.

Mr. BIBLE. Over. The bill is hardly calendar material.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF SECTION 1 OF THE ACT OF MARCH 12, 1914

Mr. MORSE. Mr. President, I ask unanimous consent that the Senate return to the consideration of Calendar No. 712, H. R. 3338, in connection with which I had filed objections on the last call of the calendar and again today, so that I might work out with members of the committee some appropriate amendments.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 3338) to amend section 1 of the act of March 12, 1941.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

There being no objection, the Senate proceeded to consider the bill.

Mr. MORSE. Mr. President, I have worked out an amendment which I am advised is perfectly satisfactory to the committee. I understand from a spokesman for the committee that the committee is ready to accept the amendment. I send the amendment to the desk and ask to have it stated.

The PRESIDING OFFICER. The Secretary will state the amendment offered by the Senator from Oregon.

The CHIEF CLERK. It is proposed to strike out lines 5 and 6 and insert in lieu thereof the following: "is amended by striking out 'but no lease shall be for a longer period than 20 years', and inserting in lieu thereof 'but no lease of such railroad or railroads shall be for a longer period than 20 years and no other lease authorized in this act shall be for a longer period than 55 years'."

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. AIKEN. May I inquire what the bill would do? What would be leased?

Mr. MORSE. The bill pertains to leasing properties along railroads for the development of business interests in the area affected. My only objection was to including in the bill leases of a railroad itself for the extended period of time provided.

Mr. AIKEN. Is the property under the jurisdiction of the Interior Department?

Mr. MORSE. It is.

Mr. AIKEN. It does not affect any property under the jurisdiction of the Forest Service, for example?

Mr. MORSE. It does not. It affects land under the jurisdiction of the Department of the Interior.

I should like to read a telegram, which is typical of other telegrams I have received. It explains the situation I objected to on the last call of the calendar. The committee considered my amendment in the light of such representations. I read the typical telegram:

ANCHORAGE, ALASKA, *July 16, 1955.*

Hon. WAYNE MORSE,
United States Senate Office Building,
Washington, D. C.:

Urgently request you reconsider objections to H. R. 3338 expressed on floor, Monday past. The feature of this bill enabling extension of existing leases to enable small-business man to obtain financing to further the economy and industry of the Alaska Railroad railbelt is vitally important to several hundred pioneer Alaska businessmen. We are disinterested in any legislation pertaining to leasing the railroad itself. Have asked Senator JACKSON and Delegate BARTLETT to contact you on this matter as they have been instrumental in furthering this legislation we need so urgently. Would suggest amending language to eliminate railroad itself. Airmail letter follows. Urgently plead that you give full consideration to our needs this session.

DENALI CONSTRUCTION CO.,
E. H. ELWIN.

We have received the letter referred to in the telegram, and all the correspondence on the subject has been filed with the committee. All that the bill would do would be to authorize the Department of the Interior to lease the land for a period of time necessary in order to get the leases financed, and that requires the longer lease.

Mr. AIKEN. I assume the Senator has gone into the situation and is satisfied that everything is all right? I asked my question merely because the title of the bill referred to a previous act by number.

Mr. MORSE. I am glad the Senator asked the question. It helps to clarify the record.

I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, the supporting evidence which was considered by me in offering the amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ANCHORAGE, ALASKA, *July 16, 1955.*

Senator WAYNE MORSE,
United States Senate Building,
Washington, D. C.:

Request your support of land leasing provisions of House bill 3338. We are in total sympathy with your remarks in CONGRESSIONAL RECORD of July 11 concerning this bill. However, failure to enact land leasing provisions will stymie much needed improvement and construction by present leaseholders. Thanking you for your utmost consideration of this matter.

Sincerely yours,

R. E. MCFARLAND,
Anchorage Building Trades Council.

ANCHORAGE CHAMBER OF COMMERCE,
Anchorage, Alaska, July 15, 1955.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: The Anchorage Chamber of Commerce would like to ask your aid and support for passage of H. R. 3338 allowing leasing of Alaska Railroad property for 50 years in the terminal reserve. Today this growing community is seriously short of industrial land and most all of the desirable sites are within the present railroad reserve for new development. As it now stands the present leasing arrangements will not allow sufficient time to permit our banks to make loans for the development of new facilities in this reserve. We believe that you can understand that this is a major handicap to our entire development picture.

We understand that you raised certain questions as to the effect that this measure would have on leasing the entire Alaska Railroad for 50 years. Actually when local interests first approached the Department of the Interior the intent was and still is to enact this legislation to apply to various industrial and commercial tracts of land now held by the Alaska Railroad.

The Anchorage chamber sincerly hopes that this problem can be resolved at the earliest possible date and that passage of H. R. 3338 will be accomplished in this session. We wish to assure you that favorable consideration of this measure will be of the greatest benefit to the development of this entire rail belt area.

Respectfully yours,
ANCHORAGE CHAMBER OF COMMERCE,
GEORGE D. JACKSON, *President.*

DENALI CONSTRUCTION CO., INC.,
Anchorage, Alaska, July 15, 1955.

Hon. WAYNE MORSE,
United States Office Building,
Washington, D. C.

DEAR SENATOR MORSE: In confirmation of my telegram this date regarding H. R. 3338, I would like to take this opportunity to provide a résumé of the circumstances and situation causing our interest and concern in this legislation.

Some forty-odd years ago, when the construction of the Alaska Railroad was authorized, the Alaska Engineering Commission, and/or succeeding authorities, withdrew and reserved to the future railroad, a considerable amount, in fact practically everything worthwhile, of lands adjacent to the terminal facilities for future development of industrial and commercial facilities which would in turn, develop traffic and revenue for the railroad. A very small portion of this reserve was developed, or even platted, until 1950 and 1951, at which the institution of large Federal and military programs developed the need for warehouse and commercial buildings. In 1951, the majority of this land was leased by private business for the future construction of spurs, storage yards, warehouses, and commercial facilities. These leases, under the authority of section 1 of the act of March 12, 1914, were for the maximum period of 20 years. During the existence of the RFC, there was an opportunity for limited financing of buildings and improvements, however the economic demand for such development was small and little improvement resulted. Currently, with the local economy expanding, and the opportunity for increasing wholesale and retail merchandising, the necessary and desired improvement of these leased lands is stalemated to a large degree, due to the fact that national banking laws prevent the loan of funds for improvements on leased lands unless the lease shall extend for a period in excess of 50 years. Thus the several hundred pioneer businessmen in the railbelt area, most of them in the "small-business man" category, are currently caught in the discrepancy between two Federal regulations, i. e., the lease limitation of 20 years imposed by the Interior Department and the borrowing restrictions imposed on national banks, to which category all of our railbelt banks belong. It was in the interest of eliminating this state of conditions that brought about the sponsorship and interest in the enabling legislaion sought via H. R. 3338. The fact that this legislation as written would enable the leasing of the railroad itself is incidental to our purpose and of no interest as such, therefore it is hoped that amendatory language will fulfill your objections and allow the passage of this legislation for the primary and fundamental purpose.

We, as a small Alaskan corporation, are several-fold interested in this enabling legislation. As a leaseholder in the Anchorage Terminal Reserve since 1951, have invested approximately $200,000 of our own funds in physical improvements, which needless to say, has depleted our working capital. We need additional physical improvements to further our business, but are stymied in so doing, until such time as profits after taxes will permit. The current investment in fixed plant is worthless as collateral under the present regulations.

Secondly, as a local construction firm, we are familiar with numerous new developments that would go forward on these leases were the sponsors able to finance them to any degree. Needless to say, this additional construction would bring further activity to our industry, additional employment and payrolls to our community, and place sound and durable improvements upon our local tax rolls, all of which would assist in our effort to develop a more stable economy in our communities and in the Territory. All we are asking for in this instance, as I see it, is the removal of a restriction which prevents us from helping ourselves make something out of this heretofore wilderness.

Thus, Senator, without any difference to your opinions as expressed on the floor last Monday, I have attempted to explain our concern and interest in the subject legislation. We know from experience that we need this enabling legislation, and currently feel that we have been "caught in the bite of the line." We sincerely hope that you will understand our position and will press for amendatory language so that this legislation may pass this session and thus plans for improvements and new construction will not need go by the boards for another year.

Thank you.

Respectfully yours,
DENALI CONSTRUCTION CO., INC.,
E. H. ELWIN, *President.*

THE FIRST NATIONAL BANK OF ANCHORAGE,
Anchorage, Alaska, July 15, 1955.

The Honorable WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: Today, I received a page from the CONGRESSIONAL RECORD of Monday, July 11, in regard to H. R. 3338, and I am quite concerned to see that you have opposed this bill.

I feel that this is one of the most important pieces of legislation for Alaska to be considered by the current Congress. Those of us who are interested in the legislation never contemplated the leasing of the railroad proper, and it would seem to me that if that is a concern, that a simple amendment authorizing only the leasing of commercial real estate would certainly effect the purpose.

From my conversation with you when you visited us in Alaska several years ago, I know that you are deeply interested in the welfare of the Territory and will do all that you can for its benefit, and I do wish to assure you of my solid endorsement of this bill as one that is necessary for the economic development of the railbelt.

Yours respectfully,
D. H. CUDDY,
President.

THE CITY OF ANCHORAGE, ALASKA,
July 15, 1955.

Senator WAYNE MORSE,
Senate Office Building, Washington, D. C.

DEAR SENATOR MORSE: The Anchorage City Council recognizes the desirability of the Congress to permit the Alaska Railroad to lease land for a period of 55 years, as has been proposed in H. R. 3338. They have endorsed this bill through adoption of the city council's Resolution 815, of which a copy is enclosed for your information.

We have read in the July 11 issue of the CONGRESSIONAL RECORD of your comments in regard to H. R. 3338. The city council does not hold any differences of opinion with reference to leasing the entire railroad, but we are hopeful that you can propose some amendment whereby properties for industry and warehouse sites can be made available on a lease basis for a period of 55 years.

As you know, the Anchorage economy is built primarily around the payrolls of the military and other governmental agencies who, because of national necessity, must have headquarters in this area. The large percent that this type of payroll contributes to the Anchorage economy presents an unbalance to the local city government taxation structure. It is, therefore, imperative that the city council, chamber of commerce, and, we believe, the Federal Government do everything possible to encourage the development of industry, wholesaling, and general private-business enterprise.

The Federal Government's requirement to perform a national service through its Military Establishments and through its efforts to develop the Territory have withdrawn either for Army needs, Alaska Railroad needs, CAA requirements, or Native Service requirements, land that would have normally been made available by the Bureau of Land Management for private development, which, in turn, would contribute materially toward building a balanced economy. Since the Alaska Railroad has the most accessible and desirable sites for warehousing, storage yards, and industrial areas, private enterprise must of necessity depend upon the railroad as a means of leasing ground for their industrial developments. Testimony has been presented showing the limitations of borrowing funds from national banks when the limitation on leased land is 20 years and the Federal regulations require 50 years. We are, therefore, hopeful that an amendment may be adopted to overcome your stated objections to H. R. 3338 and yet permit leasing of property for 55 years, so that private enterprise may have an opportunity to proceed with private development of the Anchorage area and the Territory of Alaska.

Unfortunately, we have on one hand the Federal Government spending vast sums of money developing the economy of the Territory by providing Alaska Railroad facilities, yet at the same time present regulations stymie private development by prohibiting the railroad from leasing land so that private enterprise may borrow funds from national banks that are prohibited from lending funds because of Federal regulations.

We urge you to support the leasing of land by the Alaska Railroad for 55 years and that you do all that you possibly can to expedite passage of such legislation so that private development may proceed on a normal basis. I might also add that erasing these restrictions will also mean more revenue to the railroad because it is quite likely that most of the industrial land that they have now available will be used in the near future. As industry develops, the local tax base improves and again self-help at the local governmental level becomes more possible.

Very truly yours,
GEORGE C. SHANNON,
City Manager.

Resolution 815

Whereas House bill 3338 is presently before the Congress of the United States; and

Whereas said bill will enable the Alaska Railroad to enter into leases for land in the terminal reserve for a maximum period of 55 years; and

Whereas the presently existing law provides for a maximum period of only 20 years; and

Whereas the proposed legislation would remove the barrier to financing construction of improvements on leaseholds in said Alaska Railroad terminal reserve; and

Whereas a substantial portion of said reserve is within the city limits of the city of Anchorage: Now, therefore, be it

Resolved, That the city council finds that said legislation is in the public interest and endorses the enactment of the same.

Publication of this resolution shall be made by posting a copy hereof on the city hall bulletin board for a period of 10 days following the passage hereof.

Passed and approved by the City Council of the City of Anchorage, Alaska, this 29th day of March 1955.

A. L. ENGEBRETH,
Acting Mayor, City of Anchorage, Alaska.

Attest:

B. W. BOEKE,
City Clerk.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE].

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read the third time.

The bill (H. R. 3338) was read the third time, and passed.

AUTHORIZATION FOR STANDING COMMITTEES AND SUBCOMMITTEES TO MEET DURING THE SESSION OF THE SENATE, AND TO FILE REPORTS DURING RECESS OR ADJOURNMENT

Mr. BIBLE. Mr. President, I ask unanimous consent that all standing committees and subcommittees be permitted to meet during the session of the Senate today, and that, during the adjournment or recess following today's session, the several standing committees be permitted to report bills and to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

USURPATION BY EXECUTIVE BRANCH OF LEGISLATIVE POWER

Mr. SPARKMAN. Mr. President, one of the most disturbing developments during the many years that I have served in Congress has taken place in the past 30 months. I have reference to the growing practice of the executive branch of the Government to usurp the power of the legislative branch of the Government through perversion of the regulatory agencies.

These agencies were set up by Congress, most of them with bipartisan boards, to be independent in fact as well as in name, and to serve only the public interest.

Not only has the spirit of congressional intent been violated by the executive branch, but it has almost gotten to the point that a candidate for appointment on the board of one of these agencies cannot get the appointment unless he is cleared by the big boys of the industry that the agency is supposed to regulate.

Moreover, if the appointment to a vacancy on the board is to be filled by a Democrat to carry out the congressional intent that the board be bipartisan, the administration usually requires that he be an Ike-Democrat. Unless a Democrat, already a member of one of these boards, falls in line with the thinking of the President's palace guard, he may find that his services are no longer desired when reappointment comes up. Outstanding examples of this fact are Commissioner Mead of the Federal Trade Commission, Commissioner Hennock of the Federal Communications Commission, and Commissioner Rowen of the Securities and Exchange Commission.

This tampering of the executive branch of the Government with the regulatory agencies intended by Congress to be independent, I repeat, Mr. President, is a dangerous development.

The most recent and shocking example of the encroachment of the executive branch on the legislative branch of Government relates to the office of the President of the United States, specifically Presidential Assistant Sherman Adams, tampering with the Securities and Exchange Commission regarding hearings on the Dixon-Yates deal.

A very good discussion of this interference by the office of the President occurred in an editorial in the July 14 issue of the St. Louis Post-Dispatch. I ask unanimous consent that this editorial be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TAMPERING WITH SEC

The revelation that Presidential Assistant Sherman Adams persuaded the Securities and Exchange Commission to suspend its hearings on the Dixon-Yates power financing for 3 days brings up a question of the utmost seriousness: How well is the independence of the independent agencies of the Government being respected?

This question carries special gravity in the case of independent agencies which, like SEC, are quasi-judicial. There are many other independent agencies whose functions are somewhat similar to those of a court of law. The Interstate Commerce Commission, which regulates the railroads, is one of the oldest. The Atomic Energy Commission is one of the newest. In between are the Federal Communications Commission, which regulates radio and television; the Civil Aeronautics Board; the Civil Service Commission; the Federal Power Commission; the Federal Trade Commission; the Tariff Commission.

There are sound reasons why these agencies of Government were created by Congress to be independent of the executive department. Congress wanted them to be free of partisan politics, above political manipulation, capable of making decisions with justice, on the basis of merit alone. Otherwise they could become instruments of party tyranny, to the detriment of great sections of our economy which many of them regulate.

The 3-day recess of the SEC last month, in the midst of the Dixon-Yates hearings, was so unusual that the Commission's Secretary, Orval L. Dubois, said it was "virtually unprecedented." The extraordinary action was unexplained. The hearing examiner, James G. Ewell, said the only reason the Commission had given him for the recess was that certain procedural questions had to be ruled on.

Now, a month later, and only upon the most persistent investigation by a committee of Congress, the facts come out. SEC Chairman Armstrong first refused throughout a day's interrogation to say whether there had been any conversation with the White House. He persisted despite warning by Chairman KEFAUVER of the antimonopoly subcommittee that he might be held liable for contempt of the Senate. Only after a ruling by Attorney General Brownell did the SEC Chairman disclose this damaging fact.

Senator KEFAUVER charges the delay was manipulated so that the two officers of the First Boston Corp. could not continue their testimony to SEC until Congress had voted on funds for the Dixon-Yates transmission line. Mr. Armstrong gives color to Senator KEFAUVER's charge by refusing to say whether the pending legislation was mentioned in Mr. Adam's telephone call requesting the recess.

If the SEC could be manipulated from within the executive department to influence this piece of legislation, why could it not be manipulated to influence other pieces of legislation? Why could it not be manipulated to influence the price of securities to rise or fall as vital information was withheld or disclosed?

Why could not the other quasi-judicial independent agencies be similarly manipulated so that they no longer served the ends of fairness but became the agencies of group pressures and political and speculative maneuvers?

* * * * *

The independence of the independent agencies, the complete judicial fairness of the quasi-judicial commissions must be preserved inviolate. That is why a President's arbitrary and unprecedented directive to two independent agencies—AEC and TVA—to accept the Dixon-Yates contract, against the best judgment of the directors of both agencies, was so questionable.

That is why this newer development, which had been cloaked in resolute official secrecy like so many other aspects of the Dixon-Yates deal, is so disturbing.

Is Executive interference with independent and quasi-judicial agencies becoming a set pattern of administration policy at Washington?

If so, the President needs to know thoroughly the danger of the course upon which he has embarked, and Congress cannot take too prompt or too drastic steps to protect these agencies in the independence with which it invested them at their creation.

Mr. LEHMAN. Mr. President, I was very much interested in the remarks of the Senator from Alabama [Mr. SPARKMAN] regarding the manner in which certain appointments are being and have been made by the President. I have sat in committees which have considered a number of these nominations. I have opposed, both in committee and on the floor of the Senate, many of the nominations made by the President, which I deemed to be unwise and improper.

I feel that, among other things, the independent position and role of our quasi-judicial, bipartisan commissions and agencies are being and have been subverted. Seriously and tragically the independence of these bodies is being swept away. Men are being selected and appointed to these commissions and agencies representing exclusively the industries and enterprises which are to be regulated. Men are appointed with complete disregard for the bipartisan character of these commissions—men, supposedly Democrats, who represent the viewpoint of the Republican National Committee.

I hope that in the next week or two, if Congress remains in session that long, much will be said on this subject. I, for one, intend to speak on the subject at some length. I feel that this subject must be brought to the attention of the Congress and the American people.

There is no bipartisanship on these commissions which are required by law to be bipartisan. The minority is not represented on these commissions. There is virtually no representation of the public interest. No one is being appointed to the commissions who did not vote for President Eisenhower at the last election. It is something we

should be concerned about, and against which a determined fight should be made. In my opinion, we are completely subverting the nature of the bipartisan, quasi-judicial commissions. They are no longer either quasi-judicial or bipartisan.

Mr. KNOWLAND. Mr. President, at a later date I shall have more extensive remarks to make on this subject matter. In the meantime, I wish to say that to my own personal knowledge, at least with respect to a considerable number of appointments that have been made, consultation was had with the Democratic leadership in Congress. Perhaps there has not been as much as there should have been. However, again speaking from my own personal knowledge, I say it is many times the consultation that was ever had under the prior administration. I do not believe there was one instance—although I did not occupy this chair during the whole of the last administration, and I speak from information given to me, which I believe to be reliable—when such consultation was had with the Republican leadership in either the House or the Senate.

AMENDMENT OF INTERNATIONAL CLAIMS SETTLEMENT ACT OF 1949, AS AMENDED

Mr. PURTELL. Mr. President, I should like to inquire whether the call of the calendar has been concluded.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). There is a bill which went to the foot of the calendar, which will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 6382) to amend the International Claims Settlement Act of 1949, as amended, and for other purposes.

Mr. PURTELL. Mr. President, I ask that the bill be passed over.

Mr. KNOWLAND. Mr. President, that is the unfinished business.

The PRESIDING OFFICER. The bill will be passed over.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the following bills of the Senate:

S. 1741. An act to exempt from taxation certain property of the Jewish War Veterans, U. S. A. National Memorial, Inc., in the District of Columbia;

S. 2176. An act to repeal the requirement that public utilities engaged in the manufacture and sale of electricity in the District of Columbia must submit annual reports to Congress; and

S. 2177. An act to repeal the prohibition against the declaration of stock dividends by public utilities operating in the District of Columbia.

The message also announced that the House had insisted upon its amendment to the bill (S. 34) to authorize the leasing of restricted Indian lands for public, religious, educational, recreational, residential, business, and other purposes requiring the grant of long-term leases, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ENGLE, Mr. HALEY, Mr. UDALL, Mr. BERRY, and Mr. RHODES of Arizona were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4778) to provide for the purchase of bonds to cover postmasters, officers, and employees of the Post Office Department and mail clerks of the Armed Forces, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MURRAY of Tennessee, Mr. MORRISON, and Mr. REES of Kansas were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7224) making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PASSMAN, Mr. GARY, Mr. ROONEY, Mr. CANNON, Mr. FERNANDEZ, Mr. LANHAM, Mr. NATCHER, Mr. DENTON, Mr. TABER, Mr. WIGGLESWORTH, Mr. FENTON, Mr. FORD, and Mr. HAND were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 2972. An act to require the recordation of scrip, lieu selection, and similar rights; and

H. R. 3786. An act to authorize the incorporation of Army and Navy Legion of Valor of United States of America.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 44) to erect on the Capitol Grounds a memorial bell tower in memory of Robert A. Taft.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 741. An act to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 5 years;

S. 1177. An act for the relief of desert land entrymen whose entries are dependent upon percolating waters for reclamation;

S. 1855. An act to amend the Federal Airport Act, as amended.

H. R. 2866. An act to declare a certain portion of the waterway (a section of the Acushnet River) in the city of New Bedford and the towns of Fairhaven and Acushnet, Mass., a nonnavigable stream;

H. R. 3281. An act for the relief of Herbert Roscoe Martin;

H. R. 3359. An act for the relief of Raymond George Palmer;

H. R. 4001. An act to provide for the management and disposition of certain public domain lands in the State of Oklahoma; and

H. R. 4362. An act to amend the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes," approved September 3, 1954.

AMENDMENT OF INTERNATIONAL CLAIMS SETTLEMENT ACT OF 1949

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 6382) to amend the International Claims Settlement Act of 1949, as amended, and for other purposes.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON WORLD DISARMAMENT

Mr. BIBLE. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1066, Senate Resolution 93.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 93) appointing a subcommittee to work toward the goal of world disarmament.

The PRESIDING OFFICER. Is there objection to the consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution, which had been reported from the Committee on Foreign Relations with amendments, and subsequently reported from the Committee on Rules and Administration with additional amendments.

Mr. KNOWLAND. Mr. President, I have an amendment which I should like to suggest on page 2, line 8, to strike out the words beginning with "but not members of the Committee on Foreign Relations." I do not wish to strike the entire committee amendment, but only that part of it.

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that there are a number of committee amendments.

Mr. KNOWLAND. I merely wished to be sure that I should not be foreclosed by the parliamentary situation from offering that precise amendment.

The PRESIDING OFFICER. The clerk will state the amendments reported by the Committee on Foreign Relations.

The first amendment was, on page 2, line 3, after the word "of", to strike out "eight" and insert "six."

The amendment was agreed to.

The next amendment was, in line 5, after the word "two" to strike out "other."

The amendment was agreed to.

The next amendment was, in line 5, page 2, after the word "Senators", to

insert "members of the Committee on Armed Services and two Senators, members of the Joint Committee on Atomic Energy, chosen equally from both parties but."

Mr. KNOWLAND. Mr. President, I move that the word "but" in the committee amendment and the words which follow it, namely "not members of the Committee on Foreign Relations", be stricken.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now recurs on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The next amendment of the Committee on Foreign Relations will be stated.

The next amendment was, on page 2, line 9, after the word "Relations", to strike out "and not of the same political party,"; and in line 13, after the word "destruction", to insert "The chairman of the Foreign Relations Committee shall designate the chairman of the subcommittee."

The amendment was agreed to.

The amendments of the Committee on Rules and Administration were:

On page 2, at the beginning of line 4, to insert "equally"; in line 5, after the word "with", to strike out "two" and insert "four"; in line 9, after the word "Relations", to insert "to be"; on page 3, at the beginning of line 17, to strike out "armements" and insert "armaments"; in line 20, after the word "than", to strike out "March" and insert "January"; in line 21, after the word "the" where it appears the first time, to insert "provisional"; in line 22, after the word "may", to insert "by that time"; on page 4, at the beginning of line 6, to strike out "March" and insert "January"; and in line 9, after the word "exceed", to strike out "$50,000" and insert "$25,000", so as to make the resolution read:

Resolved, That a subcommittee of the Committee on Foreign Relations (hereinafter referred to as the Committee), to consist of six members chosen equally from both parties by the chairman of the Foreign Relations Committee (in conjunction with four Senators, members of the Committee on Armed Services and two Senators, members of the Joint Committee on Atomic Energy, chosen equally from both parties but not members of the Committee on Foreign Relations, to be designated by the President of the Senate), is hereby authorized and directed to make a full and complete study of proposals looking toward disarmament and the control of weapons of mass destruction. The chairman of the Foreign Relations Committee shall designate the chairman of the subcommittee.

SEC. 2. The said Committee shall, without limiting the scope of the study hereby authorized, direct its attention to the following matters—

1. Efforts made by the United Nations in seeking the control and reduction of military forces and armaments of all types;

2. Disarmament proposals developed by the United States and other governments as well as by private groups and individuals;

3. Methods by which the attitudes of the American people and their Government on the subject of disarmament and world peace may be communicated abroad;

4. The relationship of armaments to the state of the world economy;

5. The relationship of underlying international tension to the problems of disarmament;

6. The dangers implicit in unilateral reduction of armaments; and

7. Methods of assuring that plans for reduction of armaments shall not endanger the security of the United States.

SEC. 3. The Committee on Foreign Relations shall transmit to the Senate not later than January 31, 1956, the provisional results of the study herein authorized together with such recommendations as may by that time be found desirable.

SEC. 4. In the conduct of this study, full use shall be made of studies, reports, and plans prepared by executive agencies concerned with this problem and such agencies are requested to give the committee the assistance it may require.

SEC. 5. For the purpose of this resolution, the committee is authorized to employ on a temporary basis through January 31, 1956, such technical, clerical, or other assistants, experts, and consultants as it deems desirable. The expenses of the committee under this resolution, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the Committee on Foreign Relations.

The amendments were agreed to.

The resolution, as amended, was agreed to.

The preamble was agreed to.

AID TO AGRICULTURE RENDERED BY THE PORT OF BALTIMORE

Mr. BUTLER. Mr. President, in the July issue of the Maryland Farm News, a monthly publication of the Maryland Farm Bureau, there appears a splendid article entitled "Baltimore: The Port That Helped Agriculture."

Believing it essential that the merchant-marine interests of the Nation and our farmers be ever aware of their brotherhood of interests, I ask unanimous consent that this article be reprinted in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BALTIMORE: PORT THAT HELPS AGRICULTURE—MARYLAND'S PORT FOREMOST FOREIGN EXPORT GRAIN PORT IN UNITED STATES

The future of American agriculture is largely dependent upon the recapturing and expansion of world trade. That has been one of the major themes of Farm Bureau thinking in recent years.

But few of us realize that in our own front yard lies the second largest ocean port in foreign tonnage volume in the Nation. And through the harbor formed by the junction of the Patapsco and Chesapeake Bay passes the great bulk of grain for overseas shipment.

Even fewer may know that nearly 5,000 ships from every port in the world pass in and out of Baltimore each year linking Maryland and the Nation to Europe, Africa, Asia and Latin America.

It all began at Whetstone Point (now Fort McHenry) on April 19, 1706, when the Maryland General Assembly designated the outpost that became Baltimore as an official customs port of entry.

That date may have even greater significance in 1956 if and when the legislature and Governor McKeldin get around to appointing a long-needed port authority for the metropolitan area that surrounds the harbor. It will mark the 25th anniversary of the founding of a city that became great because it possessed a great port.

What does the port of Baltimore mean to Maryland?

One out of every six pay envelopes in the city results from port activity. Fifty cents of every dollar circulated in Baltimore is attributable to port-linked industry. It is estimated that $300 million a year might fairly approximate the value of the port to the city, State, and Nation.

Baltimore's prosperity is in large measure due to its stable labor situation along the waterfront.

The 5,000 regularly-employed longshoremen, who at times of peak cargo handlings reach a total of 8,500, comprise the most peaceful labor force among major United States ports. This is due, in large measure, to the traditions of labor peace established by the late Negro longshore boss, Jefferson Davis. Negroes account for two-thirds of the longshoremen in Baltimore, the highest percentage of Negroes working any ocean port in the country.

Davis long ago refused to be led into the camp of racket-dominated union leaders who control the piers of Boston, New York, Philadelphia, and San Francisco, and it was this policy that prevailed through Davis' lieutenants shortly after his death when in 1954 the New York dock strike shifted so much business during March of that year to Baltimore.

Another reason for that prosperity is geography. Baltimore is farther inland than many Atlantic coast ports and a lot closer to the Ohio Valley and the Midwest than any. With long-established rail facilities provided by the Baltimore & Ohio, Pennsylvania, and Western Maryland Railroads, plus the coal-loading facilities of the little-known Canton Railroad, Baltimore benefits from freight-rate competition with New York and Boston.

It is also a port with two exits to the ocean. One is, of course, down Chesapeake Bay to Hampton Roads. The other runs through the C. & D. Canal at the uppermost part of the bay through Cecil County to the Delaware River.

As far as agriculture is concerned, grain is the big story in Maryland's port.

With excellent grain elevators now storing 12 million bushels and soon to be capable of storing 13⅓ million, with a long-range potential of 15 million bushels, Baltimore shipping handled 30,854,453 bushels of primarily wheat and corn in the first 5 months of 1955. This is 5 million more bushels than were shipped through Baltimore in the first 5 months of 1954. And it is despite the equalization of freight rates on grain to all Atlantic ports from Portland, Maine, to Hampton Roads, Va.

One reason given for Baltimore's importance in the grain business is the ability of the "mixers." "Mixers" are the men who blend the various grades of grain for inspection before overseas shipment, and Baltimore is credited with having the best mixers in the business.

Some rye, oats, and barley also filter through the port but in relatively insignificant quantities. A summary of the agricultural activity of the port is given in the box listing appearing elsewhere in this issue.

At one time, Baltimore was important to the apple industry of the Shenandoah Valley and western Maryland. That was in the days of the old Baltimore Mail Line with its direct service to England. But with the loss of that direct service, apple growers could not risk the spoilage of a slow trip from Baltimore to England via Philadelphia and New York.

Currently, there is a move to acquire a direct line from Baltimore, via Hampton Roads, to Southampton, England, that would recapture a share of the apple export market.

Stacey Bender, Jr., director of the Export-Import Bureau of the Association of Commerce, explains the long-standing feud over the "second" status of Baltimore to New York. He says New Orleans is second in foreign tonnage value, Houston is second in shipping activity, and Baltimore is second in total foreign tonnage. This ranking for Baltimore has been due chiefly to its tremendous handling of ore imports, brought from Latin America and other parts of the globe to feed the vast industrial heart of the Nation in Baltimore, Pittsburgh, western Pennsylvania and West Virginia.

Shipbuilding and manufacturing enterprises also account for Baltimore's importance but trade is the backbone of the city and the State to which it contributes one-half the population. Oddly enough the Midwestern wheat farmer is perhaps more cognizant of the value of Baltimore to agriculture than is the Harford dairyman or Montgomery stockman but the indirect benefits to Maryland agriculture are great when one considers the impact the Baltimore port story has on farming across the Nation.

Port trade, 1953

IMPORTS

	Tons
Iron ore	7,762,776
Manganese ore	3,085,506
Crude petroleum, residual fuel oil and gas oil	2,717,078
Chrome ore	1,224,072
Sugar, raw and refined	346,992
Gypsum rock	274,555
Bananas	191,986
Fertilizers and fertilizer material	90,271
Zinc ore, concentrates, and scrap	73,057
Crude rubber and allied gums	69,822
Molasses	67,519
Steel mill products	55,734
Woodpulp	45,691
Vegetable dyeing and tanning materials	39,065
Coffee, raw or green	38,490
Copra	37,116
Lead and alloys	29,142
Industrial chemicals	25,572
Newsprint paper	22,555

EXPORTS

Grains	1,888,700
Bituminous coal	1,553,589
Iron and steel products	575,562
Fertilizers and fertilizer materials	187,870
Soybeans	141,862
Metal manufactures and parts	51,019
Wheat flour	27,700
Crude vegetable oils, fats, and waxes	25,969
Construction and mining machinery and parts	25,905
Metalworking machinery and parts	24,145
Glass and glass products	19,862
Vegetables and preparations	19,725
Coke, including petroleum coke	18,925
Nonmetallic minerals and manufactures	15,167
Agricultural machinery and parts	14,925
Chemical specialties	13,929
Industrial chemicals	12,741
Brick and tile	12,616
Motor vehicles	10,716
Refined copper in crude forms	10,299
All other products	186,133
Total	4,837,359

AMENDMENT OF INTERNATIONAL CLAIMS SETTLEMENT ACT OF 1949

The Senate resumed consideration of the bill (H. R. 6382) to amend the International Claims Settlement Act of 1949, as amended, and for other purposes.

Mr. SPARKMAN. Mr. President, the pending bill provides for the settlement of certain claims of American citizens against Bulgaria, Hungary, Rumania, Italy, and the Soviet Union. It is an exceedingly complex piece of legislation and is explained in detail in the report of the Foreign Relations Committee and in the hearings. I shall discuss it here only in broad outline.

The basic purpose of the bill is to provide a means whereby certain assets of Bulgaria, Rumania, Hungary, Italy, and the Soviet Union can be used to reimburse, at least in part, American citizens who have claims against those governments arising from war damage, or from nationalization or prewar government debts.

In the case of Bulgaria, Hungary, and Rumania, certain assets in the United States, which have been blocked since early in World War II, will be taken over by the United States and will be distributed to American claimants.

In the case of Italy, the claims will be paid from a fund of $5 million which the Italian Government has made available to the United States Government for that purpose.

In the case of the Soviet Union, the source of payment will be the assets turned over to the United States by the Litvinov assignment of 1933.

The total amount involved is about $41 million, as against claims aggregating an estimated $755 million. There are somewhere between 8,000 and 9,000 claimants. It is expected that the Italian and the Bulgarian claims can be paid approximately in full, but it is obvious that in the other cases—and particularly in the case of claims against the Soviet Union—only a fraction of the claims can be paid.

The bill is frankly discriminatory in favor of small claimants. It provides that the first thousand dollars of all awards made by the Foreign Claims Settlement Commission is to be paid, and that the portion of awards exceeding $1,000 is to be paid pro rata.

The bill also contains an antiwindfall provision, in the form of a committee amendment, which directs the Treasury, before making any payments, to take into account any tax benefits which the claimant has received in prior years as a result of writing off war damage or nationalization losses.

The bill is to be administered by the Foreign Claims Settlement Commission, which is directed to complete its work within 4 years, except for the Russian claims, which must be completed in 2 years. Five percent of the amount of each award will be deducted to pay the costs of administration, so that the bill will not result in any cost to the Treasury beyond the value of the foreign assets involved.

Now, Mr. President, I would like to comment briefly on the amendments proposed by the Foreign Relations Committee to the bill as passed by the House. All of these amendments have the unqualified support of the administration. They are designed, in general, to make the bill conform with the historic practice of the United States in international claims cases and with the well-established principles of international law. In addition, the committee was guided by a desire to protect to the maximum extent possible the interests of legitimate claimants and to prevent windfalls from speculation. This becomes all the more important in view of the fact that in most cases only a fraction of the claims can be paid in any event.

I have already referred to one committee amendment which provides that tax benefits previously received by claimants must be taken into account by the Treasury in making payments. A further amendment, in section 307, is designed to tighten another antiwindfall provision aimed at reducing speculation in claims. As it came from the House, the bill provided that payments to persons other than those to whom the claim originally accrued could not exceed the amount the person paid for the claim prior to January 1, 1953. The committee amendment provides that the actual payment cannot exceed either that amount or the amount last paid for the claim between that date and the date the claim is filed, whichever is less. This amendment is intended to discourage speculation which might otherwise be stimulated by congressional consideration of the bill.

Another committee amendment, in section 303, limits eligible claimants to those who were American citizens at the time the claim accrued. The House bill went considerably further. It would also have allowed claims by those who had declared their intentions of becoming American citizens at the time of the armistice with Bulgaria, Hungary, and Rumania, who had actually become citizens at the time of the peace treaties with those countries, and who had been continuously permanent residents of the United States between those two dates. It seemed to the committee that this was a most undesirable precedent. The United States Government has never espoused claims accruing to other than its own citizens, and it assumed no obligation to do so under the peace treaties or any other agreement. The committee therefore deleted the House language. The limitation of claimants to those who were citizens at the time the claim arose is in accordance with the traditional practice, not only of the United States but of other governments.

In a further effort to provide some greater degree of protection to bona fide American claimants, the committee added another amendment in section 303 which expressly limits claims based on Bulgarian, Hungarian, and Rumanian bonds to dollar bonds acquired by American citizens before September 1, 1939, in the case of Hungary and Rumania, and before April 24, 1941, in the case of Bulgaria.

Finally, the committee amended the House bill so that, with respect to nationalization claims against the satellite countries, it would apply to claims of American citizens arising at any time prior to the effective date of the act. As it passed the House, this portion of the bill applied only to claims arising before September 15, 1947, the date of the peace treaties with Bulgaria, Hungary, and Rumania. Inasmuch as most

of the nationalizations in these countries have taken place since that date, the House bill would have excluded virtually all such claims. This seemed to the committee to be unjustly discriminatory against nationalization claims in favor of war damage claims. The committee amendment removes this discrimination.

In conclusion, Mr. President, let me make it clear that this bill does not pretend to make a final settlement of the claims involved. The Bulgarian, Rumanian, and Hungarian Governments continue to violate their peace treaty obligations either to restore American-owned property or else to provide compensation to the extent of two-thirds of the war damage suffered by it.

The bill does, however, open the way for some payment to American claimants of long standing. There is no reason to delay action any longer in making use of these satellite assets in the United States so as to provide some measure of compensation to Americans who have been deprived of their property abroad. The bill provides the largest measure of equity and justice which it is possible to provide at this time, and I commend it to the Senate.

Mr. HUMPHREY. Mr. President, I have been very much concerned about the bill. In my opinion, the committee has done a very adequate job in trying to include in the bill principles of equity, and at least a beginning toward the settlement of the claims.

As the Senator from Alabama may recall, the committee also included in the bill provisions for the protection of the Federal Treasury in cases where claimants had taken a tax writeoff, so that an adjustment would be made if there were a restitution of claims which were sought to be processed.

Mr. President, during consideration of the bill by the Foreign Relations Committee, my attention was called to the fact that there were some American property owners whose property in Bulgaria, Hungary, and Rumania was seized by the Soviet occupying authorities and subsequently sold or otherwise transferred to the satellites. The question was raised as to whether these American citizens were entitled to compensation under the bill. It was my feeling that the bill should provide compensation for all Americans who lost property in the Soviet satellite countries, including those whose property was initially taken by the Soviet occupation forces.

Upon checking with the committee staff and with the staff of the Foreign Claims Settlement Commission, I was assured that Soviet claims would be recognized. It is for that reason that the committee did not adopt a clarifying amendment. However, the committee report expresses our understanding that where American property was seized by the occupation authorities and was then sold or otherwise transferred to the satellite governments in question, the owner of the property has a valid claim under the bill.

I mention this as a matter of legislative history, because one of the members of my office staff spent much time on this item with the Foreign Claims Settlement Commission. The Commission said that under existing authority and under their general rules and regulations, they were able to justify these claims; in other words, that the claim would be valid. Therefore, the committee did not clarify that point by an amendment.

But I have noted that the report makes it clear that if American property was seized by the occupation authorities and was then sold or otherwise transferred to satellite governments, the owner of the property has a valid claim under the bill.

Mr. SPARKMAN. The Senator's understanding is correct. I call attention to the fact that on page 5 of the committee report the subject matter of the Senator's question and statement is covered in line with the thinking of the junior Senator from Minnesota.

Mr. HUMPHREY. I thank the Senator from Alabama. The Senator also referred to the tax issue involved in the bill.

Mr. SPARKMAN. That is correct. In the statement I made in presenting the bill, I called attention to the amendment of section 310, in which provision is made against a windfall, as a result of a person having heretofore charged off a loss and later collecting a part of it and getting a double benefit.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that that portion of the report on page 12, under subtitle 10, entitled "Tax Benefits From Writeoffs of Losses," be printed at this point in the RECORD, so that it may become a part of the legislative history.

Mr. SPARKMAN. I think it is a good idea to have that portion of the report included in the RECORD.

There being no objection, the excerpt from the report (No. 1050) was ordered to be printed in the RECORD, as follows:

10. TAX BENEFITS FROM WRITEOFFS OF LOSSES

During the hearings, the committee's attention was drawn to the possibility that a number of the larger claimants, who had already written off their property losses as a deduction from taxable income, would be allowed, in effect, a second recovery by receiving an award from the Commission for the same loss. It was deemed to be inequitable to allow such a recovery which would have the effect of reducing the fund shared by other claimants whose less fortunate circumstances had not permitted them to realize corresponding tax benefit.

For this reason, the committee decided that the bill should provide for a reduction in the amount paid under any award by the amount of the tax benefit obtained in prior taxable years. To accomplish this purpose, the committee recommended that section 310, paragraph 4, of the bill be amended so as to add to the end thereof the following language: "less the amount of any reduction in Federal or State income taxes resulting from the allowance in prior years of any deduction on account of the destruction or seizure of property for which the award hereunder has been made."

Under this amendment, the Secretary of the Treasury would take all such tax benefits into account before making any payments pursuant to an award. The Commission's duty, in this respect, would be limited merely to requesting information from each claimant as to whether tax benefits of the kind discussed in this section had been obtained.

Mr. SPARKMAN. Mr. President, I wish to comment on a remark made by the Senator from Minnesota a few moments ago, namely, the difficulty of writing this type of legislation.

In my opening statement, I called attention to the fact that this is a complicated bill. It is extremely complicated when one considers that there are between 8,000 and 9,000 claims, involving $750 million, while only $41 million is available from which to make payments. Under these circumstances, it is difficult to do justice to all, and it may be that some criticism will be directed toward the committee.

I imagine that some large claimants will criticize us for having discriminated in favor of small claimants. But it seems to me to be only fair and equitable that some such arrangement as this be carried out.

We do not say that the $1,000 claims shall be paid ahead of all other claims, but simply that the first thousand dollars across the board shall be paid. Thus everyone will be treated alike, so far as the first thousand dollars of his claim is concerned.

Mr. HUMPHREY. That is clearly spelled out in the committee report. I believe that since this is such a complicated bill, and unless there be objection, it would be well, together with the clear explanation of the bill by the Senator from Alabama, to have the first 12 pages of the report printed in the body of the RECORD; and I ask unanimous consent that that be done, primarily because, in a study of the purpose of the bill, the explanation in the committee report is precise and, at the same time, will give the intent and interpretation of the committee of Congress when the bill was discussed on the floor.

There being no objection, the report (No. 1050) was ordered to be printed in the RECORD, as follows:

The Committee on Foreign Relations, having had under consideration H. R. 6382, amending the International Claims Settlement Act of 1949, as amended, to provide for the settlement of certain claims of nationals of the United States against Bulgaria, Hungary, Rumania, Italy, and the Soviet Union, report the same to the Senate with a number of amendments and recommend that it do pass.

1. MAIN PURPOSE OF THE BILL

The purpose of the present bill is to establish a claims program for the benefit of American nationals whereby they may obtain at least partial compensation for (1) war damage, nationalization, and prewar governmental debt (bond) claims, against the Governments of Bulgaria, Hungary, and Rumania; (2) claims against the Government of Italy arising out of the war and not otherwise provided for in the Italian peace treaty; and (3) claims against Russian nationals secured by liens on certain assets prior to the Litvinov assignment, and other claims arising prior to November 16, 1933, against the Soviet Government. To that end the bill authorizes the vesting and liquidation of currently blocked assets of the Governments of Bulgaria, Hungary, and Rumania and of their nationals other than natural persons. Approximately $27 million will be realized from this source. Claims against the Soviet and Italian Governments would be satisfied out of two additional funds consisting, respectively, of approximately $9 million in assets transferred to the United States under the Litvinov assignment, and of $5 million made available to this country

pursuant to an exchange of notes known as the Lombardo Agreement.

Under this bill, the entire program would be administered by the Foreign Claims Settlement Commission which succeeded to the functions of the International Claims Commission and the War Claims Commission under Reorganization Plan No. 1 of July 1, 1954. This is accomplished by amending the International Claims Settlement Act of 1949, as amended, so as to authorize the Foreign Claims Settlement Commission to adjudicate the various classes of claims described above, and to certify its awards to the Secretary of the Treasury for payment in accordance with the procedure established in the bill. Neither the amounts paid in satisfaction of the claims, nor any expenses incurred in administration of the program would be derived from general appropriations. All awards will be payable exclusively from assets of the countries referred to which are or will become available to the United States for the settlement of these claims. In other words, the funds do not come from the pockets of the taxpayer.

2. BACKGROUND OF THE BILL

In the peace treaties of September 15, 1947, the Governments of Bulgaria, Hungary, and Rumania undertook to restore American-owned property in their respective countries or else provide compensation to the extent of two-thirds of the war damage suffered by it. These undertakings have not been honored. Nor have American owners been compensated for property which was nationalized or otherwise taken subsequent to the date of the treaties. Other obligations to American nationals likewise remain unsatisfied. Under the terms of the peace treaties (art. 29 of the treaty with Hungary is typical), it was provided that assets in the United States belonging to the three governments or their nationals might be seized and liquidated, and the proceeds used for such purposes as the United States might desire "within the limits of its claims and those of its nationals, including debts, other than claims fully satisfied under other articles of the present treaty."

Similarly, the Government of Italy, in article 78 of the 1947 peace treaty with that country, undertook to compensate, in Italian currency, those United States nationals who had sustained war damage to their property in Italy. The scope of this provision is limited to those claims which arose within Italian territory, and does not extend to claims arising on the high seas and other types of damage. Treaty claims are being handled by a conciliation commission established under article 83 of the peace treaty. During negotiations for the release and return of Italian assets which had been blocked in this country, the Italian Government turned over to the United States the sum of $5 million "to be utilized in application of the claims of United States nationals arising out of the war with Italy and not otherwise provided for."

The remaining general source of the funds involved in the present bill consists of assets released and assigned to the United States pursuant to the agreement of November 16, 1933, between President Franklin D. Roosevelt and Maxim Litvinov under which recognition was extended to the Soviet Union. Although the assignment stated that it was preparatory to a final settlement of outstanding claims and counterclaims between the two Governments, further efforts to obtain such an overall settlement have not been successful. The assigned assets, amounting to about $9 million, have been collected and are deposited in a special account in the Treasury.

These are the funds which are available to claimants against the five governments. Of $34 million in vested and blocked assets of Bulgaria, Hungary, and Rumania, $27 million are either government- or corporate-owned, and will be disposed of under the bill. The balance, belonging to private individuals, is to remain blocked pending future study of the disposition to be made of it. Because there is at present no other way for American owners to obtain recompense for their losses except against the assets made available in this bill, the administration has decided that the claims of American citizens should be met by utilization of the funds referred to.

3. COMMITTEE ACTION

H. R. 6382 was introduced in the House of Representatives by Hon. JAMES P. RICHARDS, the chairman of the House Committee on Foreign Affairs, on May 19, 1955, and passed the House on June 23, 1955. Hearings before the Committee on Foreign Relations began on July 8, 1955, with testimony by administration witnesses, including Assistant Secretary of State Thruston B. Morton, Chairman Whitney Gillilland of the Foreign Claims Settlement Commission, and Commissioner Henry J. Clay. Mr. Sidney Gross of the Office of Alien Property, Department of Justice, addressed himself to title II of the bill, relative to the vesting and liquidation of property of the satellite governments. Three Members of Congress, Hon. ALVIN M. BENTLEY, Hon. EUGENE J. KEOGH, and Hon. ABRAHAM J. MULTER, were also heard. Public hearings were concluded on July 14, 1955, with testimony from 16 private witnesses.

The committee, after approving certain changes in the bill, voted, without objection, to report it favorably to the Senate on July 19, 1955.

4. SUMMARY OF PROVISIONS

(a) *Vesting and liquidation of assets (title II)*

Sections 201–215 of the bill authorize the vesting of assets in the United States owned by Bulgaria, Hungary, and Rumania and their nationals other than natural persons. The assets proposed for vesting are among those still blocked under Executive Order 8389 of April 10, 1940, as amended, pursuant to which World War II blocking controls were administered. Any proceeds from the liquidation of such vested assets would be transferred to special funds in the Treasury dedicated to the payment of compensation to qualifying American claimants against the governments of the three countries referred to. A limited amount of assets belonging to natural persons and vested during World War II would be divested and retained in special blocked accounts along with the still blocked assets of natural persons of Bulgarian, Hungarian, and Rumanian nationality.

This portion of the bill is modeled substantially after the pertinent provisions of the Trading With the Enemy Act, as amended (50 U. S. C., App. 1 et seq.). Sections 201–203 set forth the features of the vesting program described above and the procedure for implementing it. A determination by the administering agency that property is not owned by natural persons is final, and not subject to judicial review. Compliance with vesting orders concerning securities would be obtained by requiring the issuing company to issue new certificates or other documents to the administering agency (sec. 203). The recording of a vesting order is given the same effect for purposes of notice to interested parties as the recording of a conveyance or an assignment (sec. 204). Persons effecting any payment, conveyance, or delivery of property pursuant to orders of the administering agency are relieved of any liability therefor (sec. 205). Provision is also made for judicial enforcement of orders by the agency (sec. 206). Any complainant alleging he is not a national of Bulgaria, Hungary, and Rumania has the choice of a judicial remedy, or an administrative remedy with judicial review by the United States Circuit Court of Appeals; but he must elect between the two procedures.

Under section 208, the administering agency is directed to apply property vested under section 202 to the payment of debt claims of Americans against the prevesting owners. The claim of a creditor can be paid only from the vested property of his particular debtor. Debt claims against the three governments, as well as debt claims payable in non-American currency under this section, are barred. The net effect of the provision would be to permit the payment of any debts of prevesting owners prior to the application of such owners' property to payment of awards by the Foreign Claims Settlement Commission against the governments of these owners. Disallowance of any such debt claims is subject to judicial review.

Section 209 empowers the administering authority to hold hearings, prescribe rules governing the disposition of claims, and issue subpenas, administer oaths, and examine witnesses. A 1-year statute of limitations is provided for filing suits and claims for return of vested property (sec. 210). As in other portions of the bill, a 10-percent ceiling is established on attorneys' fees in suits or claims for return of property (sec. 211). Under section 212, Federal, State, and local taxes otherwise payable are not rendered inapplicable by vesting, and the administering agency is authorized to pay such taxes. The amount of any administrative expenses incurred by the agency in connection with particular assets may be deducted prior to their transfer to the Treasury (sec. 213). Postvesting liens, attachments, and the like against vested assets or the proceeds thereof are prohibited except as specifically authorized (sec. 214), and criminal penalties are established for violations of the provisions of title II of the bill (sec. 215).

(b) *Claims against Bulgaria, Hungary, Rumania, Italy, and the Soviet Union (title III)*

Section 301 contains definitions of the terms used in title III. Thus, for example, "Treaty of Peace" refers to the treaty between the United States and a former enemy state which came into force on September 15, 1947. "Memorandum of Understanding" means the Lombardo Agreement with Italy. The term "national of the United States" for the purposes of the bill includes (*a*) a natural person who is a citizen of or owes permanent allegiance to the United States, and (*b*) a corporation organized under the laws of the United States of which more than 50 percent of the stock is owned by American nationals who are natural persons.

Under section 302, five separate funds are created in the Treasury for claims against the five governments, from the sources already indicated in this report. (See sec. 2 above.) It is provided that the Secretary of the Treasury shall deduct from each claims fund 5 percent thereof as reimbursement to the Government of the United States for expenses incurred by the Commission and the Treasury in administering this title of the bill. Such deduction will be made before any sums are paid out to claimants. The funds created remain completely independent of each other and are not pooled for application to the five categories of claims as a whole. Claims against each government must be satisfied out of the assets pertaining to that government.

Section 303 directs the Commission to receive and determine "in accordance with applicable substantive law, including international law, the validity and amounts of claims of nationals of the United States against the Governments of Bulgaria, Hungary, and Rumania," in three classes of cases. The first involves war damage claims which the governments in question had un-

dertaken to satisfy in the treaties of peace (par. 1). The second group consists of claims for nationalization, compulsory liquidation, or "other taking," prior to September 15, 1947 (the date of the treaties of peace), of property of American nationals in Bulgaria, Hungary, and Rumania (par. 2). The third group relates to "obligations arising out of contracts which existed on, or out of other rights which were acquired by nationals of the United States prior to, April 24, 1941, in the case of Bulgaria, and on or prior to September 1, 1939, in the case of Hungary and Rumania, and which became payable prior to September 15, 1947."

War-damage claims include claims for the physical loss or destruction of identifiable property resulting from war operations in the particular country against which the claim is filed. Nationalization or other expropriation claims cover the taking of American-owned property by any of these countries for which compensation has not been made. The phrase "other taking" in paragraph 2 of this section would also appear to include takings of American-owned property in the satellite countries by occupation authorities, which property was subsequently acquired and is presently held by the satellite governments. The precise means by which they attained control over such property would seem to be immaterial. Prewar governmental debt claims contemplate those claims based upon the failure of any of these governments to meet their bond obligations or other debts.

Section 304 deals with claims against the Government of Italy arising out of the war in which Italy was engaged from June 10, 1940, to September 15, 1947, and for which no provision was made in the peace treaty. These claims would be satisfied out of funds transferred to the United States under the Lombardo agreement already referred to.

Russian claims are disposed of in section 305. They include two general classes: (1) Claims founded upon liens which had been obtained prior to November 16, 1936, by United States nationals, arising out of a judgment or warrant of attachment against property in the United States subsequently taken over by the Government under the Litvinov assignment; and (2) claims of nationals of the United States against the Soviet Union arising prior to November 16, 1933, the date of the assignment. Awards in the first class may not exceed the proceeds of the property subjected to the lien. If the proceeds are less than the aggregate amount of all valid claims related to the same property, the award may not be greater than the proportionate amount of each such claim with respect to the total proceeds. By virtue of section 310 (a), such awards must be paid by the Secretary of the Treasury in full, in contrast with the pro rata treatment given to all other claims. This preferential treatment is justified by the following considerations: A number of nationals of the United States, having pursued their claims against Russian nationals in United States courts, or in State courts, obtained liens against specific assets, and to that extent acquired a property interest therein. These assets then became the subject of the Litvinov assignment and were transferred to the Federal Government. Lien claimants, it was felt, were entitled to a priority in the payment of their claims over other claims against the Soviet Government which had not attained a comparable legal status. It is also provided (sec. 305 (b)) that any valid judgment entered by a court in the United States shall be binding upon the Commission in its determination, under this section of the bill, of any issue decided by the court which entered judgment. Finally, the Commission is directed to give preference, in its procedure and deliberations, to the disposition of this group of claims over other claims presented to it.

(c) Procedural provisions

Sections 306–310 deal with Commission procedure relative to the filing of claims and certification of awards. Section 306 requires the Commission to publish in the Federal Register the time when and the limit of time within which claims may be filed; but in no event may such filing period exceed 1 year after the date of publication, except that Russian claims must be filed within a period of 6 months of the date of notice. The notice to the public must be published within 60 days after enactment of the bill or enactment of appropriations legislation for administrative expenses, whichever is later.

Section 310 sets forth a number of directions to the Secretary of Treasury concerning the payment of awards and the manner in which this is to be done. This portion of the bill is frankly designed to benefit the holders of small claims of $1,000 or less. These claimants would be paid in full, immediately. For claims in excess of $1,000 (except for the preferential treatment given certain Russian claimants, as already noted in sec. 4b), the claimant would be given $1,000 as a downpayment. The balance of his award would be paid from time to time in ratable proportions after the Treasury had determined how much money remained in the fund. After payment had been made in full of the principal amounts of all awards from any one fund, pro rata payments would be made from the remainder of such fund then available for distribution on account of accrued interest on such awards as bear interest.

Section 313 specifically declares that no payment for less than the full amount of a claim determined to be valid by the Commission shall have the effect of extinguishing the claim, or of divesting either the claimant or the United States Government of any rights against the particular foreign government for the unpaid balance of the claim or for restitution of the claimant's property. It is further provided, somewhat superfluously, that awards made under the bill shall not prejudice claims of the United States against any foreign government.

The action of the Commission in allowing or disallowing a claim under title III of the bill is final and conclusive and not subject to administrative or judicial review (sec. 314).

(d) Miscellaneous provisions

Under section 316, the Commission must complete its affairs in connection with the settlement of claims within the period of 4 years from the enactment of the bill, except for so-called judgment claims against Russian nationals, which are required to be disposed of within 2 years. Section 317 limits the fees of attorneys "for services rendered * * * in connection with any claim filed with the Commission" to a maximum of 10 percent of the amount paid on account of the claim, any agreement to the contrary notwithstanding. Criminal penalties are provided for violations of this provision. However, the bill authorizes the Commission, under circumstances of unusual hardship, to order as remuneration an amount in excess of the 10-percent limit. Petitions to the Commission for relief in such cases must be filed within 3 months after the Commission has completed its functions in respect of all claims payable from the fund to which the particular award pertains. Section 315 authorizes the appropriation of such sums as may be necessary to enable the Commission and the Treasury Department to pay administrative expenses incurred in carrying out the provisions of the bill.

Finally, it is provided that no award under title III shall be made for any person who "voluntarily, knowingly, and without duress, gave aid to or collaborated with or in any manner served any government hostile to the United States during World War II, or who has been convicted of * * * any * * * crime involving disloyalty to the United States (sec. 312)."

5. CORPORATE CLAIMS: STOCKHOLDER ELIGIBILITY

It has been pointed out in this report that for a United States corporation to qualify as an American national in presenting a claim to the Commission, more than 50 percent of its stock must be owned by natural persons who are nationals of the United States (sec. 301). Section 311 specifies the conditions which must be met by a stockholder in asserting a claim for damage sustained by a corporation which was not an American national at the time of loss. In its original draft form, the bill stated that in such cases the claim should be acted upon without regard to the nationality of the company, if at the time of the loss at least 25 percent of the outstanding capital or other beneficial interest in such entity was owned, directly or indirectly, by natural persons who were nationals of the United States. The phraseology reflects the traditional practice of the United States in requiring a showing of a "substantial" interest in a foreign corporation, before it will espouse an international claim. Its primary purpose, however, was to eliminate claims based upon a holding of 1 or 2 shares, which would hardly justify the expense and effort of processing.

This provision was amended on the floor of the House of Representatives to include as eligible claimants the same class of claimants as "would be eligible to file claims" for war damage against the satellite governments under section 303 (1). The quoted phrase would produce some curious results in the bill. Under section 303, the only persons eligilbe to file claims are American nationals. On the other hand, the Commission, under section 303 (1), may not deny claims on the sole ground that a claimant was not a national, if he meets the conditions set forth therein. The effect of the House amendment, therefore, is to declare that a claimant may only file a claim under the provision if 25 percent of the stock interest is owned by nationals of the United States or "nationals of the United States." The obvious purpose of the amendment was to permit a person to qualify as a claimant in cases of corporate loss, if he could show that 25 percent of the stock was held either by American nationals, or by persons who are not nationals but who (1) declared their intention to become a citizen at the date of the armistice; (2) resided permanently in the United States between that date and the date of the treaty of peace; and (3) became a citizen of the United States by September 15, 1947. The provision was opposed by the administration, in the words of Commissioner Gilliland, on the ground that "these eligibility requirements would present complicated, involved, and expensive problems of establishing entitlement to compensation. They have all the earmarks of special legislation, and we do not believe they ought to be in the bill."

The committee notes that the amendment here in question constitutes a departure from the standard method of handling claims of American stockholders in foreign corporations. As already mentioned, the test usually applied has been that of a "substantial" American interest, and the claim must have been national in origin as well as on the date of presentation. The House amendment puts the United States in the position of supporting stock claims where there may have been no American interest at all on the date of loss. For these reasons, the committee recommends that section 311 (b) of the bill be amended by deleting the words "or such natural persons who would be eligible to file claims under section 303 (1)." This change signifies that a stockholder claimant in a foreign corporation would not be eligible under the bill unless 25 percent

of the corporate stock was owned by American nationals at the time of loss.

6. ELIGIBLE CLASSES OF CLAIMANTS

The general principle controlling the eligibility of a natural person to file a claim against another government is the familiar rule of international law that such a claim must be continuously owned by the national of the claimant state from the time the claim arose until the date of its presentation. This principle is followed in the bill as it passed the House with respect to the Russian and Italian claims, as well as for claims based upon nationalization and compulsory liquidation of property in the territory of Bulgaria, Hungary, and Rumania. It is not followed with respect to war damage claims or claims of American stockholders in foreign-owned corporations. (See sec. 5 above.) Thus, the bill as approved by the House does not contain a uniform standard of eligibility, and consequently discriminates in principle between various categories of claimants.

In the draft bill originally submitted by the administration to the House Committee on Foreign Affairs the same principle was applied to claims based upon war damage in those three countries. As reported by that committee, however, and passed by the House, the principle was abandoned for such claims. Instead, section 303 declares that the claimant need not have been an American citizen when the loss was suffered, provided that he was (a) a person who had declared his intention to become an American citizen at the time of the armistice, (b) had become a citizen by September 15, 1947 (the date of the peace treaty), and (c) resided in the United States permanently from the date of the armistice to the date of the peace treaty.

The committee has carefully considered the arguments advanced in support of the proposed extension of eligibility which, if adopted, would mark the first time in the claims history of the United States that a declaration of intention was equated with citizenship. After weighing all pertinent factors, the committee has concluded that such a precedent is not desirable. While sympathetic to the plight of those unfortunate individuals who were not American citizens when they sustained war losses, the committee has had to keep uppermost in view the interest of those individuals who did possess American nationality at the time of loss. It is these persons who have a paramount claim to any funds which may be available. Even without the addition of the class here questioned, the funds will be insufficient to meet the claims of otherwise qualified claimants, except possibly in the case of the Bulgarian and Italian assets. The accompanying table shows the approximate number of claimants, the estimated amounts of claims to be filed, and the funds available for the payment of such claims by countries.

Estimated number of claims, amounts, and funds available

Country	Estimated number of claimants	Estimated total of claims to be filed	Funds available to pay claims
Bulgaria	[1] ¼, 000	+$125, 000, 000	$3, 000, 000
Hungary			6, 000, 000
Rumania			25, 000, 000
Italy	1, 000–1, 500	+5, 000, 000	5, 000, 000
Russia	3, 000–3, 500	425, 000, 000	9, 000, 000
Total funds			48, 000, 000
Less assets owned by natural persons			7, 000, 000
Net total available for payment of claims			41, 000, 000

[1] It is estimated that approximately ½ o these claims are for losses arising prior to Sept. 15, 1947.

Approximately one-half of the claims against Bulgaria, Hungary, and Rumania are expected to be for losses arising prior to the date of the peace treaties, a total of 2,000 claims comprising over $60 million. The net total available for payment of the remaining claims is expected to be in the neighborhood of $25 million. The following table shows the estimated number and amount of claims which would be involved if those claimants whose citizenship was acquired after the date of the armistice are excluded:

Hungary:	
Total claims filed	1, 124
Claimants acquiring citizenship after 1944 (armistice)	167
Average claim	$28, 000
Rumania:	
Total claims filed	226
Claimants acquiring citizenship after 1944 (armistice)	15
Average claim	$38, 000
Bulgaria:	
Total claims filed	139
Claimants acquiring citizenship after 1944 (armistice)	25
Average claim	$35, 000

To include the non-national-in-origin group would only dilute the funds still further, and increase the injustice to American owners. For these reasons, the committee decided to delete the last sentence of section 303, paragraph (1), which would have the effect of limiting the eligible class to claimants who were American citizens at the date the loss was sustained.

7. NATIONALIZATION CLAIMS AND THE CUTOFF DATE OF SEPTEMBER 15, 1947 (THE BENTLEY AMENDMENT)

In the form in which it was adopted by the House, section 303 (2) of the bill provides that the Commission should dispose of claims "for the nationalization, compulsory liquidation, or other taking, prior to September 15, 1947, of property of nationals of the United States in Bulgaria, Hungary, and Rumania."

The italicized phrase, which was not in the bill drawn up by the interested administrative agencies, was adopted by the House Committee on Foreign Affairs at the suggestion of Congressman ALVIN M. BENTLEY. Its intent was to limit solely to war damage claims the use of assets which had been blocked during wartime. Because most of the claims based upon nationalization action by the satellite governments took place subsequent to the date of the peace treaties, all such claims would be barred. Of the three countries dealt with in this portion of the bill, only Hungary had begun nationalization prior to the date of the peace treaties.

The committee is not persuaded that the arguments advanced in support of this restriction upon nationalization claims are sufficient to overcome the injustice which it works with respect to those claimants whose property losses were sustained after September 15, 1947. Unless they are permitted to share in the funds, their chances of recovering anything in the foreseeable future are extremely remote. Moreover, to subordinate nationalization and confiscation claims to war damage claims would not be in the best interests of the United States which has always espoused the claims of American nationals against foreign governments for expropriations without just compensation. There is no evidence that any group of claimants, even those who would stand to benefit from the increased sums made available for war damage claims, are in favor of this amendment, and the administration is strongly opposed to it.

For these reasons, the committee unanimously voted to strike the phrase "September 15, 1947," and to replace it with the words "the effective date of this act." The change would extend the Commission's jurisdiction to nationalization claims arising both before and after the date of the peace treaties.

8. SPECULATION IN CLAIMS

Section 307 of the bill provides that any award made pursuant to title III, which is based on a claim of a United States national other than the national to whom the claim originally accrued, shall not exceed the amount of the actual consideration last paid therefor prior to January 1, 1953. This provision is intended to discourage speculation in claims by preventing the enrichment of those individuals who may have paid low prices for their bonds or other claims. Its effect would be that if the claim were purchased from its original holder or his successor in interest prior to January 1, 1953, the claimant would be entitled only to the price he paid for it; whereas if it were purchased after that date, he would be entitled to the value of his claim, although that value may have increased for whatever reason.

The committee considers that this discriminatory feature of the bill should be eliminated and that the bar to speculative enrichment should apply up until the time the claim is presented to the Commission. For this reason, it voted to replace the clause "prior to January 1, 1953" by the following language: "either prior to January 1, 1953, or between that date and the filing of the claim, whichever amount is less."

9. BOND CLAIMS

Claims dealt with in section 303 (3) of the bill relate to contractual obligations, principally rights in bonds, issued by the Governments of Bulgaria, Hungary, and Rumania. The jurisdiction given to the Commission is limited to obligations acquired by United States nationals before the war, and which became payable prior to the date of the peace treaties. The section reads as follows:

"Obligations arising out of contracts which existed on, or out of other rights which were acquired by nationals of the United States prior to April 24, 1941, in the case of Bulgaria, and on or prior to September 1, 1939, in the case of Hungary and Rumania."

The committee considers that the italicized passage is susceptible of varying interpretations, and might be productive of difficulties for the Commission in applying it. It might be argued that the provision covered bonds payable in the currency of Bulgaria, Hungary, and Rumania; whereas the persons whom we are seeking to protect are American nationals who purchased bonds marketed in the United States. The phrasing "contracts which existed on" is also unfortunate, in that it might be construed as justifying presentation of a bond claim which was not American in origin.

Accordingly, the committee voted to amend paragraph 3 so that it would read "meet obligations expressed in currency of the United States arising out of contractual or other rights which were acquired," etc. In this connection it should be emphasized that whether a claim based upon a defaulted bond is a valid international claim will be a matter for the Commission to determine. It must not be assumed that the mere fact that bond payments have been defaulted suffices

to create a valid claim. As pointed out in the Annual Report of the Foreign Bondholders Protective Council, Inc., for 1945:

"The traditional policy of the American Government has been that such loan and investment transactions were primarily private actions, to be handled by the parties directly concerned. The Government realizes a duty, within the proper limits of international law * * * to defend American interests abroad. However, it would not be wise for the Government to undertake directly the settlement of private debt situations."

10. TAX BENEFITS FROM WRITEOFFS OF LOSSES

During the hearings the committee's attention was drawn to the possibility that a number of the larger claimants, who had already written off their property losses as a deduction from taxable income, would be allowed, in effect, a second recovery by receiving an award from the Commission for the same loss. It was deemed to be inequitable to allow such a recovery which would have the effect of reducing the fund shared by other claimants whose less-fortunate circumstances had not permitted them to realize corresponding tax benefit.

For this reason, the committee decided that the bill should provide for a reduction in the amount paid under any award by the amount of the tax benefit obtained in prior taxable years. To accomplish this purpose, the committee recommended that section 310, paragraph 4, of the bill be amended so as to add to the end thereof the following language: "less the amount of any reduction in Federal or State income taxes resulting from the allowance in prior years of any deduction on account of the destruction or seizure of property for which the award hereunder has been made."

Under this amendment, the Secretary of the Treasury would take all such tax benefits into account before making any payments pursuant to an award. The Commission's duty, in this respect, would be limited merely to requesting information from each claimant as to whether tax benefits of the kind discussed in this section had been obtained.

11. CONCLUSIONS

The committee desires to record its satisfaction that steps are now being taken to provide a method of compensating American nationals who have sustained losses covered by the present bill. Settlement of their claims out of the assets which are available to the Government, and at no additional cost to the taxpayers, is long overdue.

Admittedly, the bill, as it is reported to the Senate, does not embrace all categories of claimants who may feel that they should be allowed to participate in the funds. It must be emphasized, however, that these funds are limited, and that to the extent that additional, less deserving classes are admitted, those funds will be further diluted, to the prejudice of individuals who were American citizens at the time they were injured in their property rights. The committee's primary concern has been to do the greatest possible equity while at the same time following a course which is believed to be in the best interests of the United States in maintaining a sound claims policy.

The committee believes the bill to be sound and equitable and strongly urges its approval by the Senate.

The PRESIDING OFFICER. The clerk will state the first committee amendment.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

On page 28, line 22, after the word "sustained", to strike out the period and "No claim under this paragraph shall be denied on the sole ground that the natural person who originally suffered the loss was not a national of the United States if on the date of the armistice with the country with respect to which his claim is asserted and continuously thereafter until September 15, 1947, such person was a permanent resident of the United States, and if he had at any time prior to the date of such armistice formally declared his intention of becoming a citizen of the United States and had become a citizen of the United States by September 15, 1947"; on page 29, at the beginning of line 11, to strike out "September 15, 1947" and insert "the effective date of this act"; after line 13, to strike out:

"(3) meet obligations arising out of contracts which existed on, or out of other rights which were acquired by nationals of the United States prior to, April 24, 1941, in the case of Bulgaria, and on or prior to September 1, 1939, in the case of Hungary and Rumania, and which became payable prior to September 15, 1947."

And in lieu thereof to insert:

"(3) meet obligations expressed in currency of the United States arising out of contractual or other rights acquired by nationals of the United States prior to April 24, 1941, in the case of Bulgaria, and prior to September 1, 1939, in the case of Hungary and Rumania, and which became payable prior to September 15, 1947."

On page 32, line 9, after the word "therefor", to strike out "prior to January 1, 1953" and insert "either prior to January 1, 1953, or between that date and the filing of the claim, whichever is less"; on page 33, line 17, after the word "made", to insert "less the amount of any reduction in Federal or State income taxes resulting from the allowance in prior years of any deduction on account of the destruction or seizure of property for which the award hereunder has been made"; and on page 35, line 7, after the word "States", to strike out "or, such natural persons who would be eligible to file claims under section 303 (1)."

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 6382) was read the third time and passed.

Mr. SPARKMAN. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. SPARKMAN, Mr. HUMPHREY, Mr. MANSFIELD, Mr. SMITH of New Jersey, and Mr. HICKENLOOPER conferees on the part of the Senate.

SIR WINSTON CHURCHILL

Mr. SMATHERS. Mr. President, today the people of the world are more hopeful for lasting peace than they have been since the end of World War II. This confident, hopeful feeling results from the action of the Big Four at the recent meeting at the summit at Geneva, Switzerland. President Eisenhower deserves great credit for his expressions on behalf of the American people and his inspired leadership at the conference. He was the free world's advocate. He made it clear that the free world sincerely sought a peaceful solution to the problems which confront and confound the world today.

The chairman of the Committee on Foreign Relations, the senior Senator from Georgia [Mr. GEORGE], deserves great credit as well for the conference being held, for he was the man who had the courage and the foresight to express the opinion that the United States was big enough and strong enough to meet with the Communists and to discuss with them the tensions of the world and the prospects for peace.

The peace-loving people of the world owe an eternal debt of gratitude to the courage and vision of the Senator from Georgia. However, the original idea of this meeting at the summit was that of another of the truly great men of our time, or, of all time, for that matter, a man whose stature, whose vision, whose influence, whose voice have reached across the continents of the world to give hope and inspiration to the people of the world who sought freedom and peace. I speak of that famous man, Winston Churchill.

When several months ago, the retirement of Winston Churchill as Prime Minister of Great Britain was announced, it was my first thought to propose legislation conferring upon him honorary citizenship in recognition of his service and of the unique affection and veneration in which he is held in this country. But a detailed study of the proposal showed there were legal complications which might detract from the recognition which was contemplated. Accordingly, I have prepared, instead, and am submitting at this time, a resolution expressing the appreciation of the United States Senate to this elder statesman of the world.

Winston Churchill was first elected to Parliament 55 years ago, in 1900, and attained Cabinet rank in 1910 as Home Secretary.

Across the lives of two generations, and across the pages of history, his record is today indelibly imprinted more than any other figure in modern times, he has inspired the free peoples of the world to fight as well as die for freedom.

It was Churchill who, in the darkest hours of the battle for Britain, showed his people and the world that by faith and indomitable courage the evil forces of tyranny could be defeated. He set the example against naziism, and then went on to show the same stalwart determination against the threat of communism.

In his career, Churchill has been closer to the people of the United States than has any other foreign leader. In a real sense, he is a son of America, for his mother was a citizen of this country.

In the twilight of his career, it is fitting that we recognize his great contribution. It is for that reason that I now submit a resolution which expresses the hope that his life will be rich and joyous, repaying him in some small measure for his services to mankind. The world is better, stronger, healthier, and happier because of Winston Churchill.

So on behalf of myself and 51 other Senators I submit the resolution and ask that it be appropriately referred.

The PRESIDING OFFICER. The resolution will be received and will be appropriately referred.

The resolution (S. Res. 139), submitted by Mr. SMATHERS (for himself, Mr. ALLOTT, Mr. ANDERSON, Mr. BARRETT, Mr. BEALL, Mr. BENNETT, Mr. BRICKER, Mr. BUTLER, Mr. BYRD, Mr. CASE of New Jersey, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. CLEMENTS, Mr. DANIEL, Mr. DOUGLAS, Mr. DUFF, Mr. ERVIN, Mr. FLANDERS, Mr. FULBRIGHT, Mr. GEORGE, Mr. GOLDWATER, Mr. GORE, Mr. HAYDEN, Mr. HICKENLOOPER, Mr. HILL, Mr. HOLLAND, Mr. HUMPHREY, Mr. IVES, Mr. JACKSON, Mr. KEFAUVER, Mr. KILGORE, Mr. LEHMAN, Mr. LONG, Mr. MAGNUSON, Mr. MCCLELLAN, Mr. MILLIKIN, Mr. MONRONEY, Mr. MORSE, Mr. MUNDT, Mr. MURRAY, Mr. NEUBERGER, Mr. PAYNE, Mr. POTTER, Mr. ROBERTSON, Mr. SCOTT Mr. SMITH of New Jersey, Mr. SPARKMAN, Mr. STENNIS, Mr. SYMINGTON, Mr. THURMOND, Mr. WATKINS, and Mr. WELKER), was received and referred to the Committee on Foreign Relations, as follows:

Whereas Sir Winston Churchill occupies a prominent world position as a leader in the cause of freedom; and

Whereas the part Sir Winston Churchill played in connection with the efforts of the free world to stem the tide of Fascist totalitarianism, thereby freeing millions from slavery, will always be remembered by freemen throughout the world; and

Whereas, since the conclusion of World War II, this great leader has been relentless in his efforts, in cooperation with the United States, to hold back the tide of Communist tyranny and to establish a firm and lasting peace; and

Whereas Sir Winston Churchill's services to the cause of freedom have been expressed not only in deeds but also in words which are now imbedded in the literary heritage of the world helping to mold the thoughts and actions of men to the end that there will be a better understanding and appreciation of human dignity and the rights of the individual, as well as a keener awareness of the basic fallacies and insidious nature of the doctrines of totalitarianism in any form: Now, therefore, be it

Resolved, That the Senate of the United States, on the occasion of the retirement of Sir Winston Churchill as Prime Minister of Great Britain, expresses its high appreciation of the outstanding contribution this truly great statesman has made to the cause of freedom and of his tireless efforts in behalf of world peace; and be it further

Resolved, That the Senate of the United States hereby expresses its profound hope that Sir Winston Churchill may be spared for many more years of useful and honorable service; and be it further

Resolved, That the Secretary of the Senate of the United States is instructed to transmit a copy of this resolution to Sir Winston Churchill.

PRINTING OF MANUSCRIPT ENTITLED "THE HOUSE OF REPRESENTATIVES"

Mr. GREEN. Mr. President, I ask unanimous consent that the Chair lay before the Senate a concurrent resolution (H. Con. Res. 190) which has just been received from the House of Representatives. The concurrent resolution relates entirely to the business of the House of Representatives—in this case, the printing of the manuscript entitled "The House of Representatives."

Therefore, I ask that the concurrent resolution be laid before the Senate; and I then shall request the immediate consideration of the resolution, instead of having it referred to the Committee on Rules and Administration.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair) laid before the Senate a concurrent resolution (H. Con. Res. 190), which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That the manuscript entitled "The House of Representatives," which sets forth the history and functions of the House of Representatives, shall be printed, with illustrations, as a House document.

SEC. 2. There shall be printed 300,000 additional copies of such House document for the use of the Members of the House of Representatives.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Rhode Island?

Mr. KNOWLAND. Mr. President, reserving the right to object—although I shall not object—let me say that this measure was taken up with the acting majority leader and with the minority leader. Because, as the distinguished Senator from Rhode Island, the chairman of the Senate Committee on Rules and Administration, has pointed out, the concurrent resolution relates to the work of the other body, as a matter of comity between the two Houses I would not insist that the concurrent resolution be referred to committee.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Rhode Island for the immediate consideration of the concurrent resolution?

There being no objection, the concurrent resolution (H. Con. Res. 190) was considered and agreed to.

PRINTING AND BINDING OF REVISED EDITION OF CANNON'S PROCEDURE IN THE HOUSE OF REPRESENTATIVES

Mr. GREEN. Mr. President, House Joint Resolution 385, authorizing the printing and binding of a revised edition of Cannon's Procedure in the House of Representatives, has just been received from the House of Representatives. The joint resolution relates entirely to the business of the House, namely, the publication of this manuscript. Therefore I request that the Chair lay the joint resolution before the Senate; and then I shall ask unanimous consent for the immediate consideration of the joint resolution, without having it referred to the Committee on Rules and Administration.

The PRESIDING OFFICER laid before the Senate the joint resolution (H. J. Res. 385) authorizing the printing and binding of a revised edition of Cannon's Procedure in the House of Representatives and providing that the same shall be subject to copyright by the author, which was read twice by its title.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Rhode Island?

Mr. KNOWLAND. Mr. President, this measure has also been taken up with both the acting majority leader and the minority leader; and inasmuch as the joint resolution deals with the workings of the other body, as a matter of comity between the two Houses I would not insist that the joint resolution be referred to committee.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Rhode Island?

There being no objection, the joint resolution (H. J. Res. 385) was considered, ordered to a third reading, read the third time, and passed.

VENTURA RIVER RECLAMATION PROJECT, CALIFORNIA

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1083, Senate bill 926.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 926) to authorize the Secretary of the Interior to construct, operate, and maintain the Ventura River reclamation project, California, which had been reported from the Committee on Interior and Insular Affairs, with an amendment, on page 2, at the beginning of line 13, to insert "(including any development period)", so as to make the bill read:

Be it enacted, etc., That, for the purpose of supplying water for the irrigation of lands in Ventura County, Calif., and for municipal, domestic, and industrial use therein, and for other incidental beneficial purposes, the Secretary of the Interior is authorized to construct, operate, and maintain the Ventura River reclamation project comprising, as its principal works, Casitas Dam and Reservoir on Coyote Creek, Robles diversion dam on Ventura River, a canal to carry water from the Robles diversion dam to Casitas Reservoir, and other conduits and related facilities to deliver water to the lands and area to be served by the project.

SEC. 2. (a) In constructing, operating, and maintaining the Ventura River project, the Secretary shall be governed by the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto) except as is otherwise provided in this act.

(b) In furnishing water for irrigation and for municipal, domestic, and industrial uses from the Ventura River project the Secretary shall charge rates with the object of returning to the United States during a 50-year payment period (including any development period) all of the costs incurred by it in constructing, operating, and maintaining the project which the Secretary finds to be properly allocable to the purposes aforesaid and of interest, as hereinafter provided, on the portion of the construction cost which is allocated to municipal, domestic, and industrial water.

(c) Any contract entered into under section 9, subsection (d), of the Reclamation Project Act of 1939 (53 Stat. 1187, 1193, 43 U. S. C., sec. 485 (h)) for payment of those portions of the costs of constructing, operating, and maintaining the Ventura River project which are allocated to irrigation and assigned to be paid by the contracting organization may provide for the repayment of the portion of the construction cost of the project assigned to any project contract unit or, if the contract unit be divided into two or more irrigation blocks, to any such

block over a period of not more than 50 years or as near thereto as is consistent with the adoption and operation of a variable payment formula which, being based on full repayment within the period stated under normal conditions, permits variance in the required annual payments in the light of economic factors pertinent to the ability of the organization to pay.

(d) Notwithstanding any other provision of law to the contrary, all net revenues derived by the Secretary from the furnishing of water for municipal, domestic, and industrial use shall be applied first to the amortization of that portion of the cost of constructing the Ventura River project which is allocated to that purpose with interest on the unamortized balance thereof at the average rate (which rate shall be certified by the Secretary of the Treasury) paid by the United States on its marketable long-term securities outstanding on the date of this act and thereafter to the amortization of that portion of the cost of constructing the project which is allocated to irrigation but which is beyond the ability of the irrigation water users or their contracting organization to repay as provided above.

(e) The Secretary is authorized, subject to such rules and regulations as he may prescribe, to turn over to any contracting organization or to an organization which is designed by it for that purpose and which is satisfactory to the Secretary the care, operation, and maintenance of such portions of the Ventura River project as are used solely or principally for the benefit of that organization.

(f) Minimum basic facilities may be provided for the accommodation of the visiting public at Casitas Dam and, if responsible local interests agree to assume the operation and maintenance thereof, at the project reservoirs. The costs of such facilities shall be nonreimbursable.

SEC. 3. There is hereby authorized to be appropriated for construction of the Ventura River project the sum of $27,600,000 plus such amounts, if any, as may be required by reason of changes in construction costs as may be indicated by engineering cost indices applicable to the types of construction involved herein and, in addition thereto, such sums as may be required to operate and maintain the project.

Mr. KUCHEL. Mr. President, earlier today, during the call of the calendar, this bill was objected to by the majority policy committee. Because I would not want to have the bill discussed in the absence of the objecting Senator, I wonder if the acting majority leader and the acting minority leader would agree that the absence of a quorum might be suggested, so that the objecting Senator, with whom I have now communicated, will have an opportunity to come to the floor and to object to my bill if that is his wish.

Mr. BIBLE. Mr. President, I am very happy to do that. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BIBLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KUCHEL. Mr. President, I requested the acting majority leader to suggest the absence of a quorum, in order, as I previously informed the Chair, that the Senator from Illinois [Mr. DOUGLAS], who previously had interposed objection to the consideration of Senate bill 926, might return to the Chamber. I talked on the telephone with the Senator from Illinois, and told him that the bill would be taken up in a few moments and that I did not want it taken up in his absence.

Mr. CLEMENTS. Mr. President, will the Senator from California yield to me?

Mr. KUCHEL. I yield to my friend from Kentucky, the able acting majority leader.

Mr. CLEMENTS. I think it is the part of good judgment that we temporarily lay aside this measure—and I hope my friend, the Senator from California, will be in agreement with a unanimous-consent request to that effect which I shall make—and that we schedule the bill for consideration later this afternoon.

Mr. KUCHEL. Mr. President, in reply to the Senator from Kentucky, let me say I certainly shall not object. I may state that I dispatched one of the pages to the room of the committee in which the Senator from Illinois is in attendance, so that he might be doubly informed. However, I have no desire to have the bill taken up in his absence.

Therefore, Mr. President, on that basis I am glad to accede to the suggestion of the acting majority leader.

Mr. CURTIS. Mr. President, will the Senator from California yield to me?

Mr. KUCHEL. I yield to the able Senator from Nebraska.

Mr. CURTIS. I should like to inquire of the acting majority leader about Calendar No. 1077, Senate bill 1194, which is in the same category. During the call of the calendar, consideration of that bill was passed over, at the request of the Senator from Illinois.

Mr. CLEMENTS. I assure my friend, the Senator from Nebraska, that it is the intention of the acting majority leader to bring both measures to the floor. However, when we know that certain Members desire to be on the floor when such measures are taken up, I think it is only an act of common courtesy that we accede to their wishes, when possible.

Mr. CURTIS. Certainly.

Mr. CLEMENTS. I knew that was the attitude of my generous friend, the Senator from California, when I made the request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky that Calendar No. 1083, Senate bill 926, be temporarily laid aside? The Chair hears none, and it is so ordered.

ADDITIONAL FACILITIES FOR TRAINING OF RESERVE COMPONENTS OF THE ARMED FORCES

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1096, House bill 2107.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 2107) to amend the National Defense Facilities Act of 1950 to provide for additional facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 2107) to amend the National Defense Facilities Act of 1950 to provide for additional facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes, which had been reported from the Committee on Armed Services, with an amendment, to strike out all after the enacting clause and insert:

That the National Defense Facilities Act of 1950 (64 Stat. 829; 50 U. S. C. 881–886) is amended as follows:

(a) Section 3 is amended by deleting the phrase "in an amount not to exceed $250,000,000 over a period of the next 5 fiscal years" and by inserting in lieu thereof "in an amount not to exceed $500,000,000 over a period of the next 8 fiscal years commencing with fiscal year 1951."

(b) Subsection 3 (b) is amended to read as follows:

"(b) (1) contribute to any State such funds as he shall determine to be necessary to expand, rehabilitate, or convert facilities owned by such State to the extent required for the joint utilization of such facilities; and

"(2) contribute to any State such funds as he shall determine to be necessary to expand, rehabilitate, or convert facilities owned by such State to the extent made necessary, or to acquire, construct, expand, rehabilitate, or convert such additional facilities as he shall determine to have been made essential, by any conversion, redesignation, or reorganization of a unit or units of the National Guard of the United States or the Air National Guard of the United States requested or authorized by the Secretary of the Army or the Secretary of the Air Force, respectively."

(c) Subsection 4 (b) is amended by deleting the words "with regard" and substituting therefor the words "and shall have consented."

(d) Subsection 4 (c) is amended by inserting after the word "acquired" in line 7 thereof the words "by the United States."

(e) Subsection 4 (d) is amended to read as follows:

"(d) Each contribution made pursuant to section 3 (b) or 3 (c) of this act shall be subject to such terms and conditions as the Secretary of Defense, after consultation with the Armed Services Committees of the Congress, shall deem necessary to accomplish the purposes of this act: *Provided*, That except as agreed at the time the contribution is made the facilities provided through contributions made pursuant to section 3 (b) (2) or 3 (c) of this act shall be subject to joint utilization only to the extent deemed practicable by the State concerned. No contribution shall be made under section 3 (c) for any armory in an amount exceeding 75 percent of the cost of the additional or improved armories to be constructed: *And provided further*, That for the purpose of such computation the amount to be contributed by any State shall be exclusive of the cost or market value of any real estate which may be contributed by the State concerned for the purposes of section 3 (c) of this act."

(f) Section 6 is amended by (1) inserting immediately after "SEC. 6." the following: "(a)", and (2) adding at the end thereof the following new subsection:

"(b) All construction, expansion, rehabilitation, or conversion of facilities in each

State pursuant to section 3 (b) or (3) (c) of this act shall be done in accordance with the laws of such State and under the supervision of officials of such State, subject to the inspection and approval of the Secretary of Defense."

(g) Subsections 7 (b), (c), and (d) are redesignated subsections 7 (c), (d), and (e), respectively, and subsection 7 (b) is inserted to read as follows:

"(b) 'Armory' means a structure which houses a unit or units of a Reserve component and is used for the training and administration thereof, including such appurtenant structures as may house equipment used in the training and administration of such unit or units. All other facilities shall be considered nonarmory for the purposes of this act."

(h) Subsection 7 (d) as redesignated is amended to read as follows:

"(d) 'Reserve component' shall include:

"(1) The National Guard of the United States;

"(2) The Army Reserve;

"(3) The Naval Reserve;

"(4) The Marine Corps Reserve;

"(5) The Air National Guard of the United States;

"(6) The Air Force Reserve; and

"(7) The Coast Guard Reserve; and."

Mr. STENNIS. Mr. President, this bill has been reported from the Armed Services Committee, and I had the privilege of filing the report for the committee. In my opinion, the importance of the bill requires that a brief explanation of it be made.

Mr. President, the purpose of the bill is to provide additional authorization for the construction of armories, rifle ranges, airfields, training centers, and other facilities required for the training of the Reserve components of the Armed Forces.

The basic law on this subject is the National Defense Facilities Act of 1950, Public Law 783, of the 81st Congress. That act provided $250 million for use over the next 5 fiscal years commencing with fiscal year 1951. Appropriations totaling $235 million have been received against this authorization, leaving only $15 million of unfunded authorization. This sum is inadequate for the prosecution of the Reserve construction program for even the fiscal year 1956. The pending bill provides $250 million of additional authorization for this purpose, for use over a period of the next 3 fiscal years.

The seven Reserve components that benefit from this program are the National Guard, the Air National Guard, the Army Reserve, the Naval Reserve, the Marine Corps Reserve, the Air Force Reserve, and the Coast Guard Reserve.

The division of the authorization among the several Reserve components is to be as determined by the Secretary of Defense, after consultation with the Armed Services Committees, and as appropriations for this purpose are made by the Congress. The act authorizes three types of expenditures: First, the acquisition by the Federal Government of facilities necessary to accomplish the purposes of the act; second, contributions to States for the expansion and conversion of State-owned facilities that will be used jointly by Reserve components; and third, contributions to States for the acquisition of facilities that are necessary because of increases in the strength of the National Guard and the Air National Guard.

Prior to the enactment of the National Defense Facilities Act of 1950 the construction of armories for the National Guard had been financed entirely by the States. This act authorized a Federal contribution of 75 percent for the cost of these facilities, with this contribution to be augmented by a State payment of 25 percent of the cost. The amount contributed by the State is exclusive of the cost of real estate that must be contributed by the State. This 75 percent Federal contribution is a maximum and the Secretary of Defense can prescribe smaller Federal contributions if the circumstances so warrant.

The act prohibits the application of the construction authorization until the Secretary of Defense has determined, first, that the number of Reserve units proposed for the location involved is not in excess of the number that reasonably can be expected to be maintained at authorized strength after taking into consideration the number of persons residing in a community who are qualified for membership in the Reserve units; and second, that maximum practicable provision for joint utilization of the facilities to be constructed has been made.

Trained Reserve units and persons who can be readily mobilized and integrated into the active military forces are fundamental to our national defense system. The Congress is nearing completion of its consideration of the new Reserve bill, which will accentuate the need for providing additional authorization of this type. Facilities that have deteriorated or which provide a depressing environment and those that are ill adapted to Reserve force training functions or are otherwise inadequate cannot aid in stimulating or maintaining an effective and attractive Reserve training program. The Department of Defense considers an extension of this act to be clearly essential to a vigorous Reserve program.

After this bill had passed the House the Department of Defense requested certain amendments growing out of experience under Public Law 783 of the 81st Congress. These amendments were approved by the Bureau of the Budget and they have been adopted by the committee. The effect of the committee amendments is set forth in the committee report.

Mr. President, I shall be glad to attempt to answer any questions that Senators may have. If there are no questions I urge that the bill be passed.

Mr. CASE of South Dakota. Mr. President, I should like to emphasize the point which the distinguished chairman of the Armed Services Subcommittee on Real Estate and Military Construction has made, namely, the fact that this is a continuation of the existing program for the development of Reserve facilities.

Both Houses of Congress have now passed a bill to increase the Reserve forces of the United States. If they are to be increased, obviously there must be increased facilities for the training of the Reserve units. The big handicap of Reserve units heretofore has been the absence of adequate training facilities and the distances which some of the men had to travel if they were to engage in regular training.

A few years ago Congress established a program to provide facilities and to encourage the use of joint facilities. The authorization of that act has practically expired. This bill seeks to extend that authorization and carry forward that program. Legislation of this type is needed if the new Reserve training bill is really to become effective and accomplish any great improvement in the readiness of members of the Reserve components. Therefore, I heartily endorse and second the statement of the distinguished Senator from Mississippi in urging prompt passage of the bill.

Mr. STENNIS. Mr. President, I very much appreciate the remarks of the able Senator from South Dakota. He has a comprehensive knowledge of the bill. He worked upon it in committee. He knows its history, and he also knows the future requirements of the program if we are really to have a strong Reserve. It will require even more of a building program than this bill provides.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

VENTURA RIVER RECLAMATION PROJECT, CALIFORNIA

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calender No. 1083, Senate bill 926, which was previously temporarily laid aside.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 926) to authorize the Secretary of the Interior to construct, operate, and maintain the Ventura River reclamation project, California.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 2, at the beginning of line 13, to insert "(including any development period)", so as to make the bill read:

Be it enacted, etc., That, for the purpose of supplying water for the irrigation of lands in Ventura County, Calif., and for municipal domestic, and industrial use therein, and for other incidental beneficial purposes, the Secretary of the Interior is authorized to construct, operate, and maintain the Ventura River reclamation project comprising as its principal works, Casitas Dam and Reservoir on Coyote Creek, Robles diversion dam on Ventura River, a canal to carry water from the Robles diversion dam to Casitas Reservoir, and other conduits and related facilities to deliver water to the lands and area to be served by the project.

SEC. 2. (a) In constructing, operating, and maintaining the Ventura River project, the Secretary shall be governed by the Federal

reclamation laws (act of June 17, 1902, 32 Stat. 388 and acts amendatory thereof or supplementary thereto) except as is otherwise provided in this act.

(b) In furnishing water for irrigation and for municipal, domestic, and industrial uses from the Ventura River project the Secretary shall charge rates with the object of returning to the United States during a 50-year payment period (including any development period) and all of the costs incurred by it in constructing, operating, and maintaining the project which the Secretary finds to be properly allocable to the purposes aforesaid and of interest, as hereinafter provided, on the portion of the construction cost which is allocated to municipal, domestic and industrial water.

(c) Any contract entered into under section 9, subsection (d), of the Reclamation Project Act of 1939 (53 Stat. 1187, 1193, 43 U. S. C. sec. 485 (h)) for payment of those portions of the costs of constructing, operating, and maintaining the Ventura River project which are allocated to irrigation and assigned to be paid by the contracting organization may provide for the repayment of the portion of the construction cost of the project assigned to any project contract unit or, if the contract unit be divided into two or more irrigation blocks, to any such block over a period of not more than 50 years or as near thereto as is consistent with the adoption and operation of a variable payment formula which, being based on full repayment within the period stated under normal conditions, permits variance in the required annual payments in the light of economic factors pertinent to the ability of the organization to pay.

(d) Notwithstanding any other provision of law to the contrary, all net revenues derived by the Secretary from the furnishing of water for municipal, domestic, and industrial use shall be applied first to the amortization of that portion of the cost of constructing the Ventura River project which is allocated to that purpose with interest on the unamortized balance thereof at the average rate (which rate shall be certified by the Secretary of the Treasury) paid by the United States on its marketable long-term securities outstanding on the date of this act and thereafter to the amortization of that portion of the cost of constructing the project which is allocated to irrigation but which is beyond the ability of the irrigation water users or their contracting organization to repay as provided above.

(e) The Secretary is authorized, subject to such rules and regulations as he may prescribe, to turn over to any contracting organization or to an organization which is designed by it for that purpose and which is satisfactory to the Secretary the care, operation, and maintenance of such portions of the Ventura River project as are used solely or principally for the benefit of that organization.

(f) Minimum basic facilities may be provided for the accommodation of the visiting public at Casitas Dam and, if responsible local interests agree to assume the operation and maintenance thereof, at the project reservoirs. The costs of such facilities shall be nonreimbursable.

SEC. 3. There is hereby authorized to be appropriated for construction of the Ventura River project the sum of $27,600,000 plus such amounts, if any, as may be required by reason of changes in construction costs as may be indicated by engineering cost indices applicable to the types of construction involved herein and, in addition thereto, such sums as may be required to operate and maintain the project.

Mr. KUCHEL. Mr. President, I am very glad that the objection which had been raised earlier by the Senator from Illinois [Mr. DOUGLAS] against Senate bill 926 has now been withdrawn. That is the information I have now received. I wish to make a very brief statement with respect to the proposed legislation, not so much because it is critically important to the people and the area which are encompassed in its provisions, but also because of the fact that an objection was made earlier to it, which in my judgment is completely unfounded.

Senate bill 926 was introduced by my colleague, the able minority leader of the Senate [Mr. KNOWLAND], and myself. It would authorize construction of the Ventura River reclamation project in California. The county of Ventura is located on the Pacific coast north of the county of Los Angeles, and south of the county of Santa Barbara.

The project would be under the jurisdiction of the Secretary of the Interior, acting through the Bureau of Reclamation. In essense, it is a multiple-purpose development to provide a regulated water supply for irrigation and municipal and industrial uses, with benefits to fish and wildlife, recreation, and flood control. Major construction work includes a reservoir on Coyote Creek, a tributary of the Ventura River in southern California, about 60 miles northwest of Los Angeles. The project lies in the valley of the Ventura River and its tributaries and includes a strip of land extending along the coast west of the city of Ventura.

Rapid expansion of population in recent years in the project area has accentuated the need for expansion of opportunities for agricultural and industrial developments.

It is true that we have seen throughout my State these last few years an amazing, almost unbelievable growth in population until California now has in excess of 13 million people. Ventura County is growing and is destined to continue to grow.

The climatic and scenic characteristics make the area attractive to permanent residents and tourists. Rainfall, however, is very erratic and during the growing season irrigation is essential to the specialty crops for which the area is suited.

Let me read from the report of the Senate Committee on Interior and Insular Affairs, which report was unanimously adopted, I may add, by all my brethren on the committee.

The project facilities that would be authorized for construction by the Secretary of the Interior, in addition to the 250,000 acre-foot Casitas Reservoir on Coyote Creek, are a diversion dam on the Ventura River, and the main conduit system consisting of 33 miles of pipelines, 7 pumping plants, and 6 balancing reservoirs. Surplus flows of Ventura River would be diverted through the Robles-Casitas Canal for storage and regulation in the Casitas Reservoir. Water would be released as required from the reservoir into the main conduit system for delivery to distribution systems. Some of the distribution facilities are existing. Others required would be constructed by the water users and would not be financed by Federal funds. Operation of the existing Matilija Reservoir located upstream on the Ventura River would be coordinated with operation of Casitas Reservoir.

Approximately 4,000 acres of land have been irrigated for many years under private enterprise, largely by ground-water pumping. These lands often experience serious shortages of water.

The city of Ventura has already outgrown its firm-water supply and its wells along the oceanfront are subject to salt-water intrusion. The proposed project would greatly aid the city's municipal water problem by conserving the unused runoff from Ventura River, thereby making an estimated 27,800 acre-feet annually available for project use. It is estimated that this supply will meet all needs of the area for a period of 50 years. In the neighborhood of 15,000 acre-feet of the regulated water supply would be used for irrigation. Municipal water use is expected to increase during the life of the project until at the end of the 50-year period 15,600 acre-feet would be needed. Encroachment of urban and industrial development upon the irrigated areas will account for a gradual decrease in irrigation water requirements.

The estimated cost of the Ventura River project is $27,669,000. These costs have been tentatively allocated by the Bureau of Reclamation as follows: Municipal and industrial water, $11,403,000; irrigation, $15,319,000; recreation, $169,000.

The remaining $778,000 is being contributed by the Ventura River Municipal Water District toward the cost of investigations and advance planning. This advance contribution is an indication of the strong local support for the project and of the sincerity of the local interest in sponsoring its construction.

The repayment plan will provide for repayment of the entire reimbursable cost in 40 years after a 10-year development period for irrigation. Testimony before the committee showed that the municipal and industrial water allocation will be repaid at 2½ percent interest in 40 years from revenues derived from the sale of water and from an ad valorem tax levy on all assessable property in the municipal water district.

A wide range of crops can be grown in the project area due to the long growing season and variations in climatic conditions dependent upon elevations and distances from the ocean. Much of the irrigated land is now in citrus-fruit orchards and other high value specialty crops. This same pattern will probably continue after the project is constructed thereby justifying the comparatively high cost of irrigation water.

The justification by the Bureau of Reclamation for construction of the Ventura project is supported by a calculation of a benefit-cost ratio from the national viewpoint of 4.25 to 1. Eliminating all indirect benefits the ratio would be 1.76 to 1.

The report of the project has been reviewed by officials of the State of California and Federal Government agencies concerned. The comments received were made a part of the official report and are of a generally favorable nature. The State of California concurs in the recommendations that the Ventura River project be adopted and approved and an appropriation made for its construction at the earliest possible date.

Mr. President, when the Commissioner of Reclamation, Mr. Dexheimer, appeared before the committee in support of the bill, he said, in part:

So this is, I am happy to report, one of the best, if not the best, project both from the angle of local support and prospects for payout, and it certainly is the best from the standpoint of benefit-cost ratio that we have had to propose to the Congress since I have been Commissioner.

That is an imposing statement. It was unsolicited. It is the official and the professional judgment of the head of the Bureau of Reclamation. "One of the best, if not the best, project" is the description of the Ventura River reclamation project by Commissioner Dexheimer.

That official judgment should be given great weight here in the Senate, as I am sure that it will. There is no solid ground, Mr. President, no logical basis, for objection to this proposed project.

I may say in that connection, that the overall benefit-cost ratio is exceptionally high. It is 4.25 to 1. The project encompasses approximately $27 million, all of which would be repaid, with the exception of about $167,000.

The people of the area, sensing the increasing need for assistance which the Federal Government could constitutionally give to them in this field, have formed a public district under the laws of my State, and have given to the Federal Government, by way of advance planning moneys, in excess of $750,000. That demonstrates the good faith of the people of the area.

I was delighted in the Subcommittee on Irrigation and Reclamation, of which of my able friend, the junior Senator from New Mexico [Mr. ANDERSON] was chairman, to find complete approval among all the members of the subcommittee, and thereafter to find exactly the same reception accorded the proposed legislation in the full committee.

The bill, therefore, comes to the floor without any opposition of any kind or character until the single objection was filed this afternoon.

I am glad to make this statement, so that the RECORD will be very clear, particularly in view of that tentative objection which had been made earlier today.

The Department of the Interior approves this bill. The Bureau of the Budget approves it. The State government of California has endorsed it. The people of Ventura County urgently need it now and for the future, and are willing to pay for it in accordance with Federal law. I am sure the Senate of the United States will pass it, and that is what I now respectfully ask be done.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. ANDERSON. Was the benefit-cost ratio on the bill exceptionally high?

Mr. KUCHEL. I am glad to have the Senator ask that question, because it gives me an opportunity to reiterate that the overall benefit-cost ratio is 4.25 to 1. In the opinion of the Commissioner of Reclamation, this is one of the best projects which it has been his pleasure to bring before Congress.

Mr. ANDERSON. Perhaps we have hurried the bill a little bit. Certainly we could have taken more time to consider it. However, the number of times the committee has a chance to consider a bill with a benefit-cost ratio of 4 to 1 is very much limited; therefore, I was very glad to give support to this very good project.

Mr. KUCHEL. As I have done so many times during my short tenure in office in the Senate, I should like once again to express my thanks for the gracious treatment accorded me by the junior Senator from New Mexico. It is a sentiment in which, I am sure, my colleague joins me, and in which now the people of Ventura County, Calif., also join.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONSTRUCTION OF RED WILLOW DAM AND RESERVOIR, NEBR.

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1077, S. 1194.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1194) to provide for construction by the Secretary of the Interior of Red Willow Dam and Reservoir, Nebr., as a unit of the Missouri River Basin project.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

That the Red Willow Dam and Reservoir, Nebr., a unit of the Missouri River Basin project (act of December 22, 1944, 58 Stat. 887, 891) shall be constructed, operated, and maintained by the Secretary of the Interior for the principal purposes of making available a regulated supply of water for irrigation and of assisting the control of floods.

SEC. 2. The Wilson Dam and Reservoir, Kans., also a unit of the Missouri River Basin project (act of December 22, 1944, aforesaid) shall be constructed, operated, and maintained by the Secretary of the Army for the principal purposes of flood control and assisting in making available a regulated supply of water for irrigation and low-flow regulation.

SEC. 3. Both the Secretary of the Interior and the Secretary of the Army shall cause these units of the Missouri River Basin project to be coordinated and integrated physically and financially, with the other Federal works constructed or authorized to be constructed under the comprehensive plans approved by section 9 of the act of December 22, 1944, aforesaid, as amended and supplemented.

SEC. 4. Notwithstanding any other provisions of this act, the Secretary of the Army shall, in the case of the Red Willow Dam and Reservoir, be responsible for flood-control regulation as provided in section 7 of the act of December 22, 1944, and the Secretary of the Interior shall, in the case of Wilson Dam and Reservoir, be responsible for the disposal of water for irrigation or space reserved for this purpose in accordance with the Federal reclamation laws.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. CURTIS. Mr. President, I thank the acting majority leader for bringing up S. 1194. The bill was reported favorably by the Committee on Interior and Insular Affairs, and is supported by the Bureau of Reclamation of the Department of the Interior, by the Corps of Army Engineers, and by the Bureau of the Budget.

I know of no objection to the bill. The Senator who previously had voiced an objection, has now withdrawn it.

This is in no way a new authorization. It transfers one project from the Bureau of Reclamation to the Army, and another project from the Army to the Bureau. The committee amendment is satisfactory, and I hope the Senate will pass the bill.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for construction by the Secretary of the Interior of Red Willow Dam and Reservoir, Nebr., and construction by the Secretary of the Army of the Wilson Dam and Reservoir, Kans., as units of the Missouri River Basin project."

TAX ON RECAPPING OF AUTOMOBILE TIRES

Mr. WELKER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a very enlightening letter which I received from Mr. Theodore T. Hardy, owner of Hardy Bros., Boise, Idaho, which is in the business of recapping automobile tires.

The letter refers to the fact that H. R. 7072 has been amended to provide a 15-cent-per-pound tax on camelback with a 6-inch crown width or larger.

I agree with Mr. Hardy that this seems to be a tax directed against the little person who must seek cheaper tires and who cannot afford to buy new tires.

I commend the reading of the letter to my colleagues.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BOISE, IDAHO, *July 22, 1955.*

Hon. HERMAN WELKER,
Member of Congress,
Senate Office Building,
Washington, D. C.

DEAR HERMAN: As of July 19, it is my understanding that H. R. 7072 has been changed so that there will be a 15-cent-per-pound tax on camelback with a 6-inch crown width or larger. This represents an increase in the cost of camelback, if collected at the source—i. e., the manufacturer—of 46½ percent. This, in turn, would cause an increase in the price of recaps of at least 40 percent on all truck tires size 825/20 or larger.

I am now, and always have been, an independent tire dealer; I own my own recapping plant and distribute new General tires. The results of a 15-cent-per-pound tax on camelback would make it almost prohibitive for me to continue in business.

We recap tires from the smallest passenger tire through tires size 2700/33 which are nearly 8 feet in diameter. The tax proposed as of July 19 would be grossly unfair from the following standpoints:

1. We would have to greatly increase the price of our recaps and thus decrease the savings to a truck operator between a new tire and a recapped tire to the place where it would be questionable for him to recap. If a customer would recap a tire and we charge and collect the additional amount due because of taxation, said customer will be in the unique position of a new type of taxation which will be taxation on a product upon which he has already paid one tax

when the tire was new. Should he recap the tire a second or third time, he would be taxed again on an item upon which he has already paid taxes. This, to my way of thinking, is very unjust taxation.

2. An independent tire dealer, as I have interpreted the bill, will pay the 15-cents-a-pound tax on camelback from his supplier. This leaves a company-owned store which manufactures its own camelback in the enviable position of never having to pay a penny on camelback tax until the camelback is used. In other words, the Firestone Co.-owned store, at 13th and Main, would have no inventory problems different than they now have; whereas, as an independent, my inventory will increase and require additional capital investment to pay the tax to my supplier. This could be most damaging to the future of independent business.

3. There is a great potential possibility of unfair competition even among independents in circumventing the tax on camelback. The cost of enforcing this particular provision of camelback tax, if properly enforced, would far exceed what should be considered a normal cost of collection by the Government. For instance, a tire that would require an 8-inch crown width of camelback could very easily, with an additional small amount of labor, be capped with two 4-inch widths of camelback. Such a dealer would then have a 46½ percent cost advantage over an honest dealer and could readily get away with it on cash deals.

4. We do a large amount of recapping on off-the-road type tires used in heavy construction which are never allowed on the highways, yet would be taxed. Is this fair?

5. It seems almost a surety that this country will lose a great many independent tire men that could keep the automobiles and trucks going in the case of an emergency which might again some day arise. Is it worth that price to put independent recapping out of business?

I would like to point out that the business of recapping is highly competitive as is the new tire business, to such an extent that many are making very little if any profit whatsoever. The addition of 46½ percent in the cost of raw material would make a most discouraging outlook for many independent tire dealers who want to live within the law. I would appreciate your consideration of this letter as I feel any tax whatsoever on a recap is taxation upon a service and as pointed out to you above, retaxation again and again.

Yours very truly,

HARDY BROS.,
THEODORE T. HARDY,
Owner.

THE SALK VACCINE

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the RECORD an effective allegorical article about the Salk vaccine, written by Mrs. Olga M. Wilson, and published in the Oregon State Grange Bulletin of July 5, 1955.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AND SO IT IS

(By Olga M. Wilson)

It came to pass that there was in our world a fine and rich country in which most of the people prospered and enjoyed abundant good health and knew well the joys of living. As is the wont of human beings who have been relieved of the compulsion to grasp and hold all that comes their way because there is never enough, and survival itself depends upon grasping and holding and never sharing, the people in this favored country, aware of the great suffering occasioned by the ravages of several diseases set about to alleviate this suffering and to stamp out the diseases. Many scourges fell before them—typhoid, malaria, smallpox, diphtheria, and, in a large measure, even tuberculosis. But one of the dread scourges they had not conquered was poliomyelitis.

For a time, during a difficult and trying period, this country came under the leadership of a kind and compassionate man who had suffered much from poliomyelitis, and along with the very great burden of leadership of this great Nation, he carried also the burden of this crippling paralysis. He had found great comfort and therapeutic value in the waters of a hot springs in a part of the country not too far from the Capital City, and often spent his vacation at this place.

It became known throughout this land that one of his fondest dreams was that he might provide room at this place for children who had had polio and who could not otherwise afford the treatments at the hot springs. He was not a very wealthy man and he, alone, was not able to provide this room. However, he was well aware of the great heart of the people in this land, so one year, at the time of his birthday, he gave his dream to them. He said, "This can be done for so little—if everyone who is interested would send just a dime to me on my birthday, several children could go to this hot springs for treatment."

When the people learned of this, great stacks of letters began to arrive at his home in the Capital City. In them were dimes, dimes, dimes—a veritable "March of Dimes." This great man was made happy by this response from the people, but the amount of money he received was so much more than he had hoped that he set up a foundation to administer the money for the good of all. And he said to the people, "This is your foundation."

The people said, "We will have this March of Dimes every year and we will pay for study and research and equipment and treatment, and we will end the terror of poliomyelitis."

And so for many years the people of this land, each year, in honor of the birthday of this great and good man who had suffered so much, and also out of their desire to stamp out the disease that caused so many people, especially children, to suffer so much, raised many, many millions of dollars to finance their great effort. Everyone took part; everyone gave. No home was too poor to find dimes for the March of Dimes. Enough money was given to take care of all the expensive medical care and physical therapy the victims of this disease needed—and the rest went into research to find a way to check this malady.

In many laboratories, financed by grants from this foundation, scientists worked on this puzzling problem. Each bit of data was shared, each step of progress was made known to all through the foundation and each contribution to the total knowledge of this awful disease brought the answer closer—and all of the people were glad, and rejoiced that their efforts were inexorably crushing this menace. It was given, finally, to a scientist whose name was Salk to find a vaccine that was effective in preventing people from contracting polio. True, it was not the final answer, but it was the first absolute proof that the right path had been found—and that poliomyelitis could be stamped out.

Throughout all this great and fortunate land, people felt a happy glow of pride. "See," they said, "because we have all worked together for the common good, we have accomplished this. We have beaten polio."

And it was good.

No voice was raised throughout all that vast land save in praise for the work all had done for the benefit of all.

All the mothers who had marched and rang doorbells, all the people who had manned collection booths or given "birthday balls" and even those who had just sent in their filled coin folders, had just assumed that when the vaccine was developed that it would belong to their polio foundation and would be made available to all on the same basis that all the expensive treatments needed for polio victims had been made available by the foundation.

But now they were told by those who had come recently into the leadership of the land, that this was bad. That they should now go on paying for the ravages already made by polio, and that they should go on paying for the additional research that must be made to finally perfect the vaccine, but that they must not give this vaccine to themselves. They must give the formulas to the pharmaceutical businesses which would manufacture the vaccine and sell it to the doctors of this land, who would then sell it to those people who could pay for it, and that the foundation must pay the doctors for the vaccine they gave those who could not pay.

But this was not what the people had meant at all. The mothers who marched, the entertainers who gave benefits, the schoolchildren who gave their pennies, had meant to wipe poliomyelitis from the face of the earth without favor to any. They were confused—and distressed.

RHESUS MONKEYS FROM INDIA

Mr. NEUBERGER. Mr. President, over the weekend formal announcements appeared in the press of a new agreement between India and the United States to keep shipments of rhesus monkeys on the way to this country for use in the Salk vaccine program.

I think it is ironic that the Senate voted so recently to curtail our economic assistance to India, exactly at the time that India has assured us of a further supply of rhesus monkeys.

Very few Americans realize that, without the rhesus monkeys, there would be no production whatsoever of Salk antipolio vaccine. Without the rhesus monkeys, there would be no accurate and conclusive testing of the vaccine for safety.

Many people of India regard the monkey as sacred. This may seem foolish to us, but Americans love their pets, such as dogs and cats and canaries, and this, in turn, might not seem understandable to citizens of other lands. Tolerance of each other's customs and traditions is part of international amity and understanding.

I regret that we have cut down our aid to India during a period when the Government of India has been willing to defy public opinion among its own people, in order to assure a continuing supply of the rhesus monkeys for the production and testing of a vaccine which is so essential to the health and well-being of the boys and girls of the United States.

I ask that several dispatches from British papers may appear with these brief remarks. One indicates that the cause of humanity is involved in the shipment from India of the rhesus monkeys. The cause of humanity also is involved, in my opinion, Mr. President, in our assisting the teeming millions of India to combat malnutrition, hunger, disease, infant mortality and other ills which plague that vast and overcrowded nation.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Statesman of March 20, 1955]

APPEAL TO REVOKE BAN ON EXPORT OF MONKEYS—REPRESENTATIONS FROM BRITAIN AND UNITED STATES OF AMERICA

NEW DELHI, Saturday.—The Ministry of Commerce has been flooded with representations from Britain and America pleading with the Government to revoke the ban on the export of monkeys.

The representations mention that monkeys are required for research on polio and yellow fever. The cause of humanity is, therefore, invoked.

Inquiries show that the monkey business is being thoroughly investigated. The question facing the Ministry is: Are all the exported monkeys employed for research?

Suspicion has arisen because during the last four years exports have increased from about 15,000 to nearly 100,000 per year.

Some wonder whether the monkeys are not being employed for studying the effects of atom bomb fission or, worse still, for hydrogen bomb explosions.

Information is also eagerly sought on the question whether Indian monkeys are indispensable to the research. Is it not possible to secure African monkeys instead?

There is some doubt on the issue as African monkeys, it is said, do not respond readily to the yellow fever experiment, as they come from the yellow fever area.

The Ministry of Commerce has appointed an officer to deal specially with the subject of monkeys. He is already in correspondence with the Indian Embassy in Washington and the Indian High Commissioner in London which have been asked to keep track of the monkeys and assist the Government in collecting factual data for a correct assessment of the situation.

[From the Statesman of March 16, 1955]

CRUELTY TO MONKEYS—DELHI ASSEMBLY QUESTIONS

Some cases of monkeys meant for export being huddled together under unhygienic conditions have been brought to the notice of the Government, the Development Minister, Chaudhry Brahm Prakash, said in the Delhi State Assembly on Tuesday.

The Minister told Mr. Anand Raj Surana that cases of cruelty were dealt with by the SPCA. In some cases people had been challenged and fined.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House passed without amendment the following bills of the Senate:

S. 667. An act to exempt meetings of associations of professional hairdressers or cosmetologists from certain provisions of the acts of June 7, 1938 (52 Stat. 611), and July 1, 1902 (32 Stat. 622), as amended;

E. 2427. An act to provide for the payment of compensation to officers and members of the Metropolitan Police force, the United States Park Police force, the White House Police force, and the Fire Department of the District of Columbia, for duty performed on their days off, when such days off are suspended during an emergency; and

S. 2428. An act to increase the salaries of officers and members of the Metropolitan Police force, and the Fire Department of the District of Columbia, the United States Park Police, and the White House Police, and for other purposes.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 191) to regulate the election of delegates representing the District of Columbia to national political conventions, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HARRIS, Mr. ABERNETHY, Mr. DAVIS of Georgia, Mr. SIMPSON of Illinois, and Mr. O'HARA of Minnesota were appointed managers on the part of the House at the conference.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 25, 1955, he presented to the President of the United States the following enrolled bills:

S. 741. An act to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 5 years;

S. 1177. An act for the relief of desert land entrymen whose entries are dependent upon percolating waters for reclamation; and

S. 1855. An act to amend the Federal Airport Act, as amended.

SUPPLEMENTAL APPROPRIATIONS, 1956

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1106, House bill 7278.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 7278) making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. CLEMENTS. Mr. President, I ask unaimous consent that this bill, H. R. 7278, be taken up for consideration tomorrow immediately following the morning business.

The PRESIDING OFFICER. Without objection, it is ordered.

AUTHORIZATION FOR THE SECRETARY TO RECEIVE MESSAGES FROM THE HOUSE DURING ADJOURNMENT OF THE SENATE

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the Secretary be authorized to receive messages from the House of Representatives while the Senate is in adjournment following today's session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT

Mr. CLEMENTS. Mr. President, in accordance with the provisions of the resolution adopted earlier today, I move that, as a further mark of respect to the memory of the late Cordell Hull, that the Senate now stand adjourned until noon tomorrow.

The motion was unanimously agreed to; and (at 3 o'clock and 40 minutes p. m.), the Senate adjourned until tomorrow, Tuesday, July 26, 1955, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 25, 1955:

The following-named persons to be representatives of the United States of America to the 10th session of the General Assembly of the United Nations, to serve no longer than December 31, 1955:

Henry Cabot Lodge, Jr., of Massachusetts.
Brooks Hays, of Arkansas.
Chester E. Merrow, of New Hampshire.
Dennis Joseph Roberts, of Rhode Island.
Colgate Whitehead Darden, Jr., of Virginia.

The following-named persons to be alternate representatives of the United States of America to the 10th session of the General Assembly of the United Nations, to serve no longer than December 31, 1955:

Robert Lee Brokenburr, of Indiana.
Laird Bell, of Illinois.
Jacob Blaustein, of Maryland.
James J. Wadsworth, of New York.
Mrs. Oswald B. Lord, of New York.

IN THE ARMY

Lt. Gen. Hobart Raymond Gay, O7323, Army of the United States (major general, U. S. Army), to be placed on the retired list in the grade of lieutenant general under the provisions of subsection 504 (d) of the Officer Personnel Act of 1947.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), title II of the act of August 5, 1947 (Public Law 365, 80th Cong.), Public Law 408, 82d Congress, Public Law 759, 80th Congress, and Public Law 36, 80th Congress, as amended by Public Law 37, 83d Congress:

To be captains

Gleason, Walter J., MSC, O996923.
Hoagland, Peter W., MC, O2263944.
Mendelson, Janice A., MC.

To be first lieutenants

Barnes, Joan A., WMSC, M2899.
Carleton, Jane A., WMSC, J100163.
Decker, Julia E., ANC, N806164.
Duffield, John R., MC, O4003831.
Henley, Stephen, MSC, O973459.
Jacox, Gilbert L., MSC, O1925716.
Kraemer, Vidalia L., ANC, N900337.
Leff, Arthur L., JAGC, O2270518.
Norton, Jack, JAGC, O987519.
Paradise, Leo J., MSC, O997955.
Richey, Eldred T., Jr., MC, O1941930.
Ryan, Patricia A., ANC, N804846.
Simmons, John L., MSC, O1876923.
Thompson, Calvin W., DC, O2104366.

To be second lieutenants

Anthony, Frances J., WMSC, R2661.
Campbell, William J., MSC, O1941403.
Damsbo, Ann M., WMSC, M2977.

The following-named persons for appointment in the Medical Corps, Regular Army of the United States, in the grade of first lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to completion of internship:

Allen, John W.
Ford, Samuel M., O2211040.
Small, Harold S.

The following-named officer for appointment, by transfer, in the Judge Advocate General's Corps, Regular Army of the United States, in the grade specified:

To be first lieutenant

Mallonee, Paul G., O65832.

The following-named persons for appointment in the Regular Army of the United States, in the grades specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

To be first lieutenant

Hobbs, Donald I., O1877220.

To be second lieutenant

Proietto, Raymond T., O4009836.

The following-named distinguished military students for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Bartell, Harold T.	Leonard, John D.
Berger, Calvin A.	Lynch, Francis D.
Castiglia, Joseph J.	Manz, Robert D.
Cuthbertson, Robert J.	May, Curry J.
Dailey, Donas H., O4012031	Miller, Charles H.
	Pruden, Thomas E., Jr.
Dister, Arthur C., Jr.	Radford, James T.
Grether, Ralph W.	Sanford, William F.
Hawk, John A., Jr.	Stephens, George E.
Henry, Charles E.	Walker, Kenneth S.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Maggie C. Roney, Irvington, Ala., in place of M. G. Matlock, retired.

Lee J. Ledbetter, Troy, Ala., in place of S. H. Greene, retired.

ARIZONA

Erastus K. Slade, Eager, Ariz., in place of R. W. Burgess, resigned.

ARKANSAS

Ralph A. Morrison, Nettleton, Ark., in place of M. R. Hughes, retired.

Naomi Oleta Hixson, Paris, Ark., in place of R. C. Hixson, deceased.

Dillard H. Collins, Salem, Ark., in place of H. J. Humphries, resigned.

Victor L. Felley, Star City, Ark., in place of I. H. Steed, retired.

CALIFORNIA

Lionnel C. Davies, Foresthill, Calif., in place of L. M Costello, retired.

Robert J. Briggs, King City, Calif., in place of J. O. Davis, resigned.

George R. Austin, La Crescenta, Calif., in place of E. R. Lang, removed.

Otto K. Olesen, Los Angeles, Calif., in place of M. D. Fanning, removed.

Lyle C. Marshall, Magalia, Calif., in place of T. A. Van Metre, resigned.

Kenneth U. Brown, Monterey, Calif., in place of Boyd Beall, removed.

Edgar H. Miller, Redding, Calif., in place of J. V. Stanton, deceased.

FLORIDA

Donald A. Reeves, Baker, Fla., in place of T. J. Walker, Jr., transferred.

Ray L. Mercer, Bunnell, Fla., in place of H. M. Benson, deceased.

Walter K. Read, Ocala, Fla., in place of G. C. Woods, retired.

Herman L. Stokes, Okeechobee, Fla., in place of M. C. Pitts, resigned.

GEORGIA

Walker D. Burke, Jesup, Ga., in place of A. G. Williams, transferred.

James Harold Carlyle, Jr., Norcross, Ga., in place of Lida Simpson, deceased.

ILLINOIS

Samuel W. Goers, Altamont, Ill., in place of J. G. Rehwald, retired.

Earl F. Johnson, Buckley, Ill., in place of F. H. Asay, deceased.

Clyde C. Norton, Cordova, Ill., in place of A. J. Rogers, Jr., removed.

Francis J. Aydt, Dahlgren, Ill., in place of C. W. Karcher, deceased.

William M. Johnson, Granite City, Ill., in place of C. T. Heaton, removed.

William C. Kesselburg, Wauconda, Ill., in place of J. F. Carr, resigned.

INDIANA

Metallus G. Clay, Clear Creek, Ind., in place of Roy Dechard, retired.

Wallace L. Gilmore, Michigan City, Ind., in place of H. W. Ohming, deceased.

Donald Eugene Greenburg, Wolcott, Ind., in place of M. A. Dismore, retired.

IOWA

Bill N. Bench, Clarinda, Iowa, in place of G. B. Howell, removed.

KANSAS

Everett C. Campbell, Bethel, Kans., in place of V. L. Miller, deceased.

Wilma M. Sanburn, Milan, Kans., in place of A. E. Burton, resigned.

Harry E. Canfield, Mission, Kans., in place of C. C. Lemmon, resigned.

KENTUCKY

Acton R. Anderson, Mayfield, Ky., in place of P. R. Brown, deceased.

Edward L. Arterburn, Park City, Ky., in place of R. E. Doyle, removed.

Charles M. Carter, Jr., Scottsville, Ky., in place of J. P. Dodson, deceased.

LOUISIANA

Juanita F. Perret, Edgard, La., in place of B. J. Jacobs, retired.

Edwin A. O'Brien, Lafayette, La., in place of L. J. Guidry, transferred.

MAINE

Robert H. Morse, Old Orchard Beach, Maine, in place of J. H. McSweeney, deceased.

Paul C. Shaver, Stockton Spring, Maine, in place of C. M. Colcord, retired.

MICHIGAN

Clarence L. Meredith, Hudson, Mich., in place of J. N. Mulvenna, retired.

George P. Donner, Jr., Spring Lake, Mich., in place of W. A. Hammond, deceased.

MINNESOTA

Robert P. Clark, Cromwell, Minn., in place of Elizabeth Wright, retired.

MISSISSIPPI

James A. Fellows, McComb, Miss., in place of A. H. Jones, retired.

Ethelyn B. Weldy, McLain, Miss., in place of S. M. Lewis, retired.

Herman Alexander Smith, Ripley, Miss., in place of W. F. Henson, retired.

MISSOURI

Bertie M. Coon, East Lynne, Mo., in place of I. A. Stone, retired.

MONTANA

James P. Graham, Columbus, Mont., in place of P. F. Morrison, retired.

NEVADA

Frank M. Compston, Jr., Yerington, Nev., in place of H. W. Mildren, resigned.

NEW HAMPSHIRE

Rene R. Heroux, Berlin, N. H., in place of E. J. King, retired.

Allan D. Towers, Lincoln, N. H., in place of S. F. Downing, retired.

NEW JERSEY

William Henry Runyon, Elizabeth, N. J., in place of J. P. Leonard, retired.

Russell A. Brown, Morristown, N. J., in place of R. J. Noncarrow, retired.

Patrick J. Dolan, Ogdensburg, N. J., in place of L. A. Dolan, retired.

Raymond L. Sohl, Plainsboro, N. J., in place of M. H. Britton, retired.

Thomas J. Carey, Villas, N. J., in place of B. F. Erricson, retired.

NEW YORK

Doris M. Robinson, Comstock, N. Y., in place of T. C. Sullivan, retired.

Irwin H. Dent, Davenport, N. Y., C. A. Fisher, retired.

Richard Charles Rutland, Olcott, N. Y., in place of M. I. McKernan, resigned.

Wesley H. Kline, Sanborn, N. Y., in place of M. A. Barber, retired.

Roy E. Hodges, Spencer, N. Y., in place of H. F. Zimmer, transferred.

Beatrice V. Conway, Warners, N. Y., in place of A. M. Isbell, retired.

NORTH CAROLINA

Walter L. York, High Point, N. C., in place of S. C. Clark, retired.

Margaret E. Smith, Montreat, N. C., in place of J. C. Rice, retired.

Coy S. Lewis, Jr., Robbins, N. C., in place of G. E. Walker, deceased.

Marvin W. Thomas, Trenton, N. C., in place of C. C. Herritage, retired.

Josiah A. Maultsby, Jr., Whiteville, N. C., in place of A. E. Powell, retired.

NORTH DAKOTA

Floyd I. Ferguson, Oakes, N. Dak., in place of F. A. Gallagher, deceased.

OHIO

James Ralph Murlin, Celina, Ohio, in place of Charles Creeden, retired.

John J. Wald, Canal Winchester, Ohio, in place of V. L. Will, resigned.

Boyd C. Broka, Luckey, Ohio., in place of H. W. Myers, deceased.

Douglas L. Fry, Monroeville, Ohio, in place of G. H. Latham, transferred.

Albert F. Randolph, Summerfield, Ohio., in place of W. T. Warner, resigned.

OKLAHOMA

Jack S. King, Dustin, Okla., in place of O. H. Graham, retired.

Lester Woods, Guymon, Okla., in place of H. B. Cluck, transferred.

Jacob A. King, Paoli, Okla., in place of R. E. Hart, retired.

OREGON

Lyle B. Dannen, Halsey, Oreg., in place of J. W. Drinkard, retired.

George H. Carl, Oswego, Oreg., in place of M. B. Fievez, removed.

Wayne E. Dexter, Scappoose, Oreg., in place of J. J. Sheel, resigned.

PENNSYLVANIA

Robert G. Shaw, Brownfield, Pa., in place of Loma Gwynne, deceased.

Walter C. Herbert, Gladwyne, Pa., in place of Viola Coates, resigned.

James J. Martin, Jr., Jenkintown, Pa., in place of B. A. Devlin, deceased.

Robert R. Edgcomb, Knoxville, Pa., in place of E. P. Robbins, retired.

Paul C. Rupp, Pitcairn, Pa., in place of W. G. McCurdy, removed.

David M. Buckwalter, Stevens, Pa., in place of M. B. Weaver, resigned.

David Prekup, Vestaburg, Pa., in place of E. S. Rankin, resigned.

SOUTH CAROLINA

Rudolph B. Kirby, Olanta, S. C., in place of A. J. Ham, transferred.

Claire A. Reid, Richburg, S. C., in place of L. P. McCain, deceased.

SOUTH DAKOTA

Geneva E. Halls, Igloo, S. Dak., in place of Fred Coates, deceased.

TEXAS

Jack D. Cheek, Bullard, Tex., in place of O. L. Ferrell, retired.

Faye H. Traylor, New Waverly, Tex., in place of Mae Whitley, resigned.

Lester J. Fuzzell, Placedo, Tex., in place of S. R. Smajstrla, resigned.

VERMONT

William R. Ross, Fairlee, Vt., in place of B. B. Titus, retired.

VIRGINIA

Radford C. Montgomery, Buchanan, Va., in place of O. H. Brewbaker, retired.

Tecumseh S. Dalton, Pulaski, Va., in place of E. P. Whitman, retired.

WASHINGTON

Fred S. Hughes, Clarkston, Wash., in place of A. W. Wilson, retired.

John H. Bonus, Klickitat, Wash., in place of G. D. Scofield, resigned.

WISCONSIN

Harland H. Schmidt, Arlington, Wis., in place of A. J. Karth, resigned.

Helen G. Klus, Armstrong Creek, Wis., in place of H. M. Gannon, retired.

Martin N. Ross, Cambria, Wis., in place of A. G. Mohr, transferred.

George W. Gessert, Plymouth, Wis., in place of G. E. Schuler, resigned.

WYOMING

Harold C. Jones, Saratoga, Wyo., in place of E. K. Peck, retired.

Alven J. Reimer, Sundance, Wyo., in place of B. I. Frolander, retired.

CONFIRMATION

Executive nomination confirmed by the Senate July 25, 1955:

COLLECTOR OF CUSTOMS

William J. Nixon, of Idaho, to be collector of customs for customs collection district No. 33, with headquarters at Great Falls, Mont.

HOUSE OF REPRESENTATIVES

MONDAY, JULY 25, 1955

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou Lord God omnipotent, grant that the nations of the earth, drawn together by common perils and common hopes for peace, may continue to extend to one another the overtures of friendship and good will.

Wilt Thou give us the grace to hold to our highest ideals with perseverance and increasing tenacity and never break faith with them or let them go.

May we have the courage to launch out into enterprises and adventures for peace which heretofore we have not attempted or dreamed of.

Help men everywhere to rise to new visions of understanding and cooperation and resolve to live together in a spirit of love and brotherhood.

Grant that when we succeed in bringing our aspirations to fulfillment we may not be proud but thankful and when we fail may we not become sullen and rebellious but may our failures inspire us to carry on in humility and patience.

Hear us in Christ's name. Amen.

The Journal of the proceedings of Thursday, July 21, 1955, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McBride, one of its clerks, announced that the Senate had passed without amendment bills and concurrent resolutions of the House of the following titles:

H. R. 473. An act to authorize an investigation and report on the advisability of a national monument in Brooklyn, N. Y.;

H. R. 605. An act to provide for the abolition of the 80-rod reserve spaces between claims on shore waters in Alaska, and for other purposes;

H. R. 914. An act for the relief of Erika Marie Dietl and her two children, Caroline Dietl and Robert Dietl;

H. R. 932. An act for the relief of Ludwika Hedy Hancock (nee Nikolajewicz);

H. R. 1180. An act for the relief of Kimiko Sueta Thompson;

H. R. 1185. An act for the relief of Jose Domingo Quintanar;

H. R. 1302. An act for the relief of Adelheid Walla Spring;

H. R. 1304. An act for the relief of Mother Amata (Maria Cartiglia), Sister Ottavia (Concetta Zisa), Sister Giovina (Rosina Vitale), and Sister Olga (Calogera Zeffiro);

H. R. 1435. An act for the relief of Paul Compagnino;

H. R. 1436. An act for the relief of Ervin Benedikt;

H. R. 1439. An act for the relief of Menachem Hersz Kalisz;

H. R. 1458. An act for the relief of Rosa Edith Manns Monroe;

H. R. 1486. An act for the relief of Anna Anita Hildegard Sparwasser;

H. R. 1508. An act for the relief of Mrs. Mary Perouz Derderian Donaldson;

H. R. 1537. An act for the relief of Rogerio Santana de Franca;

H. R. 1668. An act for the relief of Frank Budman;

H. R. 1698. An act for the relief of Anne Cheng;

H. R. 1911. An act for the relief of Charlotte Schwalm;

H. R. 1927. An act for the relief of Ralph Michael Owens;

H. R. 1987. An act for the relief of Kimie Hayashi Crandall;

H. R. 1997. An act for the relief of Linda Beryl San Filippo;

H. R. 2059. An act for the relief of Edward Patrick Cloonan;

H. R. 2070. An act for the relief of Dr. Carlos Recio and his wife, Francisca Marco Palomero de Recio;

H. R. 2078. An act for the relief of Salvatore Cannizzo;

H. R. 2241. An act for the relief of Amalia Bertolino Querio;

H. R. 2242. An act for the relief of Kim Joong Yoon;

H. R. 2259. An act for the relief of Alessandra Barile Altobelli;

H. R. 2306. An act for the relief of Maria de Rehbinder;

H. R. 2307. An act for the relief of Julius, Ilona, and Henry Flehner;

H. R. 2313. An act for the relief of Mrs. Agnethe Gundhil Sundby;

H. R. 2315. An act for the relief of Antonio (Orejel) Cardenas;

H. R. 2735. An act for the relief of Inako Yokoo and her minor child;

H. R. 2738. An act for the relief of Teresa Jurjevic;

H. R. 2749. An act for the relief of George Risto Divitkos;

H. R. 2755. An act for the relief of Benjamin Johnson;

H. R. 2783. An act for the relief of Andrew Wing-Huen Tsang;

H. R. 2866. An act to declare a certain portion of the waterway (a section of the Acushnet River) in the city of New Bedford and the towns of Fairhaven and Acushnet, Mass., a nonnavigable stream;

H. R. 2944. An act for the relief of Franziska Lindauer Ball;

H. R. 2947. An act for the relief of Emelda Ann Schallmo;

H. R. 3048. An act for the relief of Assuntino Del Gobbo;

H. R. 3270. An act for the relief of Giuseppa Arsena;

H. R. 3354. An act for the relief of Julius G. Watson;

H. R. 3504. An act for the relief of Eveline Wenk Neal;

H. R. 3624. An act for the relief of Olga I. Papadopoulou;

H. R. 3625. An act for the relief of George Vourderis;

H. R. 3629. An act for the relief of Mrs. Nika Kirihara;

H. R. 3630. An act for the relief of Mrs. Uto Ginoza;

H. R. 3726. An act for the relief of Mr. Gino Evangelista;

H. R. 3864. An act for the relief of Mrs. Elizabeth A. Traufield;

H. R. 3871. An act for the relief of Orville Ennis;

H. R. 4044. An act for the relief of Burgal Lyden and others;

H. R. 4146. An act for the relief of Adelheid (Heidi) Giessner (nee Schega);

H. R. 4147. An act for the relief of Angelo DeVito;

H. R. 4198. An act for the relief of Howard L. Gray;

H. R. 4280. An act to direct the Secretary of Agriculture to release on behalf of the United States conditions in two deeds conveying certain submarginal lands to Clemson Agricultural College of South Carolina so as to permit such college, subject to certain conditions, to sell, lease, or otherwise dispose of such lands;

H. R. 4284. An act for the relief of Mrs. Mariannina Monaco;

H. R. 4289. An act for the relief of Vladislav Bevc;

H. R. 4362. An act to amend the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes," approved September 3, 195-;

H. R. 4455. An act for the relief of Christa Harkrader;

H. R. 4707. An act for the relief of Duncan McQuagge;

H. R. 4727. An act to permit the issuance of a flag to a friend or associate of the deceased veteran where it is not claimed by the next of kin;

H. R. 4747. An act to provide that reversionary interests of the United States in certain lands formerly conveyed to the city of Chandler, Okla., shall be quitclaimed to such city;

H. R. 5283. An act for the relief of Artur Swislocki or Arthur Svislotzki;

H. R. 6396. An act for the relief of Valerie Anne Peterson;

H. R. 6613. An act for the relief of Yuji Doi and Mrs. Matsuyo Yamaoka Doi;

H. Con. Res. 90—Concurrent resolution authorizing the preparation and printing of a report on the Prayer Room established in the Capitol; and

H. Con. Res. 148. Concurrent resolution authorizing the printing of additional copies of the hearings held by the Joint Committee on Atomic Energy on May 9, 1955, on "Radiation Sterilization of Foods."

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and concurrent resolutions of the House of the following titles:

H. R. 1034. An act for the relief of Erwin S. DeMoskonyi;

H. R. 1060. An act for the relief of Grace Casquite Hwang;

H. R. 1301. An act for the relief of Karlis Abele;

H. R. 1552. An act for the relief of Dalisay Lourdes Cruz;

H. R. 1958. An act for the relief of Ingeborg Luise Fischer;

H. R. 2065. An act for the relief of Sada Zarikian;

H. R. 2753. An act for the relief of Geraldine Gean Hunt and Linda Marie Hunt;

H. R. 2791. An act for the relief of Ofelia Martin;

H. R. 2851. An act to make agricultural commodities owned by the Commodity Credit Corporation available to persons in need in areas of acute distress;

H. R. 2972. An act to require the recordation of scrip, lieu selection, and similar rights;

H. R. 3189. An act for the relief of Dorothy Glaire Maurice;

H. R. 3507. An act for the relief of Luise Pempfer (now Mrs. William L. Adams);

H. R. 3628. An act for the relief of Luise Isabelle Chu, also known as Luise Schneider;

H. R. 3635. An act for the relief of Birgit Camara, also known as Birgit Heinemann;

H. R. 3786. An act to authorize the incorporation of Army and Navy Legion of Valor of the United States of America;

H. R. 3822. An act to amend title V of the Agricultural Act of 1949, as amended;

H. R. 4468. An act for the relief of Margarethe Bock and her son, Robert Harald Bock;

H. R. 6980. An act providing for the conveyance of the Old Colony project to the Boston Housing Authority;

H. Con. Res. 167. Concurrent resolution approving the granting of the status of permanent residence to certain aliens; and

H. Con. Res. 168. Concurrent resolution favoring the granting of the status of permanent residence to certain aliens.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1177. An act for the relief of desert land entrymen whose entries are dependent upon percolating waters for reclamation.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7224. An act making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. CHAVEZ, Mr. ELLENDER, Mr. HILL, Mr. CLEMENTS, Mr. BRIDGES, Mr. SALTONSTALL, Mr. KNOWLAND, and Mr. DIRKSEN to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 34) entitled "An act to authorize the leasing of restricted Indian lands for public, religious, educational, recreational, residential, business, and other purposes requiring the grant of long-term leases"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. O'MAHONEY, Mr. ANDERSON, Mr. NEUBERGER, Mr. WATKINS, and Mr. GOLDWATER to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 2168) entitled "An act to amend the Fair Labor Standards Act of 1938 in order to increase the national minimum wage, and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. DOUGLAS, Mr. NEELY, Mr. KENNEDY, Mr. SMITH of New Jersey, and Mr. GOLDWATER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills, a joint resolution, and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 19. An act for the relief of Vladimir Landow and Irina Landow;

S. 189. An act for the relief of Manuel Rodrigues;

S. 194. An act for the relief of Dr. and Mrs. Hsi-Lin Tung;

S. 204. An act for the relief of Fred P. Hines;

S. 213. An act for the relief of Mrs. Ingeborg C. Karde;

S. 218. An act for the relief of the town of Clayton, N. Mex.;

S. 223. An act for the relief of Mary Frieda Poeltl Smith;

S. 235. An act for the relief of Melanie Schaffner Baker;

S. 293. An act for the relief of Miss Cecile Patricia Chapman;

S. 332. An act for the relief of Hava Shpak, A. A. Shpak, and Sympcha Shpak;

S. 393. An act for the relief of Chieko Suzuki;

S. 411. An act for the relief of Beri Denovi;

S. 425. An act for the relief of Anthony A. Ballora;

S. 509. An act for the relief of Dolores Maria Gandiaga, nee Seijo;

S. 518. An act for the relief of Elsa Alwine Larsen;

S. 592. An act for the relief of Chia-Yi Jen (also known as Charles Jen);

S. 608. An act for the relief of Catherine Samouris;

S. 610. An act for the relief of Mary Ishii;

S. 695. An act for the relief of Cirilo Jose;

S. 696. An act for the relief of Topacio Tapawan;

S. 753. An act for the relief of George Roland Lavoie;

S. 762. An act for the relief of Vaclav Majer, Irma Majer, and Vaclav Majer, Jr.;

S. 763. An act for the relief of Chocura Yoshida;

S. 836. An act for the relief of Wong Nan Ling and Wong Nan Fee;

S. 843. An act for the relief of Gerda Graupner;

S. 884. An act for the relief of Gabor Lanyi;

S. 893. An act for the relief of Dr. Klaus Hergt;

S. 910. An act for the relief of Lino Perez Martinez;

S. 963. An act for the relief of Mr. and Mrs. Andrej (Avram) Gottlieb;

S. 997. An act to provide punishment for certain confidence-game swindles;

S. 1012. An act for the relief of Juan Jose Moya Ramirez;

S. 1036. An act for the relief of Gust Kostas Kountoupis;

S. 1042. An act for the relief of Angel Feratero Madayag;

S. 1068. An act for the relief of Mareanthe Baicou;

S. 1082. An act for the relief of Ramon Notario Boytell;

S. 1085. An act for the relief of Maria de las Nieves Dufurrena;

S. 1128. An act for the relief of Angel Castanedo Del Llano;

S. 1130. An act for the relief of Theresa Yik Mun Woo;

S. 1142. An act for the relief of Arthur Sew Sang, Kee Sew Wong, Sew Ing Lin, Sew Ing Quay, and Sew Ing You;

S. 1212. An act for the relief of Dr. Lincoln Roy Manson-Hing;

S. 1253. An act for the relief of Peter Skole;

S. 1266. An act for the relief of Helene Margareta Jobst;

S. 1298. An act for the relief of Pericles G. Callimanopoulos and his family;

S. 1322. An act for the relief of Maria Ioannou Karvelis and her three minor daughters, Martha, Karvelis, Boeleta Karvelis, and Euterpi Karvelis;

S. 1406. An act for the relief of Katharina Steinbach;

S. 1417. An act for the relief of Hong Ban, also known as George Mon;

S. 1438. An act for the relief of Corazon A. Manayan;

S. 1474. An act for the relief of Valdis Mikelsons;

S. 1477. An act for the relief of Clorinda Perri Sturino;

S. 1493. An act for the relief of Dorin Ursulesku Baron;

S. 1496. An act for the relief of Ruriko Hara;

S. 1503. An act for the relief of Harold George Jackson;

S. 1504. An act for the relief of Yee Loy Foo, also known as Loy Foo Yee, or Ted Yee;

S. 1534. An act to facilitate the construction of drainage works and other minor items on Federal reclamation and like projects;

S. 1563. An act for the relief of Elidora Yanguas Perez;

S. 1612. An act for the relief of Miss Young Hi Yun;

S. 1615. An act for the relief of Hilde Schiller;

S. 1621. An act to authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed or subject to the act of August 11, 1939, as amended, and for other purposes;

S. 1681. An act for the relief of Cecile Doriac and her minor child;

S. 1716. An act for the relief of Cheuk Wa Leung and his wife, Camilla Ying Ling Leung;

S. 1851. An act to direct the Secretary of the Army to convey certain land to Mary Ann Aust;

S. 1899. An act to authorize the improvement of the Amite River and its tributaries;

S. 1915. An act to provide for further effectuating the act of May 15, 1862, through the exchange of employees of the United States Department of Agriculture and employees of State political subdivisions or educational institutions;

S. 1974. An act for the relief of Rosa Birger;

S. 2029. An act to change the name of Hulah Reservoir above Hulah Dam, Caney River, Okla. and Kans., to Lake O' the Osages;

S. 2049. An act to provide recognition of the 50th anniversary of the Devils Tower National Monument, Wyo., the first national monument established by the President of the United States pursuant to the Antiquities Act of 1906; to authorize the addition of certain land to the monument, to permit land exchanges, and for other purposes;

S. 2081. An act to amend the Veterans' Readjustment Assistance Act of 1952 to provide that education and training allowances paid to veterans pursuing institutional on-farm training shall not be reduced for 12 months after they have begun their training;

S. 2093. An act to authorize the Secretary of the Army, acting through the Corps of Engineers, to undertake certain public works and grant compensation for certain property damages as a result of the construction of the Oahe, Gavins Point, and Fort Randall Dams and Reservoir projects, Missouri River;

S. 2145. An act for the relief of George Poulio;

S. 2170. An act to permit sale of Commodity Credit Corporation stocks of basic and storable nonbasic agricultural commodities without restriction where similar commodities are exported in raw or processed form;

S. 2260. An act granting the consent of Congress to the States of Arkansas, Louisiana, Oklahoma, and Texas to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Red River and its tributaries;

S. 2269. An act for the relief of Mualla S. Holloway;

S. 2270. An act for the relief of Nadia Noland and Samia Ouafa Noland;

S. 2277. An act authorizing the Administrator of General Services to convey certain land to the city of Sioux Falls, S. Dak., for park and recreational purposes, for an amount equal to the cost to the United States of acquiring such lands from the city;

S. 2295. An act to amend section 313 of the Agricultural Adjustment Act of 1938, with respect to tobacco allotments;

S. 2296. An act to amend section 313 of the Agricultural Adjustment Act of 1938, with respect to tobacco allotments;

S. 2297. An act to further amend the Agricultural Adjustment Act of 1938, and for other purposes;

S. J. Res. 73. Joint resolution to establish a commission to formulate plans for a memorial to Frankin Delano Roosevelt; and

S. Con. Res. 44. Concurrent resolution to erect on the Capitol Grounds a memorial bell tower in memory of Robert A. Taft.

MUTUAL SECURITY APPROPRIATION ACT, 1956

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7224) making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes, with Senate amendments thereto, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. GROSS. Mr. Speaker, reserving the right to object, it is my understanding that the managers on the part of the House will do their very best to see that the amount put in the bill by the Senate will be stricken?

Mr. PASSMAN. I can assure the gentleman that will be the disposition of the House conferees.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. PASSMAN, GARY, ROONEY, CANNON, FERNANDEZ, LANHAM, NATCHER, DENTON, TABER, WIGGLESWORTH, FENTON, FORD, and HAND.

PURCHASE OF BONDS TO COVER POSTMASTERS, OFFICERS, AND EMPLOYEES OF THE POST OFFICE DEPARTMENT AND MAIL CLERKS OF THE ARMED FORCES

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4778) to provide for the purchase of bonds to cover postmasters, officers, and employees of the Post Office Department and mail clerks of the Armed Forces, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request to the gentleman from Tennessee? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. MURRAY of Tennessee, MORRISON, and REES of Kansas.

ROBERT A. TAFT MEMORIAL

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (S. Con. Res. 44) to erect on the Capitol Grounds a memorial bell tower in memory of Robert A. Taft.

The SPEAKER. Is there objection to the request of the gentleman from Ohio.

There was no objection.

The Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Robert A. Taft Memorial Foundation is authorized to erect on the Capitol Grounds, and present to the Congress of the United States, a memorial bell tower of appropriate design dedicated to the memory of Robert A. Taft. Such memorial shall be equipped with bells and shall be erected on the site described as square 633 on the drawing of the Architect of the Capitol. Such site is located just below the Fountain Plaza area, and lies between New Jersey Avenue on the east, Constitution Avenue on the south, C street on the north, Louisiana Avenue diagonally on the northwest, and First Street on the west.

SEC. 2. The design and plans for the erection of such memorial shall be subject to the approval of the Architect of the Capitol, with the advice of the Commission of Fine Arts, and such memorial shall be erected without expense to the United States.

SEC. 3. The authority granted by the first section of this act shall cease to exist unless (a) within 1 year after the passage of this concurrent resolution the plans for such memorial have been presented for the approval of the Architect of the Capitol, and within 3 years after such approval, the erection of such memorial has commenced, and (b) the Architect of the Capitol finds that, prior to the commencement of the erection of such memorial, sufficient funds are available to insure its completion.

SEC. 4. After the completion of the memorial according to the approved plans and specifications, it shall be accepted on behalf of the people of the United States by the Congress and thereafter shall be maintained by the Congress as part of the Capitol Grounds.

The resolution was agreed to; and a motion to reconsider was laid on the table.

ONE HUNDRED SEVENTY-FIFTH ANNIVERSARY OF THE ESTABLISHMENT OF THE CONSTITUTION OF THE COMMONWEALTH OF MASSACHUSETTS

Mr. McCORMACK. Mr. Speaker, I offer a resolution (H. Con. Res. 193) commemorating the 175th anniversary of the establishment of the Constitution of the Commonwealth of Massachusetts.

The Clerk read the resolution, as follows:

Whereas the 175th anniversary of the establishment of the constitution of the Commonwealth of Massachusetts will occur on October 25, 1955; and

Whereas there are embodied in this constitution cultural, social, and legal principles which form a major part of the proud heritage of the Commonwealth of Massachusetts; and

Whereas the people of the other States of the Union share with the people of Massachusetts the blessings of a society founded upon these principles; and

Whereas the importance in these troubled times of keeping alive in the Nation and in the world the tradition of courage, the love of freedom, and the consideration of one's fellow man, which are embodied in the historic document upon which representative government was founded in Massachusetts: Now, therefore be it

Resolved by the House of Representatives (the Senate concurring), That the Congress extends its felicitations to the Commonwealth of Massachusetts on the 175th anniversary of the establishment of its constitution, and expresses the gratitude of the American people for the part played by the early statesmen of Massachusetts in building the foundations which have served the Commonwealth and the Republic so well.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, 175 years ago this year the Constitution of the Commonwealth of Massachusetts was adopted. That great document became effective on October 25, 1780. On that day John Hancock officially became governor and the first general court—legislature—met in Boston.

Massachusetts is today the only State in the Union still governed under its original constitution which has endured chiefly because of its broad provisions and flexible character.

There have been constitutional conventions since 1780—more than 70 amendments have been made to the Massachusetts constitution—but the general plan of Government it established is still in operation.

Taken as a whole, it may be confidently said that the history of no other community is more striking than our own commonwealth.

The great lessons it teaches us are confidence in the integrity of the people and their capacity for self government; confidence in religious principle, which is the safeguard of liberty.

Our State constitution was the first such document to establish the principle of the separation of powers of the various branches of Government. It contains assurance of the protection of inalienable rights.

The committee of 30, to whom was referred the work of preparing a plan and form of government, entrusted this task to a subcommittee consisting of James Bowdoin, John Adams and Samuel Adams; who in turn committed the responsible task to John Adams alone. His draft of the framework was substantially adopted by the subcommittee, and afterward, slightly altered by the full committee, was offered for consideration to the convention.

The results of the labors of the convention were chiefly as John Adams had blocked them out and it would appear by

every rightful title he can be declared the father of our State constitution.

A Declaration of Rights precedes the framework of the constitution. The people of Massachusetts were peculiarly sensitive on this subject. It is to our distinct advantage that our ancestors deemed it of first importance to declare certain fixed principles—certain natural rights—as necessary safeguards in a document which would guarantee lasting liberty. Other sections of this written instrument would almost appear as outworks—the Declaration of Rights is the citadel. The life of constitutional liberty is there. Good words are great things to a free people.

The framework of the Massachusetts constitution as it came from the hands of the committee of 30 underwent but few changes in the substance. The final accepted document attained the purpose of three distinctive and coordinate functions of government—balancing and checking each other. Confusion of legislative, executive and judicial functions which had existed in other governing documents in other lands were rejected.

During the 175 years which have elapsed the three branches of government of our great commonwealth and the people themselves have acted in good faith toward our constitution. Steadiness and intelligence have marked the relations within our State. These characteristics reflect honor upon those who so wisely framed this document.

The character of our commonwealth has been exemplary. There has been no abandoning or dropping below the criterion established by the founders.

Secure in its tradition of democracy, strengthened by its extraordinary cultural resources, enriched by its industries and the workers who man them, the commonwealth looks back with pride upon the events of the year 1780. We look forward with prayerful determination to a future in which democratic processes, as set forth so wisely in our constitution, continue to insure ever greater opportunities for its people.

The resolution was agreed to; a motion to reconsider was laid on the table.

THE LATE CORDELL HULL

The SPEAKER. The Chair at this time will recognize the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Speaker, divine providence has willed that the greatest champion of the cause of world peace of our generation be called to rest and enduring peace.

The news of the passing of Judge Cordell Hull came on Saturday last, just as the Geneva conference concluded its deliberations.

We are all fully aware of the news and greatly saddened by it—saddened to learn of the passing of this distinguished and eminent statesman of Tennessee.

As the Representative of the district where Judge Hull was born and lived and which he represented in Congress so long and ably and with such great distinction, it is my sad duty to formally announce to the Members of the House his passing at 9 o'clock, July 23, at the Naval Medical Center, at Bethesda, Md.

The passing of Judge Hull will be received with sadness in this body and in the Senate, where his devoted duty can never be surpassed—in his native State of Tennessee, the Nation, and throughout the free world.

Judge Hull was truly a man of national and international stature and we realize that in his passing a towering oak of our generation has fallen.

The silence which has overtaken this great and vital heart and voice for amity and peace will be felt wherever human dignity and liberty have true worth.

The life and career of Judge Hull can never be fully emulated, but it can serve as an inspiration to the youth of our country who possess ambition for a life of devoted and dedicated service to his fellow man. Judge Hull served successively as soldier, legislator, judge, Congressman, United States Senator, Secretary of State, and world diplomat.

Judge Hull was born on October 2, 1871, in then Overton but now Pickett County in the upper Cumberland section of Tennessee.

As a youth, Cordell Hull built through work a strong body which, in later years, he was able to draw upon as a great reserve of strength.

After graduating from Tennessee's famed Cumberland University School of Law, he entered upon a career of public service which took him to the greatest heights of achievement and world acclaim.

He was elected to the Tennessee Legislature—the general assembly of my State—before he was 21 years of age. After serving two terms as a State representative in Nashville, he was appointed circuit judge of Tennessee's fifth judicial circuit.

He was subsequently reelected judge and served on the bench for a period of 12 years.

In 1906 Cordell Hull was elected to Congress from the Fourth District of Tennessee. He served 24 yars in Congress—22 in this body and 2 years in the Senate.

His service in the Senate was cut short because of his appointment as Secretary of State by President Franklin D. Roosevelt.

As Secretary of State, Judge Hull served from March 1933 to November 1944—in three administrations, and held this post longer than any other man in the Nation's history. He retired as Secretary of State because of declining health in the dark days of World War II.

The world knows that his accomplishments have been many and great.

Judge Hull was the author of the good-neighbor policy through which pan-American amity has grown and increased.

He devoted himself untiringly to the development of nonpartisanship in promotion of this Nation's foreign policy.

He was the author of the reciprocal trade agreements law, which bears his name—designed to promote the widest possible commerce and trade among nations of the world and to foster better understanding as a true deterrent to war.

His great work in the development of the United Nations as an organization for promoting understanding and cooperation rightfully brought to him recognition as the "father of the United Nations."

He contributed greatly to raising the standards of international morality and conduct which is of utmost importance if nations are to live together in peace and friendship.

In 1945 Judge Hull was awarded the Nobel peace prize—among the many distinguished service awards granted to him during his lifetime.

Throughout his great career of public service and noted accomplishments, Judge Hull maintained always his great affection for and interest in his native Tennessee.

In turn the people of my State loved, esteemed, and revered Judge Hull as a fellow Tennessean.

Although a great destiny directed his life so that he could walk with kings, the essence of his nature was such that he never lost the common touch—and therein lies the ingredient which motivated and inspired the deep affection of his friends whose roots are embedded, as were his, in the hills of the Cumberland region of Tennessee.

In the passing of Cordell Hull, Tennessee, the Nation, and the free world have suffered a tremendous loss. I have lost a great and beloved friend whose counsel will be greatly missed.

Judge Hull's place in history is indelibly written. He has pointed the way—a course that if followed will bring for mankind an enduring peace—the achievement of which was the devoted purpose of the life of Cordell Hull.

I yield to my colleague, the dean of the Tennessee delegation [Mr. COOPER].

Mr. COOPER. Mr. Speaker, it is with very deep regret that I have heard that my warm friend and distinguished fellow Tennesseean, the Honorable Cordell Hull, has passed away.

It was my privilege to serve for one term in the House of Representatives with Mr. Hull before he went to the Senate. I worked with him and enjoyed a very warm friendship with him for many years. I always helped to lead the fight for his reciprocal trade agreements program, which I think is one of the greatest measures ever enacted by Congress.

Mr. Hull was a man of the very highest character and integrity, very great ability, and demonstrated devotion to the public service. He stood out in bold relief as one of the greatest statesmen of the world. His record of most distinguished service and oustanding accomplishments will forever stand as a great inspiration to those who follow after him. I join with all the people of Tennessee as well as the Nation and the free people of the entire world in mourning his passing.

Mr. EVINS. Mr. Speaker, I yield to my colleague [Mr. PRIEST].

Mr. PRIEST. Mr. Speaker, on the roster reserved for the truly great statesmen of all ages will now be added the name of Cordell Hull.

In his youth this stalwart son of the Volunteer State looked unto the hills from whence he drew his strength. He grew and matured, mentally and morally, as tall and straight as the sturdy

pines that crown the peaks of the Cumberland Mountains.

On the principles of reciprocal trade and the good neighbor policy he laid the foundation of the 10-year-old United Nations. As we and future generations continue to erect on that foundation the superstructure of this world organization, we can build well and wisely if we keep close to the fundamental philosophy of Cordell Hull.

As a Member of this House and of the Senate, and Secretary of State during the most turbulent period of history, his achievements speak with more profound meaning than words can convey.

His character, his integrity, and his deeds are his own eulogy.

While the Nation and the world mourns his passing, the people of Tennessee are bowed in deepest grief over the passing of the State's foremost son, who was revered and loved with a deep affection from the mountains to the Mississippi, and who was known to most of them as Judge Hull.

Mr. EVINS. Mr. Speaker, I yield to the distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, the people of America and the world, and parliaments and chancellories everywhere, recognize in the passing of Cordell Hull a deep loss to mankind. This global sense of bereavement is mitigated by the fact that this distinguished American, at 83, had completed his work and that he died full of honors and years, carrying with him the admiration of such men as I am addressing in this House, and statesmen in just about all the capitals of the world. And people everywhere, in Latin America, in the Far East, in Europe, not only in our own time, but for all history, will forever see in this Tennessee American; something of the true heart of America: Its neighborliness, its fairness, its generosity, and its pervading and irrevocable sense of right. Wherever Cordell Hull went, in person, by policy, or by negotiation, in the treaties that he developed, and, above all, in his direct contacts, he carried with him the indefinable aura of integrity.

Yet, Mr. Speaker, for me there is something intimate, something of Cordell Hull himself in his continuing and personal friendship with me over the years, that makes it especially fitting for me to rise in this company and pay him tribute. I hold it one of the great honors of my long public life to have toiled beside this selfless patriot through the dark hours of world crisis when he was the Secretary of State and I happened to be the majority leader in this House. The passing of no statesman other than Franklin Delano Roosevelt himself could compress so much of the meaning of the war years and the peace years from 1933 to 1944 as the death of Cordell Hull. Not only his remarkable official career culminating in the award to him of the Nobel peace prize in 1945, but also his personal life and his distinctively rugged and forthright personality identified him with the very inner spirit of America. And that is what the world saw and that is what so greatly impressed people everywhere. Thus the United States presented in him the very best side of the American folk to the outside world. From Cordell Hull this held overwhelming weight because he carried with him American policy at the highest level.

It is hardly necessary for me in this place to draw out the long list of achievements on the world scale in which Cordell Hull was a participant and which helped to carry this Nation to triumph on home ground and in foreign fields. I cannot imagine an American better fitted by the nature of his speech or his directness and sense of righteous anger to meet with the Japanese Kuruso during the tragic hour of the attack on Pearl Harbor. It is a vignette of history that must live for all time, not too significant in itself, but how precisely characteristic. Here was the Cordell Hull who personified urbanity itself, transformed into a blast of fire and fury. It exactly fittted the outraged mood of the Nation so that what he said seemed to be exactly the words and the tone of the American people.

For me, watching him for so long at close hand, Cordell Hull will go down in history as an architect of the constructive project, and the indefatigable and effective master of the world striving for peace. For who more than he made a practical and a working job out of President Roosevelt's good-neighbor policy? He gave it meaning through his unending toil for trade agreements that put the breath of life and the strength of business and profit in international relationships. For Cordell Hull was, among his other great qualities, practical and sound and saw friendship among nations not as an ideal expressed in a great document merely, but as a workable and rational tool for mutual cooperation in the areas of everyday life.

Heavy with years and the great burdens that had taken his strength, he nevertheless flew to Moscow in October 1943 for the overwhelming job of bringing the United Nations to reality, jointly with the other statesmen of the world.

As a Secretary of State, Cordell Hull will brighten the galaxy of such predecessors in that office as Thomas Jefferson and Edmund Randolph, Daniel Webster and Calhoun, William Seward, Elihu Root, and Henry L. Stimson. He was involved with the greatest issues of the world in his time and to all of them he gave the fight, the justice, the integrity that will make Americans always proud he was one of us.

Mr. EVINS. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. FRAZIER].

Mr. FRAZIER. Mr. Speaker, I was distressed and grieved to learn of the death on Saturday morning of the Honorable Cordell Hull.

I have known Cordell Hull probably longer than any Member of this House. In 1903 my father, then Governor of Tennessee, appointed him judge of the Fifth Circuit Court of Tennessee, where he served with great distinction until his election to the House of Representatives. Judge Hull often said that appointment gave him his real start in political life. He came to the House in 1907 and served here for 22 years, leaving the House in 1931 upon his elcction as a Member of the United States Senate from Tennessee. He resigned from the Senate in March 1933 to become Secretary of State where he served for 12 years until his resignation in December 1944, having served longer than any other Secretary of State.

It is needless for me to undertake to recite to you who are familiar with his record, the outstanding service he rendered this Nation. History will record his great accomplishments. Sufficient to say he was one of our greatest statesmen. As Secretary of State he was recognized and lauded throughout the world. But there was one characteristic that stood out through his entire life. No matter to what heights of greatness he rose, he was always loyal to his friends.

Peace-loving people of the free nations of the world have benefited because he lived—and they will join all Tennesseans in mourning his passing. This Nation has lost another of its greatest men.

Mr. EVINS. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. MURRAY].

Mr. MURRAY of Tennessee. The State of Tennessee never produced a greater or more renowned statesman than Cordell Hull. Our State has lost its most famous and distinguished son and our Nation has lost one of its foremost leaders of modern history. His was a long, constructive, and useful life, full of accomplishments. He began life as an obscure farm boy and served as a soldier in the Spanish-American War. A circuit judge in Tennessee, a Member of both the House and the Senate in the Congress and as Secretary of State of the United States for a longer period than any other occupant of this high office.

He was the father of our income and inheritance laws, of our reciprocal-trade program, our good-neighbor policy with the pan-American countries, and of the United Nations. He also served as Democratic national chairman for 2 years.

His ill health, brought upon by his arduous and confining duties as Secretary of State, forced him to resign. In 1945 he was awarded the Nobel peace prize.

It was my pleasure to know him well personally and I had the honor in the 1928 National Democratic Convention in Houston, Tex., to which I was a delegate from Tennessee, of casting my ballot for him for the Democratic nomination for President of the United States. When he was a candidate for United States Senator from Tennessee in 1930 I had the privilege of accompanying him on many visits to towns in west Tennessee, where I reside.

Words are inadequate to fully and properly pay tribute to his skill, his vision, courage, simplicity, devotion to duty, his championship of peace, his integrity, his patriotism, and his forthrightness. His many good deeds and achievements will live on and on and will stand as a lasting monument to his revered memory. His many virtues will not be forgotten.

Mr. EVINS. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. BASS].

Mr. BASS of Tennessee. Mr. Speaker, very few men in public life can be referred to as truly great statesmen. Cordell Hull was such a man. America probably has never produced a public servant more dedicated to his country or his fellow man.

We in Tennessee are proud of the record of Cordell Hull. We take great pride in the fact that he came from and represented the great Volunteer State in the Nation's Capital. However, we realize that Judge Hull rose to such heights in public life that he is claimed and loved, not just by Tennessee, but by all America.

As we in America are faced with surmounting international problems, the diplomatic service of Cordell Hull might well serve as an inspiration. Certainly the twinkling light of hope for the future receives its power from the dynamo of the past. Therefore, in this day of working for peace throughout the world, I trust that our leaders in international affairs will use the example of Cordell Hull, the father of the United Nations, as a guiding light for the future.

Mr. EVINS. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may be permitted to extend their remarks at this point in the RECORD on the life and career of Cordell Hull.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. RAYBURN. Mr. Speaker, Cordell Hull was one of the greatest Americans it has ever been my privilege to know. Secretary of State longer than any other man in history, he made a record in that office that has never been surpassed. I miss him more because he was one of my oldest and dearest friends. America and the world have suffered a tremendous loss.

Mr. RABAUT. Mr. Speaker, I join my colleagues in paying tribute to the great gentleman from Tennessee, the late statesman and patriot, the Honorable Cordell Hull. That his loss is universally mourned there is no doubt; for there are many in this hemisphere alone who are enjoying a better way of life as a result of his far sighted statesmanship.

It was my privilege to work closely with Secretary Hull while serving as chairman of the subcommittee on appropriations for the Department of State. The occasions on which the business of government brought us together has afforded me the fondest memories of having associated with one of the truly great architects of our democratic way of life.

We all know of his guiding genius to consolidate our western hemispheric defenses as early as 1936, when, with President Roosevelt, he concluded the Buenos Aires Pact which implemented our good-neighbor policy. His foresight in this area of international relations greatly served to alleviate our military concern in this hemisphere during World War II.

He will undoubtedly always be remembered as the father of the enlightened principles of reciprocal trade. He clearly recognized that where there is economic stagnation there is also the fertile breeding ground for radical political enterprise. History has ably substantiated his premises.

It is significant that his passing comes at a time when the leaders of the world were at conference in the hope of establishing the means by which their fundamental differences may be worked out. The forum in which they met was instituted by his work at Dumbarton Oaks and the spirit of his genius for working for peace was one of the main cornerstones upon which the edifice of the United Nations was erected.

He was a loyal and devoted member of our Democratic Party and lent his unswerving patience to the tasks that confronted our great Nation in a dire period of peril. The unprecedent length of service as Secretary of State during these tremulous times will long be a landmark of unselfish public service.

Our country has lost a great citizen.

Mr. DAVIS of Tennessee. Mr. Speaker, I reverently join with my colleagues from Tennessee and the many others who have already spoken on the passing of former Secretary of State, Cordell Hull.

His life, from a very humble beginning, has already been thoroughly discussed. His service as a Member of this House and of the United States Senate and later as longtime Secretary of State was truly an expression of distinguished public service. Truly he gave everything he had to advance his country, received its honors in life and was awarded the Nobel Prize for his international efforts. Known as the Father of the United Nations and the creator of the Reciprocal Trade Treaty philosophy, he was known as an outstanding Tennessean, a great American and was respected throughout the world.

I knew him to be a very human man. Some years ago I spent a few days in the naval hospital and my room was immediately across from the one he occupied. Feeling hesitant to visit him, I was delighted to have a message one morning that he desired to talk with me. For many days thereafter I called at about the same time and I learned to know him better and to appreciate his quiet, dry humor and his devotion to friends. We chatted on those occasions about many things and when we had our unfortunate incident in the House March 1st, a year ago, he called to express his deep concern about all of us and was solicitous about my own personal welfare. Men who are truly great show the characteristics of greatness in many little and simple things.

I shall always remember my visits with him and will appreciate forever having known him more intimately in those days.

ARMY AND NAVY LEGION OF VALOR OF UNITED STATES OF AMERICA

Mr. FRAZIER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3786) to authorize the incorporation of Army and Navy Legion of Valor of United States of America, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That the following persons, to wit: James G. Walsh, Distinguished Service Cross, 50 Patten Street, Jamaica Plains, Mass.; Robert G. Woodside, Distinguished Service Gross, 3858 First Avenue South, St. Petersburg, Fla.; Deming Bronson, Congressional Medal of Honor, route 2, box 322, Roseburg, Oreg.; George E. Parker, Jr., Distinguished Service Cross, Lutherville, Md.; Leo L. Zingale, Distinguished Service Cross, 3612 East 117th Street, Cleveland, Ohio; John Davis, Congressional Medal of Honor, 800 North Shore Drive, St. Petersburg, Fla.; Glen O. McEwen, Distinguished Service Cross, box 737, Spokane 3, Wash.; Ben Prager, Distinguished Service Cross, 316 Court House, Pittsburgh, Pa.; Earle D. Norton, Distinguished Service Cross, 29 Broadway, New York, N. Y.; Ray Eastman, Navy Cross, 396 LaSalle Avenue, Buffalo 15, N. Y.; Ben Neff, Distinguished Service Cross, 208 Evanston Building, Minneapolis, Minn.; Warren L. Granger, Navy Cross, 703 16th Street, Alexandria, Va.; William Oliver Smith, Distinguished Service Cross, 917 Holt Drive, Raleigh, N. C.; Robert M. Gaynor, Distinguished Service Cross, 621 South Taylor Street, Arlington, Va.;Leon M. Hanna, Distinguished Service Cross, box 217, McHenry, Ill.; Bruno O. Forsterer, Congressional Medal of Honor, Walker Street, Oakland, Calif.; Elmer R. Hangartner, Distinguished Service Cross, 2103 Lynn Avenue, Altoona, Wis.; Thomas Eadie, Congressional Medal of Honor, 120 Gibbs Avenue, Newport, R. I.; John D. Hawk, Congressional Medal of Honor, 3243 Solie, Bremerton, Wash.; Leon A. Dombrowski, Distinguished Service Cross, 137 Highland Drive, Williamsville, N. Y.; William C. Hardie, Distinguished Service Cross, post-office box 1396, Billings, Mont.; E. Lee Henderson, Navy Cross, 10948 Fruitland Drive, North Hollywood, Calif.; Othel J. Gee, Distinguished Service Cross, 416 Medical Arts Building, Oklahoma City, Okla.; Leslie Hardy, Distinguished Service Cross, 1021 East Sierra Vista, Phoenix, Ariz.; A. Allen Johnson, Distinguished Service Cross, 953 Dixwell Avenue, New Haven, Conn.; Dennis C. Turner, Distinguished Service Cross, 1008 Missouri Avenue, Houston, Tex.; Columbus Whipple, Distinguished Service Cross, 2704 Brinker Avenue, Ogden, Utah; John D. Licklider, Distinguished Service Cross, 229 Woodrow Avenue, Martinsburg, W. Va.; Murray Wolffe, Navy Cross, 240 Gregory Avenue, Passaic, N. J.; Williard H. Marshall, Distinguished Service Cross, 31 West Whitney Street, Sheridan, Wyo.; Peter Paul Martinek, Navy Cross, 1731 South Brand Boulevard, Glendale, Calif.; Lucian Adams, Congressional Medal of Honor, 213 Santa Clara Street, San Antonio, Tex.; and Edgar H. Bain, post-office box 2, Goldsboro, N. C., and their successors, are hereby created and declared to be a body corporate of the District of Columbia, where its legal domicile shall be, by the name of the Army and Navy Legion of Valor of the United States of America, Inc. (hereinafter referred to as the "'corporation"), and by such name shall be known and have perpetual succession and the powers, limitations, and restrictions herein contained.

"COMPLETION OF ORGANIZATION

"SEC. 2. The persons named in the first section of this act are authorized to complete the organization of the corporation by the selection of officers and employees, the adoption of a constitution and bylaws, not inconsistent with the provisions of this act, and the doing of such other acts as may be necessary for such purpose. Five of such persons shall constitute a quorum for the purposes enumerated in this section.

"PRINCIPLES AND OBJECTS OF CORPORATION

"SEC. 3. (a) The principles underlying the corporation are patriotic allegiance to the United States of America, fidelity to its Constitution and laws, the security of civil liberty, and the permanence of free institutions.

"(b) The objects of the corporation are, to cherish the memories of the valiant deeds in arms for which the Congressional Medal of Honor, the Distinguished Service Cross, and the Navy Cross are the insignia; to promote true fellowship among its members; to advance the best interests of members of the Armed Forces of the United States of America; to extend all possible relief to needy members of the corporation, their widows, and children; and to stimulate patriotism in the minds of our youth by encouraging the study of the patriotic, military, and naval history of our Nation.

"CORPORATE POWERS

"SEC. 4. The corporation shall have power—

"(1) to have succession by its corporate name;

"(2) to sue and be sued, complain, and defend in any court of competent jurisdiction;

"(3) to adopt, use, and alter a corporate seal;

"(4) to charge and collect membership dues;

"(5) to adopt, amend, and alter a constitution and bylaws, not inconsistent with the laws of the United States or any State in which the corporation is to operate, for the management of its property and the regulation of its affairs;

"(6) to contract and be contracted with;

"(7) to take by lease, gift, purchase, grant, device, or bequest from any private corporation, association, partnership, firm, or individual and to hold any property, real, personal, or mixed, necessary or convenient for attaining the objects and carrying into effect the purposes of the corporation, subject, however, to applicable provisions of law of any State (A) governing the amount or kind of property which may be held by, or (B) otherwise limiting or controlling the ownership of property by, a corporation operating in such State;

"(8) to transfer, convey, lease, sublease, encumber, and otherwise alienate real, personal or mixed property; and

"(9) to borrow money for the purposes of the corporation, issue bonds therefore, and secure the same by mortgage, deed of trust, pledge, or otherwise, subject in every case to all applicable provisions of Federal and State laws.

"PRINCIPAL OFFICE; SCOPE OF ACTIVITIES; DISTRICT OF COLUMBIA AGENT

"SEC. 5. (a) The principal office of the corporation shall be located in Pittsburgh, Pa., or in such other place as may later be determined by the board of directors, but the activities of the corporation shall not be confined to that place and may be conducted throughout the various States, Territories, and possessions of the United States.

"(b) The corporation shall have in the District of Columbia at all times a designated agent authorized to accept service of process for the corporation; and notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to or service upon the corporation.

"MEMBERSHIP; VOTING RIGHTS

"SEC. 6. (a) All persons of good moral character who are, have been, or may become members of the Armed Forces of the United States or any foreign country of whatever rank, who have received or who may hereafter receive a Congressional Medal of Honor, a Distinguished Service Cross, or a Navy Cross awarded for acts of extraordinary heroism in connection with military or naval operations against an armed enemy, or for heroism of a specially distinguished character, shall be eligible for active membership in the corporation.

"(b) The corporation shall have the power, moreover, to extend eligibility for membership, either active or associate, to parents and lineal descendants of the persons described in subsection (a) of this section under such conditions and upon such terms as the corporation may specify in its constitution and bylaws.

"(c) Each member of the corporation, other than associate members, shall have the right to one vote on each matter submitted to a vote at all meetings of the members of the corporation.

"(d) Notwithstanding the limitations set out in subsections (a) and (b) of this section, any member in good standing of the corporate body referred to in section 16 of this act shall be admitted on request to comparable membership in the corporation created by this act.

"BOARD OF DIRECTORS: COMPOSITION; RESPONSIBILITIES

"SEC. 7. (a) Upon the enactment of this act the membership of the initial board of directors of the corporation shall consist of the present officers of the Army and Navy Legion of Valor, referred to in section 16 of this act, or such of them as may then be living and are qualified officers of that corporation, to wit: William Oliver Smith, of Raleigh, N. C.; Peter Paul Martinek, of Glendale, Calif.; Lucian Adams, of San Antonio, Tex.; Edgar H. Bain, of Goldsboro, N. C.; and Ben Prager, of Pittsburgh, Pa., who are respectively, the commander, the senior vice commander, the junior vice commander, the chaplain, and the adjutant and quartermaster.

"(b) Thereafter, the board of directors of the corporation shall consist of such number (not less than 10), shall be selected in such manner (including the filling of vacancies), and shall serve for such terms as may be prescribed in the constitution and bylaws of the corporation.

"(c) The board of directors shall be the governing board of the corporation and shall, during the intervals between corporation meetings, be responsible for the general policies and program of the corporation. The board shall be responsible for all finances of the corporation.

"OFFICERS; ELECTION OF OFFICERS

"SEC. 8. (a) The officers of the corporation shall be a commander, a senior vice commander, a junior vice commander, a chaplain, an adjutant and quartermaster, a judge advocate, an inspector, a surgeon, a historian, and such aides-de-camp as may be provided in the constitution and bylaws.

"(b) The officers of the corporation shall be elected in such manner and for such terms and with such duties as may be prescribed in the constitution and bylaws of the corporation.

"USE OF INCOME; LOANS TO OFFICERS, DIRECTORS, OR EMPLOYEES

"SEC. 9. (a) No part of the income or assets of the corporation shall inure to any member, officer, or director, or be distributable to any such person otherwise than upon dissolution or final liquidation of the corporation as provided in section 15 of this act. Nothing in this subsection, however, shall be construed to prevent the payment of compensation to officers of the corporation in amounts approved by the executive committee of the corporation.

"(b) The corporation shall not make loans to its officers, directors, or employees. Any director who votes for or assents to the making of a loan to an officer, director, or employee of the corporation, and any officer who participated in the making of such loan, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

"NONPOLITICAL NATURE OF CORPORATION

"SEC. 10. The corporation, and its officers and directors as such, shall not contribute to or otherwise support or assist any political party or candidate for public office.

"LIABILITY FOR ACTS OF OFFICERS AND AGENTS

"SEC. 11. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

"PROHIBITION AGAINST ISSUANCE OF STOCK OR PAYMENT OF DIVIDENDS

"SEC. 12. The corporation shall have no power to issue any shares of stock or to declare or pay any dividends.

"BOOKS AND RECORDS; INSPECTION

"SEC. 13. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, board of directors, and committees having any authority under the board of directors; and it shall also keep at its principal office a record of the names and addresses of its members entitled to vote. All books and records of the corporation may be inspected by any member entitled to vote, or his agent or attorney, for any proper purpose, at any reasonable time.

"AUDIT OF FINANCIAL TRANSACTIONS

"SEC. 14. (a) The financial transactions shall be audited annually, at the end of the fiscal year established by the corporation, by an independent certified public accountant in accordance with the principles and procedures applicable to commercial corporate transactions. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit; and full facilities for verifying transactions with the balances or securities held by depositors, fiscal agents, and custodians shall be afforded to such person or persons.

"(b) A report of such audit shall be made by the corporation to the Congress not later than 6 months following the close of such fiscal year for which the audit is made. The report shall set forth the scope of the audit and shall include verification by the person or persons conducting the audit of statements of (1) assets and liabilities, (2) capital and surplus or deficit, (3) surplus or deficit analysis, (4) income and expense, and (5) sources and application of funds. Such report shall not be printed as a public document.

"USE OF ASSETS ON DISSOLUTION OR LIQUIDATION

"SEC. 15. Upon final dissolution or liquidation of the corporation, and after discharge or satisfaction of all outstanding obligations and liabilities, the remaining assets of the corporation may be distributed in accordance with the determination of the board of directors of the corporation and in compliance with the constitution and bylaws of the corporation and all Federal and State laws applicable thereto.

"TRANSFER OF ASSETS

"SEC. 16. The corporation may acquire the assets of the Army and Navy Legion of Valor of the United States of America, Incorporated, a body corporate organized under the laws of the State of New York, upon discharging or satisfactorily providing for the payment and discharge of all of the liabilities of such State corporation and upon complying with all the laws of the State of New York applicable thereto.

"RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

"SEC. 17. The right to alter, amend, or repeal this act is expressly reserved."

Amend the title so as to read: "An act to incorporate the Army and Navy Legion of Valor of the United States of America."

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. GROSS. Reserving the right to object, Mr. Speaker, what is the purpose of this bill? Will it charter some organization?

Mr. FRAZIER. This bill would authorize the incorporation of the Army and Navy Legion of Valor of the United States of America, which is composed of men who have received the Congressional Medal of Honor and other medals awarded by our Nation for their valor.

Mr. McCORMACK. If the gentleman will yield, I may say that I introduced the bill for the organization. Only men who have received the three highest medals conferred by our Government can be members of this organization.

Mr. GROSS. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Senate amendment was agreed to; and a motion to reconsider was laid on the table.

AMENDING SECTION 1233 OF THE INTERNAL REVENUE CODE OF 1954

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 6263) to amend section 1233 of the Internal Revenue Code of 1954 and section 117 (1) of the Internal Revenue Code of 1939, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. COOPER]?

Mr. JENKINS. Mr. Speaker, reserving the right to object, and I shall not object, I understand the distinguished gentleman from Tennessee [Mr. COOPER] has 5 or 6 bills, all of which have passed the Committee on Ways and Means unanimously after thorough consideration. I hope that they will all be passed by unanimous consent by the House this morning.

Mr. Speaker, I ask unanimous consent to extend my remarks following the passage of each bill and also the same privilege be granted each member of the Committee on Ways and Means.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. COOPER]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 1233 of the Internal Revenue Code of 1954 is amended by adding at the end thereof a new subsection as follows:

"(f) Arbitrage operations in securities: In the case of the closing of a short sale which had been entered into as an arbitrage operation, to which sale the rule of subsection (b) (2) would apply except as otherwise provided in this subsection—

"(1) subsection (b) (2) shall apply first to substantially identical assets acquired for arbitrage operations held at the close of business on the day such sale is made, and only to the extent that the quantity sold short exceeds the substantially identical assets acquired for arbitrage operations held at the close of business on the day such sale is made, shall the holding period of any other such identical assets held by the taxpayer be affected:

"(2) in the event that assets acquired for arbitrage operations are disposed of in such manner as to create a net short position in assets acquired for arbitrage operations, such net short position shall be deemed to constitute a short sale made on that day;

"(3) for the purpose of paragraphs (1) and (2) of this subsection the taxpayer will be deemed as of the close of any business day to hold property which he is or will be entitled to receive or acquire by virtue of any other asset acquired for arbitrage operations or by virtue of any contract he has entered into in an arbitrage operation; and

"(4) for the purpose of this subsection arbitrage operations are transactions involving the purchase and sale of assets for the purpose of profiting from a current difference between the price of the asset purchased and the price of the asset sold, and in which the asset purchased, if not identical to the asset sold, is such that by virtue thereof the taxpayer is, or will be, entitled to acquire assets identical to the assets sold. Such operations must be clearly identified by the taxpayer in his records as arbitrage operations on the day of the transaction or as soon thereafter as may be practicable. Assets acquired for arbitrage operations will include stocks and securities and the right to acquire stocks and securities."

SEC. 2. Section 1 of this act shall apply only with respect to taxable years beginning after December 31, 1953, and ending after August 16, 1954.

SEC. 3. Section 117 (1) of the Internal Revenue Code of 1939 is amended by adding at the end thereof a new paragraph as follows:

"(4) Arbitrage operations in securities: In the case of the closing of a short sale which had been entered into as an arbitrage operation, to which sale the rule of paragraph (1) (b) would apply except as otherwise provided in this paragraph—

(A) paragraph (1) (b) shall apply first to substantially identical assets acquired for arbitrage operations held at the close of business on the day such sale is made, and only to the extent that the quantity sold short exceeds the substantially identical assets acquired for arbitrage operations held at the close of business on the day such sale is made, shall the holding period of any other such identical assets held by the taxpayer be affected;

"(B) in the event that assets acquired for arbitrage operations are disposed of in such manner as to create a net short position in assets acquired for arbitrage operations, such net short positions shall be deemed to constitute a short sale made on that day;

"(C) for the purpose of subparagraphs (A) and (B) of this paragraph, the taxpayer will be deemed as of the close of any business day to hold property which he is or will be entitled to receive or acquire by virtue of any other assets acquired for arbitrage operations or by virture of any contract he has entered into in an arbitrage operation; and

"(D) for the purpose of this paragraph arbitrage operations are transactions involving the purchase and sale of assets for the purpose of profiting from a current difference between the price of the asset purchased and the price of the asset sold, and in which the asset purchased, if not identical to the asset sold, is such that by virtue thereof the taxpayer is, or will be entitled to acquire assets identical to the assets sold. Such operations must be clearly identified by the taxpayer in his record as arbitrage operations on the day of the transaction or as soon thereafter as may be practicable. Assets acquired for arbitrage operations will include stocks and securities and the right to acquire stocks and securities."

SEC. 4. Section 3 of this act shall apply in the case of a short sale of property made by the taxpayer after September 23, 1950.

With the following committee amendment:

Strike out line 10 on page 3 and all that follows through line 10 on page 5 and insert in lieu thereof the following:

"SEC. 2. The amendment made by the first section of this act shall apply only with respect to taxable years ending after the date of the enactment of this act and only in the case of a short sale of property made by the taxpayer after such date."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend section 1233 of the Internal Revenue Code of 1954."

A motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, as you will recall, the Revenue Act of 1950 enacted special provisions relating to short sales which were designed to prevent the artificial conversion of short-term gains into long-term gains and long-term losses into short-term losses. This was accomplished by two rules. The first provided that if on the date of the short sale the taxpayer had held substantially identical property for less than 6 months or where such property was acquired after the short sale but before it was closed then any gain from the closing of such sale was considered a short-term gain.

The second rule which complemented the first provided that the holding period of substantially identical property was, with certain exceptions, to be considered as starting on the date of the closing of the short sale.

The second of these rules has operated to cause hardship in cases where a person engaging in arbitrage operations in securities has held property in an investment account which was substantially identical to that used in the arbitrage operations.

Revenue ruling 154 (1953–2 CB 173) describes these arbitrage operations and holds them to be short sales in the following language:

Certain bonds traded in on the New York Stock Exchange are convertible, at the option of the holder, into common stock of the issuing corporation. The market price of the bonds tends to fluctuate in direct relation to the market price of the stock. At times, however, there is a slight difference in the relative market prices of the bonds and stock. When the price of the bonds is down, in relation to the price of the stock, members of the Exchange buy the bonds at the market price and as nearly simultaneously as possible sell the stock into which the bonds are convertible. The bonds purchased are then converted and the stock so received is used to close the sale. These transactions are known as arbitrage operations. Held,

sales of stock in the manner described constitute short sales within the purview of section 117 (l) of the Internal Revenue Code.

Therefore, if the taxpayer holds securities for investment purposes and during the holding period of such securities makes short sales of substantially identical property in arbitrage operations, the application of the short sales rules results in the loss of the original holding period of the investment securities. To remedy this situation H. R. 6263 provides that the short sale rules are not to apply to property held for investment purposes if the taxpayer engages in bona fide arbitrage operations under the conditions set forth in the bill.

This bill was ordered unanimously reported by the Ways and Means Committee. I urge the adoption of the bill by the House.

Mr. JENKINS. Mr. Speaker, H. R. 6263, which was introduced by my distinguished colleague from New Jersey [Mr. KEAN], amends section 1233 of the Internal Revenue Code of 1954, relating to gains and losses from short sales. The bill provides that the rules of subsection (b) (2) of section 1233 are not to apply to property not acquired for arbitrage operations if the taxpayer engages in an arbitrage operation under the conditions set forth in the bill. The bill was reported unanimously by the Committee on Ways and Means.

PROVIDING FOR CARRYBACK AND CARRYOVER OF FOREIGN TAX CREDIT

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 6728) to provide for carryback and carryover of foreign tax credit, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. COOPER]?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That section 904 of the Internal Revenue Code of 1954 (relating to limitation on foreign tax credit) is hereby amended by inserting immediately after subsection (b) thereof the following new subsection:

"(c) Carry-back and carry-over of excess tax paid: Any amount by which any such tax paid or accrued to any foreign country or possession of the United States for any taxable year for which the taxpayer chooses to have the benefits of this subpart exceeds the limitation under section (a) shall be deemed tax paid or accrued to such foreign country or possession of the United States in the second preceding taxable year, in the first preceding taxable year, and in the first, second, third, fourth, or fifth succeeding taxable years, in that order and to the extent not deemed tax paid or accrued in a prior taxable year, in the amount by which the limitation under subsection (a) for such preceding or succeeding taxable year exceeds the sum of the tax paid or accrued to such foreign country or possession for such preceding or succeeding taxable year and the amount of the tax for any taxable year earlier than the current taxable year which shall be deemed to have been paid or accrued in such preceding or subsequent taxable year (whether or not the taxpayer chooses to have the benefits of this subpart with respect to such earlier taxable year). Such amount deemed paid or accrued in any year may be availed of only as a tax credit and not as a deduction and only if taxpayer for such year chooses to have the benefits of this subpart as to taxes paid or accrued for that year to foreign countries or possessions."

SEC. 2. Section 6611 of the Internal Revenue Code of 1954 (relating to interest on overpayments) is hereby amended by redesignating subsection "(g)" as subsection "(h)" and by inserting immediately after subsection (f) the following new subsection:

"(g) Refund of income tax caused by carry-back of foreign taxes: For purposes of subsection (a), if any overpayment of tax results from a carry-back of tax paid or accrued to foreign countries or possessions of the United States, such overpayment shall be deemed not to have been paid or accrued prior to the close of the taxable year under this subtitle in which such taxes were in fact paid or accrued."

SEC. 3. Effective date: The amendments made by this act shall apply only with respect to taxable years beginning after December 31, 1954, and the term "second preceding taxable year," as used therein, shall not apply to any taxable year beginning prior to January 1, 1953.

With the following committee amendments:

Page 1, line 10, insert after "taxable year" the following: "beginning after December 31, 1954."

Page 2, line 21, strike out "possessions.'" and insert "possessions. For purposes of this subsection, the terms 'second preceding taxable year' and 'first preceding taxable year' do not include any taxable year beginning before January 1, 1955'."

Page 3, strike out "1954," in line 15 and all that follows through line 17, and insert: "1954."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, H. R. 6728 amends the Internal Revenue Code of 1954 to remedy inequities caused by the operation of the foreign tax credit provisions of existing law.

The power to tax is inherent in the sovereignty of all nations. For that reason, citizens and alien residents of the United States and domestic corporations who do business both in and without the United States are subject to taxation in both the United States and in the foreign countries where the business is carried on.

As you will recall, existing law seeks to avoid double taxation of the same income in these cases by allowing a credit for the taxes paid or accrued to the foreign country against our Federal income tax. The inequities to which I have alluded are the product of the so-called per country limitation contained in present law. This limitation operates to restrict the amount of foreign tax credit to an amount which bears the same proportion to the taxpayers total tax liability as the taxable income from the foreign country bears to the total taxable income of the taxpayer for the taxable year.

If the manner prescribed in the foreign country for reporting income differs from that followed in the United States, such differences often result in double taxation.

The report accompanying this bill lists six factors which may result in differences in the timing required for reporting income.

To overcome the disparity of treatment resulting from laws over which the United States has no control H. R. 6728 permits foreign taxes which cannot be taken into account currently as a credit against United States taxes to be carried back to the 2 prior years or forward to the 5 succeeding years to the extent of any excess of the limitation over the foreign taxes paid in those years.

The bill was unanimously reported by the Committee on Ways and Means. I urge its adoption by the House of Representatives.

Mr. Speaker, I ask unanimous consent that other Members of the House, desiring to do so, may extend their remarks at this point in the RECORD on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JENKINS. Mr. Speaker H. R. 6728 permits foreign taxes which cannot be taken currently as a tax credit by reason of the per country limitation to be carried back to the 2 prior years or forward to the 5 succeeding years and used in those years to the extent of any excess of the limitation over foreign taxes paid in those years. The bill was reported unanimously by the Committee on Ways and Means.

Mr. O'BRIEN of Illinois. Mr. Speaker, the United States taxes domestic taxpayers on both their foreign and their domestic income, but, to avoid double taxation, allows a credit of foreign tax against United States tax of not to exceed the pro rata amount of the United States tax on the foreign income. The purpose of the credit is accomplished, except when the foreign country taxes the income in 1 year and the United States taxes the same business income in another year, in which case the taxes attributable to such income fall in different years, and the credit is lost. H. R. 6728 does not average or shift or change the determination of income between taxable years, and does not alter the policy of Congress in imposing a country-by-country limitation upon the foreign tax credit. Since the legislation would deal solely with the foreign tax credit, which has been an integral part of Federal income tax laws since the Revenue Act of 1918, it is in no sense related to recent proposals to provide reduced rates of taxation and deferment of taxation of income from foreign sources. By providing a carry-back and carry-over of credit, this bill merely correlates the foreign and United States tax to carry out the intent and purpose of Congress. No foreign tax credit is ever allowed in excess of the pro rata amount of the United States tax on the foreign income. The committee amendment was necessary to carry out the decision of the com-

mittee that the bill should have no retroactive effect upon tax liabilities for years prior to January 1, 1955.

Mr. BOGGS. Mr. Speaker, the bill, H. R. 6728, which was reported unanimously by the Committee on Ways and Means, deals with the credit against United States tax for income taxes paid or accrued to foreign countries. The purpose of the bill is to insure the full intended benefit of that credit.

For many years existing law has allowed a credit against United States tax for income tax paid or accrued to a foreign country or possession of the United States. The reason for the credit is to avoid double taxation of the same income. In order to avoid subsidizing high-rate foreign tax systems, the amount of the credit is limited to the same proportion of the United States tax which the taxable income from sources within the foreign country bears to the entire income from all sources which is taxable in the United States. In effect, this limitation means that the credit may be allowed only if, in the year when the foreign tax was paid, the United States return reflects income from sources within the foreign country; and then the credit may not exceed what would be the United States tax on the income from that country.

It has been found that the benefit of the credit is frequently lost because what the United States tax system includes as income of a given year from a foreign country may be substantially different from what the foreign country taxes as income in that year. An item of income may be taxable in one year in a foreign country, and in another year or other years in the United States. Or there may be differences in the year of allowing deductions, or in the method of computing the return of capital investment by depreciation allowances.

A striking example of international variations in determining the year's taxable income is found in connection with the installment-sale method of reporting income, which is not permitted in some foreign countries or is permitted in a different degree or manner. Thus, in a foreign country not permitting installment-sale reporting the entire income from a particular transaction may be taxable income in the year of the sale; in the United States the income from the same foreign sale would be taxed only in small part in the year of sale and the balance would be taxed in subsequent years as collections are made. In the year of sale the United States tax return would reflect a low income from sources within the foreign country but would show a high foreign tax paid, and the limitation would require disallowance of some of the credit. In the following year the situation would be reversed. There would be no foreign tax on the income from that sale because the income had already been taxed in that country, but in the United States the part of the profit collected in such second year would be taxed, and the foreign tax paid would be less than the amount of credit potentially allowable under the limitation.

The bill provides for carryback and carryover of foreign tax credit, so as to correct the consequence of mere difference in timing of reporting the same income under different tax systems. It does not increase the amount of allowable credit, but attempts to correlate the credit for tax paid on foreign income to the year when that income is taxed on the United States return.

The bill provides that the amount by which the tax paid or accrued to a foreign country exceeds the limitation in a given year shall be carried back 2 years and forward 5 years. This excess will be deemed tax paid or accrued to that foreign country in the second preceding taxable year, the first preceding taxable year, the first succeeding year, the second, third, fourth, or fifth succeeding year—in that order.

For example, an amount paid or accrued to country X in 1957 may not be allowable as a credit against the United States tax in that year because of the limitation, because the United States return reflects a low income in that year from sources within X. That unused credit may then be carried back to 1955 and deemed paid or accrued to X in 1955. If, when added to the tax actually paid or accrued to X in 1955, the 1955 limitation is not exceeded, that carried-back amount is utilized in 1955 as a credit. To the extent that it is not so used in 1955 because of an excess over the limitation in that year, it will be similarly available as a credit in 1956; and then successively—for any balance—in 1958, 1959, 1960, 1961 or 1962.

The problems to which the bill is directed would not arise if there were complete harmony between the taxing systems of foreign countries and the system of the United States, so that the year in which given income from a foreign country is taxed in the United States is the same as the year in which it is taxed in that foreign country. The bill attempts to do no more than put American taxpayers on the same footing as if that correlation existed, and it is strictly limited to that intended result.

Some of the safeguards in the bill may be mentioned briefly. The credit in any year can never exceed the limitation which is based on the United States tax on that year's income from the foreign country involved. And if credit carried back or carried forward cannot be used within the bounds of that limitation in the two preceding years or the five following years, it is forever lost.

The bill as reported is made effective as to foreign taxes paid or accrued in a year beginning in 1955 or later. An unused excess over the limitation may not be carried back to tax years beginning in 1953 or 1954. Thus, there is no retroactive effect, and a carry-back cannot produce a refund for any year beginning before 1955.

With the high tax rates which prevail both in the United States and in foreign countries, it is important that everything reasonably possible be done to avoid double taxation of the same business income. This bill is a step in that direction. For that reason, it was unanimously approved by the Committee on Ways and Means.

ASSISTING STATES IN COLLECTING SALES AND USE TAXES ON CIGARETTES

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 6886) to amend the act of October 19, 1949, entitled "An act to assist States in collecting sales and use taxes on cigarettes," which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. COOPER]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act of October 19, 1949, entitled "An act to assist States in collecting sales and use taxes on cigarettes," as amended (15 U. S. C., sec. 375–377), is hereby amended to read as follows: "That for the purposes of this act—

"(1) The term 'person' includes corporations, companies, associations, firms, partnerships, societies, and joint stock companies, as well as individuals.

"(2) The term 'cigarette' means any roll for smoking made wholly or in part of tobacco irrespective of size or shape and whether or not such tobacco is flavored, adulterated, or mixed with any other ingredient, the wrapper or cover of which is made of paper or any other substance or material except tobacco.

"(3) the term 'distributor licensed by or located in such State' means—

"(A) in the case of any State which by State statute or regulation authorizes the distribution of cigarettes at wholesale or retail, any person so authorized, or

"(B) in the case of any other State, any person located in such State who distributes cigarettes at wholesale or retail;

but such term in no case includes a person who acquires cigarettes for purposes other than resale.

"(4) The term 'use', in addition to its ordinary meaning, means the consumption, storage, handling, or disposal of cigarettes.

"(5) The term 'tobacco tax administrator' means the State official duly authorized to administer the cigarette tax law of a State.

"(6) The term 'State' includes the District of Columbia, Alaska, Hawaii, and the Commonwealth of Puerto Rico.

"(7) the term 'transfers for profit' means any transfer for profit or other disposition for profit, including any transfer or disposition by an agent to his principal in connection with which the agent receives anything of value.

"SEC. 2. (a) Any person who sells or transfers for profit cigarettes in interstate commerce, whereby such cigarettes are shipped into a State taxing the sale or use of cigarettes, to other than a distributor licensed by or located in such State, or who advertises or offers cigarettes for such a sale or transfer and shipment, shall—

"(1) first file with the tobacco tax administrator of the State into which such shipment is made or in which such advertisement or offer is disseminated a statement setting forth his name and trade name (if any), and the address of his principal place of business and of any other place of business; and

"(2) not later than the 10th day of each calendar month, file with the tobacco tax administrator of the State into which such shipment is made, a memorandum or a copy of the invoice covering each and every shipment of cigarettes made during the previous calendar month into such State; the

memorandum or invoice in each case to include the name and address of the person to whom the shipment was made, the brand, and the quantity thereof.

"(b) The fact that any person ships or delivers for shipment any cigarettes shall, if such shipment is into a State in which such person has filed a statement with the tobacco tax administrator under subsection (a) (1) of this section, be presumptive evidence (1) that such cigarettes were sold, or transferred for profit, by such person, and (2) that such sale or transfer was to other than a distributor licensed by or located in such State.

"SEC. 3. Whoever violates any provision of this act shall be guilty of a misdemeanor and shall be fined not more than $1,000, or imprisoned not more than 6 months, or both.

"SEC. 4. The United States district courts shall have jurisdiction to prevent and restrain violations of this act."

SEC. 2. (a) Except as provided in subsection (b), the amendments made by this act shall take effect 30 days after the date of its enactment.

(b) The provisions of section 2 (a) of the act of October 19, 1949, as amended by this act, insofar as it requires the filing of memoranda or copies of invoices with the appropriate tax administrator for shipments of cigarettes into the District of Columbia, Alaska, Hawaii, and the Commonwealth of Puerto Rico, shall apply in respect of memoranda or copies of invoices covering shipments made during calendar months beginning after the month in which this act is enacted.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, in 1949 the Congress passed an act—title 15 United States Code, sections 375–377—which required persons who sell cigarettes in interstate commerce to persons other than a distributor licensed by a State to forward to the tobacco tax administrator of the State, in which the sale was consummated, monthly reports setting forth the names and addresses of the persons to whom shipments were made. This act, which was amended in 1953, was originally passed to meet a situation which prevailed in the mail-order cigarette business where a large number of concerns were engaged in selling cigarettes in other States through the mail directly to consumers who thus avoided the payment of State taxes imposed upon cigarettes.

While salutary in its effect, the act was deficient in some respects. These defects resulted in exorbitant investigative costs to the Federal Bureau of Investigation which was charged with obtaining the evidence necessary for successful criminal prosecution of violators. The States also lost revenue during the time necessary to investigate and prosecute violators.

H. R. 6886 would remedy this situation by providing four important changes, the first of which redefines the term "State" to include the District of Columbia, Alaska, Hawaii, and the Commonwealth of Puerto Rico.

The second major change requires anyone who advertises or offers for sale and shipment in interstate commerce to a nondistributor in a taxing State to file his name, trade name, address and places of business with the tax administrator of the State in which the advertisement or offer is made.

The third change creates a presumption that cigarettes shipped or delivered into a State in which a statement has been filed was a sale for profit by the shipper, and further, that the sale was to a person other than a distributor licensed by or located in the taxing State.

The fourth major change gives the United States district court the power to issue injunctions restraining violations of the act.

These and other minor changes effected by the bill will make administration of the act considerably less expensive and the task of securing evidence of violations much easier. In addition, it is expected that the revenue losses presently incurred by taxing States will be considerably diminished.

The bill was supported before our committee by a representative of the Justice Department who recommended its passage. The bill was unanimously reported by the Committee on Ways and Means. I urge that it be passed.

Mr. JENKINS. Mr. Speaker, H. R. 6886 was reported unanimously by the Committee on Ways and Means. It amends the act of October 19, 1949—title 15, United States Code, sections 375–377. That act, which I sponsored, provided that persons who sell or dispose of cigarettes in interstate commerce to a person other than a distributor licensed by or located in a State taxing the sale or use of cigarettes must "forward to" the tobacco tax administrator of the receiving State monthly reports setting forth the names and addresses of the persons to whom shipments were made and the brand and quantity of cigarettes so shipped. The failure of the seller or disposer to comply with this act, subjected him to a fine of $1,000 or imprisonment for not more than 6 months or both.

The act of October 19, 1949, was enacted for three major reasons:

First. The large and increasing loss of revenue to the States caused by the evasion of sales and use taxes on cigarettes shipped in interstate commerce to consumers;

Second. The discrimination caused by this evasion against sellers of cigarettes in States having a higher tax than the tax of the seller State; and

Third. The fact that this evasion was accomplished through the use of the United States mail.

An act of August 15, 1953, amended the original act to require the actual filing of the reports of cigarette sales to such nondistributors with the tobacco tax administrator of the receiving State instead of merely forwarding such reports to that official. The purpose of that amendment was to place the Federal venue, in case of violation of the act, in the district in which the State tobacco tax administrator of the receiving State has his office, and not in the district from which the cigarettes are shipped.

This bill makes four important changes in the 1949 act as amended. The first redefines the term "State" to include the District of Columbia, Alaska, Hawaii, and the Commonwealth of Puerto Rico. This extends the coverage of the act to shipments of cigarettes to consumers in these areas. This change is contained in the first section of the act, as amended, by the bill.

The second major change made by this bill is contained in section 2 (a) of the act as amended by the bill. Existing law only requires that one who sells and causes cigarettes to be shipped in interstate commerce to other than a distributor must each month file memoranda or copies of invoices with the tobacco tax administrator of the State imposing the tax. The memoranda or invoice copies are to cover each shipment of cigarettes to a State made during the prior month. This requirement is retained and section 2 (a) of this bill adds a further requirement. The new provision requires anyone who advertises or offers cigarettes for sale and shipment in interstate commerce to a nondistributor in a taxing State to file his—the advertiser's—name, trade name, address, and places of business with the tobacco tax administrator of the State in which the advertisement or offer is disseminated. One who sells and causes cigarettes to be shipped in interstate commerce to a nondistributor in a taxing State also is required to file such information in the State into which the cigarettes are shipped. The bill changes the language in the present law to make certain that the law applies only to shipments of cigarettes into those States which tax their sale or use.

The third important change in existing law is contained in section 2 (b) of the act as amended by the bill. This section creates a presumption that once cigarettes are shipped or delivered for shipment into a State in which a statement has been filed, then such shipment is to be presumptive evidence (1) that there was a sale for profit by the shipper and (2) that the sale was to a person other than a distributor licensed by or located in the receiving State. This provision is intended to remove the very real difficulty of locating the buyer and obtaining his testimony as to violations of this act.

The fourth major change in present law is contained in section 4 of the bill. This section gives the United States district courts the power to restrain violations of this act. Formerly the district courts only had the power to punish violations after they occurred. It is felt that this amendment will greatly improve the enforcement of this act.

Minor changes effected by this bill are as follows:

First. The broadening of the term "person" to include, but not to be limited to, various additional forms of business operation. This was done to avoid any technical dispute as to the scope of its meaning.

Second. Inserting and defining the term "distributor licensed by or located in such State." The effect of the mandatory provisions of section 2 of the act of October 19, 1949 (title 15, U. S. C., sec. 376), was to exempt shipments solely to distributors as distinguished from those who ship to consumers. This amendment makes it clear that the filing requirements do not apply to those who ship solely to wholesale or retail distributors in States which do not actually issue an authorization or license.

Third. Instead of using the term "disposing of" this bill inserts and defines the term "transfer for profit" and provides specifically that this includes the situation where the seller appoints the buyer as his agent. The purpose of this is to cover a possible evasion of the act by subterfuge. It is declaratory of existing law.

Fourth. In section 2 (a) (2) the word "calendar" is inserted before the word "month" where the latter word first appears.

Those provisions regarding the filing of memoranda or copies of invoices in the District of Columbia, Alaska, Hawaii, and Puerto Rico are to apply to shipments in the calendar months after the month in which the bill is enacted. The remainder of the provisions of this bill are to take effect 30 days after enactment.

The amendment by this bill would place no additional burden upon anyone shipping cigarettes to licensed distributors. It would require information to be supplied only by establishments which, without paying the tax, ship cigarettes across a State border to consumers in States imposing a tax on cigarettes and by this means evade the State tax on cigarettes.

Mr. Speaker, the original act which I sponsored, along with subsequent amendments, has been a milestone in Federal-State cooperation. It has saved the States many millions of dollars in revenue which would otherwise have been lost.

Before the original act was passed the situation was in reality disgraceful. Practically all of the States had passed laws providing for a tax on cigarettes on the basis of 2 to 5 cents a pack. Those States that had not passed a law providing for a tax on cigarette packs furnished an opportunity to bootleggers to buy cigarettes in the State where no tax was demanded and then sell them clandestinely in a State where a tax was required and thereby avoid what would be a double tax.

Because of this situation many bootleggers came into Ohio and other States personally and solicited business and, as a result, the mails were full of cigarettes being sent from the State which levied no tax and sold in a State in violation of the tax law. The first year following the passage of the original act the State of Ohio took in $550,000 more in taxes than it would have taken in if the bill had not passed. It was jokingly said at that time in 1 of the large cities in 1 of the States where the tax was 4 cents a pack that the post office was by far the biggest distributor of cigarettes because the cigarettes that came in illegally were of tremendous volume.

While Ohio profited from the original bill, as I have stated, the profits in Ohio have been more than $550,000 since then because the enforcement of the law has become more strict. I do not have the accurate figures before me, but I daresay that while Ohio was profiting by the passage of this law, no doubt States like New York and Pennsylvania profited close to a million dollars a year.

In most cases this bootlegging practice was carried on by hardened lawbreakers who knew what they were doing and made themselves immensely rich. While this bootlegging was being carried on there were many shippers of cigarettes who obeyed the law most carefully—for instance, some of the big distributors such as Sears, Roebuck & Co. were very particular when they sent cigarettes into Ohio to see to it that the law controlling the tax on cigarettes was met in every detail.

As I have heretofore stated, in the present law we strengthened the hands of the enforcing officers so that they can wipe out of existence the bootleggers yet remaining.

AMENDING SECTION 1321 OF THE INTERNAL REVENUE CODE OF 1954

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 6999) to amend section 1321 of the Internal Revenue Code of 1954, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. COOPER]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the second sentence of section 1321 (a) of the Internal Revenue Code of 1954 (relating to involuntary liquidation of LIFO inventories) is hereby amended by striking the period at the end thereof and inserting the following: "(except that no adjustment shall be made in the computations under section 459 (f) of the Internal Revenue Code of 1939)."

SEC. 2. A taxpayer to which the amendment made by this act applies may elect, at any time before January 1, 1956, to have the provisions of section 1321 of the Internal Revenue Code of 1954 as so amended apply with respect to involuntary liquidations of LIFO inventories and replacements thereof referred to in section 1321.

With the following committee amendment:

Strike out "1939)" and insert "1939)."

Mr. NICHOLSON. Mr. Speaker, I move to strike out the last word and take this time only to ask the chairman of the Committee on Ways and Means if he can give us a short explanation of the bill.

Mr. COOPER. The bill was introduced by the distinguished gentleman from Ohio [Mr. JENKINS]. I am sure if the gentleman from Massachusetts so desires the gentleman from Ohio will explain it to him.

Mr. JENKINS. If the gentleman will yield, the substance of this bill is in fact the present law, but those who enforce it in the Department of Justice want a few small amendments to assist them in its enforcement. I do not know of anybody who is opposed to it anywhere along the line.

Mr. NICHOLSON. I thank the gentleman from Ohio.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in explanation of the bill H. R. 6999.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, H. R. 6999 amends section 1321 (a) of the Internal Revenue Code of 1954, relating to involuntary liquidations of last-in first-out — LIFO — inventories. The amendment proposed by the bill is necessitated by the interrelationship between this section and section 459 (f) of the 1939 Internal Revenue Code, relating to an excess-profits tax base for the 1950 excess-profits tax. At present the interrelationship between these sections may operate to deprive taxpayers of the relief which was intended to be afforded to them upon the replacement of an involuntarily liquidated last-in first-out—LIFO—inventory or to deny to them the use of the special average base period net income provided by section 459 (f) for purposes of the 1950 Excess Profits Tax Act.

The bill takes care of this hardship by providing that the adjustments to taxable income required by section 1321 (a) are not to apply with respect to computations made under section 459 (f) of the Internal Revenue Code of 1939. Thus, the average base period net income of companies preserving defense capacity and increasing capacity for manufacturing peacetime products from certain strategic and critical metals will not be reduced because of subsequent expenses for the replacement of liquidated inventory.

This bill was unanimously reported by the Ways and Means Committee. I urge its adoption by the House.

Mr. JENKINS. Mr. Speaker, H. R. 6999, which was introduced by my distinguished colleague from Connecticut [Mr. SADLAK], amends section 1321 (a) of the Internal Revenue Code of 1954 relating to inventory liquidations of LIFO inventories. The amendment simply provides that the adjustments to taxable income required by this provision shall not apply with respect to computations under section 459 (f) of the 1939 Code, relating to the excess-profits tax base for the 1950 excess-profits tax. The bill was reported unanimously by the Committee on Ways and Means.

REMOVAL OF CERTAIN MANUFACTURERS' EXCISE TAXES

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means I ask unanimous consent for the immediate consideration of the bill (H. R. 7024) to remove the manufacturers' excise tax from the sales of certain component parts for use in other manufactured articles, and to confine to entertainment-type equipment the tax on radio and television apparatus, which

was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That chapters 32 and 65 of the Internal Revenue Code of 1954 are amended as follows:

(a) Section 4216 (a) (1) of the Internal Revenue Code of 1954 is amended by inserting after "section 4141" the following: "and other than an automobile part or accessory taxable under section 4061 (b), a refrigerator component taxable under section 4111, a radio or television component taxable under section 4141, or a camera lens taxable under section 4171."

(b) Section 4218 (b) of the Internal Revenue Code of 1954 is amended to read as follows:

"(b) Exception: This section shall not apply with respect to the use by the manufacturer, producer, or importer of an automobile part or accessory taxable under section 4061 (b), a refrigerator component taxable under section 4111, a radio or television component taxable under section 4141, or a camera lens taxable under section 4171, if such part, accessory, component, or lens is used by him as material in the manufacture or production of, or as a component part of, any article."

(c) The first two sentences of section 4220 of the Internal Revenue Code of 1954 are amended to read as follows: "Under regulations prescribed by the Secretary or his delegate, no tax under this chapter shall be imposed with respect to the sale of—

"(1) any article (other than an automobile part or accessory taxable under section 4061 (b), a refrigerator component taxable under section 4111, a radio or television component taxable under section 4141, or a camera lens taxable under section 4171)—

"(A) for use by the vendee as material in the manufacture or production of, or as a component part of, an article enumerated in this chapter; or

"(B) for resale by the vendee for such use by his vendee, if such article is in due course so resold; or

"(2) an automobile part or accessory taxable under section 4061 (b), a refrigerator component taxable under section 4111, a radio or television component taxable under section 4141, or a camera lens taxable under section 4171—

"(A) for use by the vendee as material in the manufacture or production of, or as a component part of, any article; or

"(B) for resale by the vendee for such use by his vendee, if such article is in due course so resold.

For purposes of this chapter, the manufacturer or producer to whom an article is sold under paragraph (1) (A) and (2) (A) or resold under paragraph (1) (B) or (2) (B) shall be considered the manufacturer or producer of such article."

(d) Section 4113 of the Internal Revenue Code of 1954 is hereby repealed.

(e) Section 4112 of the Internal Revenue Code of 1954 is amended—

(A) by striking out the heading to such section and inserting in lieu thereof the following:

"SEC. 4112. Definition of Refrigerator components.";

(B) by striking out "(a) Refrigerator components:"; and

(C) by striking out subsection (b) thereof.

(f) The table of sections to part I of subchapter B of chapter 32 of the Internal Revenue Code of 1954 is amended—

(A) by striking out "Definitions" and inserting in lieu thereof "Definition of refrigerator components"; and

(B) by striking out "Sec. 4112. Exemptions for Manufacturers."

(g) Section 4063 (b) of the Internal Revenue Code of 1954 is amended—

(A) by striking out "or parts or accessories" in the first sentence thereof; and

(B) by striking out ", or parts or accessories" in the second sentence thereof.

(h) Section 6416 (b) (3) (A) of the Internal Revenue Code of 1954 is amended by inserting after "section 4141" the following: "and other than an automobile part or accessory taxable under section 4061 (b), a refrigerator component taxable under section 4111, a radio or television component taxable under section 4141, or a camera lens taxable under section 4171".

(i) Section 6416 (b) (3) of the Internal Revenue Code of 1954 is amended by changing subparagraph (B) thereof to read as follows:

"(B) An automobile part or accessory taxable under section 4061 (b), a refrigerator component taxable under section 4111, a radio or television component taxable under section 4141, or a camera lens taxable under section 4171, purchased by a manufacturer or producer and used by him as material in the manufacture of, production of, or as a component part of, any article."

SEC. 2. Radio and television receiving sets and component parts: (a) Section 4141 of the Internal Revenue Code of 1954 is amended by inserting at the end thereof a new sentence as follows: "Except in the case of radio and television components and phonograph records, the tax imposed by this section shall apply only to articles of the entertainment type."

(b) Section 4142 of the Internal Revenue Code of 1954 is amended to read as follows:

"SEC. 4142. Definition of radio and television component.

"As used in section 4141, the term 'radio and television components' means cabinets and tubes for any of the articles taxable under section 4141."

(c) Section 4143, section 4218 (b), section 6416 (b) (2) (G), and section 6416 (b) (3) (B) of the Internal Revenue Code of 1954 are hereby repealed.

(d) The table of sections to part I of subchapter C of chapter 32 of the Internal Revenue Code of 1954 is amended by striking out

"Sec. 4143. Exemptions for sales to United States.".

SEC. 3. Effective date.—The amendments made by this act shall take effect on the first day of the first month which begins more than 10 days after the date of the enactment of this act.

With the following committee amendments:

Page 1, line 5, strike out "4216" and insert "4218."

Page 2, line 2, strike out "4171." and insert "4171)."

Page 2, strike out lines 16, 17, and 18, and insert in lieu thereof:

"Under regulations prescribed by the Secretary or his delegate, no tax under this chapter shall be imposed with respect to the sale of—."

Page 3, strike out lines 19 to 23, and insert in lieu thereof: "For purposes of this chapter, the manufacturer or producer to whom an article is sold under paragraph (1) (A) or (2) (A) or resold under paragraph (1) (B) or (2) (B) shall be considered the manufacturer or producer of such article."

Page 4, line 19, strike out "4112. Exemptions for Manufacturers." and insert "4113. Exemptions for manufacturers."

Page 5, line 5, strike out "of" and insert "or."

Page 5, line 9, strike out "4171." and insert "4171."

Page 6, strike out lines 4 to 13, inclusive, and insert:

"(b) Sections 4143 and 6416 (b) (2) (G) of the Internal Revenue Code of 1954 are hereby repealed."

Page 6, line 16, strike out "(d)" and insert "(c)."

Page 6, line 22, after "act." insert the following: "Notwithstanding the preceding sentence—

"(1) the repeal of section 6416 (b) (2) (G) of the Internal Revenue Code of 1954 shall apply only with respect to articles sold by the manufacturer, producer, or importer on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act, and

"(2) section 6416 (b) (3) (B) of the Internal Revenue Code of 1954, as amended by subsection (i) of the first section of this act, shall apply with respect to articles used on or after such first day by the manufacturer or producer as material in the manufacture of, production of, or as a component part of, another article."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD explaining the bill H. R. 7024.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, under present law automotive parts and accessories, refrigerator components, radio and television components, and camera lenses are subject to manufacturers' excise tax. Of these, radio and television components, together with camera lenses, are taxable if sold to a manufacturer for incorporation in an article not subject to a manufacturers' excise tax, or if they are sold for resale to such a manufacturer. On the other hand, refrigerator components are not taxable if sold for incorporation in refrigeration equipment whether or not such equipment is subject to a manufacturers' excise tax. This is also the case with automotive parts and accessories, with certain exceptions. As can be imagined, this variety of treatment has resulted not only in taxpayer confusion but in administrative difficulty as well.

To alleviate this condition H. R. 7024 amends the Internal Revenue Code of 1954 to provide a single rule for all of these parts, accessories or components, and exempts them from tax where they are sold for incorporation in other end articles whether or not these end articles are taxable. However, these parts, accessories, and components which are sold for repair or replacement use will continue to be subject to the manufacturers' tax.

Section 2 (a) of the bill amends section 4141 of the Internal Revenue Code of 1954 to provide that the tax on radio and television receiving sets, automobile radio and television receiving sets, phonographs, and combinations of any of these is to apply only to articles of the entertainment type.

This treatment is limited to items of the entertainment type because the com-

mittee does not feel that a tax should be levied upon special communication, detection, or navigation equipment used by businesses. This treatment is in conformity with action taken by Congress to revise the basis of the excise taxes on photographic apparatus, film, electric, gas and oil appliances used by businesses.

In addition, the changes proposed by section 2 (a) of this bill make it possible to simplify the status by removing special exemption sections and special credit or refund sections now applicable to communication, detection, and navigation receivers sold to the United States Government. This will result in considerably less administrative difficulty.

This bill was ordered reported by the Committee on Ways and Means by unanimous vote. I urge its adoption by the House.

Mr. JENKINS. Mr. Speaker, H. R. 7024 relates to the manufacturers' excise tax on the sales of certain component parts for use in other manufactured articles. It was reported unanimously by the Committee on Ways and Means. The bill was introduced by my distinguished colleague, Mr. SIMPSON of Pennsylvania, who will explain the bill in greater detail.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, it is the purpose of H. R. 7024 to amend the Internal Revenue Code of 1954 so as to eliminate a number of administrative and compliance problems under the manufacturers' excise tax.

The first section of this bill provides that automotive parts or accessories, refrigeration components, radio and television components, and camera lenses may be sold free of tax if the purchaser uses or resells them "as material in the manufacture or production of, or as a component part of," any other articles whether or not these other articles are subject to manufacturers' excise tax. This results in a single rule for all of these parts, accessories, or components, exempting them from tax where they are sold for incorporation in other end articles, whether or not these other end articles are taxable.

This step provides greater equity and will simplify administration and compliance. Providing for tax-free sales where the end products are not taxable also will prevent the indirect taxation of articles which Congress has not considered it desirable to subject to direct excise taxation. Furthermore, where there are tax-free substitute components for use in these nontaxable end articles, the change made by the first section of this bill would remove the discrimination against manufacturers of taxable parts or components. This provision will also clarify existing law with respect to exemption of parts or components purchased by manufacturers for incorporation in other articles produced for export or for sale to States and municipalities.

Section 2 of this bill provides that the 10-percent excise tax on radios, television sets, phonographs, automobile radio or television sets, and combinations of radio, television, or phonograph sets is to apply only if the article is of the entertainment type. The bill, as amended by the committee, would make no change in the type of radio or television components which are taxable when sold separately from a set. Thus, under the bill as reported, as well as under present law, the following radio and television components will continue to be subject to tax when sold as repair or replacement parts: chassis, cabinets, tubes, speakers, amplifiers, power-supply units, antennas of the built-in type, and phonograph mechanisms.

The change described above would make it possible to remove provisions in present law providing a special exemption and a special credit or refund for communication, detection, and navigation receivers when sold to the United States Government. These receivers, upon the enactment of this bill, will in any case be exempt from tax since they are not of the entertainment type.

The excise tax on radios, television sets, and so forth, would be limited under the bill to items of the entertainment type because your committee sees no reason for singling out for excise-tax levy special communication, detection, and navigation equipment used by businesses. This change is in conformance with similar actions taken by Congress in recent years in revising the excise tax base for photographic apparatus and film and electric, gas, and oil appliances. Moreover, this change would considerably ease administrative and compliance problems.

LEASING OF RESTRICTED INDIAN LANDS FOR PURPOSES REQUIRING LONG-TERM LEASES

Mr. ENGLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 34) to authorize the leasing of restricted Indian lands for public, religious, educational, recreational, residential, business, and other purposes requiring the grant of long-term leases, with a House amendment thereto, insist on the amendment of the House, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. ENGLE, HALEY, UDALL, BERRY, and RHODES of Arizona.

RECORDATION OF SCRIP, ETC.

Mr. ENGLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2972) to require the recordation of scrip, lieu selection, and similar rights, with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 2, line 8, strike out "three" and insert "two."

Page 2, line 17, strike out "three" and insert "two."

Page 3, after line 3, insert:

"SEC. 5. Within 30 days after the effective date of this act, the Secretary of the Interior shall cause to be published in the Federal Register a notice setting forth the recordation requirements of this act. Within 1 year after the effective date of this act the Secretary shall also cause notices of the recordation requirements of this act to be published in such newspapers, posted in such public offices, and given publicity by such other means as he deems feasible and appropriate for the dissemination of information concerning the recordation requirements of this act to persons who may have holdings or claims that are subject to such requirements."

Page 3, line 4, strike out "5" and insert "6."

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Senate amendments were concurred in; and a motion to reconsider was laid on the table.

THE PRESIDENT AND THE SUMMIT CONFERENCE

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I rise to say for the people of Illinois and the Nation, "Thank you, Mr. President." Today our hearts are filled with grateful pride of what President Eisenhower accomplished at Geneva in laying a solid foundation for a stable peace. The prospects for stable peace are now brighter than in a decade.

President Eisenhower went to Geneva as a man dedicated to the cause of peace. He acted boldly and firmly. Everything he did, everything he said, every suggestion he made, every proposal he offered, expressed this singleness of purpose—our sincere desire for friendship, understanding, and peaceful solution of world problems.

His extraordinary proposal, such as an American-Russian exchange of military information and mutual aerial reconnaissance, doubtless mystified the Kremlin. It came from the leader of the most powerful nation on earth. It came from a man who knows military affairs better than any man in the world. It demonstrated at one stroke our sincerity of purpose.

It is no exaggeration to say that the warmth of our President's personality and the suppleness of his mind, his firmness, and his boldness, have brought to him, and through him to our country, a love and respect never before enjoyed. To be sure, it will take time, many more meetings, and much tedious work, perhaps sometimes trying our patience, for a practical solution of specific problems and conflicts of interests. But the basic foundation for their solution in an atmosphere of better understanding between the East and West was laid at Geneva. There is now real hope for their solution. In the meantime we shall continue to maintain our strength for which the Russians have great respect.

We have this past week witnessed a new high in international diplomacy under the inspired and dynamic leadership of our beloved President.

At Geneva the world's hope for peace was revived. No one man at any one

conference accomplished more for America and the world for peace than President Eisenhower accomplished at Geneva.

For the people of Illinois, I say: "We thank you, Mr. President."

U. S. A. LOSING AIR RACE TO RUSSIA

Mr. CANNON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, supplementing remarks in the RECORD of July 18, 1955, and on the floor with reference to defense against foreign attack on July 14, 1955, I include a statement by former Secretary Finletter appearing in this morning's issue of the Washington Post and Times Herald:

UNITED STATES LOSING AIR RACE TO RUSSIA—FINLETTER

PHILADELPHIA, July 19.—Thomas K. Finletter, former Secretary of the Air Force, said today "we are rapidly losing air supremacy to the Russians."

"My opinion is that the Russians are now drawing even with us in air-atomic power and have a momentum in relation to our relative inertia which will put them ahead of us in a short time," he said in a speech at the University of Pennsylvania's summer school assembly.

Finletter called for increased output in air production in America in order to stay well ahead of the Soviet.

"Why we should have the idea that we can beat the Russians in building atomic weapons, airplanes, guided missiles, and all the rest of the apparatus of airpower with a business-as-usual attitude on our part competing with the all-out effort by the Russians, is beyond me."

Mr. Speaker, in view of these authoritative statements from men best qualified to pass an opinion on the subject, and especially in view of proceedings on the international front in the last few days, it is evident that the marked increase in emphasis now being placed on the development and expansion of American airpower should be continued and that every encouragement should be afforded German unification and the rearmament of the German Republic.

DIXON-YATES

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ABERNETHY. Mr. Speaker, the reluctance of the administration to reveal the full story of the Dixon-Yates contract is understandable. The facts which are slowly and painfully being dragged out are embarrassing. They would be enough to embarrass any administration.

It seems to me that the administration would be best advised to come clean and make a full breast of the matter. The very secrecy which it is seeking to maintain makes the whole business seem ominous.

We now have a most peculiar situation. Mr. Sherman Adams, the Assistant to the President, refuses to testify as to his actions in relation to Dixon-Yates on the grounds that his relationship to the President is a confidential one. At the same time, he says that all the testimony he could give could be obtained from other officials of the Government.

When such information is sought from other officials of the Government, however, from the Atomic Energy Commission, the Bureau of the Budget, the Securities and Exchange Commission, and others, the officials clam up and claim privilege. Apparently, the orders to claim privilege in discussing Dixon-Yates come from the same White House in which Mr. Sherman Adams has his office. Yet, Mr. Adams says that any testimony he could give could be given by somebody else. As apparently they could if Mr. Adams and the other officials at the White House would allow them to talk.

Little by little and piece by piece the story is coming out. We know now that those chronologies of the Dixon-Yates contract which were released by the Bureau of the Budget and the Atomic Energy Commission were distinguished more by what they left out than what was left in.

We now learn that the Budget Bureau instructed the Atomic Energy Commission to leave out the names of the representatives of the First Boston Corp. which, as we now know, thought up the whole Dixon-Yates idea. We know now that Chairman Demmler, of the Securities and Exchange Commission, attended secret meetings at the White House at which Dixon-Yates financing was discussed, a matter on which he later would have to pass as a member of the SEC.

We know now that it was Sherman Adams who, without any authority to do so, got the SEC to cancel hearings at which the testimony of Adolphe Wenzell, of the First Boston Corp., was to be given in order that the House would not know of the testimony when it voted on the Dixon-Yates transmission line.

Those of us who opposed Dixon-Yates will not halt or stop until the full story is on the record. This is but one battle in the war against TVA and we wish to be prepared with facts so that we all may act in the light of the truth. The administration should now, at long last, do what President Eisenhower promised months ago would be done and reveal to Congress and the public alike, with complete and utter candor, every fact regarding Dixon-Yates. We will accept nothing less.

SPECIAL ORDERS GRANTED

Mr. STAGGERS asked and was given permission to address the House for 30 minutes today, following the legislative program and any special orders heretofore entered.

Mr. MILLER of California asked and was given permission to address the House for 20 minutes on Wednesday next, following the legislative program and any special orders heretofore entered.

ANTHRACITE COAL STOCKPILE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, in offering this bill to enable the Federal Government to stockpile Pennsylvania anthracite, I am motivated by a sincere desire not only to provide badly needed assistance to the basic industry in my district, but to protect the national security as well.

This legislation might be regarded as a second step in a program to provide stability in the anthracite mining industry and to enable it to maintain itself in a condition to meet fuel emergencies which might arise out of the inability of fuel oil and natural gas to continue to be able to supply the domestic and industrial fuel requirements of the northeastern United States—a situation which has arisen in every war emergency.

The first step in this program was the authorization of Federal assistance in financing flood control and mine drainage as contemplated in my bill, H. R. 7066, recently passed by both Houses of the Congress and signed by President Eisenhower just prior to his departure for Geneva. In the favorable report of the House Committee on Interior and Insular Affairs on that legislation, it was fully recognized just how essential to the national welfare is the maintenance of the anthracite mining industry in sound operating condition to meet future fuel emergencies.

One immediate way to alleviate current distressed conditions would be to have on hand a backlog of Government orders to enable the mines to operate in slack periods while awaiting seasonal buying by retail dealers and consumers who, as in the case of most other purchases, delay actual buying until the need for the commodity or service is inescapable.

This bill has been carefully drafted after several conferences with representatives of both anthracite operators and the United Mine Workers of America, and I can assure you it has the full sponsorship of both. It provides for the Government acquisition of limited quantities of anthracite over a period of only 2 years.

There is ample precedent for Government support and stockpiling of other commodities, such as agricultural, certain metals, and other strategic materials. Anthracite, however, has at least one inherent advantage over most other commodities in that it may be stored in unlimited quantities over an indefinitely long period with absolute safety and with no deterioration in usefulness or efficiency.

Enactment of this legislation, with a minimum of expense to the Federal Gov-

ernment, will go far toward stabilizing employment, providing a stimulus to business in a six-county area, preserving intact a basic natural-resource industry on which we must rely for a goodly proportion of our fuel in the northeast, and at the same time give the Government a readily salable commodity which it can either consume itself or use as a medium for strengthening international trade.

THE LATE DR. FRANK CROWTHER

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, on Thursday, July 21, it was announced in the House by Congressman KEARNEY, of New York, that a former Congressman, Dr. Frank Crowther, who represented his district for 24 years in the House, had passed away in Colorado.

It was my privilege when I first came to Congress in January 1941 to have met not only Congressman Crowther but also his wife. She is a native Coloradoan. When Dr. Crowther retired he moved to Pueblo, Colo., where he died on the 20th of July 1955.

Congressman Crowther was very helpful to me in my early congressional service. He was very friendly and always was willing to give assistance to new Members whenever possible. I shall never forget the very kind help and useful information he passed on to me during his service with me in the House. He retired voluntarily at the end of the 77th Congress.

I join with other Members of the House who served with Dr. Crowther in paying tribute to this great man, and as my good friend Congressman JENKINS, who knew Dr. Crowther much longer than I, said and with which I wholeheartedly agree:

> He combined about all the human virtues, he was courageous, he was brilliant, and he had a sense of humor that made him a very attractive personality.

I shall not forget Dr. Crowther, and to his wife and members of his family I extend my personal sympathy in this hour of distress and darkness in the loss of a truly and really great American.

THE LATE CORDELL HULL

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would not let this day pass without expressing my very deep sympathy and mourning in the passing of the late Cordell Hull. Truly Tennessee has lost a most illustrious patriotic son, a great statesman, and the country has lost a great statesman. And those of us who knew him in the Congress have lost a loyal friend.

I worked first with the late Cordell Hull when he was a member of the Committee on Ways and Means. He was always courteous in receiving various groups of people from my district who were vitally and tremendously interested in tariff matters. He was endlessly patient in hearing them and while they did not get everything they asked for they always felt they had received a full and complete hearing.

Later I saw him often when he was Secretary of State when I was next to the ranking Republican member on the Committee on Foreign Affairs. I enjoyed his able mind. Fortunately in the Congress there is no partisanship in friendship. He was always very devoted to his beautiful wife, and I have never seen a more beautiful love than existed between them. They were very gracious and asked me to various entertainments that they gave for foreign diplomats. I felt very close to them always. He was very gracious in granting me many conferences at the State Department when I went there on international affairs. Truly, the country as well as Tennessee can ill afford to lose the late Cordell Hull, and I know as the years go by that he will increase in stature.

PROPOSED GREAT LAKES BASIN COMPACT

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, I have today introduced H. R. 7550, granting the consent and approval of the Congress to a Great Lakes Basin Compact, and for other related purposes.

The compact would establish a commission of the Great Lakes States and the Provinces of Ontario and Quebec with power to consider problems relating to the water resources of the Great Lakes Basin and to recommend programs and policies to the respective State and provincial governments and to the Federal or National Governments of the United States and Canada. Proposals for a compact such as this to assist in the solution of problems relating to the water resources of the basin have been advanced for many years. The compact drafting committee, consisting of State legislators and officials, was established pursuant to a resolution of the Great Lakes Seaway and Water Resources Conference in August 1954. The compact has been submitted to the Great Lakes States and the Provinces of Ontario and Quebec, and five States have signed—Indiana on March 10, Michigan on April 14, Minnesota on April 23, Wisconsin on June 26, and Illinois on July 14.

The consent of Congress is now needed for the purpose of permitting the individual States to enter into such a compact. It is the hope that such consent may be obtained during this Congress so that the commission provided for in the compact may begin its important work.

I include as part of my remarks an explanatory statement concerning the history, purpose and provisions of the compact, prepared by the Council of State Governments:

EXPLANATORY STATEMENT CONCERNING THE PROPOSED GREAT LAKES BASIN COMPACT

BACKGROUND

Proposals that the Great Lakes States join in an interstate compact to assist in the solution of problems relating to the water resources of the Great Lakes have been advanced for more than a decade. Proposals to this effect have been made in connection with numerous common problems facing the American States and the Canadian Provinces bordering the lakes, including problems such as the protection and regulation of fisheries, pollution, water levels and shore erosion, the diversion of water into and from the lakes, and others.

In its 1954 session, the Michigan Legislature enacted legislation authorizing the Governor to enter into a compact with the other Great Lakes States and the Province of Ontario. The Michigan proposal envisioned an interstate organization with broad fact-finding, investigatory, and recommendatory powers. The commission established by the compact would have powers to consider all problems relating to the waters and resources of the Great Lakes and to recommend programs and policies to the respective State and provincial governments and to the central or national governments and their agencies of the United States and Canada.

At the suggestion of the governors and the chairman of the commissions on interstate cooperation of the interested States, the Council of State Governments organized the Great Lakes Seaway and Water Resources Conference in August 1954. In addition to focusing attention on State plans and programs pertaining to the recently approved St. Lawrence Seaway, the conference discussed the Michigan proposal for an interstate commission. A resolution unanimously approved by the conference established an interstate committee to draft a compact and directed the commission to make its report to the interested States at the time of the General Assembly of the States. The Great Lakes Compact Drafting Committee, during the fall of 1954, held a number of meetings and with the cooperation and assistance of representatives of interested Federal agencies has drafted the Great Lakes Basin Compact. The compact will be submitted to governors, commissions on interstate cooperation, and others in each of the Great Lakes States in time for consideration during the 1955 legislative sessions.

EXPLANATION OF THE COMPACT

The Great Lakes Basin Compact provides for representation from each of the Great Lakes States—Illinois, Indiana, Michigan, Minnesota, New York, Ohio, Pennsylvania, and Wisconsin—the Province of Ontario and the Province of Quebec. Special provision is made for participation by the Canadian Provinces in the event that they do not become formal members of the commission.

The authority conferred on the commission follows the lines suggested by the Michigan proposal. It clearly is intended that the commission will be a fact-finding and recommendatory rather than a regulatory agency. Studies undertaken by the commission may relate to any phase of the water resources and their uses in the basin, and the commission may recommend programs and policies to any governmental unit or

agency having interests or jurisdiction in the basin. To assist in the performance of its functions, the commission is authorized to employ a small staff.

Each State, party to the compact, agrees to consider the action the commission recommends. Among the items specifically mentioned in the compact in this connection are the following: (1) Stabilization of lake levels; (2) measures for combating pollution, beach erosion, floods, and shore inundation; (3) uniformity in navigation regulations within the constitutional powers of the States; (4) proposed navigation aids and improvements; (5) uniformity or effective coordinating action in fishing laws and regulations and cooperative action to eradicate destructive and parasitical forces endangering the fisheries, wildlife, and other water resources; (6) suitable hydroelectric power developments; (7) cooperative programs for control of soil and bank erosion for the general improvement of the basin; and (8) diversion of waters from and into the basin.

NATO PARLIAMENTARY CONFERENCE

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JOHNSON of California. Mr. Speaker, I merely want to announce to the House that the members of the committee appointed by the Speaker to attend the NATO parliamentary conference in Paris had a very successful mission. We will make a formal report later as to what happened. The reason we are not doing it at this time is that our chairman, the gentleman from Ohio [Mr. HAYS], is unavoidably absent on account of official business. Upon his return he will, I am sure, make a formal and detailed report on what was accomplished and our participation therein. The results were very satisfactory to myself, and I believe as well to the other members of the committee, which consisted of the gentleman from Ohio [Mr. HAYS], chairman, the gentleman from New York [Mr. ANFUSO], the gentleman from Arizona [Mr. UDALL], the gentleman from Indiana [Mr. CRUMPACKER], the gentleman from New York [Mr. BECKER], and myself.

SPECIAL ORDER GRANTED

Mr. POWELL (at the request of Mr. MCCORMACK) was given permission to address the House today for 30 minutes following any special orders heretofore entered.

THIRD ANNIVERSARY OF THE COMMONWEALTH OF PUERTO RICO

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SAYLOR. Mr. Speaker, as a member of the House Committee on Interior and Insular Affairs which has jurisdiction for legislation which involved the political development of Puerto Rico, I rise to give recognition to this third anniversary of the founding of the Commonwealth of Puerto Rico. The Puerto Rican people through their elected leaders asked Congress for authority to organize the Commonwealth Government, and the respective Interior and Insular Affairs Committees of the House and Senate held hearings on the matter, which was thereafter debated in the respective chambers. Authority for the organization of the Commonwealth of Puerto Rico came only after exhaustive study and careful scrutiny of the principles involved. It was my pleasure to participate in the debate in which the issues were weighed.

It is obvious by the action of the Congress that it expected the Commonwealth principles to be workable and successful, but I do not believe that even those who debated for it could have conceived the degree of success with which the Commonwealth principle has worked. This was a brand new idea in the American political system, and by the way, one which might be considered for other unincorporated areas under the flag when they may reach the stage of development which would enable them to so organize.

I have observed that in the 3 years following the emergence of the Commonwealth of Puerto Rico, more and more reference has been made to the island in connection with considerations before the Congress. To me, this is significant as to the awakening of Puerto Rico which only now is in the primary stages of industrial achievement.

An agricultural community, previously with almost entire reliance on the sugar yields, Puerto Rico commenced in 1940 to think in terms of creating additional wealth to raise living standards. This could not be done in agricultural pursuits, alone, since there simply was not enough land to support the number of people living on it. Hence, the first tiny factories began to be built and an agency of the Government of Puerto Rico was created to foment industrial development. I am informed that since then, nearly 400 new industries have opened in Puerto Rico, and that workers' wages in the interim have doubled and redoubled. The result is a rapidly growing middle class to replace the poverty which previously prevailed generally amongst the people. The appalling slums have been greatly reduced in number. Private housing is flourishing. Puerto Rico has also become a leader in public housing.

The Commonwealth Government has devoted staggering sums, considering the size of its total budget, for education so that more children can go to school through more grades.

I have heard some concern about Puerto Rico's factories and their ability to compete with mainland enterprises, but this is like comparing Disneyland with Pittsburgh, industrywise. The industrial effort of Puerto Rico is mighty indeed, but only in the sense of the underdeveloped beginning and the small size of the island, far from raw materials and the market and totally lacking in natural resources.

Obviously, there is still a long road for the Puerto Ricans before they can share economically a success comparable with their mainland brothers. There are 85,000, representing 15 percent, still unemployed out of the total labor force, and a similar number chronically underemployed. If continental workers suffered lack of employment in the same proportion to total numbers, we would consider ourselves in the midst of depression now. But the program toward economic improvement has been started in Puerto Rico and is moving rapidly ahead. Puerto Rico's success in this accelerated development cannot be traced to any single factor. The island has been a going community for nearly 500 years. Its long history as part of the Spanish Empire necessarily involved many problems. Its shorter history of association with the United States has, understandingly, involved more. Like any closely knit peoples, the Puerto Ricans for centuries were concerned about their ultimate political status, but if the tremendous popularity of the leaders of Puerto Rico who inspired the Commonwealth idea is indicative, they have found it. There are still those in minority in Puerto Rico who believe that statehood is the ultimate answer and there are those, also, in minority, who favor independence. However, it is obvious that the overwhelming majority believe that the Commonwealth gives them independence to a degree and resemblance with statehood also to a degree, in such admirable balance that it well answers Puerto Rico's political aspirations.

The basic principle of the Commonwealth Government is that Puerto Rico has been carved into a free state which is associated to, but not incorporated as an integral member of, the Union of States. The general laws of the United States apply to Puerto Rico, but, as with the States, in matters of local concern, the Puerto Rican Legislative Assembly has full responsibility. There is no tariff wall between Puerto Rico and the United States, and goods entering Puerto Rico from foreign sources are subject to the same duties as though they were entering continental United States. Because Puerto Rico has no vote in the Congress, although represented in the Federal sphere of Government, including Congress, by a Resident Commissioner, Puerto Rico is not subject to taxation under the laws of the United States.

Puerto Rico's basic relationships with the United States were agreed to by the Congress and by the people of Puerto Rico in the form of a bilateral compact. These relationships are subject to change in the same way.

The Federal Government operates in Puerto Rico performing the same services generally as in a State of the Union. The Commonwealth Government makes determinations for its people in all matters pertaining to the island. In the international field the United States Government represents Puerto Rico as it does my State of Nebraska and all of the other States.

Puerto Rico is under the protection of the United States as an island, and the citizens of the Commonwealth of Puerto Rico are under the protection of the United States because they are United States citizens. By the same token, Puerto Rican youths are subject to serve their country under the Selective Service System and great numbers of them served without awaiting call.

The Commonwealth of Puerto Rico is an asset to the United States in manpower, in its young industrial potential, in its position as a fortress defending the Panama Canal and in many other ways. But the primary asset to the United States is that the Puerto Ricans are showing what can be accomplished in the happy spirit of a people who might, under another power, be suffering from colonialistic degradation and humiliation. It is this principle the United States extends to its own people in Puerto Rico which illustrates beyond dispute the Nation's adherence to the principles of democratic freedom.

It is such a place as Puerto Rico which is showing to the enslaved peoples of the world the selfish ruthlessness of their masters. It is in the international sense, in the field of goodwill flowing toward us from other nations, particularly in South America, that Puerto Rico is an asset.

The success of the Commonwealth of Puerto Rico is evidence of the wisdom of the United States Congress in its policy toward a people craving self-expression and an opportunity to assume responsibility for themselves.

This anniversary is a fitting time to express the hope that continued wisdom and cooperation may prevail in dealing with problems affecting Puerto Rico which come up for consideration here. Such action will be noted behind the many boundaries in the world.

CALL OF THE HOUSE

Mr. WILLIAMS of Mississippi. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 126]

Anfuso	Eberharter	O'Konski
Avery	Fino	Patman
Bell	Gamble	Perkins
Buchanan	Green, Pa.	Prouty
Budge	Hardy	Radwan
Byrne, Pa.	Hays, Ohio	Reece, Tenn.
Celler	Hillings	Reed, N. Y.
Chase	Kearney	Scrivner
Chiperfield	Kee	Shelley
Chudoff	Keogh	Sieminski
Crumpacker	Kilburn	Steed
Dawson, Ill.	Krueger	Thompson, La.
Diggs	Lesinski	Thomson, Wyo.
Dingell	Miller, Md.	Tollefson
Dodd	Miller, N. Y.	Willis
Donovan	Morrison	Wilson, Calif.
Dorn, N. Y.	Mumma	Winstead

The SPEAKER. Three hundred and sixty-nine Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DISTRICT DAY

The SPEAKER pro tempore (Mr. MILLS). This is District day. The Chair recognizes the gentleman from South Carolina [Mr. McMILLAN].

EXEMPTING FROM TAXATION CERTAIN PROPERTY OF THE JEWISH WAR VETERANS

Mr. McMILLAN. Mr. Speaker, by direction of the House District Committee I call up the bill (S. 1741) to exempt from taxation certain property of the Jewish War Veterans, United States of America National Memorial, Inc., in the District of Columbia and ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the property situated in lot No. 131 in Elizabeth S. Moore's subdivision of lots in square No. 153, as per plat recorded in liber 28 at folio 107 of the record of the Office of the Surveyor for the District of Columbia; and part of lot No. 73 in Fisher and Sharon's subdivision of square No. 153, as per plat recorded in liber 12 at folio 171 of the records of the Office of the Surveyor for the District of Columbia, owned by the Jewish War Veterans, U. S. A. National Memorial, Inc., is hereby exempt from all taxation so long as the same is owned and occupied by the Jewish War Veterans, U. S. A. National Memorial, Inc., and is not used for commercial purposes, subject to the provisions of section 2, 3, and 5 of the act entitled "An act to define the real property exempt from taxation in the District of Columbia," approved December 24, 1942 (56 Stat. 1091; D. C. Code, secs. 47–801b, 47–801c, and 47–801e).

Mr. McMILLAN. Mr. Speaker, the purpose of this legislation is to grant to the Jewish War Veterans, U. S. A. National Memorial, Inc., tax exemptions on certain real estate owned in the District of Columbia; namely, lot 131 in square 153 and part of lot No. 73 in square 153.

The tax exemption would apply so long as the property is owned and occupied by that organization and is not used for commercial purposes.

Such an exemption was granted in the 73d Congress, Public Law 335, to the American Legion; in the 70th Congress, Public Law 380, to the Disabled American Veterans; in the 82d Congress, Public Law 421, to the American Veterans of World War II, and in the 83d Congress, Public Law 510, to the Veterans of Foreign Wars of the United States in the District of Columbia.

The loss of revenue from annual real estate taxes on this property, under present valuation, amounts to $988.98.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REPEALING REQUIREMENT THAT PUBLIC UTILITIES ENGAGED IN THE MANUFACTURE AND SALE OF ELECTRICITY MUST SUBMIT ANNUAL REPORTS TO CONGRESS

Mr. McMILLAN. By direction of the House District Committee I call up the bill (S. 2176) to repeal the requirement that public utilities engaged in the manufacture and sale of electricity in the District of Columbia must submit annual reports to Congress and ask unanimous consent that it be considered in the House as in the Committee of the Whole House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the last paragraph under the center heading "Electrical Department" of the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1908, and for other purposes," approved March 2, 1907 (D. C. Code, sec. 43–1109), is amended by striking out ": *Provided,* That any company," and all that follows down through "December 31, 1906."

Mr. McMILLAN. Mr. Speaker, the purpose of this bill is to repeal existing law that requires any public utilities company, association, or corporation engaged in the manufacture and sale of electricity for illuminating or heating or power purposes, or either, in the District of Columbia to submit annual reports to Congress. The law requiring the filing of these reports was adopted March 2, 1907. Since that time, however, Congress has delegated the supervision of public service corporations such as the Potomac Electric Power Co. to the Public Utilities Commission of the District of Columbia, created by law in 1913, and to the Federal Power Commission by a law enacted in 1938.

In addition to monthly and other reports, the Potomac Electric Power Co. is required to file annual reports of a voluminous and detailed nature with the Public Utilities Commission, and is also required to file certain reports with the Federal Power Commission, the Maryland Public Service Commission, the Virginia State Corporation Commission, and the Securities and Exchange Commission.

The reports to Congress are now required to include a list of the names of the shareholders, a requirement which makes the report voluminous, and which is believed to be without a useful purpose and mere surplusage under present conditions. A committee of Congress can, of course, secure these lists from a utility company whenever the information is desired. The reports are public documents and as such are available for public examination under the rules and regulations of each of the regulatory agencies.

Public Law 90 of the 83d Congress repealed a similar statutory provision with respect to any association or corporation engaged in the manufacture and sale of

gas for illuminating and fuel purposes in the District of Columbia.

The Public Utilities Commission of the District of Columbia has no objection to this legislation.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REPEALING PROHIBITION AGAINST THE DECLARATION OF STOCK DIVIDENDS BY PUBLIC UTILITIES OPERATING IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, by direction of the House District Committee I call up the bill (S. 2177) to repeal the prohibition against the declaration of stock dividends by public utilities operating in the District of Columbia and ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That paragraph 75 of section 8 of the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes," approved March 4, 1913 (D. C. Code, sec. 43–804), which provides that no public utility shall declare any stock, bond, or scrip dividend or divide the proceeds of the sale of any stock, bond, or scrip among its stockholders, is hereby repealed.

SEC. 2. Paragraph 73 of section 8 of the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes" approved March 4, 1913 (sec. 43–802, D. C. Code; 37 Stat. 990), be amended to read as follows: "That no public utility shall hereafter issue any stocks, stock certificates, bonds, mortgages, or any other evidences of indebtedness payable in more than 1 year from date, or pay any stock, bond, or scrip dividend, until it shall have first obtained the certificate of the commission showing authority for such issue from the Commission."

Mr. McMILLAN. Mr. Speaker, the purpose of this bill is to repeal paragraph 75 of the act creating the Public Utilities Commission of the District of Columbia, approved March 4, 1913. This paragraph provides that "no public utility shall declare any stock, bond, or scrip among its stockholders." The proposed bill would repeal this provision, but the committee is of the opinion that a stock dividend would still require approval of the Public Utilities Commission under the provisions of paragraph 73. However, to remove any doubt as to such authority, the above amendment has been recommended.

Repeal of the provision in question will enable the various public utilities to improve their capital structure, when appropriate, by adding flexibility to their future operations. The utilities serving Washington face continued financing programs of large magnitude, which are required by the necessity for additional capital funds to enable them to install the physical facilities required to serve the expanding population of this area. It is believed that their financing transactions can be improved to a great extent if the prohibition against the declaration of stock dividends is eliminated.

The Public Utilities Commission has approved this legislation, as amended.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REVIVING SECTION 3 OF THE DISTRICT OF COLUMBIA PUBLIC SCHOOL FOOD SERVICES ACT

Mr. McMILLAN. Mr. Speaker, by direction of the Committee on the District of Columbia I call up the bill (S. 665) to revive section 3 of the District of Columbia Public School Food Services Act and ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, effective October 8, 1951, section 3 of the act entitled "an act to establish a Department of Food Services in the Public Schools of the District of Columbia, and for other purposes," approved October 8, 1951 (Public Law 159, 82d Cong.), is hereby revived and section 3 of the act entitled "an act to increase the salaries of the Metropolitan Police, the United States Park Police, the White House Police, members of the Fire Department of the District of Columbia and employees of the Board of Education of the District of Columbia," approved October 25, 1951 (Public Law 207, 82d Cong.), is hereby repealed.

With the following committee amendment:

Page 2, after line 3, insert the following:

"SEC. 2. The second sentence of section 8 of the act entitled 'An act for the retirement of public-school teachers in the District of Columbia,' approved August 7, 1946, as amended, is amended by inserting immediately before the colon immediately preceding the first proviso thereof the following: '; and (f) continuous temporary service as an employee of any cafeteria or luncheon operated in the public school buildings of the District of Columbia during any period prior to the date on which such cafeteria or lunchroom is placed under the Office of Central Management, Department of Food Services, District of Columbia, and immediately prior to probationary appointment as a teacher in the public schools of the District of Columbia'."

Mr. McMILLAN. Mr. Speaker, the purpose of this bill is to revive section 3 of the act establishing a Department of Food Services in the Public Schools of the District of Columbia—Public Law 159, 82d Congress—and to repeal section 3 of the act increasing the salaries of the Metropolitan Police, the United States Park Police, the White House Police, members of the Fire Department of the District of Columbia, and employees of the Board of Education of the District of Columbia—Public Law 207, 82d Congress.

Prior to the act of October 8, 1951, which established the Department of Food Services in the Public Schools of the District of Columbia, persons that worked in the school lunchrooms were employed by the principals of the respective schools. Because the principals administered the operation of the cafeterias, the employees were not considered eligible for retirement benefits under the Civil Service Retirement Act, nor were they deemed eligible for social-security benefits, inasmuch as the Social Security Administration ruled that the public-school cafeteria operation was quasi-public in nature and could not be included under the provisions of the Social Security Act.

The act of October 8, 1951—Public Law 159—contained therein a section which provided that any such person who becomes an employee of the Department of Food Services in the public schools could have such prior service treated as Government service for the purpose of the Civil Service Retirement Act. Each such person would be required to make deposits covering such service to the same extent he would have made deposits had he been an employee of the Government.

Section 3 of Public Law 159, as set forth above, was repealed by section 3 of Public Law 207, 82d Congress, approved October 25, 1951, and at the present time, persons who were employed in the public-school cafeterias and who have become employees of the Government, would not be permitted to count the service rendered in the school cafeterias prior to the time the cafeterias were taken over by the Government. It is felt by the committee that this is entirely inequitable for those employees.

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING BOARD OF EDUCATION TO BORROW MOTOR VEHICLES

Mr. DAVIS of Georgia. Mr. Speaker, by direction of the House Committee on the District of Columbia, I call up the bill (H. R. 7061) to authorize the Board of Education of the District of Columbia to borrow motor vehicles for use in a motor vehicle driver education and training course in the public schools of the District of Columbia, to excuse the owners of vehicles loaned to public, private, or parochial schools for driver-training purposes from the payment of certain fees and taxes during the period of such loan, and for other purposes, and ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Board of Education of the District of Columbia is hereby authorized, in connection with the conduct in the public schools of the District of a motor vehicle driver education and training course in the safe and proper operation of motor vehicles, to borrow motor vehicles and to return the same to the lenders on such terms and conditions as may be agreed upon between the Board and the lenders.

SEC. 2. (a) Whenever the owner of a motor vehicle lends such vehicle to the Board of Education for use in connection with the said course on driver training, or to the person in charge of a nonprofit private or parochial school for use in any course on driver training which may be conducted in such private or parochial school, such owner shall, but only for the period such vehicle is actually under the control of said Board or the person in charge of said school and is assigned for use in connection with the said course in driver training, be excused from paying, with respect to such vehicle, the fees and taxes imposed by or under the authority of the following acts of Congress:

(1) Subsection (j) of section 6 of the act entitled "District of Columbia Traffic Act, 1925", approved March 3, 1925, as amended (sec. 40–603 (j), D. C. Code, 1951 edition).

(2) Section 3 of title IV of the act approved August 17, 1937, as amended (sec. 40–103, D. C. Code, 1951 edition).

(3) The first section of the act approved February 18, 1938, as amended (sec. 40–201, D. C. Code, 1951 edition): *Provided*, That any such vehicle shall nevertheless be subject to inspection, as required by section 3 of article IV of the act approved July 16, 1947 (sec. 40–204, D. C. Code, 1951 edition), and the validity of such inspection shall expire upon the date such vehicle is returned to its owner.

(4) Section 6 of the act approved July 1, 1902, as amended (sec. 47–1212, D. C. Code, 1951 edition).

(b) For the purposes of this act, the term "nonprofit private or parochial school" shall mean any school the real property of which is exempt from taxation in the District of Columbia under the authority contained in paragraph (j) of the first section of the act approved December 24, 1942, as amended (56 Stat. 1089; sec. 47–801a (j), D. C. Code, 1951 edition).

SEC. 3. Each motor vehicle borrowed by the Board of Education or the person in charge of a nonprofit private or parochial school for use in a driver training course shall, upon its return to the lender, thereafter be subject to the taxes and fees established or authorized to be charged by the acts of Congress listed in section 2 hereof.

SEC. 4. Whenever any motor vehicle is loaned to the Board of Education or to a nonprofit private or parochial school for use in conducting a course in driver education and training, said Board or the person in charge of such private or parochial school shall furnish the Commissioners of the District of Columbia with a certificate that the vehicle is to be used in connection with such course. The Commissioners are authorized, upon receiving any such certificate, to issue without charge to said Board or to the person in charge of said school, special registration plates distinctively marked to indicate that the vehicle is being used in such course. Such plates shall be returned to the Commissioners when the vehicle is returned to its owner, or its use in connection with such course is terminated. Any vehicle not so certified and not so identified shall not be exempt from the fees and taxes listed in section 2 hereof.

SEC. 5. The Commissioners and the Board of Education of the District of Columbia are authorized to promulgate regulations to carry out the purposes of this act and to delegate any of the functions to be performed by them.

SEC. 6. This act shall become effective on and after the first day of September 1955, and the Commissioners are authorized to refund to the owner of a vehicle loaned to the Board of Education or to a nonprofit private or parochial school after that date, for use in a driver education and training program, the fees and taxes said owner paid to the District of Columbia with respect to such vehicle during the registration year beginning April 1, 1955, as may have been required by the acts of Congress listed in paragraphs numbered (1), (2), and (3) of section 2 of this act.

Mr. DAVIS of Georgia. Mr. Speaker, the purpose of this legislation is to authorize the Board of Education of the District of Columbia to borrow motor vehicles for use in a motor-vehicle driver education and training course in the public schools of the District of Columbia, and to excuse the owners of vehicles loaned to the schools for driver-training purposes from the payment of certain fees and taxes during the period of the loan.

Under existing law motor-vehicle dealers who have been kind enough to lend vehicles for use in this program have been required to undergo considerable expense in connection with such loan. They are required to register the vehicle and to pay the 2-percent excise tax thereon in connection with such registration, and even though the vehicle is not in their possession for 9 months of the tax year, they must pay a personal-property tax on such vehicle as part of their stock in trade. It has been the practice, however, since the vehicles are used as part of a public-education program, to excuse the dealers from paying the registration fee on the vehicle during such time as it is made available to the Board of Education.

The Commissioners feel that since the dealers have been under a considerable burden and that since this program is of great value to the citizens of the District of Columbia, that these dealers should be exempt from the payment of certain taxes and fees on vehicles loaned by them to the school system for driver-training purposes.

This legislation also proved that upon the return of the loaned vehicle to the lender it shall become subject to the taxes and fees from which theretofore it has been exempt.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INCREASING THE SALARIES OF OFFICERS AND MEMBERS OF THE METROPOLITAN POLICE FORCE, AND THE FIRE DEPARTMENT, OF THE DISTRICT OF COLUMBIA, THE UNITED STATES PARK POLICE, AND THE WHITE HOUSE POLICE

Mr. DAVIS of Georgia. Mr. Speaker, I call up the bill (H. R. 7159) to increase the salaries of officers and members of the Metropolitan Police force, and the Fire Department, of the District of Columbia, the United States Park Police, the White House Police, and for other purposes, and I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 101 of the District of Columbia Police and Firemen's Salary Act of 1953 (Public Law 74, 83d Cong.), as amended, is amended to read as follows:

"SEC. 101. (a) Except as provided in subsection (b) or (c), the annual basic salaries of the officers and members of the Metropolitan Police force shall be at the rates set forth in the following table:

"Chief of Police	$13,438
Deputy Chiefs	9,094
Inspectors	8,335
Captains	7,085
Lieutenants	6,460
Sergeants	5,936
Corporals	5,472
Private, class 4 (3 or more years' service)	4,990
Private, class 3 (2 or more but less than 3 years' service)	4,707
Private, class 2 (1 or more but less than 2 years' service)	4,424
Private, class 1 (less than 1 year's service)	4,193

All original appointments of privates shall be made at the annual basic salary of $4,193 and the first year of service shall be probationary.

"(b) The annual basic salary of a private of any class of the Metropolitan Police force shall be increased by—

"(1) $1,290, while he is assigned to duty as a detective sergeant;

"(2) $500, while he is assigned to duty as a precinct detective;

"(3) $323, while he is assigned to duty as a station clerk;

"(4) $291, while he is assigned to duty as a probational detective; or

"(5) $420, while he is assigned to duty as a motorcycle officer.

Paragraph (5) of this subsection shall apply to any officer below the grade of lieutenant.

"(d) Subject to the approval of the Commissioners, the annual basic salary of a private of the Metropolitan Police force shall be increased by an amount not to exceed $420 while he is assigned to duty as a technician."

SEC. 3. Section 102 (a) of the District of Columbia Police and Firemen's Salary Act of 1953 is amended by striking out "$120" and "$200" and inserting in lieu thereof "$129" and "$215", respectively.

SEC. 3. Section 201 of the District of Columbia Police and Firemen's Salary Act of 1953 is amended to read as follows:

"SEC. 201. (a) Except as provided in subsection (b) or (c), the annual basic salaries of the officers and members or the Fire Department of the District of Columbia shall be at the rates set forth in the following table:

"Fire Chief	$13,438
Deputy fire chiefs	9,094
Superintendent of machinery	9,094
Fire marshal	9,094
Battalion fire chiefs	8,335
Assistant superintendent of machinery	8,335
Deputy fire marshal	8,335
Captains	7,085
Pilots	6,803
Marine engineers	6,803
Lieutenants	6,460
Sergeants	5,936
Assistant pilots	5,416
Assistant marine engineers	5,416
Inspectors	5,174

"Private, class 4 (three or more years' service)	$4,990
Private, class 3 (2 or more but less than 3 years' service)	4,707
Private, class 2 (1 or more but less than 2 years' service)	4,424
Private, class 1 (less than 1 year's service)	4,193

All original appointments of privates shall be made at the annual basis salary of $4,193 and the first year of service shall be probationary.

"(b) The annual basic salary of a private of any class of the Fire Department of the District of Columbia shall be increased by—

"(1) $420, while he is assigned to duty as an aid to the Fire Chief or to a deputy or battalion fire chief;

"(2) $224, while he is assigned to duty as a regular first driver-operator of a fire department hose wagon, aerial ladder truck, rescue squad, or fire department ambulance;

"(3) $420 while he is assigned to duty as a chief radio technician; and

"(4) $224, while he is assigned to duty as a chief photographer.

"(c) Subject to the approval of the Commissioners, the annual basic salary of a private or an inspector of the Fire Department of the District of Columbia shall be increased by an amount not to exceed $420 while he is assigned to duty as a technician."

SEC. 4. Section 202 (a) of the District of Columbia Police and Firemen's Salary Act of 1953 is amended by striking out "$120" and "$200" and inserting in lieu thereof "$129" and "$215", respectively.

SEC. 5. (a) Retroactive salary shall be paid by reason of this act only in the case of an individual in the service of the United States (including service in the Armed Forces of the United States) or the municipal government of the District of Columbia on the date of enactment of this act, except that retroactive salary shall be paid (1) to an officer or member of the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, or the White House Police force, who retired during the period beginning on the first day of the first pay period which began after February 28, 1955, and ending on the date of enactment of this act for services rendered during such period, and (2) in accordance with the provisions of the act of August 3, 1950 (Public Law 636, 81st Cong.), as amended (5 U. S. C., secs. 63f–63k), for services rendered during the period beginning on the first day of the first pay period which began after February 28, 1955, and ending on the date of enactment of this act by an officer or member who dies during such period.

(b) For the purposes of this section, service in the Armed Forces of the United States, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, shall include the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia.

SEC. 6. (a) This act shall take effect as of the first day of the first pay period which began after February 28, 1955.

(b) For the purpose of determining the amount of insurance for which an individual is eligible under the Federal Employees' Group Life Insurance Act of 1954, all changes in annual basic salary which result from the enactment of this act shall be held and considered to be effective as of the first day of the first pay period which begins on or after the date of such enactment.

With the following committee amendment:

On page 3, line 1, strike "(d)" and insert "(c)."

Mr. DAVIS of Georgia. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, the purpose of this legislation is to increase the salaries of all the members of the Metropolitan Police force, the White House Police, the Park Police, and the Fire Department of the District of Columbia by 7½ percent, this figure being in line with that granted to the Federal and District of Columbia classified employees in similar legislation.

The salary raise would also be retroactive to March 1, 1955. The total cost involved under this legislation is approximately $1,500,000.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDE COMPENSATION FOR DUTY PERFORMED ON DAYS OFF

Mr. DAVIS of Georgia. Mr. Speaker, I call up the bill (H. R. 2601) to provide for the payment of compensation to officers and members of the Metropolitan Police force, the United States Park Police force, the White House Police force, and the Fire Department of the District of Columbia, for duty performed on their days off, when such days off are suspended during an emergency, and I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the first section of the act entitled "An act to provide a 5-day week for officers and members of the Metropolitan Police force, the United States Park Police force, and the White House Police force," approved August 15, 1950, as amended (D. C. Code, sec. 4–904), is amended by adding at the end thereof the following new subsection:

"(f) Whenever the granting of days off has been suspended and discontinued pursuant to this section, each officer and member shall be entitled to receive, in addition to his annual basic salary, compensation at the basic daily rate for each day of duty which he performs by reason of the suspension and discontinuance of his days off under this section. Any officer or member so performing duty shall be entitled to all rights, benefits, and privileges, and shall be subject to all obligations and duties to which he is entitled or to which he is subject on any regular workday. Such compensation shall be treated for the purpose of computing retirement compensation of relief payments, or for deduction, in the same manner as is compensation for duty voluntarily performed under subsection (e) of this section."

SEC. 2. Subsection (b) of section 2 of the act entitled "An act to amend the act entitled 'An act to classify the officers and members of the Fire Department of the District of Columbia, and for other purposes', approved June 20, 1906, and for other purposes," approved June 19, 1948 (62 Stat. 499), is amended by adding at the end thereof the following: "Whenever the granting of days off has been suspended and discontinued pursuant to this subsection, each officer and member shall be entitled to receive, in addition to his annual basic salary, compensation at the basic daily rate for each day of duty which he performs by reason of the suspension and discontinuance of his days off under this subsection. Any officer or member so performing duty shall be entitled to all rights, benefits, and privileges, and shall be subject to all obligations and duties, to which he is entitled or to which he is subject on any regular workday. Additional compensation paid under this subsection shall not be considered as salary for the purpose of computing retirement compensation or relief payments under section 12 of the act entitled 'An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1917, and for other purposes', approved September 1, 1916, as amended, nor shall such additional compensation be subject to deduction as provided in section 5 of the act entitled 'An act to fix the salaries of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia', approved July 1, 1930, as amended."

SEC. 3. This act shall take effect on the first Sunday following the date of its enactment.

With the following committee amendment:

Page 3, strike out lines 22 and 23 and insert:

"SEC. 3. This act shall take effect July 1, 1955."

Mr. DAVIS of Georgia. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, this is a bill which was introduced by the gentleman from Pennsylvania [Mr. KEARNS]. The purpose of it is to pay officers and members of the Metropolitan Police Department, the United States Park Police, the White House Police Force, and the Fire Department of the District of Columbia for days off when they work when an emergency has been declared by the Commissioners of the District of Columbia.

During the present emergency which has been occasioned by the transit strike, members of the Metropolitan Police Department are working 7 days a week for 5 days' pay. They do not get a cent for working on Saturday and Sunday, and this bill proposes to pay those men 7 days' pay for 7 days' work, not at overtime rates but at basic straight-time pay. All of these policemen are now working 7 days a week and are not getting a penny for working these 2 extra days, Saturday and Sunday. When this bill is passed, they still will not be getting paid for all the extra work they are doing. I call the attention of the House to this, that they will get pay for 2 extra days which they are now working, at the regular rate of pay, and that is pay supposed to be given them for an 8-hour day. They are not working an 8-hour day now; they are working, some of them 10, some 12, possibly more than that, hours per day. And, I call the attention of the House to the fact that between July 1, when this strike started, and July 14, when the computation was made, they had worked a total of 7,639 days, that is, the police force had, more than they had been paid for. That is at the 8-hour rate. Now, in addition to that, they have worked 21,048 hours over

the regular 8-hour tour of duty, which makes a total of 2,631 days in addition to the regular 8-hour days, which total up 7,639 days.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman, I am sure, knows my record of conservatism with respect to salary increases. However, here is a compensatory measure that is well justified, and I will be happy to support it.

Mr. DAVIS of Georgia. I appreciate very much the gentleman's observation, and I do know his conservative record with reference to economy, and I join with him. And, I feel that all the Members of the House who know the situation here will join in concurring in this bill.

That, I believe, Mr. Speaker, gives us the basic facts about the bill.

Mr. O'HARA of Minnesota. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I think that every Member of the House is familiar with the fine record of the Police Department and the Fire Department of the District of Columbia. I think under Chief Murray particularly in the last 2 or 3 years we have had one of the most efficient police forces in the United States.

Mr. Speaker, we just passed the bill H. R. 7150 which increased the pay of the police force of the District of Columbia by $1½ million. I was very much for that bill. On the last District Day we passed a police bill which permitted certain funds paid by licensees in the District of Columbia for overtime to go into a police fund which, in turn, is paid to policemen who perform these overtime services. The previous policemen's and firemen's increase of a year or so ago in addition was considerably larger than the increase given to other employees. All of those were fine. I think they were entitled to those increases. But now we are being asked to provide an additional pay increase for overtime.

I think I know what has been going on in the city of Washington for the last 15 years, as does the gentleman from Georgia [Mr. DAVIS]. I am perfectly familiar with the splendid job the policemen have done in this current strike situation. It has been a magnificent performance. But, Mr. Speaker, it is my view that that is their business and their responsibility. I realize that while they are not hired on a 40-hour-a-week basis, they do try to operate, as an administrative matter, on the basis of 5 days a week, with 2 days off, under ordinary conditions. That is all right. But I say that a policeman or a fireman or a soldier is on duty 365 days of the year. I opposed this bill in the committee because I think we are going too far in this pay increase matter. I have had no objection to the normal 7½ percent increase, which will cost the District of Columbia $1,500,000 for the police and firemen alone. We are giving a healthy increase to the teachers. They are entitled to that. We are already in a difficult fiscal situation in the District of Columbia. I realize that this has been a pay-increase year, but I do think that we are going to break the camel's back one of these days by going too far with these pay increases, to the point where the people are going to revolt.

Mr. AUCHINCLOSS. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. AUCHINCLOSS. Mr. Speaker, I would like to say to the gentleman from Minnesota [Mr. O'HARA] that I concur in the remarks that he makes. I opposed this bill in the committee. I think we have a police force to face emergencies. It is the duty of policemen to meet those emergencies and protect the well-being of the citizens of the community, without expecting extra pay for that service. I very much approve paying policemen the very highest salary, particularly in this city at least a wage that is comparable to wages paid in any other city of comparable size.

Mr. O'HARA of Minnesota. The gentleman feels as I do. He has been for all these increases except this overtime business.

Mr. AUCHINCLOSS. I do not know of any city in the country that pays overtime of this nature.

Mr. O'HARA of Minnesota. I know of none, either.

Mr. AUCHINCLOSS. I have had some experience in police work and I think this is a mistake. I know that to oppose this legislation is probably not the popular thing to do. But it would be contrary to my better judgment to support this bill.

Mr. O'HARA of Minnesota. Mr. Speaker, I thank the gentleman.

I would like to say that I am sorry I feel so strongly about this matter. But when we get to the business of figuring up that a policeman would then be working 5 days a week, 8 hours a day, and stop, if we did that we would be creating a bad precedent.

I hope this bill will be voted down.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. MILLS). Evidently a quorum is not present.

Mr. HALEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 127]

Avery	Gamble	Perkins
Barden	Green, Pa.	Pillion
Baumhart	Hardy	Reece, Tenn.
Bonner	Hays, Ohio	Reed, N. Y.
Buchanan	Hayworth	Robsion, Ky.
Budge	Hillings	Scrivner
Burnside	Kearney	Shelley
Byrne, Pa.	Kee	Sieminski
Chase	Keogh	Taylor
Chiperfield	Kilburn	Thompson, La.
Chudoff	King, Pa.	Thompson, Mich.
Crumpacker	Krueger	Thompson, N. J.
Dawson, Ill.	Latham	Tollefson
Diggs	Lesinski	Watts
Dingell	Long	Willis
Dodd	Miller, N. Y.	Wilson, Calif.
Dorn, N. Y.	Morrison	Winstead
Eberharter	Mumma	Wolcott
Fino	O'Konski	

The SPEAKER pro tempore. On this rollcall 370 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a privileged report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

COMMITTEE ON THE JUDICIARY

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may be permitted to sit for the balance of the week during general debate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. ROGERS of Texas. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may be permitted to sit during general debate this afternoon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROVIDE COMPENSATION FOR DUTY PERFORMED ON DAYS OFF

Mr. DAVIS of Georgia. Mr. Speaker, I would like to make just this further statement about the bill now under consideration, H. R. 2601.

The gentleman from Minnesota has referred to a bill which was passed here on the last District Day which he said would pay police for extra service, that is, pay them extra for extra service. Now, that bill to which the gentleman refers was not passed for the benefit of policemen; it was passed for the benefit of the people of the District of Columbia to permit a pool of off-duty policemen to be called into service and to serve at such places as Uline's Arena, the ball park, and the armory, because under existing law those place are now policed by calling police from some other place where they are on active service. And, of course, it pulls policemen away from the places where they are needed in order to serve at these places. That bill was not passed for the benefit of the policemen; it was passed to give more protection to the people of the District of Columbia.

This bill which we are now considering is a bill to do justice and equity to the police. The police are now working Saturdays and Sundays that they would normally be off and are not getting paid for those 2 days. They are the only Federal employees that I know

of who work on their off time and do not get a cent for it. When other Federal employees work on their off days, they not only get paid the regular rate but they get paid at overtime rates. This bill will not pay the police any overtime rates; it will simply pay those who are now working 7 days a week for the Saturdays and Sundays that they otherwise would have off to be with their families and attending to their own affairs. These things add up to a great deal, so far as the morale of the department is concerned. If police were hired with the knowledge that they would have to work 7 days a week for only 5 days' pay, a great many of the men who now make application for these jobs would pass them up for employment in private industry. They are not getting paid overtime rates under this bill.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Oklahoma.

Mr. ALBERT. The bill which the gentleman is discussing would give them pay for the work they have done during this bus strike?

Mr. DAVIS of Georgia. It would not give them pay for all the work which they have done. It would pay them for the extra 2 days, on an 8-hour basis. But, as I said previously, they have been working not merely 8 hours a day and on Saturdays and Sundays, but some of them have been working 10 hours and 12 hours a day.

Mr. ALBERT. Mr. Speaker, I agree with the gentleman, and I want to commend him on his statement. I think everybody who lives or works in Washington owes a debt of gratitude to these men for the manner in which they have handled the traffic during this strike.

Mr. DAVIS of Georgia. I appreciate very much the remarks of the distinguished gentleman from Oklahoma. This bill is one to do simple justice and equity to these police. It came out of the committee by an overwhelming vote, and I hope it will pass the House in the same way.

Mr. KEARNS. Mr. Speaker, I move to strike out the requisite number of words.

I personally want to commend the subcommittee and the full committee for reporting this bill out. Each and every one of us here realizes what a job it is today to be the head of a police department in a city like this metropolitan city. Each and every Member of Congress should be very grateful that we have a man like Mr. Murray to do the job that is required to be done here in the Nation's Capital. I do not know of any other Federal employees who are asked to work Saturdays and Sundays without receiving any compensation for it. This bill merely does what we should have done 2 or 3 years ago, give this extra compensation when work is performed that is deserving of the pay.

Mr. O'HARA of Minnesota. Mr. Speaker, I move to strike out the last three words.

Mr. Speaker, I want to correct the statement which I made before as to the possible cost of this bill. I do not know that there can be any accurate estimate of it, but I want to call attention to the fact that we are talking about an emergency condition, such as the present transit strike. This bill does not only deal with emergencies—but covers overtime generally. No one knows how much this bill will cost.

Let me call attention to the fact that in addition to the $1½ million increase in salary in the regular bill just passed, the cost under this bill from July 1 through July 14 would represent a total of 7,639 days claimed to have been lost. The estimated cost of this period is approximately $154,079. That is what it would cost for 14 days. If it were to apply to emergency conditions, there might be every justification for it. But this applies to any time that policemen work overtime, during the 365 days of the year. Whether the bill is going to cost $500,000 or another $1 million, I do not think anyone can tell. The very fact that we have acknowledged that the Police Department is an excellent Police Department, and that they are entitled to an increase in regular salary is no reason for loading onto the fiscally broke District of Columbia an additional cost for their doing a good job. That is what they are there for.

I want to say that I do hope that in this hysteria of salary raising we are not going to become completely unrealistic to the facts of life and to the administration of what is a good police department. They will get along very well without this additional increase.

I do oppose the principle that every time a policeman has to be called to work overtime he should be paid for it.

Mr. Speaker, I repeat, I am opposed to this kind of legislation, and I hope the bill will be voted down.

Mr. BROYHILL. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I rise in support of this legislation. I think we all agree that members of the Metropolitan Police force are somewhat like members of the Armed Forces and somewhat like Members of Congress. We are on duty 24 hours a day, subject to call at any time. Certainly it would be very difficult to work out any legislation or any program to compensate the members of the Police Department for every small portion of overtime they may be called upon to perform; yet I think every member of this body will agree that members of the Police Department like any other American citizens or any other human beings are entitled to a certain number of days off for necessary rest, refreshment, and relaxation.

Mr. DAVIS of Georgia. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield.

Mr. DAVIS of Georgia. The gentleman from Minnesota has just made the remark that this bill does not apply to emergencies. I call the attention of the House to the fact that the very title of the bill itself carries the language that the bill provides for the payment of compensation to these officers for a duty performed on their days off, when such days off are suspended during an emergency.

Mr. BROYHILL. I do not believe it is the intent of the existing law for the members of the Metropolitan Police force to be required to work 7 days a week for an indefinite period of time. Certainly it appears right now that no action will be taken by Congress this session to bring about a cessation of the current strike. In view of that, we could easily predict that this strike may go on for an indefinite period of time. I do not believe any Member of this body expects the members of the police force to continue working 7 days a week for an indefinite period of time without proper compensation. I therefore urge the approval of this bill.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. McMILLAN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent for the immediate consideration of a similar Senate bill (S. 2427) to provide for the payment of compensation to officers and members of the Metropolitan Police force, the United States Park Police force, the White House Police force, and the Fire Department of the District of Columbia, for duty performed on their days off, when such days off are suspended during an emergency.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

Mr. O'HARA of Minnesota. Mr. Speaker, reserving the right to object, what is the difference between the Senate bill and the House bill?

Mr. DAVIS of Georgia. There is no difference, so I am informed. But the Senate bill has been passed by the other body, and by substituting it for our House bill, which has just been passed, of course, as the gentleman knows, that would eliminate the necessity for a conference.

Mr. O'HARA of Minnesota. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia [Mr. DAVIS]?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the first section of the act entitled "An act to provide a 5-day week for officers and members of the Metropolitan Police force, the United States Park Police force, and the White House Police force," approved August 15, 1950, as amended (D. C. Code, sec. 4–904), is amended by adding at the end thereof the following new subsection:

"(f) Whenever the granting of days off has been suspended and discontinued pursuant to this section, each officer and member shall be entitled to receive, in addition to his

annual basic salary, compensation at the basic daily rate for each day of duty which he performs by reason of the suspension and discontinuance of his days off under this section. Any officer or member so performing duty shall be entitled to all rights, benefits, and privileges, and shall be subject to all obligations and duties to which he is entitled or to which he is subject on any regular workday. Such compensation shall be treated for the purpose of computing retirement compensation or relief payments, or for deduction, in the same manner as is compensation for duty voluntarily performed under subsection (e) of this section."

SEC. 2. Subsection (b) of section 2 of the act entitled "An act to amend the act entitled 'An act to classify the officers and members of the Fire Department of the District of Columbia, and for other purposes', approved June 20, 1906, and for other purposes", approved June 19, 1948 (62 Stat. 499), is amended by adding at the end thereof the following: "Whenever the granting of days off has been suspended and discontinued pursuant to this subsection, each officer and member shall be entitled to receive, in addition to his annual basic salary, compensation at the basic daily rate for each day of duty which he performs by reason of the suspension and discontinuance of his days off under this subsection. Any officer or member so performing duty shall be entitled to all rights, benefits, and privileges, and shall be subject to all obligations and duties, to which he is entitled or to which he is subject on any regular workday. Additional compensation paid under this subsection shall not be considered as salary for the purpose of computing retirement compensation or relief payments under section 12 of the act entitled 'An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1917, and for other purposes', approved September 1, 1916, as amended, nor shall such additional compensation be subject to deduction as provided in section 5 of the act entitled 'An act to fix the salaries of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia', approved July 1, 1930, as amended."

SEC. 3. This act shall take effect on July 1, 1955.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The proceedings whereby a similar House bill (H. R. 2601) was passed were vacated and that bill was laid on the table.

METROPOLITAN POLICE FORCE, FIRE DEPARTMENT, ETC.

Mr. DAVIS of Georgia. Mr. Speaker, I call up Senate bill (S. 2428) to increase the salaries of officers and members of the Metropolitan Police force, and the Fire Department of the District of Columbia, the United States Park Police, and the White House Police, and for other purposes and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That section 101 of the District of Columbia Police and Firemen's Salary Act of 1953 (Public Law 74, 83d Cong.), as amended, is amended to read as follows:

"SEC. 101 (a) Except as provided in subsection (b) or (c), the annual basic salaries of the officers and members of the Metropolitan Police force shall be at the rates set forth in the following table:

"Chief of Police	$13,438
Deputy Chiefs	9,094
Inspectors	8,335
Captains	7,085
Lieutenants	6,460
Sergeants	5,936
Corporals	5,472
Private, class 4 (3 or more years' service)	4,990
Private, class 3 (2 or more but less than 3 years' service)	4,707
Private, class 2 (1 or more but less than 2 years' service)	4,424
Private, class 1 (less than 1 year's service)	4,193

All original appointments of privates shall be made at the annual basic salary of $4,193 and the first year of service shall be probationary.

"(b) The annual basic salary of a private of any class of the Metropolitan Police force shall be increased by—

"(1) $1,290, while he is assigned to duty as a detective sergeant;

"(2) $500, while he is assigned to duty as a precinct detective;

"(3) $323, while he is assigned to duty as a station clerk;

"(4) $291, while he is assigned to duty as a probational detective; or

"(5) $420, while he is assigned to duty as a motorcycle officer.

Paragraph (5) of this subsection shall apply to any officer below the grade of lieutenant.

"(c) Subject to the approval of the Commissioners, the annual basic salary of a private of the Metropolitan Police force shall be increased by an amount not to exceed $420 while he is assigned to duty as a technician."

SEC. 2. Section 102 (a) of the District of Columbia Police and Firemen's Salary Act of 1953 is amended by striking out "$120" and "$200" and inserting in lieu thereof "$129" and "$215", respectively.

SEC. 3. Section 201 of the District of Columbia Police and Firemen's Salary Act of 1953 is amended to read as follows:

"SEC. 201. (a) Except as provided in subsection (b) or (c), the annual basic salaries of the officers and members of the Fire Department of the District of Columbia shall be at the rates set forth in the following table:

"Fire Chief	$13,438
Deputy fire chiefs	9,094
Superintendent of machinery	9,094
Fire marshal	9,094
Battalion fire chiefs	8,335
Assistant superintendent of machinery	8,335
Deputy fire marshal	8,335
Captains	7,085
Pilots	6,803
Marine engineers	6,803
Lieutenants	6,460
Sergeants	5,936
Assistant pilots	5,416
Assistant marine engineers	5,416
Inspectors	5,174
Private, class 4 (3 or more years' service)	4,990
Private, class 3 (2 or more but less than 3 years' service)	4,707
Private, class 2 (1 or more but less than 2 years' service)	4,424
Private, class 1 (less than 1 year's service)	4,193

All original appointments of privates shall be made at the annual basic salary of $4,193 and the first year of service shall be probationary.

"(b) The annual basic salary of a private of any class of the Fire Department of the District of Columbia shall be increased by—

"(1) $420, while he is assigned to duty as an aid to the Fire Chief or to a deputy or battalion first chief;

"(2) $224, while he is assigned to duty as a regular first driver-operator of a fire department hose wagon, aerial ladder truck, rescue squad, or fire department ambulance;

"(3) $420, while he is assigned to duty as a chief radio technician; and

"(4) $224, while he is assigned to duty as a chief photographer.

"(c) Subject to the approval of the Commissioners, the annual basic salary of a private or an inspector of the Fire Department of the District of Columbia shall be increased by an amount not to exceed $420 while he is assigned to duty as a technician."

SEC. 4. Section 202 (a) of the District of Columbia Police and Firemen's Salary Act of 1953 is amended by striking out "$120" and "$200" and inserting in lieu thereof "$129" and "$215", respectively.

SEC. 5. (a) Retroactive salary shall be paid by reason of this act only in the case of an individual in the service of the United States (including service in the Armed Forces of the United States) or the municipal government of the District of Columbia on the date of enactment of this act, except that retroactive salary shall be paid (1) to an officer or member of the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, or the White House Police force, who retired during the period beginning on the first day of the first pay period which began after February 28, 1955, and ending on the date of enactment of this act for services rendered during such period, and (2) in accordance with the provisions of the act of August 3, 1950 (Public Law 636, 81st Cong.), as amended (5 U. S. C., secs. 63f–63k), for services rendered during the period beginning on the first day of the first pay period which began after February 28, 1955, and ending on the date of enactment of this act by an officer or member who dies during such period.

(b) For the purposes of this section, service in the Armed Forces of the United States, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, shall include the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia.

SEC. 6. (a) This act shall take effect as of the first day of the first pay period which began after February 28, 1955.

(b) For the purpose of determining the amount of insurance for which an individual is eligible under the Federal Employees' Group Life Insurance Act of 1954, all changes in annual basic salary which result from the enactment of this act shall be held and considered to be effective as of the first day of the first pay period which begins on or after the date of such enactment.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The proceedings whereby a similar House bill (H. R. 7159) was passed were vacated and that bill was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 days to extend their remarks at this point.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

HAIRDRESSERS AND COSMETOLOGISTS

Mr. McMILLAN. Mr. Speaker, I call up the Senate bill (S. 667) to exempt meetings of associations of professional hairdressers or cosmetologists from certain provisions of the acts of June 7, 1938—Fifty-second Statutes 611—and July 1, 1902—Thirty-second Statutes 622—as amended, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the provisions of the act of June 7, 1938 (52 Stat. 611; title 2, ch. 13, D. C. Code, 1951 ed.), and paragraph 10 of section 7 of the act approved July 1, 1902 (32 Stat. 622), as amended (sec. 47–2310, D. C. Code, 1951 ed.), shall not be applicable to activities conducted in connection with any bona fide regularly scheduled national annual convention of any national association of professional hairdressers or cosmetologists, from which the general public is excluded.

Mr. McMILLAN. Mr. Speaker, the purpose of this bill is to exempt from the provisions of existing law the practice of cosmetology in connection with any bona fide regularly scheduled national annual convention of any national association of professional hairdressers or cosmetologists, for the purpose of permitting the presentation of educational programs at such meetings.

The act entitled "An act to provide for the examination and licensing of those engaging in the practice of cosmetology in the District of Columbia," approved June 7, 1938 (52 Stat. 611; title 2, ch. 13, D. C. Code, 1951 edition), governing the practice of cosmetology in the District, requires every person engaging in any practice of the cosmetological art—with certain exceptions not here germane—to be licensed. Moreover, the act requires any place used as a beauty shop, or school of cosmetology to be licensed, and prohibits the practice of cosmetology in any unlicensed place.

In addition, paragraph 10 of the act approved July 1, 1902—32 Statute 622—as amended—section 47–2310, District of Columbia Code, 1951 edition—reads as follows:

Owners or managers of barber shops, beauty parlors, beauty salons, vanity shops, or shingle shops, by whatsoever name called, where hair cutting, hairdressing, hair dyeing, manicuring, and kindred acts are practiced shall pay a license fee of $5 per annum.

Neither of the above-cited acts makes provision for the practice of cosmetology, for educational purposes, at meetings of associations of professional hairdressers or cosmetologists from which the general public is excluded. However, the Board of Commissioners have been informed that it has long been the practice at regularly scheduled meetings from which the general public is excluded, for skilled persons to instruct groups of professional hairdressers or cosmetologists in new styles of hairdressing, new methods of hair tinting, and other new developments.

The purpose of both the cited acts is to protect the general public from the practice of cosmetology by unqualified persons. It is believed, therefore, that neither of the acts should be applicable to activities conducted in connection with a bona fide, regularly scheduled meeting of any national association of professional hairdressers or cosmetologists from which the general public is excluded.

This bill has the approval of the Board of Commissioners of the District of Columbia.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALARIES OF TEACHERS, SCHOOL OFFICERS, ETC.

Mr. McMILLAN. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Speaker, I call up the Senate bill (S. 1093) to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc.—

TITLE I—SALARY SCHEDULES

SECTION 1. That the following are the salary schedules for teachers, school officers, and certain other employees of the Board of Education of the District of Columbia whose positions are included therein:

Salary class and position	Service step 1 minimum	Service step 2	Service step 3	Service step 4	Service step 5	Service step 6	Service step 7	Service step 8	Service step 9	Service step 10	Service step 11	Service step 12	Service step 13
Class 1: Superintendent of schools	$18,000												
Class 2: Deputy superintendent	11,600	$11,900	$12,200	$12,500	$12,800	$13,100	$13,400						
Class 3: Assistant superintendent; president, teachers college	10,000	10,300	10,600	10,900	11,200	11,500	11,800						
Class 4	9,400	9,600	9,800	10,000	10,200	10,400	10,600	$10,800	$11,000				
Class 5:													
Group B, master's degree	8,500	8,700	8,900	9,100	9,300	9,500	9,700	9,900	10,100				
Group C, master's degree plus 30 credit hours	8,800	9,000	9,200	9,400	9,600	9,800	10,000	10,200	10,400				
Class 6:													
Group A, bachelor's degree	7,600	7,800	8,000	8,200	8,400	8,600	8,800	9,000	9,200				
Group B, master's degree	8,100	8,300	8,500	8,700	8,900	9,100	9,300	9,500	9,700				
Group C, master's degree plus 30 credit hours	8,400	8,600	8,800	9,000	9,200	9,400	9,600	9,800	10,000				
Director, Department of Food Services													
Class 7:													
Group B, master's degree	7,600	7,800	8,000	9,200	8,400	8,600	8,800	9,000	9,200				
Group C, master's degree plus 30 credit hours	7,900	8,100	8,300	8,500	8,700	8,900	9,100	9,300	9,500				
Chief Examiner													
Director													
Principal, senior high school													
Class 8: Professor, teachers college	7,600	7,800	8,000	8,200	8,400	8,600	8,800	9,000	9,200				
Class 9:													
Group B, master's degree	7,100	7,300	7,500	7,700	7,900	8,100	8,300	8,500	8,700				
Group C, master's degree plus 30 credit hours	7,400	7,600	7,800	8,000	8,200	8,400	8,600	8,800	9,000				
Principal, vocational high school													
Principal, junior high school													
Principal, Americanization school													
Class 10:													
Group B, master's degree	6,700	6,900	7,100	7,300	7,500	7,700	7,900	8,100	8,300				
Group C, master's degree, plus 30 credit hours	7,000	7,200	7,400	7,600	7,800	8,000	8,200	8,400	8,600				
Director, Department of School Attendance and Work Permits													
Supervising Director													
Principal, elementary school													
Principal, laboratory school													
Class 11: Associate professor, teachers college	6,700	6,900	7,100	7,300	7,500	7,700	7,900	8,100	8,300				
Class 12:													
Group A, bachelor's degree	6,200	6,400	6,600	6,800	7,000	7,200	7,400	7,600	7,800				
Group B, master's degree	6,700	6,900	7,100	7,300	7,500	7,700	7,900	8,100	8,300				
Group C, master's degree, plus 30 credit hours	7,000	7,200	7,400	7,600	7,800	8,000	8,200	8,400	8,600				
Assistant Director, Department of Food Services													

Salary class and position	Service step 1 minimum	Service step 2	Service step 3	Service step 4	Service step 5	Service step 6	Service step 7	Service step 8	Service step 9	Service step 10	Service step 11	Service step 12	Service step 13
Class 13:													
Group B, master's degree	$6,000	$6,200	$6,400	$6,600	$6,800	$7,000	$7,200	$7,400	$7,600				
Group C, master's degree plus 30 credit hours	6,300	6,500	6,700	6,900	7,100	7,300	7,500	7,700	7,900				
Assistant Director													
Principal, Capitol Page School													
Assistant principal, senior high school													
Class 14: Assistant professor, teachers college; chief librarian, teachers college	6,000	6,200	6,400	6,600	6,800	7,000	7,200	7,400	7,600				
Class 15:													
Group B, master's degree	5,800	6,000	6,200	6,400	6,600	6,800	7,000	7,200	7,400				
Group C, master's degree, plus 20 credit hours	6,100	6,300	6,500	6,700	6,900	7,100	7,300	7,500	7,700				
Assistant principal, vocational high school.													
Assistant principal, junior high school.													
Class 16:													
Group B, master's degree	5,600	5,800	6,000	6,200	6,400	6,600	6,800	7,000	7,200				
Group C, master's degree, plus 30 credit hours	5,900	6,100	6,300	6,500	6,700	6,900	7,100	7,300	7,500				
Class 17:													
Group B, master's degree	5,300	5,500	5,700	5,900	6,100	6,300	6,500	6,700	6,900				
Group C, master's degree, plus 30 credit hours	5,600	5,800	6,000	6,200	6,400	6,600	6,800	7,000	7,200				
Assistant													
Supervisor													
Chief attendance officer													
Class 18:													
Group A, bachelor's degree	3,800	3,960	4,120	4,280	4,440	4,600	4,760	4,920	5,080	$5,240	$5,400	$5,560	$5,700
Group B, master's degree	4,300	4,460	4,620	4,780	4,940	5,100	5,260	5,420	5,580	5,740	5,900	6,060	6,200
Group C, master's degree plus 30 credit hours	4,600	4,760	4,920	5,080	5,240	5,400	5,560	5,720	5,880	6,040	6,200	6,360	6,500
Instructor, teachers college													
Librarian, teachers college													
Teacher, senior high school													
Teacher, vocational high school													
Teacher, junior high school													
Teacher, elementary school													
School librarian													
Counselor													
Research assistant													
Class 19:													
Group A, bachelor's degree	3,800	3,960	4,120	4,280	4,440	4,600	4,760	4,920	5,080	5,240	5,400	5,560	5,700
Group B, master's degree	4,300	4,460	4,620	4,780	4,940	5,100	5,260	5,420	5,580	5,740	5,900	6,060	6,200
Attendance officer													
Child labor inspector													
Census supervisor													

TITLE II—CLASSIFICATION AND ASSIGNMENT OF EMPLOYEES

SEC. 2. (a) The Board of Education on written recommendation of the Superintendent of Schools is authorized to establish the eligibility requirements and prescribe methods of appointment and promotion for teachers, school officers, and other employees. The Board of Education is authorized and directed, on written recommendation of the Superintendent of Schools, to classify and assign all teachers, school officers, and other employees to the salary classes and groups in section 1 of this act. Teachers, school officers, and other employees on probationary or permanent status shall not be required to take any examinations, either mental or physical, to be continued in the positions in which they are employed on June 30, 1955, or to which they may be transferred and assigned under the provisions of section 4 and section 5 of this act. No teacher, school officer, or other employee shall be appointed or promoted to any position in section 1 of this act on probationary or permanent status unless he possesses a master's degree, except that a person possessing a bachelor's degree may be appointed on probationary or permanent status as Director of Food Services, Assistant Director of Food Services, Supervising Director of the Department of Military Science and Tactics, teacher of military science and tactics, teacher of driver training, shop teacher in the vocational high schools, teacher in the junior high schools, counselor in the vocational high schools, counselor in the junior high schools, teacher in the elementary schools, research assistant, attendance officer, child labor inspector, or census supervisor. No teacher, school officer, or other employee shall receive compensation at a rate less than his annual compensation as of June 30, 1955.

(b) Notwithstanding any provision of this act the Board is authorized on a written recommendation of the Superintendent of Schools, to appoint or promote vocational high-school shop teachers to salary class 18, group B, without a master's degree if they submit evidence of equivalent training and experience in accordance with the rules of the Board. A vocational high-school shop teacher may not be appointed, assigned, or promoted to salary class 18, group C, who does not possess a master's degree granted in course plus 30 credit hours.

(c) When used in this act, the words "master's degree" mean a master's degree granted in course by an accredited higher educational institution and the words "plus 30 credit hours" mean the equivalent of not less than 30 graduate credit hours in academic, vocational, or professional courses beyond a master's degree, representing a definite educational program satisfactory to the Board of Education. Graduate credit hours beyond 30 which were earned prior to obtaining a master's degree may be applied in computing the "plus 30 credit hours." The terms "Board" or "Board of Education" mean the Board of Education of the District of Columbia. When used in this act, the term "Salary Act of 1947" means "District of Columbia Teachers' Salary Act of 1947, as amended."

SEC. 3. For other than temporary employees and the Superintendent of Schools, the first 2 years of service in each position covered by section 1 of this act shall be probationary regardless of any change in title or numbers used in classifying the position. Teachers, school officers, and other employees who have satisfactorily completed the probationary period in any position covered by section 1 of this act and whose permanent appointments have been approved by the Board shall be considered employees of the Board on permanent tenure.

TITLE III—METHOD OF ASSIGNMENT OF EMPLOYEES TO SALARY SCHEDULES

SEC. 4. Each teacher, school officer, and other employee in the service of the Board on July 1, 1955, who occupies a position formerly assigned in accordance with the provisions of title I of the Salary Act of 1947 shall be placed in a salary class covered by section 1 of this act as indicated at the end of this section. Any employee in group A of his salary class on June 30, 1955, shall be assigned to group A of the class to which he is transferred on July 1, 1955. Any employee in group C of his salary class on June 30, 1955, shall be assigned to group B of the class to which he is transferred on July 1, 1955, except that an employee possessing a master's degree plus 30 credit hours shall be transferred to group C. Any employee not in a group A or a group C on June 30, 1955, shall be assigned to group A on July 1, 1955, if his new salary class contains such a group, except that an employee possessing a master's degree or an employee in salary classes 7, 9, 10, 13, 15, and 17 on July 1, 1955, who does not possess a master's degree shall be assigned to group B if his new salary class contains such a group and an employee possessing a master's degree plus 30 credit hours shall be assigned to group C if his new salary class contains such a group.

Title and class of position in Teachers' Salary Act of 1947

Title	*Class*
Superintendent of Schools	29
First Assistant Superintendent	28
Assistant to the Superintendent (in charge of business administration)	27
Associate Superintendent	26
Chief Examiner	24
Director	22
Divisional Director	23
Director, Department of School Attendance and Work Permits	30
Director of Department of Food Services	35
Assistant Director of Department of Food Services	36
Head of department	17
Assistant Director	21
Assistant	13A
Supervisor	13A
President of teachers college	25
Principal of senior high school	20
Principal of vocational high school	19
Principal of junior high school	18
Principal in Americanization school	13
Principal in elementary school	13
Associate professor in teachers college (in charge of laboratory school)	11
Assistant Director (in charge of Capitol Page School)	21
Assistant principal in senior high school	16
Assistant principal in vocational high school	15
Assistant principal in junior high school	14
Professor in teachers college	12

Title and class of position in Teachers' Salary Act of 1947—Continued

Title	Class
Associate professor in teachers college	11
Assistant professor in teachers college	10
Instructor in teachers college	7
Chief librarian in teachers college	9
Librarian in teachers college	8
Teacher in senior high school	3
Teacher in vocational high school	5
Teacher in junior high school	2
Teacher in elementary school	1
School librarian	4
Counselor	6
Research assistant	6
Chief attendance officer	31
Attendance officer	32
Child-labor inspector	34
Census supervisor	33

Title and class of position in Teachers' Salary Act of 1955

Title	Class
Superintendent of Schools	1
Deputy Superintendent	2
Deputy Superintendent	2
Assistant Superintendent	3
Chief Examiner	7
Director	7
Director	7
Director, Department of School Attendance and Work Permits	10
Director, Department of Food Services	6
Assistant Director, Department of Food Services	12
Supervising director	10
Assistant director	13
Assistant	17
Supervisor	17
President, teachers college	3
Principal, senior high school	7
Principal, vocational high school	9
Principal, junior high school	9
Principal, Americanization school	9
Principal, elementary school	10
Principal, laboratory school	10
Principal, Capitol Page School	13
Assistant principal, senior high school	13
Assistant principal, vocational high school	15
Assistant principal, junior high school	15
Professor, teachers college	8
Associate professor, teachers college	11
Assistant professor, teachers college	14
Instructor, teachers college	15
Chief librarian, teachers college	14
Librarian, teachers college	18
Teacher, senior high school	18
Teacher, vocational high school	18
Teacher, junior high school	18
Teacher, elementary school	18
School librarian	18
Counselor	18
Research assistant	18
Chief attendance officer	17
Attendance officer	19
Child-labor inspector	19
Census supervisor	19

SEC. 5. (a) This act applies to all positions under the Board which require at least a bachelor's degree in an appropriate field, and in addition—

(1) involve classroom or other instruction or the supervision and direction of classroom and other instructional activities; or

(2) involve activities, other than teaching, which require the incumbents to possess academic credits in educational theory and practice at least equivalent to those required of a teacher with a bachelor's degree; or

(3) involve activities which are so directly related to the educational process that the positions have characteristics of the educational field to a marked degree, even though academic credits in educational theory and practice are not required; or

(4) involve the management or direction or organizational units or school services which, though not directly involved in the educational process, require the incumbent to deal so extensively with employees who are directly involved in the educational process on problems that require an understanding of the aims, methods and points of view of educators and educational philosophy, that it becomes impractical, insofar as salary treatment is concerned, to attempt to distinguish between them and positions covered under paragraphs (1), (2), or (3) of this subsection. This paragraph (4) shall apply only to such positions as are necessary to coordinate such noneducational units or services with the educational activities of the school system.

(b) The Board, with the concurrence of the Board of Commissioners of the District of Columbia, is authorized to determine which positions meet the criteria specified in subsection, (a) of this section and to establish or transfer positions covered under other wage or salary fixing acts or authorities to the coverage of this act. Similarly, the Board, with the concurrence of the said Board of Commissioners, is authorized to determine that positions covered under this act do not meet the criteria specified in subsection (a) of this section and to remove any such position from the coverage of this act: *Provided*, That any employee occupying any position covered by this act on the effective date of this Act, but which is later determined not to meet the criteria specified in subsection (a) of this section, shall continue to be entitled to the salary and other benefits of this act as long as he remains in such position. The Board, subject to the concurrence of the said Board of Commissioners, is authorized to specify for any position to be brought under this act, the class and group as established in this act which shall apply to such position: *Provided*, That such class shall be selected on the basis of the difficulty, responsibility, and qualification requirements of such position. Positions brought under this act in accordance with this section shall be subject to the provisions of this act to the same degree and in all respects as if such positions were specifically named in this act. The Board is authorized to conduct such studies as are required to apply the criteria specified in subsection (a) of this section.

TITLE IV—METHOD OF ADVANCEMENT AND PROMOTION OF EMPLOYEES

SEC. 6. On July 1, 1955, each permanent employee assigned to a salary class in accordance with section 4 and section 5 of this act shall be assigned to the numerical service step on the schedule for his class, or class and group, under this act next above the numerical service step occupied by him on June 30, 1955, under the provisions of the Salary Act of 1947 and each such employee shall advance one numerical service step each year thereafter until he reaches the highest step provided on the schedule for his class, or class and group, except that each employee under this act who was on a service step under the Salary Act of 1947 which was numerically as high or higher than the top step provided for the salary class, or class and group, to which he is assigned under section 1 of this act shall be assigned on July 1, 1955, to the highest step provided for his salary class, or class and group, under section 1 of this act. The Superintendent of Schools, salary class 1, shall be assigned on July 1, 1955, to the salary provided for that position in section 1 of this act. Any permanent employee serving in a position not covered by the Salary Act of 1947 but which may be later established under section 5 of this act shall be given service credit for the purpose of salary placement under this act equivalent to the number of years of satisfactory service rendered within the school system in the position then occupied by such employee and shall be assigned to the numerical service step on the schedule for his class, or class and group, under this act next above the numerical service step corresponding to his years of service under his previous classification. If such employee is on a service step in his previous classification which is numerically as high or higher than the top service step provided for his salary class, or class and group, under this act, he shall be assigned to the highest service step provided for his salary class, or class and group, under this act. Each employee transferred and assigned to salary class 18 under this act, and on permanent tenure on July 1, 1955, who on June 30, 1947, was a permanent employee of the Board of Education in either group B or group D of salary classes 1–8, inclusive, in the District of Columbia Teachers' Salary Act of 1945, as amended, shall be placed one service step higher than he would otherwise be entitled to under the provisions of this section except that in no case shall his salary be higher than the maximum salary provided for his class and group.

SEC. 7. (a) Each employee appointed under this Act who has not had prior service under the Board or who may be reappointed or reinstated, shall be assigned to the service step numbered next above the number of years of service with which he is credited for the purpose of salary placement. The Board, on the written recommendation of the Superintendent of Schools, is authorized to evaluate the previous experience of each new appointee to determine the number of years with which he may be credited for the purpose of salary placement. Credit for service rendered either inside or oustide of public schools of the District of Columbit shall be effective on the date of the regular Board meeting immediately preceding the date of approval by the Board or on the date of appointment, whichever is later. Such credit shall apply to all positions in salary classes 18 and 19, and to the positions of chief librarian and assistant professor, salary class 14; and to the position of associate professor, salary class 11; and to the position of professor, salary class 8. Such placement credit shall not be granted in excess of 5 years.

(b) In crediting previous experience of any teacher who has been absent from his duties because of naval or military service in the Armed Forces of the United States or its allies, the Board is hereby authorized to include such naval or military service as the equivalent of approved experience.

(c) No provision in this act shall be interpreted as preventing any teacher, school officer, or other employee of the Board who has been granted leave to enter the Armed Forces of the United States or its allies from receiving any annual service increment or increments to which he would have been entitled had he remained continuously in the service of the public schools.

SEC. 8. (a) Each teacher, school officer, and other employee appointed or promoted on probationary tenure to a position covered by section 1 of this act shall receive his first increase in salary in that position on the beginning day of his second year of probationary service in the position; he shall receive his second increase in salary in that position on the date when his appointment or promotion to the position is made permanent; and he shall receive all subsequent increases in salary to which he is entitled in that position on July 1 of each year, beginning with the July 1 next after the date of his permanent appointment or promotion to the position in accordance with section 6 and section 7 of this act.

(b) Any employee in the service of the Board on the effective date of this act appointed or promoted on probationary tenure during the period from July 1, 1952, to June 30, 1955, inclusive, to a position covered by section 4 of this act shall be compensated for salary increases in accordance with the subsection (a) of this section and shall receive his first increase effective as of the first date of his second year of probationary service based upon the rates of pay currently in effect on that date and such employee shall be assigned on July 1, 1955, to the numerical service step in the salary schedule for his class or class and group, in section 1 of this act corresponding to his number of years of creditable service.

(c) The Board is authorized to terminate the services of any probationary employee in the class to which appointed, upon the written recommendation of the superintendent of schools, at any time during the 2-year probationary period: *Provided*, That if an employee so terminated has permanent

status within the school system he shall be returned to the salary class he last occupied on permanent status, and placed on the step which would have been occupied by him.

SEC. 9. The Board is hereby authorized to appoint and assign temporary employees within the salary structure of section 1 of this act, whenever such action is necessary and recommended in writing by the superintendent of schools. Such appointments shall be for periods not to extend beyond June 30 of the fiscal year in which the appointments are made and the Board is authorized to terminate the appointment of any temporary employee at any time upon the written recommendation of the superintendent of schools. Each temporary employee shall be assigned to a numerical service step and receive an annual rate of compensation in accordance with section 7, but he shall receive no annual service increments and may be credited with not more than 5 years of service either inside or outside the public schools of the District of Columbia for the purpose of salary placement.

SEC. 10. (a) On and after July 1, 1955, each promotion to group B, or group C, within a salary class shall become effective on the date of the regular Board meeting immediately preceding the date of approval by the Board or on the effective date of the master's degree or the completion of 30 credit hours beyond the master's degree, whichever is later.

(b) Any employee in a position covered by section 1 of this act who is promoted to group B or group C of the same salary class shall be assigned to the same numerical service step on the schedule for his new group as he would have occupied on the schedule from which promoted.

SEC. 11. Any employee in a salary class covered by section 1 of this act, when promoted to a higher-paid salary class, shall be assigned to the lowest numerical service step on the schedule for his new class, or class and group, which will give him an immediate increase in annual salary rate at least equal to the sum of the following:

(1) Any annual service increment to which the employee would have been entitled in his former salary class at the time of his promotion; and

(2) The annual service increment scheduled for his new class and group: *Provided*, That no such employee shall be assigned to a higher numerical service step on the schedule for his new class, or class and group, than he would have occupied on the schedule from which promoted.

TITLE V—ACCOMPANYING LEGISLATION

SEC. 12. Notwithstanding any law or regulation to the contrary, the Board, on the written recommendation of the Superintendent of Schools, may employ not more than 15 retired members of the armed services of the United States as teachers of military science and tactics in the public high schools of the District of Columbia, and such teachers so employed shall be entitled to compensation in accordance with the salary schedules in section 1 of this act, in addition to their retired pay and allowances.

SEC. 13. The Board is hereby authorized to conduct as parts of the public-school system, evening schools, summer schools, and Americanization School, under and within appropriations made by Congress, and on the written recommendation of the Superintendent of Schools to fix and prescribe the salaries of teachers in the evening and summer schools.

SEC. 14. Each employee assigned to salary class 18 in the foregoing schedules, and to the position of attendance officer, salary class 19; each chief librarian and each assistant professor in class 14; each associate professor in class 11; and each professor in class 8 shall be classified as a teacher for payroll purposes and his annual salary shall be paid in 10 monthly installments in accordance with existing law.

SEC. 15. On and after the effective date of this act, the act entitled "An act to provide that the Board of Education of the District of Columbia shall have sole authority to regulate the vacation periods and annual leave of absence of certain school officers and employees of the Board of Education of the District of Columbia," approved March 5, 1952, as amended, shall apply to employees of the Board of Education whose salaries are fixed in salary classes 7–17, inclusive, under this act. However, such act shall not apply to the following employees: Chief examiner, class 7; and professor, class 8; associate professor, class 11; Assistant Director, Department of Food Services, class 12; assistant professor and chief librarian, class 14.

SEC. 16. On and after the effective date of this act, the act entitled "An act to provide cumulative sick and emergency leave with pay for teachers and attendance officers in the employ of the Board of Education of the District of Columbia, and for other purposes," approved October 13, 1949, as amended, shall apply to employees of the Board whose salaries are fixed in salary class 18, and the position of attendance officer, salary class 19; and to the following employees in the salary classes indicated: Professor, class 8; associate professor, class 11; chief librarian and assistant professor, class 14, under this act.

SEC. 17. On and after the effective date of this act, the act entitled "An act to provide educational employees of the public schools of the District of Columbia with leave of absence, with part pay, for the purposes of educational improvement, and for other purposes," approved June 12, 1940, shall apply to employees of the Board whose salaries are fixed under section 1 of this act.

SEC. 18. On and after the effective date of this act, the act entitled "An act to permit the Board of Education of the District of Columbia to participate in the foreign teacher exchange program in cooperation with the United States Office of Education," approved September 28, 1950, shall apply to employees of the Board whose salaries are fixed under section 1 of this act.

SEC. 19. On and after the effective date of this act, the act entitled "An act for retirement of public schoolteachers in the District of Columbia," approved August 7, 1946, as amended, shall apply to probationary and permanent employees of the Board whose salaries are fixed under section 1 of this act, and all references in the said act of August 7, 1946, to the Salary Act of 1947 shall be interpreted to apply to this act. Nothing in this section shall require the recomputation of the annuity of any person retired under the act of August 7, 1946, as amended, prior to the effective date of this act, or of any person retired prior to the effective date of the act of August 7, 1946, as amended, whose annuity is computed in accordance with the provisions of that act.

SEC. 20. The District of Columbia Teachers' Salary Act of 1947, approved July 7, 1947, as amended, is hereby repealed.

SEC. 21. Section 1 of the Act for the Retirement of Public Schoolteachers, approved August 7, 1946, as amended, is amended by striking out "June 30" wherever it appears in such section and inserting in lieu thereof "December 31," provided that interest shall not be compounded as of December 31, 1955.

SEC. 22. Section 6 of the District of Columbia Teachers' Leave Act of 1949, as amended, is amended by adding thereto the following new sentence: "Service rendered by such substitutes shall not be regarded as service within the meaning of the Civil Service Retirement Act of May 29, 1930, as amended."

SEC. 23. The proviso in section 5 of the act of August 7, 1946, entitled "An act for the retirement of public schoolteachers in the District of Columbia, as amended by the act approved March 6, 1952 (66 Stat. 17), is hereby repealed.

SEC. 24. This act may be cited as "District of Columbia Teachers' Salary Act of 1955."

SEC. 25. This act shall become effective on July 1, 1955.

With the following committee amendment:

Strike all of pages 2 and 3 and insert new table:

Salary class and position	Service step 1 minimum	Service step 2	Service step 3	Service step 4	Service step 5	Service step 6	Service step 7	Service step 8	Service step 9	Service step 10	Service step 11	Service step 12	Service step 13
Class 1: Superintendent of schools:													
Bachelor's degree	$14,000												
Master's degree	16,000												
Doctor's degree	18,000												
Class 2: Deputy superintendent	11,700	$12,000	$12,300	$12,600	$12,900	$13,200	$13,500						
Class 3: Assistant superintendent; president, teachers college	10,100	10,400	10,700	11,000	11,300	11,600	11,900						
Class 4	9,500	9,700	9,900	10,100	10,300	10,500	10,700	$10,900	$11,100				
Class 5: Group B, master's degree	8,600	8,800	9,000	9,200	9,400	9,600	9,800	10,000	10,200				
Class 6:													
Group A, bachelor's degree	7,700	7,900	8,100	8,300	8,500	8,700	8,900	9,100	9,300				
Group B, master's degree	8,200	8,400	8,600	8,800	9,000	9,200	9,400	9,600	9,800				
Director, Department of Food Services													
Class 7:													
Group B, master's degree	7,700	7,900	8,100	8,300	8,500	8,700	8,900	9,100	9,300				
Chief Examiner													
Director													
Principal, senior high school													
Class 8: Professor, teachers college	7,700	7,900	8,100	8,300	8,500	8,700	8,900	9,100	9,300				
Class 9:													
Group B, master's degree	7,200	7,400	7,600	7,800	8,000	8,200	8,400	8,600	8,800				
Principal, vocational high school													
Principal, junior high school													
Principal, Americanization school													

Salary class and position	Service step 1 minimum	Service step 2	Service step 3	Service step 4	Service step 5	Service step 6	Service step 7	Service step 8	Service step 9	Service step 10	Service step 11	Service step 12	Service step 13
Class 10:													
Group B, master's degree	$6,800	$7,000	$7,200	$7,400	$7,600	$7,800	$8,000	$8,200	$8,400				
Director, Department of School Attendance and Work Permits													
Supervising Director													
Principal, elementary school													
Principal, laboratory school													
Class 11: Associate professor, teachers college	6,800	7,000	7,200	7,400	7,600	7,800	8,000	8,200	8,400				
Class 12:													
Group A, bachelor's degree	6,300	6,500	6,700	6,900	7,100	7,300	7,500	7,700	7,900				
Group B, master's degree	6,800	7,000	7,200	7,400	7,600	7,800	8,000	8,200	8,400				
Assistant Director, Department of Food Services													
Class 13:													
Group B, master's degree	6,100	6,300	6,500	6,700	6,900	7,100	7,300	7,500	7,700				
Assistant Director													
Principal, Capitol Page School													
Assistant principal, senior high school													
Class 14: Assistant professor, teachers college; chief librarian; teachers college	6,100	6,300	6,500	6,700	6,900	7,100	7,300	7,500	7,700				
Class 15:													
Group B, master's degree	5,900	6,100	6,300	6,500	6,700	6,900	7,100	7,300	7,500				
Assistant principal, vocational high school													
Assistant principal, junior high school													
Class 16:													
Group B, master's degree	5,700	5,900	6,100	6,300	6,500	6,700	6,900	7,100	7,300				
Class 17:													
Group B, master's degree	5,400	5,600	5,800	6,000	6,200	6,400	6,600	6,800	7,000				
Assistant													
Supervisor													
Chief attendance officer													
Class 18:													
Group A, bachelor's degree	3,900	4,060	4,220	4,380	4,540	4,700	4,860	5,020	5,180	$5,340	$5,500	$5,660	$5,800
Group B, master's degree	4,400	4,560	4,720	4,880	5,040	5,200	5,360	5,520	5,680	5,840	6,000	6,160	6,300
Instructor, teachers college													
Librarian, teachers college													
Teacher, senior high school													
Teacher, vocational high school													
Teacher, junior high school													
Teacher, elementary school													
School librarian													
Counselor													
Research assistant													
Class 19:													
Group A, bachelor's degree	3,900	4,060	4,220	4,380	4,540	4,700	4,860	5,020	5,180	5,340	5,500	5,660	5,800
Group B, master's degree	4,400	4,560	4,720	4,880	5,040	5,200	5,360	5,520	5,680	5,840	6,000	6,160	6,300
Attendance officer													
Child labor inspector													
Census supervisor													

On page 5, strike out lines 14 through 17, inclusive.

On page 5, lines 18 through 25, and on page 6, lines 1 through 6, strike out subsection (c) and insert in lieu thereof the following:

(c) When used in this Act, the terms "master's degree" and "doctor's degree" mean, respectively, a master's degree or a doctor's.

On page 7, line 8, change the comma to a period and strike out the following language on lines 8, 9, and 10:

except that an employee possessing a master's degree plus thirty credit hours shall be transferred to group C.

On page 7, lines 16, 17, 18, 19, strike out the following language:

and an employee possessing a master's degree plus thirty credit hours shall be assigned to group C if his new salary class contains such a group.

On page 8, under the Title and Class of Position in Teachers' Salary Act of 1955, Instructor, teachers college, change the class from "15" to "18".

On page 16, line 11, strike the words ", or group C,".

On page 16, lines 14 and 15, strike the words, "or the completion of thirty credit hours beyond the master's degree".

On page 16, line 18, strike the words "or Group C".

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. McMILLAN. Mr. Speaker, at this time I yield to the gentleman from New York [Mr. KLEIN], chairman of the Public Utilities Subcommittee of the Committee on the District of Columbia.

REGULATION OF PAWNBROKING BUSINESS IN DISTRICT OF COLUMBIA

Mr. KLEIN. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 6775) to provide for the regulation of the business of making loans of $600 or less in the District of Columbia, to regulate the pawnbroking business, and for other purposes, and ask unanimous consent that it may be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "District of Columbia Small Loans Act of 1955."

Findings and declaration of policy

SEC. 2. The Congress finds that, in view of the hazard involved in making small loans, the cost of operations incident to the investigation of applicants for such loans and the collection of such loans on a monthly basis, the small-loan law approved February 4, 1913, for the District of Columbia providing for an interest rate of 1 percent per month on maximum loans of $200 has discouraged rather than attracted to the District legitimate capital to be employed in this field. The Congress further finds that, considering present-day costs of living, a small loan at the present time is much larger in amount than a small loan of the 1913 era. The Congress further finds that many small-loan borrowers who have no established bank credit are forced to go outside the District for loans or to patronize lenders who evade the terms of such act of February 4, 1913. It is therefore the policy and purpose of the Congress in enacting this act to bring under public supervision all persons engaged in the District of Columbia in the business of making small loans; to eliminate practices that facilitate abuse of borrowers; to establish a system of regulation for the purpose of insuring honest and efficient small-loan service; to encourage the investment in the District of Columbia of legitimate capital in the small-loan field and to stimulate competitive reductions in charges; to allow lenders who meet the conditions of this act a rate of interest sufficiently high to permit a business profit and to provide the administrative machinery necessary for effective enforcement of this act.

Definitions

SEC. 3. As used in this act—

(a) The term "person" means an individual, firm, voluntary association, joint-stock company, incorporated society, or corporation.

(b) The term "small loan" means a loan of $600 or less on security of written or printed evidence of indebtedness, and not on the pledge and possession of personal property, and includes (1) the loan, use, or forbearance of any money, goods, or other thing in action, and (2) the loan, use, or sale of credit.

(c) The term "District" means the District of Columbia.

(d) The term "Commissioners" means the Commissioners of the District or the agent or agents designated by them to perform any function vested in the Commissioners by this act: *Provided*, That for the purposes of subsection (e) of section 112 no such agent shall, by way of appeal, review his own action, decision, or ruling.

(e) The term "pawnbroker" means any person who shall in any manner lend or

advance money or other things for profit on the pledge and possession of personal property or other valuable things, other than securities or written or printed evidences of indebtedness or who deals in the purchasing of personal property or other valuable thing on condition of selling the same back again at a stipulated price.

TITLE I—SMALL LOANS

License required for making small loans

SEC. 101. No person shall, except as authorized in this title and without first obtaining a license from the Commissioners as hereinafter provided, engage in the District in the making of small loans and charge, contract for, or receive, directly or indirectly, or by any device, subterfuge, or pretense whatsoever, a greater rate of interest, discount, or consideration therefor than that provided by sections 1178, 1179, and 1180 of the act approved March 3, 1901 (31 Stat. 1377), as amended (secs. 28–2701 to 28–2703, inclusive, D. C. Code, 1951 edition).

Loans invalidated

SEC. 102. (a) No person, except as authorized by this title, shall, directly or indirectly, by any device, subterfuge, or pretense whatsoever, ask, demand, charge, contract for, or receive, or participate, as agent, broker, procurer, intermediary, or volunteer, or in any other capacity, in asking, demanding, charging, contracting for, or receiving, any interest, discount, fee, charge, or other consideration which in the aggregate is greater than the interest which is permitted by sections 1178, 1179, or 1180 of such act approved March 3, 1901, as amended, upon any small loan or application for small loan, whether or not such loan is made.

(b) No person engaged in the business regulated by this title shall pay, directly or indirectly, to any person, any money, service, or thing of value for the doing of any of the acts prohibited in subsection (a) of this section: *Provided*, That this subsection shall apply only to acts done or performed with reference to small loan transactions or applications for small loans, or in inducing or seeking to induce any person to borrow in sums of $600 or less.

(c) No instrument evidencing a small loan made within the District in violation of the provisions of this title shall be valid or enforceable in the District by the lender or by any other holder thereof who acquired the same with actual knowledge that said loan was made in violation of the provisions of this title or with knowledge of such facts that his action in taking such instrument amounted to bad faith.

(d) Any small loan made by any person not licensed under this title for which there has been charged, contracted for, or received a greater rate of interest, discount or consideration than the interest which is permitted by sections 1178, 1179 or 1180 of the act approved March 3, 1901, as amended, and any small loan made by a licensee under this title for which there has been charged, contracted for, or received a greater rate of interest, discount, or consideration than licensees are permitted to charge, contract for, or receive under this title is hereby declared to be against the public policy of the District. No such small loan made outside the District shall be enforced in the District and every person in anywise participating therein in the District shall be subject to the provisions of this title, except that the provisions of this subsection shall not apply to small loans legally made in any State under and in accordance with the provisions of a duly enacted small-loan law.

Appointment of attorney and application for licenses

SEC. 103. (a) No license shall be issued to any person unless and until such person shall, in writing and in the form prescribed by the Commissioners, appoint the Commissioners as his true and lawful attorney upon whom all judicial and other process or legal notice directed to such person may be served. The Commissioners shall, within 24 hours after any such service, forward by registered mail to the last-known address of such person a copy of such process or notice.

(b) Each application for a license under this title shall be made in writing under oath or affirmation, to the Commissioners in such form as they may prescribe. Such application shall contain (1) in the case of an individual, his name and the address of his residence and place of business, (2) in the case of a firm or voluntary association, the name and address of every member thereof and the address of the place where such business is to be conducted; (3) in the case of a joint-stock company, incorporated society, or corporation, the names and addresses of the officers and directors thereof and the address of the place where such business is to be conducted, and (4) such additional information as the Commissioners may prescribe.

(c) Each applicant shall prove to the satisfaction of the Commissioners that he has available, for use in the business of making small loans authorized by this title at the location specified in his application, cash capital of at least $100,000.

(d) Upon the filing of any such application the applicant shall pay to the Commissioners the sum of $50 as a fee for investigating the application, which sum shall be retained by the District whether such application is approved or disapproved.

Bond provisions

SEC. 104. (a) Each applicant shall file with his application a bond running to the District in the sum of $5,000 with two or more sufficient sureties, whose liability as such sureties shall not exceed the said sum in the aggregate; except that the execution of any such bond by a fidelity or surety company authorized by the laws of the United States to transact business in the District shall be equivalent to the execution thereof by two sureties, but such company, if excepted to, shall justify in the manner required by law of fidelity and surety companies. Such bond shall be approved by the Commissioners and conditioned upon the compliance by the applicant with all the provisions of this title and all rules and regulations lawfully made pursuant thereto. Any person injured by the noncompliance with any such provision, rule, or regulation by any licensee under this title may maintain a suit in his own name in any court of competent jurisdiction and recover on the bond such damages as shall be adjudged by such court together with costs of such suit. Recovery upon any such bond shall not preclude recovery against such licensee for any liability in excess of the amount recovered upon the bond, and such recovery shall not be held to extinguish any remedy under other law.

(b) The bond or bonds which the licensee is required to file hereunder shall be renewed and refiled annually at the time of making payment of the annual license fee. If the Commissioners shall find that any such bond has for any reason become insecure or exhausted, an additional bond in the sum of not more than $5,000 shall be filed by the licensee within 10 days after written demand therefor by the Commissioners.

Issuance of license

SEC. 105. (a) If the Commissioners approve the bond filed by the applicant and the form of the application, and find after investigation (1) that the financial responsibility, experience, character, and general fitness of such applicant, and of the members thereof if the applicant is a firm of voluntary association, and of the officers and directors thereof if the applicant is a joint-stock company, incorporated society, or corporation are such as to command the confidence of the community and to warrant the belief that the business of the applicant will be operated honestly, fairly, and efficiently in accordance with the purposes of this title; (2) that permitting such applicant to engage in such business will promote the convenience and advantage of the community; and (3) that the applicant has available for use in such business at the location specified in the application cash capital of at least $100,000, the Commissioners shall, upon payment by the applicant of a license fee of $250, issue to the applicant a license to make such loans in accordance with the provisions of this title at the location specified in such application; except that if any such license is issued after the 30th day of April of any year the fee for such license shall be $125. If the Commissioners do not so find after investigation they shall notify the applicant thereof and return the bond filed with the application. Within 60 days from the date of filing the application for license, accompanied by the investigation fee and bond required by this title, the Commissioners shall either issue or refuse to issue such license, but no applicant shall be denied a license until after a due hearing by the Commissioners, at which the applicant shall have a reasonable opportunity to be heard and to produce evidence in support of his application. If the application be denied the Commission shall within 20 days thereafter prepare a written decision and findings with respect thereto containing a summary of the evidence and the reasons supporting the denial and forthwith serve upon the applicant a copy thereof.

(b) Each license issued under this title shall state fully the names of the licensee and the place at which the business is to be conducted under such license. Such license shall be kept conspicuously posted in such place of business. No such license shall be transferable or assignable. Not more than one place of business shall be maintained under the same license, but the Commissioners may issue more than one license to the same licensee upon compliance for each such license with all the provisions of this title applicable to the original issuance of licenses. Whenever a licensee shall desire to change his place of business to another location within the District he shall immediately give written notice thereof to the Commissioners. Upon receipt of such notice the Commissioners shall attach to the license a statement of the change of location and the date thereof, which shall be authority for the operation of such business under such license at the new location.

(c) No licensee shall conduct the business of making small loans under this title within any office, room, or place of business in which any other business is solicited or engaged in, or in association or conjunction therewith.

(d) No licensee shall transact such business or make any small loan provided for by this title under any other name or at any other place of business than that named in the license.

Revocation, suspension, and renewal of licenses

SEC. 106. (a) Each license shall remain in full force and effect until the 1st day of November following the date of issuance unless sooner surrendered by the licensee or suspended or revoked as hereinafter provided. Application for license for the following year may be made by any licensee within 20 days prior to the 1st day of November. If the Commissioners are satisfied that no fact or condition then exists which clearly would warrant the Commissioners in refusing to issue a license on an original application the Commissioners are authorized to issue license for the year commencing on the 1st day of November following

the date of such application, upon payment of license fee of $250.

(b) The Commissioners shall, upon 10 days' notice to the licensee stating that they contemplate the revocation or suspension of his license, and, in general, the grounds therefor, revoke or suspend such license, after reasonable opportunity has been afforded to the licensee to be heard, if the Commissioners find (1) that the licensee has failed to maintain in effect the bond or bonds required under this title or (2) that the licensee has either knowingly or without the exercise of due care to prevent the same, violated any provision of this title or has failed to comply with any rule or regulation lawfully made pursuant thereto, or (3) that any fact or condition then exists which clearly would warrant the Commissioners in refusing to issue a license on an original application. If the license be revoked or suspended the Commissioners shall, within 20 days thereafter, prepare a written decision and findings with respect thereto containing a summary of the evidence and the reasons supporting the revocation or suspension and forthwith serve upon the licensee a copy thereof.

(c) The Commissioners may revoke or suspend only the particular license with respect to which there are grounds for revocation or suspension; but if the Commissioners find that such grounds for revocation or suspension apply or extend to more than one license issued to any person under this title, they shall revoke or suspend all the licenses affected thereby.

(d) The licensee may at any time surrender any license issued to him under this title upon filing written notice to that effect with the Commissioners.

(e) No revocation, suspension, or surrender of any such license shall impair or affect the obligation of any preexisting lawful contract between the licensee and any borrower, or any bond given by such licensee.

Loan provisions

SEC. 107. (a) Every licensee under this title may make small loans and may charge, contract for, and receive thereon, interest at a rate not exceeding 3 percent per month on the first $150 of the unpaid principal balance of the small loan, 2 percent per month of the unpaid principal balance of the small loan exceeding $150 and not exceeding $300, and 1 percent per month on so much of the unpaid principal balance of the small loan as exceeds $300. Interest shall not be compounded and shall be computed only on unpaid principal balances. No amount whatsoever shall be paid, deducted, or received in advance. No licensee shall, directly or indirectly, charge, contract for, or receive, in addition to the interest herein permitted, any amount or consideration from any borrower or any other person for any examination, service, brokerage, commission, fee, bonus, or for any other purpose whatsoever. The maximum interest permitted on loans made under this title shall be computed on the basis of the number of days actually elapsed for the purpose of which computations a month shall be any period of 30 consecutive days.

(b) No person who is a licensee under this title shall permit any one borrower, or any husband or wife, individually or jointly, to become indebted to him under more than one contract of small loan or small-loan transaction at the same time if the amount loaned to and receivable by the debtor on any one of the contracts or transactions is in the amount or of the value of $600 or less and there is charged, contracted for, or received thereon, directly or indirectly, by any device, subterfuge, or pretense whatsoever, any interest, discount, or consideration greater than that permitted by sections 1178, 1179, or 1180 of such act approved March 3, 1901, as amended.

(c) If any interest, consideration, discount, or amount in excess of the interest authorized by this section is charged, contracted for, or received by any licensee under any contract of loan or loan transaction, such contract or transaction shall be void and the licensee shall have no right to collect or receive any principal, interest, or charges whatsoever.

(d) Nothing in this title shall be construed to authorize licensees to charge, contract for, or receive, directly or indirectly, any interest, discount, or consideration greater than that permitted by sections 1178, 1179, or 1180 of such act approved March 3, 1901, as amended, upon any loan in the amount or of the value of $600 or less, except upon a loan of money.

(e) Every licensee shall—

(1) deliver to the borrower at the time of making a loan under this title a statement in English containing a copy of the provisions of subsections (a), (b), (c), and (d) of this section and showing in clear and distinct terms the amount and date of the small loan and the date of its maturity, the nature of the security, if any, for the loan, the name and address of the borrower and of the licensee, and the agreed rate of interest on such loan;

(2) give to the borrower a plain and complete receipt for each payment made on account of any such small loan at the time such payment is made, specifying the amount applied to interest and the amount, if any, applied to principal, and stating the amount of the unpaid principal balance of the small loan; and

(3) upon the repayment of the small loan in full, mark indelibly with the word "paid" or "canceled" every obligation and security signed by the borrower and release any mortgage, and cancel and return every note and assignment given to the licensee by the borrower.

(f) The borrower may pay all or any part of any small loan at any time before the date of maturity thereof, but any such payment may first be applied by the licensee to all interest unpaid up to the date of such payment.

(g) No licensee shall take any confession of judgment, or any power of attorney. Nor shall any licensee take any note, promise to pay, or security that does not accurately disclose the actual amount of the small loan, the time for which it is made, and the agreed rate of interest; or take any instrument in which blanks are left which are to be filled in after the execution of such instrument.

(h) Each such licensee shall maintain at all times assets of at least $100,000, either in liquid form available for use in the business of making loans under this title at the location specified in the license, or actually used in the conduct of such business.

(i) No such licensee shall take any lien upon real estate as security for any loan under this title, except such lien as may be obtained by virtue of a judgment or decree under section 1214 of such act approved March 3, 1901, as amended (sec. 15–103, D. C. Code, 1951 edition).

Loans by licensees in excess of $600

SEC. 108. No licensee shall, directly or indirectly, charge, contract for, or receive any interest, discount, or consideration greater than that provided by sections 1178, 1179, or 1180 of such act approved March 3, 1901, upon all or any part of any loan in the amount or of the value of more than $600, or in any case in which the licensee permits any individual, as borrower or as endorser, guarantor, or surety for any borrower, or otherwise, to owe directly or contingently, or both, to the licensee at any time the sum of more than $600 for principal.

Validity and payment of assignments

SEC. 109. No assignment of or order for payment of any salary, wages, commissions, or other compensation for services, earned or to be earned, given to secure any small loan made by any licensee under this title, shall be valid unless the amount of such loan is paid to the borrower simultaneously with its execution; nor shall any such assignment or order, or any chattel mortgage or other lien on household furniture then in the possession and use of the borrower, be valid unless it is in writing, signed in person by the borrower, nor if the borrower is married unless it is signed in person by both husband and wife: *Provided*, That written assent of a spouse shall not be required when husband and wife have been living separate and apart for a period of at least 5 months prior to the making of such assignment, order, mortgage, or lien.

Amount collectible under assignment

SEC. 110. Under any such assignment or order for the payment of future salary, wages, commissions, or other compensation for services, given as security for a small loan made by any licensee under this title, a sum not to exceed 10 percent of the borrower's salary, wages, commissions, or other compensation for services shall be collectible from the employer of the borrower by the licensee at the time of each payment to the borrower of such salary, wages, commissions, or other compensation for services, from the time that a copy of such assignment, verified by the oath of the licensee or his agent, together with a similarly verified statement of the amount unpaid upon such loan, is served upon the employer.

Wage assignments

SEC. 111. The payment of $600 or less in money, credit, goods, or things in action, as consideration for any sale or assignment of, or order for, the payment of wages, salary, commission, or other compensation for services, whether earned or to be earned, shall for the purposes of regulation under this act be deemed a loan secured by such assignment, and the amount by which such assigned compensation exceeds the amount of such consideration actually paid shall for the purposes of regulation under this act be deemed interest or charges upon such loan from the date of such payment to the date such compensation is payable. Such transaction shall be governed by and subject to the provisions of this act.

Enforcement

SEC. 112. (a) The provisions of this act shall be enforced by the Commissioners, who are authorized to make such rules and regulations in addition hereto and not inconsistent herewith, as may be necessary for the enforcement of this act. The Commissioners shall make an annual examination of the affairs, business, office, and records of every licensee, and such further examinations or investigations as they shall deem necessary for the purpose of discovering violations of this act or of securing information necessary for its proper enforcement. For the purpose of making such examinations or investigations the Commissioners and their duly designated representatives shall have authority to require by subpena the attendance of and to examine under oath all persons whomsoever whose testimony they may require relative to the loans or business of any such licensee, and shall have free access to the accounts, papers, records, files, safes, vaults, offices, and places of business used in connection with any business conducted under any license issued in accordance with this title. In the event of contumacy or refusal to obey any such subpena or requirement under this section, the Commissioners may make application to the municipal court for the District of Columbia for an order requiring obedience thereto. Thereupon the court, with or without notice and hearing, as it in its discretion may decide, shall make such order as is proper and may punish as a

contempt any failure to comply with such order in accordance with the provisions of subsection (c), section 5, of the act of April 1, 1942 (56 Stat. 193, ch. 207; sec. 11–756 (c), D. C. Code, 1951 edition).

(b) Each licensee shall annually on or before the 15th day of March file with the Commissioners a report giving such information as the Commissioners may require, relevant to the business and operations during the preceding calendar year, of each licensed place of business conducted by such licensee in the District. Such report shall be made under oath and in the form prescribed by the Commissioners. The Commissioners shall make and publish annually an analysis and recapitulation of such reports.

(c) Each licensee shall keep and use in his business and shall preserve for at least 3 years after making the final entry on any small loan recorded therein, such books, accounts, records, or card systems as will enable the Commissioners to determine whether such licensee is complying with the provisions of this title and with the rules and regulations made pursuant thereto.

(d) The Commissioners are authorized to appoint such assistants, clerks, or other employees as may be required for the purpose of carrying out the provisions of this title.

(e) Any person aggrieved by any action, decision, or ruling of the Commissioners under this title may, within 20 days thereafter, or within 20 days after the service upon such person of any written decision and findings required by this title, appeal to the Commissioners for a review thereof. Upon any such review, the Commissioners may affirm, set aside, or modify such action, decision, or ruling. In any such case the Commissioners shall, within 10 days thereafter, prepare a written decision and findings with respect thereto, containing a summary of the evidence and the reasons supporting the affirmance, setting aside, or modification, and forthwith serve upon the aggrieved person a copy thereof.

Advertising

SEC. 113. No licensee or other person, firm, voluntary association, joint-stock company, incorporated society, or corporation shall advertise, print, display, publish, distribute, or broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner whatsoever, any statement or representation with regard to the rates, terms, or conditions for the lending of money, credit, goods, or things in action in the amount or of the value of $600 or less, which is false, misleading, or deceptive, or, in the case of a licensee, which refers to the supervision of such business by the District of Columbia, or any department or official thereof. The Commissioners may order any licensee to desist from any conduct which they shall find to be a violation of the foregoing provisions.

The Commissioners may require that rates of charge, if stated by a licensee, be stated fully and clearly in such manner as they may deem necessary to prevent misunderstanding thereof by prospective borrowers.

Penalties

SEC. 114. (a) Any individual or any member, officer, director, agent, or employee of any firm, voluntary association, joint-stock company, incorporated society, or corporation who shall violate or participate in the violation of any of the provisions of this title shall be punished by a fine of not more than $300 or by imprisonment for not more than 90 days.

(b) Any contract of small loan in the making or collection of which any act shall have been done which constitutes a violation of any of the provisions of this title shall be void and the lender shall have no right to collect or receive any principal, interest, or charges whatsoever on account thereof.

TITLE II—PAWNBROKERS

Licenses required of pawnbrokers

SEC. 201. (a) No person shall engage in business as a pawnbroker except as authorized in this title and without first obtaining a license from the Commissioners as hereinafter provided.

(b) No person, other than a licensee under this title, shall display any sign or other device in or about any business premises, or in any advertising matter, which in any manner resembles the emblem or sign commonly used by pawnbrokers nor display any sign which is calculated to deceive, nor use the word "pawnbroker" in or about any business premises or in any advertising matter, nor shall any such person hold himself out to the public to be a pawnbroker either by advertising, soliciting, signs, or otherwise.

SEC. 202. The provisions of the following sections and subsection of title I of this act, shall be deemed to be incorporated in this title and shall be applicable to the same extent as if such provisions were set forth in full in this title, namely: Sections 103, 104, 105 (a), 105 (b), 105 (d), 106, 107 (f), 112, and 113: *Provided,* That the term "small loan" as used in such sections shall, for the purposes of this title, be deemed to mean a "loan" as provided in section 203 of this title: *Provided further,* That, for the purposes of this title, the terms in such sections reading "of the value of $600 or less" shall be deemed to read "of the value of $1,000 or less."

SEC. 203. No pawnbroker shall ask, demand, or receive, any greater rate of interest than 2 percent per month, or fraction thereof, upon any loan not exceeding the sum of $200, or more than 1 percent per month or fraction thereof, upon any loan exceeding $200 and not exceeding $1,000, and 8 per centum per annum on any loan in excess of $1,000, under a penalty of $100 for each such offense: *Provided,* That pawnbrokers may ask, demand, and receive a minimum charge in lieu of interest of 50 cents.

SEC. 204. (a) No person, except as authorized by this title, shall, directly or indirectly, by any device, subterfuge, or pretense whatsoever, ask, demand, charge, contract for, or receive, or participate, as agent, broker, procurer, intermediary, or volunteer, or in any other capacity, in asking, demanding, charging, contracting for, or receiving, any interest, discount, fee, charge, or other consideration which in the aggregate is greater than the interest which is permitted by sections 1178, 1179, or 1180 of such act approved March 3, 1901, as amended, upon any loan or application for loan in the amount or of the value of $1,000, or less, whether or not such loan is made.

(b) No person engaged in the business regulated by this title shall pay, directly or indirectly, to any person, any money, service, or thing of value for the doing of any of the acts prohibited in subsection (a) of this section: *Provided,* That this subsection shall apply only to acts done or performed with reference to loan transactions or applications for loans in sums of $1,000 or less, or in inducing or seeking to induce any person to borrow in sums of $1,000 or less.

(c) No instrument evidencing a loan made within the District in violation of the provisions of this title shall be valid or enforceable in the District by the lender or by any other holder thereof who acquired the same with actual knowledge that said loan was made in violation of the provisions of this title or with knowledge of such facts that his action in taking such instrument amounted to bad faith.

(d) Any loan made by any person not licensed under this title for which there has been charged, contracted for, or received a greater rate of interest, discount, or consideration than the interest which is permitted by sections 1178, 1179, or 1180 of the act approved March 3, 1901, as amended, and any loan made by a licensee under this title for which there has been charged, contracted for, or received a greater rate of interest, discount, or consideration than licensees are permitted to charge, contract for, or receive under this title is hereby declared to be against the public policy of the District. No such loan made outside the District shall be enforced in the District and every person in anywise participating therein in the District shall be subject to the provisions of this title, except that the provisions of this subsection shall not apply to small loans legally made in any State under and in accordance with the provisions of a duly enacted small-loan law.

SEC. 205. Every pawnbroker shall keep a book in which shall be fairly written, at the time of each loan, an accurate account and description of the goods, article, or thing pawned or pledged, the amount of money loaned thereon, the time of pledging the same, the rate of interest to be paid on such loan, and the name and residence of the person pawning or pledging the said goods, article, or thing, together with a particular description of such person, including complexion, color of eyes and hair, and his or her height and general appearances.

SEC. 206. (a) The said book shall at all reasonable times be open to the inspection of the Commissioners.

(b) Except as to any judicial or other official of the District, having a right thereto in his official capacity, it shall be unlawful for any officer or employee of the District to divulge or make known in any manner the contents of such book.

SEC. 207. Every pawnbroker shall, at the time of each loan, deliver to the person pawning or pledging any goods, article, or thing a memorandum or note, signed by him, containing the substance of the entry required to be made in his or her book by the last preceding section, excepting as to the description of the person and no charge shall be made or received by any pawnbroker for any such entry, memorandum, or note.

SEC. 208. No pawnbroker shall sell any pawn or pledge until the same shall have remained 1 year in his possession, unless by consent in writing by the pawner; and all such sales shall be made at public auction and not otherwise, and shall be made or conducted only by an auctioneer licensed by the District of Columbia.

SEC. 209. Notice of every such sale shall be published for at least 6 days previous thereto, in one or more of the daily newspapers of general circulation printed in the District of Columbia, and such notice shall specify the time and place at which such sale is to take place, the name of the auctioneer by whom the same is to be conducted, and a description of the article to be sold, and in addition thereto the pawnbroker shall mail to the pawner a copy of such notice and shall obtain from the postmaster or his authorized agent a certificate showing such mailing, issued pursuant to the act approved January 13, 1931 (U. S. C., title 39, sec. 260a), and regulations made thereunder. Such certificates shall be deemed to be part of the records of the business of the pawnbroker required by this title to be kept.

SEC. 210. The surplus money, if any, arising from any such sale, after deducting the amount of the loan, the interest then due on the same, and the expenses of the advertisement and sale, shall be paid over by the pawnbroker to the person who would be entitled to redeem the pledge in case no such sale had taken place.

Penalties

SEC. 211. (a) Any individual or any member, officer, director, agent, or employee of any firm, voluntary association, joint-stock company, incorporated society, or corporation who shall violate or participate in the violation of any of the provisions of this title shall be punished by a fine of not more than

$300 or by imprisonment for not more than 90 days.

(b) Any contract of loan in the making or collection of which any act shall have been done which constitutes a violation of any of the provisions of this title shall be void and the lender shall have no right to collect or receive any principal, interest, or charges whatsoever on account thereof. Any person pledging any goods, article, or other thing as security for a loan which is void shall be entitled to the return of such goods, article, or thing without being required to pay any principal, interest, or other charge on account of such void loan.

TITLE III

SEC. 301. The Commissioners are authorized to make and enforce such rules and regulations as they deem necessary to carry out the purposes of this act.

SEC. 302. Nothing in this act shall apply to any person, firm, joint-stock company, incorporated society, credit union, or corporation doing business in the District of Columbia under the supervision of the Federal Reserve System, or the Comptroller of the Currency, or the Federal Deposit Insurance Corporation, or the Department of Health, Education, and Welfare or to loans made by them.

Repeal

SEC. 303. The act entitled "An act to regulate the business of loaning money on security of any kind by persons, firms, and corporations other than national banks, licensed bankers, trust companies, savings banks, building and loan associations, and real-estate brokers, in the District of Columbia," approved February 4, 1913, as amended, is hereby repealed.

Separability of provisions

SEC. 304. In any provision of this act or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances shall not be affected thereby.

Effective date of act

SEC. 305. This act shall take effect at the expiration of 60 days after the date of its approval.

The SPEAKER pro tempore. The Clerk will report the committee amendments.

The Clerk read as follows:

On page 9, line 17, strike out "$100,000" and insert in lieu thereof "$20,000."

On page 9, line 18, strike out "$250" and insert in lieu thereof "$500."

On page 9, line 23, strike out "$125" and insert in lieu thereof "$250."

On page 13, strike the first sentence of subsection (a) of section 107 beginning in line 13 and ending in line 20 and insert in lieu thereof the following:

"The Commissioners shall investigate from time to time the economic conditions and other factors relating to and affecting the business of making loans under this act, and shall ascertain all pertinent facts necessary to determine what maximum rate of interest should be permitted. Upon the basis of such ascertained facts, the Commissioners shall determine and fix by regulation or order a maximum rate of interest in connection with such loans which will induce efficiently managed commercial capital to be invested in such business in sufficient amounts to make available adequate credit facilities to individuals seeking such loans at reasonable rates of interest, and which will afford those engaged in such business a fair and reasonable return upon the assets. The Commissioners may from time to time, upon the basis of changed conditions or facts, redetermine and refix any such maximum rate of interest, but, before determining or redetermining any such maximum rate, the Commissioners shall give reasonable notice of their intention to consider doing so to all licensees and a reasonable opportunity to be heard and introduce evidence with respect thereto and such notice shall also be published once each week for two consecutive weeks in one or more of the daily newspapers published in the District of Columbia. Any such changed maximum rate of interest shall not affect preexisting loan contracts lawfully entered into between any licensee and any borrower. Until such time as a different rate is fixed by the Commissioners in accordance with the authorization contained in this subsection, every licensee may contract for and receive on any loan of money, not exceeding 3 percent per month on the first $150 of the unpaid principal balance of the small loan, 2 percent per month of the unpaid principal balance of the small loan exceeding $150 and not exceeding $300, and 1 percent per month on so much of the unpaid principal balance of the small loan as exceeds $300."

On page 16, line 21, strike out "$100,000" and insert in lieu thereof "$20,000."

Page 23, line 20, strike "subsection" and insert "subsections."

Page 23, line 25, after "sections" add "subsections."

Page 24, strike so much of lines 6 and 7 as reads "No pawnbroker shall ask, demand, or receive, any greater rate of interest than," and insert in lieu thereof the following:

"The Commissioners shall investigate from time to time the economic conditions and other factors relating to and affecting the business of making pawnbroker loans under this title, and shall ascertain all pertinent facts necessary to determine what maximum rate of interest should be permitted. Upon the basis of such ascertained facts, the Commissioners shall determine and fix by regulation or order a maximum rate of interest in connection with such loans which will induce efficiently managed commercial capital to be invested in such business in sufficient amounts to make available adequate credit facilities to individuals seeking such loans at reasonable rates of interest, and which will afford those engaged in such business a fair and reasonable return upon the assets. The Commissioners may from time to time, upon the basis of changed conditions or facts, redetermine and refix any such maximum rate of interest, but, before determining or redetermining any such maximum rate, the Commissioners shall give reasonable notice of their intention to consider doing so to all licensees and a reasonable opportunity to be heard and introduce evidence with respect thereto and such notice shall also be published once each week for two consecutive weeks in one or more of the daily newspapers published in the District of Columbia. Any such changed maximum rate of interest shall not affect preexisting loan contracts lawfully entered into between any licensee and any borrower. Until such time as a different rate is fixed by the Commissioners in accordance with the authorization contained in this section, every licensed pawnbroker may contract for and receive on any loan of money, not exceeding."

On page 24, line 12, in the blank space after the dollar sign insert "100."

On page 29, line 15, after the word "Corporation" insert the following: ", or the Home Loan Bank Board, or the Federal Savings and Loan Insurance Corporation."

The committee amendments were agreed to.

Mr. KEARNS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEARNS:

On page 7, line 14, strike out "$100,000" and insert in lieu thereof "$20,000."

On page 12, line 3, strike out "$250" and insert in lieu thereof "$500."

On page 15, line 12, immediately following the word "whatsoever" insert the following: "except premium on insurance to protect the loan as provided by subsection (j) of this section."

On page 16, line 16, insert a new sentence to read as follows: "any loan made under this title shall provide for repayment in substantially equal periodic installments and the scheduled maturity thereof shall not exceed 21 calendar months."

On page 18, at the end of line 10 insert a new subsection (j):

"(j) Any licensee, or employee thereof, if duly licensed as an insurance agent by the District of Columbia, may sell insurance on the life of the principal borrower in connection with the making of a loan hereunder and collect the actual premiums thereon. Any gain or advantage in the form of commissions or otherwise to the licensee or employee shall not be deemed to be an additional or further interest or charge in connection with the loan.

"All such insurance shall be written by a company duly authorized to conduct such business in the District of Columbia and shall be in an amount not exceeding the face amount of the loan and for a term not exceeding the maturity of the loan, provided that upon a loan repayable in installments, such insurance shall not exceed the approximate unpaid balance of the loan.

"The licensee shall not require the purchasing of such life insurance as a condition precedent to the making of any loan hereunder."

Mr. McMILLAN. Mr. Speaker, the committee accepts the amendment.

Mr. O'HARA of Illinois. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, may I ask the gentleman from Pennsylvania if his amendment provides for tie-in insurance?

Mr. KEARNS. This amendment is solely for that purpose, so that any person who wants to make a loan may or may not take out insurance on it. It is optional in this bill.

Mr. O'HARA of Illinois. Mr. Speaker, I think the House should know that this tie-in insurance is the practice which has been condemned by the courts, and has been condemned in many States of the Union.

The tie-in of money loaning with insurance in the few places where permitted is bringing the small loan industry down to the level of the old loan shark business. I think the members should consider this amendment very carefully.

As a member of the Committee on Banking and Currency I supported the bill divesting bank holding companies of non-banking activities. The House passed this bill by an overwhelming vote. With what consistency could I support this amendment or even remain silent when such a proposal is offered?

We said that the banks shall not go into nonbanking activities, yet this amendment would permit small loan bankers to go into the insurance business. It is a proposal that has been condemned in most of the States of the Union. It follows a very dangerous pattern that this body only a few weeks ago decreed should not be tolerated in the case of banks or bank-holding companies.

Mr. KEARNS. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Pennsylvania.

Mr. KEARNS. It seems to me the gentleman is speaking about compulsory insurance. That is not the purpose of the pending amendment at all. You have small loans authorized in 48 States and this amendment makes it possible for a borrower to take insurance if he wishes to take it, but there is nothing mandatory in this law that makes him take any insurance. It is purely optional.

Mr. O'HARA of Illinois. The Supreme Court of Arkansas has passed upon the matter whether this is compulsory or voluntary, and I would sooner give respect to the Supreme Court of Arkansas than to give respect to a lobby.

Mr. KEARNS. As a matter of fact, if the gentleman will read the report of the Senate Committee on Small Business, signed by all members of that committee on both sides of the aisle, he will find that they felt that the optional phase of insurance as far as loans are concerned is proper. I am a little bit afraid that the gentleman is confused between optional and mandatory insurance.

Mr. O'HARA of Illinois. No, there is no confusion on the part of the gentleman who is now speaking and I think there was no confusion in the minds of the distinguished jurists of the Supreme Court of Arkansas. There are a number of other high courts in this land that have spoken on this matter. Are we going to permit this to slip through on District Day when most members do not pay too much attention to District bills?

Mr. Speaker, public hearings were held on this bill and the provisions of this amendment were not in the bill. The committee, as far as I know, never considered this condemned and vicious tie-in gadget.

Mr. KEARNS. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman and I wish he would answer the question.

Mr. KEARNS. I stated when I introduced the amendment that by error in printing this amendment was omitted. The amendment was adopted by the full committee by a vote of 14 to 1. That is for the gentleman's information.

Mr. O'HARA of Illinois. When public hearings were held, was it in the bill then? Did you call in a single person at your public hearings to testify on this?

Mr. KLEIN. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from New York.

Mr. KLEIN. I will be very happy to answer the question. I really hate to disagree with the gentleman, however, I was chairman of this subcommittee when we held public hearings on the bill. The gentleman is correct when he states that as the bill was originally written it did not contain this provision; however, when hearings were held opportunity was given to all people, both pro and con. A gentleman representing an organization, I do not remember the name of the organization, but a national organization of which most of these companies are members, advocated and pointed out to the committee that most of the States that have these laws do have a provision, permitting, not making it compulsory but permitting, a borrower to take out insurance which would in the event of his death mean that his estate and family would not have to pay off the proceeds of the loan. As a result of his testimony, in executive session the subcommittee wrote this provision in or a similar provision perhaps I should say. It has been changed once or twice. Most of the States do have this. I think it is a very salutary feature of these bills to permit, not to make it compulsory, this to be done. This simply permits a borrower if he makes a small loan to take out insurance if he wants to. He can take it out from any insurance company. He does not necessarily have to take it out from the lender of the money. It is simply permissive. We believe it is a very salutary feature and I hope the gentleman will not vote against it.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that gentleman from Illinois [Mr. O'HARA] may proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. O'HARA of Illinois. I do not know why this amendment is offered. I do know that the committee held public hearings, and at the time those public hearings were held it was not in the bill. Then suddenly this bobbed up in the form of an amendment. It has been condemned by the National Association of Small Loan people, the reputable people in the business.

Mr. LANHAM. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Georgia.

Mr. LANHAM. To call this voluntary does not mean anything, because what will happen is this: The lender will simply require it before he will make the loan.

Mr. O'HARA of Illinois. Why, of course.

Mr. LANHAM. This same thing has just been done in the State of Georgia. These loans sharks have just flooded the city of Atlanta and have come back into Georgia because of this provision written into the law down there. Of course, it simply adds to the interest, really; it is, in effect, an increase in the interest rate. We already give them high enough interest rates, but this just adds to what they make on these loans, and they force the borrower to pay for it. To say that this is voluntary is just absurd.

Mr. O'HARA of Illinois. I am so thankful for the gentleman so well and convincingly presenting the case against this amendment. It is a bad amendment and should be voted down.

Mr. MURRAY of Illinois. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Illinois.

Mr. MURRAY of Illinois. I would like to compliment my able colleague from Illinois for bringing out the facts concerning this amendment. I would like to ask this question. Is not this bill in effect a regulation of a business whose customers are people who are incapable of bargaining. Therefore, when we permit a so-called permissive insurance rate we, in effect, are making it mandatory. The individuals who deal with these pawnbrokers are not in a position to bargain for themselves. Is that not correct?

Mr. O'HARA of Illinois. The gentleman is absolutely right, and that is what the court in Arkansas and other courts have held.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Is there any danger of legalizing usury in this connection?

Mr. O'HARA of Illinois. Yes, it definitely legalizes usury. The gentleman put it so well.

Mr. BOYLE. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Illinois.

Mr. BOYLE. I am very happy to join my colleague, the gentleman from Illinois [Mr. O'HARA] in pointing out to the House on this particular occasion the irony of this amendment. You can say what you want about compulsory or not compulsory insurance. Actually, the individuals, the borrowers, who need this money have no freedom of specification at all. They present themselves to this concern, and they have to, a fortiori, take the conditions that the House lays down.

As a matter of fact, this reminds me of a story that received considerable currency at one time. During a banquet a gentleman who owned one of these lending institutions or these bucket shops, if you want to call them that under this particular act, said to the chairman who was then conducting the meeting, "Why, sure," he said, "we do business with everybody. When the chairman here used to get short, we used to be glad to give him some money. He used to come up frequently." And, when the chairman got the floor again, he said, "Oh, no, I did not." He said, "I never had anything to do with the gentleman or with his institution, and as proof of that, I still got my right eye."

I think if we pass this amendment, we are going to be taking the right eye away from a lot of little people who have to have this type of financing in order to get along. I think it is shameful that through administrative error, or whatever the reason, this particular aspect of the bill did not come in for hearings and people were not permitted to testify as to its abortiveness.

Mr. BROYHILL. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Virginia.

Mr. BROYHILL. Mr. Speaker, I maintain that this proposed legislation is not necessary. It is not needed in the District of Columbia. Why argue about the amendment? Let us vote for the amendment and then vote against the bill.

The SPEAKER. The time of the gentleman has again expired.

Mr. KLEIN. Mr. Speaker, I move to strike out the requisite number of words.

Mr. Speaker, it seems to me there is a lot of heat being generated here. I regret to say to my good friend from Illinois and all of his colleagues that I really believe they have the wrong impression of what is intended to be done by this bill.

I should like to ask the gentleman from Illinois [Mr. O'HARA]—and I yield to him for the purpose of answering the question—whether the State of Illinois has a small loan law at the present time.

Mr. O'HARA of Illinois. Yes, sir.

Mr. KLEIN. And does it have any insurance feature in it?

Mr. O'HARA of Illinois. It does not. We do have a small loan law. The rate is the same in Illinois as it is in this bill. That is not right, because in Washington you do not have seasonal employment and other factors in cost determination. Most of the people here work for the Government. The rate in Chicago starts at 3 percent, and if that is so, the rate here should not be more than 2 percent.

Mr. KLEIN. The matter of the rate is a different thing. We are now debating this amendment. But I am glad the gentleman referred to that point. The overall average here, I believe, is less than it is in the State of Virginia. It starts at 3 percent and then gets progressively lower.

I want to point out to the gentleman that this is the same type of law that they have in 47 States of the Union. There is no difference, except in the interest rates. With respect to this insurance feature, the reason that was written in, as I pointed out to the gentleman earlier, was because we felt it afforded additional protection to the borrower. It would not make a great deal of difference if we took it out. It was not in the bill as originally drafted by the Corporation Counsel of the District of Columbia. During the hearings on the bill, testimony was adduced before the committee pointing out the desirabiilty of the insurance feature and also pointing out that a majority of the States had it. The only question in our minds was as to whether we would make it compulsory or make it permissive by the borrower. We wanted to help the borrower. That is the purpose of it. We do not want the people in the District of Columbia to have to go to other States in order to get a loan, if they need one. We wanted to make it attractive to them here. It is true the interest rate is high, but so it is in every small loan law in every State in the Union.

Mr. MURRAY of Illinois. Mr. Speaker, will the gentleman yield?

Mr. KLEIN. I yield to the gentleman.

Mr. MURRAY of Illinois. Is it not a fact that with this type of insurance if the borrower dies, the insurance money goes into his estate in order to pay the loan?

Mr. KLEIN. That is what happens, yes.

Mr. MURRAY of Illinois. Is it not a fact that persons who would take these small loans from a pawnbroker ordinarily would not have an estate, so that in truth and in substance is not the insurance simply and purely a protection to the lender who is already protected by the interest rate?

Mr. KLEIN. No, not at all; certainly not. I think it would take an Illinois lawyer to figure that one out that way.

Here is what happens. You take out a loan from one of the small loan companies. If you want to take out insurance, it means that if you die before the loan is paid off, your widow or your estates will not have to pay that money.

That is all it is.

Mr. BOYLE of Illinois. Mr. Speaker, will the gentleman yield?

Mr. KLEIN. I yield.

Mr. BOYLE of Illinois. Does the gentleman really believe there is anything eleemosynary about this whole setup?

Mr. KLEIN. Of course not.

Mr. BOYLE of Illinois. Is it not a fact that the only reason a lending outfit is so happy to get insurance is to take care of risks they are already getting paid for?

Mr. KLEIN. There is no doubt about it. It is a business. The gentleman does not want business to go socialized, I hope.

Mr. BOYLE of Illinois. No; but I thought the gentleman was not trying to sell us on the idea there is anything eleemosynary about this whole deal. This is merely to take care of the loan.

Mr. KLEIN. If I gave that impression to the gentleman from Illinois or anybody else I must apologize. I never intended to. This is a legal business. They are entitled to their legal rate of interest, which is just what we are setting up here.

I do want to point out to the gentleman that in my humble opinion this in an added protection for the borrower.

I do not know where my good friend from Illinois, whom I respect and follow so often, got his idea. He is wrong.

Mr. O'HARA of Illinois. I have such great respect and affection for the gentleman from New York, the chairman of the subcommittee, that I feel confident that in view of the misgivings of many of us he himself will suggest the death of this amendment, which contains provisions not in the bill as it came from the gentleman's committee and for which he therefore is not responsible or sponsor.

Can the gentleman tell me what the permissible interest rate is in his own State of New York?

Mr. KLEIN. It is 3 percent a month. It is higher than it is in this bill, as it is in most of the States.

Mr. DIES. Mr. Speaker, will the gentleman yield?

Mr. KLEIN. I yield to the gentleman from Texas.

Mr. DIES. I hate to see this division in the conservative camp, and I hope you gentlemen can get together on this amendment.

Mr. PATMAN. Mr. Speaker, I move to strike out the last two words.

Mr. Speaker, I should like to ask the chairman of the committee, or one speaking for him, 2 or 3 questions about this bill. No. 1: This insurance amendment that is offered is quite a long amendment. Why was it not considered in the committee?

Mr. KLEIN. There was a difference in the committee as to the wording of the amendment. It was our intention, and the committee voted, I believe, 14 to 1 in favor of the bill with that amendment. I just want to point out that subsequent to the meeting of the committee it was pointed out that the bill as drafted did not accomplish the purpose.

Mr. PATMAN. It does not say anything about rates. Suppose one should borrow, say, $150. That is the amount they can receive, 3 percent a month, or 36 percent interest a year. How much would $150 insurance be for that 1 year's period if one borrowed it for a year?

Mr. KLEIN. I could not tell the gentleman.

Mr. PATMAN. How much would be the cost?

Mr. KLEIN. I do not know the figure.

Mr. PATMAN. Show us some rates. We ought to have something to base this on.

Mr. KLEIN. Whatever the standard rates are. They are regularly published.

Mr. PATMAN. What would it be? He is paying this off. If it is a 12-month loan, he will have paid half of it in 6 months. What kind of rate would it be?

Mr. KEARNS. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Pennsylvania.

Mr. KEARNS. May I explain to the gentleman that the national rate is 1 percent per $100.

Mr. PATMAN. One percent per $100. I wish the committee had included that in their report.

Another thing: I do not like these tie-ins with insurance. As the gentleman from Illinois [Mr. O'HARA] properly and effectively brought out a while ago, in another committee we are trying to divorce insurance from loans. We have recently passed a holding company bill for the purpose of getting banks out of the insurance business and getting the insurance business out of the banks. That passed the House by a big vote, and it recently passed the Senate. It will be in conference. This is doing here for the District things we are trying to undo on a national scale. I just wondered why we would want to do an about-face so quickly as it relates only to the District.

Mr. KEARNS. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. KEARNS. I believe the last paragraph of the amendment shows that it is the purpose of the committee in no way to encourage that.

Mr. PATMAN. I know that but, of course, I know something about practical things that enter into it. If a person should come in and the lender wanted a certain high rate of interest, he would require certain things or the loan would not be made, and on these tie-in sales, it has not been so good in the sections of the country that I know anything about. There is one other question. This 3 percent per month rate or 36 percent a year seems to be pretty high. I notice that they can go even higher than that, and that this 36 percent rate is only fixed pending the time that the commissioners ascertain what the rates should actually be, and if they decide, after evaluating all the facts and

circumstances and economic conditions and things like that, that the rate should be fixed at 5 percent a month then, of course, that rate would prevail over this 3 percent. Remember, I am talking about 5 percent per month which would be 60 percent a year. Does it not occur to the gentleman that we certainly should have a ceiling there in the District of Columbia? Of course, they have good Commissioners, and they try to do a good job, but they are not always familiar with the conditions and the facts like elected people and Members of Congress are. I wonder if they have the public responsibility that elected people have and that sense of responsibility that it is assumed that elected representatives of the people have. Here we are delegating to people who have never been elected in all probability to any public office, and never will be, and who are not responsible to a constituency and who have no constituency, the duty of fixing the rates to determine whether it should be 3 percent a month or 4 percent a month or 5 percent a month or 10 percent a month. That is going rather far.

Mr. KEARNS. The gentleman understands under the provisions of this bill, it is just 3 percent for the first $150, 2 percent for the next $150, and 1 percent for the unpaid balance. The bill also provides that a commission be appointed to study all the ramifications and to report back later.

Mr. PATMAN. Yes, but there is a gap there—a vacuum. We do not know how much these other charges will be. There is no way to compel them to itemize or to list the different charges and what they are for so as to let the borrower know exactly what he is paying. They can put the interest charge, the service charge and so on all right in together in one package and before you know it, the borrower is paying 100 percent and there is no way to get it back under this bill.

Mr. KEARNS. According to the bill, you do not need to take out any insurance whatsoever. The gentleman understands that in only 18 of the 48 States now is insurance mandatory.

Mr. PATMAN. Of course, the point that it is not mandatory does not impress me because I know it is a lenders' market. Whenever a poor, unfortunate, desperate person goes into a small loan office, it is a lenders' market and not the borrowers' market, and the lender can always fix his own terms and under this bill you are giving the lender too much advantage. It is possible here to charge that poor fellow 10 percent a month, if the Commissioners were to decide on a certain high rate of interest. I think the committee ought to give this amendment and this bill further study.

The SPEAKER. The time of the gentleman has expired.

Mr. McMILLAN. Mr. Speaker, I move the previous question on the pending amendment.

The previous question was ordered.

The SPEAKER. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. KEARNS].

The question was taken; and on a division (demanded by Mr. McMILLAN) there were—ayes 41, noes 58.

So the amendment was rejected.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. BROYHILL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BROYHILL. I am.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. BROYHILL moves to recommit the bill to the Committee on the District of Columbia.

Mr. McMILLAN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. BROYHILL) there were—ayes 24, noes 66.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 76, noes 24.

So the bill was passed.

A motion to reconsider was laid on the table.

Mr. McMILLAN. Mr. Speaker, I ask that the other two bills on the calendar be carried over to next District day.

REGULATING ELECTION OF DELEGATES REPRESENTING THE DISTRICT OF COLUMBIA TO NATIONAL POLITICAL CONVENTIONS

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 191) to regulate the election of delegates representing the District of Columbia to national political conventions, and for other purposes, with Senate amendments, disagree to the amendments of the Senate and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. HARRIS, ABERNETHY, DAVIS of Georgia, SIMPSON of Illinois, and O'HARA of Minnesota.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. McBride, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3990) entitled "An act to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development, and utilization of the water resources of Alaska."

RESERVE FORCES ACT OF 1955

Mr. VINSON. Mr. Speaker, I call up the conference report on the bill (H. R. 7000) to provide for strengthening of the Reserve Forces, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1335)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7000) to provide for strengthening of the Reserve Forces, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Reserve Forces Act of 1955'.

"Amendments to the Armed Forces Reserve Act of 1952

"SEC. 2. (a) Section 205 (b) of the Armed Forces Reserve Act of 1952 (50 U. S. C. 925 (b)) is amended by striking out the words 'one million five hundred thousand' and inserting in lieu thereof the words 'two million nine hundred thousand. Until July 1, 1957, this total shall not include any person who has a reserve obligation on the date of enactment of the Reserve Forces Act of 1955 whenever such person is not participating satisfactorily in an accredited training program in the Ready Reserve, as prescribed by the appropriate Secretary'.

"(b) Section 208 of such Act is amended by (1) redesignating subsections (f), (g), (h), and (i) thereof as subsections (g), (h), (i), and (j), respectively, and (2) inserting, immediately after subsection (e) thereof, the following new subsection:

"'(f) Except as specifically provided by regulations prescribed by the Secretary of Defense (or the Secretary of the Treasury with respect to the United States Coast Guard), (1) each person inducted, enlisted, or appointed in any armed force of the United States or any component thereof under any provision of law after the date of enactment of the Reserve Forces Act of 1955 who becomes a member of the Ready Reserve by reason of any provision of law other than section 208 (c) of this Act, and (2) each person who after the date of enactment of the Reserve Forces Act of 1955 becomes a member of the Ready Reserve under section 263 of this Act, shall be required, while a member of the Ready Reserve, to (A) participate in not less than forty-eight scheduled drills or training periods, and to perform not more than seventeen days of active duty for training, during each year, or (B) perform annually not more than thirty days of active duty for training. Any such member of the Ready Reserve (except any member enlisted therein under section 6 (c) (2) (C) of the Universal Military Training and Service Act) who in any year fails to perform such training duty satisfactorily, as determined by the appropriate Secretary pursuant to regulations prescribed by the Secretary of Defense, may be ordered, without his consent, to perform additional active duty for training for not more than forty-five days. If such

failure occurs during the final year of any period of obligatory membership in the Ready Reserve, such membership shall be extended for such time, not exceeding six months, as may be required for the performance by such member of such additional active duty for training.'

"(c) Section 208 (g) of such Act, as amended by the preceding subsection of this Act, is amended by—

"(1) redesignating paragraphs (2), (3), and (4) thereof as paragraphs (3), (4), and (5), respectively; and

"(2) inserting, immediately after paragraph (1) thereof, the following new paragraph:

"'(2) if he (A) has served on active duty in the Armed Forces of the United States for not less than twelve months, and has served satisfactorily as a member of a unit of the Ready Reserve pursuant to a transfer made under section 263 (a) of this Act for a period which, when added to the period of his active duty, totals four years, or (B) has satisfactorily completed an enlistment under section 263 (b) of this Act;',

"(d) Section 208 of such Act (50 U. S. C. 928) is further amended by adding at the end thereof the following new subsections:

"'(k) Under regulations prescribed by the President, each Armed Force of the United States shall provide a system of continuous screening of units and members of the Ready Reserve to insure that—

"'(1) no significant attrition will occur to those members or units during a mobilization;

"'(2) there will be a proper balance of military skills;

"'(3) members of the Reserve Forces possessing critical civilian skills will not be retained in numbers beyond the requirements for those skills except for persons who have military skills for which there is an overriding requirement;

"'(4) with due respect to national security and military requirements, recognition is given to participation in combat; and

"'(5) members of the Reserve Forces whose mobilization in an emergency would result in extreme personal or community hardship are not retained in the Ready Reserve.

"'(l) Under regulations prescribed by the Secretary of Defense (or the Secretary of the Treasury with respect to the United States Coast Guard), any member of the Standby Reserve who has not completed his obligated period of military service in the Ready Reserve may be transferred to the Ready Reserve whenever the reason for his transfer to the Standby Reserve no longer exists.'

"(e) Section 233 (a) of such Act (50 U. S. C. 961 (a)) is amended by adding at the end thereof the following new sentence: 'No member of the Standby Reserve may be ordered to active duty under this subsection until the Director of Selective Service has determined that such member is available for active duty.'

"(f) The proviso contained in section 233 (b) (1) of such Act (50 U. S. C. 961 (b) (1)) is amended to read as follows: '*Provided*, That not more than one million members of the Ready Reserve of all reserve components may be required to perform active duty involuntarily at any time unless the Congress shall have authorized the exercise of the authority contained in this subsection with respect to a larger number'.

"(g) Section 233 of such Act (50 U. S. C. 961) is further amended by adding at the end thereof the following new subsection:

"'(h) Under such regulations as the Secretary of Defense shall prescribe any person who, while a member of a reserve component, becomes a regular or duly ordained minister of religion shall be entitled upon his request to a discharge from the reserve component of which he is a member. No member of any reserve component shall be required to serve on active duty, or to participate in active training and service, active duty for training, or inactive duty training, while preparing for the ministry in a recognized theological or divinity school.'

"(h) Chapter 7 of part II of such Act is amended by inserting, immediately after section 259 thereof, the following new section:

"'SEC. 260. (a) Under such regulations as the Secretary of Defense shall prescribe, each military department of the Department of Defense shall cause to be prepared and maintained an accurate record of the number of members of each class of each reserve component who during each fiscal year have satisfactorily participated in (1) active duty for training, and (2) inactive duty training with pay.

"'(b) In January of each year the Secretary of Defense shall transmit to the President and to the Congress a report which shall contain an account of the status of training of each reserve component of the Armed Forces, and the progress made in the strengthening of the reserve components, during the preceding fiscal year.'

"(i) Part II of such Act, as amended by preceding subsections of this section, is amended by inserting at the end thereof the following new chapter:

"'CHAPTER 8—SPECIAL ENLISTMENT PROGRAM

"'SEC. 261 (a) Under such regulations as the appropriate Secretary shall prescribe, any person who is qualified for enlistment for active duty in the Army, Navy, Marine Corps, Air Force, or Coast Guard, and who has not been ordered to report for induction into the Armed Forces under the Universal Military Training and Service Act, may be enlisted in the Army Reserve, Naval Reserve, Marine Corps Reserve, Air Force Reserve, or Coast Guard Reserve, respectively, pursuant to the provisions of this section.

"'(b) Each enlistment under this section shall be for a period of six years. Each person so enlisted shall be required during such enlistment to perform—

"1 '(1) active duty for a period of two years;

"'(2) satisfactory service as a member of the Ready Reserve for a period which, when added to service rendered under paragraph (1) of this subsection, will total five years; and

"'(3) the remainder of such period of enlistment as a member of the Standby Reserve.

"'SEC. 262. (a) Until August 1, 1959, whenever the President determines that the enlisted strength of the Ready Reserve of the Army Reserve, Naval Reserve, Marine Corps Reserve, Air Force Reserve, or Coast Guard Reserve cannot be maintained at the level which he determines to be necessary in the interest of national defense, he may authorize the acceptance of enlistments in units of such Ready Reserve pursuant to the provisions of this section under regulations prescribed by the Secretary of Defense. Enlistments under this section may be accepted only within quotas (which quotas shall not exceed a total of 250,000 persons annually) prescribed by the appropriate Secretary with the approval of the Secretary of Defense. No enlistment shall be accepted under this section in the Ready Reserve of any reserve component if such enlistment would cause the strength of such Ready Reserve to exceed the authorized strength of such Ready Reserve.

"'(b) Enlistments under this section may be accepted from persons who—

"'(1) are physically and mentally qualified for service in the Armed Forces;

"'(2) have not been ordered to report for induction into the Armed Forces under the Universal Military Training and Service Act; and

"'(3) have not attained the age of eighteen years and six months.

In addition, the President, under such rules and regulations as he may prescribe, may authorize the enlistment under this section, without regard to the provisions of paragraphs (2) and (3), of persons who fulfill the requirements of paragraph (1) and who have critical skills and are engaged in civilian occupations in any critical defense-supporting industry or in any research activity affecting national defense.

"'(c) Each enlistment under this section shall be for a period of eight years. Each person so enlisted shall be required during such enlistment (1) to perform an initial period of active duty for training of not less than three months or more than six months, and (2) thereafter to perform satisfactorily all training duty prescribed by section 208 (f) of this Act, except that (A) performance of such initial period of active duty for training by any person enlisted under this section while satisfactorily pursuing a course of instruction in a high school shall be deferred until such person ceases to pursue such course satisfactorily, graduates from such course, or attains the age of twenty years, whichever first occurs, and (B) persons specially enlisted because of their possession of critical skills may be relieved of any obligation to perform the training duty prescribed by section 208 (f). Each such person shall be deferred from training and service under the Universal Military Training and Service Act, as amended, so long as he continues to serve satisfactorily, as determined under regulations prescribed by the appropriate Secretary, and upon the completion of eight years of such satisfactory service pursuant to such enlistment shall be exempt from further liability for induction for training and service under such Act, except after a declaration of war or national emergency made by the Congress after the date of enactment of this subsection.

"'(d) Notwithstanding any other provision of law, any person performing the period of active duty for training required by clause (1) of subsection (c) of this section shall—

"'(1) during such period, and during any period of hospitalization incident to the performance of such duty, receive pay at the rate of $50 per month;

"'(2) be deemed to be serving in pay grade E–1 (under four months) for the purpose of determining his eligibility to receive allowances for subsistence or for travel and transportation, or to receive any benefit under title IV of the Career Compensation Act of 1949, as amended; and

"'(3) be deemed to be a member of a reserve component called or ordered into active service for extended service in excess of thirty days for the purpose of determining eligibility for any benefit made available to members of reserve components by the Act entitled "An Act to provide for members of the reserve components of the Armed Forces who suffer disability or death from injuries incurred while engaged in active duty training for periods of less than thirty days or while engaged in active duty training", approved June 20, 1949 (63 Stat. 201), except that (A) no such person shall be entitled to any benefit under section 621 of the National Service Life Insurance Act of 1940, as amended, and (B) the indemnity accorded to such person under the Servicemen's Indemnity Act of 1951, as amended, shall terminate thirty days after the release of such person from such period of active duty for training.

Except as specifically provided by this subsection, no person shall become entitled, by reason of his performance of a period of active duty for training required by clause (1) of subsection (c) of this section, to any right, benefit, or privilege provided by law for persons who have performed active duty in the Armed Forces.

"'(e) The National Security Training Commission shall advise the President and the Secretary of Defense, and shall report annually to the Congress, with respect to the welfare of persons performing periods of active duty for training under clause (1) of subsection (c) of this section, but shall have no authority with respect to the military training of such persons during such periods. Within sixty days after the date of enactment of the Reserve Forces Act of 1955, the National Security Training Commission shall submit to the Secretary of Defense a program containing recommendations for the personal safety, health, welfare, and morals of the members of the Ready Reserve while performing such active duty for training, including regulations concerning the dispensing of alcoholic beverages on training establishments, in conformity with the laws of the several States.

"'(f) Any person who completes satisfactorily the period of active duty for training required of him by clause (1) of subsection (c) of this section during any enlistment pursuant to this section shall be entitled, upon application for reemployment within sixty days after (A) his release from such required period of active duty for training after satisfactory completion thereof, or (B) his discharge from hospitalization incident to such duty continuing after such release for a period of not more than six months, to all reemployment rights and benefits provided by section 9 of the Universal Military Training and Service Act for individuals inducted under the provisions of such Act, except that (1) any person so restored to a position in accordance with the provisions of this section shall not be discharged from such position without cause within six months after such restoration, and (2) no reemployment rights granted by this subsection shall entitle any person to retention, preference, or displacement rights over a veteran with a superior claim under the Veterans Preference Act of 1944, as amended.

"'SEC. 263. (a) Until July 1, 1957, the Secretaries of the Army, Navy, and Air Force with the approval of the Secretary of Defense (and the Secretary of the Treasury with respect to the United States Coast Guard) may provide by regulations, which shall be as nearly uniform as practicable, for the release from active duty in the Armed Forces prior to serving the periods for which inducted or enlisted, but in no case before serving a minimum of twelve months, of individuals who were on active duty in the Armed Forces on the date of enactment of the Reserve Forces Act of 1955 and who volunteer for transfer to units of the Army Reserve, Naval Reserve, Marine Corps Reserve, Air Force Reserve, or Coast Guard Reserve. Each such individual shall be required to participate in the Ready Reserve under the provisions of section 208 (f) of this Act for a period which, when added to the period of his active duty, totals four years. The total number of individuals released from active duty under this subsection shall not exceed one hundred and fifty thousand annually.

"'(b) Until July 1, 1957, the Secretaries of the Army, Navy, and Air Force, with the approval of the Secretary of Defense (and the Secretary of the Treasury with respect to the United States Coast Guard) may accept enlistments in units of the Army Reserve, Naval Reserve, Marine Corps Reserve, Air Force Reserve, and Coast Guard Reserve for a period of one year from individuals released from active duty after the date of enactment of the Reserve Forces Act of 1955. Persons so enlisting shall be required during such enlistments to participate in the Ready Reserve under the provisions of section 208 (f) of this Act.'

"Universal Military Training and Service Act amendments

"SEC. 3 (a) Section 4 (a) (4) of the Universal Military Training and Service Act, as amended, is amended by striking out the first sentence thereof and inserting in lieu thereof the following: "'Each person who, subsequent to the date of enactment of this paragraph and on or before the date of enactment of the Reserve Forces Act of 1955, is inducted, enlisted, or appointed, under any provision of law, in the Armed Forces, including the reserve components thereof, or in the National Security Training Corps prior to attaining the twenty-sixth anniversary of his birth, shall be required to serve on active training and service in the Armed Forces or in training in the National Security Training Corps, and in a reserve component, for a total period of eight years, unless sooner discharged on the grounds of personal hardship, in accordance with regulations and standards prescribed by the Secretary of Defense (or the Secretary of the Treasury with respect to the United States Coast Guard). Each person who, subsequent to the date of enactment of the Reserve Forces Act of 1955, is inducted, enlisted, or appointed, under any provision of law, in the Armed Forces, including the reserve components thereof, except a person enlisting pursuant to the provisions of section 262 of the Armed Forces Reserve Act of 1952, or a person deferred under the next to the last sentence of section 6 (d) (1) of this Act, as amended, prior to attaining the twenty-sixth anniversary of his birth, shall be required to serve on active training and service in the Armed Forces and in a reserve component, for a total period of six years, unless sooner discharged on the grounds of personal hardship, in accordance with regulations and standards prescribed by the Secretary of Defense (or the Secretary of the Treasury with respect to the United States Coast Guard).'

"(b) Section 6 (c) (2) of such Act, as amended (50 U. S. C. App. 456 (c) (2)), is amended by—

"(1) adding at the end of clause (A) thereof the following new sentence: 'No such person who has completed eight years of satisfactory service as a member of an organized unit of the National Guard, and who during such service has performed active duty for training with an armed force for not less than three consecutive months, shall be liable for induction for training and service under this Act, except after a declaration of war or national emergency made by the Congress after the date of enactment of the Reserve Forces Act of 1955.';

"(2) striking out in clause (B) thereof the words 'or clause (A)' and inserting in lieu thereof a comma and the words 'or clause (A), clause (C), or clause (D)'; and

"(3) adding at the end thereof the following new clauses:

"'(C) Whenever the President determines that the enlisted strength of the Ready Reserve of the Army Reserve, Naval Reserve, Marine Corps Reserve, Air Force Reserve, or Coast Guard Reserve cannot be maintained at the level which he determines to be necessary in the interest of national defense, he may authorize the acceptance of enlistments in organized units of such Ready Reserve under regulations prescribed by the Secretary of Defense. Enlistments authorized by this clause may be accepted only (i) within quotas prescribed by the Secretary of Defense, and (ii) from persons who have not been ordered to report for induction under this Act and who have not attained the age of eighteen years and six months. Any person so enlisted shall be deferred from training and service under this Act so long as he continues to serve satisfactorily as a member of an organized unit of such Ready Reserve. No person deferred under the provisions of this clause shall by reason of such deferment be liable for training and service in the Armed Forces by reason of subsection (h) of this section after he has attained the twenty-eighth anniversary of the date of his birth.

"'(D) Within the quotas prescribed pursuant to section 262 of the Armed Forces Reserve Act of 1952, as amended, each person deferred pursuant to the provisions of clause (C) hereof may volunteer to perform a period of active duty for training pursuant to clause (1) of subsection (c) thereof subject to the provisions of subsection (d) of such section. No such person who has completed eight years of satisfactory service as a member of an organized unit of the Ready Reserve, and who during such service has performed such period of active duty for training, shall be liable for induction for training and service under this Act, except after a declaration of war or national emergency made by the Congress after the date of enactment of this clause.

"'(E) Notwithstanding any other provision of this Act, the President, under such rules and regulations as he may prescribe, may provide that any person enlisted or appointed in the Ready Reserve of any reserve component of the Armed Forces pursuant to authority conferred by this subsection or under section 262 of the Armed Forces Reserve Act of 1952, as amended, who fails to serve satisfactorily as a member of such Ready Reserve may be selected for training and service and inducted into the armed force of which such reserve component is a part, prior to the selection and induction of other persons liable therefor.'.

"(c) Section 6 (d) (1) of such Act (50 U. S. C., App. 456 (d) (1)) is amended by—

"(1) striking out in clause (C) of the first sentence thereof the words 'subsection (d) of section 4 of this title', and inserting in lieu thereof the words 'the first sentence of section 4 (d) (3) of this Act, or until the sixth anniversary of the receipt of a commission in accordance with his obligation under the second sentence of section 4 (d) (3) of this Act'; and

"(2) inserting at the end thereof the following: 'Upon the successful completion by any person of the required course of instruction under any program listed in clause (A) of the first sentence of this paragraph, such person shall be tendered a commission in the appropriate reserve component of the Armed Forces if he is otherwise qualified for such appointment. If, at the time of such appointment, the armed force in which such person is commissioned does not require his service on active duty in fulfillment of the obligation undertaken by him in compliance with clause (B) of the first sentence of this paragraph, such person shall be ordered to active duty for training with such armed force in the grade in which he was commissioned for a period of six months. Upon completion of such period of active duty for training, such person shall be returned to inactive duty and shall be assigned to an appropriate reserve unit until the eighth anniversary of the receipt of a commission pursuant to the provisions of this section. So long as such person performs satisfactory service in such unit, as determined under regulations prescribed by the Secretary of Defense, he shall be deferred from training and service under the provisions of this Act. If such person fails to perform satisfactory service in such unit, and such failure is not excused under regulations prescribed by the Secretary of Defense, his commission may be revoked by the Secretary of the military department concerned.'

"(d) Section 6 (d) (2) of such Act is amended by adding at the end thereof the following: 'Any person heretofore or hereafter enlisted in the Army Reserve, the Naval Reserve, the Marine Corps Reserve, the Air Force Reserve, or the Coast Guard Reserve who thereafter has been or may be commissioned therein upon graduation from an Officers' Candidate School of such Armed Force shall, if not ordered to active duty as a commissioned officer, be deferred from training and service under the provisions of this Act

so long as he performs satisfactory service as a commissioned officer in an appropriate unit of the Ready Reserve, as determined under regulations prescribed by the Secretary of the department concerned. If such person fails to perform satisfactory service in such unit, and such failure is not excused under such regulations, his commission may be revoked by such Secretary.' "

And the Senate agree to the same.

CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
DEWEY SHORT,
L. C. ARENDS,
Managers on the Part of the House.

RICHARD B. RUSSELL,
HARRY F. BYRD,
By R. B. R.
JOHN M. STENNIS,
By R. B. R.
LEVERETT SALTONSTALL,
STYLES BRIDGES,
L. S.
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7000) to provide for strengthening of the Reserve Forces, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Under the Senate amendment the obligation to train in the Ready Reserve would be imposed upon each person enlisted, appointed, or inducted into the Armed Forces commencing with those entering the service 30 days after the date of enactment of the proposed legislation. Thus individuals now on active duty or any individual who entered on active duty after June 19, 1951, while retaining his Ready Reserve obligation, would not be obligated to train under the provisions of the proposed legislation.

The House bill applied the obligation to train in the Ready Reserve upon all persons appointed, enlisted, or inducted into the Armed Forces after July 27, 1953. Persons who had served on active duty prior to that date would be relieved of their Ready Reserve obligation.

The conferees agreed to the Senate version, but eliminated the 30-day period following the enactment of the proposed legislation.

Thus, under the conference report, young men who enter the Armed Forces after the date of enactment of the proposed legislation will be required to serve on active duty for the period for which they are obligated, and in the Ready Reserve, for a period of time which, when added to their period of active duty, totals 5 years.

Thus, an inductee who serves 2 years on active duty will be required to participate in training in the Ready Reserve for a period of 3 years. During this 3-year period, he will be required to participate in 48 drill periods and not to exceed 17 days' active duty for training annually. If he cannot participate in this type of training, or equivalent training, he can apply for 30 days of active duty each year, and thus fulfill his training obligation. If he refuses or fails to satisfactorily participate in the above type of training, he can be involuntarily ordered to active duty for 45 days to satisfy his Ready Reserve obligation for the year in which he fails to satisfactorily participate.

Under the Senate amendment the total military obligation remained at 8 years. That is, the period of active duty, plus the period of service in the Ready and Standby Reserve, remained at 8 years.

Under the House bill, the total obligation for all persons serving in the Armed Forces after June 19, 1951, was reduced to 6 years, except for the 6 months trainees and ROTC graduates who hereafter only perform active duty training for 6 months. Under the House bill, these individuals would continue to have an 8-year obligation.

The conferees agreed to provisions in the conference report which reduce the total obligation to 6 years for all individuals appointed, enlisted, or inducted into the Armed Forces after the date of enactment of the proposed legislation. However, individuals now serving on active duty, or who previously served on active duty, who, under the conference report, will have no obligation to train, will continue to have a total 8-year military obligation.

The only exceptions to the 6-year provision, with regard to the total military obligation, will be those individuals who enter into the 6 months' training program and agree to serve 7½ years in the Ready Reserve and who train annually therein. In addition, ROTC and OCS graduates who only perform 6 months of active duty training will likewise have an 8-year total obligation.

In addition, both the House bill and the Senate amendment contained a provision whereby persons may enlist in the Ready Reserve of the Army Reserve, Naval Reserve, Marine Corps Reserve, Air Force Reserve, or Coast Guard Reserve, prior to reaching the age of 18 years and 6 months.

These persons will be deferred from training and service so long as they continue to serve satisfactorily as a member of an organized unit of the Ready Reserve.

Each person will be deferred until he has attained the 28th anniversary of the date of his birth.

This will authorize enlistments in the Reserve Components of the Military Services in the same manner in which persons may now be enlisted in the National Guard.

If any such enlistee performs a period of active duty for training of not less than 3 months nor more than 6 months and thereafter continues to satisfactorily participate in the Ready Reserve, he will not be liable for induction after he has completed 8 years of combined active duty for training and Ready Reserve training.

Thus, if the President determines that the Ready Reserve strength of the Armed Forces is not maintained at the level he deems necessary, he can authorize individuals to enlist in such Reserve Components prior to attaining the age of 18½ in a manner similar to existing law with respect to the National Guard.

These individuals remain liable for induction up to age 28 if they fail to satisfactorily participate in the Ready Reserve in which they enlisted. However, under the conference report, enlistees in the Armed Forces under this provision can reduce their liability for induction from age 28 to a total 8-year obligation by active duty for training of not less than 3 nor more than 6 months. Such enlistees will, while serving on such active duty training receive the same pay and benefits as are applicable to individuals who enlist under the age of 18½ in the 6 months' training program, provided for in other provisions of the conference report.

Both the House bill and the Senate amendment provided for a not to exceed 6 months' training program. Individuals may agree to participate in active duty training and thereafter to serve in the Ready Reserve for 7½ years and to train therein. Enlistment in such a program is voluntary, but thereafter the Reserve training is mandatory.

The Senate amendment did not establish a statutory limit of the quota to be trained in this program annually. The House bill provided an annual quota of not to exceed 250,000. The House bill also provided that the training would be for not more than 6 months. The Senate amendment provided that the training would be for not less than 3 nor more than 6 months. The conferees agreed to this portion of the Senate amendment.

The House bill contained a July 1, 1959, termination date for the authorization for the 6 months' training program. The Senate amendment contained similar language, but extended the date 1 month to August 1, 1959. The conferees agreed to this portion of the Senate amendment.

Persons enlisting in the 6 months' program prior to reaching the age of 18½ years while pursuing a course of instruction in high school shall be deferred from the 6 months' training until such person ceases to pursue his high-school course satisfactorily, graduates, or attains the age of 20 years, whichever first occurs.

Thus, under the conference report, not to exceed 250,000 young men may be accepted for training in the Armed Forces provided they agree to perform active-duty training for not less than 3 nor more than 6 months as may be determined by the Secretary of Defense and thereafter, until he has completed a total period of 8 years of combined active and reserve service, such individual will be obligated to perform training in the Ready Reserve consisting of 48 drill periods and not more than 17 days of active-duty training each year, or in lieu thereof, 30 days of active duty training each year.

If a 6-month trainee, or an individual who enlists in the Reserve prior to attaining age 18½ and agrees to remain liable for induction up to age 28, fails to participate satisfactorily, he may be ordered to active duty for 45 days or he may be selected for training and service and inducted into the Armed Forces prior to the induction of other persons liable therefor.

The Senate amendment required no participation in training for any person entering the armed services prior to 30 days after the effective date of the act. However, in order to induce such persons to participate in training upon their release from active duty, the amendment contained provisions whereby any person who had served on active duty for not less than 18 months could be assigned or enlisted in an organized combat unit of the Ready Reserve of the Army or Marine Corps for a period of 3 years and be entitled to receive a bonus in an amount equal to that basic pay to which such person would be entitled for 2 months' service on active duty in the grade in which he was assigned or enlisted.

Furthermore, persons who on the effective date of the act were serving in an active unit of the Ready Reserve which had been designated an organized combat unit could have been discharged for the purpose of reenlisting in such unit and thus become eligible for the payment of the bonus.

The House bill contained no such provisions and the Senate conferees receded on these provisions of the Senate amendment and in lieu thereof the conferees adopted other provisions to induce persons to voluntarily participate in training.

The first provision would authorize the Secretaries of the military services, with the approval of the Secretary of Defense, until July 1, 1957, to promulgate regulations whereby persons who have already been inducted or enlisted and who complete a minimum of 12 months in the Armed Forces, to be released from active duty and transferred to units of the Army Reserve, Naval Reserve, Marine Corps Reserve, Air Force Reserve, or Coast Guard Reserve, if such individual agrees to participate in training in the Ready Reserve for a period which, when added to the period of his active duty, totals 4 years. The maximum number of individuals who can be released from active duty under this provision may not exceed 150,000 persons annually.

The second provision adopted by the conferees to induce persons to voluntarily participate in Reserve training, provides that,

until July 1, 1957, the Secretaries of the military services, subject to the approval of the Secretary of Defense, may accept enlistments in the Ready Reserve for a period of 1 year from individuals who are released from active duty after the date of enactment of the conference report. Such persons who enlist will be required to train during that 1-year period, but, thereafter, at his own request, he will be relieved of further obligation to serve in the Ready Reserve.

The total number of enlistments under this provision may not exceed 200,000 annually.

Both the House bill and the Senate amendment contained provisions whereby the National Security Training Commission would advise the President and the Secretary of Defense and report annually to the Congress with respect to the welfare of persons performing initial periods of active duty for training, but would have no authority with respect to the military training of such persons.

The Senate amendment contained an additional provision whereby, within 60 days after the date of enactment of the act, the National Security Training Commission would submit to the Secretary of Defense a program containing recommendations for the personal safety, health, welfare, and morals of the "not less than 3 or more than 6 months trainees" while performing active duty for training, including regulations concerning the dispensing of alcoholic beverages on training establishments in conformity with the laws of the several States.

The House bill contained no such provision, and the House conferees receded and agreed to this provision of the Senate amendment.

The House bill provided that when persons had completed their Ready Reserve obligation, they would automatically be transferred to the Standby Reserve. The Senate amendment provided that persons would be transferred to the Standby Reserve at their own request, as is now the case in existing law.

The House conferees recognized that some persons in the Ready Reserve would want to voluntarily remain in the Ready Reserve after having completed their obligated period of service and thus agreed to that portion of the Senate amendment that it would be necessary for a person to request transfer to the Standby Reserve.

The Senate amendment provided for the transfer of persons from the Standby Reserve to the Ready Reserve whenever the reason for their transfer to the Standby Reserve no longer existed. The House bill contained no similar provision. This portion of the Senate amendment is intended to provide authority to reassign individuals who were engaged in critical skills and who no longer engaged in such skills while still under a reserve obligation, to be placed back in the Ready Reserve to complete their obligation. The House managers agreed to this portion of the Senate amendment. This portion of the amendment, plus the authority to screen individuals into the Standby Reserve, will provide a program which will assist in the solution of the vital question of the proper utilization of persons with critical skills engaged in defense-supporting activities and those so engaged in research.

In determining which persons enter this program, the President will have available to him the advice and assistance of the Selective Service System, and in determining which persons should be transferred from the Standby to the Ready Reserve under the Senate amendment, the Secretary of Defense will have available to him the advice and assistance of the Selective Service System.

There were no changes in substance made between the House bill and the Senate amendment with respect to ministerial students and the authority of the President to order a limited number of Ready Reservists to active duty in time of national emergency.

Both the House bill and the Senate amendment contained a provision fixing the ceiling on the size of the Ready Reserve at 2,900,000 persons. The conferees agreed that this figure, until July 1, 1957, should only represent persons who are participating in training in the Ready Reserve and others who do not train while having a Ready Reserve obligation will not be counted against that total.

Other changes between the House bill and the Senate amendment are technical or clarifying in nature and do not affect the substance of the conference report.

CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
DEWEY SHORT,
L. C. ARENDS,
Managers on the Part of the House.

Mr. VINSON. Mr. Speaker, in view of the fact that the conference report was printed in the RECORD on last Thursday, I ask unanimous consent to dispense with reading the statement of the managers on the part of the House.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS of Louisiana. Mr. Speaker, I would like to outline to the Members of the House, the agreement which the managers on the part of the House have arrived at following the conference with the Senate on H. R. 7000, which provides for the strengthening of the Reserve forces.

The purpose of this legislation is to provide the machinery by which our Reserve forces may be so organized and trained that, in the event of war, they can be mobilized quickly to augment the active forces in combat and to carry out the internal security missions in the United States.

I firmly believe this will be accomplished by the agreement reached between the managers on the part of the House and the Senate on this legislation. It provides the basic authority to increase the size and to strengthen the Reserve forces of the Armed Forces of the United States, and also to insure participation in Reserve training which is so necessary if we are to build up and maintain a strong and virile Reserve force.

There were three major points in conference which I will discuss and I will also tell you of the minor points upon which agreement was reached during the conference.

The first major point in conference was the determination of the effective date, after which persons would be obligated to participate in Reserve training.

Under the Senate amendment, the obligation to train in the Ready Reserve was imposed upon each person enlisted, appointed, or inducted into the Armed Forces, commencing with those persons entering the service 30 days after the date of enactment of the bill.

Thus individuals now on active duty or any individual who entered on active duty after June 19, 1951, though retaining his Ready Reserve obligation, would not be obligated to train in the Reserve.

On the other hand, the House bill obliged each person to train in the Ready Reserve if he was appointed, enlisted, or inducted into the Armed Forces after July 27, 1953. The House version used that date because it was the terminal date of the Korean hostilities, and under the House language, persons who had served on active duty prior to that date would have been relieved of their Ready Reserve obligation.

The House managers agreed to the Senate version in this respect and the conference report now provides that any person who entered the Armed Services prior to the effective date of the act will have no obligation to train in the Ready Reserve.

I must emphasize here, however, that it should not be understood that such persons are being relieved of their Reserve liability for a call to active duty, but the bill as agreed upon in conference would not require such persons to participate in training in the Ready Reserve.

The managers on the part of the House agreed with the Senate that there was a widespread misunderstanding among enlisted personnel now on active duty as to their liability, or obligation, to actually participate in 48 drills annually, plus 2 weeks of active duty on their return to civilian life upon completion of their active service.

The House conferees agreed that it would be best to have all persons entering upon active duty have an opportunity to clearly understand their responsibility to the very appreciable requirement of further Reserve training before they enter service—instead of after—and consequently, only those persons entering on active duty after the date of enactment of the act will be required to participate in training in the Ready Reserve.

The Senate amendment which made, for all intents and purposes, the effective date of the act 30 days after its enactment, was not agreed to by the House managers and, consequently, the Senate agreed that the effective date would be the date of enactment.

Having accepted this concept—and I repeat the concept that persons entering the armed services prior to the effective date of the act should not be required to participate in training—the serious problem arose of providing trained men for the Ready Reserve over the period of the next 2 years which is the period when persons now serving on active duty will be discharged with no obligation to participate in Reserve training.

This question was met by writing two new provisions into the bill. In order to induce persons to participate in training upon their release from active duty, when they have no obligation to train, a provision was added which would authorize the Secretaries of the military services, with the approval of the Secretary of Defense, until July 1, 1957, to promulgate regulations whereby persons who had already been inducted or enlisted and who had completed a minimum of 12 months of active duty in the Armed Forces would be released from

active duty and transferred to the Ready Reserve of one of the military services. Such a transfer would be predicated on the individual agreeing to participate in training in the Ready Reserve for a period which, when added to the period of his active duty totaled 4 years.

In order to not lower the effectiveness of the active forces by too many people being released early, a quota was established whereby only 150,000 persons annually could be released early in order to enter the training program in the Ready Reserve.

Let me give you an example of how this would work:

Suppose a man had been inducted and under existing law would be required to serve 2 years in the active service. Under this provision, he could be released after he served 1 year if he would agree to voluntarily participate in Reserve training in the Ready Reserve for a period of 3 years.

Thus, you have the total of 1 year on active duty plus 3 years in the Ready Reserve, which gives you the total of 4 years required by this new provision.

After the reservist has participated satisfactorily in the Ready Reserve he would, upon his release, be transferred to the Standby Reserve where he is not required to participate in training.

In order to further induce persons to train in the Ready Reserve when such persons do not have an obligation to train, a second provision was adopted by the conferees.

Again, until July 1, 1957, the Secretaries of the Military Services, subject to the approval of the Secretary of Defense, may accept enlistments in the Ready Reserve for a period of 1 year from individuals who are released from active duty after the enactment of the bill.

Now, these persons who voluntarily enlist will be required to train during that 1-year period by taking 48 drills annually and a maximum of 17 days on active duty for training. However, at the end of that 1 year, at his own request, a reservist who has so enlisted will be relieved of all further obligation to serve in the Ready Reserve and will be transferred to the Standby Reserve where he has no obligation to train.

Again, the conferees thought that a quota on such enlistments was necessary, and set the quota at 200,000 persons so enlisting annually.

So you see that, although the conferees agreed not to require persons who entered the Armed Services prior to the date of the enactment of this bill to participate in training, we have set up two programs whereby we believe we have offered sufficient incentives to these young men to voluntarily join the Ready Reserve of a Reserve component and work off their Ready Reserve obligation.

As I have said in the first case, the inducement would be an early release from the active service and in the second case the inducement would be a chance to spend a very short time in training in the Ready Reserve, for which the reservist would be relieved of this Ready Reserve obligation.

We believe these programs will be successful and, although they are limited to a 2-year period, if the quotas are filled, we will have 700,000 reservists actively participating in the Ready Reserve under these two programs. Then, add to that figure the more than 700,000 we have voluntarily participating today and you will see that we will be well along our way to the goal of 2,900,000, which we want to have in the Ready Reserve by 1959.

There is no question about it. Prior service personnel are the backbone of the Reserve.

Of course, we want to have non-prior-service personnel in the Reserve, and we want a steady flow of people who have received their basic training coming into the Reserve each year, but keep in mind that the young man with only basic training under his belt cannot take the place of well-trained noncommissioned officers.

We must do everything at our command to induce the prior trained serviceman to participate in the Ready Reserve.

Of course, all persons entering the armed services after the effective date of the act may be required to participate in training. But what the conferees were concerned about was this period of time between the effective date of the act and that period when prior-trained service personnel will be discharged with an obligation to participate in training.

That will be a 2-year period, and these 2 programs, which I have just outlined, are designed to fill the gap and provide prior-trained service personnel who will actively participate in the Ready Reserve.

And I do not wish to pass from this point without emphasizing that the two programs which I have just outlined are purely voluntary. It will be strictly up to the individual if he wishes to request an early release from active duty in order to participate in Ready Reserve training, and, likewise, it will be purely voluntary on the part of a person who wishes to enlist in a Ready Reserve unit and participate in training in order to shorten his Ready Reserve obligation.

Now, the Senate version of the bill would have adopted an entirely different concept. Inasmuch as the Senate amendment required no persons entering the armed services prior to enactment of the act to participate in training, the payment of a bonus was authorized in order to induce persons with no obligation to train, to voluntarily do so upon their discharge from active duty.

The Senate amendment provided that whenever a person had served on active duty for not less than 18 months he could, upon his request, be assigned or enlisted in an organized combat unit of the Ready Reserve of the Army or Marine Corps for a period of 3 years, and thereupon he would be entitled to receive a bonus in an amount equal to that basic pay to which he would be entitled for 2 months' service on active duty in the grade in which he was assigned or enlisted.

Furthermore, all persons who on the effective date of the act were serving in an active unit of the Ready Reserve which had been designated an organized combat unit would have been discharged for the purpose of reenlistment in that unit, and thus become eligible for the payment of the bonus.

I believe that everyone will agree that the provisions which the conferees adopted are far more desirable than the payment of a monetary bonus.

The next major point in conference was the question of "What is to be the total military obligation for persons entering the armed services?

The Members will recall that the House bill reduced the military obligation for everyone entering the armed services after June 19, 1951, to 6 years. Since that date the total obligation had been 8 years.

On the other hand, the Senate amendment retained the 8-year obligation presently provided for in existing law.

The conferees reached an agreement which, in my opinion, is a most sensible one on this important problem.

The compromise is this:

All persons who entered the armed services prior to the enactment of the bill will continue to have an 8-year obligation. On the other hand, all persons entering the armed services after the enactment of the bill will only incur a 6-year obligation.

Now let me show you why I consider this to be sensible and equitable.

In the first place, a person who entered the armed services prior to the enactment of this bill knew he was incurring an 8-year obligation since that has been the law for several years. However, in all cases these persons did not understand that they would have any obligation to participate in Reserve training after their discharge from active duty.

I have already said that the conferees agreed with the Senate amendment to the effect that these persons, that is, who entered the armed services prior to the date of the enactment of the bill would not be required to train in the Reserves. Consequently, it makes sense to continue the 8-year obligation for these reservists.

But the person who enters the armed services following the enactment of the bill is in a different situation. He will be required to actively participate in training in the Ready Reserve following his discharge from active service. He will be required to perform 48 drills annually and a maximum of 17 days of active duty for training; or in lieu of this, he may select 30 days of active duty for training annually. But if he will do neither of these alternatives, he may be ordered to active duty for training for 45 days each year until his Reserve obligation has been completed.

So you see that we have two different categories of reservists. All have the same Ready Reserve obligation, but one group, that is, those who entered prior to the effective date of the act, will not be required to train, and the other group entering after the effective date of the act will be required to train.

Hence, the former group should, in all fairness, incur the longer total obligation and, by the same token, the person who trains after he has been discharged from the active service should have the shorter overall obligation.

Now, what I have spoken of were the major points of difference in the conference.

Let me state them again:

First. What would be the effective date after which a person would be obligated to train in the Ready Reserve upon his release from active duty?

Second. What should the Congress do to provide incentives for persons to train in the Ready Reserve when they had no obligation to do so? Should we pay them a bonus, or should we offer inducements to encourage them to train; and

Third. What should be the total overall military obligation for all persons entering upon active duty with the armed services?

I say, with every degree of modesty on behalf of the managers of the House, that I believe these points of difference have been resolved in a sensible and equitable manner.

Now, let me tell you of some of the minor points of difference which were resolved in the conference.

Both the House bill and the Senate amendment provided for a training program whereby young men could enlist in the Reserve components and enter upon active duty for training and thereafter serve 7½ years in the Reserve.

Such persons must enlist before they reach the age of 18½, but if they are attending high school their active duty for training will be deferred until they graduate or reach the age of 20 years, whichever first occurs. This maintains the Thomson amendment which was agreed to on the floor of the House when H. R. 7000 was up for consideration.

The House bill provided for 6 months of active duty for training under this program. The Senate bill provides for not less than 3 nor more than 6 months of training.

The House conferees agreed to the Senate amendment in this respect so that some latitude will remain with the Secretary of Defense in prescribing the period of time a person must spend on active duty for training.

Now, I want to remind you that this short active duty training program to be followed by 7½ years of Reserve service is purely voluntary. This retains the concept of the House bill and furthermore, I want to point out that in the Senate amendment there was no statutory limit on the number of persons who could be enlisted in this program annually, but in the House bill an annual quota of not to exceed 250,000 can be enlisted.

The House version was retained, and thus there is a limit on the number of persons who can enter the 6 months' training program.

The Members will recall that, during the debate on this bill, it was often repeated that there were no universal military training provisions in the bill.

The House can be assured that that is still true and, by establishing the quota whereby the 6-month trainees cannot exceed 250,000 persons annually, we have maintained the House position in this respect.

Under both bills, those persons who entered the short-term training program will be required to participate in the Ready Reserve for a period of 7½ years. This young man will be required to participate in 48 annual drills and not to exceed 17 days of active duty for training annually.

If he cannot make the 48 drill requirement, he may elect to take 30 days of annual active duty for training. If he refuses to participate in Reserve training, he may be ordered to active duty for training for 45 days without his consent, or he may have his draft deferment cancelled and his name will be handed to his local draft board, and therafter he may be inducted into the Armed Forces prior to other people who are liable for induction.

Both the House bill and the Senate amendment provided that persons possessing critical civilian skills and connected with critical defense-supporting industries could complete their military obligation by entering the six months' program, even after reaching the age of 18½ years. These persons would enter upon not less than 3 nor more than 6 months of active duty for training and would thereafter be required to spend 7½ years in the Reserve, just as any other short term trainee. However, these young men, who would in all likelihood be more essential in civilian industry in time of war or national emergency, would be screened into the Standby Reserve to complete his military obligation.

However, when the reason for their transfer to the Standby Reserve no longer existed they could again be placed in the Ready Reserve and be required to actively participate in training.

The House bill did not contain this provision, but the House conferees agreed to the Senate amendment in this respect, because it is intended to provide authority to reassign individuals who were engaged in critical defense supporting industries, but who ceased to do so while still under a Reserve obligation. Naturally, if a Reservist is no longer engaged in critical defense work he should no longer enjoy the protection of a vulnerability for a call to active duty in case of national emergency, and he should also be required to actively fulfill his obligation in the Ready Reserve.

Both the House bill and the Senate amendment contained provisions whereby the National Security Training Commission would advise the President and the Secretary of Defense and report annually to the Congress with respect to the welfare of persons performing initial period of active duty for training, but would have no authority with respect to the military training of such persons.

The Senate amendment contained an additional provision which was agreed to by the House conferees. It provided that, within 60 days after the date of enactment of the act, the National Security Training Commission would submit to the Secretary of Defense a program containing recommendations for the personal safety, health, welfare, and morals of the short term trainees while they were performing active duty for training, including regulations concerning the dispensing of alcoholic beverages on training establishments in conformity with the laws of the several States.

Both the House bill and the Senate amendment provided for direct enlistment in the Reserve components prior to reaching the age of 18½, after which a person so enlisting may be deferred from the draft so long as he satisfactorily participates in Reserve training in the Ready Reserve.

A person enlisting in this program will be deferred until he reaches the age of 28 when his military obligation will be completed. This authorization to enlist a young man in the Reserve components is similar to the authority now contained in existing law for young men who enlist in the National Guard prior to reaching the age of 18½ and enjoy deferment from the draft.

This authority is subject to a Presidential determination that the Ready Reserve strength of the Armed Forces is not being maintained at the level he deems necessary for the national security.

However, if any young man enlisting in this program voluntarily agrees to participate in active duty for training for a period of not less than 3 nor more than 6 months, he may reduce his military obligation to a total of 8 years.

Consequently, a young man entering this program at the age of 18½ years could, by participating in short-term active duty training incur an 8-year obligation, and thus be relieved of further military obligation upon reaching the age of 26½ years.

Both the House bill and the Senate amendment contained a provision fixing the ceiling on the size of the Ready Reserve at 2,900,000 persons. The conferees agreed that this figure, until July 1, 1957, should only represent persons who are participating in training in the Ready Reserve and others who do not train while having a Ready Reserve obligation will not be counted against the total.

There were no changes in substance between the House bill and the Senate amendment with respect to the discharge or relief from participation in training for ministerial students, and the authority of the President to order a limited number of Ready Reserves to active duty in time of national emergency was retained in the bill agreed upon by the conferees.

Likewise, no changes were made in the provisions of both the House bill and the Senate amendment with regard to the recall to active duty of persons in the Standby Reserve, whereby they will only be called to active duty after their availability has been determined by the Director of Selective Service.

Both the House bill and the Senate amendment contained a provision whereby graduates of the ROTC training programs would be guaranteed a commission. If there is no need for all of these graduates to serve on active duty, they will be given 6 months' active duty for training and thereafter will be required to participate for 7½ years in the Ready Reserve. These provisions were identical and are not changed by the conference report.

The provisions guaranteeing reemployment rights contained in both the House bill and the Senate amendment

are not changed by this conference report.

Both the House bill and the Senate amendment contain a special enlistment program whereby persons could enlist in the Ready Reserve of the Army, Navy, Marine Corps, Air Force, or Coast Guard and thereafter agree to serve 2 years on active duty. Inasmuch as the military obligation for persons entering the Armed Forces, following the enactment of the bill, was reduced to 6 years, such persons who enlist in the Reserve will incur a 6-year total obligation.

These enlistees will be required to serve in the Ready Reserve for a period which, when added to their active service totals 5 years. The remaining year will be spent in the Standby Reserve.

Both the House bill and the Senate amendment contained provisions which provide for a system of continuous screening of persons in the Ready Reserve to insure that the members and units of the Ready Reserve will contain a proper balance of military skills and so that people possessing critical civilian skills will not be retained in the Ready Reserve in numbers beyond its requirements.

Also, persons who have participated in combat or who, by participation, would incur extreme personal hardships may be transferred to the Standby Reserve.

The other changes between the House bill and the Senate amendment are technical or clarifying in nature and do not affect the substance of the conference report.

Mr. Speaker, I do not need to emphasize the necessity for a strong and available Reserve.

I believe that every Member of the House will agree with that conclusion.

In the opinion of the conferees, the bill agreed upon in conference will guarantee that this country will have the type of Ready Reserve that the national security requires.

Mr. Speaker, I believe in a strong national defense as a best means of maintaining peace and security. As George Washington urged, I believe in a reasonably small regular defense establishment and a strong, well-organized, well-equipped, and well-trained Reserve. In every age of the history of this Republic, we have needlessly thrown countless thousands of lives of brave Americans into the maw of the god of war. The hillsides of this country and of other countries are covered with the white crosses of men, gallant and brave, who had not a chance because they were not trained and not prepared for the emergencies. In my judgment, World War I could have been averted with a well-trained and well-prepared civilian reserve. Perhaps other wars might have been averted and many lost battles might have been won had we been ready with our civilian reserve for the critical occasion. The history of this Nation, as brilliant as it presently is, might have been even brighter and its destiny even more sharply resplendent had we followed the counsels of our forefathers who urged a well-trained Reserve.

After much labor and much effort, we present to you a program which will work. It is not a perfect program; but it will strengthen our Reserve Establishment, it will give this Nation the combat Reserve, ready for emergencies in this atomic age, upon which it may safely rely. With full knowledge of our imperfections, but with calm reliance upon the sincerity of our labors and our devotions, I submit this conference report to you and ask for its adoption.

Mr. Speaker, before I close my remarks, I would like to pay tribute to the members of my subcommittee who worked tirelessly and loyally on this bill. It has been a source of constant inspiration to me at the beginning of this session and continuing all through the session they have shown a devotion to duty far above what their obligation as a Member of Congress requires of them. With suggestions, changes, and improvements, they have gone a long way toward vitalizing this measure and making it a workable bill. So that everyone may know who contributed hundreds of hours of work I am setting forth their names: Mr. PHILBIN, Mr. WINSTEAD, Mr. PRICE, Mr. FISHER, Mr. WICKERSHAM, Mr. HOLTZMAN, Mr. JOHNSON of California, Mr. NORBLAD, Mr. VAN ZANDT, Mr. DEVEREUX, Mr. BRAY, and Mr. OSMERS.

Mr. BONNER. Mr. Speaker, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield to the distinguished gentleman for a question.

Mr. BONNER. How many additional draftees will be required to carry on this program, to get these men into the Reserve?

Mr. BROOKS of Louisiana. It depends on the number released under the early release program. But we have provided for two programs, so that a man coming out can shorten his Ready Reserve obligation by being active in the Ready Reserve, and all we lose is that he will get out of the Ready Reserve earlier.

Mr. BONNER. Actually you are drafting men for this Reserve?

Mr. BROOKS of Louisiana. Under one of the programs there may be some additional men drafted, but they are being drafted for the active service.

Mr. BONNER. Under the program the gentleman has just been explaining, you will actually draft men?

Mr. BROOKS of Louisiana. Under the first paragraph there may be some additional men drafted for active service.

Mr. BROWNSON. Mr. Speaker, will the gentleman yield for a question?

Mr. BROOKS of Louisiana. I yield to the gentleman for a question.

Mr. BROWNSON. Three days after the House passed its previous version, Admiral Radford was quoted in the newspapers as saying that the plan was unworkable. Does the gentleman have the retraction of the officials who will administer this program now?

Mr. BROOKS of Louisiana. I questioned that statement, and I was told by an authority that the statement was not handled in the press as the Admiral intended it should be handled, that he was not fairly quoted.

Mr. BROWNSON. All I know is what I read in the papers. But I wondered if the gentleman knows, on the basis of this conference report, how Admiral Radford, and the other people who will administer the plan, feel about it.

Mr. BROOKS of Louisiana. I think they are for it. They do not think it is a perfect program; neither do I. But I think it is a good program, certainly a step forward.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield to the gentleman for a question.

Mr. GROSS. Can the gentleman give us any idea of how many draftees come out as noncommissioned officers?

Mr. BROOKS of Louisiana. A great many do, undoubtedly.

Mr. GROSS. A great many draftees?

Mr. BROOKS of Louisiana. I have some relatives who were draftees who came out as noncommissioned officers. I cannot give the gentleman the figures on it, but I can assure him that some of them do. Of course, the largest number of persons being released who come out as noncommissioned officers are enlistees.

Mr. BRAY. Mr. Speaker, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield.

Mr. BRAY. I had the pleasure of serving on the subcommittee with the gentleman and I will say I know of no one who worked harder or more sincerely on the bill. I also want to say that both of us are interested in a strong Reserve although we have some slight differences on the matter of how to achieve it. With reference to the conference report now under consideration does the gentleman believe the bill as recommended by the conferees will provide a strong Ready Reserve?

Mr. BROOKS of Louisiana. It will give a strong, well-organized, well-trained Ready Reserve, but for the 2 years immediately ahead we have a critical situation.

If the two plans we proposed in conference and which were adopted and which we submit to you today work, we can get a very satisfactory Reserve.

Mr. BRAY. The gentleman has discussed this matter, of course, with the leaders of the Defense Department and the various services?

Mr. BROOKS of Louisiana. Yes; we discussed it with everybody who wanted to discuss it.

Mr. BRAY. That is what I mean.

Mr. BROOKS of Louisiana. Never at any time did we refuse to discuss it with anybody.

Mr. BRAY. I know you have in the committee, but I mean as to the bill, does the Defense Department believe they can make a good, effective Reserve with this bill?

Mr. BROOKS of Louisiana. I think so.

Mr. BRAY. And you believe that view is shared by the Army and the Defense Department?

Mr. BROOKS of Louisiana. That is right. Those who will participate in the program sat down with the subcommittee and we discussed the matter; we feel and give it as our opinion that a strong, well-trained Reserve will result.

Mr. BRAY. The reason I am bringing this out is that the gentleman will recall that in 1952 the services told us they could make a strong Reserve on the bill

we gave them at that time. Since then I believe it has been mismanaged, somebody has been derelict in their duty. I believe we all agree with that.

Mr. BROOKS of Louisiana. We will have to agree with that. We have worked on many Reserve bills at different times; we have passed this bill, that bill, and the other bill, but all our efforts at building up a satisfactory Reserve program have been disappointing. But somehow I believe this Reserve bill will do the trick and that we will now under this bill be able to build up a very satisfactory Reserve program.

Mr. BRAY. Then the gentleman believes that if we do not get a good Reserve it will not be the fault of the bill but rather the fault of the Defense Department?

Mr. BROOKS of Louisiana. I would think so.

Mr. OLIVER P. BOLTON. Mr. Speaker, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield.

Mr. BOLTON. Would the gentleman care to discuss what change the creation of the Ready Reserve would make in the mission of the National Guard?

Mr. BROOKS of Louisiana. The National Guard has its own program which permits it to enlist men for a program of training in the Guard. The Guard had the right, of course, under State law in every State to discipline its personnel.

This bill would permit the guard also if a member of the National Guard so wishes, to train for 3 to 6 months, because it is a variable period with the reserves, it is from 3 to 6 months; with the guard it is not in excess of 3 months. This will permit guardsmen who want to volunteer and take the 6 months' training period to do so, and thereby cut short their obligation as reservists.

Mr. OLIVER P. BOLTON. My point is whether the creation of the Ready Reserves would remove the National Guard from the mission first of carrying out national defense?

Mr. BROOKS of Louisiana. The National Guard is one of our Ready Reserve components and nothing in this measure changes that.

Mr. VINSON. Mr. Speaker, I yield 10 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, no matter how watered down, anemic, or innocuous the legislation contained in this conference report, it is still discriminatory, and it opens the door to the goal of its supporters which is to fasten upon this Republic UMT—full and complete conscription of American youth.

And for what purpose? To implement a foreign policy which has trapped this Nation in two world wars, plus a sanguinary, bloody struggle in Korea.

Cast aside in Washington today are the stern admonitions of the founders of this Republic who denounced entangling alliances and for 100 years thereafter that wise policy kept America out of foreign intrigues and major wars.

Today the American people are shackled with alliances in every corner of the world—alliances which history has demonstrated will last only as long as they are profitable to the foreign countries involved.

How much longer, I ask, is it proposed to draw upon the manpower of this country; to drain our natural resources; to bankrupt this Nation in support of alliances that promote the self-serving interests of foreign nations? There is no better time than here this afternoon for the House of Representatives to say that as of this date we propose to lay no additional levy upon the youth of this country in support of alliances with foreign governments which have demonstrated neither the will nor the capacity to fulfill the role of an ally. The self-interest of this country is as paramount today as it was under Washington and Jefferson, and it is time that the leaders of this Government recognize that fact.

On the record, the pending legislation is here by virtue of some strange procedure. It is not strange when it is clearly understood that the ultimate objective is to hang upon the youth of America the yoke of universal conscription. The sponsors would accept, if necessary, but little more than the enacting clause to open the back door to their objective.

The bill first came before the House on May 17. It had to be approved without a moment's loss of time, said the sponsors, in order to provide immediately a huge, Ready Reserve. If one had listened to the sponsors with open ears and a closed mind he would have heard even then Russian assault boats landing along the eastern seaboard. Then there was the plaintive, emotional appeal that the legislation was necessary to strengthen the President's hand at the summit. This despite the fact that it is not of record that any other parliament or legislative body broke out in a sweat to increase military service in their countries in order to strengthen the hands of their representatives at the summit.

As a matter of cold, hard fact there is scarcely a government in the so-called free world that levies upon its manpower for military purposes as does the United States, without enactment of this legislation. Through the years the people of many foreign nations have had their experience with conscript armies and long, compulsory service in the Reserves. They know the corrosive and then destructive effects of that system. It is a product which foreigners are delighted to ship to this country for it means we will continue to fight their battles. There was a time when the British, among others, hired mercenaries to do their fighting. In this wonderful new era of the United Nations, and alliance-making all over the globe by which we are committed to fight at the drop of a hat, it is no longer necesary for the British to use our money to hire mercenaries. In this connection it might well be pointed out that the graves in Arlington Cemetery have increased tremendously and tragically in recent years.

Yes, Mr. Speaker, on May 17 this measure was for all practical purposes laid out in the legislative morgue. Scarcely a spark of life could be detected. The gentleman from Missouri [Mr. SHORT] had ripped it apart as a product of, and I quote his words spoken in the well of the House: "A persistent, pugnacious, perennial, relentless, costly campaign to cram down the throats of the American people universal military training or peacetime conscription."

Castigating the provision for 6 months' training for 250,000 volunteers, the gentleman from Missouri said:

> Who is going to choose these 250,000 young men? Oh, what a chance to play favoritism and politics. This bill is full of heartaches and heartbreaks.

Again, and with obvious reference to the defeat in the Democrat-controlled 82d Congress of a similar bill—a defeat in which he played the leading part, the gentleman from Missouri said on May 17:

> A thing that I have considered bad under previous administrations, whether Roosevelt or Truman, I consider bad under Eisenhower, Smith, Jones, or anyone else.

In the face of these and other powerful arguments on the part of the gentleman from Missouri, the gentleman from Georgia [Mr. VINSON], facing certain defeat, ended further proceedings on May 17 by moving that the Committee rise.

Then in the next 2 weeks came a series of blood transfusions from the White House and Pentagon and on July 1 this creature of conscription, clad in slightly different raiment, again roamed the House floor.

This time the provision for compulsory assignment of reservists to the National Guard had been eliminated.

In other respects, the legislation was virtually unchanged as attested by my question on that day.

> I would like to know what compulsory features have been eliminated as between the two bills.

To which Mr. VINSON responded:

> Mr. Chairman, if the gentleman will yield, there is eliminated from this bill the compulsory assignment to the National Guard. That is the difference.
>
> Mr. SHORT. That is right.
>
> Mr. GROSS. That is the only one.

Thus, the only substantial difference as between May 17 and July 1, was the elimination of reference to the National Guard. Still contained in the bill on July 1 and here today are the discriminatory features of the 6 months' training for 250,000 youths to the exclusion of others equally qualified. Still contained in the measure presently before us are the ramifications of 7½ years of service in the Reserves which, if effectively enforced will directly alter the lives of hundreds of thousands, perhaps millions of young Americans and may well set a new and sinister pattern of life in America. Left to the tender mercies of the Pentagon is the administration of this law. The National Security Training Commission, which has always advocated universal conscription of military manpower, will also have certain functions. As far as I know this National Commission has never had the decency, along with most others who support universal conscription of our youth, to advocate at the same time, and for the same reason, the conscription of all other resources of the Nation.

Yes, Mr. Speaker, on May 17 and again on July 1, it was imperative the building

of a huge reserve force be started without a moment's loss of time. The bill as it left the House on July 1 provided the nucleus for this force by throwing into the Ready Reserves all those who had been drafted since July 1953 and those presently serving. The other body wisely and properly eliminated that provision.

But with this provision eliminated there will be no real nucleus for a compulsory reserve for at least another 2 years. Why did the House conferees back down on this provision of the bill as it passed the House on July 1? Because in the light of past administration it would have been a thoroughly immoral if not legal breach of contract with that category of servicemen.

There is no valid reason for this legislation as long as the Selective Service Act is in effect. In one respect it is designed to mitigate another big blunder on the part of the Pentagon, which has sanctioned the commissioning of some 60,000 new officers each year through various training programs. The Military Establishment is loaded with officers. They are falling over each other. Every chief must have some Indians and this bill, opening the door to universal conscription of manpower, is the answer.

The incongruity of the broad situation in which we find ourselves is unbelievable. On one hand we are told that peace and prosperity abound. For the first time in our history we even have a secretary for peace, Harold Stassen. Let us hope that he will be as agile in behalf of peace as he was in obligating millions of dollars of foreign handout money in the closing days and hours of the fiscal year.

On the other hand, despite the smiles of the Russians and talk of peace we are here called on to reach out by new and untried means and fasten long periods of military service upon the youth of today and the tomorrows to come. And amid this wonderful prosperity, the Nation plunges deeper into debt, throwing yet another burden, which we have shirked, upon the shoulders of our young people.

This is a beautiful world of make-believe in which we live and each passing day brings me closer to the conviction that Washington is the capital of it.

It is scarcely necessary for me to say so, but let the record show that I am unqualifiedly opposed to this bill and the conference report. It ought to be recommitted.

The House refused to be counted on this issue by rollcall vote on July 1, and I am not particularly concerned as to whether there is a record vote now. The people of this country were entitled to know where their representatives stood on July 1, and they should understand that if there is a record vote today, it will be on a watered-down version that is neither fish nor fowl.

Mr. BELCHER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BELCHER. Mr. Speaker, it is my sad duty to announce to the House the passing of one of my boyhood friends and one of the greatest Navy men of this generation, Rear Adm. Apollo Soucek. He was found dead Saturday morning in his apartment in the Woodner Hotel, 3636 16th Street NW.

Admiral Soucek and I grew up together in Grant County, Okla. We both graduated from Medford High School. His father and my father were close friends for over half a century. My first political experience was helping my father campaign for county assessor with Admiral Soucek's father helping us.

His death marked the passing of one of Oklahoma's outstanding citizens, and his success perhaps could be described as a modified Horatio Alger story. His father came to the United States from Bohemia in 1875 and became a blacksmith in Medford, Okla.

Admiral Soucek, born on a farm in Lamont, Okla., as a veteran of World War I, World War II, and the Korean conflict, earned, among other merits, the Distinguished Flying Cross and the Silver Star. He was graduated from the Naval Academy in 1921, and in the following years became a high-altitude record holder as a result of his aviation achievements.

During the early 1940's, he served on the famed carrier *Hornet* and as air officer of that carrier, gave the go-ahead signal to Jimmy Doolittle on his spectacular bombing run over Tokyo in 1942. Later he served as the first commander of the big carrier *Roosevelt*.

After service in Korea, he was appointed Chief of the Bureau of Aeronautics in June 1953, and resigned this post only last month.

During service as naval attaché in London in 1951, his wife, the former Eleanor O'Connor, of Wellsville, N. Y., passed away. Admiral Soucek is survived by three brothers: Zeus, also a Navy man now living in Minneapolis; Romus, of Los Angeles; and Ormis, of Enid, Okla.

The life of this great Oklahoman and American indeed portrays bravery, courage, and loyalty to his country whom he served so well. His death writes finis in the last page of his book of life, its pages filled with everything that was good and just for mankind.

We are consoled by the fact that our loss is another's gain.

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, only yesterday President Eisenhower returned from the summit conference in Geneva to assure the American people that he had found "evidence of a new friendliness in the world." It is not my purpose to summarize or evaluate the results and achievements at Geneva. I merely find it somewhat ironic that on the same day when we get such an encouraging and hopeful assurance from our President, we here in the Congress of the United States are about to complete action on the military Reserve bill, H. R. 7000, which introduces a certain degree of military compulsion and a mild form of universal military training in this country.

In the years to come, every American family with a growing boy in its midst will be affected by our action today. Under this bill, if enacted, the Congress will introduce a new and radical departure from our traditional way of dealing with military service. For the first time in our history, as far as I can ascertain, the principle of using compulsion in order to maintain our military Reserves is being introduced in peacetime. Under this new law, young men who will be drafted for military service in the future will be forced to take active Reserve training on completion of their active duty, and the entire military obligation will extend over a period of 8 years.

This new bill establishes a 6 months' training program along UMT lines, which is then to be followed by 7½ years in the Ready Reserve. By adding compulsion and omitting quotas this entire military program can be converted into a full-fledged universal military program. In addition, this bill aims to quadruple the size of the paid Reserves until we attain a total of 2,900,000 men in the Reserves by 1960. The total cost for maintaining this entire program when in full operation is estimated at $2 to $3 billion annually.

Mr. Speaker, for generations this country has followed the principle and tradition that its young men are drafted for active military service in such numbers and length of time as was considered necessary to assure the security of our Nation, whether in wartime or peacetime. But never in our history have we drafted men to give up part of their civilian life for military service over a period of years after they had completed their active service. This is a drastic departure from our customary procedure in the past. It is more in the nature of the European military tradition which has never appealed to our people.

Compulsory military service has always been regarded by the American people as an alien concept, because by its very nature and methods it is alien to our principles of freedom. Americans have never adopted the idea of compulsory military service as a pattern of fulfilling the duty to serve in the defense of our country. Whenever an emergency arose, whenever our country was plunged into the abyss of war, the manpower of this Nation rose to the occasion with fervor and patriotism. We did not depend upon paid mercenaries. Had we done so in the past, only God knows what our fate would have been by now.

I say to you, my colleagues, that there is no need to change that policy. Before contemplating any such drastic changes which may lead us down the road of militarism, we must seek ways to build up our strength and our manpower reserves on a voluntary basis rather than through compulsion. Not only do I question whether we must build up our Reserves through compulsion, but I also question whether this bill actually cre-

ates a Ready Reserve. In truth I think it lulls the American people into a false sense of security.

It is indeed paradoxical to find that our Army is being cut down by 25 percent below its strength in January of this year, but here we are taking steps to build up our Reserves to nearly three million men. How can we explain that to the peoples of the world? How can we, in the light of such developments, convince them that we are earnest in our quest for world peace?

I well understand the need for maintaining and strengthening the security of our country. For this very reason I have supported legislation appropriating the necessary funds for our regular military needs and for our standing forces. I am skeptical, however, about building up huge Reserves over and above our regular military needs for the reasons already indicated. I believe it is a step in the direction of militarism; I believe it is a drastic departure from our traditional military policy; I believe that when a young man has completed his 2 years of military service he should have the opportunity to return to civilian life and complete freedom to pursue his education, career, trade or profession as a useful citizen. Finally, I believe that at this time we can best serve the interests of our Nation and of all nations by refraining from the enactment of legislation which would only serve to increase international tension.

The world is hungry for peace and disarmament. This bill can once again be the cause for a drift back toward a universal arms race instead of universal peace and disarmament. For this reason I urge that it be rejected.

Mr. VINSON. Mr. Speaker, I yield 10 minutes to the distinguished gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Speaker, the burning desire of all peoples of the world at this moment is for a just and lasting peace. I think that applies not only to the free peoples of the world, but to the slaves in the satellite countries and in Soviet Russia, behind the Iron Curtain.

I make a sharp distinction between the masses of the people in the other half of the world and in their puppet governments, and the men in the Kremlin. The Russian, Baltic, and Slavic peoples have many admirable qualities and we should help them to liberate themselves. They want and love the freedom we have.

We all know that for the past several years this Nation has been spending from $40 to $50 billion annually on its national defense. And rich as we are and powerful as we are we cannot forever carry that burden We want to build and not to destroy. Under existing law we now have a ceiling of 1,500,000 on our Reserve forces. Actually there are between 750,000 to 800,000 who participate in actual training in the Ready Reserves, at a cost of approximately $700 million a year. We have not been getting our money's worth.

We know that this Reserve program has not worked well since the close of World War II. I shall not take the time, because I do not have it, to discuss the reasons for its failure. I am suggesting that men in high authority in our Military Establishment will do a better job in the future than they have in the past. Woe be unto them if they do not.

It is now proposed, however, by this legislation to increase our Reserve forces from a million and a half to 2,900,000 men. I think one of the reasons we failed in the past is that the penalties were too severe; 5 years' imprisonment and a $10,000 fine for any man who failed to carry out his duty of Reserve training. There has been no serious and determined attempt, of course, to make the present system work. We, the Congress, have voted them the authority and the money but they have failed to produce. So something has got to be done about it. Heaven knows, we cannot forever go on spending the huge, backbreaking sums of money that we are spending and endure as a free country. We also know that we have got to remain strong on land and sea and in the air as long as we do not have free, open inspection of different military establishments of the different nations of the world. We want to trim the fat; we must not cut into the muscle of our national defense.

So what is our problem? It is to keep America militarily strong, and at the same time attempt to reduce this onerous burden of taxation that will spend us into bankruptcy and could bring about our actual defeat just as much as a defeat on the field of battle. The battlefront is never stronger than the homefront. We cannot have military might without economic strength.

If we can build up a virile, strong Organized Reserve, we can at the same time lower the number of men in the regular Military Establishment and relieve the overburdened American taxpayer of this awful burden we are now carrying. As one goes up, the other goes down.

That is what this bill does. The gentleman from Iowa [Mr. GROSS] quoted me—and I am glad he did—from a speech I made 3 years ago on an entirely different bill from the present conference report. My position is still the same. However, I can change to meet changing conditions. He quoted me also from another speech I made recently on another bill into which the Guard was tied, and where some features existed that do not exist in this conference report. I wonder if Members opposing this conference report have read it—let alone studied it? I served notice when we passed this last bill in the House that if it were loaded down in conference, and filled up with hogwash, or an attempt was made to open the door to universal military training, I would be the first vigorously to oppose the legislation, not only in conference but on the floor of this House. I have kept the faith. It was not easy but I did not yield; members of the conference—Senators RUSSELL, BYRD, STENNIS, SALTONSTALL, BRIDGES; Representatives VINSON, BROOKS, KILDAY, ARENDS, and myself—will tell you so.

I am glad to report to you I have never attended a conference where we had a freer or more thorough or complete discussion of legislation, and never did I see the Senate conferees in a more conciliatory and reasonable attitude.

I am glad to report to the House that we succeeded in maintaining all of the essential House provisions. We even got the Senate to yield on matters, and they had a few aspects of the measure which the House adopted which I think make it a better bill than either the Senate or the House passed.

One of the things we did was to maintain the ceiling of 250,000. You cannot take more than that into the 6 months' training. The Senate had no ceiling. It could have opened it up to universal military training. However, they receded and accepted that figure.

We also passed in the House a provision to reduce the obligated Reserve training from 8 years to 6 years. The Senate wanted to restore the 8-year obligated training including the 6 months' training, of course, of the men entering this new program. I served notice at once it was useless for us to waste time and breath because I would never sign a conference report and I would even fight it unless we retained the 6-year provision. The Senate graciously agreed. Selah.

Those are two of the things we did, but the Senate even went further than that. We wrote a provision into this conference report where a man now on active duty, say he has enlisted for 2 years, if he has served 12 months he can apply to be transferred to the Ready Reserve, and after 3 years in the Ready Reserve or only 4 years in all he can completely be discharged from a further obligation in the Ready Reserve. That applies up until July 1, 1957, I think. Not more than 150,000 can be released annually.

In addition, there is another inducement we included, a second provision to induce men to participate voluntarily in the Reserve training. What is that? Up until July 1, 1957, the Secretaries of the different military services, with the approval of the Secretary of Defense, may accept enlistments in the Ready Reserve for a period of 1 year between now and July 1, 1957, from individuals who are released from active duty, and after that date they can apply for 1 year's more training, and in 3 years' time they can discharge all their obligated military service. How much better and easier is this provision for the youth of our country.

There is by no stretch of the imagination a side-door, front-door, back-door, top-door, or bottom-door way to call this a universal military training act. There is no compulsion; it is wholly voluntary. I think those of you who have served with me a long time here know that if there is one person who could smell a rat and detect the universal military training even before he saw it, it would be the gentleman from Missouri, DEWEY SHORT. I want to assure my friends who have stood so loyally by me in the past in opposing universal military training, as I oppose it now, and will continue to do so in the future, that this bill really lessens the burden and makes it easier for men to discharge their military obligation to this Government than under the present setup or any other

measure that has been presented to us in the past 25 years, if we are not going to let this cloud of uncertainty hang forever over the heads of the youth of this Nation and the draft law continues for 4 years.

One reason I am for this bill, and hope it passes, is that if it is wisely administered by the Department of Defense—and we have thrown the baby into their lap, and said, "Now, this is yours; you take it and take care of it"—if it is wisely administered there they can build up an adequate Reserve that will enable us to reduce the number of men in the standing forces, and we can let the draft expire on July 1, 1959, and not have to extend it further at that time. And we will save the taxpayers billions of dollars.

Mr. THOMSON of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. SHORT. I yield.

Mr. THOMSON of Wyoming. I would like to commend the gentleman from Missouri and the other members of the committee for the very fine job, I think, they have done on this bill. I would like to clarify one thing, if I may. According to page 4 of the report, the language of the bill recites with regard to the 6 months' enlistment that a man may be accepted for enlistment in units of such Ready Reserve pursuant to provisions of this section under regulations prescribed by the Secretary of Defense. Does that mean there would have to be organized units of the Ready Reserve available to that man for him to enlist in the program? I ask the question because many of these young men may come from small towns and rural areas that cannot support an organized unit of the Ready Reserve.

Mr. SHORT. I am very happy the gentleman from Wyoming, who contributed to the passage of the former bill, asked that question. In conference we deliberately eliminated the word "organized" because we realize that many of these boys live in rural areas far from training centers or armories, and they would not be able to meet that requirement, so we took that word "organized" out in the conference.

Mr. THOMSON of Wyoming. I thank the gentleman.

Mr. SHORT. Let me say further to the gentleman who offered the amendment to help high-school students that in the conference report we provide that persons enlisting in the 6 months' program prior to reaching the age of 18½ years or more, pursuing a course of instruction in a high school, shall be deferred until such person ceases to pursue such course satisfactorily, graduates from such course, or attains the age of 20 years, whichever first occurs.

Mr. THOMSON of Wyoming. And that deferment is also mandatory; is it not?

Mr. SHORT. That is quite true. Bear in mind that we maintain a ceiling of 250,000 who can enter under this program. We maintained the House provision of 6 years instead of 8 years. We provide that a boy going to high school, getting along and successfully passing his course until he graduates, until he reaches the age of 20, not 19, as the amendment offered by the gentleman from Wyoming [Mr. THOMSON] provided in the other bill—we provide that that boy is deferred.

Another important thing is that in the House bill, which we passed, we eliminated all Korean veterans prior to July 1953 from further obligated Reserve service. The Senate provision was more liberal and more generous than the House, and they provided that no man who served before Korea or who is now serving in the armed services can be charged with further obligated Reserve service. So that the only men who will have to discharge their obligated Reserve service for 6 years or 8 years will be those who come into this program after the effective date of this act, which is when the President signs it.

Mr. Speaker, certainly this is not a perfect measure, but it is by far the best that has been presented on the Reserve since I have been a Member of this House. The question is a very complex, complicated, and difficult one, and I believe we have a good bill, if the Pentagon can and will make it work.

In closing, I do want to express my appreciation to the gentleman from Louisiana [Mr. BROOKS] as chairman of the subcommittee, who has worked so long, patiently, and effectively to bring this bill before us. It is a great tribute, not only to Mr. BROOKS, but to the Members of his subcommittee, Mr. PHILBIN, Mr. WINSTEAD, Mr. WICKERSHAM, Mr. JOHNSON of California, Mr. VAN ZANDT, Mr. DEVEREUX, Mr. BRAY, and the other members. Those who have had active service, not only in time of war as members of the active forces, but as Reserve officers over a long period of years, no men have been more interested or have worked harder to bring about this legislation than the gentleman from Pennsylvania, Mr. VAN ZANDT; the gentleman from Maryland, General DEVEREUX; and the gentleman from Indiana, Mr. BRAY. These men, along with Mr. FISHER, of Texas, and all members of the subcommittee who have worked so diligently and faithfully for the defense of our country, deserve the thanks of all members of our Committee on Armed Services, Members of the Congress, and the American people. This bill is not UMT, but a step toward ending the draft law in 1959, when it expires, and to build up a volunteer Reserve system whereby America can remain a strong Nation of freemen. I believe in freedom, because in freedom is our strength.

I hope that you will vote overwhelmingly in favor of the conference report.

Mr. VINSON. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Speaker, when legislation reaches the stage that conferees are appointed, we have arrived at that stage where there must be a compromise between the two Houses of Congress. I believe it to be true ordinarily that when the House conferees come back with a conference report, there is a feeling that perhaps the legislation has lost some of the vital provisions which were contained in the bill as it was passed by the House. In this instance, the reverse is true. It is my considered opinion that we are bringing back to you now a better bill than was passed by the House, and a better bill than was passed by the other body. I believe it to be better than the bill which was requested by the Department of Defense at the time that the matter was originally considered. It is hoped that this will begin the creation of an active, trained and training Reserve. Under the provisions of the Senate bill, there would have been a gap of 25 months—a hiatus of 25 months—before a man would have been channeled into the training in the Reserve.

Under the House bill we would have gone back to the cessation of hostilities in Korea and required that men who had entered the service subsequent to that date, including those already in the service and those few who might have been relieved from service, to train in the Reserves.

Under this bill it is provided that persons who volunteer for the Reserve training may receive an early release from active duty or those who have been released may receive an early release from their Ready Reserve obligation by volunteering for this training. I believe that by this method we have avoided the two principal objections that could have been raised to either of the versions passed by the two separate bodies. We eliminate the drag of the 25 months in the one bill and we eliminate the strong opposition from those who feel that this is a changing of the rules after the game has begun.

I believe that we have here a reasonable bill, one that will start us on the road to the preparation of a Reserve in existence, for we all agree that something must be done to reduce the tremendous budget that our military now requires.

It is true that our military policy from the days of George Washington has been based upon a strong, highly efficient regular establishment capable of very rapid expansion in time of war or national emergency. We have in the past maintained at least some semblance of a small and always highly efficient regular service, but we have not lived up to the obligation upon us of providing an adequate Reserve. This is a beginning, and I believe that the fears of the people about any such program will dissolve as it gets underway. I think that once we get underway the young men are going to find certain advantages from this weekly training, or 48 drills a year, from new contacts, business and social contacts, that will be enjoyed. We have always had in the history of the United States men who are interested in being civilian soldiers, and I think this will prove attractive to them.

I believe that all the basic or fundamental objections that could have been made to this program have been provided for in this conference report and I hope it will be adopted promptly and by an overwhelming vote.

Mr. VINSON. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Speaker, I want to thank the gentleman from Georgia for giving me these 2 minutes. I guess it is 2 minutes that he found left over, for

I had an awful time trying to get half a minute.

All of you have heard me express my opposition to the pending legislation and related legislation. I have listened with interest to the gentleman from Louisiana and our distinguished ranking minority member of the committee on the Republican side, a man in whom I had great faith, yes, great faith, but who has finally mildly succumbed. I listened intently to his plea for this legislation today. But let me say to the gentleman from Missouri that not all of us are so naive or so gullible as to believe that this legislation before us is not an opening wedge to universal military training. Your committee from time to time will bring in amendments seeking that end whenever the time is opportune.

I for one will not sit in this or any other legislative body and allow the youth of this Nation to be put under the control of the Pentagon, and that is the fear that I have here with this bill.

Your salesmanship was good on this bill, but I am sure that this bill will be followed by amendments from your committee from time to time until we finally get the result you want, and this Nation will have universal military training. I hope a good substantial number of the Members of this House will not do as they did on Friday, July 1, duck the issue, but that they will meet the issue head on now, and not later. I am bitterly opposed to this bill and UMT in any form.

Mr. POWELL. Mr. Speaker, I include the following letter and article:

FRIENDS COMMITTEE ON
NATIONAL LEGISLATION,
Washington, D. C., July 22, 1955.

DEAR CONGRESSMAN: The report of the conferees on the Reserve bill, H. R. 7000, will probably come before the House on Monday, July 25.

While the President is returning from Geneva after telling the world of our sincere desire for peace, you will be asked to vote for a bill which, although it removes some of the harsher provisions of the original bills, still—

1. Introduces the radical new principle of using compulsion to maintain the Reserves;

2. Sets up a UMT-type 6-month training program followed by 7½ years in the Ready Reserve which can be converted into full UMT merely by adding compulsion and removing the quotas;

3. Aims to quadruple the size of the paid Reserves up to a ceiling of 2,900,000 men by 1960; and

4. Will probably cost between $2 and $3 billion per year when in full operation, plus another billion for armories; this at a time when nothing has been authorized for badly needed school construction.

We urge you to consider the implications of this bill which will increase the military penetration in communities and colleges throughout the country at the very time we are trying to move away from militarism and toward universal disarmament.

We also urge you to read the statements of Senators NEUBERGER and MCNAMARA in the CONGRESSIONAL RECORD of July 21, at pages 11129 to 11135, in which they tell why they voted wrong in voting for H. R. 7000 and why they will vote against the conference report. Senators NEUBERGER, MCNAMARA, LANGER, MANSFIELD, MORSE, and HUMPHREY yesterday introduced S. 2602, to replace the compulsory features of H. R. 7000 with a voluntary system in which the inducement for joining the Ready Reserve is the receipt of the educational benefits of the GI bill of rights.

On this important issue we feel the people of the country are entitled to know where their representatives stand, and we hope you will ask for a record vote.

Sincerely yours,

E. RAYMOND WILSON.

P. S.—I regret the use of this impersonal form of communication, but the shortness of time before you act on this measure necessitates it.

[From the Columbus (Ohio) Dispatch of July 24, 1955]

BROMFIELD BELIEVES MILITARY RESERVES MEASURE IS SUPPRESSION OF FREEDOMS

(By Louis Bromfield)

Under the phony name of a Reserve program there is being foisted upon the American people, and upon the young people in particular, a program of universal military training more vicious than any that exists in any West European nation. Only the Fascist and Communist dictatorships have surpassed it in severity and oppression. The measure is suppression of man's natural freedoms in a truly democratic nation.

Its manifest purpose is to compel every male American citizen of 18½ years not only to serve at least 2 years in the Army, willingly or unwillingly, of necessity or without necessity, but to involve him for periods up to 8 years in drills, restrictions of movement and freedom, and to a large extent the sacrifice of his civil rights under the Constitution and Bill of Rights.

Behind this bill lie many sinister influences, emanating largely from the Pentagon and the militarists who have never relaxed their efforts to impose the indignity of universal military service upon a supposedly free people.

Having failed to achieve the purpose openly and through the use frequently of false information, propaganda and a terror campaign, the same forces are now working underground as quietly as possible to put over a plan worthy of only the most militaristic of nations or dictatorships.

DANGEROUS MEASURE

This, of course, is strong language, but it is justified. The danger itself cannot be exaggerated, principally because once such abuses are established they are very difficult to be rid of, even when their sinister folly and oppression become evident to all the people.

Presently it is called "a Reserve program." Actually it is universal compulsory military service of the most oppressive nature. It would impose not only fines but imprisonment upon any citizen who failed to carry out weekly drills over a period of years.

First of all one is forced to question the necessity for any such bill in these times. Such a program—and even the extension of the draft for a period of 4 years—should be justified and abundantly. Neither has been justified in an age when either war might be over within 24 hours or no nation would dare even to risk a war.

The needs of the Navy, the Air Force, and the Marines are all met by recruiting. It is only the Army, wherein cannon fodder is most needed, which campaigns steadily and openly, using any means whatever for bigger armies and bigger drafts.

The only justifiable reasons could be the extension of an already monstrous and expensive program of conscripting young Americans to protect the Germans and the Japanese, of establishing bases in many parts of the world and doing police service to protect peoples who frequently do not want to be protected.

ILLUSIONS OF RED NATIONS

The illusion of the power of Asiatic nations and of Soviet Russia itself has been built up quite as much in this country by the militarists as by the men in the Kremlin themselves.

As some of us have been trying to demonstrate for a long time past, neither India nor China is even a fourth-rate power and each time we treat them as great powers, we delude ourselves and contribute to their bargaining strength.

The weaknesses of Soviet Russia herself in almost every field—the disorganization, the strains, the lack of transportation, the abysmally low living standards, the rising sense of rebellion among the satellites, the burden of supporting China which Russia can no longer bear—all of these are becoming apparent to the average man in the street, although for months and years these facts were either unknown in Washington (which is unlikely) or they were deliberately suppressed.

Even the Secretary of State has acknowledged many of these facts in a secret hearing before Congress. European nations have known and accepted these facts for a long time. Perhaps the Hoover Commission was entirely right in its condemnation of the meagerness of the information turned up by our "intelligence department," both in its military and civilian branches.

MILITARISTIC HUBBUB

One cannot but ask, "What is all this militaristic hubbub about? Who, including your own congressmen, supports a program which in many respects, both in proposal and execution, is little short of sinister and threatens the rights of all of us and the young people most of all?"

The House of Representatives has already passed this shocking and unnecessary bill. You might—especially the young people—ask your own congressman, "Why?" Why indeed was the draft extended for four years when two might have sufficed? Why, if it were not the plan of the Pentagon and the militarist to saddle our people with the permanent blight of conscription?

Fortunately in the Senate under the able leadership of one of our wisest and most honorable national figures, Senator RICHARD B. RUSSELL, strong opposition to this iniquitous measure has developed. If the Democrats want an issue and a good one, here it is.

By the time of the elections it will be a much stronger issue than it is now. The support of the President for this bill—considering his character and honesty—is surprising and a little shocking, unless he is doing some bargaining with the Pentagon. Even then, there is no justification.

It would be well for all of us to remember that militarism can be just as great a threat to our freedoms and our welfare and our strength as communism ever was.

Mr. VINSON. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I want to take this opportunity to publicly express my sincere gratitude to the gentleman from Louisiana [Mr. BROOKS], whose conscientious and persevering efforts have made possible the conference report that is before the House today.

Certainly he has earned the title "Mr. Reserve", and I can think of no finer compliment to pay him than to have this law referred to in the future as the Brooks Reserve Act.

I also want to express my appreciation to the distinguished majority leader, Mr. MCCORMACK, and to the distinguished minority leader, Mr. MARTIN, and the distinguished gentleman from Indiana [Mr. HALLECK] for their valuable aid and indispensable cooperation which made the consideration and enactment of this legislation possible.

And certainly I could not let this occasion pass without expressing my deepest appreciation to the distinguished gentleman from Missouri [Mr. SHORT], the ranking minority member of the House Armed Services Committee. Without his sincere cooperation and his full and complete understanding of all the complex problems involved in this highly complicated matter of manpower this conference report would not have been possible.

It would be impossible to name all of the individual Members who played a part in this extremely important legislation, but certainly it would be proper for me to name a few without meaning to pass over others.

I want to pay special tribute to members of Mr. BROOKS' subcommittee who worked long, hard, and diligently on this highly controversial and yet absolutely indispensable legislation. I shall always consider that they accomplished a minor miracle in bringing together conflicting views which have resulted in what I consider to be an extremely well-written law.

Certainly the distinguished gentleman from California [Mr. JOHNSON], the ranking minority member of Subcommittee No. 1, as well as the gentleman from Mississippi [Mr. WINSTEAD]; the gentleman from Pennsylvania [Mr. VAN ZANDT]; the gentleman from Texas [Mr. FISHER]; the gentleman from Maryland [Mr. DEVEREUX]; the gentleman from Illinois [Mr. PRICE]; the gentleman from Oklahoma [Mr. WICKERSHAM]; the gentleman from Indiana [Mr. BRAY]; the gentleman from Massachusetts [Mr. PHILBIN]; the gentleman from New York [Mr. HOLTZMAN]; the gentleman from New Jersey [Mr. OSMERS]; and the gentleman from Oregon [Mr. NORBLAD], are entitled to the thanks of the American people for the time and study that they have put into this matter.

And the House managers must certainly receive full credit for their amazing grasp of this highly involved subject.

The gentleman from Texas [Mr. KILDAY], the gentleman from Illinois [Mr. ARENDS], joined with Mr. BROOKS, Mr. SHORT, and myself in holding together as a unit in the conference and in being able to present to the House this legislation which may well be the most important measure enacted during this Congress.

Mr. Speaker, I will not dwell upon the conference report for it has been printed in the RECORD and fully explained to the House. I think it is sufficient to say that hereafter all persons entering the Armed Forces will be required upon their completion of active duty to participate in Reserve training. This by itself will assure us a strong, ready, and virile Reserve.

We kept faith with the House and retained the 6-year total military obligation for all people entering the services hereafter, which is a reduction from the present law. We retained the principle of the amendment adopted in the House with regard to the deferment of high school students who wish to enter the 6-month program but do not want to interrupt their high school studies.

All told, I believe that we have brought back to the House a conference report which every Member can support.

Mr. Speaker, this will be the beginning of a new era in the defense of the Nation, for when we attain a trained Ready Reserve of 2,900,000 men, we will be able to give serious consideration to a reduction in our standing force. Once we have attained a strong Ready Reserve of 2,900,000 men, if international conditions permit, we will be able to make reductions from the long-range planned strength of 2,850,000 men in our regular forces. That, of course, will be a happy day for America, for it will mean a reduction in defense expenditures and a lessening of the impact of the dislocation of the youth of America. It will mean a stronger defense with a lesser sacrifice in time and money.

After the Brooks Act has been in effect for a sufficient length of time to build up to the Ready Reserve that is contemplated, we will have attained the greatest single achievement in our national-defense program since the end of World War II.

CALL OF THE HOUSE

Mr. VINSON. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. VINSON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 128]

Anfuso	Gamble	Perkins
Avery	Green, Pa.	Prouty
Boykin	Hardy	Radwan
Buchanan	Hays, Ohio	Reece, Tenn.
Budge	Hillings	Reed, N. Y.
Byrne, Pa.	Hinshaw	Shelley
Chase	Kearney	Sieminski
Chiperfield	Kee	Thompson, La.
Chudoff	Keogh	Thompson, N. J.
Diggs	Kilburn	Tollefson
Dingell	King, Pa.	Vursell
Dorn, N. Y.	Krueger	Watts
Eberharter	Miller, N. Y.	Willis
Feighan	Morrison	Wilson, Calif.
Fino	Mumma	Winstead

The SPEAKER. On this rollcall, 391 members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

RESERVE FORCES ACT OF 1955

Mr. VINSON. Mr. Speaker, I move the previous question on the conference report.

Mr. BRAY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the conference report?

Mr. BRAY. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BRAY moves to recommit the conference report on the bill H. R. 7000 to the conference committee.

Mr. VINSON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on agreeing to the conference report.

Mr. MASON. Mr. Speaker, on that, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 315, nays 78, answered "present" 1, not voting 40, as follows:

[Roll No. 129]

YEAS—315

Abbitt	Dodd	King, Calif.
Abernethy	Dolliver	Kirwan
Addonizio	Dondero	Kluczynski
Albert	Donohue	Landrum
Alexander	Donovan	Lanham
Alger	Dowdy	Lankford
Allen, Calif.	Doyle	Latham
Allen, Ill.	Durham	LeCompte
Andersen, H. Carl	Edmondson	Lesinski
	Elliott	Lipscomb
Andresen, August H.	Ellsworth	Lovre
	Engle	McCarthy
Andrews	Evins	McConnell
Arends	Fallon	McCormack
Ashley	Fascell	McDonough
Ashmore	Feighan	McIntire
Aspinall	Fenton	McMillan
Auchincloss	Fernandez	Machrowicz
Ayres	Fine	Mack, Ill.
Baker	Fisher	Mack, Wash.
Baldwin	Fjare	Magnuson
Barrett	Flynt	Mahon
Bass, N. H.	Fogarty	Mailliard
Bass, Tenn.	Forand	Martin
Bates	Ford	Matthews
Becker	Forrester	Merrow
Belcher	Fountain	Metcalf
Bell	Frazier	Miller, Calif.
Bennett, Fla.	Frelinghuysen	Miller, Md.
Bentley	Friedel	Miller, Nebr.
Berry	Fulton	Mills
Blitch	Gamble	Minshall
Boggs	Garmatz	Morano
Boland	Gary	Moss
Bolling	Gathings	Moulder
Bolton	Gavin	Multer
Frances P.	Gordon	Murray, Ill.
Bolton, Oliver P.	Granahan	Murray, Tenn.
	Grant	Natcher
Bonner	Gregory	Norblad
Bosch	Gubser	Norrell
Bowler	Gwinn	O'Brien, Ill.
Brooks, La.	Hagen	O'Brien, N. Y.
Brooks, Tex.	Hale	O'Neill
Brown, Ga.	Haley	Osmers
Broyhill	Halleck	Ostertag
Buckley	Harden	Passman
Burleson	Harris	Patman
Burnside	Harrison, Va.	Patterson
Bush	Harvey	Pelly
Byrnes, Wis.	Hays, Ark.	Pfost
Canfield	Hébert	Phillips
Cannon	Henderson	Pilcher
Carlyle	Herlong	Pillion
Carnahan	Heselton	Poage
Carrigg	Hess	Poff
Cederberg	Hiestand	Preston
Celler	Hill	Price
Chase	Hinshaw	Priest
Chatham	Hoeven	Prouty
Chelf	Holmes	Quigley
Chenoweth	Holt	Rabaut
Clark	Hope	Rains
Cole	Horan	Ray
Colmer	Hosmer	Reed, Ill.
Cooley	Huddleston	Rees, Kans.
Coon	Hull	Reuss
Cooper	Hyde	Rhodes, Ariz.
Corbett	Ikard	Richards
Coudert	Jackson	Riehlman
Cramer	James	Riley
Cretella	Jarman	Rivers
Cunningham	Jenkins	Roberts
Curtis, Mass.	Jensen	Robsion, Ky.
Dague	Johnson, Calif.	Rodino
Davidson	Johnson, Wis.	Rogers, Colo.
Davis, Ga.	Jonas	Rogers, Fla.
Davis, Tenn.	Jones, Ala.	Rogers, Mass.
Davis, Wis.	Jones, Mo.	Rogers, Tex.
Dawson, Ill.	Jones, N. C.	Rooney
Dawson, Utah	Judd	Rutherford
Deane	Karsten	Sadlak
Delaney	Kean	St. George
Dempsey	Kearns	Scherer
Derounian	Keating	Schwengel
Devereux	Kelly, N. Y.	Scott
Dies	Kilday	Scrivner
Dixon	Kilgore	Scudder

Seely-Brown	Teague, Tex.	Westland
Selden	Thomas	Wharton
Sheppard	Thompson, Tex.	Whitten
Short	Thomson, Wyo.	Wickersham
Shuford	Thornberry	Widnall
Sikes	Trimble	Wigglesworth
Siler	Tuck	Williams, Miss.
Simpson, Ill.	Tumulty	Williams, N. J.
Simpson, Pa.	Udall	Williams, N. Y.
Sisk	Utt	Wilson, Ind.
Smith, Miss.	Vanik	Wolcott
Smith, Va.	Van Zandt	Wolverton
Spence	Velde	Wright
Springer	Vinson	Young
Steed	Vorys	Younger
Taber	Vursell	Zablocki
Talle	Wainright	Zelenko
Taylor	Walter	
Teague, Calif.	Weaver	

NAYS—78

Adair	Green, Oreg.	Mollohan
Bailey	Griffiths	Morgan
Barden	Gross	Nelson
Baumhart	Hand	Nicholson
Beamer	Harrison, Nebr.	O'Hara, Ill.
Bennett, Mich.	Hayworth	O'Hara, Minn.
Betts	Hoffman, Ill.	O'Konski
Blatnik	Hoffman, Mich.	Philbin
Bow	Holifield	Polk
Boyle	Holtzman	Powell
Bray	Johansen	Rhodes, Pa.
Brown, Ohio	Kelley, Pa.	Robeson, Va.
Brownson	Klein	Roosevelt
Burdick	Knox	Saylor
Byrd	Knutson	Schenck
Christopher	Laird	Sheehan
Church	Lane	Smith, Kans.
Clevenger	Long	Smith, Wis.
Crumpacker	McCulloch	Staggers
Curtis, Mo.	McDowell	Sullivan
Denton	McGregor	Thompson, Mich.
Dollinger	McVey	Van Pelt
Dorn, S. C.	Madden	Wier
Flood	Marshall	Withrow
Gentry	Mason	Yates
George	Meader	
Gray		

ANSWERED "PRESENT"—1

Jennings

NOT VOTING—40

Anfuso	Hardy	Perkins
Avery	Hays, Ohio	Radwan
Boykin	Hillings	Reece, Tenn.
Buchanan	Kearney	Reed, N. Y.
Budge	Kee	Shelley
Byrne, Pa.	Keogh	Sieminski
Chiperfield	Kilburn	Thompson, La.
Chudoff	King, Pa.	Thompson, N. J.
Diggs	Krueger	Tollefson
Dingell	Macdonald	Watts
Dorn, N. Y.	Miller, N. Y.	Willis
Eberharter	Morrison	Wilson, Calif.
Fino	Mumma	Winstead
Green, Pa.		

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Hardy for, with Mr. Jennings against.

Mr. Avery for, with Mr. Radwan against.

Until further notice:

Mr. Keogh with Mr. Kearney.

Mr. Anfuso with Mr. Miller of New York.

Mr. Hays of Ohio with Mr. Reece of Tennessee.

Mr. Dingell with Mr. Dorn of New York.

Mr. Eberharter with Mr. Chiperfield.

Mr. Morrison with Mr. Fino.

Mr. Winstead with Mr. Hillings.

Mr. Shelley with Mr. Kilburn.

Mr. Boykin with Mr. Krueger.

Mrs. Buchanan with Mr. Reed of New York.

Mr. Byrne of Pennsylvania with Mr. Budge.

Mr. Chudoff with Mr. Mumma.

Mr. Thompson of Louisiana with Mr. King of Pennsylvania.

Mr. Thompson of New Jersey with Mr. Tollefson.

Mr. Macdonald with Mr. Wilson of California.

Mr. JENNINGS. Mr. Speaker, I have a live pair with the gentleman from Virginia, Mr. HARDY. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. PASSMAN changed his name from "nay" to "yea."

Mr. BAILEY changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. VINSON. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks in the RECORD on the bill H. R. 7000.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

OLD COLONY PROJECT, BOSTON HOUSING AUTHORITY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6980) providing for the conveyance of the Old Colony project to the Boston Housing Authority, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 2, line 5, after "determine" insert ", and the amount received for each project shall be reported by the Administrator to the Banking and Currency Committee of the Senate and the Banking and Currency Committee of the House of Representatives."

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Senate amendment was concurred in; and a motion to reconsider was laid on the table.

TRAVEL EXPENSE, UNITED STATES MARSHALS

Mr. LANE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4019) to authorize mileage allowance of 10 cents per mile for United States marshals and their deputies for travel on official business.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That United States marshals and their deputies shall, under regulations prescribed by the Attorney General and whenever such mode of transportation is authorized or approved as more advantageous to the Government, be paid in lieu of actual expenses of transportation not to exceed 10 cents per mile for use of privately owned automobile or airplane when used on official business or when used in necessary travel on official trips. In addition to the mileage allowance prescribed in this Act, there shall be allowed to United States marshals and their deputies reimbursement for the actual cost of ferry fares and bridge, road, and tunnel tolls.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That subsection (3) of section 553 of title 28, United States Code, is amended by striking out '7 cents' and inserting '10 cents' in lieu thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. LANE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2592) to increase the mileage allowance of United States marshals and their deputies from 7 cents per mile to 10 cents per mile.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. LANE]?

Mr. HOEVEN. Mr. Speaker, reserving the right to object, has this bill been cleared with the minority member of the Committee on the Judiciary?

Mr. LANE. Yes, it has been.

Mr. HOEVEN. And with the leadership on the Republican side?

Mr. LANE. Yes, it has.

Mr. HOEVEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That paragraph (3) of section 553 of title 28, United States Code, is amended by striking out "7 cents" and inserting in lieu thereof "10 cents."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The proceedings whereby a similar House bill (H. R. 4019) were vacated and that bill was laid on the table.

COMMODITY CREDIT CORPORATION

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table, the bill (H. R. 2851) to make agricultural commodities owned by the Commodity Credit Corporation available to persons in need in areas of acute distress, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. COOLEY, POAGE, GRANT, JENNINGS, HOPE, AUGUST H. ANDRESEN, and HILL.

AMENDING TITLE V OF THE AGRICULTURAL ACT OF 1949

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3822) to amend title V of the Agricultural Act of

1949, as amended, with Senate amendments thereto, disagree to the Senate amendments and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. COOLEY, POAGE, GATHINGS, GRANT, HOPE, AUGUST H. ANDRESEN, and HILL.

SPECIAL ORDER GRANTED

Mr. CARNAHAN asked and was given permission to address the House for 5 minutes today, following the legislative program of the day and the conclusion of any special orders heretofore entered.

SOUTHERN CALIFORNIA'S POSITION ON THE UPPER COLORADO BASIN STORAGE PROJECT

Mr. HOSMER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOSMER. Mr. Speaker, a football field is slightly more than an acre of ground. Cover it a foot deep with water and you would have about an acre-foot of water. Cover it with a tower of water 11,000 miles high, and you have an idea of the amount of water parched Southern California will lose if the upper Colorado Basin storage project is built as now planned.

Imagine a canal wide enough and deep enough to float the worlds' biggest ship, the Navy's new aircraft carrier *Forrestal*. Imagine that canal stretching from New York City to Los Angeles. During just 1 year, enough of the Colorado River's water to fill it could be stopped from flowing downstream at the project's gigantic Glen Canyon Dam.

That is water that could not be used by southern California, Arizona, and Nevada because it would be withheld upstream and never reach them.

All this is true because the multibillion dollar project is designed to put approximately 48 million acre-feet of water in storage behind dams in Colorado, Utah, Wyoming, and New Mexico. Another 10 million acre-feet of water would be dissipated into thin air by evaporation during storage.

In all, 58 million acre-feet of water would not flow down the Colorado River from the Upper Basin States of Wyoming, Utah, New Mexico, and Colorado to the lower basin States of Arizona, Nevada, and California.

Yet so vital is this matter in the lower basin that even today arid Arizona and California are before the United States Supreme Court litigating their rights to it.

California agrees that the upper basin is entitled to use some of that 58 million acre-feet, but contends that most of it must be left flowing down to the lower basin under provisions of a solemn contract entered into by these seven States in 1922 known as the Colorado River compact.

California's basic position is that she conforms to the compact and must insist that the States of the upper basin and the Federal Government do likewise in the planning and administration of the storage project. California thus is fighting only to preserve rights to water she already has and not for any new and additional water rights.

Relying on these existing rights, California carefully invested between one-half and three-quarter billion dollars of local money, not Federal money, for water projects calculated to make maximum use of her share of the Colorado River. Thereby, southern California was transformed from a semidesert into an oasis constituting one of the Nation's key economic and agricultural regions, supporting millions who migrated to her from borders from less hospitable climates.

As southern California continues to grow, her need for water becomes greater, not less. Should the bleak day ever come when her Colorado River water supply is cut off, on that day the jobs of the millions she supports will vanish and the value of everything they own that cannot be transported to another part of the country will be lost completely and forever.

That is why Californians in Congress are fighting so hard to prevent spending billions from the United States Treasury to build the upper Colorado project in such a manner as merely to transport the oasis of southern California to Wyoming, Colorado, Utah, and New Mexico. In the process, financial ruin would be imposed on almost 6 million southern Californians. These States can plan their projects without this disastrous result and California demands that they do so.

The reason they have failed so far to do it is clear. To find a common ground for agreement amongst themselves, each of the upper basin States had to accept every project, good, bad or indifferent, any of the others asked for. They ended up with a monstrosity that did not fit the interpretations and meaning of the Colorado River compact. Rather than recede, they adopted a technique of twisting, straining and distorting the compact in an attempt to stretch it over the monstrosity.

The reason they have adopted this technique is not so clear. To understand it requires some knowledge of the Colorado River compact and the situation that produced it.

Early in this century southern California already had begun its miraculous expansion in population, agriculture and industry. A water shortage was faced, and Los Angeles began reaching up into the Owens Valley for water to be transported through an aqueduct over 100 miles long. Even then, men of vision foresaw water needs beyond those satiable from the Owens Valley and began talk of more ambitious plans. Plans which one day would result in such great works as Hoover Dam, Davis and Parker Dams, the All-American Canal, and the Metropolitan Water District's vast Colorado River aqueduct with its extensions reaching even as far as San Diego.

Meanwhile the upper basin States were experiencing little growth or progress. A Supreme Court decision had laid down a rule of law respecting use of river waters which said that whoever first begins using them obtains a right to continued use that cannot be taken away by someone who later wants to use the same water. The upper States foresaw burgeoning southern California acquiring first rights to almost all the river's water before they were able to appropriate uses themselves.

In this circumstance, according to the language of Delph Carpenter, Colorado's negotiator of the compact:

> The upper States had but one alternative, that of using every means to retard development in the lower States until the uses within the upper States have reached their maximum.

And that exactly is what they did. The Boulder Canyon Project Act authorizing Hoover Dam was stalled in Congress for almost 10 years by the obstructive tactics of upper basin Senators and Congressmen. It was passed only after tribute had been extracted from California and the lower basin in the following manner:

First, imposing the Colorado River compact which removed at least 7½ million acre-feet of water from appropriation by them; and

Second, requiring the California Legislature to pass a law further limiting the amount of water to which the State could acquire first rights.

The net effect was to place on California a limit of slightly less than 5½ million acre-feet of water per year that she could use. Thus limited, the State had to jettison many desirable projects. Nevertheless, California went to work and tailored her developments on the river strictly to the limitations and to the intent and meaning of the Colorado River compact. Even with only a portion of the great dreamed of projects built, no place in time or history has experienced developments of water resources comparable in scope and magnificence to those of southern California.

It is the water rights which underlie those developments that Californians seek to protect when they oppose the upper Colorado River storage project and charge that it tramples these rights.

The upper Colorado River storage project now before Congress seeks the construction of 11 irrigation projects in the so-called upper basin States of Wyoming, Utah, New Mexico, and Colorado. These would irrigate about 200 square miles of new land and supply supplemental water to about 400 square miles of land irrigated inadequately at present. They are known as participating projects.

According to Government experts, they would cost about $300 million, and that amount would be repaid to the United States without interest over a 50-year period as required by reclamation law and precedent.

The participating projects would use an estimated 400,000 acre-feet of Colorado River water a year for irrigation, domestic and industrial purposes. This amount is well within what the upper basin is entitled to use and California cannot object on that score.

There is, however, a but to the proposal and it is a big one. It is that revenues from the sale of water from the 11 participating projects during the 50 years would bring in only about 15 percent of the money needed to repay the Government for its investment.

As a consequence the proponents of the projects had to look elsewhere for an additional source of revenue to pay the remaining 85 percent of the price tag within the time limit. They seized on the idea of building vast power dams and utilizing the revenues from the sale of power for this purpose. In the proposals before Congress, these are called storage projects to obscure their true "cash register" nature.

As a starter two power projects are proposed—one at Glen Canyon and one at Echo Park, within the boundaries of Dinosaur National Monument. Other power projects would follow later.

The Glen Canyon and Echo Park power projects are unrelated in any way to the 11 participating projects, except as cash registers. The latter could function to supply water entirely without Glen Canyon and Echo Park. Yet Congress is being asked to spend about $600 million additional for the power features for the sole purpose of paying the $300 million participating projects' cost.

It is little wonder that alert citizens throughout the Nation, concerned over the Federal debt and high taxes, have voiced opposition to the scheme. Federal taxpayers would be better off if Congress makes an outright gift of the 11 participating projects to the upper-basin States and forgets the power features completely.

It is with these power features that Californians have also a special concern. They would hold back, for power use, most of the 48 million acre-feet of water to be stored by the project. In the storage process, another 10 million acre-feet of water would disappear by evaporation. Thereafter, they would evaporate another 600,000 acre-feet of water per year, enough to supply the needs of a city of 3 million people. The magnitude of the evaporation is apparent when compared with the 400,000 acre-feet figure that is to be put to beneficial use by all 11 participating projects.

That is mostly water that thirsty southern Californians claim they are entitled to have flow downstream to their State and which cannot legally be withheld from them because of their prior right to it established by contract, appropriation, and the Colorado River compact.

The Colorado River compact was negotiated at Santa Fe, N. Mex., in 1922 by the seven States bordering on the river. It is a contract between these States and authority for such interstate agreements is found in the United States Constitution. Herbert Hoover, then winding up his affairs as World War I Food Administrator for starving Europe, acted as chairman during the negotiations.

The compact did not attempt to divide up water in the river as such, nor did it make any specific allocations of water as such to the States involved. Rather, it proceeded by regarding the river as consisting of three parts:

First, the upper basin: Wyoming, Colorado, New Mexico, and Utah;

Second, the lower basin: California, Arizona, and Nevada; and

Third, that part of the river which crosses the international boundary and flows in the Republic of Mexico.

The dividing line between the upper and lower basins was fixed at a point called Lee Ferry in northernmost Arizona, near the Utah border.

Thereupon, the negotiators proceeded to apportion beneficial consumptive use of the river's waters between the basins. The compact nowhere defines beneficial consumptive use, and its meaning is one of the issues in the pending Supreme Court suit by Arizona against California. In general, it amounts to use of water for irrigation, industrial or domestic purposes.

That kind of use of water in the amount of 7½ million acre-feet yearly was apportioned to each basin by the compact's article III (a). This totals 15 million acre-feet, and since that was not all the water the negotiators believed available, by article III (b) they permitted the lower basin to make use of an additional 1 million acre-feet of surplus water.

Having no authority to cut Mexico out of water to which she might legally be entitled, they wrote article III (c) saying Mexico was to have whatever might be determined by a later treaty. This, again, was to come out of surplus, but if need be, equally out of each basin's III (a) apportionment. A subsequent treaty fixed Mexico's entitlement at 1½ million acre-feet a year.

At this point the negotiators had disposed of 17½ million acre-feet of water a year, but they thought there was even more in the river so in article III (f) they set up machinery for a further equitable apportionment of remaining water at a later date. Subsequent experience with the river has shown not only that this additional water is nonexistent, but also that part of the apportioned water likewise is nonexistent. The river, in fact, averages a critical deficiency of almost 2½ million acre-feet a year.

Unless she desires to enter into a one-party suicide pact California must resist to the utmost the upper basin's bold attempt, by means of the upper Colorado Basin storage project as now planned, to charge almost all this deficiency against California's preexisting water rights.

Unfortunately, this is only one of many ingenious ways in which the attempted invasion of California's water rights is being conducted. There are about a dozen other provisions in the compact on which upper-basin proponents are placing weird interpretations trying to deny California and the lower basin even more water. Illustrative is the dispute involving article III (d).

Since the flow of the river varies widely from year to year, lower-basin negotiators insisted on guaranties preventing the upper basin from manipulating its uses between wet and dry years to the disadvantage of the lower basin. This turned up as article III (d) prohibiting the upper basin from depleting the amount of water flowing past Lee Ferry below a total of 75 million acre-feet in any period of 10 consecutive years.

In their desperate water grab, project proponents now contend this proviso, rather than amounting to a minimum guaranty to the lower basin, amounts to the maximum amount of water they are required to turn down the river. They say they can keep everything in excess, storing it for power purposes or making any other use or nonuse they desire.

They persist in this contention even in the face of an interpretation of the compact made by Herbert Hoover at the time it was negotiated, in his words, as follows:

> The compact provides that no water is to be withheld above what cannot be used for purposes of agriculture. The lower basin will, therefore, receive the entire flow of the river, less only the amount consumptively used in the upper States for agricultural purposes.

In the past California has not opposed upper-basin developments. Many projects in Utah, New Mexico, Wyoming, and Colorado have passed Congress without an objection from the Golden State. But when schemes are proposed such as this, that cut deeply into the vital water supply, like a man attacked in his own home, Californians must command their every means and skill for self-preservation.

That the proposed upper Colorado Basin storage project would euchre California out of vast quantities of Colorado River water to which she is legally entitled is well known and understood.

Two additional specific objections to the project must not be ignored by Californians:

First. It threatens seriously to impair the quality of water, if any, southern California might receive from the River after project construction; and,

Second. Power generating capacity at Hoover Dam would be curtailed and the lost power would have to be replaced at a cost of millions to southern California consumers.

No one contends the quality of the water even now received from the Colorado River approaches excellence. Millions of dollars have been spent for purifying devices to remove hardening alkalis and salts before use in homes and factories. Yet witnesses for the Bureau of Reclamation have told Congress they neither concern themselves with water quality nor recognize any responsibility whatever to operate the proposed project with regard to this vital subject.

Only after searching cross-examination would they admit that their files contained no more than the most sketchy information on the subject. Based on it they reluctantly confessed even the initial features of the overall project would raise these impurities by a thumping 12 percent when the water reaches California.

That figure would jump to 54 percent if additional projects now in the planning stage are added to those presently under consideration.

The reasons why southern California's water quality would suffer are simple: First, water returning to the river after new upstream irrigation uses would contain added impurities dissolved from the soil. Second, pure upstream water diverted in large amounts through mountains and out of the river system forever would not be available to dilute concentrated impurities further downstream. Third, water withheld in upstream storage reservoirs would likewise be for dilution purposes.

Competent engineers estimate 1.2 tons of alkali and salt would be added to every acre-foot of water available for use in southern California.

Irrigators use at least 3 acre-feet of water per acre in a year to grow their crops. That would deposit 3.6 tons a year of such impurities on every acre. Just how long soil could continue growing crops in face of this is speculative.

The effect would be similar in home and industrial water systems, to say nothing of the already irritated digestive tracts of almost 6 million southern Californians.

Adding further insult to these injuries, the project would cost home and industrial customers of the Southern California Edison Co., the Los Angeles Department of Water and Power, and other Hoover Dam power contractors an extra $2 million a year in higher electric rates. Gilmore Tillman, assistant Los Angeles city attorney, places the exact figure at $2,152,000 a year. This would be the cost of fuel oil burned in steam generating plants for replacement power, less what would have been paid for the same amount of Hoover power.

At the same time, and for the remaining life of the power contracts at Hoover Dam—until 1987—the Federal Government, and thus the United States taxpayers, would lose a total of $187 million in revenue from power not sold because there was no water to generate it.

This $187 million loss to taxpayers illustrates that there are substantial reasons not to build the upper Colorado River storage project in addition to those local to California. These reasons, shared by the citizens of all the 48 States, are varied and compelling.

Many people throughout the country find the project objectionable because Echo Park, one of its major power features, lies in the boundaries of Dinosaur National Monument. They point out that a precedent would be set for the invasion of any and all national parks and monuments by unsightly power facilities in disregard of the trust imposed on each generation of Americans to preserve these public shrines unviolated for future generations.

Naturalists also point to the possible destruction of, or at least damage to, Utah's famed Rainbow Natural Bridge during construction and operations at the Glen Canyon power site.

In their turn, taxpayers groups and economists attack the project's effect on Federal finances from several fronts.

Raymond Moley, one of ex-President Roosevelt's brain trust, has stated that by the time compound interest for 50 or 100 years is paid on the $1 billion the United States must borrow to construct the project, costs will run to not less than $4 billion. Even simple interest at 2½ percent amounts in 10 years to 25 percent of the money borrowed; in 40 years to 100 percent; and in 80 years to 200 percent.

Moley's figures indicate the total cost would amount to more than $5,000 per irrigated acre. So poor is most of the land, located as it is at high elevations where growing seasons are short, that even after irrigation its value will average only about $150 an acre.

In all, about 600 square miles would be irrigated to produce surplus crops involving further losses to taxpayers when purchased under price-support programs. Even if needed, certainly there lies somewhere within the borders of the entire United States another 600 square miles of land that could be brought under cultivation at a cost significantly less than $4 billion.

Project proponents point out that the Government can expect to recoup part of its outlay by selling electricity from power features. However, their calculations are based on selling power for 6 mills per kilowatt-hour for the next 75 or more years. This anticipation is utterly unrealistic because production cost of electricity from both conventional and nuclear fuels is plummiting. With these costs at far below 6 mills in the foreseeable future, the net effect will be to leave the project's vast hydroelectric facility on the backs of Federal taxpayers as the most monumental white elephant in history.

There is a further fundamental concern pointed to by economists which must be faced both by the Nation and the people living in the upper basin who are even more directly involved. It is that the region is unbelievably rich in natural resources: Coal, oil, natural gas, oil shale, uranium, gold, silver, copper, lead, zinc, molybdenum, vanadium, phosphate, and many other minerals.

The resources utilized toward development of an unlimited industrial economy, not a limited farm economy, are the real keys to the area's future and to its full contribution to the American way of life.

Water resources in the area are of measurable quantity and their potential benefits in an agricultural economy not great. On the other hand, the benefits which they can bring in a program of industrial expansion are immeasurable.

Should not this region, and must not the Nation, insist that the course of development be pursued which is to the greatest good of all?

It is clear that Californians must oppose the upper-basin storage project to protect the quantity and quality of their Colorado River water supply and to protect an important source of their electric power.

It is equally clear that all other Americans should join in this opposition for protection of the Nation's finances and in pursuance of a sound national policy to develop each part of our homeland to its own, and to the country's highest good.

The whole upper Colorado project must be revamped to the end that it ultimately will produce results instead of merely consequences.

THE SUMMIT CONFERENCE

The SPEAKER. Under the previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I read to the House last week, the day before the President left for the conference at Geneva, a letter I wrote him—wishing him godspeed from Washington—and telling him that all of the people from the days of Lincoln to the present time were behind a President who wanted honor and integrity and peace for our country.

I told him that every one of us was back of him solidly in hoping for a peaceful settlement at Geneva. I believe a long step has been taken toward peace—and well received, from accounts that come to us from across the water—even the people in the streets of Soviet Russia seem pleased with the results of the first step at Geneva. Whether they recognize the Divinity or not, I believe they are hoping that somewhere there is a Supreme Being who has guided this step toward peace. Certainly no one in the world would want another war, a war more horrible than the ones we have had.

I believe President Eisenhower will succeed in the end in securing a just peace with honor. I do not believe there is a Member of Congress here today or anybody in the country who has not hoped and prayed, even the Communists, that the President would have success at Geneva.

NEEDS OF THE SCHOOLS

The SPEAKER. Under the previous order of the House, the gentleman from West Virginia [Mr. STAGGERS] is recognized for 30 minutes.

Mr. STAGGERS. Mr. Speaker, what will a nation profit if it has control of atomic energy and loses an adequate educational system?

Day after day, week after week, month after month, and year after year, the United States Congress stands by and permits the deterioration of our school system without lifting a finger to remedy it.

We debate and discuss hundreds and thousands of subjects that are far less important than the future of America's schools. We can postpone the issue no longer. We must face up to the fact that the crisis is here. Not tomorrow, not next year, nor the next Congress, but today—we must act. Schoolhouses are bursting at the seams; teachers are leaving the educational field for greener pastures; methods need revision and improvement; and leaders are few and far between. The picture is indeed dark.

Although we recognize that educating its youth has been the responsibility of the respective State, we cannot close our eyes to the fact that many States are unable to provide adequate and proper educational facilities. Therefore, education

becomes a national problem—one that Congress can no longer ignore.

I call upon this Congress to assume its responsibility to our youth by bringing up and enacting a school construction bill—a good one, but only, I hope, a small beginning of a great educational horizon. This is the turning point—either we decide now to go the right way and provide the means to help our youth, or we go the wrong way and continue to ignore and postpone. You know and I know that America's youth is its greatest wealth and we shall fail God if we fail them.

We spend millions and billions of dollars for atomic research and development. Should we not be equally alert to the importance of education? Educating our youth scholastically, physically, and spiritually is our greatest responsibility—our greatest defense.

Out of the historical development of American life have come the ideas, the aspirations, the knowledge, and the purposes which set the task of public education. Learning, reason, and faith in an enlightened populace were an integral part of the pioneering, adventurous spirit that in 1776 and in 1787 dared to place the destiny of a people in their own hands—that dared to trust the future of an infant tottering nation to the wisdom and considered judgment of the many rather than to the few—that dared to believe the combined wisdom of all the people, when brought to a focal point on matters of common concern, was better than the thinking of a small select group. It was in this spirit that our Nation was conceived and brought into existence. It was in this spirit that the public school was born and its broad purposes delineated.

Our Republic was born in an age in which people firmly believed that understanding and reason could lead to a better way of life. The spirit in which it was conceived by hardy frontiersmen glowed with an intense love and thirst for freedom, respect for the worth and dignity of each individual and an almost unbounded optimism in the future. In this boldly conceived plan of government the strength and wisdom needed to build a nation and characterize its people would not flow from a single center but would emerge from the thousands of cities, towns, villages, and hamlets that dot the landscape and from the millions of individuals who populate them. A great trust was placed in the understanding and considered judgment of the people. A strong incentive was placed on learning. The lives and fortunes of individuals, the character of institutions, the nature and scope of economic enterprise, the destiny of the Nation itself were made to depend on the wisdom of the people's decisions on common issues and on the understanding and skills with which they faced the daily tasks of living. The great purpose of education—of the public schools—was pointedly and forcefully stated in the often repeated statement of Jefferson:

> If a nation expects to be ignorant and free in a state of civilization, it expects what never was and never will be.

The importance of people as individuals, no matter who they were or where they lived, their freedom to make choices, their rights in self-government, their responsibility for developing and using their own abilities and enjoying the fruits of their labors are the pillars upon which our way of life has been built and upon which our Nation rests. But the Founding Fathers wisely realized that the formation and formal adoption of great principles of liberty and freedom, no matter how nobly they were conceived or how eloquently they were uttered, were not enough to insure the development of a nation of free people. Ideals had to be clothed with meaning that could be readily comprehended by the common people; abstract concepts had to be brought into the abstract setting of the rough and tumble of everyday life; principles had to be translated into a day-by-day, working philosophy for farmers, and miners, and lumbermen, and traders, and seamen.

To clothe these ideals with meaning for every citizen; to make concrete application of abstract conceptions; to make these principles work; to keep these values basic to the well-being of our country alive and vibrant in the hearts and minds of a widely spread, diverse population; to give people the understanding and vision needed to make intelligent choices and sound decisions on issues of individual and common concern; to develop the abilities of every individual to the greatest extent possible so that he could contribute a full measure to the life of his community and Nation became the great purposes of the school.

How well have the schools kept the trust bestowed upon them? How well have they met the great challenge extended to them? The answers to these deep and perplexing questions must be sought in the values that stir the ambitions, guide the decisions, and motivate the actions of the people whom the schools have served.

Prof. George Counts has aptly pointed out that the essence of any civilization is found in its values, its preferences, its moral commitments, its loyalties, its standards of excellence, its measures of success, its teachings regarding the things for which and by which men live, and, if need be, die. It is from this vantage point that the institution of public education in America should be viewed.

The true greatness of America in the past, as it will be in the future, has not been in its busy lanes of commerce, its mighty industries, its complex network of communication, its productive farms, or its valorous military units, great, and powerful, and important as they have been. But, rather, its true greatness has been in its high regard for the worth of man, the dignity with which it has clothed him, the freedom it has bestowed upon him, and the opportunities it has extended to him to develop his strength and prove his powers.

It is these values and traditions that have made oppressed people all over the world turn toward America with longing eyes and knock on her door for admittance. It is these values and traditions that have made peoples in the free world turn toward America for leadership in this hour of crises. It is these values and traditions in which the true and enduring greatness of America lies. It is these values and traditions which the schools have sought to preserve and to perpetuate.

Guided by the values and traditions gleaned in a large part from their school experiences people have over the years since the beginning of our Nation faced great issues and made decisions that have extended voting privileges to more and more people, to nonproperty owners and to women; enacted child labor laws to protect the young against exploitation; taken many steps to protect the health and to provide for the safety of workmen in mines and industries; provided for the care and comfort of people in unfortunate circumstances due to old age, illness, unemployment, and dire disaster; made great strides in improving the lot of the Negro race; given laborers an opportunity to share with management in determining the policies and conditions under which men work.

Each of these and many other comparable achievements have been accomplished through the consideration and decision of a large number of people who had been served by the schools. They got hold of and hung onto the principle that the individual person—no matter who he is or where he lives—is important. Had they not ardently believed in this principle and steadfastly held onto it these accomplishments could not have been made. Viewing these accomplishments with reason and considered judgment, there are but few who would maintain that the schools have not met the challenge extended to them with glowing success.

In our appraisal of what the schools have contributed to our way of life we must not overlook the importance they have played in the phenomenal growth of business, industry, commerce, and agriculture. In commenting about what schools mean to American industry Frank Abrams, of the Standard Oil Co., recently commented:

> No institution, no corporation—especially none operating in world markets where the diversity of the human race is most easily observed—can fail to recognize that the ability of our own country to progress is owed to our national acceptance and promotion of universal education as much as to anything else.

Mr. Abrams continues:

> I believe education has done more to create and expand business than any other force in America. (From an address before the national convention of the American Association of School Administrators, Atlantic City, N. J., 1953. Official convention report, pp. 103–112.)

The United States Chamber of Commerce from a study of the relationships between education and economic enterprise concluded that money wisely expended for education was a sound business investment. In this study this group of businessmen found that farm income, retail sales, and magazine circulation increased with schooling—United States Chamber of Commerce, Education, An Investment In People.

From my own experience as a pupil and a teacher in the public schools of West Virginia I recall that the public

schools led the way in improving farm practices. Research in the land-grant colleges had shown that better seed selection, use of fertilizer, and improved cultivation would greatly increase the yield of corn per acre and add substantially to farm income. But this was research—book learning. It had little value until it was translated into practice and farmers were slow about adopting these measures.

What happened? Agricultural leaders turned to the schools. The schools taught the children how to grow more corn on an acre and the children taught their parents or in time became the farm operators themselves. The same procedure has been followed in the improvement of hogs, and sheep, and cows, and poultry. This education process has been so successful that the amount of agricultural production has now become a problem of excess rather than limitation.

I recall seeing the schools in my State as they did, I am sure, in many other States take the lead in developing an understanding of the values and methods of contour plowing and strip farming as a measure of soil conservation. I watched children with their teachers studying the destructive forces of water and wind erosion, planting trees on barren eroded slopes, and experimenting with various types of cover crops. They were getting the understanding and experience needed to make intelligent decisions about the proper care and use of soil, one of the greatest natural resources. Failure to completely resolve this difficult national problem is not due to the shortcomings of the school. Rather it is due to the shortsightedness of governmental bodies that failed to give them enough resources to do the job well.

Throughtout our history the people of this country have exemplified a great faith in education, in the public schools. Time and time again they have turned to them when confronted with difficult problems. The schools have been called upon to assist in improving sanitation and nutrition and in controlling communicable diseases as long-range health-improvement measures. They have been given large measures of responsibility for curbing juvenile deliquency, improving home and family life, preparing for the defense of our country against aggression, and strengthening the moral fiber of our citizenship. There are but few who maintain that the schools have not met the great challenges extended to them again and again with marked success. No matter where we look the results speak for themselves.

With each passing decade the importance of knowledge and reason and technical skills—the importance of the public schools—has increased with snowballing proportions:

First. The application of science to business and industry, the mechanization of agriculture, the phenomenal developments in communication and transportation that have made people in the most distant parts of the world neighbors, whom we must learn to know and to live with, have created needs for skills, information, and breadth of understanding that were scarcely dreamed of a generation ago. There is so much to know, so much need for ability and understanding when the fate of free men might well depend on a single move or event at the national or international level.

Second. Rapid urbanization of the population has confronted millions of people with complex social problems completely foreign to their former experiences in a simpler agrarian life. Shall they be let drift until disastrous consequences arise or until a self-appointed leader takes advantage of an opportunity to exploit the situation for his own selfish purposes or shall they be met in the traditional American way through understanding and reason developed through education?

Third. Nuclear fission has unleashed a source of physical power almost too great for the unscientifically trained mind to envision or comprehend. If properly harnessed and controlled, it can bring untold comforts and blessings to mankind. If improperly managed and utilized for wrong purposes, it might lead to complete extermination of mankind from the face of the earth.

Fourth. An ideology foreign and antagonistic to the basic principles upon which our Nation was established has reared its powerful head and is striking with telling impact at our ideals, institutions, and traditions. At the moment we are on the defensive against this terrifying force.

Fifth. Social, political, and economic problems and issues at local community, State, and national levels become increasingly complex from year to year and make an imprint on the lives of people in every part of the country with greater rapidity. What understanding must the typical citizen have to form clear opinions and sound judgment about the many issues pertaining to:

(a) The future of TVA and public power?

(b) Management of the public domain?

(c) Government subsidies for farmers?

(d) The surplus of agricultural commodities?

(e) A guaranteed annual wage for laborers?

(f) The proposed Bricker amendment?

(g) The functions of the Atomic Energy Commission?

These are but a few of the momentous problems and issues that confront American citizens—American housewives, farmers, businessmen, laborers, industrial managers, people in all walks of life. All are concerned. Their jobs, the welfare of their families, their future, the future of their institutions, the future of the economic enterprise on which they depend for a livelihood, the future of their communities, the future of the entire Nation depends on the manner in which they are resolved. It is out of these issues that the great need for public enlightenment emerges. Never before has there been a greater need for vision and wisdom, technical knowledge and skills. Never before has the challenge to the public schools been so great.

How well are the schools prepared to meet this challenge? Are they well housed, well financed, well manned? Are they in the condition of a well-equipped task force that has a vital mission to perform? Quite to the contrary they are poorly equipped, understaffed, inadequately housed, and meagerly financed:

First. More than half of the classrooms in use are overcrowded—providing less than 30 square feet per elementary pupil and 25 square feet per high school pupil.

Second. Fourteen percent of the classrooms provide less than 15 square feet per pupil.

Third. Two classrooms out of five have more than 30 pupils in them. Nearly 1 in 10 has more than 40 pupils.

Fourth. Nearly half of the school buildings are over 30 years old. One in five is over 50 years old.

Fifth. Two children in five are in buildings that do not meet minimum safety requirements.

Sixth. Nearly 700,000 children are attending school on a double session basis. One and a half million children are going to classes in rented buildings or in buildings not designed for school use—NEA Legislative Division, Room to Learn, special pamphlet, 1955.

The situation so far as the instructional staff is concerned is no better. The best information available shows that 1,126,000 teachers, principals, and supervisors were employed during the school year of 1954–55 in the public elementary and secondary schools. But that was not nearly enough. More than 58,000 additional teachers were needed to reduce class size to the reasonable maximum of 30 pupils enrolled. Eighty thousand teachers were teaching on emergency certificates; 75,000 teachers left the profession; 173,000 new teachers are needed to replace the dropouts, replace people who are teaching on emergency certificates, and to care for increased enrollments. Teachers' colleges are graduating about 95,000 persons each year but only 40 percent of this number go into teaching largely because of more remunerative employment opportunities elsewhere. The average annual salary for all classroom teachers in 1954–55 was $3,816. Almost 12 percent received an annual salary of less than $2,500—NEA Research Division, Advance Estimates of Public Elementary and Secondary Schools for the School Year of 1954–55. Issued in October and November 1954.

In my own State of West Virginia the average annual salary of the more than 16,000 teachers employed in the elementary and secondary schools during the school year of 1954–55 was $2,975.

Twenty-four percent received less than $2,500.

More than 1,000 will leave their jobs this year—37 percent of this number will go to other States that pay higher salaries—10 percent will enter other types of employment.

One thousand four hundred teachers who were employed did not fully meet the State's standard certification standards. They taught on emergency certificates.

Average expenditure for current expense purposes per pupil in average daily attendance in 1954–55 was $178 as compared with $261 for the country as a whole.

On every hand there are indications that people in this country are more keenly aware than ever before of the important role of public education in our way of life. On every hand there is compelling evidence that people believe a well-informed, enlightened citizenry is the strongest safeguard of freedom and the sturdiest bulwark against the threats of tyranny and oppression.

The National Congress of Parents and Teachers has its largest and most active membership in its entire history. More than nine million members are engaged in ceaseless efforts to improve the schools in their States and local communities.

In thousands of communities groups of lay citizens are working with their school boards and superintendents as advisory committees studying school problems and seeking for ways to secure additional school financial support.

Farm organizations, labor organizations, and associations of business leaders have taken strong positive positions on important educational issues.

Daily and weekly newspapers, magazines, and radio and television broadcasting stations are giving increasing attention to educational problems and issues.

Local and State governments have made great efforts and noteworthy accomplishments toward meeting this nationwide educational problem.

The best information available shows that 60,000 classrooms were built last year, but this was not nearly enough. There is still an accumulated shortage of 300,000 classrooms and increasing enrollments match the capacities of States and local districts to construct new buildings.

Teachers salaries have been raised substantially during the past decade but not enough. Teachers are still leaving the profession for better paying positions and the number of persons employed with emergency certificates is increasing.

Great efforts have been made to increase enrollments in teachers' colleges but more than half of the graduates from these institutions enter occupational fields other than teaching because of more favorable salary schedules and work conditions.

The basic fact underlying this educational dilemma is that the task of providing for the educational needs in the different States and localities has outgrown and overburdened the governmental structure in years past to perform this function. The situation is not wholly unlike the conditions that would have prevailed if roadbuilding and maintenance had been left as the responsibility of the townships, counties, and States. These units of Government could do very well with the relatively few 1930 model cars but would be completely overwhelmed with 1955 traffic needs.

There is much evidence to support this conclusion. The school building study made cooperatively between 43 different States and the United States Office of Education indicates that, if the States and localities make full use of available resources for school building construction, there would still be an existing need for classrooms that could not be met amounting to from $4 to $6 billion—NEA Legislative Division, Room To Learn, special pamphlet, 1955, page 6.

In my own State a special session of the legislature convened to appropriate money for raising teachers' salaries adjourned without finding a solution to the difficult problem.

What assistance is the Federal Government giving in meeting these grave educational problems? Have there been constructive steps taken comparable to—

First. The Morrill Act which established the land grant colleges?

Second. The Smith-Hughes Act which initiated vocational education at the secondary school level?

Third. The Veterans Education Act of 1944?

No positive steps of this nature have been taken. Calling a conference to talk these conditions over is about all that has been done. And even more discouraging is the recently published report of the administration's special committee on intergovernmental relations. Rather than coming forward with positive recommendations the section of this report dealing with Federal responsibilities in the field of education recommends that—

First. Federal financial aid for school lunches be tapered off and stopped as soon as possible.

Second. Federal financial aid for vocational education—vocational agriculture, homemaking, trade and industrial education—be tapered off and stopped except where clear national interest is involved.

Third. Federal aid is not necessary either for current operating expenses for public schools or for capital expenditures for new school facilities. Local communities and States are able to supply both in accordance with the will of their citizens.

It is in this light that the great contributions of the public schools to perpetuating and implementing the ideals of democracy, to developing and stabilizing the economy, to upgrading standards of living, to improving physical health and well being, and perfecting the institutions of this country are viewed by national leadership. Could this be another example of "fiddling while Rome burns"?

Again I ask, "What will a nation profit if it gains leadership in atomic research but fails its youth?"

GREETINGS TO EGYPT UPON ITS ANNIVERSARY

The SPEAKER. Under the previous order of the House, the gentleman from New York [Mr. POWELL] is recognized for 30 minutes.

Mr. POWELL. Mr. Speaker, this past Saturday, July 23, was the anniversary of the independence of Egypt.

When I came back from Bandung I said I thought it would be a very fine gesture of good will if on the occasion of the anniversary of independence of each one of the countries represented at the Bandung conference some Member of this Congress would rise and send greetings, except, of course, for those countries such as Red China and North Vietnam. So I rise to send greetings to the Prime Minister of Egypt and the country of Egypt.

I wish to applaud the efforts the Israeli and Egyptian Governments are making now to bring about peace in the Gaza strip.

This summer I plan to spend as much time as possible with the Prime Minister of Egypt, Mr. Nasser, Mr. Moshe Sharrett, and with Mr. Ben-Gurion of Israel. I hope that some good will and some relaxing of tension may be brought about by meeting with them. So that when the next Asian-African conference is held Israel will be one of the nations present.

I applaud Mr. Ben-Gurion's statement of yesterday that he is willing to meet Mr. Nasser or his delegate anywhere to discuss relaxing tensions between Egypt and Israel.

On May 23, Premier Moshe Sharrett said:

> Would Israel grant the Arabs transit rights across its territory?
>
> Transit rights would be a possible subject of discussion at a peace-table settlement. Actually Israel is not aware of any regular traffic having been jeopardized by Israel's establishment. Also, the Arab counries have alternative routes by sea.
>
> If they can make out a case for the need for contact in terms of traffic, that can be discussed—always subject to the preservation of the full territorial integrity and sovereignty of Israel.
>
> The far south is not the only area where the transit question may arise. Perhaps sometime there may arise a desire to revive the railroad traffic between Cairo and Beirut, or to link our port of Haifa with the Kingdom of Jordan. In such cases, our facilities would be available. We don't want to live here in isolation or in seclusion. With us at a crossroads, it becomes our international obligation and it may even become our interest to grant transit rights—subject to an all-out peace and reciprocity in trade relations, including the lifting of the Suez blockade and Arab boycott.

Now this is the major cause of friction and I believe with Mr. Sharrett it can be solved.

By this time next year there might be peace in the Middle East. Toward this let us all work and pray.

I would like to thank His Excellency the Ambassador from Egypt, the Honorable Ahmed Hussein, for his help.

EGYPT LOOKS FORWARD

Known everywhere as the "cradle of civilization," Egypt—which its citizens call Misr—has a recorded history going back nearly 6,000 years. Achievements of the ancient Egyptians in science, mathematics, medicine, art, law, and government are a source of amazement to modern scholars.

But, Egypt today has its eyes toward the future, as its new regime works to develop its productivity and raise the living standards of its people. Here are some of the projects now being pushed to completion:

A $50 million steel industry, to produce 200,000 tons annually.

A giant dam on the Nile River, which will add 2 million acres to Egypt's arable land, make possible 1 or 2 additional crops per year on another 700,000 acres, and produce 10 billion kilowatt-hours of electricity per year to power new industries. The dam will

cost $516 million, but will increase Egypt's national income by $430 million a year.

A 10-year, $87 million highway program.

A 7-year, $60 million program to enlarge and develop the nation's telephone system.

A 5-year, $57 million railway improvement program.

A 10-year, $33 million project to improve inland waterways.

The Government has taken important steps to improve opportunities for foreign investors; and one of the first major results has been a large-scale search for petroleum, for which millions of dollars are being spent by Egyptian and foreign companies. Prospects are believed to be highly promising.

Finally, I would like to personally congratulate the Premier of Egypt, Gamal Abdel Nasser, who made such a striking impression at Bandung. The following is an article written by him:

THE EGYPTIAN REVOLUTION

(By Gamal Abdel Nasser)

For a century and a half the Arab world has been following a negative policy. It has known what it wanted to do away with, but it has not known what it wanted to build. The western conquest of the Middle East was mental no less than physical. Overwhelmed and unsettled, eastern minds lost almost all national values, yet could not absorb western values. Misapplication of western patterns of government brought a confused mixture of political systems and philosophies. Democracy was only a veil for dictatorship. Constitutions framed in the interest of the people of the Middle East became instruments for their exploitation and domination.

Egypt's story in these years centers upon the effort to free the country from a foreign yoke and to find a policy capable of eradicating the evils accumulated by feudalism and compounded by misuse of governmental power. It was a long and painful search. Egyptians hoped for leaders to champion their cause and defend their interests, but politicians and factions for the most part made themselves subservient to the forces that were ravaging the country—British rulers, corrupt monarchs, feudal overlords, a non-Egyptian ruling class and its Egyptian satellites.

The British had occupied Egypt with the tacit consent of Khedive Tewfik, great uncle of ex-King Farouk, following the patriotic revolt led by General Arabi. The Khedive, who had concentrated all power in his own hands and used it to benefit himself and his family, feigned acceptance of the reforms demanded by Arabi, while opening the doors to the British who sought a pretext to justify an occupation of Egypt. In 1882 naval units of the British Fleet bombarded Alexandria, Egypt's second capital and the biggest port of the Mediterranean, and landed troops. These troops met stubborn resistance. The entire garrison of General Arabi's men in the Alexandria forts defended their positions to the last man, but in the battles that ensued, Arabi's army was defeated with the Khedive's connivance, and the British occupation began.

There were indignant protests, international as well as Egyptian, and the British, sensing that their status was not legitimate, soon announced that the occupation was only a temporary measure to achieve a particular objective—the reinstatement of the Khedive. In point of fact they intended to stay indefinitely, and did so. They always said they were on the point of leaving, and always found an excuse to stay. At first they claimed they were in Egypt to protect the foreigners against the Egyptians, although the foreigners never asked for their protection; then they claimed they had to stay to protect the Christian and Jewish minorities against the Moslems, overlooking the fact that the Christians and the Jews had joined the Moslems in demanding the withdrawal of the British forces from Egypt. The defense of the Suez Canal and the maintenance of their lines of communication with India and their Far Eastern empire were further pretexts. When World War II came they said they could not go because the Suez Canal was an important base, and after World War II they explained that they had to stay to safeguard the interests of the free world.

From the outset, the British sapped the strength and the moral energies of Egypt. They disbanded the Egyptian Army and created a token force commanded by British officers. British advisers were installed in every department of government and vested with power to exercise full control. Education, at that time developing on a national basis, was disestablished. It became the function of the educational machinery to produce government officials divorced from the claims of national experience. Projects for higher education were also discarded. Financial policy impoverished the country. The Egyptians had to pay the cost of occupation and open the country to British companies and foreign agencies. Chartered monopolies dominated the Egyptian market.

This system of foreign rule was built on the corrupt monarchy and the feudal system that had been instituted under Mohammed Ali, who reigned from 1805 to 1849. He had taken for himself an absolute monopoly of land and resources, treated farmers as slaves, and created a new feudal class formed by his own family and his clique composed mainly of aliens. Those were granted large allotments of land and exempted from taxation. This monopolistic system was extended to commerce and industry (with the entire destruction of free enterprise as a result), and the money thus collected was not used for the national welfare but spent lavishly on wars serving Mohammed Ali's own ambition. Hence the cleavage between the ruling family and the enslaved masses, and the seeds of hatred that germinated and flowered throughout the reigns of his successors, Ibrahim, Ismail, and Tewfik. And it was this corrupt and rapacious system that was fastened upon the Egyptian people when the British intervened to keep Tewfik in power.

Thought the absolute state monopoly of land and commerce was later dissolved and private ownership and free enterprise were permitted, crushing taxation withheld from the Egyptian farmer the fruits of his labor. Foreign business, which under the system of privileges known as the Capitulations operated free from all taxation, easily dominated the emerging Egyptian commercial class. The banking system that had been established at the time of Khedive Ismail was designed to serve only the interests of the vested class. Farmers were compelled to deal with jobbers who strained their scanty resources.

With the end of the First World War, however, there came a remarkable rise in the prices of agricultural products, and this enabled the farmers to repay part of their debts and cultivate different sorts of crops which could be disposed of more easily. Nonetheless, with the coming of the next World War, 1,751,587 Egyptian farmers owned less than 1 acre, and 571,133 farmers owned from 1 to 5 acres. A great mass of the agricultural population owned nothing. Nor did this state of things improve noticeably in the next 10 years. In 1950 there were 618,860 owners of parcels of land from 1 to 5 acres in size, an increase of only some 47,000.

Nowhere did the rulers of Mohammed Ali's family discharge their obligation to their people. Human activity operates between the two poles of right and obligation—a principle which applies ultimately to governor and governed. It is admitted that a man's duty corresponds to a right for another. The governor, then, is subject to rights and duties. His failure in fulfilling his duties—which are rights from the standpoint of the people—entails resistance on the part of the nation to secure these rights.

The problems confronting the Egyptian nation have thus for a long period seemed to fall into two parts: a struggle between the nation and its rulers, on one hand, and a struggle between the nation and foreign intervention, on the other. National struggle against foreign influence relates primarily to the sovereignty of the state, and derivatively to liberating the financial and economic resources of the state and administering them in the interest of national reconstruction.

And so the Egyptian nation carried on the battle to find constitutional stability, along with a second battle for sovereignty and self-government. One aspect of this was the struggle for autonomy in financial matters, and beyond that for an increase in individual and national incomes and a lifting of cultural and social standards. The problem was to restore human dignity in Egypt.

Throughout the period national struggle assumed different forms, some pacific and some revolutionary. The first was based on argument and logic, giving rise to the formation of political parties and the founding of newspapers and magazines to enlighten public opinion. But whenever the nation understood that peaceful methods would not avail, recourse was had to force. So Egypt had to pass through three revolutions: the Arabi revolution, the revolution of 1919, and the revolution of July 1952. Any revolution, which fails to realize its basic objectives inevitably lays the seeds for a subsequent uprising. Our national struggle was therefore one continual and unremitting battle, despite intermittent weaknesses. Always there were the 2 great objectives—to check despotism and make the nation itself the source of powers, and to put an end to foreign intervention and the usurpation of Egypt's resources.

In 1936, a treaty provided for the ending of British occupation, but it also required a permanent agreement between Egypt and Britain—a provision very likely to mean permanent occupation. After 1936 the British took the opportunity of party frictions to renew their intervention in Egyptian affairs. The thirst of party leaders after power was also utilized by King Farouk to realize personal ambitions at the expense of the vital interests of the people. He claimed exemptions from taxation and got control of thousands of acres of state property and entailed land. Merit was no criterion for rewards, nor was there any equality of opportunity; privileges were reserved for relatives and favorites of ministers in power. The results were nepotism and corruption. Egypt had a working constitution, but it veiled arbitrary rule.

When Arab countries felt the enthusiasm to rescue Palestine the Egyptian Government was ill prepared for the task. Mismanagement and corruption by the King's clique, which included trading in defective arms, rendered fruitless the bitter sacrifices made by the Egyptian Army which would otherwise have secured victory. The war revealed the extent of evils which pervaded the court and government, and stirred the nation to protest. An attempt was made to divert the attention of the masses to external issues—the key to the abolition of the 1936 treaty. Its abolition was certainly consonant with the national desire, and would have been a genuinely national achievement had the government taken the necessary measures of reform afterward. It did not. Hence the formation of "liberation commando squads." But while these operated in the canal zone, there came the shamelessly contrived burning of Cairo on

January 26, 1952. The commandos were paralyzed and the gap between the government and the governed widened.

II

Revolution was the only way out. And it came in 1952, led by the army and backed by the nation. In the prerevolutionary period the army was an instrument in the hand of despotic rulers who used it against the nationalist movements. Now it understood its position and joined the ranks of the people to herd the movement of national liberation.

This revolution, it will be understood, has been markedly bloodless in character because it is in essence the expression of a sentiment long suppressed but harbored in the heart of the nation. It was purely national with no international intervention. Conscious of the trend of events to follow, it realized its objectives within a shorter time than expected. The nation had sworn allegiance to Mohammed Ali in the attempt to overthrow the rule of the Mamelukes, but Mohammed Ali and his descendants unfortunately forfeited this loyalty, embarking on despotic enterprises and usurping the rights of the people. Thus it was an unconditional imperative that the revolution should overthrow the ruling dynasty, reclaim its birthright, and restore the lost national prestige. So it deposed the monarch, abolished monarchy, and established the Egyptian Republic.

As the pre-revolutionary public life had grown corrupt and effete through tampering with the constitution, and as the political parties had joined in the despotic rule contrary to the interest of the nation, it was necessary that the revolution should suspend the constitution, dissolve political parties, and frame a new constitution consonant with the new national aspirations. And because the government machinery was corrupt, it had to be cleansed and reformed.

Since national wealth was inequitably distributed and predominantly feudalistic, the revolution enacted the agrarian reform bill which set a ceiling on land ownership and rent, and provided against the breaking up of holdings not exceeding 5 acres. It also regulated the relation between landlord and tenant, by legalizing certain tenant rights. The Agrarian Reform Board is distributing the surplus areas, together with the land confiscated from Mohammed Ali's family, among the bulk of poor peasants. This land reform bill was, in the main, designed to liberate the bulk of peasants from the feudalism which was a corollary of the system of land tenure.

As the major concern of the revolution was the realization of state sovereignty, it was imperative that the British forces should be evacuated entirely.

The revolution also had a definite program for reconstruction. It began to develop the potential resources of the country, setting up the National Board of Production charged with planning national productivity and outlining the new policy of large-scale industrialization. It reestablished the Industrial Bank, the main objectives of which are to aid emerging industries, consolidate those already existing, and provide technical aid.

The prerevolutionary balance of trade was unfavorable to Egypt. The internal market, and to a larger extent the external one, were dominated by British influence. The revolution had to liberate the Egyptian economy from British control. Economic missions were dispatched to foreign countries to find new markets for Egyptian produce, and the Government adopted a barter policy of exchanging cotton for machinery, equipment, and other needed commodities.

III

The new régime in Egypt has a clear-cut policy for rebuilding the country on new foundations—an integrated, three-pronged development, now on the way to execution. Some of its activities may be mentioned here, not in an attempt to set forth the program in full, but only to offer examples.

The principal project is the Sadd el 'Ali (High Dam) scheme, designed mainly to increase agricultural output by almost 50 percent. Egypt's present agricultural land totals 6 million acres. The High Dam will reclaim 2 million more and will supply water for the permanent rice plantation of 700,000 acres, and convert another 700,000 acres of one-crop land in Upper Egypt to perennial irrigation. Built about 4 miles south of Aswan Dam, 200 miles north of the Sudan border, the giant dam will be constructed not as a conventional stone wall but a pyramidal granite rockfield almost half a kilometer thick. It will be 150 meters high, and its reservoir will cover 3,000 square kilometers—the highest dam and the largest reservoir in the world. Construction is expected to begin early in 1955, and the scheme will take 10 years to complete. It will cost $516 million. The Sadd el 'Ali will increase national production by $450 million a year, and will add an annual government revenue of $60 million.

Pending construction of the High Dam, we have drafted short-range plans for the expansion of cultivated land. The chief item is a 4-year plan, from 1952 to 1956, to reclaim 311,630 acres in upper and lower Egypt. This included a 10,000-acre nucleus for the new Tahrir (Liberation) Province, situated in the Western Desert alongside the western delta branch, between Cairo and Alexandria. The total plan covers an area of 600,000 acres in all, and future expansion may well double this area.

There is a second plan to reclaim 50,000 acres in the northwest tip of the Sinai Peninsula for the benefit of the Palestine refugees. Water would be tunneled underneath the Suez Canal to irrigate this area. The plan would be financed by the United Nations. In a third plan, still under survey, it is hoped to reclaim 100,000 acres by means of artesian wells. The project would be undertaken through the joint efforts of the Egyptian Government and the United States point 4 program.

Apart from increasing the extent of cultivated land, we are also stepping up agricultural production per acre. The agrarian reform program has already increased the yield of affected areas. As the peasants become owners of their land, they produce more per acre; for example, the yield in the sugarcane belt in upper Egypt increased from 733 to 908 kantars per acre. Rural cooperative societies have been created which provide the new small landowner with water, fertilizers, pure seed, livestock, technical advice, and other facilities. And the Ministry of Agriculture has taken measures to combat pests, increase livestock, supply seeds, and step up dairying and other agricultural industries.

In our integrated reform policy, various agricultural projects will contribute toward industrial development, and industrial projects will contribute toward agricultural expansion. For instance, the Sadd el 'Ali scheme will provide hydroelectric power for industry, while the fertilizer factories will add to the fertility of the soil. The 16 turbines will generate 10 billion kilowatt-hours every year, and the neighboring Aswan Dam will shortly be producing another 2 billion killowat-hours annually.

Besides hydroelectric power, we are also expanding the exploitation of our oil resources to the maximum. The first move was to revise the mining law which had restricted the operation of foreign companies in Egypt at a time when local capacities for the work were extremely limited. The restrictions have been removed and the transfer abroad of the companies' profits and capital is now permitted. Concessions are being granted to foreign oil companies. The largest, given to the Egyptian-American Oil Co., covers 75,000 square miles in the Western Desert. Other concessions have been given in the Eastern Desert and the Sinai Peninsula. Moreover, while existing oil wells at the Red Sea coast have increased their output, the capacity of the Government oil refinery at Suez has been raised from 300,000 to 1,300,000 tons annually. We are also building a Suez-Cairo pipeline to reduce oil transportation costs.

The largest plant in our blueprints is a fertilizer factory, to be worked on the Aswan Dam hydroelectric power which will be available in 1958. It will cost $72 million, and will produce 375,000 tons of calcium nitrates annually. When the Sadd el 'Ali scheme starts producing hydroelectric power, output will be increased to 500,000 tons a year. The second biggest plant is an iron and steel works, already being constructed at Helwan, near Cairo, by the German firm of Demag. This plant, costing $45 million, marks Egypt's entry into the field of heavy industry; it will take 4 years to complete, and will turn out 240,000 tons of steel products every year. The iron-ore deposits at Aswan are rich—sufficient, it is estimated, to supply Egypt's steel industry for 500 years.

A few other projects may be mentioned: a paper plant with an annual output of 20,000 tons of writing and printing paper, other than newsprint, to use sugarcane bagasse and rice straw (available locally in large quantities) and to start production in 1957; a beet-sugar factory with an annual capacity of 50,000 tons, costing $15 million and starting production at the end of 1955; a factory, now under construction, to turn out 200,000 tires a year at the beginning, with later increases to meet local requirements and permit some export; and a jute plant with a capacity of 20,000 tons a year, to cost about $6 million. In addition to bolstering the Industrial Bank, the Government has adopted other measures to help private industry, such as the improvement of internal communications, temporary protective tariffs, reduced customs on imported machinery, and the encouragement of foreign capital. It is expected that the agrarian reform program will also switch a major part of the Nation's capital from agriculture to industry, as big landowners are given compensation for their estates in the form of bonds which can be invested in industrial projects.

The increase of agricultural and industrial output will require new outlets in foreign markets. Egypt suffered a foreign trade deficit of $225 million in 1952, and a total deficit in the 10 years before the revolution of more than $1.5 billion. The revolutionary government was able to overcome this chronic foreign trade deficit, and to show a profit of $43 million by the first quarter of 1954, and of $61 million by the second quarter of the same year.

This achievement took strenuous efforts at home and abroad. At home, corrupt government interference with cotton prices, which had resulted in the medium-staple cotton fetching higher prices than the long-staple categories, was eliminated. The cotton futures market, through which the prices had been manipulated, was closed, and Egyptian cotton prices tied up with those of the United States. The elimination of illicit practices restored confidence abroad in Egypt's cotton trade. Trade policies were based on the principle that politics should be kept separate from economics. We made no distinction between West and East in selling cotton, and trade and payments agreements were concluded with Eastern and Western countries alike. Cotton is the backbone of Egypt's economy. We were able to dispose of the huge carryovers of crops.

To improve the trade balance we also had to cut down nonessential imports, and to restrict imports from countries with which we had not concluded trade agreements. With the completion of plans for agriculture and industrial expansion, we shall be able

to reduce our imports of foodstuffs and manufactured goods. These will include chiefly wheat, oil, and household articles. These savings will not only improve Egypt's trade balance, but also preserve precious earnings in hard currency.

IV

The three-pronged policy to rebuild Egypt's economy on solid foundations has one object in view: to raise the standard of living among the masses of the people. The Egyptian peasant is no longer the virtual serf of big landowners, but his own master. The agrarian reform program has resulted in a substantial incerase in his real income. The Egyptian worker is also getting a new deal. In many cases his wages are determined by joint committees, including representatives of management, labor and government. Wages vary according to many factors, including the kind of work, the workers' family status, and the area in which he works, but in all cases his wages are made as high as the interests of industrial expansion allow.

To promote the welfare of the masses, the Government undertook a vast program of social services. About $200 million is allocated in the current budget for projects for social reform. Social-welfare units are being established in the rural areas, each unit to serve 15,000 inhabitants, and to include a school, a health center, and a social-agricultural extension section. Our effort is to provide all rural districts with social services in the next 5 years; 200 centers were opened in 1954. By the end of the 10 years required for completion of our most ambitious scheme, Sadd el'Ali, we believe we shall have more than doubled Egypt's national income, with a corresponding increase in the nation's standard of living. Incidentally, in one step to help remedy the social stratification which has split Egyptian society into hostile camps, titles, and honors—princes, pashars, and beys, marks of a privileged class—were abolished.

These, then, are the aims of the revolution: to end the exploitation of people, to realize national aspirations and to develop the mature political consciousness that is an indispensable preliminary for a sound democracy. The revolution seeks to bridge the gulf between social classes and to foster the spirit of altruism which marks a cultivated individual and a cohesive group. Our ultimate aim is to provide Egypt with a truly democratic and representative government, not the type of parliamentary dictatorship which the palace and a corrupt "pasha" class imposed on the people. In the past, parliament was a body for blocking social improvement. We want to make sure that in the future the senators and deputies will serve all the Egyptians rather than a few.

To achieve these aims, the standard of living of the masses must be raised, education expanded and social consciousness developed throughout the land so that the people will understand the duties and privileges of citizenship. The nation must also be provided with a constitution that safeguards the interests of all groups. During the past year a commission composed of leaders in different fields of life in Egypt, and representative of the different faiths—Christianity, Judaism, and Islam—has been drafting our new constitution.

As we plan for the future, we have also had to clean out the corrupt past, especially the subversive or reactionary groups which have spread their tentacles wide in the land. The greatest internal enemies of the people are the Communists who serve foreign rulers, the Moslem Brotherhood which still seeks rule by assassination in an era that has outlived such practices, and the old-time politicians who would like to reestablish exploitation.

Reactionary religious groups such as the Moslem Brotherhood are neither genuinely political nor genuinely religious. Their ultimate aim is power and to realize it they adopt methods contrary to the spirit of Islam and the spirit of the age. Islam derives from a comprehensive philosophy which never fails to accommodate various human feelings and aspirations. In this sense it is not only humanitarian but elastic and tolerant. It has its ubiquitous principles—applicable to time and place and mindful of the rights of man. It condemns intolerance, terrorism, prejudices and organized hatred. Its teachings form the core of true democracy.

We are proud that our revolution has been bloodless. We have rid ourselves of corrupt politicians, a corrupt king and an out-moded monarchy without loss of life. We have had to impose restrictions to prevent enemies of the people from exploiting the people and poisoning their minds. But if we have had to exercise our authority, it has been in order to pave the way for a better life for the men and women of our country. We want to lift these restrictions as soon as we feel the people are no longer in danger from such groups—and the sooner that time comes the better so far as we are concerned.

V

A closing word about Egypt's foreign relations: despite all reports to the contrary by enemies of the Arab world, the Arab League is a reality. There are social and economic differences between one Arab nation and another, just as there are, for example, among the nations of the Western European Union, but by the same token we have more in common than the various European nations which hope to work together. The nations of the Arab League believe that they can unite in a force that contributes to the cause of world peace.

Efforts to unite have been blocked, to some extent, by local differences and dynastic rivalries, and to a greater extent by outside forces conspiring against us. But the league can be made the instrument through which a greater unity can be achieved among the Arab nations in every field of activity. Its member states can form an effective force for the defense of this area. Throughout the negotiations for the evacuation of British troops from the Suez Canal, the Government of Egypt has pointed out that this evacuation will not create a military vacuum in the Middle East but will pave the way for strengthening the area's defenses.

The defense of the Middle East must rest primarily with the inhabitants of the area. No outside forces can defend this soil as effectively as the people who live here. That is why Egypt has made every effort to strengthen the Arab League's Collective Security Pact. It is the best possible system to defend our part of the world against any possible aggression.

Over a century ago, Egypt with less than half her present population, had an army of more than 200,000. There is no reason why the 70 million Arabs could not build up an army of several divisions for the defense of their lands. Our countries possess great potential wealth, not to speak of the oil for which our deserts are famous. Those of our Arab brethren who have been given the chance of education have proved to be no less capable than any other people in the world. We still lack development, but industrialization will increase our capabilities.

In the meantime, we believe that all those more developed powers who believe in peace should and will help us to strengthen ourselves against aggression. Starting with the collective security pact as the basis for our own defense, we can consider—once it has been adequately implemented—coordinating our defense plans with those of any other nation interested in defense against aggression in this area.

The objection has often been made that if the Arabs were to receive military assistance they would immediately attack Israel. Egyptians feel that a great injustice was committed against the Arabs generally, and especially against the million or more Palestinian Arabs who are now refugees. Israel's policy is aggressive and expansionist, and Israel will continue her attempts to prevent any strengthening of the area. However, we do not want to start any conflict. War has no place in the constructive policy which we have designed to improve the lot of our people. We have much to do in Egypt, and the rest of the Arab world has much to do. A war would cause us to lose, rather than gain, much of what we seek to achieve.

In other quarters there has been talk of Communist infiltration in the various Arab and African nationalist movements. It would be unwise for the United States to take that view of nationalist activities, led by sincere patriots whose only desire is to see their nations free from foreign domination. Americans recognize this to be the inalienable right of every man, yet balk at supporting these nationalists for fear of annoying some colonial power that has refused to move with the times. It is this procrastination that gives the Communists the chance to take over what usually start as genuinely patriotic movements. Such was the case of Indochina.

There would not be any Communist infiltration in any part of the Middle East and Africa if the United States could develop a courageous policy, and the only morally correct one, of supporting those who are anxious to get rid of foreign domination and exploitation. Real independence would be the greatest defense against Communist, or any other type of infiltration or aggression. Freemen are the most fanatical defenders of their liberty, nor do they lightly forget those who have championed their struggle for independence.

ADMITTANCE OF U. S. S. R. NATIONALS AS TEMPORARY VISITORS TO PROMOTE THE CAUSE OF WORLD PEACE

The SPEAKER. Under previous order of the House, the gentleman from Missouri [Mr. CARNAHAN] is recognized for 5 minutes.

Mr. CARNAHAN. Mr. Speaker, I have today introduced H. R. 7575, to promote the cause of world peace by authorizing for a limited period the admission as temporary visitors to the United States of a limited number of nationals of the Union of Soviet Socialist Republics and certain satellite countries to become acquainted with the American people and the American way of life, and for other purposes. This bill is substantially similar to H. R. 5764, 82d Congress, 1st session, which I introduced on October 17, 1951.

As chairman of the Subcommittee on International Organizations and Movements of the House Foreign Affairs Committee, I feel it is especially fitting and timely to introduce such a measure now. All of us have followed the press accounts of the Four Power meeting at the summit in Geneva, which was concluded on Saturday afternoon. While it is of course too early to judge at this time whether or not the apparent relaxing of tensions evident at the Conference will permeate the meeting of the foreign ministers next fall in Geneva, nevertheless it may be stated that the United States has again, as it has done previously many times, made it clear to the whole world that we as a people and as a Government are anxious to work out

through peaceful means the solutions to peace. In this respect I am particularly pleased that the President in Geneva outlined as one of the three steps the great powers could take the lowering of the barriers that impede the flow of information and ideas among peoples.

This is precisely the spirit of H. R. 7575 which I have today introduced, and of its predecessor, H. R. 5764, which I introduced during the 82d Congress.

Specifically, the bill would authorize the President to enter into agreements with the U. S. S. R. and its satellites to admit nationals of those countries into the United States and, reciprocally, to admit United States nationals into those countries, as temporary visitors, for the purposes of travel and study. The persons selected must be representative of the occupations, professions, and skills of the particular country of which they are nationals. The total number of such nationals is not to exceed 300 for the year, or 25 individuals per month, beginning 3 months following the enactment of the bill. Each individual selected would be admitted into the United States as a temporary visitor for not to exceed 2 months, and his cost of transportation and maintenance, not to exceed $2,000, will be borne by the United States.

I want to stress that this bill will not grant any blanket authorization but is limited to a period of 1 year beginning 3 months after the enactment of this bill. This will give us ample time to measure the success of the undertaking. Should it prove to be successful, and I have every confidence that it will be, I will introduce legislation to continue the program.

I believe firmly that one of the great causes of the distrust and ill will which the Soviet and Iron Curtain country nationals bear toward the United States is due in large measure to the lack of adequate and objective accounts in Communist newspapers and other publications concerning the United States and its people. Peoples behind the Iron Curtain have a twisted and distorted version of Americans. In part, they have been led to such a conception by deliberate official propaganda and, in part, they have this notion out of sheer ignorance.

We are now acting as host to a number of Russian farmers and agriculturists who are visiting farms and other agricultural facilities in our country, spending considerable time in the great State of Iowa. This visit is being widely heralded in the newspapers and magazines of our country. At the same time, the U. S. S. R. is serving as host to a number of farmers from the United States. I feel confident that such reciprocal visits can do much to dispel the erroneous concept which the Soviets and the satellite nationals have of us. While I do not for one moment feel that the Soviet has changed its fundamental objectives, I do feel that greater people-to-people contact between the people of the Soviet Union and the satellites on the one side and the people of the United States on the other will serve as a great source of information concerning the true nature of the American people.

Mr. Speaker, the people of the United States are proud of their traditions and their way of life. We have nothing to hide, and we are anxious for people everywhere to see us as we are, not as we are often misrepresented to be.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. FERNÓS-ISERN.

Mr. REUSS and to include extraneous matter.

Mr. ROOSEVELT and to include extraneous matter.

Mr. HILL.

Mr. ENGLE and to include extraneous matter.

Mr. MASON and to include an editorial.

Mr. ROONEY (at the request of Mr. MCCORMACK) and to include extraneous matter.

Mr. HÉBERT and to include an editorial.

Mr. HAYS of Arkansas and to include extraneous matter.

Mr. WILLIAMS of New Jersey in four instances and to include extraneous matter.

Mr. THOMSON of Wyoming in one instance and to include extraneous matter.

Mr. DAWSON of Utah and to include extraneous matter.

Mr. CANFIELD in three instances and to include extraneous matter.

Mr. SMITH of Kansas in one instance and to include extraneous matter.

Mr. HAND and to include extraneous matter.

Mr. ALGER and to include extraneous matter.

Mr. WRIGHT and to include extraneous matter.

Mr. COLE notwithstanding it exceeds the limit and is estimated by the Public Printer to cost $293.34.

Mr. BRAY.

Mr. DIXON.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HILLINGS (at the request of Mr. ARENDS), on account of official business, from July 25 to 30, inclusive.

Mr. KRUEGER (at the request of Mr. LOVRE), indefinitely, on account of illness.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 19. An act for the relief of Vladimir Landow and Irina Landow; to the Committee on the Judiciary.

S. 189. An act for the relief of Manuel Rodrigues; to the Committee on the Judiciary.

S. 194. An act for the relief of Dr. and Mrs. Hsi-Lin Tung; to the Committee on the Judiciary.

S. 204. An act for the relief of Fred P. Hines; to the Committee on the Judiciary.

S. 213. An act for the relief of Mrs. Ingeborg C. Karde; to the Committee on the Judiciary.

S. 218. An act for the relief of the town of Clayton, N. Mex.; to the Committee on the Judiciary.

S. 223. An act for the relief of Mary Frieda Poeltl Smith; to the Committee on the Judiciary.

S. 235. An act for the relief of Melanie Schaffner Baker; to the Committee on the Judiciary.

S. 293. An act for the relief of Miss Cecile Patricia Chapman; to the Committee on the Judiciary.

S. 332. An act for the relief of Hava Shpak, A. A. Shpak, and Sympcha Shpak; to the Committee on the Judiciary.

S. 393. An act for the relief of Chieko Suzuki; to the Committee on the Judiciary.

S. 411. An act for the relief of Beri Denovi; to the Committee on the Judiciary.

S. 425. An act for the relief of Anthony A. Ballora; to the Committee on the Judiciary.

S. 509. An act for the relief of Dolores Maria Gandiaga, nee Seijo; to the Committee on the Judiciary.

S. 518. An act for the relief of Elsa Alwine Larsen; to the Committee on the Judiciary.

S. 592. An act for the relief of Chia-Yi Jen (also known as Charles Jen); to the Committee on the Judiciary.

S. 608. An act for the relief of Catherine Samouris; to the Committee on the Judiciary.

S. 610. An act for the relief of Mary Ishii; to the Committee on the Judiciary.

S. 695. An act for the relief of Cirilo Jose; to the Committee on the Judiciary.

S. 696. An act for the relief of Topacio Tapawan; to the Committee on the Judiciary.

S. 753. An act for the relief of George Roland Lavoie; to the Committee on the Judiciary.

S. 762. An act for the relief of Vaclav Majer, Irma Majer, and Vaclav Majer, Jr.; to the Committee on the Judiciary.

S. 763. An act for the relief of Chocura Yoshida; to the Committee on the Judiciary.

S. 836. An act for the relief of Wong Nan Ling and Wong Nan Fee; to the Committee on the Judiciary.

S. 843. An act for the relief of Gerda Graupner; to the Committee on the Judiciary.

S. 884. An act for the relief of Gabor Lanyi; to the Committee on the Judiciary.

S. 893. An act for the relief of Dr. Klaus Hergt; to the Committee on the Judiciary.

S. 910. An act for the relief of Lino Perez Martinez; to the Committee on the Judiciary.

S. 963. An act for the relief of Mr. and Mrs. Andrej (Avram) Gottlieb; to the Committee on the Judiciary.

S. 997. An act to provide punishment for certain confidence game swindles; to the Committee on the Judiciary.

S. 1012. An act for the relief of Juan Jose Moya Ramirez; to the Committee on the Judiciary.

S. 1036. An act for the relief of Gust Kostas Kountoupis; to the Committee on the Judiciary.

S. 1042. An act for the relief of Angel Feratero Madayag; to the Committee on the Judiciary.

S. 1068. An act for the relief of Mareanthe Baicou; to the Committee on the Judiciary.

S. 1082. An act for the relief of Ramon Notario Boytell; to the Committee on the Judiciary.

S. 1085. An act for the relief of Maria de las Nieves Dufurrena; to the Committee on the Judiciary.

S. 1128. An act for the relief of Angel Castanedo Del Llano; to the Committee on the Judiciary.

S. 1130. An act for the relief of Theresa Yik Mun Woo; to the Committee on the Judiciary.

S. 1142. An act for the relief of Arthur Sew Sang, Kee Sew Wong, Sew Ing Lin, Sew Ing Quay, and Sew Ing You; to the Committee on the Judiciary.

S. 1212. An act for the relief of Dr. Lincoln Roy Manson-Hing; to the Committee on the Judiciary.

S. 1253. An act for the relief of Peter Skole; to the Committee on the Judiciary.

S. 1266. An act for the relief of Helene Margareta Jobst; to the Committee on the Judiciary.

S. 1298. An act for the relief of Pericles G. Callimanopoulos and his family; to the Committee on the Judiciary.

S. 1322. An act for the relief of Maria Ioannou Karvelis and her three minor daughters, Martha Karvelis, Boeleta Karvelis, and Euterpi Karvelis; to the Committee on the Judiciary.

S. 1406. An act for the relief of Katharina Steinbach; to the Committee on the Judiciary.

S. 1417. An act for the relief of Hong Ban, also known as George Mon; to the Committee on the Judiciary.

S. 1438. An act for the relief of Corazon A. Manayan; to the Committee on the Judiciary.

S. 1474. An act for the relief of Valdis Mikelsons; to the Committee on the Judiciary.

S. 1477. An act for the relief of Clorinda Perri Sturino; to the Committee on the Judiciary.

S. 1493. An act for the relief of Dorin Ursulesku Baron; to the Committee on the Judiciary.

S. 1496. An act for the relief of Ruriko Hara; to the Committee on the Judiciary.

S. 1503. An act for the relief of Harold George Jackson; to the Committee on the Judiciary.

S. 1504. An act for the relief of Yee Loy Foo, also known as Loy Foo Yee, or Ted Yee; to the Committee on the Judiciary.

S. 1534. An act to facilitate the construction of drainage works and other minor items on Federal reclamation and like projects; to the Committee on Appropriations.

S. 1563. An act for the relief of Elidora Yanguas Perez; to the Committee on the Judiciary.

S. 1612. An act for the relief of Miss Young Hi Yun; to the Committee on the Judiciary.

S. 1615. An act for the relief of Hilde Schiller; to the Committee on the Judiciary.

S. 1621. An act to authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed or subject to the act of August 11, 1939, as amended, and for other purposes; to the Committee on Agriculture.

S. 1681. An act for the relief of Cecile Doriac and her minor child; to the Committee on the Judiciary.

S. 1716. An act for the relief of Cheuk Wa Leung and his wife, Camilla Ying Ling Leung; to the Committee on the Judiciary.

S. 1851. An act to direct the Secretary of the Army to convey certain land to Mary Ann Aust; to the Committee on Public Works.

S. 1899. An act to authorize the improvement of the Amite River and its tributaries; to the Committee on Public Works.

S. 1915. An act to provide for further effectuating the act of May 15, 1862, through the exchange of employees of the United States Department of Agriculture and employees of State political subdivisions or educational institutions; to the Committee on Agriculture.

S. 1974. An act for the relief of Rosa Birger; to the Committee on the Judiciary.

S. 2029. An act to change the name of Hulah Reservoir above Hulah Dam, Caney River, Oklahoma and Kansas, to Lake O' the Osages; to the Committee on Public Works.

S. 2049. An act to provide recognition of the 50th anniversary of the Devils Tower National Monument, Wyoming, the first national monument established by the President of the United States pursuant to the antiquities Act of 1906; to authorize the addition of certain land to the monument, to permit land exchanges, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 2093. An act to authorize the Secretary of the Army, acting through the Corps of Engineers, to undertake certain public works and grant compensation for certain property damages as a result of the construction of the Oahe, Gavins Point, and Fort Randall Dams and Reservoir projects, Missouri River; to the Committee on Public Works.

S. 2145. An act for the relief of George Poulio; to the Committee on the Judiciary.

S. 2260. An act granting the consent of Congress to the States of Arkansas, Louisiana, Oklahoma, and Texas to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Red River and its tributaries; to the Committee on Interior and Insular Affairs.

S. 2269. An act for the relief of Mualla S. Holloway; to the Committee on the Judiciary.

S. 2270. An act for the relief of Nadia Noland and Samia Ouafa Noland; to the Committee on the Judiciary.

S. 2277. An act authorizing the Administrator of General Services to convey certain land to the city of Sioux Falls, S. Dak., for park and recreational purposes, for an amount equal to the cost to the United States of acquiring such lands from the city; to the Committee on Government Operations.

S. 2295. An act to amend section 313 of the Agricultural Adjustment Act of 1938, with respect to tobacco allotments to the Committee on Agriculture.

S. 2296. An act to amend section 313 of the Agricultural Adjustment Act of 1938, with respect to tobacco allotments; to the Committee on Agriculture.

S. 2297. An act to further amend the Agricultural Adjustment Act of 1938, and for other purposes; to the Committee on Agriculture.

S. J. Res. 73. Joint resolution to establish a commission to formulate plans for a memorial to Franklin Delano Roosevelt; to the Committee on House Administration.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 473. An act to authorize an investigation and report on the advisability of a national monument in Brooklyn, N. Y.;

H. R. 605. An act to provide for the abolition of the 80-rod reserved spaces between claims on shore waters in Alaska, and for other purposes;

H. R. 914. An act for the relief of Erika Marie Dietl and her two children, Caroline Dietl and Robert Dietl;

H. R. 932. An act for the relief of Ludwika Hedy Hancock (nee Nikolajewicz);

H. R. 1180. An act for the relief of Kimiko Sueta Thompson;

H. R. 1185. An act for the relief of Jose Domingo Quintanar;

H. R. 1302. An act for the relief of Adelheid Walla Spring;

H. R. 1304. An act for the relief of Mother Amata (Maria Cartiglia), Sister Ottavia (Concetta Zisa), Sister Giovina (Rosina Vitale), and Sister Olga (Calogera Zeffro);

H. R. 1435. An act for the relief of Paul Compagnino;

H. R. 1436. An act for the relief of Ervin Benedikt;

H. R. 1439. An act for the relief of Menachem Hersz Kalisz;

H. R. 1458. An act for the relief of Rosa Edith Manns Monroe;

H. R. 1486. An act for the relief of Anna Anita Hildegard Sparwasser;

H. R. 1508. An act for the relief of Mrs. Mary Perouz Derderian Donaldson;

H. R. 1537. An act for the relief of Rogerio Santana de Franca;

H. R. 1668. An act for the relief of Frank Budman;

H. R. 1698. An act for the relief of Anne Cheng;

H. R. 1911. An act for the relief of Charlotte Schwaim;

H. R. 1927. An act for the relief of Ralph Michael Owens;

H. R. 1987. An act for the relief of Kimie Hayashi Crandall.

H. R. 1997. An act for the relief of Linda Beryl San Filippo;

H. R. 2059. An act for the relief of Edward Patrick Cloonan;

H. R. 2070. An act for the relief of Dr. Carlos Recio and his wife, Francisca Marco Palomero de Recio;

H. R. 2078. An act for the relief of Salvatore Cannizzo;

H. R. 2241. An act for the relief of Amalia Bertolino Querio;

H. R. 2242. An act for the relief of Kim Joong Yoon;

H. R. 2259. An act for the relief of Alessandra Barile Altobelli;

H. R. 2306. An act for the relief of Maria de Rehbinder;

H. R. 2307. An act for the relief of Julius, Ilona, and Henry Flehner;

H. R. 2313. An act for the relief of Mrs. Agnethe Gundhil Sundby;

H. R. 2315. An act for the relief of Antonio (Orejel) Cardenas;

H. R. 2735. An act for the relief of Inako Yokoo and her minor child;

H. R. 2738. An act for the relief of Teresa Jurjevic;

H. R. 2749. An act for the relief of George Risto Divitkos;

H. R. 2866. An act to declare a certain portion of the waterway (a section of the Acushnet River) in the city of New Bedford and the towns of Fairhaven and Acushnet, Mass., a nonnavigable stream;

H. R. 3281. An act for the relief of Herbert Roscoe Martin;

H. R. 3359. An act for the relief of Raymond George Palmer;

H. R. 4001. An act to provide for the management and disposition of certain public domain lands in the State of Oklahoma; and

H. R. 4147. An act for the relief of Angelo De Vito.

The Speaker anounced his signature to enrolled bills of the Senate of the following titles:

S. 741. An act to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 5 years;

S. 1177. An act for the relief of desert land entrymen whose entries are dependent upon percolating waters for reclamation; and

S. 1855. An act to amend the Federal Airport Act, as amended.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on July 22, 1955 present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 65. An act to revise the boundary between the second and fourth judicial divisions of Alaska;

H. R. 897. An act to provide preference right to certain land in Alaska to Robert

Henry Soyk of Kenai, Alaska, and for other purposes;

H. R. 896. An act to provide preference right to certain land in Alaska to Joseph Booth of Anchorage, Alaska, and for other purposes;

H. R. 902. An act to provide preference right to certain land in Alaska to Patrick Harold Johnson of Anchor Point, Alaska, and for other purposes;

H. R. 904. An act to provide preference right to certain land in Alaska to Bert Arthur Paraday of Anchor Point, Alaska, and for other purposes;

H. R. 905. An act to provide preference right to certain land in Alaska to Carl E. Robinson of Anchor Point, Alaska, and for other purposes;

H. R. 962. An act for the relief of Maria Louise Andreis;

H. R. 1044. An act for the relief of Teresa Alice Townsend;

H. R. 1155. An act for the relief of Solomon Wiesel;

H. R. 1245. An act for relief of Marianne Anita Zelinka;

H. R. 1275. An act for the relief of Gennaro Savarese;

H. R. 1333. An act for the relief of Ebolya Wolf;

H. R. 1463. An act for the relief of Rudolfo M. Gomez (Capaz);

H. R. 1538. An act for the relief of Jean Isabel Hay Watts;

H. R. 1540. An act for the relief of Mrs. Joan Craig Newell;

H. R. 1541. An act for the relief of Mrs. Maria Dicran Simon;

H. R. 1549. An act for the relief of Salvacion Carbon;

H. R. 1551. An act for the relief of Gualberto Estralla Alabastro, Pura Zarco Alabastro, and Arlene Alabastro.;

H. R. 1648. An act for the relief of Sister Luiga Pellegrino, Sister Angelina Nicastro, and Sister Luigina Di Martino;

H. R. 1661. An act for the relief of Kim Dong Su;

H. R. 1693. An act for the relief of Barbara Knape;

H. R. 1750. An act for the relief of Elena Gigliotti;

H. R. 1801. An act to authorize the purchase, sale, and exchange of certain Indian lands on the Yakima Indian Reservation, and for other purposes;

H. R. 1802. An act to authorize the leasing of certain lands of the Yakima Tribe to the State of Washington for historical and for park purposes;

H. R. 1868. An act for the relief of Ernest Tomassich and Yoko Matsuo Tomassich;

H. R. 1883. An act for the relief of Margarete Gartner;

H. R. 1929. An act for the relief of Eufemia Bencich;

H. R. 1954. An act for the relief of Ingrid Samson;

H. R. 2073. An act for the relief of Bengt Wikstam;

H. R. 2274. An act for the relief of Alejandro Florentine Munoz;

H. R. 2353. An act for the relief of John Odabashian, doctor of medicine;

H. R. 2406. An act to amend subsection (e) of section 1 of title 5 of the District of Columbia Revenue Act of 1937, as amended;

H. R. 2495. An act for the relief of Antoni Rajkowski;

H. R. 2721. An act for the relief of Hihai Indig;

H. R. 2724. An act for the relief of Miss Elvira Bortolin;

H. R. 2756. An act for the relief of Frank Scriver;

H. R. 2911. An act for the relief of Max Steinsapir;

H. R. 2925. An act for the relief of Carmelo Rodriguez Perez, also known as Carmelo Rodriguez Fenald;

H. R. 2929. An act for the relief of Lazara Camargo Bernoudy;

H. R. 3071. An act for the relief of Eleanor Ramos;

H. R. 3123. An act to modify the acts of August 12, 1935 (49 Stat. 571, 584), May 15, 1936 (49 Stat. 1274), July 1, 1946 (60 Stat. 357), August 8, 1946 (60 Stat. 923), and June 30, 1947 (61 Stat. 211), with respect to the recoupment of certain public school construction costs, and to amend the act of August 17, 1950 (64 Stat. 459), relating to the expenditure of funds for cooperating with the public school board of Walker, Minn.;

H. R. 3193. An act for the relief of Evelyn Hardy Waters;

H. R. 3253. An act to amend section 6 of Public Law 874, 81st Congress, so as to provide for the continued operation of certain schools on military installations;

H. R. 3560. An act to provide for the relief of certain members of the Army, Navy, and Air Force, and for other purposes;

H. R. 3853. An act for the relief of Guadalupe Zuniga (also known as Benita Chaparrao-Venegas or Guadalupe Acosta);

H. R. 3972. An act for the relief of Anthonius Marinus Kronenburg;

H. R. 4225. An act authorizing the Administrator of Veterans' Affairs to convey certain property of the United States to the city of North Little Rock, Ark.;

H. R. 4245. An act for the relief of Mrs. Esther Rodriguez de Uribe;

H. R. 4367. An act to provide for the distribution of funds belonging to the members of the Creek Nation of Indians, and for other purposes;

H. R. 4753. An act to amend subsection (e) (1) of section 13A of the Subversive Activities Control Act of 1950 to change from 2 years to 3 years the standard contained therein with respect to the past affiliations of individuals conducting the management of certain organizations;

H. R. 4894. An act to repeal certain laws relating to timber and stone on the public domain;

H. R. 5046. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1956, and for other purposes;

H. R. 5559. An act to extend for a period of 2 years the privilege of free importation of gifts from members of the Armed Forces of the United States on duty abroad;

H. R. 6059. Relating to revisions of the executive agreement concerning trade and related matters entered into by the President of the United States and the President of the Philippines on July 4, 1946;

H. R. 6086. An act for the relief of certain relatives of United States citizens or lawfully resident aliens;

H. R. 6331. An act authorizing the Territory of Hawaii, through its duly designated officers and boards, to negotiate a compromise agreement, exchange with, sell, or lease to the owners of certain shorelands, certain tidelands, both in the Territory of Hawaii, and to make covenants with such owners, in settlement of certain damage claims, and for a conveyance of littoral rights;

H. R. 6796. An act to provide for the conveyance to the city of Clarksburg, W. Va., of certain property which was donated for use in connection with a veterans' hospital, and which is not being so used; and

H. J. Res. 256. Joint resolution providing for an objective, thorough, and nationwide analysis and reevaluation of the human and economic problems of mental illness, and for other purposes.

ADJOURNMENT

Mr. BAILEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 31 minutes p. m.) the House adjourned until tomorrow, Tuesday, July 26, 1955, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1014. A letter from the Acting Secretary of the Treasury, transmitting a report covering claims paid during the 6-month period ending June 30, 1955, on account of the correction of military records of Coast Guard personnel, pursuant to section 207 (e) of the Legislative Reorganization Act of 1946, as amended by Public Law 220, 82d Congress (5 U. S. C. 275 (e)); to the Committee on Armed Services.

1015. A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation entitled "A bill to establish a date of rank for pay purposes for certain Naval Reserve officers promoted to the grades of lieutenant and lieutenant commander"; to the Committee on Armed Services.

1016. A letter from the Secretary of the Army, relative to three resolutions unanimously adopted by the Ryukyuan Legislature on March 4 and 5, 1955, and forwarded pursuant to the request of that body; to the Committee on Armed Services.

1017. A letter from the Director, Legislative Liaison, Department of the Air Force, transmitting a quarterly report relative to the number of officers assigned or detailed to permanent duty in the executive element of the Air Force at the seat of the Government, pursuant to section 201 (c) of the Air Force Organization Act of 1951 (Public Law 150, 82d Cong.); to the Committee on Armed Services.

1018. A letter from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation entitled "A bill to increase the borrowing power of Commodity Credit Corporation"; to the Committee on Banking and Currency.

1019. A letter from the Director, Office of Defense Mobilization, Executive Office of the President, transmitting the report on borrowing authority for the quarter ending March 31, 1955, pursuant to section 304 (b) of the Defense Production Act as amended; to the Committee on Banking and Currency.

1020. A letter from the Assistant Secretary of the Interior, transmitting a report concerning progress in meeting certain conditions precedent to constructing the Santa Margarita project, California, pursuant to section 7 of the act of July 28, 1954 (68 Stat. 575, 578); to the Committee on Interior and Insular Affairs.

1021. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to authorize medals and decorations for outstanding and meritorious conduct and service in the United States merchant marine, to repeal certain obsolete laws, and for other purposes"; to the Committee on Merchant Marine and Fisheries.

1022. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to amend title II of the Merchant Marine Act, 1936, as amended, to provide for filing vessel utilization and performance reports by operators of vessels in the foreign commerce of the United States"; to the Committee on Merchant Marine and Fisheries.

1023. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to amend title VII of the Merchant Marine Act, 1936, as amended, to provide for experimental operation and testing of vessels owned by the United States"; to the Committee on Merchant Marine and Fisheries.

1024. A letter from the Secretary of the Army, transmitting a report of claims paid by the Department of the Army for the fiscal year 1955, pursuant to section 2673 of the Federal Tort Claims Act as amended and

codified (28 U. S. C.); to the Committee on the Judiciary.

1025. A letter from the Secretary of the Army, transmitting a report of claims settled by the Department of the Army for the fiscal year 1955, pursuant to section 1 (e) of Public Law 439, 82d Congress, approved July 3, 1952; to the Committee on the Judiciary.

1026. A letter from the Commissioner, Immigration and Naturalization Service, United States Department of Justice, relative to the case of Aleksander Villem Tuum, A-8091339, involving the provisions of section 4 of the Displaced Persons Act of 1948, as amended, and requesting that the case be withdrawn from those now before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

1027. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 13, 1955, submitting a report, together with accompanying papers, on a review of reports on Big (Great) Chazy River, N. Y., requested by a resolution of the Committee on Public Works, House of Representatives, adopted on July 6, 1949; to the Committee on Public Works.

1028. A letter from the Acting Secretary of the Treasury, transmitting the Annual Report of the Federal Bureau of Narcotics for the calendar year ended December 31, 1954, pursuant to section 1 of the act of June 14, 1930; to the Committee on Ways and Means.

1029. A letter from the Acting Secretary, Department of Health, Education, and Welfare, transmitting a report on the minimum benefit under old-age and survivors insurance, pursuant to section 404 of the Social Security Act Amendments of 1954 (Public Law 761, 83d Cong.); to the Committee on Ways and Means.

1030. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of July 21, 1955, the following bills were reported on July 22, 1955:

Mr. BLATNICK: Committee on Public Works. H. R. 2552. A bill to authorize the modification of the existing project for the Great Lakes connecting channels above Lake Erie; with amendments (Rept. No. 1344). Referred to the Committee of the Whole House on the State of the Union.

Mr. KEAN: Committee on Ways and Means. H. R. 6263. A bill to amend section 1233 of the Internal Revenue Code of 1954 and section 117 (l) of the Internal Revenue Code of 1939; with amendments (Rept. No. 1345). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'BRIEN of Illinois: Committee on Ways and Means. H. R. 6728. A bill to provide for carryback and carryover of foreign tax credit; with amendments (Rept. No. 1346). Referred to the Committee of the Whole House on the State of the Union.

Mr. KING of California: Committee on Ways and Means. H. R. 7018. A bill to authorize subpenas in connection with the enforcement of the narcotic laws, and for other purposes; without amendment (Rept. No. 1347). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 7030. A bill to amend and extend the Sugar Act of 1948, as amended, and for other purposes; with amendment (Rept. No. 1348). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. S. 1189. An act to permit national banks to make 20-year real-estate loans, 9-month residential construction loans, and 18-month commercial construction loans; with amendments (Rept. No. 1349). Referred to the House Calendar.

Mr. SPENCE: Committee on Banking and Currency. S. 2127. An act to amend the Small Business Act of 1953; with amendments (Rept. No. 1350). Referred to the Committee of the Whole House on the State of the Union.

Under clause 2 of rule XIII, pursuant to the order of the House of July 21, 1955, the following bills were reported on July 23, 1955:

Mr. BYRNES of Wisconsin: Committee on Ways and Means. H. R. 257. A bill to amend section 112 (n) (8) of the Internal Revenue Code of 1939 to provide that in certain cases of a sale or exchange of a taxpayer's residence, certain periods of limitation shall not run against the taxpayer while he is on extended active duty in the Armed Forces; without amendment (Rept. No. 1352). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOGGS: Committee on Ways and Means. H. R. 2553. A bill to amend section 502 (f) of the Internal Revenue Code of 1939, as amended by section 223 of the Revenue Act of 1950, relating to the use of corporation property by a shareholder; with amendment (Rept. No. 1353). Referred to the Committee of the Whole House on the State of the Union.

Mr. KEOGH: Committee on Ways and Means. H. R. 4394. A bill to amend section 3401 of the Internal Revenue Code of 1954; with amendment (Rept. No. 1354). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H. R. 7064. A bill to amend section 421 (a) of the Internal Revenue Code of 1954 to extend the period for exercise of restricted stock options after termination of employment; with an amendment (Rept. No. 1355). Referred to the Committee of the Whole House on the State of the Union.

Mr. HERLONG: Committee on Ways and Means. H. R. 7282. A bill relating to the allowance of the credits for dividends received, for dividends paid, and for a Western Hemisphere trade corporation in computing the alternative tax of a corporation with respect to its capital gains; with amendment (Rept. No. 1356). Referred to the Committee of the Whole House on the State of the Union.

Mr. IKARD: Committee on Ways and Means. H. R. 7300. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of income received from patent infringement suits; with amendment (Rept. No. 1357). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted July 25, 1955*]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOLEY: Committee on Agriculture. H. R. 6846. A bill to amend section 313 of the Agricultural Adjustment Act of 1938, with respect to tobacco allotments; with amendment (Rept. No. 1358). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H R. 6847. A bill to amend section 313 of the Agricultural Adjustment Act of 1938, with respect to tobacco allotments; without amendment (Rept. No. 1359). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 6845. A bill to further amend the Agricultural Adjustment Act of 1938, and for other purposes; without amendment (Rept. No. 1360). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 7302. A bill to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; without amendment (Rept. No. 1361). Referred to the Committee of the Whole House on the State of the Union.

Mr. HYDE: Committee on the Judiciary. H. R. 6888. A bill to amend the Act of September 3, 1954, and to facilitate the entry of skilled specialists chargeable to the quota for Spain; with amendment (Rept. No. 1362). Referred to the Committee of the Whole House on the State of the Union.

Mr. WALTER: Committee on the Judiciary. H. R. 7500. A bill to establish a Commission and Advisory Committee on International Rules of Judicial Procedure; without amendment (Rept. No. 1363). Referred to the Committee of the Whole House on the State of the Union.

Mr. RIVERS: Committee on Armed Services. House Joint Resolution 261. Joint resolution authorizing the Secretary of the Army to make such donations as may be available to The Citadel, Charleston, S. C.; with amendment (Rept. No. 1364). Referred to the Committee of the Whole House on the State of the Union.

Mr. WALTER: Committee on Un-American Activities. S. 2375. An act to provide for 5-year terms of office for members of the Subversive Activities Control Board with 1 of such terms expiring in each calendar year; without amendment (Rept. No. 1394). Referred to the Committee of the Whole House on the State of the Union.

Mr. BUCKLEY: Committee on Public Works. H. R. 6769. A bill to amend the act entitled "An act to provide better facilities for the enforcement of the customs and immigration laws," to increase the amounts authorized to be expended; without amendment (Rept. No. 1395). Referred to the Committee of the Whole House on the State of the Union.

Mr. REED of Illinois: Committee on the Judiciary. H. R. 5130. A bill to amend title 28 of the United States Code so as to eliminate the separate divisions within the judicial district of Nebraska; with amendment (Rept. No. 1396). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H. R. 7379. A bill to amend title 14, United States Code, so as to provide for compensatory absence of Coast Guard military personnel serving at isolated aids to navigation, and for other purposes; with amendment (Rept. No. 1397). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Commitee on Merchant Marine and Fisheries. H. R. 7471. A bill to provide for the conveyance of certain lands of the United States to the Board of Commissioners of St. Johns County, Fla.; with amendment (Rept. No. 1398). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. H. R. 6376. A bill to provide for the hospitalization and care of the mentally ill of Alaska, and for other purposes; with amendment (Rept. No. 1399). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H. R. 6102. A bill to change the name of Garza-Little Elm Dam, located in Denton County, Tex., to Lewisville Dam; without amendment (Rept. No. 1400). Referred to the House Calendar.

Mr. DAVIS of Tennessee: Committee on Public Works. H. R. 6961. A bill to designate the lake created by Buford Dam in the

State of Georgia as "Lake Sidney Lanier"; without amendment (Rept. No. 1401). Referred to the House Calendar.

Mr. DEMPSEY: Joint Committee on Atomic Energy. H. R. 7576. A bill to facilitate the establishment of local self-government at the communities of Oak Ridge, Tenn., and Richland, Wash., and to provide for the disposal of federally owned properties of such communities; without amendment (Rept. No. 1402). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 314. Resolution for consideration of H. R. 7474, a bill to amend and supplement the Federal Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes; without amendment (Rept. No. 1403). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of July 21, 1955, the following joint resolution was reported on July 22, 1955:

Mr. SPENCE: Committee on Banking and Currency. House Joint Resolution 278. Joint resolution to provide that a gold medal be coined and presented to Dr. Jonas E. Salk in honor of his achievements in the field of medicine; without amendment (Rept. No. 1351). Referred to the Committee of the Whole House.

[Submitted July 25, 1955]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FEIGHAN: Committee on the Judiciary. H. R. 930. A bill for the relief of John Daniel Popa; without amendment (Rept. No. 1365). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the judiciary. H. R. 944. A bill for the relief of Nicola Teodosio; with amendment (Rept. No. 1366). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 1232. A bill for the relief of Salvador, Mercedes, and Miguel Chofre; without amendment (Rept. No. 1367). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 1235. A bill for the relief of Vera Gregovich Kenter; with amendment (Rept. No. 1368). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 1402. A bill for the relief of Santiago Gonzalez Trigo; with amendment (Rept. No. 1369). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1410. A bill for the relief of Giacomo Scano, Giovanna Scano, Guido Scano, and Valerio Scano; with amendment (Rept. No. 1370). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 1492. A bill for the relief of Krsevan Spanjol; without amendment (Rept. No. 1371). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 1920. A bill for the relief of Ane Karlic Vlasich; without amendment (Rept. No. 1372). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1923. A bill for the relief of Kevin Murphy; without amendment (Rept. No. 1373). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 2285. A bill for the relief of Marie Lim Tsien; without amendment (Rept. No. 1374). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 2345. A bill for the relief of Jean Henri Buchet; with amendment (Rept. No. 1375). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 2347. A bill for the relief of Heinrich Wolfgang; without amendment (Rept. No. 1376). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 2704. A bill for the relief of Kazuko Iwata Rausch; without amendment (Rept. No. 1377). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 3057. A bill for the relief of Dr. Bienvenido L. Balingit; without amendment (Rept. No. 1378). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 3201. A bill for the relief of George Mikroulis, his wife, Dora Mikroulis, and his daughter, Madonna G. Mikroulis; with amendment (Rept. No. 1379). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 3527. A bill for the relief of Josef and Perla Natanson; without amendment (Rept. 1380). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 3869. A bill for the relief of Esther Ledea Escobedo; with amendment (Rept. No. 1381). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 3963. A bill for the relief of Ashot Mnatzakanian and Ophelia Mnatzakanian; without amendment (Rept. No. 1382). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 3965. A bill for the relief of Max Moskowitz; with amendment (Rept. No. 1383). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 4025. A bill for the relief of Mrs. Donald A. Howard (nee Miss Elsa Ursula Kuchinke); with amendment (Rept. No. 1384). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 4544. A bill for the relief of Andrew Carrigan; without amendment (Rept. No. 1385). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 4548. A bill for the relief of Michele Pica; without amendment (Rept. No. 1386). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 4643. A bill for the relief of Mrs. Lee Shee Yee (also known as Lee Lai Koon); without amendment (Rept. No. 1387). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 5074. A bill for the relief of Miss Bianca Lina Rionegro; with amendment (Rept. No. 1388). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 5079. A bill for the relief of Tom Wong (Foo Tai Nam); without amendment (Rept. No. 1389). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 5082. A bill for the relief of Mrs. Koto Nakagawa; without amendment (Rept. No. 1390). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 5869. A bill for the relief of Andreas (or Andrew) Voutsinas; with amendment (Rept. No. 1391). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 5870. A bill for the relief of Jesajahu Braun; without amendment (Rept. No. 1392). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 7197. A bill for the relief of Mrs. Mary Christine Dowdy; without amendment (Rept. No. 1393). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY:

H. R. 7547. A bill to extend the death benefits of the Federal Employees Compensation Act to the dependents of certain Reserve members of the Navy, Marine Corps, and Coast Guard; to the Committee on Education and Labor.

By Mr. BALDWIN:

H. R. 7548. A bill to authorize the construction of additional works for the extension of the Contra Costa Canal, a feature of the Central Valley project, California; to the Committee on Interior and Insular Affairs.

By Mr. BENTLEY:

H. R. 7549. A bill to liberalize the definition of "widow of a World War I veteran" for purposes of Veterans' Administration laws, and to provide that remarried widows may return to the compensation rolls upon termination of their remarriage by divorce without fault on the part of the wife, or by death; to the Committee on Veterans' Affairs.

By Mr. BYRNES of Wisconsin:

H. R. 7550. A bill granting the consent and approval of Congress to a Great Lakes Basin compact and for related purposes; to the Committee on Foreign Affairs.

By Mr. DOYLE:

H. R. 7551. A bill to provide that certain suits arising out of the Emergency Price Control Act of 1942 shall be forever barred unless brought before the expiration of 1 year after the date of enactment of this act; to the Committee on Banking and Currency.

By Mrs. FARRINGTON:

H. R. 7552. A bill to amend sections 220 and 221 (d) of the Hawaiian Homes Commission Act, 1920; to the Committee on Interior and Insular Affairs.

By Mr. FLOOD:

H. R. 7553. A bill to authorize, for a 2-year period, the purchase by the Government of anthracite in amounts sufficient to maintain normal production and employment in the anthracite region, to promote the general national welfare, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HAYWORTH:

H. R. 7554. A bill to promote the common defense and the general welfare of the people of the United States by encouraging maximum development of low-cost electric energy from all sources of power, including atomic energy, coal, oil, natural gas, and water, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLIFIELD:

H. R. 7555. A bill to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. HOPE:

H. R. 7556. A bill to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. HOSMER:

H. R. 7557. A bill to authorize an extension of the Los Angeles and Long Beach Harbors breakwater; to the Committee on Public Works.

H. R. 7558. A bill to make certain changes in the administration of the Panama Canal Company, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HOSMER (by request):

H. R. 7559. A bill to confer jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon claims of immigration officers and employees of the Immigration and Naturalization Service to extra compensation for Sunday, holiday, and overtime services performed after March 2, 1931, and not heretofore paid in accordance with existing law; to the Committee on the Judiciary.

By Mr. KEAN:

H. R. 7560. A bill to amend an act entitled "An act to provide for the sale of the Port Newark Army Base to the city of Newark, N. J., and for other purposes," approved June 20, 1936, as amended; to the Committee on Armed Services.

By Mr. LOVRE:

H. R. 7561. A bill to authorize the Secretary of the Army, acting through the Corps of Engineers, to undertake certain public works and grant compensation for certain property damages as a result of the construction of the Oahe, Gavins Point, and Fort Randall Dams and Reservoir projects, Missouri River; to the Committee on Public Works.

By Mr. McDONOUGH:

H. R. 7562. A bill to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. McMILLAN:

H. R. 7563. A bill to permit the Public Utilities Commission of the District of Columbia to put into effect for a temporary period certain emergency rate increases; to the Committee on the District of Columbia.

By Mr. MILLER of California:

H. R. 7564. A bill to make certain changes in the administration of the Panama Canal Company, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H. R. 7565. A bill to give military status and grant discharges to the members of the Russian Railway Service Corps organized by the War Department under the authority of the President of the United States for service during the war with Germany; to the Committee on Armed Services.

By Mr. PELLY:

H. R. 7566. A bill to amend the Internal Revenue Codes to make it clear that the taxes on transportation of persons and property do not apply to ferry service provided by State-operated ferryboats; to the Committee on Ways and Means.

By Mr. POWELL:

H. R. 7567. A bill to extend the Civil Service Retirement Act of May 29, 1930, to certain employees of the Panama Canal Company and the Canal Zone Government, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. REUSS:

H. R. 7568. A bill to amend the Immigration and Nationality Act to extend to certain additional aliens in the United States the right to secure permanent residence, through an adjustment of their status, without leaving the country; to the Committee on the Judiciary.

By Mr. SMITH of Mississippi:

H. R. 7569. A bill to amend the Veterans' Readjustment Assistance Act of 1952 to provide education and training rights for persons who enlisted in the Armed Forces of the United States during January 1955, but who were not on active duty on January 31, 1955; to the Committee on Veterans' Affairs.

H. R. 7570. A bill authorizing the Secretary of the Interior to make a comprehensive survey and study of the ground-water resources of the Mississippi Valley embayment area; to the Committee on Interior and Insular Affairs.

By Mr. THOMPSON of New Jersey:

H. R. 7571. A bill to amend an act entitled "An act to provide for the sale of the Port Newark Army Base to the city of Newark, N. J., and for other purposes," approved June 20, 1936, as amended; to the Committee on Armed Services.

By Mr. UTT:

H. R. 7572. A bill to authorize an extension of the Los Angeles and Long Beach Harbors breakwater; to the Committee on Public Works.

H. R. 7573. A bill to authorize the construction of shore protective works in the vicinity of Oceanside, Calif.; to the Committee on Public Works.

H. R. 7574. A bill making emergency appropriations for the construction of works for protection against beach erosion at Oceanside, San Diego County, Calif.; to the Committee on Appropriations.

By Mr. CARNAHAN:

H. R. 7575. A bill to promote the cause of world peace by authorizing for a limited period the admission as temporary visitors to the United States of a limited number of nationals of the Union of Soviet Socialist Republics and certain satellite countries to become acquainted with the American people and the American way of life, and for other purposes; to the Committee on Foreign Affairs.

By Mr. DEMPSEY:

H. R. 7576. A bill to facilitate the establishment of local self-government at the communities of Oak Ridge, Tenn., and Richland, Wash., and to provide for the disposal of federally owned properties of such communities; to the Joint Committee on Atomic Energy.

By Mr. DAVIS of Tennessee:

H. R. 7577. A bill to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. FASCELL:

H. R. 7578. A bill to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. MOULDER:

H. R. 7579. A bill to establish a conclusive presumption of service connection in the case of the death of any individual who has been rated by the Veterans' Administration for 10 or more years as totally disabled from active tuberculosis; to the Committee on Veterans' Affairs.

Br. Mr. PILCHER (by request):

H. R. 7580. A bill to provide a basis for awarding compensation to members of the National Guard for disability incurred in line of duty; to the Committee on Veterans' Affairs.

By Mr. ABBITT:

H. J. Res. 398. Joint resolution directing a study and report by the Administrator of the Agricultural Research Service of the Department of Agriculture proposing an expansion of the tobacco production, utilization, and marketing research program, with primary emphasis on basic research; to the Committee on Agriculture.

By Mr. MILLER of California:

H. J. Res. 399. Joint resolution to encourage and foster the cooperation of private and State historical commissions with the National Historical Publications Commission; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Florida memorializing the President and the Congress of the United States to enact such legislation, or propose such amendments to the Constitution of the United States, or both, as may be designed and calculated to enable the sovereign States to continue to control and supervise the education of their peoples under such systems as they may see fit, including a segregated system; to the Committee on the Judiciary.

Also, a memorial of the Legislature of the State of Pennsylvania memorializing the President and the Congress of the United States relative to requesting that the Members of the Congress participate in the observance on Monday morning, July 4, 1955, from Independence Hall in the city of Philadelphia; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BYRD:

H. R. 7581. A bill for the relief of Hildegard Giglberger; to the Committee on the Judiciary.

By Mr. FINE:

H. R. 7582. A bill for the relief of Patrick Joseph Connaughton; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 7583. A bill for the relief of Mary Viola Jones; to the Committee on the Judiciary.

By Mr. LESINSKI:

H. R. 7584. A bill for the relief of Isidoro Heredia Ruiz; to the Committee on the Judiciary.

By Mr. MILLER of California:

H. R. 7585. A bill for the relief of Hardy Vandal Hansen; to the Committee on the Judiciary.

By Mr. RILEY:

H. R. 7586. A bill for the relief of Cecile Angele Chaffoo; to the Committee on the Judiciary.

By Mr. ROGERS of Colorado:

H. R. 7587. A bill for the relief of Abram van Heynigen Hartendorp; to the Committee on the Judiciary.

By Mr. SCHENCK:

H. R. 7588. A bill for the relief of Jane Edith Thomas; to the Committee on the Judiciary.

By Mr. THOMPSON of New Jersey:

H. R. 7589. A bill for the relief of Michajlo Hawryskewycz; to the Committee on the Judiciary.

By Mr. UTT:

H. R. 7590. A bill for the relief of Rafael Diaz-Gallegos; to the Committee on the Judiciary.

H. R. 7591. A bill for the relief of Mrs. Alicia Romero de Ramirez; to the Committee on the Judiciary.

H. R. 7592. A bill for the relief of Juan Perez-Ramirez; to the Committee on the Judiciary.

By Mr. WAINWRIGHT:

H. R. 7593. A bill for the relief of Gertraud Anna Giulio; to the Committee on the Judiciary.

H. R. 7594. A bill for the relief of Mary Margaret Watson; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

The Colorado River Storage Project

EXTENSION OF REMARKS
OF
HON. E. KEITH THOMSON
OF WYOMING
IN THE HOUSE OF REPRESENTATIVES

Monday, July 25, 1955

Mr. THOMSON of Wyoming. Mr. Speaker, I believe the best method of determining if an expenditure of public funds is justified is to analyze the benefits to be derived and to measure them against the total expenditure involved. In the case of the Colorado River storage project, the benefits far exceed the total cost. In a 50-year period following the last power installation, irrigation revenues from the irrigation projects, plus net power revenues from the power facilities to be authorized by H. R. 3383 will have repaid the investment in construction cost plus interest on the power features even during construction and leave a surplus of about $86 million. In addition, after the project has paid for itself, net power revenues amounting to from $15 million to $20 million annually will continue to flow into the Treasury. That, to me, means that the Colorado storage project is a sound investment for the people of the United States and that it is financially feasible from every standpoint.

However, there have been a number of unfair attacks on the project, and I would like to put the record straight on one of these distorted criticisms. The attack to which I have reference originated with Leslie A. Miller, and I feel it necessary to answer it not only because of its inaccuracies, but because Mr. Miller is a resident of my State. I do not want people to think that Mr. Miller speaks for the rest of the citizens of Wyoming. He most emphatically does not.

Like other opponents of this project, Mr. Miller ignores this fundamental fact: The project is self-liquidating. Documents show that the cost will be repaid to the Government, much of it with interest, by the people of the area to benefit directly from the project.

Mr. Miller errs when he says the project will not provide the needed water and power for industrial uses. The project specifically provides for full use of the water and the power for industries and cities. A specific assignment for these purposes was made after careful and comprehensive surveys of the potential needs. If cities need even more water in the future, they have the right to it under western water law. So this is not a matter of shutting the municipal and industrial users out of the picture. It is the only way to provide them with a guaranty of adequate water. A study of the project will show that this is a major purpose, and the cities and industries of the West are well aware of it.

Also, Mr. Miller gives an erroneous impression when he lists the portion of the cost the water users will pay and states, "The balance will be subsidized by the Federal Government." Actually, the balance—that which is not paid for by the water user—will be paid for by the power user. Power is a natural byproduct of the project.

Mr. Miller implies that the use of sprinkling systems for irrigating farmland is a substitute for the project. We are not arguing the merits of various ways of putting the water to use; our problem is to get the water in the first place.

Mr. Miller writes only about those items he hopes will justify his conclusion, refusing to examine the project as the package that it is. He makes as a prime example of the weaknesses of the overall project the La Plata unit in New Mexico. This particular unit is not included as an authorized project in the bill that passed the Senate in April, nor is it listed as a project subject to future approval, nor is it included in the bill now before the House in any form.

To be able to decide whether the project is strong or weak, one must look at all aspects. The bill which was approved by the House Interior and Insular Affairs Committee in June 1955 authorizes 3 major dams and 11 participating units at a total cost of $760 million, and of this total, 61 percent will pay full interest.

The project will pay for itself within 50 years. This is no theory. It has been documented and detailed by engineers, scientists, and economists, and a study of hearings before the Senate Interior Committee this year will bear this out.

This same plan has worked time and time again in the United States, and the taxpayers and the people of the nation are the ultimate beneficiaries.

Where Mr. Miller and his friends fail to do the project justice is in their attack on isolated units, or the use of arithmetic trickery, to justify a predetermined opinion. They are too busy looking at the trees to see the forest.

Attacks on reclamation and the Colorado River storage project overlook these factors:

First. In addition to repaying its total cost, the project will eventually return a profit to the treasury of several millions annually, from the sale of power produced by the project.

Second. All power and municipal features of the project pay full 2½ percent interest.

Third. Tax revenues and other benefits will far exceed the total cost and the cost of interest-free money.

Fourth. The project greatly benefits industries and cities, and not just users of irrigation water.

Fifth. Water resources development creates wealth and income.

Sixth. The total wealth and income created are vastly greater than either the real costs or the money costs, and tax revenues on the wealth and income created eventually more than offset the money costs.

Seventh. The Colorado River region, as a major resource of the Nation, must fully be developed for reasons of maximum resource utilization and for long range national defense purposes.

Eighth. The western States are great contributors to the United States Treasury and to the reclamation fund itself by royalties from oil and minerals found in these States.

In regard to the latter point, income from these minerals is divided 37½ percent to the State where the mineral is produced, 10 percent to the Treasury of the United States, and 52½ percent to the reclamation fund for the benefit of the Western States.

My State of Wyoming alone has paid more than $200 million to the Treasury in this manner. By the time the bill comes due for the Colorado River storage project, my State alone will have paid into the Treasury enough to assume the entire cost of the project. Yet, we are criticized by advocating developments that put this money to use.

The United States is the landlord in my State and in other States concerned directly with the Colorado River project. The Government owns more than 51 percent of the area of my State. It owns the oil and other minerals under 44 million of Wyoming's 62 million acres. This actually deprives our State of needed tax revenue sources and of income. That is one reason we feel justified in encouraging the Federal Government to participate in a project that will be a sound investment from a tax standpoint.

The history of water resources development is a history of accomplishment, of wealth creation. In the reclamation phase of such development, expenditures since 1902 of less than $3 billion has provided irrigation water and facilities to more than 7 million acres of land. This has been the basis for the transformation of relatively valueless land into highly productive valuable farms. The land has produced almost $10 billion in crop values. Net revenues from power generation on the projects total approximately one-fourth of $1 billion. Municipalities have been provided water supplies, and vast areas have been protected from the ravages of floods.

When Mr. Miller discusses the irrigation costs of the Colorado project his basic figures are as much in error as his basic premises.

He arbitrarily uses an estimated irrigation construction cost of $1,000 per acre. This is way out of line with the actual facts of the matter. The average cost per acre served is $545—not $1,000.

Admittedly, this is more than the land would sell for today without the water. But it is a feasible and practical figure when its long-term use and repayment is considered. Repayment over a 60-year period makes the annual water cost

about $8, which in terms of added wealth provided, is a great bargain.

Also, it should be kept in mind that the Federal Government is not being asked to shoulder this cost. It is an expense that will be borne by the water user and those who will benefit from the Colorado project.

Mr. Miller condemns the project because the land to be irrigated lies at high elevations. But he completely ignores the point that water will produce more calories of food per unit of water consumed at these elevations than at low elevations such as Imperial Valley, Calif.

Mr. Miller opposes reclamation of more land to provide food for the Nation's booming population. He says present farm acreage can handle the extra demand by 1975 through paying proper attention to new techniques and fertilizers and more efficient machinery.

This view is in direct contradiction to 3 Government studies which set the 1975 population of the United States at from 190 to 210 million. These three studies are: First, report by Byron Shaw, Administrator, Agricultural Research Service, 1953; second, the President's Water Policy Commission, 1952; and third, policy study of material resources, 1953.

To provide food at present diet standards will require 30 million new acres in addition to all the increases in production that can be obtained through scientific improvements.

The items now in surplus generally are not those that will be produced in the upper Colorado River Basin. Also, it will take perhaps a quarter of a century before the land is put to full use—and by then we will be facing a food shortage rather than a food surplus.

Is it any wonder there is no worry about having too much food a quarter of a century from now?

Of course, irrigation of farmland is only one benefit to come from the project.

One of the most important uses of water is for industrial development. In 1954, the Bureau of Mines listed 42 metals and minerals of strategic and economic importance found in substantial quantity in the upper Colorado River Basin. Considering proven reserves, their their value as raw material was estimated at $1,123 million. The Colorado Plateau accounts for nearly all of the Nation's current production of uranium, and one-third of the Nation's copper.

But water and power must be available in dependable quantities and at reasonable cost on a permanently assured basis. Water and power are essential ingredients for the mining, smelting, refining, and processing of these vital natural resources which are not readily available elsewhere. Right now, there is a shortage of uranium-processing mills, largely because of a lack of water to supply these mills.

The project will provide the water and power for mining and industrial development, and in so doing will add wealth to the Nation at the same time will bolster our national defense. Uranium royalties alone return millions of dollars every year to the United States Treasury.

This summer, many communities are rationing water for domestic uses. Denver has such a rationing program in effect, and so do other cities. This project will provide the water needed in these communities, and the cities, of course, will pay for it—and with full interest.

The project pays for itself in many, many ways. It is a great investment for the Nation from every standpoint and should, I believe, be authorized now, with construction to begin immediately. The Nation will benefit and so will the taxpayer. I urge my colleagues to give this project, as outlined in H. R. 3383, their full support.

The Upper Colorado River Storage Project

EXTENSION OF REMARKS
OF
HON. WILLIAM A. DAWSON
OF UTAH
IN THE HOUSE OF REPRESENTATIVES
Monday, July 25, 1955

Mr. DAWSON of Utah. Mr. Speaker, never has any reclamation project been subjected to as much vilification and misrepresentation as has the upper Colorado River storage project. At the expense of hundreds of thousands of dollars, opponents of this project have deluged our offices with propaganda alleging—among other things—that the project will be a burden on the residents of other States in the Nation. This is false. The cost of the upper Colorado River project will be repaid by the residents of the four States directly benefitting from its construction—New Mexico, Utah, Colorado, and Wyoming. Each unit of the project will be repaid within a 50-year period after full development. The power and municipal water features of the project will be repaid with interest.

It is because this project is repayable within the limits set by the reclamation law that it has the full support of President Eisenhower. Those opposing the project would have the people believe that the President of the United States was advocating something that would increase their taxes by $4 billion. This is not so. The money is repaid to the Treasury and repaid by the people in Utah, Colorado, New Mexico, and Wyoming. The rest of the Nation shares in the additional wealth produced as water is saved from waste and put to domestic, industrial, and agricultural use.

Each Member of Congress should ask himself why this project—more than any in history—has been subjected to such a distorted national campaign of opposition. What is there about this project that makes it the target of calumny?

The answer is readily available. The source of the propaganda and opposition wealth is southern California.

Southern California's interest in the project is economic. As long as our water wastes into the sea, industry in southern California benefits from the purchase of firm power at dump power rates of 1.47 mill per kilowatt-hour. Depending upon the flow of the river, this power generated by upper basin water, is worth between $2 million and $4 million per year. The contracts for this power all have a clause cancelling them when the upper basin starts to use its water. To protect these contracts and, in protecting them, to steal our water is the sole purpose of southern California's opposition.

Statements that this project would add to the tax burden of residents in other States of the Nation are as false and fantastic as the accusation that we in the West want to grow bananas on Pike's Peak. We want our water in order that we can continue to grow. This priceless resource should not be wasted to furnish subsidized power to a few favored industries in southern California and to grow cotton in Mexico.

Need for an Adequate Highway Program—No. 1

EXTENSION OF REMARKS
OF
HON. HARRISON A. WILLIAMS, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, July 25, 1955

Mr. WILLIAMS of New Jersey. Mr. Speaker, the need for an adequate highway program in the United States is recognized by everyone. The highway problem is particularly acute in areas of concentrated population and in corridor States such as New Jersey. While New Jersey ranks eighth in population and eighth in motor vehicle registration, it ranks first in density of traffic. In fact, the density of traffic is 7½ times the national average. This places a tremendous burden on the State to provide adequate highway facilities.

Therefore, it seems appropriate to me that because of the vast magnitude of traffic coming from outside the State—200 million motor vehicles cross the State borders annually—a substantial contribution to the State's highway needs should come from the Federal Government.

In line with this thought, I sent a statement to some of the leading people in my district on the highway question. Under unanimous consent, I include my statement and some of the answers I received for the information of my colleagues in considering the highway bill which has just been reported.

The statement and letters follow:

STATEMENT OF CONGRESSMAN HARRISON A. WILLIAMS, JR., DEMOCRAT, NEW JERSEY

While New Jersey ranks 45th in size in the Nation, eighth in population and eighth in motor vehicle registration, it ranks first in density of traffic. The New Jersey problem is multiplied in Union County, which is a corridor in a corridor State. The density of traffic in Union County is over 7½ times the national average.

The facilities for handling this traffic, particularly on U. S. 1 and U. S. 22, are inade-

quate today—constituting not only a source of constant frustration and delay, but even more important, an extreme safety hazard. This problem will get worse rather than better, since it is clear that the number of automobiles on the highways will vastly expand in the future. The tremenodus output of the automobile industry this year, breaking all previous records, is but one indication of the scope and magnitude which this problem will assume in the near future.

For some time a subcommittee of the governors' conference has been studying this problem. In addition, a presidential commission headed by General Clay has also looked into ways and means of meeting this problem. Their reports have now been published. The Clay report outlines a 10-year program of Federal assistance to the States in modernizing and expanding our highway facilities. The recommendations of this report, as contained in legislation sponsored by the administration, emphasize the need of an interlocking system of national highways to carry the burden of city-to-city traffic, which is the major problem we face today and will face in the future, in terms of traffic density.

The plan proposed by the administration has one serious drawback, which is its financing provision. Financing of the program would be handled by a Federal highway corporation which would be established to sell bonds. This feature has two drawbacks: first, it hides the indebtedness of the National Government from the budget; and, second, it would involve a good deal of interest payment over the long pull.

Nevertheless, it is clear that the President's program—which I hope will be improved upon with regard to its financing provisions—offers the best hope for solving the highway problem, particularly in areas of concentrated density such as Union County. In all probability, under this plan very substantial assistance would be available to improve upon or build alternate superhighways for routes U. S. 1 and 22.

Under the Clay program, New Jersey's share of Federal funds each year for a 10-year period would be $141,900,000, with the State contributing $11,200,000, making a total expenditure per year for the State of New Jersey of $153,100,000, exclusive of other funds not contained in the Federal aid system. Of this total, 60 percent would be required for the modernization of three Federal interstate routes, including U. S. 1 and 22.

In addition, there is a proposal being advanced by Senator GORE and others in the Senate for a 5-year plan which has serious drawbacks in terms of the needs of New Jersey. First of all, it falls far short of the goal of providing adequate highways; and, secondly, it does not emphasize to nearly the same extent as the President's program the development of adequate and safe interstate highways. Under the Gore plan, New Jersey would receive $54 million of Federal funds each year for 5 years, as against $141,900,000 each year for 10 years under the President's recommendations. New Jersey's contribution under the Clay plan would be $11,200,000 per year, and $8,100,000 a year under the Gore proposal. I am informed by the State Highway Commissioner that New Jersey would be unable to meet the requirements of the Gore plan and at the same time provide for reconstruction, maintenance and relocation of routes not under the Federal aid system but still vital to the needs of the State.

Therefore, it seems clear to me that given the tremendous needs for highway development now and in the future, we in New Jersey particularly would be better served should a plan close to the President's proposal be adopted. I have already publicly mentioned my support of this proposal, with the reservation that I would like to see the financing provision improved.

It seems apparent to me that New Jersey should justifiably receive substantial Federal aid in maintaining a highway system which carries such a large proportion of traffic from other States. Taxpayers from other States who use the New Jersey highways to such a great degree should contribute to the maintenance of these highways through the means of Federal assistance.

MOORE CHEVROLET CO.,
Elizabeth, N. J., May 27, 1955.

Hon. HARRISON A. WILLIAMS, Jr.,
Congress of the United States,
House of Representatives,
Washington, D. C.

DEAR MR. WILLIAMS: Recently you expressed your desire to hear my viewpoint regarding the present national problem of highway construction.

In reading over your statement as to the solution of this problem, I cannot but help agree with you wholeheartedly.

Union County, small as it is, has a serious problem with its own internal traffic due to its large population and industrial concentration; but when the flow of traffic from U. S. Highways No. 1 and No. 22 is added, the problem becomes unduly severe.

It must be remembered these two highways are two of the main arteries into New York City, yet Union County suffers the weight of this out-of-State traffic. In addition, Elizabeth has already been penalized by the New Jersey Turnpike, which bisects its eastern region. This area is already showing signs of rapid deterioration due to this bisection.

I certainly hope you will use your utmost powers to further the highway construction program and with particular emphasis on Union County receiving its share of this financial assistance.

Sincerely yours,

MARTIN J. MOORE,
President.

ELIZABETH MOTORS, INC.,
Elizabeth, N. J., May 27, 1955.

The Honorable HARRISON A. WILLIAMS, Jr.

DEAR SIR: Having carefully read your statement on the highway question, we desire to go on record as being in full accord with your position. Definite steps must be taken soon to relieve present highway conditions, and Federal assistance seems to be the solution.

I am glad to see your interest in the program which, in my opinion, is of vital importance and should not be delayed any longer. There is, in my opinion, sufficient tax money derived from automobiles and gasoline, etc., to take care of this problem adequately.

I shall be glad to render any assistance if called upon to do so.

Respectfully yours,

ELIZABETH MOTORS, INC.,
B. W. SCHONINGER.

SUMMIT AREA CHAMBER OF COMMERCE,
Summit, N. J., June 10, 1955.

The Honorable HARRISON A. WILLIAMS, Jr.,

DEAR CONGRESSMAN WILLIAMS: I have given your letter dated May 23, with which you enclosed a statement regarding the problem of highway traffic, considerable thought.

Chambers of commerce have, as a rule, opposed any increase in Government control over projects normally operated by the individual States.

I realize that New Jersey's problem is somewhat different since it is a corridor State and has, accordingly, a greater density of traffic. Because of these unusual conditions, perhaps we should accept some help from the Federal Government and, should this be done, the administration's plan seems the more practical, rather than that proposed by Senator GORE.

Thank you for giving me an opportunity to express my views on such a controversial subject.

Sincerely yours,

WM. RAE CRANE,
Executive Secretary.

PLAINFIELD LODGE, NO. 885,
BENEVOLENT AND PROTECTIVE
ORDER OF ELKS,
Plainfield, N. J.

The Honorable HARRISON A. WILLIAMS, Jr.,

DEAR CONGRESSMAN: It is with great interest to me that you are supporting the President's highway bill with reservations as to the financing.

With the growing demand for new highways and reconditioning of the older ones it is very necessary to get quick action for the bill passage.

Your suggestion as to financing is in complete accord with my opinion.

Here's to success in this problem, I am,

Sincerely yours,

JAMES A. REILLY, P. E. R.

Need for an Adequate Highway Program—No. 2

EXTENSION OF REMARKS
OF

HON. HARRISON A. WILLIAMS, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 25, 1955

Mr. WILLIAMS of New Jersey. Mr. Speaker, the highway legislation which is presently pending before the Congress has attracted widespread comment in the newspapers and elsewhere.

The need for an adequate highway program in New Jersey—not only now but in the future—is approaching staggering proportions.

I would like to call to the attention of the Congress the views of two leading New Jersey newspapers on the highway problem, as expressed in their editorial columns in May.

The editorials follow:

[From the Newark Star-Ledger of May 29, 1955]

THE MOST FOR OUR MONEY

The Democratic United States Senate has shelved the administration's highway program for one of its own, but the day may yet be saved by the House of Representatives. We hope so, for the administration plan is much, much better for New Jersey than the Democratic substitute.

A last-ditch fight will be needed in the House to win support for the administration program, developed by Gen. Lucius Clay. We trust that every one of New Jersey's congressional bloc, Democrat and Republican alike, will be lined up on the side that offers our State the most for its money.

The Democrats should not find the Eisenhower side too uncomfortable. Governor Meyner, a Democrat, has already endorsed the administration plan, because he recognizes how much better it is for the State than the Democratic program.

Here are the facts:

Administration plan: New Jersey would get $141,900,000 per year for 10 years. We will contribute $11,200,000 a year in addition, making a grand total of $153,100,000 a year for 10 years.

Democratic plan: New Jersey would get only $54 million a year, and for only 5 years. Our share would be $8,100,000 a year.

The Clay plan is obviously a much better deal for New Jersey. We would pay 3 times as much, but get more than 5 times as much in Federal aid.

These figures are stratospheric, of course, and it's a little hard to visualize just what all this means to us. You may get a better perspective on the terrible need for road construction and modernization in New Jersey when you realize that we are the first in traffic density in the entire Nation. It's no honor. It's a nuisance.

Our State is the carpet between that big city across the river and the rest of the United States of America.

Our traffic problem, as a result, is in reality the Nation's traffic problem. It is unfair and unrealistic to think that we should, or could, solve the Nation's problem by ourselves.

The Clay plan recognizes this reality. It offers New Jersey a substantial share of the Federal road-building program. It offers us enough money to make a significant and worthwhile contribution to solving our immense traffic headache.

The Democratic plan will not solve the problem. It will only ameliorate it. And that is not enough. Niggardliness in road-building usually ends up costing more money in the long run.

The future well-being of northern New Jersey rests largely on the success we have in eliminating the traffic problem. The New Jersey contingent in Congress should take the lead in persuading the House of Representatives to pass the administration's highway bill, and then in persuading the Senate to change its mind.

[From the Newark Evening News]

NEW JERSEY LEFT OUT

In a new and strange preoccupation with economy and the public debt, Senate Democrats, aided by a dozen Republicans, have defeated President Eisenhower's road-building program.

As a substitute the Senate offers the Gore bill. It doesn't come close to meeting national-defense needs for an interstate highway system and, comparatively, makes New Jersey a Federal orphan.

The Gore bill reduces the President's 10-year plan to 5, and Federal-State expenditures from $39,100,000,000 to $17,941,000,000. Reduction doesn't stop there.

Nearly $1½ billion had been earmarked for New Jersey under the administration bill at a matching cost to the State of approximately $112 million. By the terms of the Gore bill this grant becomes $260 million. And to qualify for this cut-rate aid, our State would have to contribute up to an estimated $100 million.

Under the President's proposal, New Jersey and other road-conscious States were to have been reimbursed for the millions spent on toll facilities such as Garden State Parkway and the State turnpike. There is every justification for such credits because parkway and turnpike form part of the interlocking system of transcontinental highways which the Eisenhower program is designed to create.

Governor Meyner 3 weeks ago refused to accept Democratic policy as promulgated by the Senate, and came out strongly for the President's plan. He appealed to the State's congressional delegation to do likewise, and has been joined publicly by a fellow Democrat, Representative WILLIAMS of the Sixth (Union County) District. Republican Senators CASE and SMITH both supported the shelved administration bill.

It may be said that New Jersey's stand is inspired by State interest. Frankly, it is; but in this case State interest coincides with the national interest that would have been served by the broader administration project.

This is more than can be said of the politics and sectional interest, such as the plea for farm-to-market roads, that went into the Senate's support of the Gore bill, with its emphasis on intrastate rather than interstate facilities. Moreover, as a corridor State, New Jersey bears a far greater burden of national traffic than the much-advertised bridge States of the West.

This State is not, of course, the only victim of the Gore bill. It discriminates as well against Connecticut, New York, Pennsylvania, Ohio, and other progressive States which have invested heavily in toll facilities to form a national road network. This fact doubtless will not escape representatives of the affected States when the Senate's poor substitute for a good road bill reaches the House.

Need for an Adequate Highway Program—No. 3

EXTENSION OF REMARKS

OF

HON. HARRISON A. WILLIAMS, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 25, 1955

Mr. WILLIAMS of New Jersey. Mr. Speaker, the highway problem is a matter of vital and continuing concern in the State of New Jersey. In the light of the highway bill which has now been approved by the Public Works Committee of the House, I would like to call to the attention of my colleagues two editorials from New Jersey newspapers which summarize much of the opinion on this subject which has been publicly expressed regularly during the past several weeks. It is particularly gratifying to note the job the Public Works Committee has done in working out an adequate highway program to meet the Nation's needs and at the same time provide a method of financing for consideration by the Congress which would not impose a staggering interest payment on the taxpayers of this country, as the plan proposed by the administration would do.

The editorials follow:

[From the Newark Star-Ledger of July 13, 1955]

SPECIAL INTERESTS

There is hope on the horizon again that we in New Jersey will get the Federal help we need to straighten out our highway problems.

The Senate scuttled President Eisenhower's road program, which would have given us enough money—$153 million a year for 10 years—to really do the job right. There were political considerations in killing the bill, of course, but there also were objections in principle to the way it was to be financed. The idea was to float bonds, thus keeping highway expenditures out of the budget. This was attacked as illegal. There was also the reasonable objection that too much money would have gone for interest on bonds instead of for building better roads.

The House is now considering a new financing plan, and it promises to revive the Eisenhower plan which New Jersey needs so much. The money would be raised by direct tax increases. The gasoline tax would go up a penny and there would be special levies on diesel fuel, trucks, and truck tires and tubes.

The special interests involved have already registered their protests. They are genuinely worried that these boosts may drive some firms out of business.

There is something to be said, however, for taxing those who are most directly benefited by the projects involved. Clearly, the people who use gasoline and tires and tubes and trucks gain more from better roads than the people who do not drive at all.

A compromise here might turn out to be the most effective solution. The public at large should also share the cost of road improvements, since the economy as a whole is so dependent on good transportation. Instead of raising all of the funds by direct road taxes, it might be more reasonable to raise half that way and take the rest out of the general tax fund.

[From the Newark Evening News of July 12, 1955]

REALISM ON ROADS

Former Governor Driscoll was at least being consistent when he reproved Republican State Chairman Bodine for praising Governor Meyner and New Jersey's Democratic delegation in the House of Representatives for supporting President Eisenhower's highway program.

Mr. Driscoll has long advocated the repeal of the Federal gasoline tax and the return of the whole roadbuilding job to the States. He argues that not only could they do it cheaper, but that many States, including New Jersey, pay more in gasoline taxes than they get back in Federal grants-in-aid.

Mr. Driscoll is not alone. Senator BYRD, of Virginia, is among many others who share his views. Theirs is a logical argument, but it has no chance of acceptance. Some States get back more than they contribute, and there are enough of these to prevent the abandonment of the Federal highway program. Governor Meyner agrees with Mr. Driscoll in theory, but looks at the facts realistically.

"Sure," he says, "I'd like to see the Federal gasoline tax abolished and returned to the States. But when there's no chance of this happening, let's jump in and get all we can."

Mr. Meyner favors the Eisenhower plan because, despite a proposed 1-cent increase in the Federal gasoline tax, New Jersey would, for once, get back more than it paid. In contrast, the Democratic alternative, embodied in the Gore bill, would greatly reduce the amount New Jersey would receive, while requiring it to put up far more in matching funds than it could afford.

Mr. Meyner is working for a compromise that would come closer to the Eisenhower program than either the Gore bill or a new plan just presented by the House Public Works Committee.

With a highway problem of staggering proportions, New Jersey cannot afford divided counsel or the pursuit of impracticable principle, either here or at Washington. Its representatives should agree on the most advantageous program that can win congressional approval and then back it with every bipartisan resource.

Need for an Adequate Highway Program—No. 4

EXTENSION OF REMARKS

OF

HON. HARRISON A. WILLIAMS, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 25, 1955

Mr. WILLIAMS of New Jersey. Mr. Speaker, under leave to extend my remarks, I include a number of communications I have received from constitu-

ents with regard to the so-called Fallon highway bill. Although they mention H. R. 7072, it is clear from the tenor of these comments that they support the revised version of the measure, which is now numbered H. R. 7474.

The letters follow:

ELIZABETH, N. J., *July 20, 1955.*

Hon. HARRISON A. WILLIAMS, Jr.,
House Office Building,
Washington, D. C.

MY DEAR CONGRESSMAN: I am indeed interested in bill H. R. 7072 which covers the method of financing a huge Federal highway construction program requiring the expenditure of approximately $3 billion a year for some years to come. As you undoubtedly know the purpose of the bill is to allocate on a fair basis among the users of the new highways, and consequently the bill provides for size-and-weight limitations on large vehicles as well as for certain taxes, primarily on large tires.

It is my considered opinion that the individual automobile owner (I am in this category) using the car primarily for a little pleasure and recreation should not be burdened with an excessive proportion of taxes, while heavy commercial vehicles might well continue to evade their proper assessments. I believe highway costs should be calibrated in ratio to use, and surely the heavy vehicles result in considerably more wear and tear.

Your full support of H. R. 7072 will be greatly appreciated.

Yours very truly,

ALBERT L. POSTLETHWAITE.

ELIZABETH, N. J., *July 21, 1955.*

Hon. HARRISON A. WILLIAMS, Jr.,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN: Trust you will kindly give favorable consideration to the passage of bill H. R. 7072, which deals with the method of financing the huge Federal highway construction program.

In my opinion this bill contains legislation that will result in a fair distribution of the costs, and therefore would deeply appreciate your vote in favor of its passage.

Thanking you for your past considerations, beg to remain,

Very truly yours,

(Miss) MARY KIERNAN.

ROSELLE, N. J., *July 21, 1955.*

Hon. HARRISON A. WILLIAMS, JR.,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN: Will you kindly give your most favorable consideration to the passage of bill H. R. 7072, with reference to financing the huge Federal highway-construction program.

As this bill contains legislation that will result in a fair distribution of the costs, would therefore greatly appreciate your vote in favor of its passage.

Thanking you for your past considerations, I remain,

Very truly yours,

Mrs. VERONICA AZZARA.

WESTFIELD, N. J., *July 19, 1955.*

The Honorable HARRISON A. WILLIAMS, JR.,
United States House of Representatives,
House Office Building,
Washington, D. C.

DEAR MR. WILLIAMS: As one of your constituents, and as a taxpayer vitally interested in seeing that the cost of our huge Federal highway program is distributed equitably among the several highway users—trucks, buses, and private automobiles—I urge you to support to the fullest extent H. R. 7072, which imposes taxes proportionate to highway use.

Sincerely,

NATHAN W. JAMES.

SUMMIT, N. J., *July 22, 1955.*

Hon. HARRISON WILLIAMS, JR.,
House Office Building, Washington, D. C.

DEAR SIR: As an ordinary motorist, I am interested in the highway-improvement legislation currently being considered by the Congress. Also, as such I am quite willing to pay my just proportion of the cost of these much-needed improvements on a pay-as-you-go basis to avoid further increase in the already too large public debt. I think that all other highway users should also pay their just proportion of these costs.

In my opinion the trucks and buses, which contribute so greatly to the congestion on our highways, are not and have never shared the cost of maintenance of present or construction of additional highways commensurate with their use of those facilities. I, therefore, strongly urge your support of H. R. 7072. The provisions of this bill, while falling short of equalizing the cost of highway maintenance and construction as between the private automobile and the trucks and buses, is at least a step in the right direction.

Yours truly,

P. V. WEBB.

PLAINFIELD, N. J., *July 20, 1955.*

Hon. HARRISON WILLIAMS, JR.,
Representative, Sixth District of New Jersey, House Office Building, Washington, D. C.

DEAR MR. WILLIAMS: I am very much in favor of passage of bill H. R. 7072, which deals with the method of financing the proposed Federal highway-construction program.

Being an individual automobile owner, I feel very deeply that costs of this huge program should be apportioned equitably.

Urge you to vote for passage of this bill.

Yours truly,

S. KURITSKY.

JULY 21, 1955.

Hon. HARRISON A. WILLIAMS, Jr.,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN WILLIAMS: We strongly urge you to support bill H. R. 7072, which provides for financing Federal highway construction by levying costs directly to those who will use such roads.

When we, as motorists, use these highways in the course of our travels, we would be happy to pay our way, but we do not favor being taxed indirectly through increased gasoline taxes or similar methods which might be proposed.

Yours very truly,

G. C. Wilms, Union, N. J.; Ward D. Ferguson, Union, N. J.; Fred H. Boehm, Roselle, N. J.; R. W. Baker, Cranford, N. J.; J. F. Anderson, Roselle, N. J.; Henry Schlaupitz, Roselle, N. J.; J. M. Palochak, Elizabeth, N. J.; Philip Cheetz, Elizabeth, N. J.; E. O. Dickinson, Elizabeth, N. J.; H. E. Whitener, Union, N. J.; A. J. Trusheim, Cranford, N. J.; G. A. Vogel, Scotch Plains, N. J.

ELIZABETH, N. J., *July 22, 1955.*

Representative HARRISON A. WILLIAMS,
House Office Building,
Washington, D. C.

DEAR SIR: I understand that the bill known as H. R. 7072, which deals with the method of financing a Federal highway-construction program calling for the expenditure of some $3 billion a year, has recently been reported out of committee for consideration on the floor of the House.

I wish you would throw the full weight of your support behind this bill which provides, I believe, for the apportionment of the costs in ratio to the use, wear, and tear on the highways.

Yours truly,

C. S. STRANG.

FANWOOD, N. J., *July 22, 1955.*

Hon. H. A. WILLIAMS, Jr.,
Washington, D. C.

DEAR SIR: I believe that highway costs should be apportioned in ratio to use, wear, and tear.

When H. R. 7072 is up for action please consider my comments.

Yours truly,

S. L. PACH.

ELIZABETH, N. J., *July 22, 1955.*

Representative HARRISON A. WILLIAMS, Jr.,
House Office Building,
Washington, D. C.

DEAR SIR: I wish you would give your full support to the bill known as H. R. 7072 which, I believe, deals with the method of financing a Federal highway-construction program calling for the expenditure of some $3 billion a year.

I believe that the provisions of this bill which call for size and weight limitations on large vehicles, as well as for certain taxes, are just and equitable.

Yours truly,

J. J. DUFFY.

JERSEY CENTRAL LINES,
New York, N. Y., July 22, 1955.

Hon. HARRISON A. WILLIAMS,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN WILLIAMS: I will very much appreciate your support for H. R. 7072, the bill which deals with the method of financing a huge Federal highway-construction program.

In my humble opinion this bill equitably and democratically distributes the financial responsibility in ratio to use.

Sincerely yours,

R. E. ROWLAND,
Industrial Agent.

WESTFIELD, N. J., *July 21, 1955.*

Representative HARRISON A. WILLIAMS, Jr.,
House of Representatives Building,
Washington, D. C.

HONORABLE SIR: Urge that you vote for bill H. R. 7072.

Respectfully,

FRANK V. MARTIN,

UNION, N. J., *July 20, 1955.*

Hon. HARRISON WILLIAMS, Jr.,
United States Congress,
Sixth District, New Jersey.

DEAR SIR: This is to let you know that as a private automobile owner I am interested in seeing to it that private automobile owners are not compelled to pay more than their fair share of highway maintenance cost.

Bill H. R. 7072, in my opinion, should prevent an undue proportion of taxes being saddled on private automobile owners, and therefore hope that you can give full measure of support to this bill.

Yours sincerely,

GEORGE H. MASSY.

Problems of Dairy Farmers

EXTENSION OF REMARKS
OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, July 25, 1955

Mr. WILEY. Mr. President, a few days ago from Elkhorn, Wis., I received a message from a man who works continually with the farmers.

He commented, as a great many other Wisconsinites have done, on the very difficult problems faced by Wisconsin dairymen these days.

He pointed out that farm prices—farm milk checks—are low, while farm costs are high. He wrote:

The cost of items necessary to carry on a farm operation, namely, labor, machinery, and supplies, are at an alltime high. The price of milk to the farmer is approximately 7 cents per quart. The consumer is paying up to 26 cents per quart, delivered. There is too much price spread.

This is the very grim situation which I pointed out in an address which I delivered by transcription last night over station WGN, Chicago, and which I have described here in the Senate time and time again, in requesting corrective action.

I ask unanimous consent that the text of this address be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

MEETING THE PROBLEMS OF AMERICAN DAIRYING—1955; A CONSTRUCTIVE 10-POINT PROGRAM

I would like to report to you on a great industry affecting every single American.

Yes, through the courtesy of station WGN, I would like to comment in detail on the problems of this industry—which affects you and me and 165 million other Americans. The industry I am referring to is the dairy industry of America.

Now, some city folks might not realize how crucially the dairy industry affects them.

But if they stop to think it over for a moment, even city folks who are listening to me tonight will realize that dairying—meaning the sale of milk, butter, cheese, nonfat dry milk solids, ice cream—is indispensable, in many ways, to this great Nation of ours.

And so I am going to answer some questions about our dairy industry—its past, present, and future.

DAIRYING—GREATEST SINGLE SOURCE OF CASH FARM INCOME

Question. First off, Senator WILEY, just how widespread is America's dairy industry in Wisconsin, Illinois, and elsewhere?

Answer. Well, a few facts will provide the answer. Last year the dairy farms of our country produced almost 124 billion pounds of milk. That means around 56 billion quarts.

To produce this vast supply of healthful milk, the dairy farms of America keep almost 25 million cows. Each of these cows turns out an average of 2,500 quarts of milk—a new record.

Question. How does dairying compare with other parts of American farming?

Answer. Dairying is the largest agricultural enterprise in America. It is the greatest single source of cash farm income. In other words, the health of the great farming segment of America depends on dairying.

Nearly $1 out of every $5 of all farm income comes from the sale of milk, and of dairy animals as beef.

TWO AND ONE-HALF MILLION UNITED STATES DAIRY FARMERS

There are dairymen in every State of the Union—about 2.5 million of them in all. They produce the milk which goes through more than 35,000 dairy plants and which comes out in bottles or as butter, cheese, ice cream, and other dairy foods.

There are around 10 million people employed—10 million people—in the dairy industry. And there are other millions building the machines and trucks and factories and other equipment needed to keep that river of milk flowing from the farms to the Nation's consumers.

WISCONSIN, AMERICA'S DAIRYLAND: NO. 1 IN THE NATION

Question. Senator WILEY, since you are the senior Senator of the greatest single dairy State in the Nation—Wisconsin—naturally your people have a special interest in the well-being of dairying.

Answer. That is absolutely right.

Wisconsin is America's Dairyland. Our 16½ billion pounds of milk production each year—our Wisconsin production of more than half of all of the cheese in the Nation—our top-quality dairy standards—our pioneering in dairy research—all this has rightly focused the attention of the entire country on Wisconsin dairying.

BADGER FARMERS CONCERNED ABOUT POOR RETURN

Question. Well, Senator WILEY, since Wisconsin farmers are the Nation's leading dairy farmers, what is their reaction to the present dairy situation?

Answer. I am sorry to report that Wisconsin farmers, like other dairymen, are deeply concerned about the present dairy situation. They simply are not getting enough return for their labor.

Remember, dairying is no simple 40-hour-a-week proposition. A dairy farmer has to work—and work hard—at his occupation—with his wife and youngsters and hired hand—if he is lucky enough to have one—7 days a week, 52 weeks a year, around the clock.

Moreover, the dairyman has to have a heavy investment in machinery, in buildings, in equipment. And yet, he simply is not getting enough return on his labor and his investment.

WISCONSIN FARMERS GET ONLY 7 CENTS PER QUART

I know this personally. For over 30 years, I have been intimately acquainted with the dairy farmer's problems on the farm in Barron County, Wis., which my father before me owned and operated, and which I in turn took over.

I know that the dairy farmer has been getting, in my area, only around 7 cents per quart of milk. Just think of that, 7 cents only. And yet, the consumer buying that same milk in the city has been paying around triple that sum.

Question. Then one of the problems is, Senator, that the dairyman is not getting enough of the retail price?

Answer. That is right. Government statistics show that the dairy farmer gets only 46 percent of the retail price of fluid milk, and only 47 percent of the retail price of American cheese. Distribution costs all along the line are responsible for the difference.

And remember, these are national averages. The 7-cent-per-quart figure which I have quoted to you earlier shows that Wisconsin dairymen are getting even less of the consumer's price than the national average, in many instances.

Question. Well, lowering high-distribution costs is, then, one answer to the dairyman's dilemma; is it not?

A DECENT LIVING FOR FARMERS ESSENTIAL

Answer. That is right. But the biggest single factor is, of course, to make sure that the farmer gets back his cost of production, plus a reasonable profit. If we keep that clear objective in mind, we won't become confused and confounded about details of the so-called parity debate.

After all, all the farmer wants is a decent living for himself and his loved ones.

The farmer has been caught in a price squeeze for far too long. The farmer is the only man who sells cheaply at wholesale, but buys expensively at retail.

You know, no other producer in America is so much at the mercy of competitive forces as is the farmer.

The farmer is also often at the mercy of other forces, as well as the elements. He faces the problem of fighting livestock diseases. He fights adverse weather conditions. He suffers from a terrific shortage of farm labor. And then, if he overcomes these and all other obstacles, when he sends his milk to market he may find that his milk check is so low as to give him little or no profit for all his labor.

UNITED STATES DAIRY CONSUMPTION FAR TOO LOW

Question. How about American consumption; are we eating and drinking enough dairy products?

Answer. The answer to that question is, Definitely not. We Americans simply do not consume enough dairy items. If we did consume more—if we did consume as much as some European countries do—then much of this so-called dairy problem would be eliminated.

Question. What do the statistics show, Senator, on dairy consumption?

Answer. Well, believe it or not, although ours is the greatest Nation, with the highest standard of living in the world, we rank eleventh—yes, a low eleventh—in cheese consumption. We only eat around 7.1 pounds per person per year. Ten other nations consume more cheese on the average than we do.

In butter, we are even worse. We are in 13th rank, and only eat 8.6 pounds of butter. In fluid milk, we rank eighth. We drink around 350 pounds of milk per person per year. But in Sweden, people drink around 513 pounds, and in Norway, New Zealand, Switzerland, Canada, Denmark, and Ireland people drink more milk than we do.

Yet, if Americans realize what a wonderful buy milk is, if they realize how essential it is for building of sound bones and healthy skin and tissues, they would drink more milk.

Question. Are there any other statistics which point up this problem?

Answer. Yes, a study showed that 84 percent of American adults drink coffee, and only 43 percent drink milk. In other words, many of our adults have gotten out of the habit of drinking milk, even though it is essential to adult health, just as it is essential for the health of youngsters.

A 10-POINT PROGRAM FOR UNITED STATES DAIRYING

Question. Well, now, Senator WILEY, you have described a great many of the problems of the dairy industry. Would you tell us what you feel to be some of the solutions? I know, for example, that you have sponsored a great deal of constructive farm legislation on Capitol Hill to cope with this problem. Would you tell us about some of these bills which you have offered as partial remedies for the dairy problem?

Answer. Yes. I am going to run through a series of 10 major points in my dairy program. I am not going to try to hit every aspect of the situation, but I am going to cover many of the most important features.

Question. What is the principal point, Senator?

PUT DAIRY ITEMS AT SAME PARITY AS BASIC FARM GOODS

Answer. First, my first point is, of course, that the dairyman must absolutely get his cost of production, plus a reasonable profit. To do this, I feel that dairy parity should be established at the same level as the other six so-called "basic commodities."

There is no other agricultural commodity more basic than milk.

So, there is no reason why the dairyman should be discriminated against in relation to other agricultural products, like cotton or tobacco.

Question. What other points in your dairy program?

EDUCATE AMERICANS TO RAISE DAIRY CONSUMPTION

Answer. Second, well, second, the Department of Agriculture, in cooperation with

Federal, State, and local governments and private agencies, should strengthen its program to increase dairy consumption.

That means better educating the American people, particularly the American housewife, to use more dairy foods at every mealtime—to use milk, and butter and cheese, in more wholesome, healthful recipes.

WIDEN SCHOOL MILK PROGRAM

Third, we must increase consumption among the Nation's school children. For that purpose, I have cosponsored with Senator HUMPHREY, of Minnesota, a bill to expand the special school milk program, which already has resulted in vastly increased drinking of milk by the Nation's youngsters.

Question. I know, Senator, that another of the major points on your program relates to research.

Answer. Very definitely.

PASS WILEY BILL FOR DAIRY RESEARCH LAB

Fourth, so I have offered a bill, S. 788, to establish a dairy research laboratory in Madison, the capital of my State.

This laboratory would help to coordinate all of the dairy research in the country. That means research into new byproducts for milk. It means finding new uses for milk, just as we have found new uses for the peanut and for cottonseed and for corncobs, and other agricultural items.

But I want research also into dairy packaging, dairy processing, dairy distribution. Such research is recognized as essential by just about everyone. Endorsements for the Wiley bill for the United States Dairy Research Laboratory have come in from all over the country.

Question. How about other points on your dairy program?

MORE MILK-VENDING MACHINES ESSENTIAL

Answer. Fifth, my next major point is to increase the availability of milk-vending machines. I am referring to automatic machines which dispense milk by cup or in the carton. Right now, there are more than 20,000 of these milk-vending machines all over our country. They have resulted in tremendous increases in sales. Car owners, for example, can drive up to a gasoline station, drop some nickels in the slot, and take home ice-cold quart cartons of milk, which they might not otherwise buy, particularly if it is late in the evening and most stores have closed. So, there ought to be many more milk-vending machines in the Nation's factories, in schools, Armed Forces facilities, and other public places.

Question. How about other points on your dairy program?

INCREASE ANTIDISEASE RESEARCH

Answer. Sixth, well, next, we ought to step up scientific research in the combating of livestock and crop diseases.

Take two instances—brucellosis (that is, Bang's Disease) and bovine tuberculosis—which have cost American farmers heavily. Fortunately, these scourges are on their way to elimination. But money spent for research in battling these and other diseases pays off tremendously for the American people as a whole. It helps to produce more income for the dairyman and more wealth for America.

Question. How about some other points in your dairy program?

PREVENT OLEO MISREPRESENTATION

Answer. Seventh, we must enforce the Nation's laws so as to prevent misrepresentation of artificial products which try to masquerade as natural dairy products—as whole milk or butter or ice cream. In other words, we want fair play in advertising and labeling, fair play not fraud and deception.

PERMIT WISCONSIN MILK IN EASTERN MILKSHEDS

Eighth, then, there ought to be a study of the restrictions which prevent milk from moving freely across State borders.

For example, Wisconsin milk can't move into many eastern markets, because of wholly artificial restrictions which have been built up against it. This whole subject ought to be studied, and progress ought to be made so that there is freer movement of milk throughout our country.

FAIR PROTECTION FROM FOREIGN COMPETITION

Ninth, the problem of harmful foreign dairy imports requires constant reexamination. Very often foreign farm products pour into this country and they don't nearly meet the high health standards which our American dairy products meet. It isn't fair to penalize the American dairyman who must spend a great deal to bring his products up to high health standards, while at the same time foreign products with far lower standards and produced at much lower labor cost can pour in.

STRENGTHEN FARMERS' CO-OPS

Question. That represents nine points, Senator WILEY. How about the 10th?

Answer. The 10th point is to strengthen the farmers' organizations, not weaken them. That means strengthening the Nation's farm cooperative system, strengthening its rural-electric co-ops, its phone co-ops. It means strengthening soil-conservation committees. These and other groups are, after all, helping the farmer to help himself.

SENATOR WILEY'S FIGHT FOR FARMERS' SOCIAL SECURITY

Question. That is certainly a significant 10-point program.

Incidentally, I know, Senator WILEY, that many other objectives for which you have fought for the farmer have now been realized, or are on their way to realization. For example, you have fought to help assure old-age pensions for farm operators—legislation which was enacted, and which now helps to eliminate fear of insecurity in the farmer's later years.

You have fought for improved rural health for our farmers, for better hospital and medical service for them, for more schools in the rural areas of America, for improved highways to bring the farmer's products to market. You have fought to help the farmer lower the accident rate on farms, and fought to secure amendments to the tax laws to assure the farmer a fair break.

REFUND FARMERS' GASOLINE TAX

Answer. Yes. For example, right now, I am trying to get refunds for the gasoline tax which the farmers pay. After all, that gas tax penalizes the farmer when he buys gasoline for his tractor and other farm machines. The Federal gasoline tax was intended as a highway tax. So, it isn't fair to soak the farmer with this tax when he is using the gasoline, not on the highways, but basically within the confines of his own farm.

CONCLUSION—HELPING DAIRYING HELPS ALL AMERICA

Question. Well, I know, Senator, that our listeners have been interested in your presentation of the dairy farmer's problems.

I know, too, that they will understand that in speaking for the dairyman, you are speaking for the American people as a whole, because, if the dairyman goes out of business—if he finds it necessary, for example, to auction off his farm—then it is not simply the dairyman who is hurt, but America generally.

Answer. That is absolutely right. I am, indeed, speaking for the health of America—health which is dependent on this great segment of farming. I am not asking, and the dairy farmer is not asking, for favoritism or privilege.

Any man who has ever worked on a busy dairy farm knows that if there is anyone in our population who really works his own way, who really relies upon himself, is willing to take his chances, it is the dairyman. He is not asking for anything special—just for fair, decent treatment from his Government. And he asks for understanding from the American people generally.

I hope that in the comments which I have made, my listeners will find greater insight into the problems of this great industry of America.

Thanks very much for your kind attention. This is Wisconsin's senior Senator, ALEC WILEY, signing off.

Social Security

EXTENSION OF REMARKS

OF

HON. WINT SMITH

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 25, 1955

Mr. SMITH of Kansas. Mr. Speaker, it seems that every session of the Congress, either Republican or Democrat controlled, brings new additions to the so-called social-security law. The House of Representatives last week added some 2½ million more persons to the social-security rolls. If this House bill becomes law, all self-employed persons except doctors will be included.

Modern society recognizes the fact that we must properly and adequately take care of fellow citizens in need of help and assistance. I know full well the day of the poorhouse over the hill has gone and properly so.

Certainly the aims of social security are admirable, but too many still do not realize how the costs are to be paid. It is not self-supporting or sustaining. There is at least a deficit of $11 to $12 billion at present. Who will eventually have to pay for all this so-called security? The answer is simple: Oncoming generations.

Most people know that they should look carefully for the fine print on an insurance policy, but too many citizens do not look for the fine print in this so-called social-security law. It is mostly "social" and has very little guaranteed security.

It is well to remember that the Government does not create wealth; it only takes away. I believe there are still millions of Americans who prefer to handle their own personal budget and buy their own insurance rather than to be managed by bureaucrats. Whenever a government undertakes to redistribute wealth, the benefits generally go down rather than up. In a republic of freemen, so-called free riders are not conducive to greater incentive efforts. "Social security" has a siren voice, but no one ever proclaims that it helps to increase productivity.

This Government was designed, set up, and paid for by our ancestors' blood, sweat, and tears. They set out to provide justice, domestic tranquillity, common defense—of American shores—the general welfare—not welfare of individuals—and to secure liberty. This new social-security law places by compulsion involuntary tax slavery upon all self-employed persons whose net earnings total

more than $400 a year, including lawyers, dentists, architects, engineers, accountants, funeral directors, osteopaths, chiropractors, veterinarians, optometrists, ministers, and farmers. This is nothing more nor less than involuntary tax slavery through a device called compulsory social security.

When we buy private insurance, either life, accident, health, hospitalization, or retirement, the price tag is clearly on the package. We just know how many dollars it will cost. But in this compulsory Government social security, the true cost is hidden—and will have to be paid by future generations—and the benefits paid in highly inflated dollars. The price we have to pay can lead to a lower standard of living, regimentation, and loss of more of our freedom.

This compulsory social-security program is a most distasteful program because there are still millions of Americans who want to take a calculated risk, who refuse to barter incentive for a dole, who prefer the risks of freedom to a guaranteed existence with a chain around their neck and, above all, who will not trade self-respecting initiative for a doubtful handout.

In our reading of history several facts always stand out in bold relief. This is particularly true when we get into the area of "social reforms" or a new approach to social progress. Many of the best international social reforms have become mere instruments of oppression to the whole of society. And in the end the individual sought to be helped becomes the mere tool of some all-powerful minority.

Just remember that European socialism was transformed into an autocratic, despotic, nationalistic socialism of Hitler and Mussolini, and that the idealistic communism from the intellectual teachings of Karl Marx, Lenin, and Trotsky finally took the form of present Soviet totalitarianism. All resulted in the enslavement of the individual and his government became his complete master.

Last week there was published an editorial in one of New York's newspapers. This editorial was inspiring because we often think that the large city papers do not see the picture quite as clearly as the less congested areas. This article lauds Representative STUYVESANT WAINWRIGHT who had the courage to vote against this new social-security law.

Representative WAINWRIGHT—who is opposed to social security as such—was honest in his vote, not because he does not believe in helping those who need it but because he knew it was fraudulent and deceitful in approach. It was not in the best interests of those who deserve better treatment from their Government.

I commend this editorial:

[From Newsday of July 21, 1955]

A VOTE AGAINST MOTHER

Voting against an extension of social security coverage is like voting against mother. It isn't done.

Representative STUYVESANT WAINWRIGHT did it, though, for which he rates an awe-inspired gaze and a vote of thanks. Only 30 Congressmen joined him while 372 opposed him, but WAINWRIGHT was still right.

The bill would lower the retirement age for women from 65 to 62, jack up the present contribution from 4 to 4½ percent, and give benefits to disabled persons at the age of 50.

Like WAINWRIGHT, we are all for social security, but this bill did not deserve passage. It would cost $2.5 billion, yet no hearings were held by congressional committees. Only 40 minutes of debate were allowed.

In addition, as WAINWRIGHT said, women are given a special and unwarranted advantage. They retire only a few months earlier than men, not the 3 years the bill presumes. They live, on the average, 5 years longer than men so that, if anything, men's retirement age should be reduced rather than women's.

The bill passed the House so easily because it is not expected to reach the Senate this session. Congressmen could vote for women without risking a dime. We're glad WAINWRIGHT had the courage to say no.

The Federal Flammable Fabrics Act

EXTENSION OF REMARKS
OF
HON. GORDON CANFIELD
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, July 25, 1955

Mr. CANFIELD. Mr. Speaker, I am unable to believe that the House, now driving for an early adjournment, would consider any bill which would weaken the provisions of the Federal Flammable Fabrics Act passed by the 83d Congress to protect the lives of our people from experiencing the fate of the hundreds who had been killed or maimed in yesteryear.

My interest in promoting such legislation was borne several years ago when children in my area wearing cheap cowboy suits were casualties because the suits, highly flammable, caught fire and they could not be saved. This interest was intensified after a rash of exploding sweater incidents. I became a sponsor of a bill to stop this kind of business and it was extremely difficult getting such legislation through the Congress. Efforts to amend and weaken the act began soon after the President signed the bill and there were those who predicted the act would be amended and diluted to death.

Currently, importers of Japanese scarves are extremely busy in an effort to secure the passage of H. R. 5222 before we adjourn. Among the first to protest were American textile workers speaking through their unions. Those who would weaken the act spread the story the workers had made an about-face but that is not true and the following telegram I have just received from William Gordon, vice president of the Textile Workers Union of America, emphasizes their unalterable opposition:

NEW YORK, N. Y., *July 27, 1955.*

Hon. GORDON CANFIELD,
House Office Building,
Washington, D. C.:

Rumors are being circulated that the Textile Workers Union of America has withdrawn its opposition to H. R. 5222.

The Textile Workers Union of America has been and still is violently opposed to exempting scarves from the provisions of the Flammable Fabrics Act. The exemption would grant special consideration to increase the importation of the fully printed and finished Japanese scarf. The present importation of the scarf has already caused the loss of jobs of 3,000 American textile workers. It would give preference to Japanese fabrics which are not being given to American-produced fabrics. The passage of this bill will seriously endanger the women of our country who wear scarves about the neck and head. It is highly dangerous to exempt scarves from the provisions of the Flammable Fabrics Act and thus create a serious safety hazard.

We urge you to do everything in your power to defeat H. R. 5222.

TEXTILE WORKERS UNION OF AMERICA,
WILLIAM GORDON,
Vice President.

Friends of the Flammable Fabrics Act, these including leaders of the American textile industry and unions, national women's organizations, the press, fire marshals and fire chiefs, and consumer groups should be alerted that the drive is on. The challenge must be met.

Real Help for the Seashore

EXTENSION OF REMARKS
OF
HON. T. MILLET HAND
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, July 25, 1955

Mr. HAND. Mr. Speaker, on July 15, 1955, President Eisenhower signed into law the so-called public works appropriation bill. Included in this bill is $906,000 for the city of Atlantic City, $67,000 for Ocean City, and $60,000 for Cape May. This money is now being made available for the work actually done by these three cities in protective work against beach erosion, and will undoubtedly be followed by further appropriations as the work progresses.

It is also encouraging to remember that other seashore cities similarly affected may, by undertaking cooperative studies, eventually share in this same program.

The much larger amount which goes to Atlantic City is, of course, explained by the fact that their project is much the larger, and further by the fact that the entire beach at Atlantic City is publicly owned, which is not so either in Ocean City or Cape May.

The final successful conclusion resulting in these substantial benefits is the culmination of a 10-year fight on my part to get the Federal Government to recognize its responsibility to our coastal areas as it has so long done in other areas of the country.

The authorization legislation for this purpose was passed last year, and on July 30, 1954, I made a statement to the House in which I said:

We have plowed the long furrow and we seem to be reaching the end of it. This is of the utmost significance to the entire State, because the seashore resorts of our area, entertaining millions from all over the world, are literally a billion-dollar industry in our New Jersey economy.

In my successful efforts to get funds actually appropriated, I testified before

my own Committee on Appropriations this year and said in part as follows:

These high ratios are partly because of the values to be protected. The assessed value of real estate in Atlantic City is close to $90 million; in Ocean City it is more than $20 million; and in Cape May in excess of $6 million. The true values will at least double these assessed values. The permanent population of Atlantic City is 65,000, but it is estimated that it entertains 10 million visitors during the course of a year, from every State in the Union.

The protection afforded therefore is not local. Congress has recognized the value of these resort areas to the national health and welfare, and what we are protecting are recreational areas of great national value, and not localities.

One further word in closing. We appropriate money, and quite properly, for navigation, for the benefit of shipping interests, which in some areas is the lifeblood of the community. We likewise protect farmlands from flooding, because agriculture is the lifeblood of that community. Recreation in New Jersey is a significant part of the lifeblood, not only of our communities, but of the State. Despite the fact that New Jersey is the sixth most important manufacturing State in the Union and a great agricultural State, its resort and recreational industry is its greatest producer of gross revenues, and is valued at well over a billion dollars a year. All of this would be lost without adequate and properly protected beaches.

Mr. Chairman, New Jersey pays a very high share of the total Federal revenues and seldom is found before this committee for any appropriation to it. I am sure that you will agree that this comparatively small amount of Federal aid, recognized by the 79th Congress, duly authorized by the 83d Congress, and now before you with the approval of the Bureau of the Budget, is amply justified.

I am very happy to have been instrumental in obtaining such a substantial amount of money for our seashore areas which, in the long run, will help to protect our beaches and will substantially relieve the local tax burden in doing so.

Mr. Speaker, I am appending an editorial appearing recently in the Ocean City Sentinel-Ledger, Ocean City, N. J., and for their kind words, I am very grateful.

The editorial follows:

CONGRESSMAN HAND WINS ANOTHER ROUND

As the gory pugilist was supposed to have said, "It was a tough fight, Mom, but I won." That's about the way it seemed when word came from Congressman T. MILLET HAND late last week that the House Committee on Appropriations has approved funds totaling more than $1 million for south Jersey beach protection work, including $67,000 for Ocean City.

The business of persuading Congressmen that Uncle Sam has some financial responsibilities in keeping the seashore a fit place for millions of bathing vacationists has been in progress for at least 15 years, ever since the ocean began making noticeably serious inroads on bathing beaches here and in neighboring resorts.

Action by the House committee is seen here as the culmination of a long wait for some Federal participation.

The wheels sometimes grind very slowly down in Washington. After what seemed an eternity, the 79th Congress conceded that seashore cities were entitled to some Federal aid, but that was as far as it went. Conceding a point and providing for money to back it up turned out to be two different things. It wasn't until 1954 that the 83d Congress moved ahead to the point where it prescribed the conditions under which it would grant such aid. Again, without an appropriation.

Now, according to Representative HAND, the money is definitely set up in an omnibus bill covering a myriad of public works ects, and it is believed to have excellent chance of passage, at least in the House. Which brings up another question of whether the Senate will concur.

At any rate, the outlook for genuine Federal beach erosion assistance is brighter than it ever has been before. And Ocean City owes some words of thanks to a diligent Congressman, Representative HAND, who has been fighting for just such recognition for his district a good many years.

Commonwealth of Puerto Rico Celebrates Third Birthday

EXTENSION OF REMARKS
OF
HON. JOHN J. ROONEY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Monday, July 25, 1955

Mr. ROONEY. Mr. Speaker, the Commonwealth of Puerto Rico today celebrates its third birthday. It is important that we make note of this most significant event as the United States has never before enjoyed such a tranquil political and economic relationship as that which now exists with the people of Puerto Rico.

The establishment of a commonwealth has been a fortunate solution to the political problems of the Puerto Rican people and they now enjoy internal independence. We should be pleased that we authorized the organization of the Commonwealth of Puerto Rico, that we agreed to its constitution, and that the people of Puerto Rico have willingly assumed their responsibilities.

On May 28, 1952, in the 82d Congress, 2d session, I had the high honor to be appointed by Speaker RAYBURN as chairman of the Committee of the Whole House on the State of the Union when the resolution—House Joint Resolution 430—approving the Constitution of the Commonwealth of Puerto Rico was favorably considered by this House of Representatives. One of my treasured possessions is the gavel presented to me by Speaker RAYBURN and used at the time of passage of this historical legislation.

Since achieving Commonwealth status on July 25, 1952, the people of Puerto Rico have made remarkable progress and have forged ahead industrially, educationally, and agriculturally. They now have a sound economy and a stable government.

We must continue to help the people of Puerto Rico against segregation and discriminuation because of race, religion, or national origin. They are entitled to full equality of opportunity in education and employment. The fulfillment of such programs will prove that faith in freedom and self-determination has in every respect proved its worth.

I extend my felicitations and heartiest congratulations to the people of Puerto Rico on this historic day and commend my good friend the distinguished Resident Commissioner of Puerto Rico, Dr. ANTONIO FERNÓS-ISERN, whose interest here in Washington has always been to maintain amicable association and understanding between the people of Puerto Rico and the United States.

Submarine "Seawolf"

EXTENSION OF REMARKS
OF
HON. W. STERLING COLE
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Monday, July 25, 1955

Mr. COLE. Mr. Speaker, on July 21, 1955, at the yard of the Electric Boat division of General Dynamics Corp., a pioneer in Marine construction was launched, the submarine *Seawolf*, the second nuclear-powered vessel in our Nation's history. I include as extension of my remarks the speeches made on that occasion, and data concerning the *Seawolf* and the christening ceremony:

ADDRESS BY JOHN JAY HOPKINS, CHAIRMAN AND PRESIDENT, GENERAL DYNAMICS CORP.

Mrs. Cole, Secretary Thomas, Commissioner Strauss, Mr. McCune, distinguished guests, ladies and gentlemen, we are delighted to welcome you to the Electric Boat Division of General Dynamics Corp., and to the launching of the United States Navy's second nuclear-powered vessel, the submarine *Seawolf*.

It is our pleasure, on this happy occasion, to greet many of you not only as honored guests in your own right, but as honorable representatives of the Government of the United States, and of our friendly allies, the peoples of Canada, Colombia, France, Italy, Peru, and Japan.

It is our privilege to extend greetings of still deeper feeling to those of you who in your capacity of leadership represent here today the United States Navy, the United States Atomic Energy Commission, the General Electric Co., and all those hundreds of other American organizations whose people have poured their minds and hearts and hopes into this great and revolutionary ship.

The atomic *Seawolf*, as you may know, will not be the first submarine to bear that name. It will be the third. I take particular pleasure, therefore, in saluting our very special guests: Capt. Henry M. Jensen, commanding officer of the first *Seawolf*, commissioned 42 years ago; Capt. R. B. Lynch and Rear Adm. Royce L. Gross, two of the commanding officers of the second *Seawolf* during World War II; and Comdr. Richard Laning, the prospective commanding officer of the third, the atomic, *Seawolf*.

Thus, the *Seawolf* of today is bound to her predecessors by invisible filaments of Navy tradition and achievement. But, like her sister ship, the famous atomic-powered *Nautilus*, the first vessel in world history to be propelled by the energy of atoms, she documents anew, not on paper, but in steel, that passionate belief in progress and improvement which is the wellspring of our national strength.

I am confident that vessels of tomorrow, the products of the minds and hands of scientists and engineers and craftsmen yet unborn and powered perhaps by engines utilizing processes of controlled atomic fusion, will have awesome attributes of strength and speed and dimension to dwarf even this historic ship.

Surely the turning propellers that drive the *Seawolf* deep under the sea and far, must bring home again to all the world astounding proof that cosmic forces can be domesticated to man's common needs.

Yet, in the elation of this moment, I recall the memorable phrase of the Spanish philosopher Unamuno that true science teaches us above all "to doubt and to be ignorant."

We must beware then in all science and industry, as in shipbuilding, of terminal thinking—of a happy contentment, whether through apathy or timidity or guile, with limited attainments.

In the struggle against even the possibility of an atomic status quo as insurance against the stultifying influence of terminal thinking and as evidence of our intent to extend the frontiers of scientific knowledge under the sea, in the air, and in space beyond—we will dedicate before the year's end what we believe to be the first privately financed laboratory in the world, devoted primarily to basic nuclear research. In the struggle for a massive technological breakthrough on all nuclear fronts, we have recently enlisted many of the world's great scientific minds among them Dr. Hans Bethe, Dr. Charles Critchfield, Dr. Frederic De Hoffmann, Dr. Joseph Kennedy, Dr. Frederick Seitz, Dr. Edward Teller, and Dr. John Wheeler.

The dedication of nuclear energy to constructive, creative purposes—now shortly to be demonstrated to the world for a second time in the *Seawolf*—must benefit all men, everywhere, on every continent, and in every economic and moral clime.

Indeed, the power embodied here—so sinister to felons, so happily ominous to friends—serves doubly in the interest of humanity. For the *Seawolf* epitomizes the dual destiny of the atom: To deter all men and all nations from the folly of atomic destruction, and to unite all men and all nations in the wisdom of atomic creation.

To me, the *Seawolf* is "atoms for peace."

HARNESSING A DREAM

(By Francis K. McCune, vice president and general manager, atomic products division, General Electric Co.)

The atomic age began on July 16, 1945, at 5:30 a. m., mountain war time. There, on a stretch of desert about 50 miles from Alamogordo, N. Mex., the energy locked within the atom was released in a burst of flame such as the world had never seen.

We have come a long way since then. Here, at Groton, Conn., only 10 short years after that history-making event, we are witnessing a practical, useful, and highly significant application of that awesome energy.

Today, we launch the second of two great undersea boats to be driven by the energy of the atom. This is phase two in the Navy's well-planned and far-sighted nuclear submarine program * * * and a real victory in the development of the atomic Navy of the future.

Atomic submarines, I am told, are the answer to a submariner's prayer. For—because of their nuclear engines—they can travel faster and farther under water than any other type of submarine in operation today, anywhere in the world.

The reactor going into the *Seawolf* operates on an entirely different concept from its predecessor. It is a second step in the rapid development and improvement of nuclear engines for naval propulsion. The next reactor—on which we are already working—will be superior to this one. This is progress.

To General Electric, the *Seawolf* signifies another in a long list of contributions to the science of ship propulsion. Almost 45 years ago, W. L. R. Emmet, a graduate of the United States Naval Academy who later joined General Electric, produced the Navy's first turbine-electric drive for the collier *Jupiter*. This was so successful that 5 years later the same principle was applied in a capital ship, the *New Mexico*—a ship that, in its day, was as modern in concept as our *Seawolf* is today. It is interesting to note that the *Jupiter*—with its same turbine-electric drive—later became the *Langley*, the Navy's first aircraft carrier.

Moving rapidly across the years, between 1933 and 1937, major technological contributions were made in the field of naval propulsion—advances that Charles Edison, then Assistant Secretary of the Navy, characterized as the greatest single contribution in a generation.

I would like to emphasize one thing at this point. Our long association with the Navy bears out the importance of teamwork in the creation and application of new ideas. No one organization can do the whole job. Rather, progress depends upon a cooperative effort with all elements aiming at a common objective or goal. And, certainly the *Seawolf* is no exception. Together, working with one aim in mind, a team—consisting of the Navy, the AEC, General Dynamics, and General Electric—produced this strikingly advanced nuclear submarine.

God willing, we will never have to measure the impact of military atomic propulsion in action. But one thing is certain: The mighty atomic Navy of the future will be the bulwark of our defense * * * a sturdy pillar of our freedom.

And to those who have worked so hard and so long to make this atomic dream a reality, and believed when others refused to believe, this is a dramatic victory: The beginning of significant practical application of the energy of the atom. But let me hastily add that, as these men well know, the most startling thing in the atomic field has been the tremendous speed with which the dream of yesterday becomes the commonplace fact of today * * * and the ancient history of tomorrow.

Already, these men, the many hands who have made the *Seawolf* possible, are turning their efforts to even greater accomplishments, aware, now, that it is possible to create progress. For, they have done it.

REMARKS BY LEWIS L. STRAUSS, CHAIRMAN, UNITED STATES ATOMIC ENERGY COMMISSION

It is a privilege to be here today on this history-making occasion.

The launching of the *Seawolf* marks another important achievement in the development of atomic power. It signifies—as did her proud predecessor, the *Nautilus*—the leadership and determination of American democracy and free enterprise to advance the day when atomic power will greatly enrich our lives and the lives of peoples everywhere.

Work on the powerplants for the *Seawolf* and *Nautilus* was started at about the same time as parallel and competitive efforts, using reactor designs of marked difference. The *Nautilus* uses a reactor operation with low velocity neutrons, and the heat is removed by water under high pressure. On the other hand, the *Seawolf* reactor operates with neutrons of higher velocities, and liquid metal is the medium of heat transfer.

In the beginning no one could be certain of the success of either attempt, since atomic power was then still unproven; it was a great and very bold adventure.

I need not tell you how handsomely the *Nautilus* performed at sea under all conditions.

Today, I am happy to be able to announce that the land-based prototype of the atomic powerplant which will be used in this great new submarine also has operated most impressively.

Beginning on June 6, that prototype, located at West Milton, N. Y., operated, at full power, long enough to have propelled the *Seawolf* on a 2,250-mile, nonstop trip, fully submerged. That represents the equivalent of an underwater voyage from St. Johns, Newfoundland, to Dover, England. This, I am told, compares to 4 hours at full power as the qualifying time for new, diesel-powered submarines.

This prototype of the *Seawolf* powerplant has achieved further renown. On Monday of this week at West Milton, I had the privilege of throwing the switch which sent thousands of kilowatts of power surging into transmission lines to serve homes, farms, and industries of upper New York State.

Who can fail to be enthused at these accomplishments and the visions they unfold for the future?

In a little more than 5 years, we have established the success of two different types of atomic energy reactors as propulsion systems for submarines, and this achievement was due neither to accident nor good luck. It is the result of hard work on the part of many skilled, devoted, and courageous people.

Outstanding among those entitled to take deep personal pride in todays event is my friend and colleague, Adm. H. G. Rickover.

The Electric Boat Division of General Dynamics Corp. and the General Electric Co. merit particular commendation and we in the Commission are continuously grateful for the splendid cooperation we have received in this, as well as many other enterprises, from our great Navy, and especially its distinguished Secretary, the Honorable Charles S. Thomas.

We build submarines and other weapons of defense because we have no other prudent alternative. Our security and our freedom depend upon them.

Nevertheless, such military weapons as the *Nautilus* and the *Seawolf* return to us very large, nonmilitary dividends — dividends which may in fact exceed the cost.

For the atomic powerplant so developed provides us with valuable new knowledge with which to advance the peaceful applications of atomic energy, especially in the field of power.

The Atomic Energy Commission and the men who have developed the *Seawolf* do not regard her only as a weapon. She is one of the significant milestones on the way to a great goal—the goal of progress, plenty, and of lasting peace.

INVOCATION, LT. COMDR. PAUL F. BRADLEY, (CHC.), UNITED STATES NAVY

Almighty God, it would be a foolish thing for us to be other than simple and brief in the epochal circumstances under which we are here assembled. We wish simply to ask Thy blessing on forces which we do not yet fully comprehend. It is an hour for prayer not rhetoric, for humility not hauteur.

We have seen the power of Thy creation in our own days, O God. We have felt the earth shrug and have seen whole cities shudder and slip into rubble. We have seen lightning leap from angry skies to incinerate man and his works. We have seen bacteria, so minute as to challenge the most discerning lens, snowball into pain and plague and death. We have heard the volcano rumble and seen it spew out destruction. We have seen the forces of nature caught in test tubes and have seen her metals hammered into blades and barrels and bombs in man's own plan and pattern of pain.

Today, O God, we ask you to look down on us with patience and compassion. This craft—this *Seawolf*, this capsule contrived of steel and secret structure, holds within its bulkheads the most awful culmination that man has yet derived from the potentials

that your creative hand pressed into the bins and closets of nature.

We are awed and chastened, O God—but we are not frightened, for is it not true that none of Thy handiworks is as great as Thee? We are not frightened so long as we dedicate this craft and the fearful forces that propel it to Thy glory, to the protections of man's rights—to peace for all men.

And so again with the simplicity that this occasion elicits, we acknowledge that all Thy gifts are good—and only by man's will, can be bent to man's sorrow. Even the water and the air and earth and fire can be distorted and disastrous. * * * The nightshade and the lovely poppy can bless or blight, the mind can love or hate.

Therefore, reverently we ask Thee, O God, of both the atom's laws and man's reason, to bless and guide them to life more abundant. * * * To peace—because the awful alternative is the end of all life. Amen.

A Report of Naval Progress in Nuclear Propulsion

(Address by Hon. Charles S. Thomas, Secretary of the Navy)

Mrs. Cole, President Hopkins, Governor Ribicoff, distinguished guests, ladies, and gentlemen, only 10 years have passed since the power of the atom was first unlocked. Today, you are witnessing the launching of the second known nuclear propulsion plant in the entire world.

This launching follows by only 6 months the commissioning of the first nuclear-powered ship, the *Nautilus*. Few people can appreciate the magnitude of these twin miracles of design and production. History can cite no similar achievement in so short a period of time as the development and construction of the submarines *Seawolf* and the *Nautilus*.

The launching of this ship has not been a naval enterprise alone. It had been a combined Atomic Energy Commission and Navy enterprise, encouraged by the enthusiasm and approval of the Joint Congressional Committee for Atomic Energy. The Atomic Energy Commissioners, under the outstanding inspirational leadership of Chairman Strauss, are to be commended for their unstinting support of this and other naval projects. Tribute is also due to the Navy's Bureau of Ships and particularly to Admiral Rickover of that Bureau whose vision, tenacity, and zeal contributed so much to this accomplishment. And great credit must go to the General Electric Co. who constructed the nuclear plant, as well as to the Electric Boat Division of the General Dynamics Corp., who built the *Seawolf*.

If, 10 years ago, one would have predicted that the end of the next decade would see operating nuclear power plants, he would have been thought unrealistic, to say the least. Great progress has been made in an incredibly short time. In spite of the fact that nuclear propulsion is only in its infancy. Americans can take pride that three nuclear powerplants are operational in the United States today. And of course, we are extremely proud that all three of these are for naval use.

As we look at the *Seawolf*, let us briefly examine the present status of the Navy's nuclear propulsion program. As you know, the *Nautilus* if now operating and its performance has exceeded our expectations. Today, the *Seawolf* is launched. In addition, Congress authorized the building last year of two additional nuclear submarines.

The production of nuclear-powered vessels by the Navy has come of age. This year, Congress has approved the Navy's plans to build four more nuclear powered submarines. This means that this fiscal year the Navy will have eight nuclear-powered submarines in being or under construction and, in rapid succession thereafter, many others. Of course, our future plans include nuclear-powered vessels of other types. Development of nuclear propulsion for larger naval vessels is well advanced, and the Atomic Energy Commission will soon start construction of a land-based prototype at its National Reactor Testing Station in Idaho.

To insure the earliest and maximum exploitation of nuclear power for surface ships and naval aircraft, I have recently appointed with Admiral Strauss' concurrence, the Assistant Secretary of the Navy for Air, Mr. James H. Smith, Jr., and Rear Adm. Arleigh A. Burke, the incoming Chief of Naval Operations, to work with the Atomic Energy Commission in the accelerated adoption of nuclear power.

To show you the Navy's avid interest in nuclear propulsion, the Navy has seven different nuclear reactor projects. The nuclear plants of the *Nautilus* and the *Seawolf* were purposely made competitive, partly to determine which is the better power plant and partly to exploit the rapidly advancing technology of nuclear propulsion. The objective of these seven projects is to develop a family of reactors which will be applicable not only to submarines but to surface ships. They will lead to savings in costs, refinements in construction, saving in the expenditures of fissionable material, and incidentally, the faster realization of nuclear power for American farms, homes and factories.

The Navy is also giving special attention to the nuclear propulsion of naval aircraft. This field has unique application to the Navy's mission. In particular, careful attention is being given to nuclear powered seaplanes. Promise in this field is great indeed. Much of the way in this field has been paved by the efforts of the Atomic Energy Commission and the United States Air Force. Their years of research and effort had made possible the Navy's effort in recent months to increase its contribution to the aircraft nuclear propulsion program. Our naval program is being fully coordinated with the Air Force and is designed to complement that effort.

To keep pace with this accelerated program of nuclear propulsion, both construction and research, increasing emphasis has been given to broadening and expanding the educational and experience levels of the Navy's personnel, naval and civilian. A letter of instruction emphasizing and profound impact of nuclear power on the Navy and the need to attract and train our best officers and men to participate in this accelerated program was sent by me to every ship and station in the fleet in April. A stepped-up program of training selected officers in nuclear engineering was commenced last year. The training of production and maintenance personnel in naval and private shipyards has also been accelerated. The point has been reached where it is desirable to further expand the base for constructing nuclear powered ships. This has been done and this year two naval shipyards will build nuclear powered submarines for the first time.

Thus, the *Seawolf* is symbolic of the accelerating importance of nuclear power in the American Navy. We have crossed the threshold of a period of change which promises to alter the face of the Navy even more than did the changes of sail to steam and of wood to steel combined. Submarines with nuclear power are a new and modern weapon. They have a submerged endurance and versatility heretofore unknown. In addition to the traditional role of destroying enemy ships, the nuclear powered submarine may lay mines, may furnish early warning of threats to our homeland or to ships of our task forces, and may track and kill the enemy's submarines. Nuclear submarines may be used for the supply and replenishment of the new jet seaplanes, perhaps nuclear powered ones, that I mentioned. Even more important, the nuclear submarine has a very promising role as a component of a missile launching system. Equipped with missiles, the submarine can silently emerge from the depths of the ocean and send missiles of great destruction great distances with deadly accuracy as the newest weapons system in our retaliatory arsenal.

The Navy is very proud of its pioneering in the nuclear propulsion field. We are glad that a requirement for a naval ship such as the *Seawolf* motivated the generation of a new body of technical knowledge which will have extensive peaceful applications.

The President's farsighted program to demonstrate what the peaceful use of atomic energy can do in the benefit of mankind is an inspiration to all of us. The Navy is proud that its contribution goes beyond military purposes and aids in the achievement of our national goal of peace. What has already been learned and what will be learned from the operation of the *Nautilus'* and *Seawolf's* powerplants has already been most helpful for atomic power in American industry and commerce. The successful development of nuclear propulsion systems for naval ships has solved numerous problems which industry and commerce can adopt: new metals, new controls, new materials, new safety devices, new processes, new pumps and new instruments.

These facts, I think, indicate that the Navy has been pressing forward in the field of atomic energy in a bold and aggressive manner. We shall continue to push ahead as rapidly as is consistent with industry's ability to support our program, as the availability of trained manpower, building facilities, and technical know-how grows, and with prudent concern for the taxpayer's funds and the rapidly developing state of nuclear science.

This launching is also symbolic of the new American Navy of which the *Seawolf* is a small but important segment. Throughout our fleets, accent is being given to the rapid adoption of nuclear propulsion to submarines, surface ships, and aircraft. Fresh emphasis is being given to the concept of using ships as mobile bases—moving airbases, missile launching bases—bases upon which our national power can be projected wherever necessary. Jet seaplanes are being developed that can range the oceans of the world. Guided missle ships are replacing conventional ships, and missiles are replacing guns themselves. A stable of atomic weapons, air to air, air to ground, and surface to surface, is being fully assimilated.

It is, I can assure you, a new Navy which the *Seawolf* joins.

"Seawolf" Launching Highlights

Mrs. W. Sterling Cole, who will christen the new atomic submarine *Seawolf* today, July 21, will be making her second appearance on the sponsor's platform at Electric Boat. On August 8, 1943, she launched the submarine U. S. S. *Bluegill*. That submarine was commanded by her brother-in-law, Lt. Comdr. Eric L. Barr, Jr., United States Navy. Now a retired captain, Barr is security director at the Electric Boat division.

Mrs. Cole has two sons serving in the Navy. Lt. (jg) W. S. Cole, Jr., United States Navy, is attached to the New London-based submarine U. S. S. *Sea Robin*. Ens. Thomas Cole is a gunnery officer serving on the heavy cruiser U. S. S. *Newport News*. Mrs. Cole's third son, David, a recent high school graduate, will begin an agricultural career at Cornell University in the fall.

Mrs. Cole's husband, Representative W. Sterling Cole, Republican, New York, is a member of the Joint Congressional committee on Atomic Energy and a former committee chairman. He played an important part in the development of the Navy's atomic submarine program. He will ride the *Seawolf* down the ways.

The U. S. S. *Seawolf* SS197, for which the Navy's newest atomic submarine is named,

was one of the first American submarines to seek out the enemy in World War II. Its record of 18 vessels sunk for a total of 71,609 tons during 15 patrols was one of the best established by a United States submarine. She won two Navy unit citations.

Two former shipmates on the World War II *Seawolf*, Royce L. Gross and Lucien T. Rajotte, have been working on the new *Seawolf* since its keel was laid. Gross is inspection manager at Electric Boat and Rajotte is a first class pipefitter.

The new *Seawolf*, is the third submarine in the United States Navy to be named *Seawolf*. The first *Seawolf* was authorized on March 3, 1909, but her name was changed to the *H–1* before she was commissioned on December 1, 1913. The second *Seawolf*, SS197, was commissioned on December 1, 1939.

The *Seawolf* will be able to steam submerged at speeds in excess of 20 knots. Because it is powered with a nuclear reactor, independent of the earth's atmosphere, the *Seawolf* will be able to cruise underwater almost indefinitely.

The crew of the *Seawolf* will number approximately 100 officers and men.

The cost of the *Seawolf*, SSN575, is estimated at $32,700,000 exclusive of the Atomic Energy Commission's construction costs for the nuclear powerplant.

The powerplant of the *Seawolf* will be of a different design from that of the *Nautilus*. The *Nautilus'* powerplant, called the submarine thermal reactor, is cooled by high pressure water. Another type reactor, labeled the submarine intermediate reactor, will be installed in the *Seawolf*. It is cooled by liquid sodium and is being built for the Atomic Energy Commission by the General Electric Co.

Habitability is a key word in the *Seawolf*. New color schemes in the living and working spaces have been designed to increase efficiency and morale. Operating machinery and instruments have been "human engineered" to reduce fatigue and extend the period of top efficiency for crew members.

A reunion of old shipmates who served in *Seawolf* during World War II was held July 20 at the Mohican Hotel in New London. More than 50 men were to be on hand for the get-together. Among those planning to attend were old "seawolves" from Aztec, N. Mex.; Durango, Colo.; and one from Mount Vernon, Ind., who arrived on motorcycle.

Mrs. Nancy Brindupke Cole, matron of honor at the *Seawolf* launching today, is steeped in submarine tradition. Her late father, Comdr. C. F. Brindupke, United States Navy, was in command of the submarine *Tullibee* when it was lost in the Pacific in 1944. Her stepfather, Capt. John Davidson, United States Navy, had command of two submarines in world war II, the *Mackerel* and the *Blackfish*. Her husband, Lt. (jg.) W. S. Cole, United States Navy, is now serving in the submarine *Sea Robin*.

The *Seawolf* is the 229th submarine built by Electric Boat for the United States Navy. Electric Boat is the only civilian builder of submarines in the United States.

If all the blueprints used in the construction of the *Seawolf* were laid end to end they would make a path 30 inches wide from Groton to Washington, D. C. They would cover an area of more than 100 acres.

On the building ways adjacent to the *Seawolf* is the partially completed *Darter*, a conventional diesel-powered submarine of the *Tang* attack class.

Comdr. Richard B. Laning, United States Navy, the prospective commanding officer of the new *Seawolf*, comes from a Navy family. His father is Rear Adm. Richard H. Laning, Medical Corps, United States Navy, retired; he has 2 brothers, Robert and George, who are naval officers, and 1 brother, Edward, who is a Marine flier. Commander Laning's sister, who served in the WAVES in World War II, is married to a submarine officer in the Reserves.

Capt. Robert L. Moore, Jr., United States Navy, supervisor of shipbuilding and naval inspector of ordnance at Groton, has the immediate Navy responsibility for the construction of the *Seawolf*. Captain Moore is well qualified for his position. He took a course in advanced nuclear engineering at MIT and served in the Bureau of Ships as head of the engineering and research group of the nuclear power division, assisting in the design and development of nuclear propulsion plants for naval vessels. He is also a qualified submariner.

Electric Boat, shipbuilders, installed 205,920 feet of electrical cable in the *Seawolf*, or enough cable to reach from bow to stern almost 700 times. There are also 89,760 feet of piping and tubing in the Navy's newest nuclear submarine.

The agency of the Navy which is responsible for the design and construction of the *Seawolf*, is the Bureau of Ships. It is the duty of BuShips to develop, design, and construct or have constructed all Navy ships.

The keel of the *Seawolf* SSN575 was laid on September 15, 1953 by Robert B. Anderson, then Secretary of the Navy. Mr. Anderson's initials are welded on the keel plate and are a permanent part of the *Seawolf*. Mr. Anderson, now Deputy Secretary of Defense, will attend the launching.

After the *Seawolf* has slipped down the launching ways into the Thames River, she will be towed to an Electric Boat wet dock where work on the nuclear-powered vessel will continue.

The sponsor of the *Seawolf* of World War II fame, Mrs. Edward C. Kalbfus, is one of the distinguished guests at the launching. Mrs. Kalbfus, widow of the late Rear Adm. Edward C. Kalbfus, United States Navy, retired, christened the *Seawolf* SS197 at Portsmouth, N. H., on August 15, 1939.

As the *Seawolf* experiences her first dip in the Thames River, United States Navy planes from the naval air station at Quonset Point, R. I., will fly over in salute to the Navy's newest atomic-powered submarine.

Three former *Seawolf* captains will witness the christening of the new *Seawolf*. On hand for the launching are Capt. Henry Martin Jensen, United States Navy, retired, first commanding officer of the first *Seawolf*, Rear Adm. Royce L. Gross, United States Navy, retired, and Capt. R. B. Lynch, United States Navy, both of whom commanded the second *Seawolf* on patrols in World War II.

Until launched, the *Seawolf* will be held on the ways by a steel trigger sticking up from underneath. At a signal from the sponsor's party, a lever is tripped and the trigger is turned down so that the ship and its supporting cradle is free to slide. Should she stick, hydraulic rams mounted at the head of the ways will give her a shove to start her moving.

FACT SHEET ON COMMANDER RICHARD B. LANING, UNITED STATES NAVY, PROSPECTIVE COMMANDING OFFICER OF "SEAWOLF" (SSN575)

Commander Laning has served on 5 submarines and 2 aircraft carriers since graduating from the United States Naval Academy in the class of 1940. He is the son of Rear Adm. and Mrs. Richard Henry Laning, Medical Corps, United States Navy (retired), of Amherst, Va.

He has two brothers, Robert and George, who are naval officers, and a third brother, Edward, who is a Marine flyer. He also has a sister who served in the WAVE's during World War II.

Prior to attending the submarine school at New London, Conn., Commander Laning served on board the carriers *Yorktown* and *Hornet*. He was then assigned to the submarine, U. S. S. *Salmon* which was badly damaged in action. The entire *Salmon* crew was then transferred to another submarine, the U. S. S. *Stickleback*.

Since World War II he has commanded three submarines, the U. S. S. *Pilotfish*, U. S. S. *Trutta*, and the U. S. S. *Harder*.

The *Seawolf* is the second electric boat-built submarine which Commander Laning has commissioned. The *Harder*, a Tang-class boat, was commissioned in August 1952 with Laning as the skipper.

The prospective *Seawolf* commanding officer has had considerable schooling in preparation for his new command. He took a postgraduate course at the Naval Academy in 1947 and spent 2 years at the University of California at Berkeley where he was awarded a master of science degree in biophysics.

In addition he has taken specialized training in nuclear physics at Oak Ridge, Tenn., and Albuquerque, N. Mex. In 1954 he reported to the Schenectady, N. Y., area office of the Atomic Energy Commission where the *Seawolf* reactor is being built by General Electric Co.

Commander Laning was awarded the Bronze Star Medal with combat "V" and the Silver Star Medal. In addition he wears the Presidential Unit Citation ribbon and the Navy Commendation ribbon.

He is married to the formed Ruth Richmond and they have 2 daughters, Christine, age 9; and Lucille, age 5.

ELECTRIC BOAT BACKGROUND

Electric Boat is 1 of 5 divisions of General Dynamics Corp. Other divisions include Convair, Stromberg-Carlson, Electro-Dynamics, and General Atomic. Canadair, Ltd., General Dynamics subsidiary, is located in Montreal, Canada.

In addition to submarines, General Dynamics is a leading producer of military and commercial aircraft, guided missiles, telephone and electronics equipment, and specialized types of electric motors.

For more than a half century, Electric Boat has been building submersibles. Today's launching of the *Seawolf* makes 229 submarines which Electric Boat has built for the United States. Another 100 have been built for allied nations.

Work at the division now includes completion of the *Seawolf* and construction on the conventional-powered submarine *Darter* on the south yard building ways. Electric Boat has been designated by the Navy for construction of a third nuclear-powered submarine as yet unnamed.

Principal General Dynamics officials at the Electric Boat division are:

Carleton Shugg, a General Dynamics' vice president and general manager of Electric Boat; joined Electric Boat in 1951 after holding top executive positions with the Atomic Energy Commission and the shipbuilding industry.

Rear Adm. Andrew I. McKee, United States Navy, retired, a corporation vice president and director of research and design at Electric Boat. Extensive submarine construction experience in Navy and regarded as leading submarine designer.

VITAL STATISTICS ON THE SUBMARINE "SEAWOLF" (SSN575)

Builder: Electric Boat Division of General Dynamics Corp.

Length: About 330 feet.

Breadth (at widest point): About 27 feet.

Keel laid: September 15, 1953, by Robert B. Anderson, Deputy Secretary of Defense.

Christening: July 21, 1955, by Mrs. W. Sterling Cole.

Delivery: 1956.

Number of crew: About 100.

Speed: Over 20 knots.

Displacement (surface): About 3,000 tons.

Main propulsion: Reactor-fired steam turbine (sodium cooled reactor).

Auxiliary propulsion: Storage battery and diesel electric drive.
Miles of electric cable: 39.
Miles of pipe and tubing: 17.
Miles of blueprint issued: 400.
Number of drawings made: 2,200.
Number of propellers: 2.
Number of items included in ship: More than 1 million.
Daily capacity of water distilling plant: 5,000 gallons.
Cost (exclusive of reactor): $32,700,000.

Respecting the Wishes of Professional People in Social-Security Coverage

EXTENSION OF REMARKS
OF
HON. JIM WRIGHT
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, July 25, 1955

Mr. WRIGHT. Mr. Speaker, I realize how anxious most Members are to complete our labors and adjourn this session of the Congress. Veteran observers, with significantly few exceptions, have noted in terms of highest praise the volume of important and constructive legislation thus far enacted. If we can complete those matters remaining unattended and adjourn at an early date, it will add further credit to this session's record of businesslike accomplishment.

Surely there is one obligation, however, which must transcend our quite natural desire to create a new record in legislative volume performance, and that is the obligation to accord thorough deliberation to each measure which arises and to protect the processes which assure to the membership the opportunity to work its will.

It seems to me that there is a very grave danger involved when we become too much in a hurry. An excellent case in point was the motion last Monday which brought before the membership a compendium of social-security revisions hermetically sealed in a single package, limited discussion to 40 minutes, and denied Members the privilege of a separate vote on any of the varied issues at stake.

This closed rule placed many Members in an extremely embarrassing position. It forced some even to break promises where they had indicated approval for certain of the revisions embodied in that single motion and opposition to others. Other Members were confronted with the uncomfortable choice of either breaking a promise or violating a conviction.

Certain features of the bill seemed unanimously agreed to be necessary and desirable, such as that strengthening the actuarial soundness of the program, and that permitting women to retire at the age of 62.

Other provisions, such as that extending compulsory coverage under the program to the members of 7 professions, seemed highly questionable and at the very least worthy of more extended discussion.

In matters of this kind, involving such groups of self-employed professional men and the Government's role if any in the planning of their future security, it seems to me highly proper that the desires of the people directly affected by such legislation should be an overriding consideration.

Not believing myself sufficiently wise to act in their behalf without knowing their feelings in the matter, I conducted a poll by mail of the members of these professions in my district. In all, some 400 responded.

The results of this poll intensified my delemma in trying to cast an intelligent vote with all the provisions wrapped inseparably together under this "closed rule."

My poll indicated, for instance, that a majority of the lawyers in my district want such coverage, while clearly tending to show that most dentists do not.

It seems to me that an effort should be made to respect the desires of such people when considering an extension which affects none but themselves. Surely this would be preferable to compelling them against their will.

It is encouraging to note that open hearings have been scheduled in the Senate, and it is hoped that separate votes on these varied matters may be permitted in that body.

Why could we not consider a plan of voluntary, rather than compulsory, coverage for those self-employed professional groups whose members desire it?

It has been argued that too many would wait until retirement time nears, then qualify for benefits by participating for only a short period, thus increasing the costs of administering the program.

Yet it seems to me that this particular possibility could be rather easily overcome by some permissive program setting a deadline for beginning participation—say at the age of 35—with those already beyond that age to have 18 months from the effective date of the law in which to decide.

The Members of the House of Representatives have successfully maintained a voluntary retirement system by setting a deadline for declaring oneself in or out. With sufficient imagination and thorough study, it seems not at all impossible that such a permissive plan could be devised for other professional groups of our citizenry.

I do not say that this is the answer. Yet it may possibly provide a means of accomplishing the objective within the framework of individual choice without involving the distasteful means of compulsion. I hope the Senate will carefully consult the wishes of the people directly concerned and will look fully into this possibility.

The Federal Communications Commission

EXTENSION OF REMARKS
OF
HON. WILLIAM G. BRAY
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 25, 1955

Mr. BRAY. Mr. Speaker, a free press has become one of the strongest foundations of our democratic form of government, and one without which our system could not survive. The first amendment of the Constitution says, "Congress shall make no law * * * abridging the freedom of speech, or of the press." The fight to maintain and protect that freedom has been continuous since our first days as a Republic.

It is natural enough for any person or group of persons to believe that his opinions are right, and others' are wrong. But one of the main responsibilities of Congress, and of the courts, is to protect the right of the press to express its editorial opinions free from intimidation by any individual, organization or governmental power. However much we may disagree at times with the press, it is our duty to safeguard that freedom accorded it by the Constitution. We must keep a most watchful eye on any commission or bureau of the Government which may attempt to control the dissemination of news.

Of course the governmental agency which most obviously touches on the communications media of our Nation is the Federal Communications Commission. The advent of radio and television broadcasting, and the regulation entrusted by Congress to the FCC, have resulted in ever-increasing contacts between the press and the Government. Every caution that these contacts do not result in intimidation or quasi-censorship must be exercised.

The FCC must act as arbitrator in determining which parties should be given television permits; and this authority increases the duty of the FCC to tread carefully in consideration of our freedoms. A recent examiner's report on an application for a television franchise spent a considerable portion of the report criticizing the editorial policy of a certain newspaper, the principal owner of which was also the principal stockholder in one of the companies which sought the TV permit. No one would deny that the FCC has the right to consider the possible effects of a communications monopoly which might be created by granting a TV permit to the owners of radio or newspaper interests.

However, the Commission must not attempt to evaluate the content of an applicant's newspaper editorials. And certainly such considerations should play no part in deciding which applicant gets the TV permit. Such a precedent could lead to terrible abuses, such as closing the airwaves to applicants who have shown an editorial policy contrary to the political opinion of the FCC. It might go beyond considerations of party, and act against applicants who expressed certain views on public power or tariff legislation or on any economic, social, or political opinion. Such a precedent could well be the beginning of a governmental step toward thought control. We must ever be on guard against the infringement of free expression of opinions in our Republic.

There is no evidence that the Commission has adopted the philosophy indicated in this examiner's report. There is now pending in Congress a bill stating that "In no event, however, shall the Commission in any proceeding give any

significance to the editorial policy of a newspaper." The legislative action on the subject seems warranted, and I believe the bills now pending which deal with this subject deserve consideration by this Congress.

Legal Opinion Backs Stand of Upper Colorado River Basin States

EXTENSION OF REMARKS
OF
HON. HENRY ALDOUS DIXON
OF UTAH
IN THE HOUSE OF REPRESENTATIVES
Monday, July 25, 1955

Mr. DIXON. Mr. Speaker, southern California long has opposed the Colorado River storage project on a multiplicity of grounds, although seldom mentioning its real reason for this opposition. I submit that the true reason is its intention to appropriate the upper basin's share of the Colorado River system as well as their own, by a program of deliberate delay of the Colorado River storage project, regardless of the means used in bringing about such delay.

We of the upper basin long have been aware of the lengths the southern California water lobby would go, but even we were astounded when the Honorable CLYDE DOYLE, of California, asserted earlier this week that any project authorization should await a suit pending in the Supreme Court in which Arizona seeks to quiet title to certain shares of water in the Colorado River system. California is the defendant.

This is an amazing statement in view of the report this week by the special master assigned by the Supreme Court to study this matter and to make a recommendation to the court.

The special master, the Honorable George I. Haight, was appointed on June 1, 1954, and directed to find the facts, state his conclusions and submit a draft of the decree recommended by him, specifically on California's attempts to bring the upper basin States into the suit as full parties.

The special master recommended that the upper-basin States need not be drawn into the suit. He excepted, of course, Utah and New Mexico, and only so far as to allow them to protect interests they have because small parts of these States are within the lower basin and the special master specifically ordered that these States be included only in relation to their respective lower-basin waters.

This ruling of the special master defeats another southern California attempt to delay the Colorado River storage project.

Not only did the special master reject the California contention that upper-basin States should be made full parties of the suit, he also emphasized some other important points relative to the Colorado River system, the Colorado River compact, and the rights of the various basins in the overall matter.

The special master has this to say about the compact which California seems to want to ignore:

The Colorado River compact evidences far-seeing practical statesmanship. The division of the Colorado River system waters into upper and lower basins was and is one of its most important features. It left to each basin the solution of the problems of that basin and did not tie to either basin the intrabasin problems of the other.

Southern California has attempted to dictate how we of the upper basin shall put our water to use. The special master says this:

How beneficial consumptive use shall be measured in each basin is a question for each basin to determine so long as the Colorado River compact endures. The quantities of water for the upper basin and its obligations to deliver are fixed by the Colorado River compact; (2) what matter how the individual basins measure beneficial consumptive use so long as it is possible to interpolate the two methods; and (3) as long as the upper basin is not using its entire apportionment (here no party alleges that it is), how can it be said that they are interested in the system used in the lower basin.

If ever there was a question about further delay pending the special master's report, that question has been definitely erased. This recommendation by the distinguished special master, appointed by the Supreme Court, gives another green light to a project that will benefit the entire United States. I refer to the Colorado River storage project, which I urge you to support regardless of the water-hog attitude of the southern California water lobby.

So that the record may be complete, I am including as an extension of my remarks the conclusions and recommendations of the special master, dated July 11, 1955, at Chicago, Ill.:

CONCLUSIONS

I conclude as follows:

1. No original party to the cause and no intervener charges any wrongful acts of commission or omission against the upper basin States, or presents any prayer for relief against them.

2. The Colorado River Compact divided the Colorado River system into two separate and distinct basins.

3. By the Colorado River Compact, each basin was left to make its own intrabasin allocations of the use of its water.

4. In 1949 the upper basin States entered into a compact, the Upper Colorado River Basin Compact, which was approved by the Congress of the United States.

5. The upper basin States have since been and now are operating under that compact.

6. By that compact, they settled among themselves the interbasin rights to the use of its waters, and also settled among themselves several upper basin questions which in the lower basin and in respect to its waters are now in controversy in this cause.

7. There is presently no legal or equitable reason for this court to disturb the operation of the Upper Colorado River Basin Compact, which result might come by joining these upper basin States as parties to this cause.

8. The States of the upper basin do not wish to join as parties in the instant cause. They resist the motion to join them.

9. To join them would be a backward and retarding step with respect to the solution of problems relating to the Colorado River system.

10. To now join the upper basin States in this cause with respect to upper basin waters would not tend to avoid litigation but would presently promote it.

11. The upper basin States in their capacities as such presently have no legal or equitable interest in the instant cause.

12. As to the upper basin States as such, there is no existent justiciable controversy between them and the present parties to this cause.

13. The United States, as intervener, has not enlarged the scope of the instant cause.

14. The interest of the United States in this proceeding is confined to its rights relating to waters of the lower basin.

15. Whatever the possibility of future controversy may be, there exists in such possibility no sound equitable reason for now joining the upper basin States as such in the instant litigation.

16. A decree can be soundly entered in this cause that will not affect the upper basin States with respect to rights to water or the use of waters in the upper basin.

17. The motion filed herein on July 15, 1954, by the California defendants to join upper basin States as parties ought to be denied as to Colorado and Wyoming, and denied as to Utah and New Mexico in their capacities as upper basin States.

18. Utah and New Mexico each has interests in the lower basin. These interests are small in comparison to the interests in lower basin water of the lower basin States, particularly California and Arizona. However small, they are substantial and important to Utah and to New Mexico, and likely will be so considered by dwellers in the areas having use and need for Colorado River water.

19. In the equitable allocation of the waters of the lower basin, the decree should not overlook these relatively small, but nevertheless substantial, interests.

20. The respective interests of Utah and New Mexico in lower basin waters are adverse to the interests of California, Nevada, Arizona, and the United States in lower basin waters. A justiciable controversy presently exists respecting these lower basin waters which involves substantial interests of Utah and New Mexico therein. In order to make equitable allocations of the use of lower basin waters in this case, New Mexico and Utah are necessary and indispensable parties.

21. With respect to Utah and New Mexico in their capacities as lower basin States, and only to the extent of their respective interests in lower basin waters, the motion should be allowed, and allowed separately as to each of them.

Hon. Edith Nourse Rogers, of Massachusetts

EXTENSION OF REMARKS
OF
HON. GORDON CANFIELD
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, July 25, 1955

Mr. CANFIELD. Mr. Speaker, recently I stopped at a gasoline station in Watertown, Mass., and while a young man was refueling my car, I said to him: "Who is the Congressman from this district?" He beamed as he replied: "She's a lady and her name is EDITH NOURSE ROGERS. She's the salt of the earth and everybody's for her because she is always doing things for folks most in need."

It developed in our brief conversation that the young man was a World War II veteran whom Mrs. ROGERS had helped in

some relationship with the Veterans' Administration.

Circulating through the Fifth Congressional District of Massachusetts, I picked up much additional evidence bearing on the affection that the voters, both Republican and Democrat, have for "the gentle lady from Massachusetts." They are all for her because she is all for them and her every-day dedication to their best interests is a favorite topic of the area.

I regret I was not present some weeks back when our distinguished colleague was accorded many richly deserved encomiums on the anniversary of her 30th year as a Representative in Congress. Mrs. ROGERS has been most kind to me during my congressional service and I know something of her love of country and her intense devotion to those who have rendered service in our Armed Forces, particularly those who bear the scars of conflict. These have never had a better friend and I feel certain that this is realized throughout the Nation.

It was through Mrs. ROGERS that I first learned of the remarkable work being done by those dedicated men and women out at the Prosthetic Laboratory at Forest Glen in Maryland. Our veteran amputees look forward so much to her daily visits.

The New York Herald Tribune of last Sunday, July 24, 1955, under the caption "Mrs. ROGERS Has World's Record" said:

> One of the things not discussed in laudatory congratulations to Mrs. EDITH NOURSE ROGERS on her recent observance of 30 years service in the House was that this tenure established a world's record. She has served longer than any other woman in history continuously in a national legislative assembly.
>
> The "Lady from Lowell," Mass., has served in Congress since June 30, 1925, when she was chosen to succeed her deceased husband, has held a major chairmanship, something no Republican woman representative ever did previously.

Every Member of the House knows Mrs. ROGERS as an untiring crusader for the causes in which she believes and following her in just one day's routine makes it easy for one to understand why the young attendant at that Watertown, Mass. gasoline station called her "the salt of the earth."

A Bill To Relieve Aliens of an Unnecessary Trip To Canada

EXTENSION OF REMARKS
OF

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 25, 1955

Mr. REUSS. Mr. Speaker, the case of Jane Edith Thomas has highlighted an inequity in our immigration laws that should be corrected. I have today introduced, for appropriate reference, a bill to obviate the senseless trip to Canada now required of aliens in the United States who are otherwise fully eligible to remain here.

Jane Edith Thomas is a 4-year-old girl born at the American hospital in Trieste in 1951. Her father, an American citizen, was a member of the Armed Forces stationed in Trieste. Jane's parents are now back in the United States, having brought Jane with them under a visa issued by the United States consul at Venice. Now it turns out that technically Jane is not yet a United States citizen and hence must be deported to Canada, although she can then, after cooling her heels in the land of our neighbors to the north, reenter this country under a valid visa and in due course gain her United States citizenship.

No earthly purpose is served by putting a 4-year-old girl to the trouble of a trip to Canada, and her parents to the expense and worry of such a trip.

Of all the needlessly harsh features of our immigration laws, none is more absurd than that which makes it necessary for an alien in the United States to make a special trip to Canada to secure an immigration visa in order to obtain permanent residence here. This makeshift procedure is resorted to by aliens in this country who desire to remain here, but have not been admitted for permanent residence, where they meet all the qualifications for admission as immigrants, and for whom a quota number is available if required. There is no explicit statutory provision which prescribes or authorizes this practice. It is an expedient devised by the Immigration and Naturalization Service to legalize the status of aliens who otherwise would have to leave the country or be subject to deportation.

To understand the situation, it is necessary to review the history of this method of adjusting the status of aliens, which is known as preexamination procedure. It was instituted by administrative regulation in 1935, after an agreement was reached with the Canadian Government whereby certain aliens would be granted entry into Canada temporarily for the purpose of applying to an American consular officer for an immigration visa to the United States. The United States authorities agreed to receive the alien back into this country if he was denied an immigration visa. In certain cases an alien who wished to have his status adjusted was examined by the immigration authorities in this country to determine his eligibility for admission. If found eligible and if a quota number was available for him, he was permitted to go to Canada, obtain an immigration visa from the American consular office there, and return to the United States.

Although originally intended as a temporary arrangement pending enactment of legislation by Congress, this "pre-examination procedure" was continued after Congress made provision in 1940 for suspension of deportation in specified hardship cases. To obviate the need for this cumbersome procedure, a provision—section 245—was inserted in the Immigration and Nationality Act of 1952 authorizing certain aliens lawfully in the country as nonimmigrants to obtain an adjustment of status to that of persons admitted for permanent residence by petition to the Attorney General. Unfortunately, this provision does not go far enough. It applies only to a limited class of aliens—those who have entered as bona fide nonimmigrants and who continue to maintain that status, and for whom a quota or nonquota immigration visa is immediately available. If affords no relief if there has been any irregularity in the admission of the alien, even a technical error for which he is not responsible. A person admitted as a citizen cannot obtain an adjustment of status if it is found that his parents had lost his citizenship or could not transmit citizenship under the highly technical provisions of the Nationality Code. Nor is this procedure available to aliens who through misunderstanding of our laws, fear of persecution in their native country, or for other reasons overstay the period of their admission.

Because there are so many meritorious cases for which section 245 of the Immigration and Nationality Act provides no remedy, Congress has been flooded with private bills to adjust the status of individuals. To lighten this burden on Congress, and to avoid the necessity of deporting aliens who have proved themselves to be desirable residents, the Commissioner of Immigration and Naturalization recently revived the preexamination procedure. While this is less harsh on a meritorious alien than deportation, to require him to go to Canada to pick up an immigration visa after he has been found admissible for permanent residence serves no useful purpose whatever. It imposes a wholly unnecessary financial burden on the individual. In many cases, especially with respect to elderly persons, it constitutes a physical hardship as well, one which may endanger their lives or health.

The bill I have today introduced would extend the present remedy for adjustment of status by the Attorney General to all cases where the alien is found admissible for permanent residence if a quota number is immediately available to him or if he is admissible as a nonquota immigrant.

Such a provision would in no way weaken our control over aliens. It would be no obstacle to the deportation of undesirable aliens. Nor would it enable the alien who comes to the United States as a visitor to obtain a preference over persons in foreign countries who have applied for, and are waiting to receive, quota numbers. The Attorney General would be authorized to grant permanent residence to a quota immigrant only if he could obtain a quota number.

Furthermore, the adjustment could be made only where, after a thorough examination, the alien was found to fulfill all requirements for admission as an immigrant. The only substantial change I propose to make is to permit the adjustment to be made without a useless trip to Canada, after the Attorney General determines in accordance with the procedure prescribed by statute that the alien is entitled to the relief now obtained by this roundabout procedure. This change will be a benefit both to the

alien and the Government. It will relieve the alien from the hardship resulting from leaving and reentering the United States. It will also greatly simplify the administration of the law.

The Commonwealth of Puerto Rico

EXTENSION OF REMARKS
OF

HON. A. FERNÓS-ISERN

RESIDENT COMMISSIONER FROM PUERTO RICO
IN THE HOUSE OF REPRESENTATIVES

Monday, July 25, 1955

Mr. FERNÓS-ISERN. Mr. Speaker, with justified pride, I address myself on this occasion to the House of Representatives of the United States. Three years ago, on the 25th of July of 1952, the flag of the Commonwealth of Puerto Rico was raised for the first time, on the occasion of the inauguration of the new regime which had begun for the people of Puerto Rico. For the first time in their history, they were living under a constitution of their own adoption. Thus the people of Puerto Rico had organized themselves, as a free, self-governing body politic, with sovereign powers in all matters not reserved, under the terms of a solemn compact, to the Government of the United States.

The people of Puerto Rico became then citizens of the Commonwealth of Puerto Rico, but that did not alter the fact that they were and continued to be, loyal citizens of the United States.

The relationships between the Commonwealth of Puerto Rico and the Federal Government albeit parallel are not equal to those of a State of the Union vis-a-vis the Federal Government, but the significance for the people of Puerto Rico of the creation of the Commonwealth was the same as for the people of an incorporated Territory who attain the dignity of statehood.

The creation of the Commonwealth of Puerto Rico was the culmination of a series of events which evolved during the span of half a century and which began early in the century with the recognition of the existence of unincorporated Territories within the United States political system; areas and peoples who are subject to the sovereignty of the United States, but who, according to decisions of the Supreme Court of the United States, "constitutionally are not an integral part of the United States."

A projection, parallel to that of incorporated Territories toward statehood, was then marked for the unincorporated areas. It has led the peoples of those areas into a status of association, by mutual consent, with full enjoyment of self-government and without loss of common citizenship, common defense, and common protection.

As history teaches us, seed of future events lies buried and unrecognized in past events. Looking now in the perspective of half a century, considering the geographical location of Puerto Rico, its demographic and cultural origin, the smallness of its georgraphical limits, the density of its population, the lack of natural resources, the high aspirations of its people, it is seen how, from the starting point of that Supreme Court decision, all these factors conspired and led, by gradual steps, inexorably, towards a formula which would give the people of Puerto Rico the dignity of freedom they craved, together with the security, which they needed if they were to exist, and could not have in isolation.

And so, after 50 years of what might be called the fermentation of thinking and the distillation of ideas, there evolved in the minds of the people of Puerto Rico the happy solution within which they could attain the status of political dignity to which they could aspire without the sacrifice of their security and prosperity.

Thus, with the overwhelming support of the people of Puerto Rico and with the cordial cooperation of the Government of the United States, the Commonwealth of Puerto Rico was born 3 years ago.

I shall eternally be thankful that it devolved upon me to bring the expression of the aspirations of the people of Puerto Rico before the consideration of Congress, when I introduced H. R. 7674, on March 13, 1950, which became Public Law 600 of the 81st Congress, establishing the compact and authorizing the creation of the Commonwealth.

I shall be thankful again that I had the honor to preside over the Constitutional Convention of Puerto Rico from September 1951 to February 1952, and that again I was privileged to introduce the joint resolution which became Public Law 447 of the 82d Congress, ratifying the Constitution of Puerto Rico.

I shall live eternally thankful to the Congress that both in 1950 and in 1952, almost unanimously adopted both pieces of legislation.

My legislative duties have not allowed me to be in Puerto Rico today, to participate with my people in the enjoyment they feel, mindful of the fact that on the very same date that we celebrate this anniversary, we also celebrate the anniversary of the landing of United States troops in Puerto Rico, an event which took place on the 25th of July of 1898, under the command of Gen. Nelson A. Miles. That was the beginning of the association of the people of Puerto Rico with their fellow citizens of the United States.

But the fact that I cannot be today in Puerto Rico, is amply compensated for by the fact that I can be here today with my colleagues of the House, to whom I am so deeply indebted for their spirit of generosity, fairness, and kindness toward the people of Puerto Rico.

I have had the honor of speaking, in the name of the United States, before the corresponding committees of the United Nations, when the status of Puerto Rico was there considered. As an alternate delegate of the United States, I presented there the reasons why the United States was justified in ceasing to report to the United Nations on Puerto Rico, as provided under the charter for dependent areas, since Puerto Rico had ceased to be a dependent area.

I found opposition there from such sources as naturally would be expected, but I found there the support, the understanding, and the applause for the United States and for Puerto Rico from the majority of the peoples there represented. The majority of the peoples of the New World, who speak the same language as the people of Puerto Rico and who have with the people of Puerto Rico a common origin and a common cultural heritage—especially did they express their deep satisfaction with the action taken by the United States.

Our good neighbors of the South American Continent, of the Caribbean islands, of Central America, with few exceptions, all heartily supported the United States in its decision. The praise I heard for the United States and for what the United States had done for Puerto Rico, made me proud to be a citizen of the United States, and proud that the United States received those expressions of applause and just recognition on the occasion of having done justice to Puerto Rico.

The association of the people of Puerto Rico and the people of the United States is based now on a compact, on legal documents, as it should be. But it has much more solid and much deeper basis. It is based on common relationships, on common history, on common devotion to common principles.

The blood of Puerto Rico's youth flowed in Korea for the same principle and under the same colors as the blood of the other youth from the 48 States which form this Nation. To the credit of Puerto Rico, by far a very large number of those young men who there bled and died, did not go there because they were called to duty under provisions of law, but because they volunteered of their own accord to do their duty.

Mr. Speaker, let me express my thought that the existence and development of the Commonwealth of Puerto Rico is a credit to the people of Puerto Rico and it is a credit to the people of the United States. Let me express my faith in the principles that have united us so firmly. Let me express my certainty that the association of the people of Puerto Rico to our mainland fellow citizens shall remain forever as firm as it is today.

Farmers' Home Administration Makes Progress in Assisting Family-Type Farmers

EXTENSION OF REMARKS
OF

HON. WILLIAM S. HILL

OF COLORADO
IN THE HOUSE OF REPRESENTATIVES

Monday, July 25, 1955

Mr. HILL. Mr. Speaker, about a year ago I took occasion to call your attention to an agency in the United States Department of Agriculture, the Farmers' Home Administration, where some remarkable improvements have been made under the Eisenhower administration.

Today I would like to bring the account of that fine record up to date.

Last year I pointed out that during the first full year under the Eisenhower administration the Farmers' Home Administration made or insured loans totaling more than $292 million. This was a 28-percent increase over the amount loaned in 1953, and more funds had been advanced in 1953 than in any previous year. During this current fiscal year the agency has continued to provide farmers of the Nation with credit at approximately the same volume.

The agency has continued to use most of its credit to help operators of family-type farms finance improvements in their operations, and purchase and improve farms. In this group are many young farmers who if it were not for the Farmers' Home Administration would not be able to obtain the credit they need to become firmly established in agriculture.

In addition, the agency has carried on a number of emergency loan programs which serve the credit needs of all farmers, including the small ones. These loans which include the special livestock loans and the economic emergency loans authorized by the 83d Congress have been lifesavers for thousands of drought-stricken ranchers and cattlemen.

I have said many times that in my opinion, the special emergency loans that the 83d Congress made available were a major factor in saving the livestock industry during the critical period in 1953. Altogether more than $53 million was advanced to cattlemen to help them carry on their operations until drought conditions eased and the market stabilized.

During the past 2 years the amount advanced for all types of emergency credit totals approximately $181 million.

Along with the emergency loans, in the drought-stricken areas, during the past year the county committees of the Farmers' Home Administration were assigned the responsibility for approving applications for emergency feed assistance. These committees with the help of the county office staffs handled this assignment in a commendable manner.

I want to pay special tribute to those committeemen. They receive only a nominal sum for their efforts and they give freely of their own time for the benefit of their community.

I pointed out last year that a number of steps have been taken under the Eisenhower administration to enable this agency to render a better service on a more efficient basis. Additional progress has been made along this line during the past year. For example, when the revised farm ownership loan regulations were placed into effect last January 31, sufficient streamlining had taken place to enable the number of pages in the regulations to be reduced from 75 to 18. The number of forms used in making these loans were cut one-third. The number of times a farmer had to sign his name in order to obtain a farm-ownership loan was reduced almost 50 percent. This, I believe, is indicative of the careful way that all of the operations of the agency have been reviewed and improved.

Last year I told you about a bill that had been passed that would enable the Farmers Home Administration to make more insured loans and thus enable it to serve the credit needs of a larger number of farmers. They have had almost a year's experience with this expanded insured loan program, and I want to tell you the record is impressive. The total amount of farm ownership loans insured so far this year—these are the loans that are made to improve, enlarge, and purchase family type farms—the total amount of these loans insured is $30,400,000, or three times the amount insured last year. This sets an alltime record.

The largest amount of farm ownership loans ever insured before in any one year was back in 1951, when $17,500,000 worth of loans were made in this fashion. In addition, approximately $15 million of the new soil- and water-conservation loans have been insured since last fall.

These insured loans have two advantages: They enable the agency to serve the credit needs of more farmers. Also the insured loans reduce the amount that needs to be borrowed from the United States Treasury; for private lenders, banks, insurance companies, and other investors supply the funds from which the insured loans are made.

When the insured loan program was enlarged early last fall, Farmers Home Administration, with the advice and guidance of a representative group of private lenders, made a number of improvements in the administration of the program, cutting out red tape and making the loans generally more attractive as investments. Lenders in return have responded wholeheartedly, have committed more than $81 million, and appear willing to finance additional amounts in the months to come. This, I believe, is real progress.

I also mentioned last year the passage by the 83d Congress of a soil and water conservation loan program. This program has been in operation for about 9 months and it, too, has set an impressive record. What the 83d Congress did in respect to this program is this: First it extended the water facilities program which had been operating only on a direct loan basis and only in the Western States to the entire United States. In addition, it provided for insured as well as direct loans. This expansion made available throughout the country, credit for irrigation systems, farmstead water supplies—a type of credit that has become increasingly popular during the dry spells of recent years. In addition, the 83d Congress added to the water facilities loan, authority to loan funds both insured and direct, for soil conservation purposes. This authority likewise is available throughout the United States. The soil conservation loan enables farmers and ranchers to borrow funds to carry out soil conservation measures that are needed today for the protection of our Nation's soil resources. Without this credit available it is likely these measures would not be carried out for years to come. During that time the elements would further deteriorate, erode, blow, and wash away soil upon which our future and the future of our children depend. The loans will put a checkrein on that.

More than $18,800,000 was advanced for these loans this year. I expect the program to continue its expansion for months to come. R. B. McLeaish, Administrator of the Farmers' Home Administration, who incidentally has done a grand job placing that agency on a solid basis, tells me that the irrigation loans are now fairly well known throughout the country but that many farmers are not aware of the fact that they can borrow funds for soil conservation. I understand he is taking steps to make sure that this new type of credit is known throughout all farming areas in the country.

The collection record established by the Farmers' Home Administration is good despite the fact that the farm families who borrow are those who, at the time they applied for credit, were unable to obtain loans from banks or other reputable lenders.

A large proportion of the real estate loans, although made for 40 years, are being repaid well ahead of time. The bulk of the loans for farm operating expenses are also being paid on time. This speaks well for the understanding regarding repayments that the agency works out with the borrowers. It speaks well for the economic progress the borrower families are making through the wise use of Government credit. It speaks well for the attitude that American families hold in regard to repaying their debts.

The agency is also placing a great deal of emphasis on graduating borrowers to regularly established lending institutions as quickly as possible. The average operating loan borrower repays his loan in about 4 years. Each year from 20,000 to 25,000 farmers pay off their indebtedness to the Farmers' Home Administration. While some of these borrowers find it necessary to call upon the agency for assistance in future years, most of them continue to farm without further Government credit.

All in all, I would say that the prospects of the farmers receiving adequate service from this agency during the coming year are very good. There is no reason to believe that the first record that has been established for the past 2 years will be in any way diminished; in fact it may be improved upon. Funds that have already been appropriated, plus the funds that are obtained from private lenders for insured loans will enable the agency to carry on its operations at about the same level. In fact there is every reason to believe that the insured loan business will continue the rapid expansion that was begun in the past year.

In addition, I understand that the Department of Agriculture is developing an expanded credit program for the Southern Great Plains States based upon the recommendations made at a meeting of the Great Plains Council in Denver early in June. This credit program will further expand the usefulness of this agency in the Great Plains area and will, of

course, be of great service to the farmers and ranchers who need to reorganize their operations in order to make proper use of the land and develop the type of farming that is best suited for that area.

The way this program is being handled, and the service this agency is providing the farmers, is a fine example of the good government practiced by this administration, and an equally fine service to the farmers and ranchers who form the foundation stone upon which our Nation rests.

Townsend-Plan Legislation

EXTENSION OF REMARKS
OF
HON. JAMES ROOSEVELT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Monday, July 25, 1955

Mr. ROOSEVELT. Mr. Speaker, it was my intention to join my distinguished colleague, the Honorable GEORGE RHODES, and other cosponsors of the Townsend-plan legislation, H. R. 4471 and H. R. 4472, in voicing my support for consideration of this legislation. However, it was impossible for me to be present at that time. I would like, therefore, to insert into the CONGRESSIONAL RECORD a summarization of my position on the Townsend plan, which I described in greater detail at the Townsend convention last May 2 in St. Petersburg, Fla.:

EXCERPT FROM SPEECH BY REPRESENTATIVE JAMES ROOSEVELT, DEMOCRAT, OF CALIFORNIA, AT THE TOWNSEND CONVENTION AT ST. PETERSBURG, FLA., ON MAY 2, 1955

Some people still insist the Townsend plan hasn't a chance of becoming law. I say this: Within the foreseeable future most of the principles of the Townsend plan will appear in the Social Security Act.

You are not fighting a losing cause. Some of the most important things you stand for will be the law of the land. And the time when they will be is not so far away. Here are points of the Townsend plan which I expect to see adopted:

Eligibility for benefits at the age of 60: This is proposed in many bills introduced in this first session of the 84th Congress. It recognizes the hard facts of economic life today.

Universal coverage: We have seen coverage under the original security law steadily widened. Last year the doors were opened to some 10 million people. The time will come when every American will automatically qualify on reaching a specified age.

Pensions as a matter of right: This goes with universal coverage. Old-age assistance will be abandoned. And with it will go the means test, the pauper's oath, the lien law, publicizing of the names of recipients of public assistance, and other distasteful features of old-age assistance as we have it today.

Pensions adequate to the cost of living: I myself am sponsoring a bill to establish a basic minimum of $100 a month. Maybe that is, in fact, not enough. But it would represent a considerable step forward and we can adjust as we go along. Benefits will be adequate in time. Of that I am sure.

These are the principles of the Townsend plan which I predict will be adopted in not too long a time. Now let me say that maybe credit will not be given the Townsend organization. But those acquainted with the history of social-security improvements will know where the credit belongs.

You members of this organization are fighting a good fight. You are fighting for a cause in which you believe. You are fighting for a program which you believe would be good not only for older Americans but for the entire Nation.

Our present system of social security, as you all know, originated under my father in the New Deal years. It was intended to meet a need of the time. He never claimed it was the final answer. He always said that programs must be changed as the times change. They must be revised and brought up to date with current conditions.

One of the essential freedoms which my father so deeply cherished is "freedom from want." The program of social welfare enacted during his presidency was designed to win this freedom for the American people.

As I see it, the Townsend plan is in this tradition. It is squarely aimed at achieving freedom from want. And in this blessed land of ours, so richly endowed with all the needs of a people, this freedom is surely attainable.

Our Unsound Social-Security Setup

EXTENSION OF REMARKS
OF
HON. NOAH M. MASON
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Monday, July 25, 1955

Mr. MASON. Mr. Speaker, our unsound, dishonest, inequitable social-security setup that has been sold to the American people as a plan to provide security in their old age has again been extended and made more actuarily unsound than it was before. It really is a plan to tax our children and grandchildren when the time comes to meet the obligations that the present generation supposedly has paid for and are entitled to receive when they reach retirement age. It is a Ponzi-type shell game that is bound to collapse when the load becomes too heavy to carry.

Mr. Speaker, the social-security amendments of 1955—H. R. 7225—proposes that the tax rate for social security shall keep on increasing until it reaches 9 percent in 1975—4½ percent upon employer and 4½ percent upon employee—and 6¾ percent upon all self-employed. This means that the social-security tax load will amount to $20 billion per year by 1975—a colossal tax load superimposed upon the present backbreaking tax load.

Take as an example a farmer with a net income from self-employment of $4,200 in 1975. Assuming that he has a wife and two children and uses the standard deduction, his Federal income tax, under present rates, will be $276. His social-security tax, on the other hand, will be $283.50. In this example, which is a completely average case, the social-security tax, as a percentage of net taxable income, would be in excess of 20 percent. If the same individual had three children, his income tax would be cut to $156 but his social-security tax would still amount to $283.50. In such a case, the latter tax would be the equivalent of a net income tax of 36 percent. Is that the tax load we want to place upon the backs of our children?

Mr. Speaker, the Chicago Tribune carried an editorial in its issue for July 21, 1955, analyzing and summarizing the provisions of H. R. 7225, and stating briefly what the effect of its passage would be. The editorial also points out very clearly wherein the present social-security setup is unsound. Because it is such an excellent summary of the whole subject, I include it as an addition to my remarks, and perhaps as a vindication of the same.

The editorial is as follows:

THE SOMETHING-FOR-NOTHING BOYS

Revisions of the Social Security Act, sponsored by the Democratic majority in Congress and passed by the House on Monday, represent a new low in the something-for-nothing game that the demagogs of the Nation have been playing on the public since 1936.

Not the least distressing part of the exhibition was the part played by Illinois Republicans who know better and who usually can be depended upon to vote their convictions. Just one of them, Representative NOAH MASON, opposed the bill after denouncing it for placing the social-security system on an even more unsound actuarial basis than now obtains. Most of the rest voted for it, apparently depending on Senator BYRD and other conservatives in the Senate to keep it off the lawbooks.

Social security is called insurance. It is not. Insurance is based upon premiums which bear a direct relation to the benefits accrued. The premiums for old-age and survivor insurance, the official name for social security, are collected in equal amounts from employer and employee when the alleged beneficiary is not self-employed. The tax has no relation to the benefits. The law was deliberately written to make higher paid employees pay most of the benefits of lower paid and casual workers.

Furthermore, no one now pays enough into the social security till to provide the benefits he is promised by law. Neither are his employer's tax payments, added to his own, sufficient for this purpose. There is, it is true, a reserve of more than $20 billion in the social-security fund, but this is only because virtually everyone who now works is taxed, while only a relatively small number of persons—about 1 to every 10 persons paying taxes into the fund—are collecting pensions.

When the time comes for the more than 61 million present social-security taxpayers to collect, they will have two sources on which to call for the money. The first is the reserve fund. But there is no money in it. The money has been spent, and Government bonds put in its place. To provide money, other people will have to be taxed to pay off the bonds. But the reserve fund will fall far short of meeting pension requirements, long before the majority of present taxpayers come to collect. The rest of the money will have to come from social security taxes paid by their children and grandchildren, at constantly increasing rates.

The current phase of the something-for-nothing racket consists of a lower pension eligibility age—62 years instead of 65—for women, and the payment of pensions to totally and permanently disabled persons after they reach the age of 50. Disabled persons now are relieved of further pension taxes, but must wait until they are 65 to collect.

To the persons, about 1,300,000, affected by these new provisions, the payments will be largely velvet. They will contribute less and get more. But people who keep on working will be presented with a constantly increasing bill. The cost of the increased benefits will be $2 billion a year during the

next 20 years and $2.5 billions a year thereafter.

The bill raises social-security tax rates beginning next January 1, when employee and employer will have to pay, together, 5 percent of every pay check into the social security fund. Further increases are provided for 1960, 1965, 1970, and 1975, by which time the social-security tax collector will be taking 9 percent of the Nation's payroll.

Experience shows, however, that when the time comes to increase these taxes, Congress will back down. It has done so already more frequently than it has enacted scheduled increases. All that does is shift more of the burden to future generations.

The man who retorted to a plea to think of posterity with the question, "What did posterity ever do for me?" now has his answer. Posterity is going to pay his old-age pension. Or will it?

Posterity can vote, too, and the increasing burdens of social security are going to make it less popular politically as the taxes necessary to keep the system solvent mount higher and higher. That, of course, is of no consequence to the something-for-nothing Democrats in the House. They aren't looking for posterity's votes—only those of the 1,300,000 whose benefits, if the Senate concurs, will be increased a few months before the polls open next year.

Third Anniversary of the Commonwealth of Puerto Rico

EXTENSION OF REMARKS
OF
HON. CLAIR ENGLE
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 25, 1955

Mr. ENGLE. Mr. Speaker, on June 23, 1955, this Chamber unanimously passed House Concurrent Resolution 149 which refuted colonialism as a denial of the inalienable rights of man and supported as a policy of the United States the policy of championing the people of the world in their efforts to achieve self-government or independence so as to permit them to assume an equal station amongst the free nations of the world. This action by the House which was later followed by the Senate served notice that the United States will not be identified with colonialistic policies.

Three years ago today there was created as a result of similar action by the House and Senate the Commonwealth of Puerto Rico. The terms of the enabling act which made this possible served similar notice at that time that the United States scorned colonialistic policies and believed in and promoted the principles of self-government, and all of the attributes thereof. It was thus that the Commonwealth of Puerto Rico was created. It was thus that the United States showed it did not merely talk freedom and self-government, but practiced freedom and self-government for those under the Stars and Stripes.

The people of Puerto Rico through their Resident Commissioner petitioned Congress for authority to organize themselves into a commonwealth government, associated with the United States under an arrangement of specified relationships agreed to in the nature of a compact. This political development was certainly something new to the United States, and for that matter to the world. Political scientists were interested in its characteristics, ultimate development, and workability.

That the commonwealth idea has been successful comes as no surprise to the Puerto Rican leaders who conceived it and the Puerto Rican people who gave it enthusiastic support. As to those who studied its emergence, it has proved almost flawless. It is indeed significant to note that whereas in recent years and months and even weeks, both the smoldering and violent unrest of the remaining colonial peoples has been continually manifest, whereas in Puerto Rico, energies have been devoted not to violence and protest, but to continual attention to what must still be done to perfect details pertaining to political relationships with the United States and economic development in the island.

Many of the Members here have been to Puerto Rico. Some have recently followed up earlier visits. All are impressed with the almost unbelievable speed and degree of progress which is being made and the tremendous activity toward development and improvement. Especially those who are making second and third visits are struck by the changes which have occurred since their earlier visit.

This is what happens when a free and happy people are unhampered to devote themselves to their own self-improvement. In Puerto Rico they call it Operation Bootstrap—the uplifting through self-effort.

The action which the Congress took to make possible the creation of the Commonwealth of Puerto Rico has proved to be a wise move in more ways than one. Not only are these 2¼ million American citizens working together for economic progress, but the commonwealth has proved itself to be one of the weapons in the United States arsenal against communism. It is significant that there is no problem with Communists in Puerto Rico. It is significant, also, that Puerto Rico is continually host to great numbers of visitors from South American and from all the undeveloped countries of the world to view this indisputable example of what is possible where there is given understanding and recognition of the freedom-craving heart that beats in every man, where there is cooperation, and where a helping hand is offered when it is needed.

Students throughout the free world are studying the commonwealth precept as exemplified by the case of Puerto Rico. Admittedly, it was a political experiment. Convincingly, it has proved successful.

So, today, on the third anniversary of the Commonwealth of Puerto Rico, just 53 years after the landing of the American troops in the island during the Spanish American war, it is appropriate to give proper recognition here and to extend best wishes to the Puerto Rican people in their work that lies ahead to complete the task for the welfare of the Puerto Rican people.

Separate Minority Views, H. R. 7474

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, July 25, 1955

Mr. ALGER. Mr. Speaker, with our expectation of the highway bill coming up for consideration in the House this week, I would like to call my colleagues' attention to the Davis-Bacon provision which has been incorporated in this bill. I intend to offer an amendment to strike out section 11. There is even a question in my mind whether the Davis-Bacon provision can be considered germane to the bill. If it is, there remains the other strong objections which I have summarized in the separate views of Report No. 1336 accompanying H. R. 7474:

SEPARATE MINORITY VIEWS, H. R. 7474

We are all aware of the danger of overcentralized Federal Government with its vast bureaucracy. Our Founding Fathers propounded and we too have accepted a belief in the basic rights of the several States. This belief is embodied in our Constitution. The course of events in our national life and growth has greatly centralized and emphasized the Federal functions but has not disproved the wisdom, need, and reaffirmation of the original basic concept of our Government, nor have we changed the letter of the law.

Now we have a choice again—whether we will hold fast against further centralization and imposition of Federal will upon the States to the loss of their rights, or whether we will permit the States to continue to manage their affairs.

The Davis-Bacon Act provision in this bill is not just an expression of concern for the workingman's wage, but is a bold frontal assault on the God-given rights recognized by our forefathers and embodies in the limited form of Government set up in the balance between Federal and State authority.

This provision endeavors through the Secretary of Labor to recognize and prescribe the prevailing local wage. Behind this simple statement of intent moves in the Federal bureaucracy to duplicate and take over the work already being done by the State to the extent which local conditions require the State to take part. Obviously, the local prevailing wage must be paid in the past, now, and in the future, or men will not take the work.

What do the workers want? They do not want wages set by a Federal mandate. What the Government bestows it can take away. Are not supply and demand and free negotiation a better basis for wages than a decision from Washington, far removed from the local scene and whose decisions can upset the local economy?

When government is necessary, that government is best that is closest to the people, and if wages must be set let the State exercise this function through the fine highway departments that are now in operation. State officials know more about their own local rates and economic conditions than do Federal officials.

Further, a labor matter, if such this provision is, should be properly considered in the time-honored legislative way by the Labor Committee of Congress and not tied onto this legislation to be railroaded through on the merits of other legislative needs.

How about the cost? Here's a matter which we watchdogs of the public purse must always consider. We agreed in committee that

we wanted the most roads for the money. It has been variously estimated that imposing the Bacon-Davis provision would add to the total cost between 4 percent and 10 percent. At the lower figure this would either add approximately 2,000 million to the cost or result in loss of the equivalent amount of roads.

In brief, the Davis-Bacon provision attempts to gain through this backdoor method the enactment of a Federal labor law not now in force. It has no place in this bill. It should stand on its own merits and be considered by the proper committee of Congress. All other arguments, therefore, for its inclusion, and certainly its merits, are immaterial and irrelevant at this time. Therefore, it should be stricken from this bill.

United States as Minerals Tycoon

EXTENSION OF REMARKS
OF
HON. F. EDWARD HÉBERT
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 25, 1955

Mr. HÉBERT. Mr. Speaker, obviously there are certain elements and individuals in our Government who are determined to confiscate private property at the slightest provocation.

Those of us who fought the fight against the tideland grab by the Government, warned at that time that private property was next on the grab list.

Only recently there has developed some outrageous incidents of the Government grabbing private property under the guise of defense, holding the mineral rights to private property under misrepresentation and specifically in the instance of the Department of the Navy, treating a big corporation quite differently from private owners. The incident of the Houma (La.) Air Base is a disgrace and a discredit to the Navy.

Senator RUSSELL LONG, of Louisiana, recently introduced and had passed by the other body a bill which would require the Government to prove the necessity of grabbing mineral rights as a requirement for the national defense before being allowed to deprive individuals of their private holdings.

This legislation is being fought in this body by those who are hell bent on socializing this Government by first taking that which belongs to the several States and now conducting a campaign to take privately owned mineral rights from the individuals. Where will they stop?

The New Orleans Times-Picayune, which has always been alert to this vicious practice, has written an editorial which points up the danger of the situation and I hasten to call it to your attention as a warning signal of what is to come. The fight against such encroachment is far from an end.

UNITED STATES AS MINERALS TYCOON

Senator LONG has a bill, passed by the Senate and now before a House committee, which would fix a slowing-up point for the combined process of original ownership, land purchase, and plain "grab" whereby the Federal Government, according to testimony at a congressional hearing last week, has become the owner of half of the mineral rights in the United States.

Under this measure the Government no longer would acquire mineral rights along with the land it buys for specified purposes unless it can show a compelling need for ownership of the minerals.

Various factors contribute to the Government's mineral-rights ownership outstripping the percentage of its surface-owned land. Oil reserves in such public-domain States as Colorado, New Mexico, Wyoming, could be named. More important probably are the immensely valuable deposits of uranium bearing ore on land so barren and worthless that no one but the Government has ever wanted to own it. Then there was the overnight "grab" of the Continental Shelf's oil reserves, after Louisiana, working with the oil companies, had shown their fabulous value.

More interesting than important to the whole picture is the quaint procedure whereby the Federal land bank retains half the minerals on farmland acquired by foreclosure and later redeemed by the original owner.

Officialdom appeared in full force against the Long bill at the House committee hearing, which, of course, is not news, but Louisianians will find some of their arguments naive. The Interior Department—instigator of the tidelands grab—unblushingly opposed the bill as unnecessary because the Government "should" acquire only real estate "for which it has an absolute need to carry out authorized programs" and when the need is ended should restore the property "to private ownership." The Attorney General's office—up to its ears in litigation over the tidelands grab, cause of the greatest title confusion in the history of the country—expressed to the committee its fear that the Long bill "could create endless litigation and have a confusing effect on land titles."

Had Senator LONG's bill been in effect during World War II, it would not now be necessary for Louisiana Congressmen to be pushing another measure to restore ownership of minerals to Terrebonne parish landowners on land purchased for a naval installation. Indeed it is difficult to see how the Government could justify a need for the ownership of mineral rights save under the most exceptional circumstances. But in case it did so, the landowners and the courts would be on notice that the minerals constituted a valuable property, for which due compensation should be given.

The Honorable Frances P. Bolton, One of America's Outstanding Women, Chosen To Contribute to New Book, The Spiritual Woman

EXTENSION OF REMARKS
OF
HON. BROOKS HAYS
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Monday, July 25, 1955

Mr. HAYS of Arkansas. Mr. Speaker, a distinguished Member of this House has written a chapter for a new book that deserves the attention and commendation of her colleagues.

The book is The Spiritual Woman, edited by Marion Turner Sheehan, and of the 14 notable women who have contributed chapters, our greatly respected colleague the gentlewoman from Ohio [Mrs. FRANCES P. BOLTON] wrote on Woman in Politics. This article draws upon the experience Mrs. BOLTON gained in 15 years in the House of Representatives. It expresses her convictions about the religious and spiritual values that are needed in the important profession of legislating for this Nation.

Throughout her life, Mrs. BOLTON has been guided by the highest moral and ethical standards. Only last year, the Washington Pilgrimage named Mrs. BOLTON "Churchwoman of the Year" at the same time it gave President Eisenhower the award of "Churchman of the Year." And I had the privilege of being in the audience at the time this honor was conferred.

It gives me great pleasure to insert into the RECORD the chapter, "Woman in Politics," as written by the Honorable FRANCES P. BOLTON:

WOMAN IN POLITICS

Just at the close of the Second World War three other members of the Committee on Foreign Affairs of the United States House of Representatives and I were sent on a mission to Europe and the Near East. We saw the tragedy of destruction in England and France. The stench of death that was Berlin penetrated our very souls. We walked through the rubble that was Warsaw and its counterpart, Stalingrad. Everywhere we went there was the hideous aftermath of war reflected with unforgettable tragedy in the eyes of the women.

Returning from 2 weeks in Communist Russia with Moscow as our center, we stopped in Rome to avail ourselves of the high privilege of an audience granted us by the Holy Father. In his gracious words of greeting he singled me out (the one woman present), commending me for having recognized my responsibility as a woman to stretch out the walls of my home until they encircled the world.

It is in such wise that I envisage woman in politics.

Politics has many connotations. Primarily it is the science and art of government—yet it is also the machinery by which political parties manage their affairs. Through this machinery the citizenry expresses its will. Participation in these mechanics is both a privilege and a responsibility. We women of this free land have been recognized as full citizens: we have the franchise. We have become partners with men in this extraordinary enterprise which is the Government of these United States. We, as women, bring to this partnership additional gifts, a different understanding, a new approach.

In recent years, when the scarcity of manpower pulled women into many fields heretofore not open to them, they proved their ability to do as well as, and in certain areas even better than, the men they were freeing for more dangerous assignments. So it would seem that women have proven a definite equality of capacity with men that cannot be disputed.

But let us not fall into the error of interpreting "equality" as "sameness"—an identical capacity. It is because the essential reality of our woman's being differs from the essential qualities of man that it becomes more and more important that our voice be heard and our counsel heeded.

Woman is the giver and the protector of life. She is the matrix of God's life on earth. It is around her that the family revolves, the unit upon which civilization is built. She is the mother, the teacher, the counselor, the focal point of love within that unit. In her hands rests the future, for her children are the future. Together with the man of her household, consciously and unconsciously, she points the way, she holds the light. We

know so well that without the father, children are tragically insecure. It is he who faces the outside world and gives protection and strength. But it is the mother who is both inspiration and comforter within the family circle. It is from her that the children discover the joy of sacrificial service for the common good. It is from her that they learn that America is a Nation whose trust is in God—whose strength lies in the belief that love is indeed the fulfilling of the law.

Women have influenced the destiny of nations down the ages. In ancient India, in China, on the islands of the Pacific, there is historic evidence of their power and their vision. Egyptian history is filled with the names of queens who ruled alone or who shared equally with the Pharaoh the great responsibility of government. In ancient Greece and Rome, women played great roles of influence. We have but to turn to Europe to find Isabella in Spain, Elizabeth and Victoria in England, the Maid of Orleans Ste. Joan, who galvanized a nation into action only to be burned to death for her efforts. And in our own times as heads of states, we had Dowager Queen Wilhelmina of the Netherlands, and her capable daughter, the present Queen Juliana, with the second Elizabeth across the channel.

Out of the darkness that covers the earth today will come a new day. An era is being born which will recognize the basic need for woman's influence and judgment upon all levels. The world that is destroying itself was largely a world built upon the overemphasis on the judgment of men alone. It has had its rightful place in the evolution of man upon earth, but the complementary judgment of woman is now being added. The world that is tearing its way into new life will be a world where men and women share the responsibilities for its existence and work shoulder to shoulder, heart to heart, for its establishment and its growth.

We who live today have behind us the courageous women of yesterday who saw the vision and pressed ever onward and upward toward the light. We could not stand where we stand today had these women of other days not excelled in the great reform movements in every field of human activity. Who were some of them? There was Elizabeth Fry who pioneered in prison reform, Elizabeth Garrett who broke new ground in the field of medicine, Florence Nightingale who created an entirely new approach to the relief of human suffering which Clara Barton then instituted as the Red Cross in America. There was Octavia Hill who, by her tireless efforts, awakened society's conscience to the matter of decent housing. And there was Josephine Butler whose outcry that "Injustice is immoral, oppression is immoral, the sacrifice of the interests of the weaker to the stronger is immoral" could well serve as a guideline in our own usages of political power. Closer to us, strong in her certainty of the right, we have our own Susan B. Anthony through whose zeal and indomitable will women were inspired to demand full citizenship. With her were such women as Carrie Chapman Catt, Jane Addams, Lillian D. Wald, and many others, whose lives contributed so much to the initial recognition of women as persons in a civil life.

Because they, and many who remain unsung, lived and worked and demonstrated women's capacities, the way was opened for women to take their place in all areas of national life. That they are doing so in ever-increasing numbers is heartening indeed, for it would seem to show that there has come to women a definite recognition of the new part they must play if the world we are building is to be more nearly the world God meant it to be.

We have grown accustomed to speaking of the Nation's manpower; it is a familiar term. But the newer term "womanpower" is still a little strange to us. We have been accustomed to thinking of ourselves as the weaker sex. Indeed, we have thought of ourselves as a minority, lacking in power, rather than recognizing the reality of numbers and the consequent possibilities of influence. But the 1950 census brought to us the dramatic realization that we are no longer a minority, our numbers topping those of the male population by something like 2 million. This gives new meaning to the picture of women in politics. It means that we must assume the responsibility of numbers. It means that we must accept the fact that we have power, and use it humbly in true service to Almighty God.

Analyses of the 1952 election show that the women of this country, both rich and poor, rose up as a great tide and exercised their right of franchise as never before. As many women voted as men, and the various polls indicate that from 2 to 4 percent more women voted for President Eisenhower than did men. Important as this outpouring of women was, it is but a small part of what every American citizen who is a woman must do if government is to become the instrument of freedom envisaged by those mighty men through whom the spirit moved when our Constitution and the Bill of Rights were inscribed.

We are agreed that the family is the unit upon which civilization is built. We are agreed that, theoretically at least, the man stands between his family and the outside world. We are agreed that within that family the woman is the spiritual and moral force which holds it together, from which its members draw the strength, the fortitude, and the knowledge with which to meet the problems of living as they unfold step by step. I would enlarge upon the suggestion given me in Rome. I would say that in today's world life has taken on new aspects—the complex problems of an industrialized society have taken the mother from her weaving at the hearthside to the textile factories outside the home, to the offices, and to the steel mills. The economic pressures of just bare living have forced women into industry all too often. Home has ceased to be a place of peace and close companionship. It has been invaded by a sense of insecurity—of danger and suspicion. It has all too often become a center of tension and anxiety where there is little chance for peace and love.

Just as women have moved out of the home into industry, children no longer learn the fundamentals of their education at their mother's knee. They have moved into mass public education in huge schools where today there is a shortage of more than 58,000 teachers and 300,000 classrooms. It is too soon to know what the outcome of such a situation will be; it is too soon to evaluate the results. Yet on every side we see the demoralization of the home—the deterioriation of morals of both old and young. The family unit—the center of our civilization—is fast ceasing to have integrity. With their parents seldom at home, can we blame the children if they no longer stay there? It should shock us wideawake to find that a recent report paints the tragic picture of 1 million children picked up by the police in 1 year—young children not even in their teens. Can we blame some of their mothers if they must be at work to make possible the food and clothing necessary to the life and growth of these very children? Such things as these are the necessities of life. They do not represent the luxuries for which, unfortunately, some mothers abandon their homes in an effort to accumulate more and more material conveniences and thereby deny their children the more important spiritual and physical comforts of motherly care.

What of the nurseries and the recreation centers to which these youngsters should be going? Why do so few exist? But, equally important, we must be on our guard lest nurseries and recreation centers assume the parents' rights over their children. The right of authority over the children must always remain vested in the hands of the parents.

It is a God-given right as well as a civil right and constitutes the very foundation of a free democracy. If this right of authority over children is ever transferred from homes where mothers are working out of necessity to the organizations supporting the nurseries and centers, it would be a serious threat to our form of government and to the very institution of family life based on the law of God. The nurseries or recreational centers, whether supported by State or community organization, can help and assist the parents, or parent, in promoting the welfare of the child. They can offer care, recreation, guidance, counsel, and medical attention, but always with the full knowledge that the final decision in regard to such assistance for the child is solely up to the parents (unless, of course, the parents are judged by court order to be incompetent). We have seen too much of the agony of parents in other countries whose children have been taken away from them and whose right to parental authority has been grossly negated to allow any infraction of this right ever to creep into any extension of our community nurseries and recreation centers.

For those children who need it, is it not the business of a woman to see that her own community finds ways to establish such extensions of the home as will protect them? Must she not go out from the confines of her home in order to secure such protection? The moment she steps across her own threshold bent upon such a mission she begins to assume her larger responsibility as a citizen. Fortunate indeed is the community whose women have accepted the challenge of today's world for the moment one step is taken others follow in rapid succession.

This first step opens up a new world and brings to a woman an overwhelming sense of the need to know how these things are done and by whom. Almost automatically she asks where she may go to learn the methods by which she can make her opinions known. This usually leads her to a group of those who, like herself, have determined to do something about inadequate or intolerable situations. Before they are aware, they have become "women in politics." Once awakened, women rapidly develop an eagerness to understand, a determination to know, which can well change the course of living in their communities and so in the Nation itself.

Awareness of her own community's problems brings recognition of the fact that they are tied into the problems of the county, the State, and of the Nation as a whole. Politics become dramatically and vividly the climate in which she lives, for she realizes that we are all of us knit so closely together that this which she thought of as a thing apart is in reality the machinery, the structure, the method of daily living. She soon loses all sense of strangeness, for the matters which have carried her into this new aspect of life are all of vital moment to her as wife and mother.

Bit by bit she finds her way to the town council meetings. Soon, perhaps, she is on the library board or the board of education. As another step to assuming actual responsibility she enlists the help of the various church groups, the civic clubs, the local league of women voters, the veterans' auxiliaries, the PTA, and she becomes one of a group of influential citizens. The walls of her home have started to move out into the community and she begins to realize that she is part of a nation and of a world.

Some there will be, and in increasing numbers, who will seek elective or appointive office. This is not an easy path. It requires, to be fruitful, peculiar gifts and special training and experience. Most of all, it requires understanding of and love for other human beings, a willingness to work and tireless energy. But the enormous number of women

who will be recognizing their responsibilities as full citizens of a free nation will work quietly to further those matters which are most clearly theirs.

We cannot escape the fact that we have ceased to be a minority group. We have demonstrated the possibilities of our concentrated interest and determined action. No longer can we permit ourselves any apathy, any inertia. The welfare of the Nation, even of the world, is in our hands.

Although we have not yet come to appreciate the full meaning of the fact that our financial holdings alone give us a basis for action in areas where such power can make our voices heard, we recognize a new attitude toward us in the market place. We hold title to at least 40 percent of the Nation's 30 million and more homes. We are the beneficiaries of 80 percent of the life-insurance policies of the country and 35 percent of us carry our own life insurance. We are said to hold 65 percent of the mutual savings funds of America and at least 42 percent of all income-tax returns are paid by women—as are 80 percent of all inheritance taxes—and this means that there is in our hands economic strength we could well use. An even more potent force is ours in the area of retail buying. Fifty-five million of us are the retail shoppers. Would we not be taking a more realistic hold upon the influences that surround our children if we denied our economic support to unwholesome publications and stage and screen features? Concerted, intelligent determination must precede active political action if it is to be successful. The voice of woman can make itself felt. But if it is to be effective, it must be a constructive voice of reminder to all people that the family is the unit around which our civilization is built and that the structure of the family is as strong as its faith in God.

This is but a rough sketch of our backgrounds, of some of our potentialities. Let us look at our record in public service over the years for a moment, remembering that nothing so far-reaching as this sense of our woman's obligation to the Nation bears fruit overnight.

It was in 1786 that the first women (two postmasters) were accepted into Federal service. In 1862, the United States Treasurer inaugurated the plan of using women in appreciable numbers to alleviate the wartime manpower shortage. In 1870, legislation was passed formally permitting the employment of women in the Federal Government service. Today it is estimated that approximately one-fourth of the total roster of Federal employees are women. Only about 1,000 of these occupy executive positions of marked authority in policy-making and administrative fields. President Taft's appointment of Julia Lathrop as head of the then newly created United States Children's Bureau, gave women their first appointment as chief of a major bureau. That post is held with distinction today by Dr. Martha M. Eliot.

Women are to be found in the greatest numbers in county offices. There is no county office that has not at some time been filled by a woman unless it be that of coroner. At least 12,000 women are serving today as county officials in 3,072 counties of the United States. They have taken the first steps across their home thresholds. On the State level, a recent check showed 304 women on the rosters of the legislatures as against 29 in 1920. In the judicial field at least 125 women are on the Federal and State courts, as well as on the domestic relations and juvenile courts where they work closely with local welfare groups and social agencies.

But it is not just on local and State levels that women are found. Congress has claimed 60 women since 1916 when Jeannette Rankin first took her seat in the House of Representatives. Today, MARGARET CHASE SMITH of Maine, with a background of 9 years in the House, is the one woman in the Senate, while 16 women are serving in the House. Women have held official positions in many of the departments and bureaus for a quarter of a century. In the State Department and the Foreign Service it was estimated that there are some 3,000 American women serving in 294 missions abroad, hundreds of them in the higher classifications, with 75 career women serving in Washington. Some 200 consuls and vice-consuls have been women—and several outstanding women, Mrs. Daisy Harriman, Mrs. Ruth Bryan Rohde, Mrs. Eugenie Anderson, and Mrs. Perle Mesta have represented us as ministers and ambassadors, while Clare Booth Luce was appointed our Ambassador to Italy and Miss Frances Willis, Ambassador to Switzerland, is our first career ambassador.

With the establishment of the United Nations, an even wider field of influence opened before us. Here Eleanor Roosevelt has served with diligence. I, myself, was the first woman to be appointed a delegate from the Congress. It was not an easy trail to blaze—but she has shown an appreciation of the dramatic need of all nations for the contribution which women in particular can make to the great future that has opened the way to all who will follow.

All across the world women are assuming greater responsibilities in the political life of their own people in order to build a world that will indeed be "closer to the heart's desire." Although there are still many lands where women do not have the franchise, yet in some of these they hold positions of far-reaching influence and great responsibility. Here in America it is becoming more and more the accepted fact that we who are women have a contribution to make in the field of active politics. Women long active in political fields know that power lies not in the invasion of those areas of endeavor in which men excel, but rather in the areas where their very womanhood is a shield, a strength, a force. We know, too, that we are but the vanguard. We know that the full value of our contribution will not be made until all women throw open the windows and doors of their homes, not only to let in the sun and wind of clearer perception and deeper understanding, but, perhaps more importantly, to let their own vision and humble determination to serve the infinite purpose of life become a part of the active forces of national and international policy and action.

With the world in darkness and confusion, the increasing power of women in government, here and everywhere, is not a question of equal rights. It is a question of the dramatic national and international need for the understanding women have of the fundamental life-giving truths. It is woman's primary function to give life, to renew life, to protect the young, to give them their first lessons in the art of living. It is our part to keep alive faith and hope and the certainty that because God is, we are.

It is no longer enough that we seek only to influence our men to wiser decisions, to better living. Those of us who are able to do so must seek office in every area of government. Those who cannot must find ways to encourage and strengthen those who can. Just as the individual must examine his own soul before he assumes duties which involve others, so must we who are women go deep into our hearts and minds to ascertain what it is that we have which is so vital to the full purposes of the infinite. Once we are convinced and aware that only as we take upon ourselves these broad aspects of our womanhood can we hope to see the dawn of peace, the day of light—only then shall we give richer meaning to citizenship in this free land of ours.

Politics is the machinery of citizenship. Let us who are women take our places quietly, intelligently, and unselfishly within its organization, accepting in full measure the duties of such citizenship in a land established upon the immovable rock of trust in God. Politics needs an elevation out of its present context which tends to be exclusively temporal. It should take its true place in society in the service of human beings whose total lives are spiritually dedicated to God. Politics should be the development of true peace and prosperity of mankind; it is a link in the chain of total prosperity which is spiritual. Woman's duty is to reforge the link which binds politics to a higher order.

Marion Bayard Folsom

EXTENSION OF REMARKS
OF
HON. GORDON CANFIELD
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, July 25, 1955

Mr. CANFIELD. Mr. Speaker, President Eisenhower's appointment of Marion Bayard Folsom as successor to Mrs. Oveta Culp Hobby as Secretary of Health, Education, and Welfare, has been acclaimed throughout the Nation.

The Washington (D. C.) Daily News says:

In the new Secretary, Mr. Folsom, the department with the three-way name will get an administrator of demonstrated ability who also has a record of some accomplishment in the fields with which he now will be dealing.

According to the Rochester (N. Y.) Times—

The President is not likely to offer a more conspicuous example of finding the right man for the right job.

While the Atlanta (Ga.) Journal declares that—

Georgians find pride and satisfaction in the appointment.

Newsweek recalls that Mr. Eisenhower once told a visitor:

Folsom is the type of man that makes my job so satisfactory.

Newsweek also refers to a statement Treasury Secretary George M. Humphrey recently made of Folsom:

He's a man you can't stampede. He's intelligent and courageous. Once he's studied the facts and made up his mind you can't get him off the track.

Writing in the Washington (D. C.) Evening Star, Thomas L. Stokes describes Folsom as—

A recognized forward-looking businessman with a pronounced sense of public and social consciousness.

Marion B. Folsom has been described by many people as a founding father of social security. He has been active in Government or private industry social-security programs for more than a quarter century.

His work in Government social security goes back 20 years to service on the President's advisory council which helped draft the original Social Security Act in 1934. Prior to that he was a pioneer in developing private company benefit plans for employees.

Born at McRae, Ga., November 23, 1893, Mr. Folsom was graduated from the University of Georgia in 1912 and Harvard Business School in 1914. He

immediately went with Eastman Kodak Co. in Rochester, from which company he resigned as treasurer and director to join the Eisenhower administration as Under Secretary of the Treasury in 1953. While with the Eastman Kodak Co., Mr. Folsom was a major participant in the development and operations of the company's employee benefit program.

In addition to helping draft the original Social Security Act, Mr. Folsom served on the Federal Advisory Council appointed jointly by the Senate Finance Committee and the Social Security Board in 1937–38, and the Social Security Advisory Council to the Senate Finance Committee in 1948. Both councils studied operations of the social-security system and made recommendations to the Congress. Mr. Folsom worked with the Department of Health, Education, and Welfare on the Eisenhower administration's plan which resulted in the 1954 congressional amendments to extend the coverage and benefits under the social-security system.

Mr. Folsom was principally responsible for the development of the group life insurance program for Federal employees which was voted by the Congress and put into effect for nearly 2 million Federal employees in August 1954. Several years earlier he had helped organize the group medical care insurance plan in Rochester.

Mr. Folsom was also staff director of the House of Representatives Special—Colmer—Committee on Post War Economic Policy and Planning of the 78th and 79th Congresses. The Colmer committee reports led to enactment of contract renegotiation legislation and many other postwar measures which were put into effect in the years immediately after World War II ended. He was a division executive of the National Advisory Defense Commission from 1940 to 1941, and was on the National Advisory Board for Mobilization Policy in 1951–52. He has been a member of the Business Advisory Council, Department of Commerce, since 1936.

In the civic field Mr. Folsom was one of the original trustees for the Committee for Economic Development, which was formed in 1942, and resigned as chairman to come to the Treasury in 1953. In his home city of Rochester he served for three years as president of the Rochester Council of Social Agencies and on the boards of several charitable organizations.

Mr. Folsom is an overseer of Harvard College and a trustee of the University of Rochester. Prior to 1953 he was a director of several financial institutions including the Federal Reserve Bank of New York.

Mr. Folsom served as a captain in the United States Army in World War I and was overseas with the 26th Division. He is married and has two children, Marion B. and Frances.

The new Secretary is an outstanding type of appointment of the right man for the right place, which is typical of the Eisenhower administration.

SENATE

TUESDAY, JULY 26, 1955

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God, our help in ages past, our hope for years to come: We pause for this still moment vividly conscious of how quickly ebbs out life's little day. A cloud of witnesses brings to our grateful remembrance those who once toiled in the glare of public office and who now rest from their labors. To Thee, Master of all good workmen, we would render our hearty thanks this day for the life and labors of a public servant—one of the most outstanding of this turbulent generation—whose flag-draped mortal form this very morning lay in honor in the great cathedral where, with the triumphant affirmation of the faith, he was laid to rest. His works do follow him and are his memorial.

We would bear witness that in both bodies of the Congress and in his long direction of foreign affairs he was an apostle of peace and understanding; a believer in the partnership of nations, of fairness in trade, of true neighborliness between peoples. We remember that while his patience and gentleness made him great he had also the capacity for a volcanic wrath like unto Thy prophets of old. The career of Thy servant, Cordell Hull, reminds us that the place in our America from which greatness may emerge is as unpredictable as the Bethlehem where man's best Man was born.

As stalwart forms disappear from our sight and side and potent voices are stilled, we pray that the mantle of those who have fought the good fight and finished the course may fall upon the shoulders of those who are striving in the most difficult days of the Republic to make our free land as great in virtue and truth as she is mighty in power. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. CLEMENTS, and by unanimous consent, the reading of the Journal of the proceedings of Monday, July 25, 1955, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the bill (S. 2592) to increase the mileage allowance of United States marshals and their deputies from 7 cents per mile to 10 cents per mile.

The message also announced that the House had passed the bill (S. 665) to revive section 3 of the District of Columbia Public School Food Services Act, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House passed the bill (S. 1093) to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 6980) providing for the conveyance of the Old Colony project to the Boston Housing Authority.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 2851) to make agricultural commodities owned by the Commodity Credit Corporation available to persons in need in areas of acute distress; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COOLEY, Mr. POAGE, Mr. GRANT, Mr. JENNINGS, Mr. HOPE, Mr. AUGUST H. ANDRESEN, and Mr. HILL were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 3822) to amend title V of the Agricultural Act of 1949, as amended; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COOLEY, Mr. POAGE, Mr. GATHINGS, Mr. GRANT, Mr. HOPE, Mr. AUGUST H. ANDRESEN, and Mr. HILL were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7000) to provide for strengthening of the Reserve Forces, and for other purposes.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 6263. An act to amend section 1233 of the Internal Revenue Code of 1954;

H. R. 6728. An act to provide for carryback and carryover of foreign tax credit;

H. R. 6775. An act to provide for the regulation of the business of making loans of $600 or less in the District of Columbia, to regulate the pawnbroking business, and for other purposes;

H. R. 6886. An act to amend the act of October 19, 1949, entitled "An act to assist States in collecting sales and use taxes on cigarettes";

H. R. 6999. An act to amend section 1321 of the Internal Revenue Code of 1954;

H. R. 7024. An act to remove the manufacturers' excise tax from the sales of certain component parts for use in other manufactured articles, and to confine to entertainment-type equipment the tax on radio and television apparatus; and

H. R. 7061. An act to authorize the Board of Education of the District of Columbia to borrow motor vehicles for use in a motor vehicle driver education and training course in the public schools of the District of Columbia, to excuse the owners of vehicles loaned to public, private, or parochial schools for driver-training purposes from the payment of certain fees and taxes during the period of such loan, and for other purposes.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 193) extending the felicitations of Congress to the Commonwealth of Massachusetts on the 175th anniversary of the establishment of its constitution, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 473. An act to authorize an investigation and report on the advisability of a national monument in Brooklyn, N. Y.;

H. R. 605. An act to provide for the abolition of the 80-rod reserved spaces between claims on shore waters in Alaska, and for other purposes;

H. R. 914. An act for the relief of Erika Marie Dietl and her two children, Caroline Dietl and Robert Dietl;

H. R. 932. An act for the relief of Ludwika Hedy Hancock (nee Nikolajewicz);

H. R. 1180. An act for the relief of Kimiko Sueta Thompson;

H. R. 1185. An act for the relief of Jose Domingo Quintanar;

H. R. 1302. An act for the relief of Adelheid Walla Spring;

H. R. 1304. An act for the relief of Mother Amata (Maria Cartiglia), Sister Ottavia (Concetta Zisa), Sister Giovina (Rosina Vitale), and Sister Olga (Calogera Zeffro);

H. R. 1435. An act for the relief of Paul Compagnino;

H. R. 1436. An act for the relief of Ervin Benedikt;

H. R. 1439. An act for the relief of Menachem Hersz Kalisz;

H. R. 1458. An act for the relief of Rosa Edith Manns Monroe;

H. R. 1486. An act for the relief of Anna Anita Hildegard Sparwasser;

H. R. 1508. An act for the relief of Mrs. Mary Perouz Derderian Donaldson;

H. R. 1537. An act for the relief of Rogerio Santana de Franca;

H. R. 1668. An act for the relief of Frank Budman;

H. R. 1698. An act for the relief of Anne Cheng;

H. R. 1911. An act for the relief of Charlotte Schwaim;

H. R. 1927. An act for the relief of Ralph Michael Owens;

H. R. 1987. An act for the relief of Kimie Hayashi Crandall;

H. R. 1997. An act for the relief of Linda Beryl San Filippo;

H. R. 2059. An act for the relief of Edward Patrick Cloonan;

H. R. 2070. An act for the relief of Dr. Carlos Recio and his wife, Francisca Marco Palomero de Recio;

H. R. 2078. An act for the relief of Salvatore Cannizzo;

H. R. 2241. An act for the relief of Amalia Bertolino Querio;

H. R. 2242. An act for the relief of Kim Joong Yoon;

H. R. 2259. An act for the relief of Alessandra Barile Altobelli;

H. R. 2306. An act for the relief of Maria de Rehbinder;

H. R. 2307. An act for the relief of Julius, Ilona, and Henry Flehner;

H. R. 2313. An act for the relief of Mrs. Agnethe Gundhil Sundby;

H. R. 2315. An act for the relief of Antonio (Orejel) Cardenas;

H. R. 2735. An act for the relief of Inako Yokoo and her minor child;

H. R. 2738. An act for the relief of Teresa Jurjevic; and

H. R. 2749. An act for the relief of George Risto Divitkos.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 6263. An act to amend section 1233 of the Internal Revenue Code of 1954;

H. R. 6728. An act to provide for carryback and carryover of foreign tax credit;

H. R. 6886. An act to amend the act of October 19, 1949, entitled "An act to assist States in collecting sales and use taxes on cigarettes";

H. R. 6999. An act to amend section 1321 of the Internal Revenue Code of 1954; and

H. R. 7024. An act to remove the manufacturers' excise tax from the sales of certain component parts for use in other manufactured articles, and to confine to entertainment-type equipment the tax on radio and television apparatus; to the Committee on Finance.

H. R. 6775. An act to provide for the regulation of the business of making loans of $600 or less in the District of Columbia, to regulate the pawnbroking business, and for other purposes; and

H. R. 7061. An act to authorize the Board of Education of the District of Columbia to borrow motor vehicles for use in a motor vehicle driver education and training course in the public schools of the District of Columbia, to excuse the owners of vehicles loaned to public, private, or parochial schools for driver-training purposes from the payment of certain fees and taxes during the period of such loans, and for other purposes; to the Committee on the District of Columbia.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Committee on the District of Columbia and its Subcommittees on Judiciary and Business and Commerce, and the Subcommittee on Labor of the Committee on Labor and Public Welfare were authorized to meet today during the session of the Senate.

On request of Mr. MCCLELLAN, and by unanimous consent, the Permanent Investigations Subcommittee of the Committee on Government Operations was authorized to meet this afternoon during the session of the Senate.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, since the Senate met today following an adjournment, there will be a regular morning hour for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine matters. I ask unanimous consent that statements made in connection therewith be limited to 2 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communications and letters, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATIONS, DEPARTMENT OF AGRICULTURE (S. DOC. NO. 79)

A communication from the President of the United States, transmitting proposed supplemental appropriations, for the Department of Agriculture, in the amount of $898,000, for the fiscal year 1956 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATION, DEPARTMENT OF STATE (S. DOC. NO. 76)

A communication from the President of the United States, transmitting a proposed supplemental appropriation, for the Department of State, in the amount of $1,500,000, for the fiscal year 1956 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATION, DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS (S. DOC. NO. 77)

A communication from the President of the United States, transmitting a proposed supplemental appropriation, for the Department of Defense, Civil Functions, in the amount of $6 million, for the fiscal year 1956 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATION, DEPARTMENT OF THE INTERIOR (S. DOC. NO. 78)

A communication from the President of the United States, transmitting a proposed supplemental appropriation, for the Department of the Interior, in the amount of $5 million, for the fiscal year 1956 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATIONS, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE (S. DOC. NO. 74)

A communication from the President of the United States, transmitting proposed supplemental appropriations, for the Department of Health, Education, and Welfare, in the amount of $8,168,700, for the fiscal year 1956, and proposed provisions for the fiscal year 1955 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED PROVISION, POST OFFICE DEPARTMENT (S. DOC. NO. 73)

A communication from the President of the United States, transmitting a proposed provision, for the Post Office Department, in the amount of $10,000, for the fiscal year 1947 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATION, BOSTON NATIONAL HISTORIC SITES COMMISSION (S. DOC. NO. 80)

A communication from the President of the United States, transmitting a proposed supplemental appropriation, for the Boston National Historic Sites Commission, in the amount of $40,000, for the fiscal year 1956 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATIONS, AND DRAFT OF A PROPOSED PROVISION, DEPARTMENT OF COMMERCE (S. DOC. NO. 81)

A communication from the President of the United States, transmitting proposed supplemental appropriations, Department of Commerce, in the amount of $113,930,000, and a draft of a proposed provision, for the fiscal year 1956 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATIONS AND INCREASES IN LIMITATIONS, HOUSING AND HOME FINANCE AGENCY (S. DOC. NO. 72)

A communication from the President of the United States, transmitting proposed supplemental appropriations, for the fiscal year 1956, in the amount of $6,430,000, and increases in limitations in the amount of $5,840,000, for the Housing and Home Finance Agency (with an accompanying

paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATION FOR PAYMENT OF CERTAIN CLAIMS AND JUDGMENT (S. DOC. NO. 75)

A communication from the President of the United States, transmitting a proposed supplemental appropriation to pay claims for damages, audited claims, and judgments rendered against the United States, as provided by various laws, in the amount of $2,773,655, together with such amounts as may be necessary to pay indefinite interest and costs and to cover increases in rates of exchange as may be necessary to pay claims in foreign currency (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

AUDIT REPORT ON THE ALASKA RAILROAD

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Alaska Railroad, Department of the Interior, for the fiscal years ended June 30, 1953 and 1954 (with an accompanying report); to the Committee on Government Operations.

PROPOSED AWARD OF CONCESSION PERMIT, COULEE DAM NATIONAL RECREATION AREA, WASHINGTON

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed award of a concession permit in the Kettle Falls area of Coulee Dam national recreation area, Washington (with accompanying papers); to the Committee on Interior and Insular Affairs.

PUBLICATIONS OF FEDERAL POWER COMMISSION

A letter from the Chairman, Federal Power Commission, transmitting, for the information of the Senate, copies of that Commission's publications entitled "Typical Electric Bills, 1955," and "Statistics of Electric Utilities in the United States, Publicly Owned, 1953" (with accompanying documents); to the Committee on Interstate and Foreign Commerce.

REPORT OF TORT CLAIMS PAID BY UNITED STATES INFORMATION AGENCY

A letter from the Director, United States Information Agency, Washington, D. C., reporting, pursuant to law on tort claims paid by that agency during the fiscal year 1955; to the Committee on the Judiciary.

PETITION

The VICE PRESIDENT laid before the Senate a letter in the nature of a petition from George Blumenauer, of Kansas City, Mo., relating to the mental-health bill, which, with an accompanying paper, was referred to the Committee on Labor and Public Welfare.

IMPORTATION OF OIL—RESOLUTION

Mr. MARTIN of Pennsylvania. Mr. President, the importation of oil is of great importance to the economy of the United States. The keeping up of our reserves within the United States depends upon a healthy and expanding economy. The defense of the United States depends upon keeping an adequate reserve within our own borders.

Some of the companies are retarding importation, while others are ignoring the situation.

On June 18 the Interstate Oil Compact Commission adopted a resolution on this subject. I ask unanimous consent that the resolution be printed in the RECORD, as a part of my remarks, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

RESOLUTION OF INTERSTATE OIL COMPACT COMMISSION

Excessive imports of foreign oil retard the development of our domestic resources, and interfere with the conservation program of the oil-producing States. Most important of all, our national defense can be endangered by undue reliance on foreign sources of supply.

Several of the larger importing companies have announced their intent to reduce their total imports of petroleum and its products for the remainder of this year. We feel that these companies should be commended for reducing their imports and we also feel that all the other companies importing petroleum and its products should also follow the lead of these companies so that domestic production will not be damaged by imports supplanting, rather than supplementing, domestic production: Now, therefore, be it

Resolved, That the Interstate Oil Compact Commission in meeting duly assembled this 18th day of June 1955, at Denver, Colo., that the companies which have reduced their imports be commended and urged to further reduce the importation of petroleum and its products; be it further

Resolved, That the companies which have not yet followed the leadership of those who announced reductions take notice of their action and follow the pattern established by them so that the domestic industry will not be further damaged by the excessive importation of petroleum and its products and so that the oil-producing States can more effectively carry out their conservation programs; be it further

Resolved, That if the imports of foreign oil are not voluntarily reduced the situation demands prompt and affirmative action on the part of the Congress and the President of the United States to bring about a reduction in the imports of oil.

HELLS CANYON DAM, JOHN DAY DAM, ETC.—RESOLUTIONS AND LETTERS

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD certain material which I now describe:

First. A resolution received from the Aluminum Workers International Union, A. F. of L., of New Orleans, La., in support of the high Hells Canyon Dam.

Second. A resolution of the Port of Umatilla Commission, urging planning funds for the John Day Dam.

Third. A letter, accompanied by a resolution, from the Oregon Rural Electric Cooperative Association, the resolution having been passed at the association meeting on January 21, 1955, dealing with a series of subjects, such as partnership in the John Day Dam, upstream storage, Dixon-Yates, Snake River development, Bonneville Power Association wheeling, and Idaho Power Co. policies.

Fourth. A letter from the master of the Oregon State Grange, accompanied by a resolution on a series of legislative subjects, passed at the Oregon State Grange Convention on June 6 to 10, 1955.

Fifth. A resolution from the Oregon State Grange in support of the high dam at Hells Canyon.

There being no objection, the resolutions, communications, and other matters referred to were ordered to be printed in the RECORD, as follows:

ALUMINUM WORKERS INTERNATIONAL UNION, LOCAL NO. 225,
New Orleans, La., July 15, 1955.

Hon. WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SIR: The high Hells Canyon Dam is an absolute necessity to further the completion of the Columbia River development program. The completion of this phase of this development would tend to make available a greater and steadier flow of electrical power to the northwestern area. The greater availability of electrical power and a steadier flow of electrical power throughout the year are major factors in the production of aluminum and will determine whether or not the existing aluminum industry in this area can continue to operate in fair competition with the foreign competitors. The successful completion of this phase of the Columbia River program can and will go a long way toward eliminating power shortages during certain times of the year, thereby assuring employees in the aluminum industry of a year-round income in addition to avoiding the expensive necessity of temporarily closing these plants down because of power shortages.

The Aluminum Workers International Union, Local 225, of New Orleans, La., goes on record (by unanimous vote of the membership) as favoring the immediate authorization of construction of the high Hells Canyon Dam.

Sincerely yours,

F. S. LAUER,
Business Agent.

RESOLUTION NO. 5 OF PORT OF UMATILLA COMMISSION

FURTHER EXPEDITING CONSTRUCTION OF THE JOHN DAY DAM

Whereas the Government of the United States and other public agencies have spent many hundreds of millions of dollars on the development of the Columbia River to develop hydroelectric power, to provide for safer and improved navigation, to prevent catastrophic floods, and to insure additional water for irrigation purposes in the Pacific Northwest, all of which add to the growth and security of the United States; and

Whereas the electrical, navigation, and irrigation needs of the Pacific Northwest have increased so rapidly that the failure to provide additional Columbia River projects immediately, keeping in step with such growth, would be a serious blow to the economic development of the Pacific Northwest; and

Whereas the Federal Government has provided on the Columbia River at Bonneville, Oreg.; McNary, Oreg.; and now building at The Dalles, Oreg.; dams and facilities which accomplish in part the above-mentioned purposes but leave unimproved, untamed, a 70-mile stretch of dangerous water on the Columbia River between the mouth of the John Day River and the McNary Dam, a bottleneck of treacherous water that will effectively retard further development of river navigation enterprise by limiting the size of the barges that move up and down the river; and

Whereas oceangoing barges even after completion of the Dalles Dam during a good portion of the year must unload their coastwise cargo into smaller barges for further water transportation upriver, further impedes the development of Oregon and Washington State ports on the upper Columbia River, and the economical movement of traffic between the inland empire of the Pacific Northwest and Pacific coast ports; and

Whereas the John Day Dam completes slack-water navigation from the Pacific

Ocean to the mouth of the Snake River, permitting use of smaller, more economical tugs; larger, more economical barges with resultant lower freight rates, all of which gives impetus to the development of the upper Columbia River area, including the inland empire, products of which, if to be sold on world markets must move by the most economical means, namely, water transportation, to salt water ports for export; and

Whereas the Federal Government promoting and encouraging dispersal of industry is unable through its agency, the Bonneville Power Administration, to provide at this time additional electrical power to industries which might desire to locate in the port district of the port of Umatilla at the McNary Dam; and

Whereas the development, especially the industrial development, of the upper Columbia River is being retarded by the shortage of electrical power; and

Whereas the Commission of the Port of Umatilla is unable to build certain port facilities on the Columbia River below the McNary Dam until the water level is established by completion of the John Day Dam: Now, therefore, be it

Resolved by the Commission of the Port of Umatilla, a municipal corporation of the State of Oregon, That this Board hereby urges the Congress of the United States to appropriate immediately planning funds for the John Day Dam; and be it further

Resolved by the Port of Umatilla Commission, That this board urges the Congress of the United States to take immediate action to insure construction of the John Day Dam in the immediate future; and be it further

Resolved, That the manager of the port of Umatilla is hereby authorized to send copies of this resolution to Members of Congress from Oregon, and members of the Public Works Subcommittee of the House of Representatives.

IRVIN MANN, Jr.,
President.
JENS JERJESON,
Vice President.
ROGER J. BOUNDS,
Secretary.
DALE TUCKER,
Treasurer.
ORVAL MCCORMMACH,
Commissioner.
GORDON ROWE,
Manager.

OREGON RURAL ELECTRIC COOPERATIVE ASSOCIATION,
Corvallis, Oreg., July 13, 1955.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: We are enclosing a copy of the resolutions adopted by the Oregon Rural Electric Cooperative Association at their business meeting on June 21, 1955.

We are confident that you will give earnest consideration to each of the items resolved.

Very truly yours,

B. R. LITTLE,
Secretary-Treasurer.

RESOLUTIONS ADOPTED JUNE 21, 1955, BY THE OREGON RURAL ELECTRIC COOPERATIVE ASSOCIATION

COLUMBIA INTERSTATE COMPACT

Whereas the Columbia Interstate Compact Commission on May 26, 1955, refused to remedy the numerous deficiencies in the 1954 compact draft and decided instead to sponsor a seven State publicity drive to sell the 1954 draft: Now, therefore be it

Resolved, That we reaffirm our opposition to any interstate compact which proposes to allocate or control electric power.

PARTNERSHIP

Whereas the evidence is overwhelming that the partnership plan of development of our rivers will result in turning them over to private power monopolies, to destruction of the people's preference in access to the power from such rivers and to the loss of the concept of full development of the rivers for the benefit of the Northwest: Now, therefore, be it

Resolved, That we recognize the partnership idea for what it is and condemn it as a scheme to turn over the rivers of the Northwest to private monopoly so that the people and the region cannot enjoy abundant and cheap power.

JOHN DAY DAM

Whereas the Corps of Engineers is preparing final plans for construction of John Day Dam with a view to permitting actual construction to start in 1956; and

Whereas the Army has virtually no other dams ready or about to be ready for early construction; and

Whereas Congressman COON has again introduced a bill to de-authorize John Day Dam and turn the project over to private utilities for partnership development with about 40 percent of the financing to be provided by the Federal Government; and

Whereas such partnership proposal will result in higher cost power, the loss of the preference clause, and the removal from the region to the FPC in Washington of decisions on power allocation, and in establishment of preference for private utilities: Now, therefore, be it

Resolved, That we urge Federal development of John Day Dam, with retention of the preference clause, and that we do not endorse the Coon partnership bill.

UPSTREAM STORAGE

Whereas we went on record last year in opposition to Senate bill 3434 which would have amended section 10f of the Federal Power Act to require downstream Federal dams such as Bonneville Dam to pay upstream storage charges to proposed private upstream dams such as Bruces Eddy Dam on the Clearwater River; and

Whereas Senate bill 1574 now proposes to provide the same type of subsidy from Federal dams to private dams but to do so through the Secretary of Interior instead of amending the Federal Power Act: Now, therefore, be it

Resolved, That we urge retention of section 10f of the Federal Power Act and that we oppose Senate bill 1574 or any similar scheme for public subsidies to private electric corporations.

SNAKE RIVER DEVELOPMENT

Whereas several electric corporations propose to build the Pleasant Valley Dam and Mountain Sheep Dam which would develop only about 60 percent as much power as would be created by the Nez Perce Dam as recommended in the Army's 308 Review Report; and

Whereas these smaller dams would permanently result in underdevelopment of this reach of the Snake River and is contrary to the principles of comprehensive multiple purpose river development: Now, therefore, be it

Resolved, That we endorse the ultimate development of the Nez Perce dam site by construction of the Army's proposed Nez Perce Dam and that we oppose construction of any conflicting dams in the Nez Perce Reservoir.

DIXON-YATES

Be it resolved, That we reaffirm our previous opposition to the Dixon-Yates deal.

HELLS CANYON

Whereas the FPC trial examiner has found that the proposed high dam at Hells Canyon offers the most feasible and best development of the Snake River; and

Whereas Congresswoman EDITH GREEN and our two Senators, WAYNE MORSE and RICHARD NEUBERGER, are actively supporting the building of Hells Canyon Dam: Now, therefore, be it

Resolved, That we go on record in support of the high dam at Hells Canyon, and notify Mrs. EDITH GREEN, WAYNE MORSE, and RICHARD NEUBERGER that we stand behind them in their fight to preserve and develop our rivers for the benefit of the people of the Northwest.

BPA WHEELING

Whereas BPA is considering entering into agreements with non-Federal agencies for wheeling electric energy on a common-carrier basis: Now, therefore, be it

Resolved, That we request the BPA Administrator to provide public notice, adequate time for study and opportunity for public hearings on the proposed wheeling rates and arrangements.

IDAHO POWER CO. INTERTIE

Whereas the Bonneville Power Administration has granted a 20-year power exchange contract to the Idaho Power Co. whereby BPA furnishes energy to carry the Idaho Power Co.'s August peak load; and

Whereas this valuable peaking energy is handled in the exchange account as if it were dump power; and

Whereas such depreciation of the value of peaking power is contrary to good utility practice, results in a subsidy to the Idaho Power Co., diminishes the revenue on the Columbia River power system and constitutes poor business practice: Now, therefore, be it

Resolved, That although we endorse the principle of power exchange between Bonneville Power Administration and connecting systems, we believe that the public interest requires the adoption of accepted utility business standards in aiming at the fair and equitable value of power.

ABOLITION OF REA

Whereas the Hoover Commission has issued a report on Federal lending agencies which recommends abolishing the Rural Electrification Administration and transferring its jurisdiction to a Federal corporation which would obtain its funds from private financial sources; and

Whereas the carrying out of these recommendations would increase interest rates on REA loans from 2 percent to something like 4 percent: Now, therefore, be it

Resolved, That we deplore the recommendations of the Hoover Commission and that we urge Congress to reject these recommendations and urge that the lending agencies of the executive departments go on record against the report, particularly that the Department of Agriculture do so.

POWER SUPPLY FOR SOUTHEASTERN OREGON

Whereas most of the remaining unelectrified farms of Oregon are concentrated in the Donner-Blitzen Valley, near Burns, Oreg.; and

Whereas these people have created the Harney Electric Cooperative and have applied for an REA loan and for a BPA transmission line; and

Whereas the Surprise Valley Electric Cooperative has applied to the Bonneville Power Administration for a power supply in order to provide better electric service to some 400 consumers in the Lakeview, Oreg., area; and

Whereas the Bonneville Power Administration has not made a comprehensive load forecast and transmission requirement study for these areas in southeastern Oregon: Now, therefore, be it

Resolved, That we request the Bonneville Administrator to make a study of power needs in southeastern Oregon, together with a determination of economic feasibility, and, if feasible, to request transmission lines in the next budget request.

BPA POWER RATES

Whereas the Bonneville Power Administration has employed Ford, Bacon & Davis, an eastern firm of consulting engineers, to study existing BPA rates and recommend new rate schedules: Now, therefore, be it

Resolved, That we request the BPA Administrator to provide public notice and opportunity for thorough public hearings within the Pacific Northwest of the proposed rate schedules before such schedules are submitted by the Administrator.

OREGON STATE GRANGE,
Portland, Oreg., July 19, 1955.

Senator WAYNE L. MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: The 1955 session of the Oregon State Grange, in convention in Klamath Falls, June 6 to 10, passed the enclosed resolutions, which I am sending to you for your consideration.

Thank you for your attention.

Very truly yours,

ELMER MCCLURE,
Master.

Whereas there are large acreages of dry land in the Klamath district that can be irrigated provided power is made available at a cost low enough to economically operate the pumps; and

Whereas there is now water available to irrigate these acreages, and bring them into full production, provided we get action in the near future, otherwise we will lose it forever to more progressive and water-hungry districts down the river; and

Whereas it has been the experience of other cities that when two or three mill power becomes available population increases rapidly, due to the demand for labor by the many new industries attracted to the city and by the many employees needed by the expanding business district; and

Whereas the Bonneville Administration, recognizing the need in the Klamath district for their life-giving power, built a hi-line southward to satisfy that need, and when the line had almost reached the city limits it was taken over without moral or legal right, by the California Oregon Power Co., thus nullifying the reason for its existence and thus blighting the whole Klamath basin with the burden of costly electric power: Therefore be it

Resolved, That we urge our Senators and Representatives in the Congress to do everything in their power to secure the return of the hi-line to the Bonneville Administration to the end that it may fulfill the purpose it was intended to accomplish; and be it further

Resolved, That we urge all citizens and organizations interested to bend their energies to accomplish this most desired result.

WHEAT CERTIFICATE PLAN

Whereas our national economy and well-being depend on a prosperous agriculture; and

Whereas wheat is a basic agricultural product; and

Whereas the production of wheat was regulated as a war measure and a surplus built up for a backlog of food during the Korean conflict; and

Whereas parity price represents a reasonable price relative to cost of production; no business can be expected to survive at 90 percent of a reasonable price; and certainly cannot at 82 percent or 75 percent; and

Whereas we as farmers do not favor subsidies unless in emergency and feel that each product should pay its own way when possible; and

Whereas we feel that the American farmer is entitled to his home market at a parity price, and also should have free access to other markets on a supply and demand basis in order to make his own adjustments, without further large Federal expenditures; and

Whereas the wheat certificate price plan formulated by the Oregon Wheat League comes much nearer meeting these requirements than rigid or flexible support programs and other plans that have been proposed: Therefore be it

Resolved, That we endorse the wheat certificate plan advocated by the Wheat League; that we urge our Representatives and Senators to work for its enactment and ask our Secretary of Agriculture to take note of our views.

SOCIAL-SECURITY BENEFITS

Whereas the present law limiting the amount ($1,200 in any year) which a wage-earner or self-employed person may receive through gainful occupations, and still be eligible for social-security benefits, places a premium on idleness and deprives the industrious persons who do work from receiving the insurance benefits for which they have paid, and reduces them to a substandard living: Therefore be it

Resolved, That the Oregon State Grange go on record as opposing any such limitation on individual earnings and ask the Congress to repeal such provisions; and be it further

Resolved, That copies of this resolution be sent to the National Grange and to our Senators and Representatives in Congress.

OREGON STATE GRANGE,
Portland, Oreg., July 20, 1955.

Senator WAYNE L. MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: The Hells Canyon Dam resolution adopted by the 1955 session of the Oregon State Grange which I sent you some time ago and which you wrote me about, was 1 of 3 resolutions on this subject passed at this session. Today, I am sending the other two for your consideration.

I hope they will help a little in the very valiant fight you and Senator NEUBERGER are making to stop the Hells Canyon giveaway.

Best wishes for your continued success.

Sincerely,

ELMER MCCLURE,
Master.

DEVELOPMENT OF SNAKE RIVER

Whereas the Federal Power Commission has granted a preliminary permit for the survey for Mountain Sheep and Pleasant Valley dam sites on the stretch of the Snake River below Hells Canyon and above Nez Perce dam sites as contained in the Engineers 308 Report on Comprehensive River Development: Therefore be it

Resolved, That we do hereby oppose any action that will hinder full development of the Snake River.

HELLS CANYON DAM

Whereas the three proposed low-head dams are to be located in the area which would be the reservoir site of the Hells Canyon Dam, as located by the Army engineers and the Federal Reclamation Service; and

Whereas the sites for the three low-head dams are requested by private utility companies; and

Whereas the granting of these sites to the private companies would shut off construction of Hells Canyon Dam without bargaining with the private companies for the return of the sites; and

Whereas low-head dams make no provision for flood control, while Hells Canyon Dam would provide an exceptionally large reservoir in an ideal primitive area for water storage; and

Whereas low-head dams require water rights to assure sufficient river flow for maximum development of power, while Hells Canyon Dam would store great quantities of surplus water during the spring runoff, thus holding it from flooding the lower area and also providing power development even during the long dry periods, not only at the dam site, but to river-flow dams below, only becoming a low-head dam when the stored water is used down to the river flow: Therefore be it

Resolved, That this Grange stand definitely for the construction of the Hells Canyon Dam and opposed to giving away the three sites in the Snake River which would obstruct the construction of the Hells Canyon Dam; and therefore be it further

Resolved, That we want the Hells Canyon Dam constructed and owned by the Federal Government.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PAYNE (for Mr. BARRETT), from the Committee on Interior and Insular Affairs:

S. 1917. A bill to authorize the construction within Grand Teton National Park of an alternate route to United States Highway 89, also numbered U. S. 187 and U. S. 26, and the conveyance thereof to the State of Wyoming, and for other purposes; without amendment (Rept. No. 1141).

By Mr. O'MAHONEY (for Mr. MURRAY), from the Committee on Interior and Insular Affairs:

H. R. 100. A bill to permit the mining development, and utilization of the mineral resources of all public lands withdrawn or reserved for power development, and for other purposes; with amendments (Rept. No. 1150).

By Mr. KUCHEL, from the Committee on Interior and Insular Affairs:

H. R. 727. A bill to authorize the conveyance of certain land to the Pecwan Union School District for use as the site of a school; without amendment (Rept. No. 1151).

By Mr. BYRD, from the Committee on Finance, without amendment:

H. R. 291. A bill to extend the retirement income tax credit to members of the Armed Forces (Rept. No. 1142);

H. R. 542. A bill to amend the Internal Revenue Code (Rept. No. 1143);

H. R. 3437. A bill to amend the Internal Revenue Code of 1954 to provide for a maximum manufacturers' excise tax on the leases of certain automobile utility trailers (Rept. No. 1144);

H. R. 3712. A bill to extend the period during which claims for floor stocks refunds may be filed with respect to certain manufacturer's excise taxes which were reduced by the Excise Tax Reduction Act of 1954 (Rept. No. 1145);

H. R. 5936. A bill to provide wage credits under title II of the Social Security Act for military service before April 1956, and to permit application for lump-sum benefits under such title to be made within 2 years after interment or reinterment in the case of servicemen dying overseas before April 1956 (Rept. No. 1146);

H. R. 6886. A bill to amend the act of October 19, 1949, entitled "An act to assist States in collecting sales and use taxes on cigarettes" (Rept. No. 1147); and

H. R. 7148. A bill to amend the Internal Revenue Code so as to provide a personal exemption with respect to certain dependents in the Republic of the Philippines (Rept. No. 1148).

By Mr. BYRD, from the Committee on Finance, with amendments:

H. R. 6887. A bill to extend for 1 year the application of section 108 (b) of the Internal Revenue Code of 1954 (relating to income of a railroad corporation from discharge of indebtedness) (Rept. No. 1149).

By Mr. McNAMARA, from the Committee on the District of Columbia:

S. 2576. A bill to amend the joint resolution entitled "Joint resolution to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes," approved January 14, 1933, and for other purposes; with amendments (Rept. No. 1152).

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. BYRD, from the Committee on Finance:

Craig S. Atkins, of Maryland, to be a judge of the Tax Court of the United States, vice Charles R. Arundell; and

Arthur C. Carmichael, of California, to be Superintendent of the Mint at San Francisco, Calif., vice Ross P. Buell.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. POTTER:

S. 2631. A bill for the relief of Lydia Elizabeth Leitner Bruns; to the Committee on the Judiciary.

By Mr. KEFAUVER (for himself and Mr. LANGER):

S. 2632. A bill to direct the Secretary of Commerce to conduct a particular survey in order to assist in promoting the economic welfare of Indians living on Indian reservations in the United States; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. KEFAUVER when he introduced the above bill, which appear under a separate heading.)

By Mr. BENDER:

S. 2633. A bill for the relief of Jane Edith Thomas; to the Committee on the Judiciary.

By Mr. CARLSON:

S. 2634. A bill relating to the transportation of mail by highway post-office service, and for other purposes;

S. 2635. A bill to authorize and direct the Postmaster General to estimate for each fiscal year certain expenses incurred by, and losses in revenues to, the Post Office Department, and for other purposes;

S. 2636. A bill to restore the authority of the Postmaster General to adjust postage rates for air parcel-post service, and for other purposes; and

S. 2637. A bill to provide that appointments to the position of Deputy Maritime Administrator shall be made by the Secretary of Commerce under civil-service laws, and for other purposes; to the Committee on Post Office and Civil Service.

S. 2638. A bill for the relief of Mrs. Fides Candamo von Hassel; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 2639. A bill to increase the rates of compensation of members of certain independent boards and commissions; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. CLEMENTS:

S. 2640. A bill to revive and extend the authority of the Housing and Home Finance Administrator to make loans or grants, or other payments for the construction of certain hospitals; to the Committee on Banking and Currency.

By Mr. HOLLAND (for himself and Mr. SMATHERS):

S. 2641. A bill to authorize the Secretary of the Interior to exclude certain lands and waters, located in and off the coast of Florida, from the maximum area which was authorized by Congress to be acquired for the purpose of establishing the Everglades National Park; and

S. 2642. A bill to authorize the Secretary of the Interior to acquire on behalf of the United States lands and waters, within a certain area, located in and off the coast of Florida, and to provide that when title to such lands and waters is acquired by the United States they shall become a part of the Everglades National Park; to the Committee on Interior and Insular Affairs.

By Mr. POTTER:

S. J. Res. 95. Joint resolution to authorize the American Battle Monuments Commission to prepare plans and estimates for the erection of a suitable memorial to Gen. John J. Pershing; to the Committee on Rules and Administration.

PROMOTION OF ECONOMIC WELFARE OF INDIANS LIVING ON INDIAN RESERVATIONS

Mr. KEFAUVER. Mr. President, on behalf of the Senator from North Dakota [Mr. LANGER] and myself, I introduce for appropriate reference, a bill to direct the Secretary of Commerce to conduct a particular survey in order to assist in promoting the economic welfare of Indians living on Indian Reservations in the United States. I ask unanimous consent that a brief statement in explanation of the bill be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 2632) to direct the Secretary of Commerce to conduct a particular survey in order to assist in promoting the economic welfare of Indians living on Indian reservations, in the United States, introduced by Mr. KEFAUVER (for himself and Mr. LANGER), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The statement presented by Mr. KEFAUVER is as follows:

Senator LANGER and I are introducing a bill to direct the Secretary of Commerce to conduct a particular survey in order to assist in promoting the economic welfare of Indians living on Indian reservations in the United States.

As part of the program of the United States Senate Juvenile Delinquency Subcommittee this past year or so, hearings were held on or near Indian reservations in North Dakota, New Mexico, Arizona, California, Colorado, Utah, and Nevada. Aside from these hearings, we were able to obtain information from the other Indian reservations in the 26 States throughout the United States. One of the glaring needs that was brought out in these hearings and inquiries was the need for steady employment for the Indian people.

My colleague, the Senator from North Dakota, was instrumental in bringing to Rolla, N. Dak., the ball-bearing plant which brought employment to numerous Indians living on the Turtle Mountain Indian Reservation. I believe it would be wise if the Secretary of Commerce could make a survey to determine if other industrial plants could be induced to erect plants adjacent to Indian reservations wherever feasible. If we could aid the Indians in obtaining steady employment, many of the problems that are presented to Congress year in and year out would be solved.

INCREASED COMPENSATION OF MEMBERS OF CERTAIN INDEPENDENT BOARDS AND COMMISSIONS

Mr. MAGNUSON. Mr. President, as chairman of the Senate Committee on Interstate and Foreign Commerce I have felt concerned because Congress in granting well-earned pay raises to our loyal Government and legislative employees has overlooked a small group of loyal and hard-working workers we have on the Government payrolls.

These, Mr. President, are the members of the boards and commissions which are under the jurisdiction of the Senate Committee on Interstate and Foreign Commerce who direct the operations of these agencies, which are arms of Congress.

I introduce, for appropriate reference, a bill designed to remedy this situation and give financial recognition to these members. It will affect only 36 persons, all of whom deserve the increases. It will affect 3 members of the Federal Maritime Board, 5 members of the Civil Aeronautics Board, 7 members of the Federal Communications Commission, 5 members of the Federal Power Commission, 5 members of the Federal Trade Commission, and 11 members of the Interstate Commerce Commission.

I hope this bill can win congressional approval before adjournment, and be signed by the President, so that the 36 will begin receiving their increases within the next month.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2639) to increase the rates of compensation of members of certain independent boards and commissions, introduced by Mr. Magnuson, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

PRINTING OF REVIEW OF REPORTS ON ROCKLAND HARBOR, MAINE (S. DOC. NO. 82)

Mr. NEUBERGER. Mr. President, on behalf of the distinguished Senator from New Mexico [Mr. CHAVEZ], I present a letter from the Secretary of the Army, transmitting a report dated June 22, 1955, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on a review of reports on the Rockland Harbor, Maine, requested by a resolution of the Committee on Public Works of September 14, 1954. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. KEFAUVER:

Statement made by him on July 25, 1955, before the Senate Foreign Relations Committee, in regard to Senate Concurrent Resolution 12, inviting the other democracies sponsoring the North Atlantic Treaty to name delegates to a convention to explore means of further unity among the democracies.

REGULATION OF ELECTION OF DELEGATES OF THE DISTRICT OF COLUMBIA TO NATIONAL POLITICAL CONVENTIONS

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 191) to regulate the election of delegates representing the District of Columbia to national political conventions, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MORSE. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. MORSE, Mr. BIBLE, and Mr. HRUSKA conferees on the part of the Senate.

DONATION OF CERTAIN AGRICULTURAL COMMODITIES TO PERSONS IN DISTRESSED AREAS

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 2851) to make agricultural commodities owned by the Commodity Credit Corporation available to persons in need in areas of acute distress, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ELLENDER. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. ELLENDER, Mr. HOLLAND, Mr. ANDERSON, Mr. AIKEN, and Mr. WILLIAMS conferees on the part of the Senate.

AMENDMENT OF TITLE V OF THE AGRICULTURAL ACT OF 1949

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 3822) to amend title V of the Agricultural Act of 1949, as amended, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ELLENDER. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. HOLLAND, Mr. AIKEN, and Mr. YOUNG conferees on the part of the Senate.

PURCHASE OF BONDS TO COVER CERTAIN EMPLOYEES OF POST OFFICE DEPARTMENT

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 4778) to provide for the purchase of bonds to cover postmasters, officers, and employees of the Post Office Department and mail clerks of the Armed Forces, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JOHNSTON of South Carolina. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. JOHNSTON of South Carolina, Mr. NEELY, and Mr. CARLSON conferees on the part of the Senate.

LEADERSHIP DISPLAYED BY PRESIDENT EISENHOWER AT THE GENEVA CONFERENCE

Mr. CARLSON. Mr. President, once again, President Eisenhower has displayed his capacity for leadership by seizing the diplomatic initiative from the Soviets and restoring it to the free world.

In an atmosphere tense with suspicion and fear, the President remained conciliatory and calm. He did not go to Geneva to make deals and he did not attempt to do so. He made none.

When the Soviets manifested their usual truculent attitude, the President was neither discouraged nor dismayed. Knowing these people, he anticipated their behavior and was prepared to act accordingly.

With superb timing, omitting catchy phrases or meaningless slogans, he ultimately presented a forthright proposal for the exchange of military blueprints and mutual access for aerial inspection of defense establishments.

At the same time, he solemnly stated the alternatives, namely, that the United States was prepared to maintain, and if necessary increase, its armed strength for as long a period as is necessary to safeguard peace and to maintain our security.

The sincerity of the United States in the search for peace was thus forcibly presented to the world. The Soviets have no answer.

No one can evaluate the accomplishments of the Geneva Conference at this time. Our President went to Geneva with the extremely limited objective of seeking new approaches to old problems. There can be no doubt that he accomplished that objective and possibly more. Furthermore, despite the misgivings of some, he met with the Russians without appeasing them or in any way jeopardizing the existing reliable safeguards for the security of the United States and its friends and allies.

The real story of Geneva can be told only when we observe the Soviet reaction to our proposal. The possibility exists that the obvious honesty and integrity of the President must cause serious reflective thought in the Kremlin, with an eventual genuine attempt on the part of the Russians to resolve the present world tension.

If, in subsequent months, they move toward implementing President Eisenhower's plans, a giant stride toward peace may have been taken. If not, we shall have at least made our aspirations clear to the world.

In any event, a favorable setting has been established for the forthcoming October meeting of the Foreign Ministers, when the difficult problems of German unity and European security are to be discussed.

We are fortunate that, at this crucial phase of human history, the American people have the benefit of the inspiring and imaginative leadership of President Eisenhower.

The President has successfully completed a difficult assignment. He has created an atmosphere of sincere, calm reassurance in a world fraught with tension. A grateful Nation thus welcomes him home.

ILLNESS OF SENATOR JOHNSON OF TEXAS

Mr. BUSH. Mr. President, one of the finest of the many editorials which have come to my attention concerning the majority leader, the distinguished Senator from Texas [Mr. JOHNSON], was published recently in the Waterbury (Conn.) Republican. I think the editor who wrote this editorial has formed a very excellent picture of the majority leader. I am very much impressed with the fact that he has formed such a good picture at such a distance from this very remarkable man.

As one of the many friends of the distinguished majority leader who have the deepest sympathy for him in his present plight, I take great pleasure in asking unanimous consent that this fine editorial be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SENATOR JOHNSON STRICKEN

It must have given a mental shock to innumerable readers of the news from Washington to learn, in the course of the weekend, that Senator LYNDON B. JOHNSON of Texas, floor leader of the Democratic majority in the more select chamber of Congress, had been stricken with a severe heart attack. He is in the prime of life, and had appeared to be endowed with extraordinary powers of physical vigor and stamina, as well as intellectual resourcefulness. Indeed, he must have been richly supplied with all of those qualities, to have been able to

withstand for so long the strain of such efforts as he constantly applied to the performance of his official tasks.

Close observers of Congress in action had commonly noted that Senator JOHNSON was one of the most zealous and efficient majority leaders his own or the Republican Party had ever assigned to his position. To begin with, he undoubtedly had a natural talent for his responsibilities, and a skillfully cultivated knowledge of how to apply it with the utmost possible success. Even so, it obviously took a vast amount of continuous exertion besides, to achieve the impressive parliamentary feats that Washington newswriters have given him credit for.

It has been is some degree reassuring to read that, while he probably will not be able to resume his post before the present session of Congress is adjourned, the Senator apparently may be expected to recover in plenty of time for the next. Even so, it is to be supposed, and also hoped, that he never again will spend his energy so extravagantly as he had done this year, up to the time when he was stricken. He has been such an exceptionally competent and admirable legislator that the national community would be loath to hear of his withdrawal from public life.

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled "Best Wishes, Senator JOHNSON," which was published in a recent edition of the Nashville Banner.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BEST WISHES, SENATOR JOHNSON

Senator LYNDON JOHNSON'S serious illness is a matter of deep concern to all who know him personally, or who know him simply by name as the Senate majority leader.

An important responsibility passed to him when congressional control shifted last year to his party's hands. For the most part, he has exercised that role as a balance wheel—neither unresponsive to the dictates of conservatism as embodied by respected southern Senators, nor amenable to the legislative demands of wild-eyed liberals in their partisan handiwork.

Quite a calendar of unfinished business remains at this time, with hurdles to be cleared without undue delay if Congress is to adjourn on the indicated date, July 31. The Nation is concerned about that. It looks to Senator EARL CLEMENTS, as majority leader pro tempore, to skillfully use the reins of that driver's seat.

America's best wishes go to Senator JOHNSON for a speedy and complete recovery.

BEAVER MARSH PROJECT

Mr. NEUBERGER. Mr. President, my constituents in the State of Oregon are the victims of a political run-around from Secretary McKay and the Interior Department.

Conservationists in Oregon are objecting to a proposed power project on the scenic reaches of the upper McKenzie River, known as the Beaver Marsh project, because they fear it would destroy scenery and fish life, and otherwise impair recreational values.

The Interior Department, speaking through Assistant Secretary Fred G. Aandahl, has indicated to the Federal Power Commission that it has no objection to the granting of a license to the Eugene Water Board for construction of the Beaver Marsh project. This report is dated December 16, 1954.

But Secretary of the Interior Douglas McKay, in a letter to me dated July 15, 1955, has declared himself against the Beaver Marsh project.

What utter nonsense is this, Mr. President? Is Douglas McKay the Secretary of the Interior or is he not? Is he trying to straddle the fence by letting his Department ratify the Beaver Marsh project, while he himself tries to satisfy conservationists by opposing it? If this is the case, let me say that Oregon conservationists will not be fooled. They know that, while Secretary McKay may give them fine words and rhetoric, he is permitting his Department to approve a project which will damage fisheries, marvelous waterfalls, and wildlife in the watershed of the McKenzie River.

This is the old political shell game—giving one side the words and the other side the decision.

Let me read to the Senate an amazing quotation from Secretary McKay's letter to me of last week. He writes:

> While the bureaus in the Department of the Interior would not be adversely affected by this project, I personally am very definitely opposed to it.

Imagine what would happen, Mr. President, if every level of government followed this incredible line of procedure. We would have the Treasury Department advocating a balanced budget, while Secretary Humphrey would write letters to Senators saying "I personally am very definitely opposed to it."

We would have the Department of Agriculture proposing flexible price supports for farm products, while Secretary Benson would write letters to Senators saying "I personally am very definitely opposed to it."

We would have the Department of Health, Education, and Welfare suggesting Federal aid to school construction, while Secretary Folsom would write letters to Senators saying "I personally am very definitely opposed to it."

What does it mean to be a Cabinet officer in this administration, Mr. President? Does it mean that his department does one thing while he urges a different course? Is the office of Secretary of the Interior purely titular, or does it carry with it authority over the various agencies of the Interior Department?

I have been wondering, for example, why the Interior Department, under Secretary McKay, was proposing expenditures of $1,659 million on the upper Colorado River while at the same time it insists that the Federal budget cannot stand the strain of $308 million in expenditures at Hells Canyon, in Mr. McKay's own Pacific Northwest region.

I call to the attention of Pacific Northwest conservationists the undeniable fact that the Interior Department, under Assistant Secretary Fred G. Aandahl, has ratified the Beaver Marsh project, while Secretary of the Interior McKay says he is opposed to that project. In other words, the conservationists get the phrases; the Eugene Water Board gets the departmental decision. This is about as logical as a judge telling a felon: "The jury having found you innocent, I sentence you to be hanged."

Mr. President, unlike Secretary McKay, I have only one position on the Beaver Marsh project—I am opposed to it. I ask unanimous consent to include in the RECORD with these remarks my letter of July 18, 1955, to the Federal Power Commission expressing opposition to the Beaver Marsh project, because of its adverse effect on scenery, waterfalls, fisheries, and the McKenzie drainage basin generally.

I also ask unanimous consent to include the Interior Department report from Assistant Secretary Aandahl of December 16, 1954, approving the project, and Secretary McKay's letter to me of July 15, 1955, opposing the project.

I call attention to the fact that Secretary McKay claims he will continue to oppose it—Beaver Marsh project.

This will be most heartening to Oregon conservationists, I am sure. The Secretary of the Interior will continue to oppose the project while the Department of the Interior, presumably, will continue to approve the project.

This Jekyll-and-Hyde performance may be good politics, Mr. President, but I submit that it definitely is not good government.

There being no objection, the letters and reports were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE
COMMITTEE ON INTERIOR AND
INSULAR AFFAIRS,
July 18, 1955.

HON. JEROME K. KUYKENDALL,
Chairman, the Federal Power Commission, Washington, D. C.

DEAR MR. KUYKENDALL: As a Senator from Oregon, I should like to exress my unequivocal opposition to any licensing of either a publicly owned system or a private power company for hydroelectric development in the Beaver Marsh area of the upper McKenzie River. This question is now before an examiner (Francis Hall) of the FPC for decision.

I base my opposition on one major premise. It is my firm conviction that any power production to result from such a project would not justify the loss in scenic, wildlife, and recreational values on one of the most picturesque streams in North America. I disagree with the letter of the Interior Department to you from Assistant Secretary Aandahl, claiming that conservation interests would not be adversely affected by the Beaver Marsh development.

Although a comparatively short river, the McKenzie is unparalleled in what it offers people who love the outdoors. I doubt if the Beaver Marsh power project can be undertaken without substantially impairing the McKenzie's recreational attractions. The marvelous waterfalls at Koosah and Sahalie will be vastly reduced in volume. The unique fish population of Clear Lake, a part of the McKenzie watershed, will be hard put to survive if the lake is tapped for waterpower production. The food for all aquatic life is certain to be imperiled as the water level of the McKenzie system is altered.

When we consider the enormous amounts of energy still to be generated at major sites in the Columbia River Basin—sites such as Hells Canyon and John Day—it is obvious to me that the comparatively small amount of power to be generated by the Beaver Marsh project would not warrant the damage to be done to the McKenzie and its waterfalls and fish life. Furthermore, from the standpoint of power consumers, I believe that additional kilowatts generated on the main stem of the Columbia and the Snake will be far cheaper than any energy to be produced on the upper McKenzie. The entire Beaver Marsh project would yield only

30,000 kilowatts of power. This is less than one generator at a plant like Grand Coulee, Hells Canyon, or John Day.

For all these reasons, I urge the Federal Power Commission not to grant a license either to a public or private electrical system for the development of the Beaver Marsh project on the upper McKenzie River in Oregon. I am convinced that this realm can more meritoriously be used for the enjoyment of outdoor recreation than for the manufacture of hydroelectric power.

With good wishes, I am,

Sincerely,

RICHARD L. NEUBERGER,
United States Senator.

UNITED STATES
DEPARTMENT OF THE INTERIOR,
Washington, D. C., December 16, 1954.

Hon. JEROME K. KUYKENDALL,
Chairman, Federal Power Commission,
Washington, D. C.

DEAR MR. KUYKENDALL: This is in reply to your letter of September 16, transmitting for our comments application for license by the city of Eugene, Oreg., for waterpower project No. 2059, which would be located on the McKenzie River in Lane and Linn Counties, Oreg. The proposed project would affect public lands and lands of the United States within Willamette National Forest.

The proposed project would consist of an earth and rock-fill dam about 51 feet high across a portion of Fish Lake creating a reservoir containing 3,200 acre-feet of useful storage with normal pool at elevation 3,174 feet; a low diversion dam at the outlet of Clear Lake for maintaining the surface elevation of the lake; a conduit comprising a tunnel about 8,400 feet long with intake on Clear Lake, a surge tank, a penstock about 610 feet long; a powerhouse (Beaver Marsh) containing two 23,500-horsepower turbines each connected to a 15,000-kilovolt-ampere generator; a substation at Beaver Marsh powerhouse; a low earth-fill dike about 3,100 feet long with a rockfill crib spillway creating a reregulating reservoir below Beaver Marsh plant, with normal pondage of about 220 acre-feet; a 115-kilovolt transmission line from Beaver Marsh substation to Leaburg switchyard, a distance of 46 miles; a switchyard at Leaburg; and appurtenant facilities.

In its application the municipality states that operation of the project on the river below Beaver Marsh will be negligible. Fish Lake, it reports, is a shallow seasonal lake ordinarily going dry in July. The proposed reservoir would be held full during the summer recreation season and would create a desirable fishing lake of approximately 110 acres. Releases from the reservoir would ordinarily start in October and continue as required by peak demands and natural streamflow up to the limit of the storage. The total storage would be approximately 3,500 acre-feet, of which 3,200 acre-feet would be live storage. Approximately 300 acre-feet of dead storage will be held as a minimum pool for fish protection.

Clear Lake, the municipality states, has considerable attraction as a fishing lake. The natural supply of trout is augmented by plantings made by the Oregon State Game Commission. During the recreation season, from the first of May through September, the lake would be used for daily pondage only and the resulting fluctuation in the lake would never exceed 2 feet. During the ordinary winter season the lake would be used for weekly pondage with a normal drawdown in the median water year of approximately 8 feet. Drawdowns in excess of approximately 8 feet would not be made until the available storage in Fish Lake was exhausted.

During the May through September recreation season releases from Clear Lake to the natural river channel would be distributed in a manner considered desirable by recreational authorities. During the winter season no releases from the lake to the river channel would be made.

Beaver Marsh Reservoir will reregulate the peaking flows from the Beaver Marsh plant and keep fluctuations in the river immediately downstream within acceptable limits. The company proposes that the daily variation, due to plant operation, of the river level immediately below the reservoir will not exceed 1 foot and the changes in flow will be at a rate not to exceed 4 inches per hour. The normal daily fluctuation in the reservoir would be approximately 4 feet.

During the period of the preliminary permit and following filing of application for license, representatives of the Fish and Wildlife Service met with representatives of the Oregon State Fish and Game Commissions, the United States Forest Service, and officials of the company to devise means and measures for conserving fishery resources. As a result of these conferences, the following provisions were developed and are recommended for inclusion in any license issued for this project. The applicant has agreed, without reservation, to 5 of these provisions. The other two, items 3 and 6, have been accepted in principle by the applicant, though with certain reservations.

1. A barrier screen, electrical or otherwise, satisfactory to the Oregon State Game Commission, shall be installed at the intake for the Clear Lake diversion.

2. The foundation for a fish ladder shall be included in both Clear Lake diversion dam and Beaver Marsh Dam. The licensee shall install a fish ladder at either or both dams at such time as may be ordered by the Federal Power Commission upon a demonstration of need.

3. Steps shall be taken by the licensee to prevent winter kill of trout in the pool behind Fish Lake Dam.

4. The time and rate of accomplishing drawdowns at Clear Lake in excess of 8 feet shall be by mutual agreement between the Oregon State Game Commisison, the Fish and Wildlife Service, the Forest Service, and the licensee.

5. Releases to the river channel from Clear Lake from May through September shall be not less than 40 acre-feet per day in a manner satisfactory to the Oregon State Game Commission.

6. The licensee shall bear the costs of fish salvage work resulting from construction and operation of the project and of annual operation and maintenance expenses of fish facilities.

7. All possible means shall be employed to reduce or avoid siltation of the McKenzie River during construction of the project.

The Fish and Wildlife Service advises that the affected area provides a moderate number of deer for hunters and a few black bear. Fur-bearing animals are present in moderate numbers; waterfowl are uncommon. The project will have a minor effect on wildlife and no facilities or required methods of operation are needed to protect these values.

In addition to the standard terms and conditions affecting public lands, as provided in the Commission's Form L–2, the Bureau of Land Management requests that the license provide that 30 days before entering any revested O. and C. Railroad land or vacant public land, the city of Eugene notify the district forester, Eugene, Oreg., in order that any timber to be cut, used, or destroyed in the construction of the proposed project may be cruised and appraised. Further, the City of Eugene, Oregon, shall pay to the Bureau of Land Management in advance of construction the value of such timber to be removed or destroyed.

The records of the Geological Survey indicate that the construction and use of the project will not affect adversely any deposits of coal or other minerals, lands within the known geologic structure of a producing oil or gas field, or the purpose of any withdrawal or classification recommended by the Survey.

Construction of the proposed project would not affect Indian lands or interests.

Other interests of the Department would not be adversely affected by the issuance of a license.

We appreciate the opportunity of reviewing this application.

Sincerely yours,

FRED G. AANDAHL,
Assistant Secretary of the Interior.

THE SECRETARY OF THE INTERIOR,
Washington, July 15, 1955.

The Honorable RICHARD L. NEUBERGER,
United States Senate,
Washington, D. C.

DEAR SENATOR NEUBERGER: As requested in your letter of July 13, I am enclosing a copy of Interior's report to the Federal Power Commission in respect to the application by the city of Eugene, Oreg., for a license for water power project No. 2059. This report, by Assistant Secretary Aandahl, covers the bureaus in the Department of the Interior that might be affected by this project.

While the bureaus in the Department of the Interior would not be adversely affected by this project, I personally am very definitely opposed to it.

You may recall that while I was Governor I created the Governors' Natural Resources Committee, which was later given a legal status by the legislature. Along about 1951 or 1952 this committee had a hearing on this project of people living in the upper McKenzie and afterward voted unanimously to opopse it and so notified the city of Eugene.

I noticed, however, in the full report that the Oregon Fish and Game Commission is not now opposed to the project. I personally shall continue to oppose it as I believe that the McKenzie and the Rogue River areas should be preserved as nearly as possible in their natural state because of their outstanding recreational value.

Very truly yours,

DOUGLAS MCKAY,
Secretary of the Interior.

OPPOSITION BY UNITED IRISH COUNTIES ASSOCIATION TO PROPOSAL TO MAKE WINSTON CHURCHILL AN HONORARY CITIZEN OF THE UNITED STATES

Mr. LANGER. Mr. President, in connection with the resolution of the junior Senator from Florida [Mr. SMATHERS], proposing to make Winston Churchill an honorary citizen of the United States, I hold in my hand a petition, in the form of a telegram, from the United Irish Counties Association of New York, Inc., signed by John W. Duffy, president, and Sean P. Keating, chairman of public relations. The telegram reads as follows:

The United Irish Counties Association of New York representing 250,000 Irish-Americans in the metropolitan area is appalled at your suggestion to confer honorary United States citizenship on Winston Churchill. Our members cherish highly the rights and privileges of that citizenship and resent any proposal to distribute them lightly to those who do not deserve them.

Churchill's failure to permit adequate British participation in the Korean battles cost the lives of thousands of American soldiers and his attempt to promote extensive trade with Red China and to have her admitted to the United Nations are not good reasons for bestowing on him the most coveted honor in the world.

AMERICANS HELD AS PRISONERS BY THE COMMUNISTS—LETTER FROM THE OFFICE OF THE SECRETARY OF DEFENSE

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter I have received from the Office of the Secretary of Defense, in answer to certain inquiries of mine regarding Americans being held as prisoners by the Communists.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, D. C., July 21, 1955.

Hon. WILLIAM F. KNOWLAND,
United States Senate.

DEAR SENATOR KNOWLAND: In reply to your letter of June 25, we have screened our records of personnel missing or captured in order that a complete record can be provided you. The nature of handling of our personnel by the Communists creates many problems in accountability. The evidence is sparse and undependable in most cases.

At the end of the Korean war the North Koreans and the Chinese Communists failed to account for 944 United States Armed Forces personnel. In demanding an accounting on this 944, the U. N. command did not state, nor did it intend to imply, that it considered all of these 944 to be alive and held against their will by the Communists. Rather, it was an attempt to force the Communists to abide by a provision of the armistice agreement which stated that "each side" would render a "full accounting" of all prisoners of war of whom they had any knowledge.

Despite the fact that the Communists refused to make an accounting, through our own efforts we have accounted for 474 of the personnel on the list presented to the Communists. As to the fate of the 470 remaining missing from the Korean war, we have no evidence that they are still alive or being held by the Communists. However, it is possible that at some date in the future the Communists will admit holding in China additional United States personnel. At this time they admit to holding 11 United States Air Force personnel captured on January 13, 1953, and 2 Department of the Army civilians captured on November 29, 1952. These names are listed in the enclosure.

From time to time reports have been obtained from political prisoners released by the East European satellites and the U. S. S. R. pertaining to other prisoners identified as Americans and occasionally identified by name. Frequently these identifications have been followed by reports of the death of prisoners so identified, but in only one case has there been sufficient evidence to use in demanding the release of personnel. The case is that of Sgt. Walter S. Winters, Jr., of Philadelphia, Pa., who was apprehended by Czech border guards on June 5 of this year while photographing installations near the Czech border. The strong demarche by the State Department accomplished the release of Sergeant Winters on July 13.

From time to time demands have been made of the Soviets as well as certain of the satellite countries to account for personnel who were missing in the vicinity of these countries and who could possibly have been captured. However, the circumstances surrounding the incidence of the disappearance are such that in all cases the men could have voluntarily absented themselves without leave in the case of ground forces near the border or could have crashed at sea in the cases of the air and naval forces personnel. The efforts of the Department of Defense and State Department have been unceasing, attempting to provide additional evidence concerning the disappearance of these personnel and in demanding an accounting from the country concerned.

Sincerely yours,

WILLIAM H. GODEL,
Deputy Assistant to the Secretary of Defense.

ARNOLD CREW MEMBERS MISSING IN ACTION AS OF JANUARY 13, 1953

Col. John K. Arnold, 1212A, commander, 581st Air Resupply and Communications Wing, DOB, September 24, 1913. (Sentence, 10 years.)

Wife: Mrs. John K. Arnold, 8 National Street, Montgomery, Ala.

Brother: Dr. Robert Arnold, 8709 Sundale Drive, Silver Spring, Md.

Maj. William H. Baumer, AO–733786, instructor pilot, DOB, April 22, 1922. (Sentence, 8 years.)

Mother: Mrs. Mary E. Baumer, 124 St. Anthony Street, Lewisburg, Pa.

Sister: Alice Ion Moore, R. D. No. 1, Box 709A, Centerville Road, Lancaster, Pa.

Capt. Elmer F. Llewellyn, AO–2072360, navigator, DOB, August 19, 1925. (Sentence, 5 years.)

Wife: Mrs. Marjorie G. Llewellyn, 308 South Sixth Street East, Missoula, Mont.

Capt. Eugene J. Vaadi, AO–825008, aircraft commander, DOB, July 1, 1921. (Sentence, 6 years.)

Wife: Mrs. Mary E. Vaadi, Route No. 1, Clayton, N. Y.

1st Lt. John W. Buck, AO–787245, aircraft observer, DOB, February 21, 1919. (Sentence, 4 years.)

Parents: Mr. and Mrs. Noah A. Buck, Armathwaite, Tenn.

1st Lt. Wallace L. Brown, AO2221928, pilot, DOB, September 21, 1926. (Sentence, 5 years.)

Wife: Mrs. Boby J. Brown, 304 National Avenue, Montgomery, Ala.

T/Sgt. Howard W. Brown, AF36809947, flight engineer, DOB, December 11, 1922. (Sentence, 4 years.)

Parents: Mr. and Mrs. Frank Brown, 1712 Conway Street, St. Paul, Minn.

Airman 1st Class Steve E. Kiba, AF15426310, radio operator, DOB, February 5, 1932. (Sentence, 4 years.)

Parents: Mr. and Mrs. Steve Kiba, 659 Robin Street, Akron, Ohio.

Airman 2d Class Harry M. Benjamin, Jr., AF27345828, scanner, DOB, May 15, 1932. (Sentence, 4 years.)

Wife: Mrs. Charlene A. Benjamin, 1124 Sherwood Street, Worthington, Minn.

Airman 2d Class Daniel C. Schmidt, AF19391475, central fire control, gunner, DOB, March 28, 1932. (Sentence, 4 years.)

Wife: Mrs. Una F. Schmidt, 7346 Southeast Harrison Street, Portland, Oreg.

Airman 2d Class John W. Thompson III, AF13351709, scanner, DOB, August 15, 1931. (Sentence, 4 years.)

Parents: Mrs. John W. Thompson, Jr., 146 Caroline Street, Orange, Va.

DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES IN COMMUNIST HANDS

John T. Downey.

Parents: Mrs. Mary V. Downey (father deceased), 43 Monroe Street, New Britain, Conn.

Richard G. Fecteau.

Parents: Mr. and Mrs. Philip D. Fecteau, 15 Wymann Street, Lynn, Mass.

THE POWER OF CONGRESS TO REQUIRE TESTIMONY, PAPERS, AND DOCUMENTS FROM THE PRESIDENT AND THE EXECUTIVE BRANCH

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an analysis I have had made of the power of Congress to require testimony, papers, and documents from the President and the executive branch. The analysis cites a number of precedents, beginning with the time of George Washington, in cases in which the Executive has felt justified in withholding certain papers.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

THE POWER OF CONGRESS TO REQUIRE TESTIMONY, PAPERS, AND DOCUMENTS FROM THE PRESIDENT AND THE EXECUTIVE BRANCH

SUMMARY

Congressional power to require testimony, papers, and documents from the President and heads of the executive branch has been shrouded in controversy from the beginning of the Federal Government to modern times. A great deal of this controversy developed when the President was of one political party while one or both Houses of Congress were in control of a different party. It ebbed and flowed from time to time as the power of Congress or the President gained temporary ascendency.

Some of these controversies went on further than acrimonious interchange in which Congress or its committees demanded information and papers, and the President resisted either for himself or in behalf of heads of the executive branch.

Others were carried to the courts in one form or another.

Solutions of these controversies invariably revolve around the leading principle of the Constitution which establishes the separation of powers and the general independence of the legislative, executive, and judiciary. This theme constantly recurs in congressional debates, opinions of attorney generals, court decisions, and writings of scholars on the subject of Congress and the President.

The general power of Congress to investigate and to examine witnesses and call for papers and documents is well established in law.

But when attempt is made to project this power into relations between Congress and the President and the executive branch, a twilight zone of controversy is encountered in which the precedents are neither clear nor certain.

Each instance is unique, but examination of available studies, reports, court decisions, and writings on the subject indicate that in general the following propositions can be sustained:

1. The President personally cannot be called to account by Congress except in cases of impeachment.

2. The President can successfully resist demands of Congress for information, papers, and documents in his possession which in his discretion he declares to be confidential and contrary to the public interest to disclose.

3. The President may direct heads of executive departments to withhold confidential information from congressional committees, in the public interest, and Congress cannot coerce such officials into disclosing such information. Exceptions to this proposition exist in cases where circumstances strongly point to wrongdoing of specific department officials (as in the Teapot Dome case), or when wholesale corruption is uncovered.

4. Neither Congress, nor the courts, nor any provision of existing law can override the President's discretion or decision, or that of the heads of departments acting under the President's direction, to compel the production of information, papers, and documents.

5. Statutory provisions empowering the Congress or its committees to compel attendance of witnesses, to issue subpenas, and to punish for contempt relate only to private individuals and not to the President or heads of departments in the executive branch.

The usual procedure has been for Congress to request information "if not incompatible with the public interest." In response to this request it has received much information voluntarily offered.

Where the request or demand has been resisted by the President or heads of departments acting under the direction of the President, Congress has not been able successfully to compel the disclosures and the ensuing controversy (if any) has been left to the political accountability of the President.

But Congress is not left as helpless as these conclusions seem to indicate. Its power over legislation and appropriations exerts a strong pressure on the executive branch. It can probe all around the periphery of a situation and raise enough suspicions in the public mind to make it difficult for the executive branch to remain completely silent. If the case is sufficiently flagrant, the President and the executive branch will be compelled to reconsider the political risk between further resistance to congressional demands for information and aroused public opinion. This elasticity in the give and take between Congress and the President has worked well enough for more than 150 years to withstand all attempts to alter the situation either by clarifying legislation or constitutional amendment.

Summary table: Congress and the executive branch [1]

President	Date	Type of information refused
George Washington	1796	Instructions to United States minister concerning Jay Treaty.
Thomas Jefferson	1807	Confidential information and letters relating to Burr's conspiracy.
James Monroe	1825	Documents relating to conduct of naval officers.
Andrew Jackson	1833	Copy of paper read by President to heads of departments relating to removal of bank deposits.
	1835	Copies of charges against removed public official.
		List of all appointments made without Senate's consent between 1829 and 1836, and those receiving salaries, without holding office.
John Tyler	1842	Names of Members of 26th and 27th Congs. who had applied for office.
	1843	Colonel Hitchcock's report to War Department dealing with alleged frauds practiced on Indians, and his views of personal characters of Indian delegates.
James K. Polk	1846	Evidence of payments made through State Department, on President's certificates, by prior administration.
Millard Fillmore	1852	Official information concerning proposition made by King of Sandwich Islands to transfer islands to United States.
James Buchanan	1860	Message of protest to House against resolution to investigate attempts by Executive to influence legislation.
Abraham Lincoln	1861	Dispatches of Major Anderson to the War Department concerning defense of Fort Sumter.
Ulysses S. Grant	1876	Information concerning Executive acts performed away from Capital.
Rutherford B. Hayes	1877	Secretary of Treasury refused to answer questions and to produce papers concerning reasons for nomination of Theodore Roosevelt as collector of port of New York.
Grover Cleveland	1886	Documents relating to suspension and removal of 650 Federal officials.
Theodore Roosevelt	1909	Attorney General's reasons for failure to prosecute United States Steel Corp.
		Documents of Bureau of Corporations, Department of Commerce.
Calvin Coolidge	1924	List of companies in which Secretary o Treasury Mellon was interested.
Herbert Hoover	1930	Telegrams and letters leading up to London Naval Treaty.
	1932	Testimony and documents concerning investigation made by Treasury Department.
Franklin D. Roosevelt	1941	Federal Bureau of Investigation reports.
	1943	Director, Bureau of the Budget, refused to testify and to produce files.
		Chairman, Federal Communications Commission, and Board of War Communications refused records.
		General Counsel, Federal Communications Commission, refused to produce records.
		Secretaries of War and Navy refused to furnish documents, and permission for Army and naval officers to testify.
	1944	J. Edgar Hoover refused to give testimony and to produce President's directive.
Harry S. Truman	1945	Issued directions to heads of executive departments to permit officers and employees to give information to Pearl Harbor Committee.
		President's directive did not include any files or written material.
	1947	Civil Service Commission records concerning applicants for positions.

[1] Demands of Congressional Committees for Executive Papers, Federal Bar Journal, vol. X, No. 2 (April 1949), pp. 147-149.

SUPPORTING DATA

SOME INSTANCES IN WHICH CONGRESSIONAL INVESTIGATING COMMITTEES SOUGHT INFORMATION FROM THE PRESIDENT AND EXECUTIVE DEPARTMENTS

The twilight zone becomes a good deal darker, however, when Congress attempts to compel general disclosures of information from the President and the executive branch.

Following are excerpts from a paper prepared by the Legislative Reference Service, Library of Congress, for Senator ALEXANDER WILEY and the Senate Judiciary Committee:

"Congress has gone far at times in asserting its authority to investigate activities in the Executive Department; for examples, the resolution to investigate in 1792, the failure of the expedition under Major-General St. Clair (Hinds' sec. 1725) and the creation of a joint committee on the conduct of the war in 1861 (Hinds' sec. 1728).

"On the other hand, President Jackson resisted with vigor an attempt of a committee of the House to secure his assistance in an investigation of his administration (Hinds' sec. 1737). (See generally Hinds' vol. 6, secs. 404-437.)

President Washington and Congress

"In 1796 the House of Representatives requested President Washington to lay before it certain papers relating to the negotiations of the treaty with the King of Great Britain. The President refused the request, pointing out that the assent of the House is not necessary to the validity of a treaty and that the treaty exhibited in itself all the objects requiring legislative provision. He wrote: 'As it is essential to the due administration of the government that the boundaries fixed by the Constitution between the different Departments should be preserved, a just regard to the Constitution and to the duty of my office * * * forbids a compliance with your request.' (See I Richardson, J. D., Messages of the Presidents (Washington, 1896-99), p. 196.)"

President Jackson and Congress

"The House committee appointed on January 17, 1837 'to examine into the condition of the excutive departments, etc.,' had a checkered career. On January 23, it adopted a series of resolutions calling on President Jackson and heads of departments for information of various kinds. * * *"

* * * * *

"By order of the committee the chairman transmitted to the President of the United States a copy of the above resolutions. The copy transmitted in the letter of the chairman was attested by the clerk of the committee. On January 27, Mr. Andrew Jackson, Jr., Secretary of the President, entered the committee room and delivered to the chairman, Mr. Henry A. Wise, of Virginia, a letter addressed to Mr. Wise, and giving the President's reasons for not complying with the request of the committee. The President pointed out in his letter that the resolution adopted by the House authorizing the investigation cast doubt upon the statement in his annual message, that the executive departments were in excellent condition. He stated further:

" 'The first proceeding of the investigating committee is to pass a series of resolutions, which, though amended in their passage, were, as understood, introduced by you, calling on the President and the heads of departments, not to answer to any specific charge, not to explain any alleged abuse, not to give information as to any particular transaction, but assuming that they have been guilty of the charges alleged, calls upon them to furnish evidence against themselves. After the reiterated charges you have made, it was to have been expected that you would have been prepared to reduce them to specifications, and that the committee would then proceed to investigate the matters alleged. But, instead of this, you resort to generalities even more vague than your original accusations; and in open violation of the Constitution, and of that well established and wise maxim, that all men are presumed to be innocent until proven guilty; according to the established rules of law, you request myself and the heads of departments to become our own accusers, and to furnish the evidence to convict ourselves; and this call purports to be founded on the authority of that body, in which alone by the Constitution, the power of impeachment is vested. The heads of departments may answer such a request as they please, provided they do not withdraw their own time and that of the officers under their direction, from the public business to the injury thereof. * * * For myself, I shall repel all such attempts as an invasion of the principles of justice, as well as of the Constitution; and I shall esteem it my sacred duty to the people of the United States to resist them as I would the establishment of a Spanish Inquisition.' (24th Cong., 2d sess., Debates, vol. xiii, appendix, p. 202.)"

* * * * *

"This case represents one of the most successful attempts of a President of the United States to resist a congressional inquiry. Jackson's position in these proceedings was probably strengthened by the fact that he had an overwhelming majority in the House and he knew he could successfully resist an investigation for that reason, as his own

party would not take serious issue with him. The fact that the committee reported that all was well with the executive departments after this feint at an investigation shows the importance of considering the political character of the committee personnel in these investigations. Investigating committees, packed with members in sympathy with the administration, might well become vehicles of vindication for the Executive."

President Buchanan and Congress

"In direct contrast is the account of the Covode investigation during the administration of President Buchanan, also related by Eberling.

"While President Buchanan fully and cheerfully admitted that inquiries which are incident to legislative duties were highly proper and belong equally to the Senate and the House and that they were necessary in order to enable them to discover and to provide the appropriate legislative remedies for any abuse which might be ascertained, yet he protested the power given to the Covode committee to inquire 'not into any specific charge or charges, but whether the President has by money, patronage, or other improper means sought to influence not the individual action of Members of Congress but the action of the entire body itself, or any committee thereof.' Such an accusation Buchanan said, 'extended to the whole circle of legislation, to interference for or against the passage of any law appertaining to the rights of any State or Territory. Since the time of star chambers and general warrants, there has been no such proceeding in England.' He also protested because such an investigation was in violation of the rights of the coordinate executive branch of the Government, and subversive of its constitutional independence. Moreover he claimed such an investigation was a flagrant abuse of a private person's rights under the Constitution, for John Covode who accused the President, was also chairman of the committee. 'I am to appear before Mr. Covode either personally or by a substitute, to cross-examine the witnesses which he may produce to sustain his own accusations against me; and perhaps this poor boon may be denied the President.' (36th Cong., 1st sess., GLOBE, p. 1434.) (Eberling, p. 167.)"

* * * * *

"After a short debate on the President's protest his statement was referred to the Judiciary Committee with leave to report at any time. On April 9 following, Mr. John Hickman from said committee made a report (see GLOBE, 36 Cong., 1st sess., vol. iii, H. R. Rept. No. 394) accompanied by the following resolution, viz:

" '*Resolved*, That the House dissents from the doctrine of the special message of the President of the United States on March 28, 1860; that the extent of power contemplated in the adoption of the resolutions of inquiry of March 5, 1860, is necessary to the proper discharge of the constitutional duties developed upon Congress; that judicial determinations, the opinions of former Presidents, and uniform usage sanctions its use; and that to abandon it would leave the executive department of the Government without supervision or responsibility, and would be likely to lead to a concentration of power in the hands of the President which would be dangerous to the rights of a free people.'

"The resolution was eventually adopted. On June 25, the President sent another protest to the House claiming that the committee had acted as though they possessed unlimited power, and without any warrant whatever had pursued a course not merely at war with the constitutional rights of the Executive, but tending to degrade the Presidential Office itself to such a degree as to render it unworthy of the acceptance of any man or honor or principle. (36th Cong., 1st sess., GLOBE, p. 3299.) The President claimed that the committee had proceeded to investigate subjects not warranted in the resolutions; that it had taken testimony ex parte; had dragged private correspondence to light, which a truly honorable man would never have an even distant thought of divulging. Even members of the Cabinet were called upon to testify.

" 'Should the proceedings of the committee be sanctioned by the House and become a precedent for future times, the balance of the Constitution will be entirely upset, and there will no longer remain the three coordinate and independent branches of the Government, legislative, executive, and judicial. Should secret committees be appointed, with unlimited authority to range over all the words and actions, and if possible the very thought of the President, with a view to discover something in his past life prejudicial to his character from parasites and informers, this would be an ordeal which scarcely any mere man since the fall could endure.' (Ibid., p. 3300.)

"This last protest of the President was referred to a select committee which made a report. There is no question that Congress was firmly convinced, and in this case the House, that the power of investigating the President, even where specific charges were not made, constitutionally belongs to the legislative department. The argument made by the Executive in this case only seemed to arouse the ire of the House the more. It is true that the President had some stanch defenders in the House, but the great majority opposed him. This is seen in the vote on the first resolution dissenting from the doctrines enunciated in his first message to the Senate, viz, 87 to 40. (36th Cong., 1st sess., GLOBE, p. 1434.) (Eberling, p. 170.)"

President Tyler and Congress

"In 1842 the House passed a resolution requesting certain information of President Tyler, namely, the names of such members, if any, of the 26th and 27th Congress as have been applicants for office with the details relating to such applications. Tyler refused on the ground that as the appointing power is vested solely in the Executive, the House could have no legitimate concern therein.

"Tyler later complied with a similar request of the House in another matter but said:

" 'Nor can it be a sound position that all papers, documents, and information of every description which may happen by any means to come into the hands of the President or the heads of Departments must necessarily be subject to the call of the House of Representatives, merely because they relate to a subject of the deliberations of the House, although that subject may be within the sphere of legitimate powers. * * * The executive departments and the citizens of this country have their rights and duties as well as the House of Representatives and the maxim that the rights of one person or body are to be exercised as not to impair those of others is applicable in its fullest extent to this question.' (For view of this case see CONGRESSIONAL RECORD, 69th Cong., 1st sess., Feb. 25, 1926, p. 4548.)"

President Polk and Congress

"President Polk, in 1846, refused the request of the House for information, pointing out the confidential nature of the information although admitting that the House could obtain information in a formal proceeding for impeachment, when its power would be plenary. He said further:

" 'If the House as the grand inquest of the Nation should at any time have reason to believe that there has been malversation in office by an improper use or application of the public money by a public officer, and should think proper to institute an inquiry into the matter, all the archives and pages of the executive departments, public or private, would be subject to the inspection and control of a committee of their body and every facility in the power of the executive be afforded to enable them to prosecute the investigation.' (See RECORD, 69th Cong., 1st sess., p. 4548.) (Eberling, p. 146.)"

Congressional Investigations of the War of 1861

"One of the most famous congressional investigations was that authorized in 1861 by concurrent action of the two Houses which assumed, without much question, the right to investigate the conduct of the war. On December 9, 1861, the Senate agreed to the following:

" '*Resolved by the Senate (the House of Representatives concurring)*, That a joint committee of 3 Members of the Senate and 4 Members of the House of Representatives be appointed to inquire into the conduct of the present war; that they have the power to send for persons and papers, and to sit during the session of either House of Congress.' (37th Cong., 2d sess., GLOBE, p. 29.)

"In the crisis Congress apparently did not trouble itself with the reflection that inasmuch as the President is the Commander in Chief of the Army, such interference constituted a serious infringement of the executive prerogative. In the Senate the resolution passed by a vote of 33 to 3, and in the House there was not even debate or division. This investigation marks the use for the first joint investigating committee. (Dimock, p. 111.)

"The Wade committee, so constituted, went about its duties vigilantly during the entire course of the war. Their reports comprise four large volumes. In truth it may be said that this committee took over a partial control of Union operations. Practically no phase of the conflict escaped the inquisitorial eye. Battles, disloyal employees, naval stations, surrenders at sea, military and naval supplies, were summarily investigated. War contracts were inspected with special zeal. If legislative meddling could be shown to be damaging from a strategic standpoint, at least Congress was able to legislate with adequate knowledge and to hold the officials in Washington and upon the line of battle to strict accountability (p. 112)."

OTHER INSTANCES INVOLVING ATTEMPTS OF CONGRESS TO GET INFORMATION FROM THE PRESIDENT AND THE EXECUTIVE BRANCH

The Condon case

The House Committee on Un-American Acitvities, on March 1, 1948, sought to get the full text of a letter dated May 15, 1947, written by J. Edgar Hoover, Director of the FBI, addressed to W. Averell Harriman, Secretary of Commerce, relating to Dr. Edward U. Condon, Director of the Bureau of Standards.

The Secretary of Commerce refused to permit the release of the letter and other records, and also instructed the Secretary of the Loyalty Board to decline to testify concerning such letter and other documents.

Heavy reliance for the refusal to provide the information requested was placed on President Truman's directive of March 13, 1948, which among other things stated:

"The efficient and just administration of the employee-loyalty program, under Executive Order No. 9835 of March 21, 1947, requires that reports, records, and files relative to the program be preserved in strict confidence. This is necessary in the interest of our national security and welfare, to preserve the confidential character and sources of information furnished, and to protect Government personnel against the dissemination of unfounded or disproved allegations. It is necessary also in order to insure the fair and just disposition of loyalty cases.

* * * * *

"Any subpena or demand or request for information, reports, or files of the nature described, received from sources other than

those persons in the executive branch of the Government who are entitled thereto by reason of their official duties, shall be respectfully declined, on the basis of this directive, and the subpena or demand or other request shall be referred to the Office of the President for such response as the President may determine to be in the public interest in the particular case. There shall be no relaxation of the provisions of this directive except with my express authority." (See House Rept. No. 1753, 80th Cong., 2d sess., pp. 6–7.)

The loyalty orders

Many cases of refusal by the President and executive departments to give information to congressional investigating committees arose, of course, under the loyalty program.

The policy was set forth by President Truman in Executive Order 9835 issued March 21, 1947, a Presidential directive of March 13, 1948, and Executive Order 10290 issued September 24, 1951.

Under these orders disclosure of information was flatly forbidden with sole discretion centered in President Truman.

This created acrimonious controversy running over several years between President Truman and congressional committees.

Although Congress proved ingenious in gathering information from many sources, the general effect of the loyalty orders enabled the President to resist successfully the demands of Congress for this type of information.

The Teapot Dome case

The general power of Congress to investigate and to call witnesses and require papers and documents is well established in law.

But when this power is considered in relation to the Office of the President and certain executive officers of the Government, it enters a twilight area in which the precedents are neither clear nor certain. *McGrain* v. *Daugherty* (the Teapot Dome case) was the nearest approach to a flat recognition of the fitness and propriety of a congressional investigation involving the executive branch. But the Court only went so far as to declare the investigation of the Attorney General necessary and proper on the ground that the information requested was needed for the efficient exercise of the legislative function. Here the Court said:

"This becomes manifest when it is reflected that the functions of the Department of Justice, the powers and duties of the Attorney General and the duties of his assistants, are all subject to regulation by congressional legislation, and that the Department is maintained and its activities are carried on under such appropriations as in the judgment of Congress are needed from year to year."

In the Teapot Dome situation Attorney General Daugherty sought President Coolidge's aid in denying information to the congressional investigating committee. President Coolidge replied:

"THE WHITE HOUSE,
Washington, March 27, 1924.

"MY DEAR MR. ATTORNEY GENERAL: Since my conference with you I have examined the proposed reply you suggest making to the demand that you furnish the committee investigating the Department of Justice with files from that Department, relating to litigation and to the Bureau of Investigation. You represent to me and to the committee in your letter that it would not be compatible with the public interest to comply with the demand, and wish to conclude your letter with a statement that I approve that position. Certainly I approve the well-established principle that departments should not give out information or documents, for such a course would be detrimental to the public interest and this principle is always peculiarly applicable to your Department, which has such an intimate relation to the administration of justice. But you will readily perceive that I am unable to form an independent judgment in this instance without a long and intricate investigation of voluminous papers, which I cannot personally make, and so I should be compelled to follow the usual practice in such cases and rely upon your advice as Attorney General and head of the Department of Justice.

"But you will see at once that the committee is investigating your personal conduct, and hence you have become an interested party, and the committee wants these papers because of a claim that they disclose your personal conduct of the Department. Assuming that the request of the committee is appropriately limited to designated files, still the question will always be the same. In view of the fact that the inquiry related to your personal conduct, you are not in a position to give to me or the committee what would be disinterested advice as to the public interest. You have a personal interest in this investigation which is being made of the conduct of yourself and your office, which may be in conflict with your official interest as the Attorney General. I am not questioning your fairness or integrity. I am merely reciting the fact that you are placed in two positions, one your personal interest, the other your office of Attorney General, which may be in conflict. How can I satisfy a request for action in matters of this nature on the ground that you as Attorney General advise against it when you as the individual against whom the inquiry is directed necessarily have a personal interest in it? I do not see how you can be acting for yourself in your own defense in this matter and at the same time and on the same question acting as my adviser as Attorney General."

President Coolidge solved this dilemma by asking for the resignation of his Attorney General and the congressional investigation proceeded from there.

SOME OPINIONS OF ATTORNEY GENERALS ON THE SUBJECT

When, on April 30, 1941, the House Committee on Naval Affairs requested that it be furnised with certain reports of the FBI, Attorney General Jackson declined the request. Following are excerpts from his letter to CARL VINSON, chairman of the committee:

"It is the position of this Department, restated now with the approval of and at the direction of the President, that all investigative reports are confidential documents of the executive department of the Government, to aid in the duty laid upon the President by the Constitution to 'take care that the laws be faithfully executed,' and that congressional or public access to them would not be in the public interest" (p. 26).

In the Attorney General's opinion, disclosure of the reports would seriously prejudice law enforcement, prejudice the national defense, prejudice the future usefulness of the FBI, and do injustice to innocent individuals (p. 26).

Attorney General Jackson's letter cited many other instances in which other Attorney Generals refused to give Congress information from the files of the Justice Department.

He observed further that "since the beginning of the Government, the executive branch has from time to time been confronted with the unpleasant duty of declining to furnish to the Congress and to the courts information which it has acquired and which is necessary to it in the administration of statutes."

* * * * *

"In 1825, the House of Representatives requested President Monroe to transmit certain documents relating to the conduct of the officers of the Navy of the United States on the Pacific Ocean, and of other public agents in South America. In his reply, President Monroe refused to comply with the request, stating that to do so might subject individuals to unjust criticism; that the individuals involved should not be censured without just cause, which could not be ascertained until after a thorough and impartial investigation of their conduct; and that under those circumstances it was thought that communication of the documents would not comport with the public interest nor with what was due to the parties concerned. (See Richardson, Messages and Papers of the Presidents, vol. 2, p. 278.)

"In 1833, the Senate requested President Jackson to communicate to that body a copy of a paper purporting to have been read by him to the heads of the executive departments, dated September 18, 1833, relating to the removal of the deposits of the public money from the Bank of the United States. President Jackson declined. (See Richardson. Messages and Papers of the Presidents, vol. 3, p. 36.)

"In 1835 the Senate passed a resolution requesting President Jackson to communicate copies of the charges, if any, which might have been made to him against the official conduct of Gideon Fitz, late surveyor general south of the State of Tennessee, which caused his removal from office. In reply President Jackson again declined to comply. (See Richardson, Messages and Papers of the Presidents, vol. 3, pp. 132, 133" (p. 27).

In concluding his opinion, Attorney General Jackson cited a number of court cases tending to uphold the discretion of the President and executive branch of the Government to withhold papers and information which might be contrary to the public interest. (For the full text of Attorney General Jackson's letter, see House Rept. No. 1753, 80th Cong., 2d sess., pp. 25–28.)

IMMUNITY OF HEADS OF DEPARTMENTS

Attorney General Cushing, in an opinion entitled "Resolutions of Congress," wrote in 1854: [1]

"In a word, the authority of each head of Department is a parcel of the executive power of the President. To coerce the head of department is to coerce the President. This can be accomplished in no other way than by a law, constitutional in its nature, enacted in accordance with the forms of the Constitution.

"Of course, no separate resolution of either House can coerce a head of department, unless in some particular in which a law, duly enacted, has subjected him to the direct action of each; and in such case it is to be intended, that, by approving the law, the President has consented to the exercise of such coerciveness on the part of either House." (6 Op. A. G. 682–683.)

TEXTBOOK COMMENTARY ON THE SUBJECT

In his study on the President: Office and Powers, Prof. Edward S. Corwin states:

"President Monroe, in the last days of his Presidency, declined a call for papers from the House of Representatives on the ground that their publication might do a naval officer still at sea an injustice" (p. 136).

* * * * * *

"The occasion for most Presidential interventions between Congress and executive personnel has been of the type illustrated by President Monroe in 1825. The point at issue, however, has generally been not justice to the official involved but the right of the executive department to keep its own secrets" (p. 137).

Declaring that the doctrine stated in *Marbury* v. *Madison* "is equally applicable to the case of an investigation by a congressional committee," Professor Corwin observes:

"This doctrine is that a high executive official is not bound to divulge matters regarding which he is a confidant of the President. At the same time the court impliedly claims the right to say finally whether such

[1] Federal Bar Journal, Vol. X, No. 3 (July 1949), pp. 252–253.

a plea on the part of an official is a valid one. In both these respects subsequent practice has broadened the scope of the immunity which the President can throw about a subordinate member of the executive department from judicial and legislative investigatory processes" (p. 138).

Professor Corwin cited President Jefferson's refusal to respond to a subpena in Burr's trial and his extension of his immunity to three members of his Cabinet, and then observed:

"In the many years that have rolled by since Jefferson's Presidency there have been hundreds of congressional investigations. But I know of no instance in which a head of department has testified before a congressional committee in response to a subpena, nor been held for contempt for refusal to testify. All appearances by these high officials seem to have been voluntary" (p. 139).

After citing Attorney General Jackson's letter to CARL VINSON, April 23, 1941, refusing a request for FBI material (see Section on Opinions of Attorney Generals, below), Professor Corwin declares:

"Other occurrences of like character are the following: In July 1943 the War and Navy Departments, acting on the order of President Roosevelt, refused certain information to a House committee investigating the Federal Communications Commission, on the ground that to do so would be 'contrary to the public interest.' Early in 1944 the head of FBI refused to testify before the same committee, and was supported by Attorney General Biddle in doing so" (p. 141).

"A few months later Mr. Byron Price, director of CO (Office of Censorship), declined to transmit to a Senate committee, without first being subpenaed by it, a file of intercepts, and no subpena was issued. Then in May 1947 President Truman refused to let the Senate War Investigating Committee comb the late President Roosevelt's files bearing on its Arabian oil inquiry, but at the same time requested executors of the Roosevelt estate to produce any such documents which it might uncover" (p. 142).

Professor Corwin appears to summarize the relations between Congress and the President in the following passage:

"The constitutional merits of the quarrel between the House and the administration are easily assessed. No one questions, or can question, the constitutional right of the House to inform itself through committees of inquiry on subjects which fall within its legislative competence and to hold for contempt recalcitrant witnesses before such committees, and undoubtedly the question of employee loyalty is such a subject. On the other hand, this prerogative of Congress has always been regarded as limited by the right of the President to have his subordinates refuse to testify either in court or before a committee of Congress concerning matters of confidence between them and himself" (p. 143).

To which his final observation aptly applies:

"Thus far the adustment of the two powers to one another has been effected by the give-and-take of the political process and presumably it must continue to be" (p. 145).

In an extended study on Demands of Congressional Committees for Executive Papers,[2] Herman Wolkinson, an attorney in the Department of Justice, expressing his individual views, summarized his findings as follows:

"Our study of Presidential action shows that in every instance where a President has backed the refusal of a head of a department to divulge confidential information to either of the Houses of Congress, or their committees, the papers and the information requested were not furnished. The public interest was invariably given as the reason for withholding the information. William Howard Taft thus expressed himself on this subject, following his retirement from the Presidency and prior to his appointment as Chief Justice:

" 'The President is required by the Constitution from time to time to give to Congress information on the state of the Union, and to recommend for its consideration such measures as he shall judge necessary and expedient, but this does not enable Congress or either House of Congress to elicit from him confidential information which he has acquired for the purpose of enabling him to discharge his constitutional duties, if he does not deem the disclosure of such information prudent or in the public interest.'

"Our study also shows that the head of a department is generally subject to the President's direction, and the President has the last word on the propriety of withholding the papers. Heads of departments are subject to the Constitution, to the laws passed by the Congress in pursuance of the Constitution, and to the directions of the President of the United States. They are not subject to any other directions. While they have frequently obeyed congressional demands, whether made by the use of subpena or otherwise, and have furnished papers and information to congressional committees, they have done so only in a spirit of comity and good will, and not because there has been an effective legal means to compel them to do so. Under the Constitution, heads of departments cannot be directed by a congressional committee in the exercise of their discretion concerning the propriety of furnishing papers" (pp. 104–105).

* * * * *

"The rule may be stated that the President and heads of departments are not bound to produce papers or to disclose information communicated to them, where, in their own judgment, the disclosure would, on public considerations, be inexpedient. The reason for the rule was succinctly stated by Judge Marshall in *Marbury* v. *Madison*, and has been reaffirmed in *Cunningham* v. *Neagle* and *Meyers* v. *United States*. It is as follows:

"By the Constitution, the President is invested with certain political powers. He may use his own discretion in executing those powers. He is accountable only to his country in his political character, and to his own conscience. To aid the President in performing his duties, he is authorized by law to appoint heads of the executive departments. They act by his authority; their acts are his acts. Questions which the Constitution and laws leave to the Executive, or which are in their nature political, are not for the courts to decide, and there is no power in the courts to control the President's discretion or decision with respect to such questions. Because of the intimate political relation between the President and the heads of departments, the same rule applies to them" (p. 106).

Attorney Wolkinson cited many historical cases illustrative of these findings, some of which are described elsewhere in this memorandum.

Discussing unsuccessful attempts of the Senate to get papers and documents from Presidents Cleveland and Theodore Roosevelt, Attorney Wolkinson concluded with this quote:

"Professor Willoughby, in his well-known treatise, discusses the resolution and refers to the debates in Cleveland's and Roosevelt's administrations. He concludes that the constitutionality of the positions taken by Presidents Cleveland and Roosevelt would seem to be clear. Referring to the contests between Congress and the Presidents as to the right of the former to compel the furnishing to it of information, Willoughby states that it has been established that the President may exercise full discretion as to what information he will furnish and what he will withhold" (p. 131).

The study also includes instances in the administrations of Presidents Coolidge (the Mellon papers); Hoover (confidential telegrams leading up to the London Conference and the London Treaty); Roosevelt (FBI reports) and (refusal of Harold D. Smith to produce files in the Bureau of the Budget) and others; Truman (Pearl Harbor investigation)—in all of which the President substantially resisted efforts by committees of Congress to get information, papers, and documents from the executive branch. The chief ground for refusal is that such disclosures "are not in the public interest."

[2] Federal Bar Journal, vol. X, No. 2 (April 1949), No. 3 (July 1949), and No. 4 (October 1949).

FUTURE HEARINGS ON BILLS AMENDING THE TRADING WITH THE ENEMY ACT

Mr. JOHNSTON of South Carolina. Mr. President, there are pending before the Judiciary Committee on the Trading With the Enemy Act, six bills, all of a major character, relating in one way or another to the Government's vesting, holding, and disposition of alien property. They relate to World War I and World War II assets. They are known as S. 854, S. 995, S. 1147, S. 1405, S. 2226, and S. 2227. Some features of the bills are interrelated, so it is felt that in the interest of economy of time and a better overall consideration of the varied and complex problems involved, public hearings should be held simultaneously on all the bills sometime after the adjournment of this session of Congress.

Preliminary to full and complete consideration of, and hearings on, these bills, the subcommittee has held executive hearings and examination, and has secured and is securing information, statistics, and other data from officials in the Office of Alien Property. This effort will be pursued, because the subcommittee will require considerable background material prior to the actual commencement of the hearings. This will aid the committee in making an intelligent approach to a solution of the problems and in determining what the ultimate policy of the Government shall be.

While no specific date for the contemplated hearings has been fixed, I shall discuss with members of the subcommittee probable dates, so that when it is most suitable after adjournment, an agreeable date will be fixed.

I wish to serve notice on the Members of the Senate of the intention of the subcommittee to hold such hearings. Ample prior notice, public and private, will be given each Member of the Senate and to all other interested parties, claimants, and so forth, when the date of the hearings shall have been determined. Estimates vary, as conditions change and as time passes, as to the amount of alien property now controlled by the Government. The total ranges between a quarter and a half billion dollars. There are now 17 going concerns operated by the Office of Alien Property. Minority stock interests are owned in other going concerns.

It is the aim of the subcommittee to reconcile the differences in the pending

bills, and to submit to the Congress proposed legislation which should be in conformity with the traditional policy of the Government in its treatment of private property owned by friendly and former enemy aliens, as distinguished from enemy government property. Foremost among our considerations will be the aim to close the Office of Alien Property as a part of the normal functions of our Government. Such functions as forever holding alien property, conducting some of it in going concerns, and the interminable delay in the settlement of claims should—somewhere along the line—come to an end. To reconcile conflicting views within the Government itself and to establish a uniform policy which will expeditiously close our handling of all alien property, present many complex problems which the subcommittee wishes to solve.

ACTIVITIES AND ACCOMPLISHMENTS OF SUBCOMMITTEE TO INVESTIGATE JUVENILE DELINQUENCY

Mr. KEFAUVER. Mr. President, a few days ago the life of the Subcommittee To Investigate and Study the Problems of Juvenile Delinquency—being a subcommittee of the Judiciary Committee—was extended until January 31, 1956. At this time I desire to submit a report on the activities and accomplishments of the subcommittee to date. The subcommittee is composed of the Senator from North Dakota [Mr. LANGER], the Senator from Wisconsin [Mr. WILEY], the Senator from Missouri [Mr. HENNINGS], the Senator from Texas [Mr. DANIEL], and myself. The report deals with the work of the committee, the hearings which have been held, and the bills which have been introduced. I ask unanimous consent that the report be printed in the body of the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

I wish it were possible for me to say that we have won the fight against juvenile delinquency. We have not. I can say, however, that, judging from editorial comment, we have dispelled much of the public apathy about the problem. We have succeeded in alerting an increasing number of our citizens to the condition in their own communities. We have been able to provide them with some of the answers to their problems through our studies and reports. As our studies continue, we shall be more and more able to provide them with the information necessary to wage a successful campaign against juvenile delinquency.

The enormity of the problems involving our youth is best illustrated by the fact that last year nearly half a million children came before judges in our juvenile courts. This was a 10-percent rise in only 1 year.

This means that approximately 1,500,000 children came into conflict with the law in 1954, since it is reliably estimated that only 1 in three delinquents who have contact with the police comes before the juvenile court. The other two are handled without the final step of seeing the judge.

Recently the FBI reported that children under 21 commit 72.6 percent of all auto thefts; 62.9 percent of all burglaries; 36.1 percent of all robberies; 36.3 percent of all reported rapes. And, of all those arrested for violation of the liquor laws, 1 in 4 is a juvenile.

These statistical evaluations bear out earlier findings of the subcommittee. In certain cities, for example, we learned that juvenile drinking is definitely on the upswing. Dyer Act violations by teen-agers has caused the subcommittee particular concern, since many of the stolen cars are driven across State lines and the youths then become involved in a Federal crime.

Perhaps the truest indication of the seriousness of the juvenile delinquency picture is found on the front pages of the newspapers all over the country. It is the rare community indeed, that has not had an alarming growth of juvenile crime on its own streets. These newspaper stories dramatize another FBI finding—the nature of juvenile crime is becoming more serious. An ever-increasing number of young people are being arrested for the more serious criminal act. Psychiatrists have told the subcommittee that the crime and horror comic books and the violent television and motion-picture shows probably siphon off some abnormal aggressive tendencies, thus leaving the cause to fester unnoticed beneath the surface, a cause which may suddenly explode into a violent crime. In other words, a childish prank can be transformed into a violent crime.

There are other indications of this more violent reaction by our children. Today juvenile gangs are terrorizing our major cities. Governors and mayors in many areas are becoming so concerned with this phase of the juvenile crime problem, that special commissions have been set up to help the police combat this menace.

The terrorism which erupts onto the front pages of our newspaper is but a small indication of what is simmering within many other youngsters. We only read about the most extreme cases. The delinquency on lower levels, the steps toward the larger crime, often go unreported.

It was against this background that the Senate first commissioned the subcommittee to look into the serious threat of juvenile delinquency. At that time three goals for the study were set:

First, we were to determine the extent and character, the causes, and contributing factors of juvenile delinquency.

Second, we were to focus public attention on the problem, and

Third, we were to judge the adequacy of Federal laws to deal with juvenile delinquency and prepare legislation where necessary.

To achieve these goals, the subcommittee sought the support of qualified citizens all over the country. Top men were loaned to us. A staff of professionals was recruited to conduct the investigation. Emphasis was placed upon finding both scholars who theorized about the problem, and social workers who actually went out and put the theory into operation.

Many professional organizations and universities are now assisting the subcommittee staff to interpret its findings.

The object of our first task was to find the pattern of delinquency in this country. Hearings were held in representative communities and testimony received from those dealing with the problem on a day-to-day basis. From these hearings emerged the basic pattern and specific manifestations of juvenile delinquency. Certain problems were found to be serious in all communities. Some were peculiar to rural areas; others to border areas.

With the extension of the subcommittee this year, we immediately set to work probing into the separate problems of this nation-wide pattern.

Our first investigation was into the relationship between youth employment and juvenile delinquency. We wanted to learn how much connection there was between the inability of some teenagers to find suitable employment and the growth in juvenile misconduct.

Special attention was given to the problem of the "drop-out" student, the child who leaves school at an early age and is not able to obtain a job. This child often drifts from job to job, then to no job, and, in too many cases, sets foot on the road to delinquency.

We discovered that a proper counseling service provided either by his school or by the United States Employment Service might have kept him in school or, if he was determined to leave, found him a job compatible with his personality and ability.

We were disturbed to learn that many children fail to have their best potentialities developed because their school did not have a proper counseling and guidance program.

As a result of the hearings, information on the situation was disseminated throughout the country and programs for meeting the need of the student and in keeping with restricted school budgets were highlighted.

Through proper cooperation and planning between the school and the United States Employment Service, existing facilities can be utilized more effectively than in the past.

In our forthcoming report on youth employment, we make several recommendations which we feel will go a long way toward solving this problem. What is needed is firm Federal leadership and direction for the smaller communities which have neither the money nor the time to conduct studies of their own.

Another phase of our work concerns the impact of the mass media on youth. The first topic within this area to receive consideration was the crime and horror comic book. As a result of the subcommittee's studies, the industry appointed its own code administrator and began serious efforts to clean out the books adjudged to have a bad influence on young people.

Television was the second topic for consideration in our mass media study. At our hearings, we heard from the leaders in the television industry, their critics, and those who have conducted scholarly surveys of the mass media.

The industry, brought face to face with the problem of its influence on juvenile conduct, is already making efforts to improve its programs so that a more beneficial diet will be presented to the child turning to television for entertainment.

We asked the television broadcasters to adhere more closely to their code. We pointed out to them that many violations of their own code are occurring which could have detrimental effect on children. We then asked those not belonging to the Radio and Television Code to join, so that a united front could be presented for better programing. We were also especially interested in having those who produce films for television come under some sort of industry regulation. At present they are subject to no restrictions. Our full television report will be released in a few weeks.

In Los Angeles, we heard from those engaged in motion-picture production. This study was, in reality, an extension of our television study, for the basic principles applying to television also apply to motion pictures.

We also wanted to take a closer look at the Hollywood advertising code, which seems to have been administered far too laxly in the last few years. The predominance of crime, horror, violence, and sex portrayed in film advertisements not only transgresses upon good taste, but also constitutes a genuinely harmful influence on young people.

Both the motion-picture producers and the advertisers have finely worded codes, but too often these codes are violated. When they are violated, so are the minds and sensibilities of our children.

The predominance of brutality in both movies and television is making our Nation's youth insensitive to human suffering. They are becoming so accustomed to an overwhelming amount of crime and violence that death and pain are becoming meaningless.

In studying the mass media, we started from the very proper premise that our society frowns on censorship. We believed then, and we believe now, that American industry can so regulate itself by voluntary codes that Government control in this field should never be necessary.

Now that the industry has been presented with the very revealing facts of its influence on the mores of this country, I am sure they will be more selective in their programing. It is certainly to be hoped that the industry will police itself and not force the Federal Government to intervene.

One of the most shocking of our recent investigations revealed the extent to which pornography was reaching even our very young children, and the terrible influence such filth was having on their conduct.

After our hearings in New York, we estimated that the traffic in erotic photographs, illustrated playing cards, phonograph records, movies, slides, illustrated books and pamphlets, totaled $3 to $4 million a year.

Following our hearings in Los Angeles, however, we now believe that our original estimate was far too low. There are indications that the real traffic in pornography may run higher than half a billion dollars annually.

From testimony received by us, we know that this pornography is reaching the hands of children. In many instances, children are using their lunch and allowance money to pay for this filth.

These thoroughly nasty materials portray the abnormal as normal. They are sold to children by adults. Psychiatrists told us that much of the pornography was deliberately geared to the young and sexually inquisitive mind.

The perversion of the individuals who produce this material was brought home to us with startling emphasis when we learned that they no longer rely solely upon adults to participate in the scenes involving sex which they record on motion-picture film and still photographs. Teen-agers are being enticed into participating as well, led on, in many cases, by unscrupulous adults exploiting their innocence. In one extreme case, children as young as 4 had participated in abnormal sexual conduct before the camera. This happened within a few miles of this Chamber.

Our investigators are still at work on this situation. We have already compiled a list of pornographers unearthed by our hearings and have sent it to police chiefs through the country. As a result, raids were staged in several cities. For example, in Houston, and Minneapolis, large collections of pornographic materials were seized. In both cases, local police chiefs had followed through on specific leads furnished them by our investigators. Testimony by these particular pornographers implicates witnesses who used the fifth amendment before our subcommittee in New York.

Much of the pornography business operates because of loopholes in the Federal law. Now, thanks to the action of Congress, some of the loopholes have been closed. The subcommittee has proposed additional legislation to further tighten the Federal grip on the purveyors of filth to our children.

Delinquency among Indian children is another concern of the subcommittee. Our hearings in the Dakotas last year highlighted the shame of this Nation in the lack of care for its American Indian population. In our interim report, we made strong recommendations for assistance to these tribes. Action on these proposals will alleviate some of the terrible conditions on the Indian reservations. I am pleased that some of our recommendations resulted in executive action to improve certain situations.

This year the subcommittee studied Indian delinquency in the Southwest. While the problem there was a little less strained than in other parts of the country, it was, nevertheless, worse than it should be.

The causes of delinquency there were similar to the causes in other parts of the country—poor housing, poor schooling, poor job facilities.

You simply cannot decently raise a child in the squalor that characterizes some of our Indian reservations. Here is one area where the Federal Government can lead the fight against juvenile delinquency, for the reservations are properly the concern of the Congress.

In March, we held hearings that resulted in the restoration of law and order on the Fort Totten Reservation. A legal controversy had left this reservation without law enforcement. Without this law enforcement, we could not even begin to discuss control of juvenile delinquency.

As an aftermath of this hearing, we appeared before the Appropriations Committee and assisted the Indian Bureau in presenting its arguments for funds necessary to carry out our recommendations.

Much of today's juvenile delinquency must eventually be controlled on the local level. But in our studies, we have found many areas where the Federal Government can directly contribute to the reduction of such delinquency in this country. In all, the subcommittee has turned over to the Congress 19 measures which we feel will alleviate the pressure of juvenile crime. Many other recommendations have yet to be translated into enforcible legislation.

One of the most important measures to come from the subcommittee is S. 728 which I believe will soon be favorably presented to the Senate by the Labor Committee. Under provisions of S. 728, the Federal Government would provide leadership for a coordinated nationwide attack on juvenile delinquency.

This bill will provide the States with funds to initiate new programs for delinquency control and also provide money for training essential personnel skilled in the handling of children's problems. Trained personnel is vitally needed. Almost every community in the Nation lacks the trained people needed to effectively curb juvenile delinquency.

Under S. 959, another measure introduced by the subcommittee, minors will be prevented from crossing the border into areas where narcotics and pornographic materials are sold, and where prostitution does not come under strict control.

The minor will not be able to leave the country without the permission of his parents. This legislation was requested at our hearings in the Southwest, and many officials feel that easy passage across the border into some areas can lead to narcotic addiction and exposure to improper attitudes on sex.

When the subcommittee introduced six bills for correcting delinquency facilities in the District of Columbia, they were hailed by the local press.

Criticism of delinquency control in the District has come from States as far away as Mississippi. The Federal Government has a definite responsibility in correcting this situation, and also has a marvelous chance to demonstrate to the rest of the Nation what can be done to protect our youngsters.

As I have pointed out, our work has only been partially completed. Much important work remains to be done.

In at least 13 major areas, we must conduct further investigations, and this is a minimum figure.

1. We must go back and see if the comic book code is functioning properly.

2. Each year 200,000 children run away from home. Many end up in jail or are sentenced to institutions on charges of vagarancy. This is a serious problem area and needs immediate Federal attention and study.

3. A study of what constitutes a good juvenile court system is needed. The subcommittee feels that the Federal Government should take leadership in establishing a proper juvenile court system. The Federal court system should adopt procedures that can serve as an example for the rest of the Nation. Today the Federal system lags far behind many communities.

It is hoped that out of our hearings will come some idea of how a juvenile court can be effectively run, the size of a staff relative to the cases handled, how much time the court should spend in social study of the youthful offender before the trial, the adequacy of probation supervision, the availability of clinical services and the extent to which they are used, and the professional qualifications needed by judge and staff.

4. A study of the causes for narcotic addiction among minors must be made.

Last year the ready availability of evidence on this topic startled our subcommittee. In California, a chief probation officer frankly reported that the use of narcotics by teen-agers was on the increase. In El Paso, Tex., one reliable witness boasted that he could drive around in his car and find 15 or 20 children under the influence of narcotics. Testimony in Denver, Colo., revealed that among 1 section of the population, 80 to 90 percent of the teen-agers had used marihuana at least occasionally.

The superintendent of the Iowa State Training School for Girls testified that 25 percent of the girls coming into her institution had used marihuana.

One responsible organization estimated that 7,500 youngsters in 1 city alone were under addiction to narcotics.

The most disheartening discovery of our prehearing study is that many youngsters take to narcotics just for the thrill. Once addicted, the road back is long and the cure is uncertain. For instance, only 2 cities in the United States have followup centers for the care of cured narcotic addicts, yet some estimates of recurrence run as high as 99 percent.

5. The recruitment of juvenile delinquents for the armed services presents a series of problems based upon, (1) the increasingly trying demands presented by the volume of juvenile delinquents available for military service; (2) the negative impact that they are believed to have upon service efficiency and discipline; and (3) the expense and confusion attendant to their enlistment and subsequent discharge under the existing conflicts of applicable laws.

This does not mean that the majority of juvenile delinquents may not make good soldiers, sailors, or airmen. It does mean that we have not yet learned how to predict their success or failure in service.

The subcommittee would like to explore what the Department of Defense is doing to develop screening techniques and rehabilitative processes that will be equitable and effective.

6. Delinquency is a problem with which many people, groups, and agencies are concerned. During subcommittee hearings, it has been forcefully brought home time and time again that there is all too often a decided lack of coordination and cooperation among the agencies trying to do the job. And this is true both nationally and in local communities. Unless all efforts are brought into focus, there is bound to be duplication of effort. Worse yet, unless all of these good people and organizations work together, certain aspects of the problem are bound to be neglected or overlooked. It is anticipated

that subcommittee hearings on this topic will result in increased cooperation of these groups. The subcommittee already has helped to establish one nationwide group of civic, fraternal, and veterans organizations to coordinate their activities on juvenile delinquency.

7. Delinquency in rural areas has grown almost twice as quickly as the delinquency in the urban areas. Juvenile gangs, once thought of as merely a big-city problem, has now become a problem, too. It is essential that the subcommittee devote time to a study of delinquency in rural areas.

8. Treatment services and facilities, including detention homes and after-care services, is one area in urgent need of attention. Some people think placing a child behind four walls for a length of time is a cure for delinquency. This is just not so. Too often exactly the opposite happens—the child becomes a hardened criminal.

Every year over 100,000 children are confined in common jails. They are thrown in with hardened criminals and come under their influence for varying lengths of time. Other youngsters are confined in institutions wholely inadequate for rehabilitation. Those institutions geared to meet this problem are sorely overtaxed.

To complicate this already complex problem, there is a severe lack of trained personnel to care for the youngsters.

The lack of uniformity of professional conviction among groups that contribute to the thinking in this field leads to indecision and lack of support on the part of the public and its legislators. This slows down progress in meeting the problem. Federal investigation and assistance is needed to clear away differences and to suggest adequate means of meeting this problem with all available resources.

Specifically the subcommittee plans to:

(a) Study the Federal probation system and Federal youth-correction institutions, with an eye toward having the Federal Government provide the example for State institutions.

(b) Study State institutional handling of minors and detention facilities used by them for minors.

(c) Explore the possibility of establishing Federal forestry camps on a cooperative basis with the States.

(d) Study the type of schooling given in these institutions.

(e) Investigate the entire unexplored area of treatment and responsibility for seriously disturbed children.

9. Another problem needing immediate attention is that of mental health. The emotionally disturbed child whose problems are noted early enough can often be saved from a fearful life of crime and delinquency if treatment is promptly available. All too often, even where there are sufficient mental health facilities, treatment is often available only after months and months of waiting.

This attention to the mental health condition falls under our study of the handicapped, since we define a handicapped person as one who has developed mental problems from a physical impairment or disability. The handicap is the combined physical impairment and the psychological reactions to the impairment as it affects the total personality of the child.

Our hearings may result in legislation that that will enable two or more States to share the responsibility and the cost of a joint facility for handling these cases. The initial cost of such an institution often prohibits one State from going it alone.

10. An increasing number of serious crimes are being committed by the youthful offender—the youngster over the age of jurisdiction by the juvenile court, but still under 21.

The subcommittee hopes to conduct hearings on the extent of involvement in crime of youths between 18 and 21 years of age, and to investigate the detention facilities used on both the State and Federal level for these minors. The entire situation of the youthful offender must come under serious study if we are to reduce crime in this country and prepare all our youngsters for good citizenship.

11. Preliminary reports indicate that in a slum area, as many as 20 percent of the juvenile population gets into trouble with the police.

The subcommittee would like to investigate the adequacy of the Federal housing program in slum areas and the effect of slum areas on juvenile delinquency, in such cities as Chicago, Philadelphia, Pittsburgh, and New York.

12. Great concern to the subcommittee is the tremendous gap between the number of dollars needed for, and the number of dollars allotted to, family welfare work, education, psychiatric treatment and research, police court and probation work.

The subcommittee proposes an overall evaluation of Federal programs in the fields of employment, education, social service, law enforcement, courts, detention, and recreation. Coordination is needed so that the small amount of money devoted to this work is effectively used.

13. I have consistently said that the first line of defense against juvenile delinquency is the school. And I am not alone in my contention. Almost every authority agrees that the school can and must play a major role in juvenile delinquency prevention.

But how can the overloaded, overworked schoolteacher devote her time for personal attention to a child who is obviously headed toward delinquency?

For instance, a child who falls behind in his reading cannot receive the necessary corrective attention from the teacher. The child soon becomes frustrated and dissatisfied. He is ridiculed by his classmates. He acts up in class, so he can be the best in something, even if it is at being the worst-behaved boy in the room. Later he joins a streetcorner gang of boys for whom school has also lost its attention-holding possibilities. And soon the child is in serious trouble. This is only one of the small factors that develop within the school that can lead to delinquency.

Thus the subcommittee will investigate to what extent overcrowded and undermanned schools are actually a contributing cause to juvenile delinquency.

The main areas of consideration would be:

1. Schools which reduce delinquency.
2. Schools which may prevent delinquency.
3. How schools deal with delinquent behavior that is encountered within their walls.

The complex problem of juvenile crime in this country is not the subject for quick, piecemeal examination. Our findings are being added to the literature available on the problem and a growing number of students of juvenile delinquency are turning to the studies of the subcommittee as the only centralized source of information on the problem.

We would not do justice either to our assignment or to the Congress unless our studies were conducted in a sound, scholarly fashion. The subcommittee's approach to its work justifies our findings taking their rightful place beside the other important literature in a field of deep concern to all Americans.

Indications of the subcommittee's growing prestige is the fact that requests have come to us from Europe and Asia seeking our suggestions on juvenile delinquency. Our staff has assisted officials of Canada, New Zealand, Australia, England, and the Netherlands in helping to solve problems of delinquency. Our recommendations have received serious consideration by these authorities, just as our recommendations have received serious consideration from those active in the field in this country.

The demand for our earlier reports became so great that it was necessary for us to appeal to the Congress for an additional grant in order to reprint our major studies. Even this reprinting has not satisfied the demand, as many of you gentlemen can testify, for nearly every Member of Congress has had occasion to write to the subcommittee to request materials on this subject for their constituents.

I want to thank all Members of the Congress for their attention to the problem of juvenile delinquency. Through you, the subcommittee has been able to furnish its recommendations into the hands of the people who can extend our work on the problem to every city in the Nation.

I have spoken only briefly about the vast amount of work being done by the subcommittee. But once we know the causes of juvenile delinquency, we can prescribe some of the remedies. Already we have been able to suggest Federal remedies to alleviate some of the more outward symptoms of this national sickness.

IMPORTANCE OF THE NORMAL, ORDINARY COURSE OF THINGS

Mr. WILEY. Mr. President, one of the problems in connection with news reports is that they tend to concentrate on the unusual, the ofttimes tragic, the dangerous, the fatal, the criminal, and other unfortunate developments.

To keep our perspective, it is important to remember that the great mass of what goes on in the world is not reported, because it is not by definition news. It concerns the regular, the normal, the ordinary, the pleasant course of life.

In the January 1955 issue of the noted magazine Changing Times, published by Mr. W. M. Kiplinger, there was a most excellent article regarding the normal, the ordinary course of things. It gives us a very refreshing and renewed appreciation that the world is in pretty good shape, after all; and that our country and people are in very excellent shape.

The article, witty and brief, makes as excellent reading now as it did then, and I commend it not only for the facts which it presents, but for the wholesome, optimistic, cheerful perspective it gets across.

I ask unanimous consent that it be printed at this point in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOOD THINGS HAPPEN TOO

There are many, many things to be grateful for, but all too often only the gloomy and tragic news rates a banner headline and bold type. To correct this situation, here are some statistics that reflect the sunnier side of life in the United States of America.

There are 162,922,000 Americans who are not members of the Communist Party.

At least 162,944,424 people have not been frightened by seeing flying saucers, piloted by little green men, hurtle through the air.

Some 37,011,460 couples will stay more or less happily married during the year.

On the average, there are 63,868,000 people working to bring home the bacon.

The Internal Revenue Service will find that 43,846,154 income-tax returns for the year 1954 will be filed correctly.

Last year the scheduled airlines safely carried passengers 18,902,134,841 miles in the United States and possessions.

The railroads safely carried passengers 31,674,931,200 miles last year.

Of the 17,824,000 little boys in the country who are under the age of 10, only 6 or possibly 7 will have to go through the terrible ordeal of being President of the United States. And of the 17,100,000 little girls who are in the same age group, only 6 or possibly 7 can look forward to being first ladies of the land.

Some 162,717,890 persons will not die of cancer in 1955.

And 162,380,580 persons will be safe from fatal heart attacks.

About 629,000,000 acres of forest land will not be set on fire by careless smokers and picnic goers this year.

Approximately 33,293,000 children will sit at dinner tables every evening and remind their parents that they really are learning something at school.

Most of the time, 15,720,000 organized workers are not on strike.

P. S.: There are 83 countries in the world that have not discovered the secret of the hydrogen bomb.

THE CONSTITUTION OF THE HARVARD NEW CONSERVATIVE CLUB

Mr. GOLDWATER. Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD an excerpt from the constitution of the Harvard New Conservative Club. It is indeed heartwarming to one who prides himself upon being called a conservative that this great seat of learning in the United States is now nurturing conservatism among its young men. I am happy to offer for the RECORD and for the perusal of all Americans who read the RECORD this very interesting excerpt from the constitution of that new club.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

THE CONSTITUTION OF THE HARVARD NEW CONSERVATIVE CLUB

ARTICLE II

Purpose

The purpose of this club shall be to acquire and disseminate information on conservatism and express the conservative viewpoint to the Harvard community. The club believes that viewpoint to be:

1. That the mind and heart of man dwells within the framework of divine law.

2. That society owes the individual the safeguarding of certain rights, which are best preserved by firm limitations upon governmental authority.

3. That the individual owes society certain duties, which are best guaranteed by respect for properly constituted authority.

4. That among the chief means of regulating the balance between society and the individual is a judicial system, the forms and decisions of which are scrupulously observed.

5. That provision for permitting diversity of opinion is indispensable to freedom of the individual, and therefore, to true conservatism.

6. That the right to private property is fundamental to a truly free society, which idea is best expressed today by the principles of free enterprise.

7. That the experience of history is a valuable guide for present action; and consequently, that in meeting new problems, a society should retain the spirit of the traditions and institutions which it has evolved, adapting them rather than experimenting anew, and discarding them only for grave cause.

8. That any form of totalitarianism or despotism is a complete negation of the freedom of conservatism.

9. And in summary, that moderation is the essential expression of conservatism; that positions on either the extreme right or the extreme left are incompatible with true conservatism.

CONSTRUCTION OF CERTAIN PUBLIC WORKS ON THE MISSISSIPPI RIVER

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1104, Senate bill 56.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 56) authorizing the construction of certain public works on the Mississippi River for the protection of St. Louis, Mo.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Public Works with amendments, in line 5, after the word "in", to strike out "his report dated July 26, 1954" and insert "Senate Document Numbered 57, Eighty-fourth Congress", and in line 7, after the word "of", to strike out "$112,880,000" and insert "$123,020,000", so as to make the bill read:

Be it enacted, etc., That the project for flood protection at St. Louis, Mo., is hereby authorized substantially as recommended by the Chief of Engineers in Senate Document No. 57, 84th Congress, at an estimated cost of $123,020,000.

SEC. 2. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

Mr. SYMINGTON. Mr. President, yesterday this bill was reached on the call of the calendar, and because of the fact that a considerable sum of money was involved, the distinguished Senator from Connecticut [Mr. PURTELL] objected to the consideration of the bill on the call of the calendar. He assured me that he had no objection to the bill itself. As I understand, there is no objection to the bill from any source.

I ask unanimous consent to have printed in the body of the RECORD at this point a statement which I made before the Committee on Public Works. The bill is unanimously approved by all members of the Committee on Public Works, and I urge its passage at this time.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR SYMINGTON BEFORE SENATE PUBLIC WORKS SUBCOMMITTEE ON RIVERS AND HARBORS, JULY 20, 1955

Mr. Chairman, I appreciate very much the courtesy of this committee in granting a hearing to consider authorization of the St. Louis flood protection project.

Sixteen outstanding citizens of that great community, headed by our nationally known mayor, Raymond Tucker, are with my distinguished senior colleague and myself this morning to present this whole problem to the committee.

St. Louis is the Nation's eighth largest city. It is also the only major city on a navigable stream which has no flood protection.

Flood stage at St. Louis is 30 feet.

Since 1861, when the gauge was established, flood stage has been exceeded in 30 different years.

In 1947, the river reached a crest of 40.2 feet, flooding portions of the city for nearly 2 months.

In 1951, the flood crest was 40.16 feet, causing many millions of dollars of property damage.

When the flood stage reaches 35 feet there is not only extensive destruction of buildings, transportation facilities, and public utilities, but also a loss of industrial production, wages, and manufactured goods.

At a flood stage of 42 feet, the city's entire water supply would be cut off.

A 47-foot flood would cause estimated damage of approximately $186 million. This is considerably greater than the total cost of the flood control project.

In 1953, the Congress recognized these facts and authorized a study of the entire situation.

On April 29, 1954, the Board of Engineers for Rivers and Harbors approved the plan submitted by the district engineers.

The plan has also been approved by the Honorable Phil M. Donnelly, Governor of Missouri.

On May 26, 1955, the residents of St. Louis voted overwhelmingly in favor of a bond proposal which included $7,547,000—the local funds required for the flood protection project.

On June 15, 1955, the Bureau of the Budget approved authorization of the project.

The approved plan includes two reaches, Nos. 3 and 4.

Reach No. 3 would consist of 20,207 feet of earth levees and 20,261 feet of concrete flood walls. The total first cost of this part of the project would be $79,508,000.

Reach No. 4 would consist of 13,233 feet of levees and 12,604 feet of flood walls. Total cost would be $51,479,000.

When completed these projects will not only reduce or eliminate flood damages, but also will make possible improved sanitation and health conditions in areas now subject to constant flooding; and will protect railroad facilities and industrial development in areas now unused because of possible flooding.

The plan offered by the Army engineers will provide economic benefits far in excess of the estimated cost.

In view of its importance and the benefits to be derived, in order that a future major flood disaster may be averted, I respectfully urge that this committee approve the authorization of the St. Louis flood protection project.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RESERVE FORCES ACT OF 1955—CONFERENCE REPORT

Mr. RUSSELL. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7000) to provide for strengthening of the Reserve Forces, and for other purposes. I ask unanimous consent for the present consideration of the report.

Mr. MANSFIELD. Mr. President, will the Senator yield in order that I may suggest the absence of a quorum?

Mr. RUSSELL. I yield for that purpose.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of July 25, 1955, pp. 11397–11401, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. RUSSELL. Mr. President, I desire to make a very brief statement on the conference report. The report deals with the strengthening of the Active Reserve Forces of the United States, both as to number and also the level of training. The measure is a very important part of the legislative program submitted to Congress by the President of the United States.

I may say at the outset that the conference report was signed by every member of the conference, on both sides.

One of the principal issues involved in the conference was whether Congress should impose upon men who have served in the Armed Forces the obligation for service in the Ready Reserve, with the requirement that they participate in not less than 48 drill periods each year and go to camp for not more than 17 days, or an equivalent program.

With respect to that issue, the conferees agreed to the Senate amendment in part, and made the obligatory provisions for Reserve service apply to those who enter the Armed Forces after the approval of the act.

The bill as passed by the Senate contained a provision for the payment of a monetary bonus to prior servicemen enlisting in the Reserves during the 2-year period before the effects of the compulsory features would become apparent, in order to induce selected prior servicemen to participate in the Ready Reserve program.

That monetary bonus feature was dropped in the conference, and a substitute was added in the nature of a time bonus.

This substitute permits men who have performed 12 months of active duty, and who are therefore fully trained, to apply for a period of duty with the Ready Reserve, with obligatory participation in drill programs and annual active duty training for a period which, when added to the period of active service, shall total 4 years. If they are accepted, they are to be released from active duty with the regular establishment, and upon termination of the prescribed period of satisfactory duty in the Ready Reserve they are eligible for transfer to the Standby Reserve.

They thus receive a reduction from the total amount of Ready Reserve service normally required of those inducted or enlisted in the armed services under present law.

There is a limitation of 150,000 men each year who can be accepted during the next 2 years under this early-release program.

Another inducement is afforded by the conference substitute providing that any man, after the enactment of the act, who concludes his tour of duty with the Regular Establishment, may discharge his Ready Reserve obligation by 1 year of service in the participating Ready Reserve. This provision likewise terminates 2 years after the enactment of the act, and it is limited to 200,000 applicants each year.

There was another difference between the two bills. The Senate amendment retained the total active-duty plus Reserve-duty obligation of 8 years now in present law. Three years of the eight could have been in the Standby Reserve for those participating in active programs, but there was no obligation to participate in such programs, with weekly drills and an annual tour of active duty of not to exceed 17 days.

This issue was settled by letting the 8-year provision continue to apply to all those who entered the service prior to the enactment of the act, but to reduce this 8-year obligation to 6 years for those who come in after the enactment of the act. That seemed to be a fair decision, inasmuch as those who come in after the enactment of the act have a responsibility for 5 years of total active duty or active participation in Ready Reserve training programs.

I believe that covers the principal issue involved in the bill.

I move the adoption of the conference report.

Mr. LANGER. Mr. President, I wish to speak in opposition to the adoption of the conference report. I realize only too well that the Senate passed the bill last week by a vote of 83 to 1, and that I was the only Senator who voted against it. The distinguished Senator from Montana [Mr. MANSFIELD] was paired against the bill.

I do not believe that the conference report is any better than the original bill which was passed by the Senate. Naturally, I was very much pleased to note that on yesterday 78 Members of the House also voted against the conference report. I was particularly pleased to learn that the distinguished Representative from North Dakota, Mr. USHER BURDICK, who has been in Congress for 20 years, and is pretty well informed as to what takes place in Washington, also voted against the bill.

This morning the Washington Post and Times Herald, on the front page, under the heading Compulsory Home Guard, analyzes the bill, and confirms many of the things I believe wrong with the bill.

The analysis in the Washington Post and Times Herald reads:

HIGHLIGHTS OF THE COMPROMISE

Every man drafted after enactment of the measure would spend 2 years on active duty and 3 years in the Ready Reserve.

A ready reservist must attend each year 48 weekly drills and a 17-day field training period, or 30 days of field training. Failure to do so would subject him to recall into active service under penalty of court-martial.

All of us will agree that is pretty drastic.

The conference report further provides, reading from the article published in the Washington Post and Times Herald:

The President may permit up to 250,000 youths to join the Reserves directly if they are not yet 18½ years of age. They would be draft-free if they remained in the Reserves until they are 28 or complete 3 to 6 months of active training and 8 years of Reserve duty.

In other words, Mr. President, it simply means, in my opinion, that a young man graduating from high school or college will be unable to plan his future according to the custom in the United States.

Reading further from the newspaper article:

The President may summon 1 million ready reservists into action in an emergency without prior congressional approval.

Older men with critical skills would be allowed to enlist in the Reserve, take 6 months of active training, and then be transferred to the Standby Reserve.

The bill also makes provision for men already in the military service who want to volunteer for Reserve duty.

Mr. President, after having voted as I did on the bill the other day, I am particularly pleased to receive a telegram from the President of the Farmers Union of the State of North Dakota, which confirms what was said upon the floor with reference to my position. As I say, Mr. President, I received this telegram after I voted against the measure. The telegram is as follows:

DEAR SENATOR LANGER: The North Dakota Farmers Union is unalterably opposed to all of the compulsory and universal features of the Compulsory Military Training and Compulsory Reserve Bill, H. R. 7000.

The provisions of this bill are bad for the farm families in North Dakota—

I might add, it is just as bad for the farm families in Montana. I believe that is one reason why the distinguished Senator from Montana [Mr. MANSFIELD] was paired against the bill—

whose livelihood and general welfare necessitate the successful and efficient operation of their farms. Forty-eight drill periods annually, coupled with active duty training for 17 days annually, would seriously interfere with farm work and farm responsibilities. You know that in North Dakota farm operators reside on farms which are far beyond the bounds of reasonable commuting distance to points where weekly drill periods would be held.

That also applies to other States of the Northwest, Minnesota, North Dakota, South Dakota, Montana, Idaho, and in my opinion, to many more of the States which make up the so-called breadbasket of the world.

The telegram continues as follows:

Food and fiber are the most powerful weapons we have in the world today to win the battle for men's minds. Crop failure in Russia and floods in China multiply the importance of our own food reserves in a hungry world. The bill would accomplish

the exact reverse of what we need most to wage peace.

Our Nation needs strong Reserve forces. But, if you want a closely knit and well-trained force composed of men who are civilians for all but a few hours a week, they've got to be men who want to do what they are doing. We do not need, and we do not want, a compulsory Reserve force in the United States.

I repeat, Mr. President, that during the entire history of this country, even though we won two world wars, and the war in Korea, now, when we are talking about peace and trying to tell the Eastern World that we are for peace, we have, for the first time, this situation.

I continue reading from the telegram:

We are convinced that a volunteer Reserve and National Guard with adequate incentive and an attractive program is better than compulsion to fulfill national security objectives.

In this connection, Mr. President, I invite the attention of the Senate to the recommendations made by the Farmers Union of the State of North Dakota:

We recommend:

First, strong voluntary Regular Armed Forces buttressed when necessary by Selective Service.

Second, more support and attention given to our present Reserve components, through improved training facilities, increased pay for volunteer duty, with more training facilities and compensation for mechanical and vocational skills necessary in modern mechanized warfare.

England has learned from vastly more experience than we have had in civil defense that military personnel are inadequate for civil defense. Civil defense personnel in England are a specially trained service. We do not regard the provision in H. R. 7000 to require up to 2,900,000 young men to undergo Active and Reserve obligations for a period of from 6 to 11 years to be adequate either for military or civil defense.

We are opposed to the vast cost of the program which H. R. 7000 would establish as a waste of money. We believe our recommendations would give greater security for much less cost.

It is my understanding that it will cost this Nation $3 billion a year. I read further:

We are opposed now, as we have been in the past, to compulsory peacetime military training and particularly opposed to compulsory universal military training in time of peace. We oppose the provisions of this bill which give power to the President and to the Secretary of Defense to call military Reserves into service, and to assign volunteers to military service without action by Congress.

It is my opinion, Mr. President, that when the Constitution was adopted the warmaking powers were left to the Congress of the United States; it is the duty of the Congress to consider carefully such a measure as this. When I analyzed the bill I was unalterably opposed to it.

The telegram continues:

The Air Force, the Navy, and the Marine Corps all depend on voluntary enlistments and do not ask for conscription. Only the Army is demanding the passage of H. R. 7000, and with its compulsory peacetime features. We strongly advocate incentives for voluntary service in the Army similar to the incentives in the other three services.

As H. R. 7000 stands now, no provision is made to eliminate discrimination because of race, creed, or national origin.

That was well expressed by the distinguished Senator from New York [Mr. LEHMAN].

Reading further:

We urge an amendment to H. R. 7000 prohibiting discrimination in any Reserve or volunteer organizations created by the bill.

We also urge you to consider an amendment to H. R. 7000 which would require an individual to have completed his high-school education or have reached his 19th birthday before enlistment. Such a provision would guarantee a high level of intelligence among members of the Armed Forces. Further, this would guarantee that the greatest number of enlistees will have at least a basic education before interruption of their education. The facts are that a high percentage of young men, whose education is interrupted by military service, will never return to the classroom.

Sincerely yours,

NORTH DAKOTA FARMERS UNION,
GLENN J. TALBOTT, *President*.

I might add that since the passage of the bill, my friend and colleague, the junior Senator from Oregon [Mr. NEUBERGER], has introduced a bill which, I think, is very much superior to the conference report. It is a bill which I joined in sponsoring, because I believed it would be more satisfactory to the people of the United States. I compliment the junior Senator from Oregon for having introduced it.

I am not certain that there will be a yea and nay vote on the conference report. In view of the fact that there may not be one, I wish to state once more that I am unalterably opposed to the enactment of this measure and am opposed to the adoption of the conference report.

Mr. SALTONSTALL. Mr. President, I shall not detain the Senate except to say that I commend the chairman of the Committee on Armed Services, who has devoted so much care, time, and effort to working out the difference between the Senate and the House on this very important bill.

I agree with the conference report and hope that it may be adopted. While, in some respects, it does not go as far as we should like to have it go, I trust that it will be administratively feasible and will be of great assistance in building up a Ready Reserve.

Mr. RUSSELL. Mr. President, I thank the Senator from Massachusetts for his kind commendation. Without his constant, unflagging assistance, it would not have been possible to have secured a bill in the form in which it is now before the Senate. There has been no partisanship in the approach which we have made to the preparation of the bill in the Senate Committee on Armed Services.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. SPARKMAN. I express my appreciation to the able chairman of the Committee on Armed Services, to the ranking minority member [Mr. SALTONSTALL], and to all the other members of the committee. This has been one of the most difficult problems to solve. I think an excellent job has been done. I believe that as a result it will be possible to establish a program which will enable the young man to plan his future, so far as his training and schooling are concerned. Those factors have been great weaknesses in our program thus far.

I think an excellent bill has been prepared, and that the committee is to be commended.

Mr. RUSSELL. I thank the Senator from Alabama.

Mr. GORE. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. GORE. I congratulate the able junior Senator from Georgia [Mr. RUSSELL] and his committee upon the congressional leadership which they have provided. In this era, when so much dependence is placed upon the recommendations of the executive, it is heartening to see a display of statesmanship such as that which has been shown by the junior Senator from Georgia and his committee. They have provided, in a legislative matter, with respect to a policy which affects all the American people, the touch of representative government, that particular part of representative government which is closest to the people. I congratulate the junior Senator from Georgia.

Mr. RUSSELL. I am grateful to the distinguished Senator from Tennessee. Whether the committee and Congress have met their responsibilities in this matter, only time will tell. But under the Constitution, the responsibility very definitely is that of Congress to maintain and equip armies; it is not the responsibility of the executive branch of the Government.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. NEUBERGER. I wish to comment briefly on the conference report. Such disagreement as I have is not exclusively with the conference report, which I believe probably represents a reasonable compromise between the two Houses of Congress, but is a general disagreement with H. R. 7000 itself.

I was among the 80 Senators who voted for the bill when it originally passed the Senate by a vote of 80 to 1, the senior Senator from North Dakota [Mr. LANGER] being the only one to have voted in the negative. Since that time I have had an opportunity to study the 393 pages of hearings which resulted from the very exhaustive, thorough, and conscientious study which was made by the Senate committee under the chairmanship of the junior Senator from Georgia [Mr. RUSSELL].

Probably it is my fault that I did not read the hearings prior to the vote on the bill. However, I think it is a matter of record that the hearings were placed upon our desks at noon of the day when we voted upon the bill, so it would have been a superman task, if not an impossible one, to have studied them analytically during the afternoon when the bill was being debated.

Some of the things which I have read in the hearings have led me to believe that the establishment of a compulsory Reserve system at this time is not ad-

visable. To begin with, I cannot see the justification for establishing a compulsory Reserve system of this sort—or of any sort, let me add—when the Regular Army is being reduced in size by 25 percent. When the hearings on the bill opened, the chairman of the Committee on Armed Services pointed out that the compulsion in our Reserve system was necessary only to meet the demands of the Army. He indicated that compulsion was not necessary in order to meet the demands of the Marine Corps, the Navy, or the Air Force. If compulsion is necessary to meet the Reserve demands of the Army, I cannot understand the wisdom of the Pentagon in reducing the size of the Army by 25 percent.

Furthermore, the press has recently carried a statement by the Secretary of Defense that it is perhaps possible he and his associates will not use all the funds which were placed at the disposal of the Marine Corps by a very close yea-and-nay vote of the Senate some weeks ago on the amendment sponsored by the junior Senator from Missouri [Mr. SYMINGTON]. I supported that amendment.

Moreover, I think that, to some extent, certainly, a moral issue is involved. Before I discuss that issue, I should like to amplify one statement which has been made by the senior Senator from North Dakota [Mr. LANGER]. In his very cogent and able remarks in opposition to the conference report, the Senator from North Dakota pointed out that I had recently risen in the Senate to say that I thought I had made a mistake in voting for the bill and had changed my position. I should like to say also that the record is clear that the junior Senator from Michigan [Mr. MCNAMARA], who is now occupying the Chair, also made some remarks in the Senate along the same line. I wish to have the RECORD show this, as we are considering the conference report.

I think a moral issue is at stake in the consideration of compulsory Reserve legislation. During the lifetime of many of the young men who will be called upon to serve in the compulsory Reserve, we have heard fine speeches about drafting money as well as men in the next war or the next military emergency. Today the United States is spending billions of dollars for defense. So far as the economy or the impact upon our fiscal system is concerned, it makes no difference whether a tank is used for war or defense. In a period in which there is no active war, the impact on profits is the same. At present, virtually all the well-known and strict limitations have been removed from armament profits.

I cited on the floor of the Senate recently a few of the things which have happened, and I wish to repeat some of them at this time for the RECORD.

With respect to the profits of the companies which are engaged in producing the weapons which the boys who will enter the compulsory Reserve will handle, in 1945, at the end of World War II, the average value of the 8 leading aircraft stocks had risen about 30 percent over their prewar level. The excess-profits tax expired on December 31, 1953. The average value of those 8 stocks for 1954 was 371.8 percent of prewar value. Last February, when the danger of war in the Pacific seemed high, the average value reached 617.8 percent of prewar value.

Among the greatest suppliers of the Government in connection with defense expenditures is General Electric, for example, whose stock has risen from a value of $37–$50 in 1945 to a high equivalent to $144 in 1954—after the excess-profits tax expired. I could continue to cite many other instances.

Certainly at this time we do not have a situation when there is equality of sacrifice, a theme about which we have talked in the United States for many years.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. LANGER. The Senator may remember that I offered an amendment providing for the drafting of profits or the drafting of money, and stated that if our boys were to be drafted, then money should be drafted. The amendment was rejected on the floor of the Senate.

Mr. NEUBERGER. The distinguished Senator from North Dakota refers to the amendment which he submitted on the evening the Senate voted on the Reserve bill, does he not?

Mr. LANGER. That is correct.

Mr. NEUBERGER. I believe the amendment was ruled out on a point of order.

Mr. LANGER. No. The Senate voted on the amendment. An attempt was made to rule out the amendment, but the Senator from Kentucky [Mr. BARKLEY] stated it was proper to vote on it, and the Senate accepted his view. We tried to get the yeas and nays ordered on the amendment, but could not, and the amendment was defeated by voice vote. I remember my distinguished friend from Oregon was one who voted for it.

Mr. NEUBERGER. Yes. I believe I took the opportunity to say that if I had had a chance to record my vote it would have been in favor of the amendment offered by the distinguished Senator from North Dakota. I thank the Senator from North Dakota.

Mr. President, equality of sacrifice between the boys in the service, on the one hand, and the manufacturers of armaments, aircraft, and other weapons, on the other hand, does not exist in the United States today. Every time one looks at the financial pages of the New York Times, the Wall Street Journal, or other important papers, he will find that the profits of companies selling to the Armed Forces petroleum, aircraft, tanks, electronic equipment, or anything else are soaring to new heights. Yet at the very time that is occurring we are whittling down and curtailing the benefits which were formerly provided for the boys in service.

I think it is quite significant that in January of this year the administration let expire the schooling privileges provided in the GI bill of rights, which was the heart of the law and the feature that meant most to the boys in the Armed Forces. If there was one particular feature in the GI bill of rights which was held up by veterans' organizations and the men in service, it was the one which provided that our Government would give financial assistance to boys who had been in the service to enable them to go to college or complete their education after leaving the service. Yet the administration—and the Congress has its share of the responsibility—let die the schooling privileges of the GI bill of rights at a time when for the first time we were providing for compulsory Reserves.

While it is not so important as the schooling privileges were, I notice the free mailing privilege for our servicemen in Korea has just been eliminated. In other words, all the former sensitivities which went some little way toward equalizing the sacrifice—such as the ability of men in service to go to college, the ability of a soldier to sign a letter and drop it in the mail without a postage stamp—have been abrogated.

I have a bill on my desk, which I intend to introduce, which will restore the free mailing privilege for soldiers serving outside the continental limits of the United States. I think that would be a little token. That is the least we can do.

I realize, along with the senior Senator from North Dakota, that we will probably not have a rollcall vote on the conference report, but I want to be recorded as voting in the negative on the conference report. I feel that at a time when the Regular Forces of the United States have been arbitrarily reduced by the Pentagon—whether as a strategic measure or as an economy measure, I do not know—it does not seem justifiable to establish a compulsory Reserve. Nor do I believe we should establish a compulsory Reserve system at a time when not only has the excess profits tax law been allowed to expire, but when in the tax bill of 1954 vast concessions and great benefits have been conferred on the large corporations of the country which are producing vast numbers of weapons that the boys in the Armed Forces will be called upon to use.

Equality of sacrifice is the cornerstone of a great democracy. I do not believe that equality of sacrifice exists today, when we are about to vote on the conference report for a compulsory Reserve.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

SUPPLEMENTAL APPROPRIATIONS, 1956

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate the unfinished business.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which is H. R. 7278.

The Senate resumed the consideration of the bill (H. R. 7278) making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that my colleague, the distinguished Senator from North Carolina [Mr. SCOTT], may be permitted to have printed in the RECORD a statement which he has prepared on the supplemental appropriation bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SCOTT

The national wildlife refuges together constitute an institution of great interest to many millions of Americans. The intrinsic value of these reserved wildlife lands must be very great. They help sustain the recreation of hunting for which more than 14 million Americans bought licenses last year. Our foremost wildlife experts agree that without this system of refuges, the wild ducks and geese of America would soon dwindle to remnant flocks of rare species.

These areas also have helped save the elk, the antelope, the bison, the big-horned sheep and other species from extinction. The little band of whooping cranes—only 23 were left alive in the world last spring, counting two crippled birds in a New Orleans zoo—would long ago have passed into the limbo of extinct wildlife had it not been for the Arkansas Wildlife Refuge in Texas, which gives the great white birds winter sanctuary.

The wildlife refuges have other social values. Many millions use them for fishing, for camping, for nature study and other forms of outdoor recreation.

The Wichita Mountains refuge, spectacular piece of native America as it is and located among the thriving cities of Texas and Oklahoma, is one of the best in this respect. Nearly a million persons used this area for recreation last year. During 1955 the visitation is expected to exceed one million.

I am opposed to transferring 10,700 acres of this valuable wildlife area for what appears now to be more of a whim of the Army than a demonstrated defense need. I make this statement advisedly.

I say the Army has not demonstrated that the proposed land acquisition is necessary because for years it has been using all types of artillery at Fort Sill for which it says it now needs the additional area. It has not demonstrated the need because the Department of the Interior has offered an alternative plan, one which would permit use of refuge lands for gun emplacements, for maneuvers, and for other operations as required by the artillery school.

If a reasonable arrangement can be worked out for Army use of the refuge lands in a manner that will not destroy the value of these lands for conservation and recreation, then I say the Army does not need to own the lands outright. If the commanding officers at Fort Sill feel they need new places to go hunting and fishing, let them find those places like other citizens, and buy the required hunting and fishing licenses like any other sportsmen.

I say it appears to be a whim of the Army because in presenting their case for transfer of the refuge lands, they have told committees of the Congress that the lands in question are inaccessible, closed to the public, and of little value for wildlife. These statements are in error and are misrepresentations of fact.

Let's tell the Army to try out the proposal made by the Department of Interior. Let's tell them to try it out honestly, in good faith, and see if they can't preserve the wildlife refuge while they continue to train the best artillerymen in the world.

JAPAN: ECONOMIC REALITIES AND PEACE

Mr. MANSFIELD. Mr. President, in recent weeks attempts have been made to work out a settlement of the situation in the Formosan Straits. As the senior Senator from Georgia [Mr. GEORGE] so significantly pointed out last Sunday, the Formosan Straits area still is a point of great danger. The policy of our Government seems to be one of accepting a so-called de facto cease-fire in the Formosan Straits. The United States cannot afford a policy of drift and drag in this area because of its explosive potentialities.

For some time now it has been indicated that a number of Asians, such as Nehru and Krishna Menon, of India, and U Nu, of Burma, have tried to work out ways and means of bringing about a settlement of the situation in the Formosan Straits. Yesterday, according to press reports, India and Burma arranged for meetings in backstage discussions with Red China and the United States—for ambassadorial negotiations—to begin in Geneva on August 1 between U. Alexis Johnson, United States Ambassador to Czechoslovakia, and a Chinese official of comparable rank. While this does not indicate de jure recognition of Communist China by this country, it is a step forward in de facto recognition, even though it is expressly stated that no recognition is implied in these meetings and recognition will not be discussed.

In another area in the Far East we find that the United States is reported to have agreed with France and Great Britain to bring pressure on Premier Ngo Dinh Diem of Free Vietnam to meet with the Communist Viet Minh to arrange, in accordance with the Geneva Agreement of a year ago—that is, the Geneva agreement of 1954—for next July's elections in all of Vietnam. This, too, was supposedly arranged in side talks at the Geneva Conference. I sincerely hope that the United States Government recognizes Premier Diem's position in relation to the repeated violations of the Geneva agreements by the Viet Minh in refusing to allow refugees to go south, in refusing to release French and Vietnamese prisoners of war, and in aiding and abetting the Pathet Lao in the Laotian provinces of Sam Neua and Phong Saly, and the fact that South Vietnam was not a signatory to the Geneva Agreements of 1954.

These reports indicate that at the Geneva Conference of 1955 Asian matters were the subject of some consideration, at least in informal meetings. They emphasize the need to keep our sights on the second of the two principal areas of decision in the world, namely, Japan.

The first is Germany. In remarks in the Senate on August 14, last year, I noted that—

> The tide of international affairs is flowing on in the aftermath of Geneva to new crests elsewhere on the globe to areas which in the next months may become keys of decision in the struggle to turn back the drive of totalitarian communism. These areas are Germany and Japan.

On several occasions since last August, I have returned to this subject in discussions in the Senate. By so doing, I have sought to clarify my own understanding of developments in Germany and Japan. I have also hoped to keep a focus of attention on these two areas, in order that their importance might not be lost in the dazzle of Soviet peace offensives, summit meetings, and spectacular events elsewhere. Too often in the past we have allowed more colorful sideshows to sidetrack us from the main problems. As a result, we have had a series of crises in our foreign policy; and to a large extent we have responded with a kind of crisis foreign policy. That has been true most frequently in the Far East—in Korea, in Indochina, and in Formosa.

We have done somewhat better in Europe. We have had in that region clearer objectives and a more rational pattern of policy for their achievement. Together with other free nations, we have held the initiative in Europe, with a few setbacks, ever since the days of the Marshall plan. The great test in that area, however, is now coming in Germany. It is the test of whether Germany shall remain welded to the structure of peace which Americans and other free peoples have given so much to build in the Western World. The "summit meeting" just concluded has served to emphasize that fact.

On June 23 last I discussed some of the problems that are approaching a climax in Germany. I should like, today, Mr. President, to turn briefly to the potential crisis in Japan which I reviewed at some length on March 28 in the Senate.

At this time, Japan occupies in the Far East a position similar to that of Germany in Europe. Japan, like Germany in Europe, is the key to war or peace in the Far East. There is little likelihood of a real settlement of present difficulties in that part of the world unless Japan is a party to it; nor is there likely to be in that part of the world a major war into which the Japanese will not inevitably be drawn.

If we are to avoid a crisis over Japan, as we failed to avoid crises in Korea, Indochina, and Formosa, we have got to recognize certain realities which exist in the Japanese situation, and particularly in the Japanese economic situation. In the Far East, Mr. President, all our objectives, including our self-interest, require an independent and self-supporting Japan living at peace among other independent, self-supporting Asian nations. Such a situation will permit trade and scientific and cultural relations to flourish, with consequent benefit to us, as well as to others. It will provide an atmosphere in which the concept of human freedom can survive and grow in the Far East.

What we do not want in Japan or Asia is colonialism, Soviet or any other kind. What we do not want are permanent and expensive dependencies of our own. It is one thing to give assistance to nations, to tide them through difficult times, to advance our common interests. It is another to keep them on a perpetual dole. The first builds strong ties of friendship. The second plants the seeds of enmity in both giver and receiver, even while the generosity is being bestowed and the words of gratitude are being spoken.

The objective we seek in the Far East—namely, free, self-reliant, peaceful nations—cannot be attained by purchase. It cannot be attained by talk.

It cannot be attained by bombs, atomic or otherwise. It can, I am convinced, be reached by recognizing the realities of the situation in Japan and the Far East, and by doing what we can do with reasonable prudence in our foreign policies to meet them.

The first reality is that since the end of World War II, the Japanese people have moved away from the institutions which led them into that disastrous conflict. This does not mean, however, that the Japanese people are permanently free of aggressive totalitarianism. It would be delusive for them, as well as for ourselves, to assume that they are. A new totalitarianism could be induced in Japan either by Asian communism from the mainland or by forces within Japan itself or by a strange alliance of both.

Whether the Japanese retain and strengthen their present tenuous grip on freedom depends not only on Japan, but also on what the nations which have a vital stake in that part of the world do or do not do. Neither our Nation nor any other nation can preserve freedom in Japan. That can be done only by the Japanese people themselves. But our Nation and other nations can give them the chance.

Freedom will not survive in Japan unless the basic difficulties of the Japanese economic situation are recognized and are dealt with in time. If that situation is allowed to become desperate, desperate remedies will be sought—totalitarian remedies which may well plunge the entire Pacific into a new conflict.

Japan has not yet reached the stage of desperation, but the danger is nevertheless a real one. I have said this before, as have others, but it bears repeating: The problem of the Japanese literally is that they must fish and trade abroad on a vast scale if they are to sustain themselves over the years. To put it more simply, the question the Japanese are constantly asking themselves is, in effect, "Where is our next meal coming from?"

In their islands, which equal in area the size of Montana, they simply do not have the resources to support 90 million people in a tolerable fashion in any other way. The problem, moreover, grows increasingly acute year by year as Japan's population rises.

Since the end of World War II the Japanese have been unable to either fish or trade on an adequate scale. Important fishing grounds off the northern Asia coast have been closed to them by the policies of the Communist countries and Korea. Their trade with the Chinese mainland, once a mainstay of their economy, has been reduced to insignificance, largely because of political considerations. To cite just one figure, Japanese trade with China amounted to $423 million in 1937–38; in 1954, it was $60 million. The search for satisfactory substitutes in southeast Asia and elsewhere has not been conspicuously successful.

In the past 10 years, the margin between survival and starvation in Japan has largely been provided by the United States. It has been provided in the form of gifts, aid, military expenditures, and concessions of various kinds. Mr. President, that sort of makeshift approach cannot go on indefinitely. In Japan, there are already signs of resentment against our country, stemming in large part from the dependency which these makeshift remedies imply. Moreover, on our part, the endlessness of vast expenditures for foreign aid has begun to tax more than the pocketbooks of increasing numbers of Americans can stand; it is beginning to tax their patience and faith in the policies that make them necessary.

That the Japanese are becoming restless in their present relationship with our country is indicated by a dispatch from Tokyo, by Foster Hailey, which appeared in the New York Times of July 15, 1955. According to Mr. Hailey, in Japan there is increasing opposition to the extension of United States airbases and to the continued presence of American ground forces in Japanese territories.

The Japanese have been reluctant to accept the fact that these American bases are essential, even though their defense forces are presently inadequate to the defense of the islands. They have only 160,000 personnel, armed largely with light weapons, light ships, and obsolete, propeller-driven planes. The Government of Japan has been promising to increase this force to 259,000 men, armed with modern weapons, but is moving very slowly in that direction.

In recent months, we have been moving away from one-way aid to Japan, and that is all to the good. The recent modifications in tariff schedules, for example, should permit an increase in Japanese exports to this country. That means that we shall get something for the dollars which in the past have flowed to Japan, with little or no return. The Japanese, in turn, will have an opportunity to become more self-supporting. But these tariff reductions are not going to make the difference between solvency and insolvency in Japan. No tariff concessions that are likely to be undertaken in the foreseeable future are going to make the difference. If we face the facts bluntly, we will recognize, I believe, that there are limitations in this country on how far the remedy of tariff reductions can be invoked.

And even if there were not, it is doubtful that the natural flow of Japanese trade is predominantly in the direction of this country. The natural course is toward neighboring areas—toward Korea, the Philippines, Formosa, Indonesia, and Southeast Asia. These areas have the food and other products which Japan requires, and Japan has skills and productive capacity which they can use. Thailand and Burma alone, for example, are currently supplying Japan with some 600,000 tons of rice a year, more than half her total imports.

As the distinguished chairman of the Committee on Foreign Relations [Mr. GEORGE] pointed out some time ago, the natural direction of Japan's trade is also toward the Asian mainland, toward China proper and the Soviet maritime provinces.

That factor, among others, explains why Japanese and Russian diplomats, headed by Ambassador Jacob A. Malik and Shunichi Matsumoto, are now meeting in London. They have under consideration the problem of ending World War II between the two countries and restoring diplomatic relations; but the possibilities of trade between the two countries also enter into these talks. Japan is an independent country, and has every right to pursue these possibilities.

I doubt, however, that trade ties between the two countries are likely to help stabilize the situation in the Far East unless certain other questions are also dealt with. If the recent Russian overtures toward Japan are sincere, they should lead to the return of Japanese war prisoners still detained on the mainland of Asia. They should lead to territorial adjustments in the vicinity of the Kurile Islands. They should lead to a restoration of fishing concessions in north Asian waters, which the Japanese people so desperately need. They should lead to Soviet support of Japan's entry into the United Nations. The Russians have an opportunity to promote stability in the Far East in the current talks with Japan, if that is what they really desire, by acting constructively on these outstanding problems.

The Japanese are also seeking increased trade with Communist China. There have been exchanges of private missions between the two countries, and other preliminaries to an expansion of commerce. Again, Japan in pursuing trade with China is acting within her rights as an independent nation. In this case, however, it is also proper for the Japanese to continue, as they have so far done, to limit themselves by the terms of the United Nations trade embargo against the Chinese Communists. That embargo, in a sentence, means no trade in strategic materials with China while the Communist aggression in Korea remains unrectified. Japanese cooperation in the embargo is fitting and essential, especially since Japan seeks membership in the United Nations and has associated herself with the action in Korea.

Beyond the embargo, however, the Japanese should not be expected to forego what trade they can develop with Communist China. The United Kingdom, West Germany, and other free nations have not done so. On the contrary, many are heavily engaged in it. Some 20 percent of Communist China's trade is carried on with countries outside the Soviet bloc.

Mr. President, if there is to be stability in the far Pacific, it is inevitable that commerce will flow between Japan on the one hand and the Russians and the Chinese mainland on the other. Nor need we deplore that fact. On the contrary, the trade could be of considerable benefit to Japan and could help to strengthen freedom in that country. It seems to me that any peaceful measures which enhance the economy of Japan at this time add to her capacity for independent existence. Trade with the Communist nations will be dangerous only if it becomes the most important factor in Japan's survival, if Japan is reduced to abject dependency on it. The Japanese

will never reach that stage of dependency, however, provided strong, mutually beneficial economic and other ties are forged between Japan and the free nations in the Far East and elsewhere.

It seems to me that the responsibility for developing such ties rests not on Japan alone, not on this country alone—but on all nations with a stake in peace and in freedom in the Far East. In discussing these questions in the Senate last March 28, I listed seven tangible ways as illustrative of the manner in which a positive American policy on Japan might help to develop these ties. Upon that occasion I said:

A positive foreign policy on our part would seek to obtain the widest possible international agreement on these points:

1. Immediate admission of Japan to the United Nations.
2. Territorial adjustments along Japan's borders.
3. Japanese participation in any international conference for the general settlement of Far Eastern problems.
4. Japanese access to fishing grounds open to them before the war, on a responsible and equitable basis.
5. Encouragement of a regional investment pool in the Far East with full Japanese participation.
6. Encouragement of the use of Japanese skills in the technical assistance programs of the Far East.
7. Convening of a series of Far Eastern conferences to deal frankly and realistically with the related problems of Japanese reparations and freer trade within the region, and similar issues, the solution of which will make possible a self-supporting Japan in a self-supporting Asia.

One point which I made then and have repeatedly urged since that time is the need for a series of special economic conferences among the nations with important interests in the Far East. There is, in my opinion, a need for such conferences to deal frankly with the problems of trade, economic and technical development in that region. To the extent that the preponderance of Japanese economic interests can be pursued in concert with the United States and other free nations, to that extent we need not fear Japanese trade with the Communist nations on the Asian mainland.

I have no doubt that there will soon be a call for a meeting at the summit in the Far East, or at least one step short of the summit. Mountain climbing exercises a strange and contagious fascination for those who indulge in it. Having scaled the peaks in Switzerland around Geneva, it is to be expected that those in the Himalayas will beckon.

Before we rush to meet these new challenges, however, let us recognize some sobering facts. In the first place, any real settlement in Asia involves more than a meeting between this country and Communist China. Perhaps, as has been suggested, such a meeting is a necessary preliminary. A lasting peace in the Far East, however, requires the participation of Japan, the free governments of Korea, Vietnam, and Nationalist China, the signatories of the SEATO pact and other Asian nations.

We have not built among these nations the strength of unity which was developed in Western Europe and made possible a satisfactory meeting at Geneva.

That is why I have joined many others in a repeated emphasis of the importance of Japan and the development of stronger ties among the free nations in the Far East.

Japan has much to contribute to the progress of Asia and the world. It is up to the Asian nations, to this country, and all countries with interests in the far Pacific to see to it that the Japanese have an opportunity to make that contribution in peace. We need to start now to provide that opportunity, before we get to the summit.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MANSFIELD. I am delighted to yield.

Mr. SPARKMAN. First, I wish to commend the able Senator from Montana for having made this speech on the importance of Japan, and some of the economic problems affecting Japan.

I ask the Senator from Montana if he does not consider Japan to be, in large part, the keystone to the Pacific.

Mr. MANSFIELD. I agree with the distinguished Senator. I do not believe there is any question that Japan is not only the keystone of the so-called island barrier chain, militarily speaking, but that economically she is the keystone to the Pacific as well.

When we bear in mind that the Japanese Empire is about 10,000 square miles smaller than my own State of Montana, with its population of 650,000 people; and when we keep in mind that the Japanese Empire has a population of approximately 90 million, with an annual increase of 3 million, and that not more than 16 percent of the land is arable, we begin to realize how important is the Japanese need for trade and food, and that the Japanese Empire itself presents the greatest potentially explosive area in the whole arc of the Far East.

Mr. SPARKMAN. I wonder whether the Senator would agree with me that it is of the greatest importance that Japan remain oriented to the western powers.

Mr. MANSFIELD. Absolutely.

Mr. SPARKMAN. And that she remain a part of the free world.

Mr. MANSFIELD. Yes, indeed.

Mr. SPARKMAN. The Senator from Montana is to be commended for pointing out some of the practical problems. We recognized from the very end of World War II that Japan would become a part of the democratic free world. We had a great task on our hands. As the Senator has so well pointed out, it has been pretty well taken care of heretofore by expenditures we have made in Japan in support of the Korean war and in support of many economic developments inside Japan.

The time has come for those programs to come to an end. Therefore, Japan must look to her trade with the rest of the world in order to be able to buy the food she needs to supplement the food which she grows, in order to feed her people. Is that correct?

Mr. MANSFIELD. The Senator is correct. It is also necessary that Japan build up her foreign trade in order to enable her to retain her freedom, independence, and integrity as a member of the free nations.

Mr. SPARKMAN. The Senator has remarked on some of the effects of recent tariff changes. I come from an area which is greatly interested in textile production. Our people have been greatly concerned by the threat of increased textile exports from Japan to this country. Of course, reference is often made to the low wage paid to the Japanese worker, as contrasted with the high wage paid to the American worker.

Does the Senator believe it would be possible to build a tariff wall high enough to make up for that differential?

Mr. MANSFIELD. I doubt it very much.

Mr. SPARKMAN. I would say that certainly it cannot be done. A tariff wall cannot be built sufficiently high.

Mr. MANSFIELD. The Senator from Alabama knows that I am naturally a very cautious man. I understand the Senator's feelings about the creation of a tariff wall, and I am in agreement with him. I point out that it is a coincidence that we are discussing this matter on the day on which the late great Secretary of State, Cordell Hull, is being buried at Washington Cathedral. He was one who believed in breaking down barriers and encouraging free trade among nations of the world in the interest of peace. While we are in accord with that point of view, we recognize also that if we lower our barriers, we expect other nations to do the same.

Mr. SPARKMAN. I wish to lead up to a point contained in the able Senator's very fine address. It deals with the subject of reciprocal-trade agreements. Does not the Senator believe that the solution probably lies not only in an expanded trade area, as he has so well pointed out, on the mainland of China—that is, aside from strategic materials—and in Southeast Asia, but also in the field of multilateral agreements, which would involve this country, for instance, with Indonesia, which in turn would execute an agreement with Japan and with other nations, and in that way open an expanded trade area from which Japan could benefit?

Mr. MANSFIELD. It would be worthwhile. I agree with the Senator from Alabama.

Mr. SPARKMAN. I should like to ask a few other questions of the Senator on another subject. At the beginning of his speech he made the statement that the United States was reported to have agreed at the Geneva Conference, along with France and Great Britain, to pressure South Vietnam to meet with representatives of North Vietnam with reference to elections. He had reference to the elections, he said, which were to be held in accordance with the Geneva agreement of a year ago. Then he said, "This, too, was supposedly arranged in side talks at the Geneva Conference." To which Geneva conference does the Senator refer in the latter instance?

Mr. MANSFIELD. The Geneva Conference of 1955, the conference of last week.

Mr. SPARKMAN. The one just concluded?

Mr. MANSFIELD. That is correct.

Mr. SPARKMAN. I do not recall having heard about that agreement. I do not believe it was referred to in the President's address of last night. Is the Senator well advised that there was such an agreement as that?

Mr. MANSFIELD. No; I do not believe that it was in the President's address of last night. Unfortunately I did not listen to the address. I intend to read it in detail very shortly. However, my information in that respect has come from the press coverage of the Geneva Conference, and it would appear to be reliable.

Mr. SPARKMAN. In the President's address last night, he said:

> This agenda contained German unification and European security, disarmament, and increased contacts of all kinds between the East and the West.

He lists various items—

> I can assure you of one thing. There were no secret agreements made, either understood agreements or written ones. Everything is put before you on the record.
>
> Now, outside of these conference meetings, there were numerous unofficial meetings, conversations with important members of the other delegations, and, of course, very specifically with the Soviet delegation.

Frankly, I had not heard of the agreement to which the Senator referred. I attended the session of the Committee on Foreign Relations yesterday afternoon, and I did not hear of such an agreement.

Mr. MANSFIELD. I may say that the President is very likely correct in his statement, because he was reporting, I assume, on the formal aspects of the Geneva Conference. As I tried to point out in my remarks today, these other matters were arranged in side talks, in which, I assume again, certain members of the American delegation were kept advised by Great Britain, for example, as to what the situation was vis à vis Formosa and Indochina. On that basis, supposedly, the newspaper reporters did a little digging and came up with conclusions which seem reliable.

I did not raise these questions with Mr. Dulles when he appeared before the Committee on Foreign Relations yesterday afternoon, because I wanted to discuss them today. If I had raised them and then had discussed them, a question might have been raised as to my position in this matter.

Mr. SPARKMAN. I realize that the meeting yesterday was on a confidential basis. My reason for asking these questions is that it has been a matter of considerable interest and concern to me that the elections in Vietnam have been set for next July. The Senator from Montana has visited Vietnam on different occasions. He knows something of the conditions there. Perhaps he can ease my concern. I have had the understanding that the elections, if they should be held next year, might be disastrous for the free world.

Mr. MANSFIELD. The Senator is correct, because, under the Geneva agreement of 1954, the cards were stacked in favor of the Communist Viet Minh regime. We find a state of affairs wherein Premier Ngo Dinh Diem has been having extreme difficulty in achieving the strength he needs to bring independence and freedom to his country. Now he is on the road to success. His ability, his energy, his integrity, and his honesty are at last being recognized for what they are.

Furthermore, when we consider the fact that the Premier was placed in office after the Geneva Conference of a year ago, supposedly to go down with a sinking ship, and when we consider how much he has salvaged within that time; when we consider the fact that South Vietnam was not a signatory to the agreement of a year ago, and neither was this country; when we consider the fact that the Communists of North Vietnam have constantly broken the agreement at Geneva, violated the terms of the truce, and refused to permit refugees to go south as they wanted to; when we think of the fact that they participated aggressively a few weeks ago against the Government of Laos; when we know that there are at least 10,000 Vietnamese and French Union prisoners still being held by the Viet Minh—when we think of all this, and of the things which the Premier has done, and then think of the election next year, if we go forward on that basis, the results may not be too good. But that is something which Mr. Ngo Dinh Diem himself will have to solve.

I certainly hope this country will not lend its prestige to the efforts of the French and the British who have sought to pressure the Premier to do things which he knows will not be to the best interest of his country or of the free world.

Mr. SPARKMAN. I thought that would be the attitude of the Senator from Montana; and yet in his speech, he says he understands an agreement was made at the Geneva Conference for the United States to join with England and France in putting such pressure on. Do I interpret the Senator's speech correctly?

Mr. MANSFIELD. If I may refer to that particular part of my speech again, I stated:

> We find that the United States is reported to have agreed with France and Great Britain to bring pressure on Premier Ngo Dinh Diem of free Vietnam to meet with the Communist Vietminh to arrange, in accordance with the Geneva agreement of a year ago, for next July's elections in all of Vietnam.

That was reported. It may be the report was in error. If it is, I would expect the State Department to make the matter clear in this respect. But I considered the report reliable, and, therefore, I have used it at this time, making it very clear that it was a report and not an official statement.

Mr. SPARKMAN. But, in the opinion of the able Senator from Montana, the problem in Indochina remains acute, and it is certainly something we should not shrug off indifferently.

Mr. MANSFIELD. We would shrug it off at our peril. I think we should give as much aid as we can. I do not mean American military intervention, but economic and financial assistance, in building up security forces and strengthening their economies so that the internal conditions in the States of free Vietnam, Cambodia, and Laos can be improved both politically and economically.

Mr. SPARKMAN. I thank the Senator from Montana.

Mr. MANSFIELD. I thank the Senator from Alabama.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had agreed to the concurrent resolution (S. Con. Res. 40) to designate the period from September 17 through September 23 as Constitution Week.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 2109) to authorize permanent appointments in the United States Navy and in the United States Marine Corps.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6382) to amend the International Claims Settlement Act of 1949, as amended, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. RICHARDS, Mr. ZABLOCKI, Mr. DODD, Mr. VORYS, and Mrs. FRANCES P. BOLTON were appointed managers on the part of the House at the conference.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

H. R. 2150. An act to further amend section 106 of the Army-Navy Nurses Act of 1947 so as to provide for certain adjustments in the dates of rank of nurses and women medical specialists of the Regular Army and Regular Air Force in the permanent grade of captain, and for other purposes;

H. R. 2755. An act for the relief of Benjamin Johnson;

H. R. 2783. An act for the relief of Andrew Wing-Huen Tsang;

H. R. 2944. An act for the relief of Franziska Lindauer Ball;

H. R. 2947. An act for the relief of Emelda Ann Schallmo;

H. R. 2949. An act for the relief of Jose Armando Quaresma;

H. R. 2972. An act to require the recordation of scrip, lieu selection, and similar rights;

H. R. 3048. An act for the relief of Assuntino Del Gobbo;

H. R. 3270. An act for the relief of Giuseppa Arsena;

H. R. 3354. An act for the relief of Julius G. Watson;

H. R. 3504. An act for the relief of Eveline Wenk Neal;

H. R. 3624. An act for the relief of Olga I. Papadopoulou;

H. R. 3625. An act for the relief of George Vourderis;

H. R. 3629. An act for the relief of Mrs. Nika Kirihara;

H. R. 3630. An act for the relief of Mrs. Uto Ginoza;

H. R. 3726. An act for the relief of Mr. Gino Evangelista;

H. R. 3786. An act to incorporate the Army and Navy Legion of Valor of the United States of America;

H. R. 3864. An act for the relief of Mrs. Elizabeth A. Traufield;

H. R. 3871. An act for the relief of Orville Ennis;

H. R. 4044. An act for the relief of Burgal Lyden and others;

H. R. 4106. An act to authorize the crediting, for certain purposes, of prior active Federal commissioned service performed by a person appointed as a commissioned officer under section 101 or 102 of the Army-Navy Nurses Act of 1947, as amended, and for other purposes;

H. R. 4146. An act for the relief of Adelheid (Heidi) Glessner (nee Schega);

H. R. 4147. An act for the relief of Angelo De Vito;

H. R. 4198. An act for the relief of Howard L. Gray;

H. R. 4218. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment, and to provide certain services to the Girl Scouts of the United States of America for use at the Girl Scout Senior Roundup Encampment, and for other purposes;

H. R. 4280. An act to direct the Secretary of Agriculture to release on behalf of the United States conditions in two deeds conveying certain submarginal lands to Clemson Agricultural College of South Carolina so as to permit such college, subject to certain conditions, to sell, lease, or otherwise dispose of such lands;

H. R. 4284. An act for the relief of Mrs. Mariannina Monaco;

H. R. 4289. An act for the relief of Vladislav Bevc;

H. R. 4455. An act for the relief of Christa Harkrader;

H. R. 4707. An act for the relief of Duncan McQuagge;

H. R. 4717. An act to provide for the release of the express condition and limitation on certain land heretofore conveyed to the trustees of the village of Sag Harbor, N. Y.;

H. R. 4727. An act to permit the issuance of a flag to a friend or associate of the deceased veteran where it is not claimed by the next of kin;

H. R. 4747. An act to provide that reversionary interests of the United States in certain lands formerly conveyed to the city of Chandler, Okla., shall be quitclaimed to such city;

H. R. 4886. An act to provide that active service in the Army and Air Force shall be included in determining the eligibility for retirement of certain commissioned officers of the Navy, Marine Corps, and Coast Guard;

H. R. 5283. An act for the relief of Artur Swislocki or Arthur Svislotzki;

H. R. 5893. An act to amend paragraph I (a), part I, of Veterans Regulation No. 1 (a), as amended, to make its provisions applicable to active service on and after June 27, 1950, and prior to February 1, 1955, and for other purposes;

H. R. 6277. An act to amend subsection 303 (c) of the Career Compensation Act of 1949 relating to transportation and storage of household goods of military personnel on permanent change of station;

H. R. 6396. An act for the relief of Valerie Anne Peterson;

H. R. 6613. An act for the relief of Yuji Doi and Mrs. Matsuyo Yamaoka Doi;

H. R. 6980. An act providing for the conveyance of the Old Colony project to the Boston Housing Authority;

H. R. 7194. An act to authorize subsistence allowances to enlisted personnel; and

H. J. Res. 359. Joint resolution to authorize the designation of October 22, 1955, as National Olympic Day.

ECONOMIC STATE OF THE UNION—1955

Mr. GOLDWATER. Mr. President, under Republican principles, policies, and programs, the economic state of the Union is the best in history. With only a mild slowdown in pace, the transition from the Korean war economy to a peacetime economy was successfully completed. The prosperity this year has already topped the peak of 1953, our previous alltime high.

Employment in June reached 64 million, highest in history. The average factory worker's pay rose to $76.11 a week, an increase of $4.61 over a year ago, while plenty of overtime pay is boosting incomes to record heights. Personal income enjoyed by the American people now exceeds $300 billion a year for the first time in history.

These income gains are real because the cost of living has been kept stable for over 2 years. The Consumer Price Index varied by only one-tenth of 1 percent from December last year to May this year.

With incomes rising and prices stable, the American people have more dollars to spend and each dollar buys more.

Total national production of goods and services—the gross national product—smashed all records in the first half of this year. The previous peak annual rate was $369.3 billion, set in the second quarter of 1953. The pace in the first 3 months of 1955 was $375 billion and in the second 3 months it rose to an estimated $383 billion. There was a record output of such nondurable goods as paper, chemicals, petroleum, and rubber products. Activity in textiles, apparel, and the shoe industries approached alltime peaks. Steel mill output promises to equal or exceed the alltime peak of 1953, while automobile production had the best half year in its history. New construction, now running at an alltime high, is expected to be 11 percent above the previous peak in 1954. June retail sales were 6 percent above a year ago.

Small business in particular is profiting from the record prosperity with its high purchasing power. As further measures to help small concerns, the Republican-created Small Business Administration by May 31, 1955, had approved 2,694 loans totaling $85.6 million, and $567 million in military purchases have been earmarked for exclusive award to small companies.

Good profits and confidence in the future have led businessmen to expand plans for new plants and equipment, which create more jobs.

Prosperous Americans are buying more goods from foreign countries, and worldwide prosperity is making more customers for American products. Comparing the first 5 months of this year with the same period last year, our imports are up 6 percent and our exports are up 11 percent.

Federal Government purchases in the second quarter, on the other hand, were at a $45.3 billion rate, the lowest since 1951, indicating that today's prosperity springs from private enterprise in a peacetime atmosphere.

This prosperous state of affairs does not happen by chance. It has a direct relation to the principles and policies set in motion by President Eisenhower, strongly supported by Republicans in Congress. We have replaced the fear of war with the real hope for peace in the world. We have released the energies of private enterprise and improved the climate favorable to its expansion and progress. Controls have been ended. Government is being withdrawn from competition with its own citizens. Government spending has been reduced, and by more efficient conduct of the public business each dollar spent yields more in services. Research and inventive genius are being encouraged to develop new techniques and products which create more jobs. Depressed industries and geographical areas are being added to reach new adjustments through intelligent planning of diversified activities.

While thus developing sound measures to keep the economy healthy, the Republican administration is continuously alert for signs of excesses in prices, credit, and inventories. It keeps watch for signs of runaway inflation which in former years undermined the health of the economy. On several occasions in the past 2 years the Republican administration has courageously made financial, credit, and other economic adjustments to keep the economy on an even but sustained rise in prosperity.

These are dividends of public confidence and trust in President Eisenhower. They are dividends from Republican principles and policies under which the free economy of our Nation has resumed its long-term march to higher standards of living for all our people.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. SPARKMAN. It is always interesting to hear encouraging reports such as the one the junior Senator from Arizona has just made. However, as I listened to the remarks of the Senator from Arizona, I was waiting to tell about the 4-percent decline in farm income, which was announced by the Department of Agriculture only last week. I wonder what our farmers will do, as prices for the things which they must buy continue to go up, while the prices for the products which they grow continue to go down.

Mr. GOLDWATER. Did the Senator put his statement in the form of a question?

Mr. SPARKMAN. I shall be glad to do so and to have the Senator from Arizona answer it.

Mr. GOLDWATER. I do not think an answer can be fully given until there has been ample opportunity afforded to see what will happen under flexible price controls. While farm income as such has tended to decline, I am certain that the Senator from Alabama will agree with me that the individual farm income, per capita farm income, has risen, I believe, 7 percent since 1947.

In further answer to the Senator's question, because I am certain the Senator wishes my reply to be complete, I think he will agree also that the num-

ber of farmers in the United States has been constantly decreasing for many years. This is not a new phenomenon in the farm picture, because without the intervention of two wars I am certain the Senator would agree that the farm picture would have been bad long ago.

Mr. SPARKMAN. With reference to the reduction in farm population, every effort has been made by the present administration to reduce the farm population still more. It has been the philosophy of this administration that there is no place in American farming for what might be called the marginal farmer, or for what we have known throughout the years as the small, family-sized farm.

If the philosophy of those in the Department of Agriculture who have spoken on the subject were to be carried out, the average sharecropper or tenant farmer or person who barely earns a living on the small farm would be forced away from the farm. I have never understood where in the world such persons would go. I suppose they would simply crowd into the cities and towns and be placed on the relief rolls, there to become greater burdens upon the taxpayers of the United States. That has been the philosophy of those high in office in the Department of Agriculture of this administration.

It has been most interesting to note that as flexible price controls have taken hold, the farm situation has become worse and worse, and as we watch it, we may expect it to become still worse as the real functioning of the so-called flexible price program takes place.

I think that one mistake which perhaps all of us have made has been to rely too much upon some kind of support program, instead of undertaking actually to devise a farm program which would provide a healthy economy for all the farmers of the Nation, including the small family-sized farmers, upon whom our economy has so strongly depended throughout the years.

But this administration has done nothing along that line. It has fiddled while Rome has burned, so far as the small farmers are concerned.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. AIKEN. I believe the Senator from Alabama has called attention to one of the important problems of agriculture and one of the particular reasons why farm income is low today He has pointed out, very properly, the problem of the low-income farmer.

One of our greatest troubles today lies in the fact that there are in this country 1,500,000 farmers who have an average income of less than $1,000 a year. That situation is deplorable indeed. Such a situation brings about lower prices for all farmers, because the small farmers sell to the dealers on the market for whatever price they can get. They are not in any position to take advantage of Government loans, because they usually produce in very small quantities or are entirely unorganized.

Some months ago President Eisenhower sent to Congress a message in which specific attention was paid to the low-income farmers. Such farmers have been with us for generations; we understand that. Their plight is nothing new. But President Eisenhower proposed to do something about it, and he asked Congress for legislation to enable him to expand the farm program so as to help low-income farmers, who must necessarily be treated in a manner different from the large farmers, who can take advantage of the Government support programs.

The President pointed out ways in which the low-income farmers could be helped, and he has asked for a very modest amount of money to be used in helping them. He has proposed aid in securing part-time employment for the farmer by encouraging industry to move into rural areas where there is surplus labor, or where farmers cannot make all their living on the farms.

The President has asked for funds with which to expand the Bankhead-Jones program, so that farmers may acquire economic farm units, and not try to struggle along on farms which are so small that the farmers cannot possibly earn more that $1,000 a year on them.

I had hoped that Congress would respond to the President's request. More than 1,000 counties, or about one-third of all the counties in the United States, are low-income counties; that is, counties in which farmers who are hard up live. I regret very much that after the President had made this request of Congress, the House recently eliminated every dollar of appropriation, I believe, which would have enabled the several departments which would have cooperated to have helped improve the lot of the 1½ million low-income farmers.

I am more than disappointed, upon coming to the Senate today, to learn that the Senate Committee on Appropriations also has eliminated the funds which would have helped the President to carry out his program to improve the lot of the 1½ million low-income farmers.

The President is trying to take some positive action. But, as we know, spectacular results cannot be achieved overnight. This condition has existed for a long time. Sporadically, over the last 25 years, Congress has tried to do something about it. We should continue to try to improve the lot of such farmers. Certainly the Members of Congress who are not in control of the committees concerned in the House and the Senate cannot be blamed for the action resulting in eliminating appropriations which would have made it possible for the Department of Agriculture, the Department of Commerce, and the White House to improve the lot of 1,500,000 low-income farm families, which not only do not make a decent living themselves, but by reason of having to sell for what they can get on the market, drag down the prices which all other farmers receive.

We have tried over the past years to gear our farm programs to the requirements and needs of the low-income farmers. I think we have made a mistake in trying to do that. I believe it is necessary to treat that type of farmer differently. There are in this country commercial farmers who make cost-plus in producing at 65 percent of parity. On the other hand, there are low-income farmers who could not make a living, as they are now operating, even though they were guaranteed 200 percent of parity. They must be treated differently.

I should like to join the Senator from Alabama today in trying to restore the cuts in the supplemental appropriation bill, so that we can make a start in trying to improve the lot of a million and a half low-income farmers.

Mr. SPARKMAN. Let me say I genuinely appreciate the remarks of the able Senator from Vermont. I should also like to say that I would always be willing to entrust the welfare of the farmers to the Senator from Vermont, because I know he has their welfare at heart. First let me say I shall certainly join with the Senator from Vermont in trying to restore the cuts. I presume he was referring to the $51 million for small loans.

Mr. AIKEN. Yes.

Mr. SPARKMAN. And I hope the Senator from Vermont will join with me in helping me to restore or place in the bill a provision to permit the small farmer also to participate in the housing program. Only a small amount is involved.

Mr. AIKEN. The Senator from Vermont has been ready at all times to cooperate in that respect.

Mr. SPARKMAN. I realize that. Let me say, with reference to the small farmer, that the Senator from Vermont has pointed out some of the real problems. I appreciate the program which President Eisenhower sent to the Congress, but I am sure the Senator from Vermont will recall that 2 months before the President sent that program to Congress, the Senator from Alabama had introduced a bill which included every single one of the points of the President, and more, too. As I recall, the President's program provided for the selection of 50 counties in which there would be established a technical assistance program. My bill provided for 500 counties. I think if we are going to tackle the problem, we ought to attack it in force. I recognize that there are 1,000 low farm income counties, and I thought we should tackle the problem on a broad front.

I agree with the Senator from Vermont that we ought to enact legislation on the basis that the situation of the small farmer is essentially different from that of the large farmer. Unfortunately, I do not believe those who are conducting the affairs of the Department of Agriculture make that distinction, because too many statements have been made by them to the effect that too many people are trying to make a living on farms and they ought to get off the farms. It seems to me the whole attitude of the Department is one favoring commercial farming—large-scale, profitable farming.

I do not know that it is so in the area from which the Senator from Vermont comes, but I know that in the section where I live big families live on the farms, and oftentimes if they can make a mere living on the farm, they are doing well. Farming is not merely a means of making

a living; it is a way of life. If we are to maintain vigor in American life and in the American economy, I think we should make sure that we maintain in our agricultural system the means of enabling families on small farms not only to make a living, but to maintain the American way of life.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I should like to bring to the attention of the Senate a letter which I hold in my hand from the editor of one of our largest newspapers, the Pope County Tribune, of Glenwood, Minn., which is in an area of the State which has been traditionally Republican. I should like to read the final paragraph in his letter, which was sent to me last week:

> We out in this section of the country don't see much of the great prosperity which the papers are raving about. There is a mortgage foreclosure running in the paper this week of a man who paid $10,000 on a farm that he agreed to pay $24,000 for. He has had it 2 years and now they are foreclosing on it. He will lose the $10,000 since farmers with their farms all paid for do not have anything left to show for their work during the year. Many small-business establishments are going under all over in this section of the country. An attorney told me recently that collections are the worst since the depression days. If nothing is done so the farmer can get a square deal, look for a recession within the next 2 years that will really rock this country.
>
> Sincerely,
>
> EDWARD E. BARSNESS.

Mr. Barsness is the editor and publisher of the Pope County Tribune.

At about the same date I received a telegram from another good citizen in our State, which reads:

> New crop soybeans in Minnesota for November shipment now $1.88 per bushel to the farmer or 12 cents per bushel below the loan level which was recently reduced to 70 percent of parity. Price has dropped 10 cents since the Department made known its probable abstinence from oil-buying program this year. Also lard has dropped approximately 2 cents per pound. This inconspicuous but important change has already discounted next year's farm income more than $200 million or a full 2 cents per pound on 10 billion pounds edible fats. More declines likely. Suggest you inquire of certain members of the Department how bad they want things to get before acting.

I noticed that the largest bank in New York City, or at least one of the largest banks—I forget the exact name; it is either the National City Bank or the City National Bank; anyway it is one of the large banks, which issues monthly newsletters—predicts farm income will drop another 5 percent in the coming year.

Mr. President, while I have this opportunity, I should like to cite some facts which indicate the state of our prosperity. In the main, in general terms, there is prosperity, but there are some disparities and distortions in the economy which are rather apparent.

For instance, I have figures from the recent report of the Federal Reserve Board for the first quarter of 1955 as compared with 1954:

Corporations' net profits were up 16 percent.

What might be called take-home pay of average individual citizens—that is, those who are in the income bracket of $5,000 or below—was up 1 percent in the same period.

Stockholders' income was up 8 percent.

Farmers' income was down 6 percent.

Food processors' profits were up 17 percent.

I make note of the fact that the farmers' share of the consumers' food dollar was down 6 percent in one year.

Figures recently released also show that in a comparison of the first 3 months of 1955 with the first 3 months of 1954, the profits of Anaconda Copper were up 249 percent; of Pittsburgh Plate Glass, up 123 percent; of Aluminum Company of America, up 104 percent; of General Motors, up 64 percent.

The last is the company which not so long ago had a 3-way stock split, which, by the way, was not exactly a method of going broke or becoming poor.

Profits of United States Steel in the first quarter of 1955, as compared with the first quarter of 1954, were up 62 percent; du Pont, up 27 percent; Standard Oil of New Jersey, up 20 percent.

According to our own indexes made available by the Joint Committee on the Economic Report, the average weekly wage for workers of the country was up only 7 percent; farmers' income was down 6 percent; corporate net profits were up 16 percent. The gross profits of many companies were up as much as 200 percent.

I merely wish to point out that those are danger signs. Lest anyone think these are statements made for political purposes, let me say that I have in my hand a copy of Business Week for July 23, 1955. Under the subject "Trend" appears the lead editorial, which is entitled "The Too Beautiful Boom."

The editorial states, in part:

> The economy has never looked brighter. Every indicator tells the same story of our extraordinary prosperity. * * *
>
> We have always been haunted by the cyclical pattern of boom and bust. As our experience in the 1953–54 recession—

You will notice, Mr. President, it is called a recession.

Mr. SPARKMAN. They admit now there was a recession.

Mr. HUMPHREY. The editorial continues:

> shows, our ability to avoid a serious downturn depends on preventing the distortions that arise when an inflationary pressure is heaped on top of an already vigorous boom.

The editorial then goes on to point out that there are danger signs on the horizon. I, for one, want the record to show that we have relatively good employment figures, even though there are 2½ million unemployed.

We have relatively good employment and we have a fairly prosperous economy. But from the record we find that the volume of time payments is growing much faster than the ability to pay is growing; that consumer credit is at an unprecedented height; that farm mortgage indebtedness is increasing at the annual rate of $1,100,000,000; and that the housing starts, in which the Senator from Alabama is so much interested, have decreased every month since last year. Those are additional reasons why we need a housing bill.

I point out these things, Mr. President, to show that when everything looks as beautiful as some persons from Madison Avenue like to paint it with an artist's brush, it does not necessarily mean that everything is perfect. There are some signs which should give us concern.

Since I have quoted from the editorial, Mr. President, I ask unanimous consent that the entire editorial be printed at this point in the RECORD, so there cannot be any quoting out of context.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE TREND—THE TOO BEAUTIFUL BOOM?

The economy has never looked brighter. Every indicator tells the same story of our extraordinary prosperity: The Federal Reserve index of industrial production has hit a new peak; gross national product for the second quarter is estimated at an annual rate of $380 billion, which tops all previous records; and personal income in May, figured at annual rates, soared over $300 billion for the first time in history.

In its current state of boom, the economy can be likened to the bride who is too beautiful. Business is good—so good that it may in the long run be too good. A growing number of economists are concerned that our phenomenal rate of growth can create maladjustments that will inevitably bring on a decline.

We have always been haunted by the cyclical pattern of boom and bust. As our experience in the 1953–54 recession shows, our ability to avoid a serious downturn depends on preventing the distortions that arise when an inflationary pressure is heaped on top of an already vigorous boom.

INTO THE STRATOSPHERE

There is reason to believe that the boom has reached a stage where it is comparatively easy to rocket up to the stratosphere of inflation. At present, costs and prices are in balance. But the auto and steel wage settlements are already bringing price hikes. As manufacturers are confronted with rising costs, they will tend to increase production and prices. This may, in turn, lead businessmen to build up inventories rapidly—something which usually becomes an excessive accumulation. This is a process we have experienced before in our economy, and the end result is always a painful morning after.

The most important weapon in combating a super boom is a restrictive credit policy. The upsurge in business to date has, by itself, tightened credit. The Federal Reserve Board has wisely refused to make credit freely available, which would have invited inflation.

TO COMBAT INFLATION

It is the duty of the Federal Reserve to use its weapons when inflation threatens. But though many businessmen see the wisdom of general restraint, they protest as soon as they themselves are pinched.

It has often been said in the postwar period that at last we have learned how to even out the swings of the business cycle—and much of the country's growing confidence is based on this belief. It probably is true that we have learned how. But whether we have developed the will power, the capacity for self-denial, to do it is another question.

The critical moment for an anticycle policy is not at the bottom of a slump but toward

the top of a boom. It is at that moment that the credit authorities have to stick to their guns. And it is at that moment that the country in general, especially the business community, has to give the authorities support to harden their nerve. As we see it, that moment is right now.

Mr. AIKEN. Mr. President, will the Senator from Alabama yield to me?

The PRESIDING OFFICER. (Mr. BIBLE in the chair). Does the Senator from Alabama yield to the Senator from Vermont?

Mr. SPARKMAN. I yield.

Mr. AIKEN. In pointing out that today the farmer is not receiving his fair share of the national income, the Senator from Alabama cannot start any argument at all with me, for no one knows better than I do, I believe, that today the farmer is not receiving his fair share of the national income. That situation is not due to any one reason; it is due to a combination of reasons.

I believe that today we have on hand the tools with which to strengthen both the price of soybeans and the price of lard; I do not think a law is needed in order to accomplish that result. However, I point out that the fact that soybeans are selling for less than the support price shows conclusively that farm income cannot be maintained by supports alone, and shows particularly that by that means we cannot do much for the million and one-half low-income persons who are living on farms—those to whom reference has been made by the Senator from Alabama. He is entitled to a great deal of credit for frequently pointing out that situation, and for introducing, last winter, a bill on that subject. I do not know how the bill reads in detail, and I do not know whether I would agree with all the provisions of the bill; but I know that the Senator from Alabama introduced a bill to help relieve this situation.

All of us know that the President sent to Congress a message in which he requested more tools, modest ones, with which to attack and work on this problem. I think the President asked for what he thought he reasonably could get from Congress.

The Senator from Alabama asked for more than he could get from Congress; I think that was obvious from the start. Evidently he was shooting at the ultimate objective, which cannot be realized all at once.

But I believe the House Appropriations Committee and the Senate committee as well has now thrown out even the modest increase proposed by the President over the present programs. The increase proposed by the President is modest, because in many respects the President's proposal would simply increase the programs now in existence and would use them to better advantage.

I believe it will be too bad if the Congress does not go along with the President's proposal and undertake by legislative action to afford needed relief to the million and one-half families—comprising probably 6 million or 7 million persons—who today are living on farms, but do not have the means of a decent livelihood, and in many cases do not have educational opportunities, particularly vocational education opportunities. If they leave the farms, and find work elsewhere, they cannot command high wages, because they are not trained. They are trying to make a living on farms which are so small that even if they received 300 or 400 percent of parity for the crops they produce, they still would be unable to make a decent living.

So, Mr. President, I should like to see the Senate today vote to restore the cuts in the appropriation which were made originally by the House, and subsequently agreed to by the Senate committee. Merely because there is a possibility that the House will reject such action by the Senate does not excuse the Senate from doing what it should do.

Mr. SPARKMAN. Mr. President, I certainly agree with the Senator from Vermont.

Mr. GOLDWATER. Mr. President, will the Senator from Alabama yield to me?

Mr. SPARKMAN. I yield.

Mr. GOLDWATER. Mr. President, because my brief remarks relative to the current state of the economy began this delightful argument——

Mr. SPARKMAN. It began only because the Senator from Arizona omitted to mention what I consider to be a most important segment of our economy, namely, the farmers; and I wish to be sure that the farmers are given adequate consideration in connection with this subject.

Mr. GOLDWATER. The Senator from Alabama will recall that in answer to a question he asked, I made some remarks about the farmers.

Mr. SPARKMAN. Yes; the Senator from Arizona said that the per capita income of the farmers is holding its own because many of the farmers are being pushed off the farms.

Mr. GOLDWATER. No; the Senator from Alabama is mistaken, and I should like to correct his statement. I did not say anyone was pushing anyone else off anything.

Mr. SPARKMAN. No; I said that.

Mr. GOLDWATER. I agree that the Senator from Alabama said it.

Mr. SPARKMAN. But it reminds me of something which was testified before the Joint Committee on the Economic Report, in the early part of the year, when officials from the Treasury Department were before the committee, and when the national debt was being discussed. Throughout the Democratic administrations, the Republicans criticized us day after day—that was done both by our Republican colleagues across the aisle and by other Republicans all over the Nation—because of the size of the national debt. They said the national debt was a terrible thing. Of course, in 1952 the Republicans made some beautiful promises about reducing the national debt.

Mr. FULBRIGHT. And they said they would balance the budget.

Mr. SPARKMAN. Yes; they also said they would balance the budget and would give us a sound dollar and would reduce taxes. Oh, Mr. President, just consider what they said they were going to do.

But we find that, instead of reducing the national debt, since that time it has risen and risen and risen.

After the end of the war, the Democrats never had to ask to have the debt ceiling raised. But the Republicans have had to ask, every year, for a higher debt ceiling, because the national debt is pushing the old ceiling clear out of reach.

This year, when we held our hearings, the administration witnesses brought in the prettiest story anyone ever heard. They had reached the point where they were no longer afraid of an unbalanced budget. Even last year, Mr. Humphrey, when testifying before our committee, said:

> We are not going to be able to balance the budget this year, but we are going to get pretty close to a cash budget balance.

The first time I ever heard anything about a cash budget, Mr. President, was during the Democratic administration; and when that was suggested, there came from Republican orators all over the country cries that it was the most ridiculous thing ever heard of because it included social-security funds, and therefore was dishonest. But Mr. Humphrey said:

> We are going to get pretty close to a cash budget balance.

I said to him:

> Mr. Secretary, I am glad to see that, at long last, you are not afraid to talk about a cash budget. But you talk about it as if we had never had one, when, as a matter of fact, during the 7 years the Democrats were in control of the Government, following the end of the war, we had a cash balance budget 5 times, and we had an actual budget balance—an operating budget balance—3 times; and we collected an excess of $17 billion.

However, members of the present administration talk as if they never heard of those things.

This year, Mr. Humphrey has been saying he no longer is afraid of an unbalanced budget. He said that, after all an unbalanced budget does not make too much difference. Mr. President, I think perhaps in the case of the national debt they are falling back on the old doctrine—the doctrine the Republicans used to scorn so much—that, after all, we owe the debt to ourselves.

Then they brought out some beautiful charts. My friend, the Senator from Arizona [Mr. GOLDWATER] remembers that; he was there, as a member of the committee. They displayed the charts, and used the same argument my friend used a few minutes ago, in referring to the farmer, namely, that the farmer's individual income is greater because there are fewer farmers, in view of the fact that many of the farmers have been pushed off the farms. That is true because under present conditions the small farmers cannot make a living any more, and therefore many of them have been pushed off the farms, and fewer of them remain on the farms; and the Senator said that although the national debt has been increased, that is not too bad, because, he said, the population is increasing at the rate of approximately 3 million a year, so the farmer's per capita debt is not getting any greater.

What an argument to present to the American people to sustain the promise that the Republicans made to the American people that they were going to reduce the national debt. That is the same kind of argument my friend from Arizona is using now with respect to per capita farm income.

Mr. President, what I know is that the farmers in my State—and from what I hear the situation is the same in every other State in the Union—are suffering. It is quite noticeable and quite significant that the Senatorial Campaign Committee on the Republican side omitted completely from the beautiful boom picture that was painted any reference whatsoever to one of the greatest segments of our economy, the farmer. I am not sure how much stress was laid on the topic, but something was said about small business. I am not sure that the situation I am about to mention is true now, but it was true not long ago. If we check the figures, we shall find that there are more bankruptcies in small businesses than ever before.

Mr. GOLDWATER. Mr. President, will the Senator yield at that point?

Mr. SPARKMAN. I will yield in a moment.

Of course, Mr. President, we are all happy that we have this prosperous time. I glory in it.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. SPARKMAN. Let me add a word.

Let us join hands and bring about prosperity across the board, for the little man as well as the big man. Let us get rid of some of the disparity in rates of income. Some of the rates were read to us by the distinguished Senator from Minnesota [Mr. HUMPHREY] from the Federal Reserve Board's own report.

Let us arrange for a share in the new prosperity for the coal miners of Alabama and other States of the Union, for the farmers, and for others who are having a hard time, such as schoolteachers and small-business men. Let us arrange things so that they will share in this great prosperity. Let us make it prosperity across the board, and not merely for the favored few.

I now yield to the Senator from Arizona.

Mr. GOLDWATER. The Senator from Alabama has made so many remarks that I am afraid I shall be unable to allude to all of them. I should like to be allowed to put him at ease——

Mr. SPARKMAN. I did not try to allude to all the statements made by the Senator from Arizona. I simply alluded to those he omitted to make.

Mr. GOLDWATER. I am grateful to the Senator from Alabama for calling to my attention what he seems to feel are omissions. Let me tell the Senator from Alabama two things.

First, I will gladly join hands with him at any time to see that this Congress, or any Congress, or any administration, be it Democratic or Republican, does all it can do to help not merely the small farmer or the big farmer, not merely big business or small business, but, as the Senator puts it, all the people of America.

I should like to refresh the Senator's recollection on one point. When he is talking to this Republican about balancing the budget, he is talking to one who still believes the budget should be balanced.

Mr. SPARKMAN. I agree with that statement. I am sure the Senator is sincere. I, too, want to see the budget balanced.

Mr. GOLDWATER. It is refreshing to hear that statement from the Senator from Alabama.

Mr. SPARKMAN. But I do not want to see it balanced at the expense of the misery of the American people.

Mr. GOLDWATER. It need not be.

Mr. SPARKMAN. Nor at the expense of our national security.

Mr. GOLDWATER. Let me say to the Senator from Alabama—and he knows this fully as well as I do, because he sat through the sessions of the Joint Committee on the Economic Report—that one of the greatest things that could happen to all the people of the country would be a balanced budget and a tax reduction, so that small business, big business, the small farmer, and the big farmer, could prosper. I do not think the Senator quarrels with that viewpoint.

Mr. SPARKMAN. Not at all.

Mr. GOLDWATER. We should not talk about continued prosperity among all segments of business unless we in Congress dedicate ourselves to the task of reducing expenditures to the point where the budget can be balanced and additional stability in the dollar created. That is one of the things which the Senator has overlooked. He has overlooked the stability which this administration has brought to the dollar since it came into power.

Mr. SPARKMAN. No; let me say to the Senator from Arizona that I have not overlooked it. The dollar has remained pretty stable. It was stable for 18 months prior to the advent of this administration. I have not checked the statistics recently, but I believe they will show that today the dollar is worth probably about the same as it was worth when the present administration came into office, or perhaps a little less. It went down a little. I am not sure whether it has swung back or not. So it has been very well stabilized. I am not quarreling on that score. I am delighted that it is stabilized.

I read in the newspapers that the administration is contemplating asking Congress for certain economic controls. I do not know whether that is true or not. I read in the newspaper on Sunday that the administration was planning to ask us for controls. I merely throw that out as a thought, because a few minutes ago the Senator from Arizona mentioned controls.

Mr. GOLDWATER. The Senator from Alabama has just expressed concern about controls. I have not read the article to which he refers.

Mr. SPARKMAN. It was published in Sunday's newspapers. It had to do specifically with housing and the home mortgage market.

Mr. GOLDWATER. With standby price control?

Mr. SPARKMAN. That is correct.

Mr. GOLDWATER. I was not aware of that article.

The Senator from Minnesota [Mr. HUMPHREY] mentioned some figures which I know to be correct. If the Senator from Alabama will permit me to do so, I should like to comment upon them.

Mr. SPARKMAN. By all means.

Mr. GOLDWATER. I merely wish to give the entire picture.

First is the picture of overall corporate profits. I am referring to the June issue of the Economic Indicator issued by our committee. There have been other periods in recent history when corporate profits topped those of this year. This is nothing new.

In 1948 corporate profits after taxes were 0.6 of a point below what they are today. But in 1950 they were higher than they are today, and this year they are approximately 5 percent over those of last year. However, corporate taxes have likewise increased by 5 percent. So we should expect greater profits in a greater economy. There is nothing out of line in that respect. If we are operating with a gross national product of $380 billion, and a total national income of $300 billion, I think the Senator has sufficient background and experience in economics to realize that someone must make more profits out of business in an expanding economy.

Mention was made of credit. The Senator from Minnesota [Mr. HUMPHREY] made some comments on that subject. I think that is a subject which can stand some looking into. As one who spent many years in business, I must admit that I used to be deeply concerned about the national credit, before it had passed the point of $21 billion. It passed $21 billion and nothing happened. It went to $28 billion, and nothing happened. I believe today it is running at a rate between $31 billion and $32 billion.

I agree with the Senator from Minnesota that possibly we should take a look at that situation. Certainly the present relationship between credit and money is contrary to the theory of many economists as to how much the economy can stand. I believe that in the course of the coming year we shall see some inventory adjustments, particularly in the heavy-industry fields, which might bring that figure down somewhat. However, I think possibly it will be necessary for us to take another look at that particular relationship.

Certain figures concerning earnings were mentioned; and because I mentioned that subject specifically in my discussion, I should like to mention a few specific wage increases in the past year.

In all manufacturing, wages went from $71.50 in June of 1954 to $76.11 this year. In durable-goods manufacturing, they went from $76.40 in June of last year to $82.19 this year. In non-durable-goods manufacturing, they went from $64.57 in June 1954 to $67.83 this year.

In building construction, they went from $95.72 in June of last year to $96.52 this year. In retail trade, they jumped from $57.38 last June to $58.35 this June.

I submit those figures to show that the increases have been real, with a stable dollar.

Let us get back to the problem of the farmer. I share the concern of the Senator from Alabama with respect to the farmer. We have talked about him in the joint committee time and time again. I think the Senator from Alabama—and I say this with no disparagement of the Democratic Party or the New Deal—will recall that during our discussions—and it has been brought out time and again—it was emphasized that the small farmer, the one with an annual income of less than $1,000 or $1,200, has been a problem in this country for many years, regardless of who has been in power.

Frankly, I do not believe the problem will be answered entirely in Washington. I do not know what to offer to the Senator from Alabama as a solution. I should like to see someone come up with an answer, and I should like to hear what the Government can do to help and what the free-enterprise system can do to help the small farmers, many of whom, I know, live in the South.

Mr. SPARKMAN. Mr. President, may I interrupt at that point?

Mr. GOLDWATER. I should like to finish my thought first.

Mr. SPARKMAN. I wanted to say something on the point just made. I should like to recommend to the Senator from Arizona that he read a report on the low-income farmer submitted by a subcommittee of which I was the chairman. Then I would also recommend that the Senator from Arizona read a bill I introduced in February, I believe. If the Senator would like to see it, I may be able to find a copy of the statement I made at the time. I believe the Senator will agree with me that in that bill a good start is suggested toward working out the program.

Mr. GOLDWATER. The Senator from Alabama should be complimented for his constant interest in the low-income farmer, who is one of the real problems of our total economy. I believe small business will pretty much take care of itself.

Mr. SPARKMAN. If small business is given the privilege of competing in a fair competitive market, it will take care of itself. I believe the Senator from Arizona will agree with me that there is constant danger from the mergers being formed all over the country. The Senator need not take my statement about that. He can take the statement of the Chairman of the Federal Trade Commission, Mr. Howrey, an appointee of this administration. He has spoken of it many times. The Senator may take the statement of another appointee of the administration, Judge Barnes, the head of the Antitrust Division of the Department of Justice, who has spoken against mergers. Those are the developments that small business is afraid of. The Senator from Arizona is familiar with that fact. He is a member of the committee.

Mr. GOLDWATER. I am glad the Senator has brought out that point. I do not like to leave the subject of the small farmers, but I suppose we have exhausted it. I hope we have not exhausted the small farmer.

The Senator worries about small business and about fair competition. Mergers to which he has referred are not only occurring at the top. The ones at the top are not the ones which I, as a businessman, fear. What I am afraid of are the taxes which prevent the small-business man, who owes $5,000 or $10,000, from making sufficient profit to expand his business. What does he do? All of this was brought out in our hearings. He must find another man who has some capital. The two of them get together, and with their joint resources they can afford to expand the business. That is the beginning of monopoly.

I suggest to the Senator from Alabama that we need not be worried about the big corporations like General Motors or General Electric. We can watch them. They are big. Let us worry about the small communities and about small businesses, which often are gigantic businesses in small towns. Let us worry about the kind of small-business man to whom I have referred. He cannot get a loan from a bank, and the money he makes goes to the Federal Government in the form of taxes.

I say that the Senator from Alabama and the Senator from Arizona should join forces to see if they cannot bring about some economy in Congress to the end that taxes may be reduced, so that small business, which is the root of the economic strength of the Nation, can grow independently without having to combine and try to develop in that way, rather than by its own efforts.

Mr. SPARKMAN. Let me say to the Senator from Arizona that I commend to his reading the report which was made by the Small Business Committee. The study was made during the 82d Congress, but the report itself was submitted at the beginning of the 83d Congress. It deals with the tax problem. I hope the Senator will read that report. When the Senator said we should join forces, I thought he was going to say something about setting up a capital system for small business, and I was about to invite the Senator to join in the sponsorship of two bills on which the administration so far has turned thumbs down.

Mr. GOLDWATER. The Senator from Arizona disagrees with any approach that involves Federal lending.

Mr. SPARKMAN. These bills are not Federal lending measures.

Mr. GOLDWATER. Then I have not had the pleasure of reading the bills to which the Senator has referred. However, I cannot imagine the Senator from Alabama introducing a bill which does not allude in some way to that aspect. I say that with all respect, but in all sincerity.

Mr. SPARKMAN. I hope the Senator will let me make a statement. If he were to read the bills, he would get a different opinion of the Senator from Alabama.

Mr. GOLDWATER. My opinion of the Senator from Alabama is a very high one.

Mr. SPARKMAN. I mean with reference to the subject under discussion.

Mr. GOLDWATER. I have welcomed the Senator from Alabama to my State, even when he was in opposition to me.

Mr. SPARKMAN. I did not come to the Senator's State in opposition to him. I was not there during his campaign. Arizona is a great State, but I have never been there in a campaign.

Mr. GOLDWATER. Our two States stand at the top of the list alphabetically, and I believe in many other respects as well.

Mr. SPARKMAN. I appreciate the Senator's statement.

Mr. HUMPHREY. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. HUMPHREY. This has been a very interesting colloquy. I regret that I had to leave during a part of it to answer a call. There seems to be a desire on the part of both Senators to have a measure enacted for the benefit of the marginal farmer and also to do something for the small-business man.

While we talk about doing something, the administration plows right ahead and does something for the big corporations.

It is not only a problem of the $1,000 a year farmer. It is a problem of the farmer who has a gross income of from $4,000 to $12,000 a year, or more. Those farmers are the ones who are suffering very much today. I speak for the people of the State which I am privileged in part to represent. It is a very serious problem. That is admitted freely by the University of Minnesota, the Federal Reserve Board, the banking institutions of our State, and by the farmers themselves. I believe a reflection of that attitude is found in the congressional delegation, regardless of partisanship. All Members are very much concerned with it. I should like to point out that although a glance at the general figures would lead one to believe that all is well, the administration and Congress have set what, to express my personal opinion, I consider to be an unfortunate economic policy. For example, in the tax law most of the tax reductions go to the part of the economy which needs them the least.

The administration points out that we had a deficit in excess of $4,160,000,000. Deficit financing is a part of the last generation's traditions. We have had a long experience with it. The only difference between the Democrats and the Republicans on this point is that the Republicans told the people they were going to be able to do away with the deficit.

Mr. SPARKMAN. Mr. President, may I interrupt at that point?

Mr. HUMPHREY. I yield.

Mr. SPARKMAN. The Senator apparently was not in the Chamber when I pointed out that, from the end of the war until the Republicans took over, in 3 of the 7 years the budget was actually balanced and we had a surplus of $17 billion.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. SPARKMAN. We had a cash budget balance in 5 of those 7 years.

Mr. HUMPHREY. We had not made any campaign promise along that line,

with the exception of the one Mr. Roosevelt made in 1932, I believe, at Pittsburgh. Immediately after he assumed the Presidential office, he recognized he had made a commitment which could not be kept, and he said so. There is a deficit, and apparently it will continue to be what it is, because I read a statement in the newspapers only recently, which I put in the RECORD at the time, to the effect that Charles Wilson, the Secretary of Defense, now says that defense spending will have to go up because we have expended the moneys which were appropriated in prior years for the hardware and machinery necessary for the defense establishment.

Mr. SPARKMAN. Those are the c. o. d.'s.

Mr. HUMPHREY. Yes. I have one final thought on the subject.

I think what I am about to say will indicate some of our problems. I hold in my hand a review of interest rate increases on Government securities. It does not, of course, include private interest rate increases which followed the 1953 so-called tight-money policy of the Federal Government.

On long-term bonds the people of the United States over the next 30 years will be required to pay $225 million in extra interest. That, of course, will be a great help to the small farmer and the small-business man.

On short-term 1-year certificates the increase in interest rates will be $42 million.

On short-term certificates, 1-year maturity, $30 million.

On short-term, 5-year, 10 months' maturity, $1,259,000.

On GI home loans, over the next 20 years, there will be an estimated $265,939,000 increase in interest.

On non-GI home loans, $87,399,720 annually.

The administration wants to help the small farmer, so what does it do? It raises the interest rate on commodity credit loans and tries to sneak in an increase on disaster loans, raising the interest charges $14 million annually.

There are also small business administration loans with a 20 percent increase in interest.

I point out, furthermore, that if there should be a careful examination of the document which my good friend from Arizona is examining he will find that bank and investment profits are at an all-time high. While he finds them at an all-time high, he will find that independent business profits of those businesses which are doing less than $150,000 a year in gross volume are on the decline rather than in the ascendancy. These are signs which are not too good.

We build a superstructure, but the foundation gets too much sand in it for the amount of mortar and concrete used.

Mr. GOLDWATER. Since our tax structure, which goes back many years, has become so high, small business profits have been declining percentagewise. That is not a new phenomenon that happened just last week.

Mr. HUMPHREY. The best we are able to get out of our Republican friends is "We are doing no worse than you Democrats did. We were going to have all these things corrected, but now we find that, at best, we too have sinned."

There is not much redemption in that, nor will there be much joy in heaven over such a statement.

Mr. KNOWLAND. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. KNOWLAND. I invite the Senator's attention to the fact that of the 3 years during which the budget was balanced, 2 years were under the Republican 80th Congress.

Mr. ALLOTT subsequently said: Mr. President, going back to the discussion on farming and small business, I should like to recall two or three items to my colleagues' attention, particularly items which were skipped over rather lightly.

Although it has not been my privilege to discuss these matters on the floor, the welfare of agriculture has been of great interest to me for many years. Therefore, when the statement is made upon the floor that the Department of Agriculture is paying no attention to anyone except the big boys, the large farmers, I cannot let it pass unchallenged.

With respect to the low-income farmers, representing the million and a half families to whom reference has been made, it has seemed to me only sensible that we should center our attention where it should be centered. The primary reason for the low income in this particular class arises above all else either from the farming of marginal land or the farming of units which are not economically feasible. I think the distinguished Senator from Alabama will agree with that statement.

I should like to invite his attention and the attention of the Senate to the conference called by the Secretary of Agriculture in Cheyenne this coming month, for the express purpose of starting a long-term, practical program for the proper use of land and for proper land management. This is a program which to a great extent, at least, so far as its practical and workable features are concerned, has been ignored during the past 25 years.

If we are to have a total farm population that can have an income which will bring them a decent living and working wage, we must, first of all, have a farm population which is housed and which occupies farmland which is, first, not marginal land, but land which will return them a gainful living; and second, is land of sufficient size to afford the farmer more than a marginal living.

The Secretary of Agriculture, in calling the conference on the high plains—and this meeting applies more particularly, I may say, to the high plains area and the midwestern part of the United States—has taken a great step forward in the practical accomplishment of the program.

Mr. SPARKMAN. Mr. President, may I interrupt the Senator from Colorado before he leaves that subject?

Mr. ALLOTT. Certainly.

Mr. SPARKMAN. The Senator referred to the utilization of land by those who were above the marginal level. Perhaps that is not the exact terminology the Senator used.

Mr. ALLOTT. No. I was speaking of those who occupy land units which are marginal either because of the nature of the soil or because of the lack of sufficient acreage fail to produce an adequate income.

Mr. SPARKMAN. The able senior Senator from Vermont [Mr. AIKEN] pointed out a while ago that there are 1½ million such farms in the United States.

Mr. BIBLE. I believe he said farm families.

Mr. SPARKMAN. Farm families. I mean farm heads. As a matter of fact, in the study which our committee conducted in 1951, we discovered that there were 2,500,000 employable persons underemployed, which is a different way of arriving at pretty much the same result.

What will happen to the million and one-half who are marginal farmers and who do not meet that test? That is the problem which poses itself before us.

Mr. ALLOTT. I thank the able Senator for his statement, because it is what I was trying to state in my own way, which is that the program of the Government—of the Department of Agriculture—must be such that the low income farmers will not be displaced, but that the land use, the ability, perhaps, to purchase additional tracts of land in order to bring the farm up to an economic unit, and other considerations must be so implemented that the farmers can be helped to raise their own standard of living. That is what I am interested in.

I also wish to call the attention of my colleagues to an administration letter, issued by the Department of Agriculture under date of July 15, 1955, which hits the problem on the head, and for the small farmer of the United States greatly expands and implements the credit available to him. Particularly, item 3 provides not only for emergency loans, but also for refinancing in specific instances.

The Senator from Alabama may recall that during the early part of this session, I introduced a bill, S. 1912, for the implementation of farm credit to the farmers of the Nation. That was no idle gesture. It was not done for the purpose of satisfying any of my constituents back home. It was done because, after having lived with farmers for 26 years, as I have, I believed implicitly that they needed such a program. I believed that the farm program must be expanded, and that particularly what was needed in the high plains area, more than anything else, was the implementation of credit for the small farmers.

Although I have not been able to date to get a hearing upon my bill, S. 1912, I wish to offer for the RECORD at this time, as a part of my remarks, the letter of the United States Department of Agriculture, Farmers' Home Administration, dated July 15, 1955.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
FARMERS' HOME ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR,
Washington, July 15, 1955.

Subject: Emergency credit program—Great Plains area.

I. General:

A. This administration letter provides the policies, procedures, and authorities for the

administration of a broader emergency credit program to meet the special problems in certain counties of the Great Plains area. The objective of the lending program authorized herein is to supplement the credit now available through private and governmental sources in assisting farmers and stockmen in (1) making conversions in their operations and in otherwise developing sound farm management programs that are consistent with the long-range agriculture program for proper land use in the area, and (2) meeting operating expenses and other obligations, including the refinancing of debts, which must be met if they are to continue in business. Because of the special problems in this area, loans will be made only to applicants who agree to observe recommended land use and farm management practices.

B. Loans under this administration letter will be made under authority of section 2 (a) of Public Law 38, 81st Congress, as amended, and only in counties designated by the Secretary of Agriculture as shown on exhibit A hereto attached. In addition, this authority will replace the authority to make emergency loans in such counties pursuant to FHA instructions 445.1, 449.1, and administration letter 372 (447).

II. Development of land use and resource guides: County supervisors, in cooperation with representatives of the Soil Conservation Service, Extension Service, and other groups or organizations interested in the agricultural problems of the area, will develop minimum resource and production efficiency guides applicable to each county under their jurisdiction, incorporating the land use recommendations for the area. To the extent applicable, guides developed in connection with the production and subsistence (P. and S.) and farm ownership (FO) loan programs will be used. Such guides probably will require modifications to include not only information with respect to land use but also recommended systems of farming and conservation practices applicable to farms that are larger than family type. In addition, the guides developed will be supplemented and revised periodically on the basis of information developed through additional research and land classification programs. State directors will advise with county supervisors in the development of such guides to assure they are consistent with the long-range agricultural program for the area.

III. Relationship to other Farmers' Home Administration (FHA) programs: Loans will not be made under this authority to any applicant whose credit needs can be met with a P. and S., FO, or soil and water conservation (SW) loan, or any combination of such loans. If an eligible applicant's complete needs cannot be met with such loans, his needs will be met with an emergency loan in combination with an SW, FO, or P. and S. loan. If an eligible applicant's needs cannot be met in this manner, his needs will be met with an emergency loan. All loans made hereunder will be based on farm and home plans developed on Forms FHA–14, Farm and Home Plan, and 14A, long-time Farm and Home Plan, and will be serviced as supervised loans.

IV. Eligibility: Any farm owner, farm operator, or stockman, including a partnership or corporation, is eligible for an emergency loan under this authority if it is determined that the applicant:

A. Possesses legal capacity to contract for the loan.

B. Is an established operator with a good past record of operations under normal conditions.

C. Is primarily engaged in farming or livestock operations.

D. Is unable to obtain from commercial banks, cooperative lending agencies, or other responsible sources, or through other programs of the FHA, the credit required to meet his needs, or if the applicant is a partnership or corporation the partners or stockholders are not in a position to finance the operations involved.

E. Will own or have available under satisfactory tenure arrangements a farm suitable for carrying on successful farming operations.

F. Can be expected to carry on farming operations that are consistent with proper land use for the area and will have reasonable prospects for success with the assistance of an emergency loan.

G. Can be expected to endeavor honestly to carry out the undertakings and obligations required of him under the loan.

V. Loan purposes: Loans may be made for any agricultural purpose consistent with the objectives of the program as outlined in paragraph I, such as the following:

A. The purchase of livestock, farm equipment, farm equipment repairs, seed, fertilizer, feed, insecticides, and farm supplies. These purposes do not include the purchase of passenger automobiles.

B. The payment of cash rent for not more than 1 year in advance where no other satisfactory rental arrangements can be effected, provided (1) the applicant is obligated under a written lease to pay in advance the amount to be loaned for such purpose, and (2) the terms of the lease provide the applicant with reasonably secure and satisfactory tenure.

C. The payment of taxes and insurance premiums on real and personal property owned by the applicant essential to his farming operations. However, loan funds will not be used to pay insurance premiums or taxes, either current or delinquent, on FO, Farm Housing (FH), or SW farms.

D. To finance basic land and soil improvements as may be necessary to develop farms into economic units in accordance with approved conservation and land use practices for the area, including the reseeding of grasslands, fencing, brush removal, and soil and water erosion control measures.

E. The development and improvement of domestic and irrigation water supplies and the repair and installation of water facilities, including the purchase of stock in water companies or associations when necessary.

F. To make essential repairs and improvements to existing farm buildings or to erect new farm buildings in exceptional cases when needed in connection with a reorganization of the farm business.

G. The purchase of additional land to enable applicants owning inadequate farms to enlarge their farms so they will constitute economic family-type units, taking into consideration the conversions or adjustments to be made in the farming operations.

H. The payment of interest and principal on debts secured primarily by liens on real estate to the extent necessary to restore the applicant's real estate loan account to a current basis, when necessary for the applicant to retain possession of his property. Advances will not be made, however, for the payment of interest and principal on debts owed to the FHA.

I. The refinancing of debts, including unsecured debts incurred for essential purposes in connection with the applicant's operations and debts secured by liens on chattels and farm real estate essential to such operations.

1. Loans will be made for refinancing purposes only when the creditors involved will not permit the applicant to continue his operations and repay such debts in an orderly manner from his income.

2. When funds are advanced for the refinancing of debts, all liens securing such debts must be satisfied of record. In addition, if the amount advanced for this purpose is less than the total debts, both secured and unsecured, in connection with which refinancing is involved, the other creditors will be encouraged to cancel amounts not being refinanced. Furthermore, if the applicant does not have reasonable prospects of repaying the emergency loan and all of his remaining debts over a reasonable period, the other creditors must agree on form FHA–241, "Debt Adjustment Agreement," to an adjustment of their claims so that they will be within the repayment ability of the applicant.

J. The payment of fees and expenses incident to the making of loans which are required to be paid by the applicant.

VI. Terms of loans:

A. Interest will be charged at the rate of 3 percent per annum and will accrue from the date of the loan check on outstanding principal only.

B. Loans will be scheduled to be repaid in accordance with the borrower's reasonable repayment ability, determined by an analysis of his farm and home operations. Except as provided in paragraph VI C, installments on such loans will be scheduled for repayment from each year's income, subject to the following:

1. Advances for annual recurring expenses will be scheduled for repayment when the principal income from the year's operations normally would be received. Advances for such purposes as seeding permanent-type legumes and grasses and for basic soil treatment are not considered annual recurring expenses.

2. Advances to purchase or produce feed for productive livestock or livestock to be fed for the market will be scheduled for repayment when the principal income from the sale of such livestock or the livestock products normally can be expected.

3. Amounts advanced for other operating purposes, including the purchase of livestock and equipment, the refinancing of debts secured by liens on chattels only, or by liens on chattels with liens or real estate as additional security, and the refinancing of unsecured debts involving relatively small amounts, will be schedued for repayment over the shortest period consistent with the applicant's repayment ability but not in excess of 7 years or the useful life of the chattel security, whichever is the shorter period. In addition, amounts advanced for real estate and water facilities purposes which are to be secured by liens on crops and chattels, as authorized in paragraph VII C, will be scheduled for repayment as prescribed herein.

4. Amounts advanced for (a) land development, farm enlargement, building improvements, and other real estate purposes, (b) the refinancing of debts secured primarily by liens on real estate, (c) the payment of interest and principal installments on real estate debts, (d) the refinancing of unsecured debts, where the amount advanced for this purpose will be secured by a real estate lien, and (e) fees in connection with such advances, will be scheduled for repayment over the shortest period consistent with the applicant's repayment ability but not in excess of 20 years from the date of the advance.

(a) It is recognized that it may be necessary to schedule smaller payments during the first few years of the loan because of the larger interest payments which will be due during those years, and because several years may be required for the applicant to realize sufficient income from his farming operations as reorganized to make larger payments during those years. At the same time, it is not expected that mere token payments will be scheduled. With the authority to defer payments until the end of the second full crop year, it is expected that installments generally will be approximately equal taking into consideration the accrued interest that will be due each year.

C. When an applicant's income will be abnormally low during the first year because of the conversions and adjustments to be made in his farming operations, or because

of the drought conditions which have prevailed, and the balance available for debt payment will not be sufficient to enable the borrower to make payments on his emergency loan at the end of the first crop year, the initial payment may be scheduled for repayment at the end of the second full crop year following the date of the loan.

D. In some States original notes evidencing loans secured by liens on chattels cannot be scheduled for repayment over the entire repayment period agreed upon with the applicant because crop and chattel mortgage liens in those States are not valid for the length of time. In such States, when the repayment period agreed upon with the applicant extends beyond the period for which such security instruments are valid, form FHA–258, "Agreement to Extend Repayment Period," will be used to reflect the agreement and will serve as a basis for taking the original notes and security instruments, as well as for taking additional notes and security instruments to extend the debt and lien. In States where the use of form FHA–258 is required, the use thereof will be in accordance with State instructions which have been issued by the State director supplementing paragraph IV D of FHA instruction 441.2.

VII. Security policies: Each loan will be secured in a manner that will protect adequately the interest of the Government. In no event will the amount advanced, exclusive of funds for annual recurring expenses, exceed the applicant's equity in the real estate and chattels offered as security. The applicant's equity will be determined by deducting from the normal market value of such property any liens not to be refinanced. Subject to these policies, each loan will be secured for the full amount as follows:

A. Amounts advanced for operating purposes as outlined in paragraphs VI B 1, 2, and 3 will be secured by the following:

1. A first lien on the crops growing or to be grown by the applicant, except:

(a) When a loan is being made to a tenant, the Government's lien may be subject to the landlord's claim for a reasonable share of the crops for rent for the current year.

(b) When a loan is made to an applicant whose crops are subject to a lien contained in a purchase contract or a real-estate mortgage, the Government's lien may be taken subject to the existing lien for the current year's installment on the real-estate debt, provided the amount of such installment is reasonable when related to the normal rental charges for similar farms in the area.

(c) If a particular crop of the applicant is under lien as security for advances made by another creditor to produce that crop, or is to be financed by another creditor, the Government's lien may be subject to the lien of the other creditor, provided no advance will be made by the FHA in connection with such crops.

2. A first lien on all livestock and farm equipment purchased or refinanced with proceeds of the loan, except no lien will be taken on small tools and equipment, of negligible value.

3. A first lien on all livestock being fed for market and productive livestock, other than that to be used for subsistence purposes, when advances are made to purchase or produce feed for such livestock. When it is not possible to obtain a first lien, however, a second lien will be acceptable provided: (a) The applicant has sufficient equity in the property to justify such action, (b) prior lienholders execute form FHA–916, Agreement—Special Livestock Loan, agreeing to a definite nondisturbance period and to a division of the income to be received from the livestock which will permit the borrower to pay his loan in accordance with the policies expressed herein. When form FHA–916 is used, the words "special livestock" will be changed to "emergency" wherever it appears.

4. The best lien obtainable on as much of the livestock and farm equipment of security value owned by the applicant at the time the loan is made as is necessary to protect the interest of the Government. However, when a loan is made to a tenant, the landlord will be required to subordinate any interest or lien which he may have on such livestock and equipment that resulted from advances made for supplies, supplies furnished, or past-due rent.

5. Written assignments of the proceeds of crop insurance when borrowers have insurance on crops from which payments are expected. If such insurance is to be obtained after the loan is made, an agreement will be reached with the borrower to give an assignment when the insurance is obtained.

6. Assignments of milk income when loans are made to finance dairy enterprises from which payments are expected and assignments of water stock when loans are made for the purchase thereof. Assignments of the proceeds from the sale of other agricultural products will be required when necessary to protect the interest of the Government.

7. The best lien obtainable on real estate when there is insufficient equity in the chattels to secure the amount advanced or the loan approval official determines that such security is necessary for other reasons.

B. Except as provided in paragraph VII C, amounts advanced for land development, the refinancing of debts, or any of the other purposes outlined in paragraph VI B 4, will be secured by the following:

1. A first lien on all real estate purchased or refinanced with the proceeds of the loan, except that advances made to refinance debts secured by junior liens on real estate will be secured by liens of the same priority as those securing the debts being refinanced.

2. The best lien obtainable on all other farm real estate owned by the applicant and on any other real estate owned by the applicant when necessary to adequately secure the loan.

C. Amounts not in excess of $1,000 advanced for any of the purposes outlined in paragraph VI B 4 may be secured as prescribed in paragraph VII A if the loan approving official determines that the loan can be secured adequately in that manner.

VIII. Loan processing:

A. Applications for loans will be received and processed for consideration by county committees under the provisions of FHA instruction 410.1, except that form FHA–1-7, Application for FHA Services, will be used for both initial and subsequent loans.

B. Initial and subsequent emergency loans made pursuant to this administration letter will be defined as prescribed in paragraph XI A of FHA instruction 445.1 and will be assigned case numbers and loan codes as prescribed in paragraph XI E of that instruction, except that "7L" will be used instead of the letter "L" to identify the loan as one made pursuant to this administration letter.

C. Before a loan is approved, a soil survey of the land to be operated must have been prepared by the Soil Conservation Service and a copy of the land capability map prepared by the Soil Conservation Service, or a copy of the Soil Conservation Service map prepared by the county supervisor showing the same information with respect to land use must be available in the loan docket.

1. When a loan will be made to a tenant, the landlord must agree in writing for the farm to be operated in accordance with the land-use recommendations for the particular farm. In addition, when the loan will include funds for land development or other improvements to the real estate, the tenant must have a written lease for a sufficient period and under terms that will enable him to obtain reasonable returns on his investment. Furthermore, the lease must provide for compensating the tenant for any unexhausted value of the improvements upon termination of the lease.

D. Applications for loans which are to be secured primarily by crop and chattel mortgages, even though real-estate liens may be taken as additional security, will be processed in accordance with FHA instruction 441.3 in the same manner as adjustment production and subsistence loans, except as follows:

1. Paragraphs I, II, III A, and III B of FHA instruction 441.3 are not applicable.

2. Form FHA–910B, County Committee Certification (emergency loans — Great Plains), will be used in lieu of form FHA–49, Certifications—Production and Subsistence Loans. Before a loan is approved, the county committee must make the necessary certifications on form FHA–910B, which will be executed in an original only. When the applicant is determined to be ineligible, the county committee certification will be deleted and the word "Rejected," together with the reasons for the action, will be inserted in the space provided for comments.

3. Form FHA–203, Promissory Note, will be used instead of form FHA–31, Promissory Note, as required by paragraph III–G of FHA instruction 441.3, and any reference to form FHA–31 in that instruction will be interpreted to mean form FHA–203. Paragraph III–G of FHA instruction 441.3 is otherwise applicable except that repayments will be scheduled in accordance with paragraph VI of this administration letter. The rate of interest will be shown on form FHA–203 as 3 percent. In addition, the letters 'PE" will be typed under the title of form FHA–203 for identification purposes.

4. Paragraph III–I of FHA instruction 441.3 is not applicable. Instead, form FHA–5, Loan Authorization, will be prepared in accordance with paragraph XI D of FHA instruction 445.1, except that the letters PE–IG (initial PE loan) and PE–SG (subsequent PE loan) will be used to identify the loan as an initial or subsequent loan made pursuant to this administration letter.

5. Paragraph III–K of FHA instruction 441.3 is modified hereby to provide that loans may not be disbursed in more than 4 advances and the last advance must be disbursed not later than 12 months from the date of the first advance.

6. When a real estate lien is to be taken as security title evidence will be obtained in the same manner as outlined for SW loans in paragraph V of FHA instruction 442.2, and the lien will be taken on form FHA–76, Real Estate Mortgage, in the same manner as for other emergency loans.

7. Paragraph IV of FHA instruction 441.3 is modified to substitute form FHA–910B for the reference to form FHA–49. This paragraph is modified further to add form FHA–241.

8. Paragraph V of FHA instruction 441.3 is modified hereby to require submission of loan dockets covering loans to corporations to the representative of the Office of the General Counsel as prescribed in paragraph XI–K–2 of FHA instruction 445.1.

E. Loans made for farm enlargement, farm development, and similar purposes that will be secured only by liens on real estate will be processed in accordance with the general policies and procedures applicable to direct FO loans subject to the following:

1. Where funds are being advanced for farm-enlargement purposes options will be obtained in accordance with the provisions of FHA instruction 421.2.

2. An appraisal of the farm will be made and reported on form FHA–440, Farm Housing Appraisal Report, by an employee authorized to make appraisals. The appraisal will be made as provided in FHA instruction 422.11 except that items 3 and 4 of table 7 will not be completed. In addition, the appraiser will insert in the space provided for "Comments" the normal market value of the farm.

3. Title evidence will be obtained in the same manner as outlined for SW loans in paragraph V of FHA instruction 442.2.

4. Loan dockets will be developed in accordance with FHA instruction 443.2 except as follows:

(a) Paragraphs II through IV and paragraph V–C are not applicable.

(b) Paragraph VI–A is amended hereby by substituting form FHA–910B for form FHA–491.

(c) Paragraph VI–B 1 is not applicable.

(d) Paragraph VI–B 2 is amended to provide for the preparation of each form in accordance with the Forms Manual Insert, except that the letters PE–IG (initial PE loan) and PE–SG (subsequent PE loan) will be used on form FHA–5 and the letters PE will be used on all other forms to identify the loan as an emergency loan.

(e) Paragraph VI–D is modified to delete the references to forms FHA–596A, Supplemental Report (irrigation, drainage, levee, and minerals), FHA–596B, Map of Farm, FHA–197A, Report on Application for Loan, FHA–491, County Committee Certification (farm ownership loans), FHA–981, Farm Ownership Fund Analysis, and FHA–476, Record of Actions, and the evidence required of veterans. This paragraph is modified further to add form FHA–910B, which will be prepared in an original only for the loan docket, form FHA–203, which will be prepared as prescribed in paragraph VIII–D–3 of this administration letter, form FHA–446, Agreement With Prior Lienholder, and form FHA–241, which will be prepared in an original and 2 copies.

(f) Paragraph VII is not applicable. Instead, loans will be reviewed and acted upon by the loan-approval official in accordance with paragraph V of FHA instruction 441.3. If the loan is approved, the title evidence required will be obtained, and when it is determined that the necessary security requirements can be met, forms FHA–5 and 203 will be forwarded to the Finance Office for issuance of the loan check.

(g) Paragraph VIII is not applicable. However, when farm enlargement is involved, the option will be accepted following loan approval on form FHA–191, Acceptance of Option (Vendor to Furnish Abstract), or 191B, Acceptance of Option (Vendor to Furnish Title Insurance), whichever is applicable.

(h) Paragraph IX is not applicable unless title insurance is used.

(i) Paragraphs XIII and XIV are not applicable and paragraphs XV and XVI are not applicable unless title insurance is used, in which case only those portions of these paragraphs dealing with title insurance and closing instructions are applicable.

5. When the loan is to be secured by a first mortgage on real estate, buildings on the property will be insured in accordance with the applicable procedures for FO loans as specified in FHA instruction 426.1. When the loan is to be secured by a junior lien on real estate, buildings on property will be insured in accordance with the applicable procedures for FHA loans as specified in FHA instruction 426.11.

IX. Loan approval authority: The loan approval authority delegated pursuant to paragraph XV of FHA instruction 445.1 with respect to other emergency loans is applicable also to the approval of emergency loans made pursuant to this administration letter.

X. Servicing: Loans made under the authority of this administration letter will be serviced pursuant to FHA instructions containing the authorities, policies, and procedures for the servicing of adjustment loans under the P. & S. loan program, except that FHA instruction 456.1 is not applicable.

XI. Reports:

A. One extra copy of pages 1 and 2 of form FHA–322, Monthly County Report, prepared each month by the county office will be submitted to the State office. The State office will forward the extra copies prepared in the county office, together with the State summaries on form FHA–322 prescribed by FHA instruction 493.6, to the national office, attention: Budget and Statistics Division. In those States where monthly reports are now submitted on a county-unit basis and the special-credit program for the Great Plains area is in effect in some but not all of the counties under the jurisdiction of the county supervisor, it will be necessary for monthly reports to be submitted on an individual county basis.

B. In addition to the report required in paragraph XI–A, a report will be submitted each month to provide information regarding the purposes for which loan funds are advanced. This information will be reported on form FHA–657, Purposes for Which Emergency Loan Funds Were Advanced—Great Plains Area. As each loan is closed, the name of the borrower, the amount of the loan, and the planned use of loan funds will be entered on form FHA–657. This information will be taken from form FHA–14. At the end of each month the county office will attach this report to form FHA–322 and submit it to the State office. State offices will submit these reports to the national office, attention: Budget and Statistics Division, each month with the State summaries of form FHA–322.

Mr. ALLOTT. Mr. President, I wish to compliment the Secretary of Agriculture, not only in this respect, but also upon his getting at the fundamental task of land use and soil conservation by the holding of a conference in Cheyenne during the coming month, and for considering the real reasons for some of the most serious and fundamental problems in agriculture.

I may say to the Senator from Alabama that I do not regard the welfare of the farmer as a political question. I have never so regarded it. The welfare of this country in the long run will depend upon the welfare of the farmer. Without a successful and a prosperous agriculture, we shall never eventually have a successful and prosperous business, because one is dependent upon the other.

The plight of the farmer at present lies, to a great extent, not alone in the fact that there has been some slight decrease in farm income, but also in the fact that there has been during the past 15 years, in the corresponding period of time, such an increase in the price of commodities which the farmer must purchase, such as plows, disks, harrows, and tractors, that the discrepancy and the widening gap between the things he purchases and his income constitute one of the real problems which the Senator from Alabama and I must recognize, examine, and attack intelligently in a nonpartisan spirit.

I close my remarks by saying again that I do not believe this proposal constitutes a program for big farmers. I find nothing in the regulations which would so indicate. Rather, I believe the reverse is true, that it is a program to help the small farmer and the marginal farmer.

I thank the Senator from Alabama for yielding.

Mr. SPARKMAN. I enjoyed listening to the statement of the distinguished Senator from Colorado.

Mr. President, I wish to read a brief excerpt from an article written by William M. Blair, and published in the New York Times of July 23, 1955. I shall read only the portion which relates to the lower prices:

The Eisenhower administration was confronted today with farm troubles that, in more aggravated form, have proved the undoing of some of its predecessors. The current headache is combined of declining prices and income, and mounting surpluses and costs for storage and subsidies.

In the background was a ground swell of political protest that may become louder as the next year's political campaigning nears.

Of major political significance was a Department of Agriculture report that farmers' cash income had dropped 4 percent in the first 6 months of this year. This decline from last year was attributed to lower prices for farm products.

* * * * *

The Agriculture Department's marketing service reported that the drop in farm income showed that receipts from livestock and products were off 7 percent from the first 6 months of 1954, or down to $7,800,000,000. Prices of hogs averaged lower and receipts from meat animals were down.

AMENDMENT OF RUBBER-PRODUCING FACILITIES DISPOSAL ACT OF 1953

Mr. FULBRIGHT. Mr. President, I am informed that H. R. 7301, a bill to authorize the disposal of the synthetic-rubber plant at Institute, W. Va., has been passed by the House of Representatives and is now at the desk. I ask that the House bill be laid before the Senate.

The PRESIDING OFFICER laid before the Senate the bill (H. R. 7301) to authorize the disposal of the synthetic-rubber plant at Institute, W. Va., which was read twice by its title.

Mr. FULBRIGHT. Mr. President, H. R. 7301 is almost identical with the Kilgore amendment to the Defense Production Act amendments of 1955. This amendment was accepted and unanimously agreed to last Tuesday.

The House of Representatives has not yet considered the Defense Production Act amendments, and probably will not do so for a few days, as the House Banking and Currency Committee has just reported a bill which differs somewhat from the bill passed by the Senate.

In the interest of orderly procedure, and also of expedition, I request unanimous consent that the Senate consider H. R. 7301 at this time, and that it be passed by the Senate, with amendments, to make it identical with the Kilgore amendment to the Defense Production Act.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. FULBRIGHT. Mr. President, I offer the amendments which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendments offered by the Senator from Arkansas.

The LEGISLATIVE CLERK. On page 2, line 1, it is proposed to strike out "thirty-day" and insert in lieu thereof "sixty-day."

On page 2, line 9, strike out "sixty" and insert in lieu thereof "seventy-five."

On page 4, line 6, after "Notwithstanding", to insert "the provisions of

section 4 of Public Law 19, approved March 31, 1955, and notwithstanding."

On page 4, line 8, to strike out "that" and insert in lieu thereof "the latter."

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Arkansas.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 7301) was read the third time, and passed.

Mr. FULBRIGHT. Mr. President, I have a brief statement about the amendments to H. R. 7301, which I ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR FULBRIGHT

The first two amendments extend the time for bidding from 30 to 60 days and the time for the Disposal Commission to negotiate with bidders from 60 to 75 days.

The 30- and 60-day periods in the Baytown disposal law were made very short in order that the report to Congress and the 30-day period for congressional disapproval might run out before the end of this session.

Because the next session of Congress will not begin until January, more than 150 days away, and the report to Congress could not therefore be filed before next January, it seems desirable to have the intervening period spent usefully, giving more time for prospective purchasers to study the plant and submit their bids, and more time for the Commission to negotiate with bidders. In addition, this would give the Commission time to obtain additional engineering and other reports, in order to review the full fair value of the plant in the light of the current flourishing rubber market and the high price obtained for the Baytown plant.

Accordingly, it can be expected that these amendments will lead to greater competition and a higher price.

The third and fourth amendments are purely technical, inserting a reference to Public Law 19 in the paragraph relating to the termination of the Commission. They were suggested by the Treasury Department, and were accepted by the Senate when the Kilgore amendment was adopted.

SALARIES OF TEACHERS, SCHOOL OFFICERS, AND EMPLOYEES OF DISTRICT OF COLUMBIA BOARD OF EDUCATION

The PRESIDING OFFICER (Mr. NEUBERGER in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 1093) to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes, which were, to strike out pages 2 and 3, inclusive, and insert:

"Salary class and position	Service step 1 minimum	Service step 2	Service step 3	Service step 4	Service step 5	Service step 6	Service step 7	Service step 8	Service step 9	Service step 10	Service step 11	Service step 12	Service step 13
Class 1: Superintendent of schools:													
Bachelor's degree	$14,000												
Master's degree	16,000												
Doctor's degree	18,000												
Class 2: Deputy superintendent	11,700	$12,000	$12,300	$12,600	$12,900	$13,200	$13,500						
Class 3: Assistant superintendent; president, teachers college	10,100	10,400	10,700	11,000	11,300	11,600	11,900						
Class 4	9,500	9,700	9,900	10,100	10,300	10,500	10,700	$10,900	$11,100				
Class 5: Group B, master's degree	8,600	8,800	9,000	9,200	9,400	9,600	9,800	10,000	10,200				
Class 6:													
Group A, bachelor's degree	7,700	7,900	8,100	8,300	8,500	8,700	8,900	9,100	9,300				
Group B, master's degree	8,200	8,400	8,600	8,800	9,000	9,200	9,400	9,600	9,800				
Director, Department of Food Services													
Class 7:													
Group B, master's degree	7,700	7,900	8,100	8,300	8,500	8,700	8,900	9,100	9,300				
Chief Examiner													
Director													
Principal, senior high school													
Class 8: Professor, teachers college	7,700	7,900	8,100	8,300	8,500	8,700	8,900	9,100	9,300				
Class 9:													
Group B, master's degree	7,200	7,400	7,600	7,800	8,000	8,200	8,400	8,600	8,800				
Principal, vocational high school													
Principal, junior high school													
Principal, Americanization school													
Class 10:													
Group B, master's degree	6,800	7,000	7,200	7,400	7,600	7,800	8,000	8,200	8,400				
Director, Department of School Attendance and Work Permits													
Supervising Director													
Principal, elementary school													
Principal, laboratory school													
Class 11: Associate professor, teachers college	6,800	7,000	7,200	7,400	7,600	7,800	8,000	8,200	8,400				
Class 12:													
Group A, bachelor's degree	6,300	6,500	6,700	6,900	7,100	7,300	7,500	7,700	7,900				
Group B, master's degree	6,800	7,000	7,200	7,400	7,600	7,800	8,000	8,200	8,400				
Assistant Director, Department of Food Services													
Class 13:													
Group B, master's degree	6,100	6,300	6,500	6,700	6,900	7,100	7,300	7,500	7,700				
Assistant Director													
Principal, Capitol Page School													
Assistant principal, senior high school													
Class 14: Assistant professor, teachers college; chief librarian, teachers college	6,100	6,300	6,500	6,700	6,900	7,100	7,300	7,500	7,700				
Class 15:													
Group B, master's degree	5,900	6,100	6,300	6,500	6,700	6,900	7,100	7,300	7,500				
Assistant principal, vocational high school													
Assistant principal, junior high school													
Class 16:													
Group B, master's degree	5,700	5,900	6,100	6,300	6,500	6,700	6,900	7,100	7,300				
Class 17:													
Group B, master's degree	5,400	5,600	5,800	6,000	6,200	6,400	6,600	6,800	7,000				
Assistant													
Supervisor													
Chief attendance officer													
Class 18:													
Group A, bachelor's degree	3,900	4,060	4,220	4,380	4,540	4,700	4,860	5,020	5,180	$5,340	$5,500	$5,660	$5,800
Group B, master's degree	4,400	4,560	4,720	4,880	5,040	5,200	5,360	5,520	5,680	5,840	6,000	6,160	6,300
Instructor, teachers college													
Librarian, teachers college													
Teacher, senior high school													
Teacher, vocational high school													
Teacher, junior high school													
Teacher, elementary school													
School librarian													
Counselor													
Research assistant													
Class 19:													
Group A, bachelor's degree	3,900	4,060	4,220	4,380	4,540	4,700	4,860	5,020	5,180	5,340	5,500	5,660	5,800
Group B, master's degree	4,400	4,560	4,720	4,880	5,040	5,200	5,360	5,520	5,680	5,840	6,000	6,160	6,300"
Attendance officer													
Child labor inspector													
Census supervisor													

On page 5, strike out lines 14 through 17; on page 5, strike out line 18 over through line 6 on page 6, and insert:

(c) When used in this act, the terms "master's degree" and "doctor's degree" mean, respectively, a master's degree or a doctor's.

On page 7, line 8, strike out all after "1955" over to and including "C" in line 10, where it appears the first time; on page 7, line 16, strike out all after "group," where it appears the second time, down through and including "group" in line 19; on page 8, in the chart under "Title and class of position in Teachers' Salary Act of 1955" and in the subtitle "Instructor, teachers college" strike out "15" and insert "18"; on page 16, line 11, strike out "B, or group C," and insert "B"; on page 16, lines 14 and 15, strike out "degree or the completion of 30 credit hours beyond the master's"; and on page 16, line 18, strike out "or group C."

Mr. BIBLE. Mr. President, I move that the Senate disagree to the amendments of the House to Senate bill 1093, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BIBLE, Mr. GORE, and Mr. BEALL conferees on the part of the Senate.

APPEASEMENT IN THE FAR EAST

Mr. McCARTHY obtained the floor.

Mr. SPARKMAN. Mr. President, I was about to suggest the absence of a quorum, but I observe the junior Senator from Wisconsin is prepared to speak. Does the Senator from Wisconsin desire to have a quorum call before he speaks, or afterward?

Mr. McCARTHY. It makes no real difference; I shall be glad to yield.

Mr. SPARKMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Without objection, it is so ordered.

Mr. McCARTHY. Mr. President, Senators are aware that it was the policy of the United States not to discuss the Far Eastern situation at the Big Four meeting. While no formal announcement was made on that point, this was the understanding of Members of Congress, prior to the conference, and it was the ostensible policy of the President and Secretary of State at Geneva. This decision can, I think, be attributed primarily to the efforts and influence of the distinguished minority leader and the distinguished chairman of the Senate Republican Policy Committee, who have consistently maintained that matters affecting the Republic of China must not be discussed without the participation of the Republic of China.

Last night the President told the Nation "there were no secret agreements made at Geneva, either understood agreements or written agreements." I would certainly like to take these assurances at their face value.

But certain very disturbing developments in the last couple of days suggest that while there may have been no secret agreements as such, there may have been secret understandings or undertakings by the Geneva participants. Specifically, I fear that the Far Eastern situation was brought up in informal discussions, and that the Communists and ourselves reached certain understanding as to the course of future negotiations. I repeat: I do not know this to be the case, and I am anxious to hear the views of those who may have specific information. I know that the minority leader and the Senator from New Hampshire have had this matter uppermost in their minds during the past weeks, and possibly they raised it at their conference with the President yesterday.

Yesterday afternoon, scarcely 2 days after the close of the Geneva talks, the Department of State announced that the United States, on August 1, would enter into direct negotiations with the Chinese Communists at the ambassadorial level on the subject of United States prisoners of war and "other practical matters now in issue."

Now, Mr. President, what is the meaning of this vague and, therefore, ominous phrase "other practical matters"? Is it too great a strain on our imagination to suppose that the "other practical matters" include the disposition of Quemoy and the Matsus? Everybody knows that the Chinese Communists are holding our prisoners of war as hostages to force concessions by the free world. They are being held as pawns for diplomatic bargaining. The Communists hope they will be able to persuade the United States to give up Quemoy and the Matsus, and maybe even Formosa itself, in return for the prisoners. They believe that American public opinion will be sufficiently placated by the return of the prisoners to accept the territorial concessions to the Communists. So what are we to think when the State Department announces that we will negotiate about the prisoners and "other practical matters"? If the territories of the Republic of China are not to be the subject of negotiations between Ambassadors, why did the State Department not plainly say so in its statement yesterday?

The other evil omen is this: Last Sunday, not 24 hours after the end of the Geneva talks, the administration spokesman on foreign affairs, the distinguished Senator from Georgia, stated that the United States should enter into talks, with the Chinese Communists, at the Foreign Ministers' level, in order to reach a settlement of the Far Eastern crisis. Senator GEORGE made no mention of the participation in such talks of the Republic of China, and indeed it would be surprising if he had—since he publicly took the position, last spring, that we should not invite the Nationalists to take part in discussions dealing with their own territories.

Was the statement of the Senator from Georgia just a trial balloon, or was it a considered move by the administration and its bipartisanship troops to prepare the American people for appeasement in the Far East. It is no longer possible, Mr. President, to interpret a statement by Senator GEORGE as the individual opinion of one Senator. Too many times in the past the Senator from Georgia has urged changes in American foreign policy on Monday, only to have the administration adopt a new policy on Tuesday. It was the Senator from Georgia who called the turn on the administration's sudden decision to have a meeting at the summit. It was he who, last April, tipped off the new United States policy to negotiate with what he now calls the Soviet Chinese without the participation of Chiang Kai-shek. The day before he made that statement the Under Secretary of State, Mr. Hoover, had reassured the Chinese Nationalists that America would not talk about Nationalist territories without Nationalist participation. But the day after the Senator from Georgia made his statement, the Secretary of State dramatically reversed administration policy, and stated that we would not insist upon Chiang's participation.

Is Senator GEORGE, this time, going out on a limb—all by himself? I wish it were so; but I cannot help but feel that the high priest of bipartisanship is not going to stray very far from the certified administration line.

Is there any evidence that the State Department's statement, on yesterday, about the ambassadorial talks and Senator GEORGE's statement on Sunday were related? I now read from this afternoon's Washington Daily News:

Senator WALTER F. GEORGE, Democrat of Georgia, said today next week's diplomatic talks with Communist China may help set up a two-nation foreign ministers conference on the Far East.

He told reporters he believes any such conference of foreign ministers should start as bilateral discussions between the United States and Red China.

So now we get a hint of what these "other practical matters" are. Does not this look like a carefully prepared plan for appeasing Red China?

I wonder whether my fears are shared, to some degree at least, by the distinguished minority leader. He has for so long been a champion of the free world's outposts in the Far East, and he has been consistently alert to any attempts to barter them away. The American people owe a great debt of gratitude to the senior Senator from California [Mr. KNOWLAND] for his truly heroic stand against appeasement in the Far East. In the past, he has forewarned us of attempts at appeasement, and in many instances he has been successful in frustrating such attempts.

I wonder whether the Senator from California, who has such a keen nose for this sort of thing, smells appeasement in the air. Does he not detect the development of an insidious campaign to betray the Republic of China? Perhaps he would put it less strongly than this; but I wish he would state, in his own words, his feelings on the matter.

Unless we take a stand now and let our views be known, we may wake up one

morning, very soon, and find it is too late.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FROM ARMSTRONG TO WENZELL: GOVERNMENT OF, BY AND FOR BIG BUSINESS

Mr. MORSE. Mr. President, last Friday, I discussed the shocking conduct of the Secretary of the Air Force, Harold Talbott. Since Friday, the press has carried additional details of his behavior and misuse of his office.

The Secretary had a lapse of memory about his dealings or attempted private dealings with RCA. In a letter to Senator MCCLELLAN, he admitted that he had had an attorney on his staff discuss the conflict of interest question raised by the company—not by the Secretary.

Talbott barely remembered the incident. In his memorandum to Talbott, the Air Force attorney remembered the incident, but did not remember what Talbott said. The telephone conversation took place only last January.

But the RCA attorney remembered both the incident and what was said. This is part of the RCA attorney's testimony, as reproduced in today's New York Times:

Mr. EWING. A new voice came on the wire, and the individual speaking identified himself as Secretary Talbott. He was talking quite rapidly and, among other things, he told me or listed over the phone the names of a number of other companies that he said were doing work for the Air Force that had contracts with the Mulligan company.

Mr. KENNEDY. Do you remember the names of some of those companies?

Mr. EWING. I recall a few of them. He must have mentioned 12 or 15. AVCO was one, Baldwin, I think Continental Can, General Aniline, General Foods, and those are the only ones that I happen to remember.

The CHAIRMAN. I understand that he mentioned those as companies that had contracts with the Defense Department?

Mr. EWING. Yes, sir.

The CHAIRMAN. Pointing out, as I understand it, that others with contracts with the Air Force were becoming clients or had been clients of Mulligan & Co.; is that correct?

Mr. EWING. Yes, sir.

* * * * *

The CHAIRMAN. You mean he told you that Mr. Johnson, General Counsel for the Air Force, was representing him in this matter?

Mr. EWING. Yes, sir.

Mr. KENNEDY. Is that what you want to convey to this committee?

Mr. EWING. Well, it is what, unfortunately, I am compelled to convey to this committee, sir.

Mr. KENNEDY. Do you remember if I refresh your recollection of our first conversation, you stated that he said "Why is RCA acting so high and mighty?" Do you remember him using those words?

QUESTIONS RCA'S ACTIONS

Mr. EWING. You are absolutely correct. He said that if all of these other companies could take contracts with Mulligan & Co., why was RCA acting so high and mighty?

This testimony indicates that Mr. Talbott's statement, as reported in the press, that he was unaware that AVCO had Defense Department contracts was untrue.

This testimony shows that Talbott consciously and wilfully misused his office as Secretary of the Air Force.

The Investigating Subcommittee of the Government Operations Committee is continuing its investigation and hearings, for which it is to be commended.

THE EISENHOWER ADMINISTRATION PATTERN

The Talbott incident is only a symptom of what has been happening for the 2½ years since President Eisenhower took office.

The Talbott incident is not an isolated case, nor is it merely the story of an individual set upon pursuing private gain by the use, the misuse, of his official position.

No, the Talbott case is part of a pattern inherent in the nature of the big business appointments of the Eisenhower administration.

THE CABINET

Concern over the quality, character, and big business partiality of the Eisenhower administration began even before inauguration. The President's Cabinet nominations presented several direct conflict of interest problems in the Defense Department, which handles more money and contracts than any other agency of the Federal Government.

It will be recalled that of the nominees for Secretary of Defense, Deputy Secretary of Defense, Secretary of the Army, Secretary of the Air Force, and Secretary of the Navy, only the Secretary of the Navy had anticipated the obvious conflict of interest problem and taken steps in advance to remove any such problem.

Messrs. Wilson, Kyes, Stevens, and Talbott not only did not anticipate the problem, but they initially resisted divesting themselves of substantial holdings in corporations with which the Defense Department dealt. Finally, and with reluctance, they surrendered their stockholdings. Each one demonstrated callous lack of understanding of the conflict-of-interest problem.

In the hearing on Roger Kyes' nomination as Deputy Secretary, committee members expressed concern that his close relationship with General Motors would affect his impartiality in official dealings with that major Defense Department contractor. This exchange took place in the hearings:

Senator JOHNSON. Have you any plans or any agreements or agreement to return to General Motors following your Government service?

Mr. KYES. General Motors has told me, because of my record, they would be very happy to have me come back at any time. I enjoyed my association with General Motors, but there is absolutely no commitment on the part of either party with respect to the future.

I do not question the reply made by Mr. Kyes. It is important to bear in mind that the discharge of the duties of Deputy Secretary could be affected, consciously or unconsciously, by the possibility, if not the probability, of his return to General Motors.

After serving 15 months as Deputy Secretary, Kyes resigned on May 1, 1954, and returned to General Motors as a vice president.

In addition to the Defense Department nominees, other Cabinet appointments presented conflict-of-interest problems, which, though solved formally with greater ease, nevertheless raised the problem that big business and big banking would be the dominant force in the President's official family.

The Secretary of the Treasury was the head of one of the large banking and business concerns in the Nation—M. A. Hanna & Co.

The Secretary of Commerce was engaged in manufacturing, and was a director of large manufacturing companies and the First National Bank of Boston.

The Postmaster General also came from the ranks of General Motors, having had one of the largest Chevrolet dealerships in the country.

The Secretary of the Interior also had a large General Motors dealership.

The Attorney General came from one of the large New York law offices, representing large corporations.

The other Cabinet members, with the sole exception of Labor Secretary Durkin, were people who were associated with large business enterprises or possessed great wealth.

Conflict of interest aside, this almost unrelieved pattern meant, it could not help but mean, that Government was to be by, of and for big business and banking.

Although not a Cabinet member, the Director of the Bureau of the Budget wields great power. To this post the President appointed a Detroit banker, who is once again a Detroit banker.

This fitted the pattern—with what effect I shall discuss later in a little detail.

AN EARLY ATTACK UPON INDEPENDENT GOVERNMENT—ASTIN AND ADX2

Early in the administration, the big-business philosophy which dominated the major Eisenhower appointments erupted into an open attack upon independence in the discharge of governmental functions.

Assistant Secretary of Commerce Sheaffer, of the Sheaffer Pen Co., attempted to dismiss Dr. Allen Astin. What was Astin's offense? It was diligent discharge of his duty. He insisted that the scientific tests of the United States Bureau of Standards, which he directed, showed that a battery additive did not do what was claimed for it by its manufacturer.

Sheaffer contended that Astin paid insufficient attention to the standards of the marketplace. Astin refused to play dead and pretend that ADX2 was a battery cure-all.

I was among the first in Congress to protest this outrageous attempt to intimidate Government officials, to force the Bureau of Standards to sacrifice its scientific standards, to impose the marketplace standard of "let the buyer beware." The outcry of scientists and cit-

izens and the press forced a temporary retreat as Astin had his term extended briefly. When the furore died down Astin stayed on, and Sheaffer left Government several months later.

At no time did the President or Secretary of Commerce disown or rebuke Sheaffer's attempts. This, too, is an administration pattern—retreat under fire, but never reject conduct that is against the public interest.

DODGE, WENZELL AND ARMSTRONG

The sordid Dixon-Yates story is too well known to require minute repetition. But the main outlines are part of the pattern.

Banker Dodge, Director of the Budget Bureau, imported Banker Wenzell to participate in the planning of the attack upon TVA. Wenzell's firm, the First Boston Corp., had a direct interest in the Dixon-Yates combine as it was to handle financing of the scheme—without a fee, the public is now assured.

That is a very charitable gesture. Even assuming that no fee was intended for this financial service, Wenzell's corporation has an indirect interest in promoting the interests of its private utility customers at the expense of TVA—and TVA's customers. This investment banking house makes money from such transactions and is understandably eager to hem in and destroy public power agencies.

The Bureau of the Budget went so far in its private utility partisanship as to withhold information from the Congress by omitting mention of Wenzell and the conferences of Dixon-Yates in which he participated. It removed those dates from what was represented to be a complete summary and chronology of the Dixon-Yates deal.

The great Senator from New Mexico [Mr. ANDERSON] deserves high credit for the fine public service he has rendered in disclosing these manipulations and maneuverings on the part of the Bureau of the Budget in connection with the Dixon-Yates chronology.

Has the President, Budget Director Hughes, or any other administration official rebuked this dishonesty? Apparently not.

SECRET INTERVENTION IN QUASI-JUDICIAL PROCEEDINGS

But the deception does not end there. In an attempt to secure congressional approval of the President's request for over $6 million for a transmission line to carry Dixon-Yates power, Presidential Assistant Sherman Adams secretly contacted Chairman Armstrong of the SEC, a recent Eisenhower appointee.

He asked Armstrong to postpone a hearing at which Wenzell was to testify just at the time the House of Representatives was to consider the Dixon-Yates transmission-line appropriation. Armstrong not only discussed the matter with him—itself a breach of his quasi-judicial status—but granted the request.

Of course, in his quasi-judicial capacity, what Armstrong clearly should have said was that under no circumstances would he discuss the subject, because it involved the question of his judicial responsibility.

Armstrong says Adams told him he wanted the delay because Attorney General Brownell was out of town. Certainly the Department of Justice could have made the request in open hearing, where the parties in interest could agree or protest.

This behind-the-closed-door dealing is in marked contrast to the open, on-the-record intervention of the Departments of Agriculture and Interior before the Federal Power Commission in the Hells Canyon case during the Truman administration.

The action of Adams and Armstrong constitutes a flagrant perversion of the quasi-judicial functions of the SEC.

BEESON AND HOWREY AND LYONS

Another set of nominations submitted by the President which are disruptive of even-handed Government are those which consist of appointing men who have represented the industry or interests subject to regulation.

The most shocking examples were:

First. Beeson's appointment to the NLRB in the light of his past activities as an employer representative and his evasive testimony as to his continued affiliation with his employer.

Second. Howrey's appointment as Chairman of the Federal Trade Commission. He was one of the principal attorneys for anti-trust respondents in FTC proceedings; the subsequent weakening of the FTC has substantiated the fears expressed before his confirmation. The President's refusal to reappoint Commissioner Mead is part of the pattern of emasculating this Commission.

Third. Lyons' appointment as Director of the Bureau of Mines. The hearings disclosed that he had a pension from a major mining company, and, in addition, was opposed to the mine safety law. When it became clear that his confirmation would not be possible, the nomination was withdrawn. However, it took an active fight on the floor of the Senate to focus public attention on this very unfortunate appointment.

PACKING THE FEDERAL POWER COMMISSION

The pattern of undermining the administrative process and rigging quasi-judicial agencies is no more clear than in the case of the Federal Power Commission.

In early 1953 the President appointed Jerome Kuykendall as a new member and Chairman of the FPC. Kuykendall was the public utility commissioner of Washington State, an appointee of Governor Langlie, an outspoken foe of Hells Canyon Dam.

After Kuykendall was confirmed, Secretary of Interior McKay withdrew opposition to the Idaho Power Co. small dam application and the Idaho Power Co. amended its application. Then the long-delayed hearings got underway. Subsequent appointments to FPC have completed the roster of antipublic power commissioners.

WICKARD'S OUSTER, FAILURE TO REAPPOINT GORDON CLAPP

The tampering with nonpartisan positions included the forced withdrawal of Claude Wickard as Administrator of REA—a position which by statute is a nonpartisan one—before the end of his term.

The refusal to reappoint Gordon Clapp as Chairman of TVA was certainly within the President's prerogative. However, the subsequent attack upon TVA indicates that Clapp was considered too good and too tough to handle. His replacement, General Vogel, whose confirmation I opposed, has proved a willing colleague of the Budget Bureau in attempts to weaken TVA.

OTHER EXAMPLES

It would take too long to catalog every instance of Presidential appointments that are inconsistent with impartial government.

The attempts to turn the civil service into a Republican grab bag are part and parcel of this pattern. The invention of schedule C for so-called confidential employees has been used as a device to remove civil service protection from scores of positions.

There have been fears that certain key positions under the Railroad Retirement Board would be so transferred. The prohibition against putting those positions under schedule C is the basis for some Republican opposition to the pending railroad retirement bill.

PENDING PATTERSON NOMINATION

I am among the members of the Banking and Currency Committee who oppose the confirmation of Patterson as an SEC Commissioner.

Our principal ground of objection is that Patterson would complete the roster of Commissioners whose main contact with the regulated industry has been with the security exchanges.

This is another example of delivering an administrative agency to the regulated industry.

The administration has slipped through many objectionable and questionable appointments. As we review this sorry list the pattern of bad appointments and interferences with the administrative process has become clear.

The President has either misused or shirked his responsibility—either course amounts to irresponsibility.

The day of easy confirmations of poor appointments has come to an end. Not only the Senate, but, more importantly, the people, are aroused and demand that Government by, of and for big business be brought to an end.

SUPPLEMENTAL APPROPRIATIONS, 1956

The Senate resumed the consideration of the bill (H. R. 7278) making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYDEN. Mr. President, the pending supplemental appropriation bill

for 1956, as it passed the House, provided for an appropriation of $224,276,628. The amount of the increase recommended by the Senate committee is $1,601,834,986. This increase is misleading, since many items of appropriations including well over a billion dollars for military construction were deleted on the floor of the House on points of order. The authorizing legislation on military construction had passed both Houses of Congress and was awaiting the signature of the President which made the appropriation subject to a point of order. Other authorizing bills were in various stages of the legislative process.

The increase of the Senate committee bill over the bill as reported to the House is $177,235,486. In this connection it should be pointed out that the Senate committee considered budget estimates in excess of the estimates considered by the House in the amount of $195,565,204.

While this is labeled a supplemental bill, I think it would be well to point out that over $1,290,000,000 is regular appropriations, rather than supplementals. Of this amount, $1,270,000,000 is for military construction for which the authorization had not been passed when the Defense Department appropriation bill was before the committee. Of the remaining $536 million in the bill, a portion of the funds requested is to carry out measures enacted during this session; in fact, about $100 million contained in the bill is contingent on final enactment of measures now pending before either the House or Senate.

Mr. President, in view of the fact that in the House of Representatives so much of the bill was stricken on points of order, I ask unanimous consent that the committee amendments be agreed to en bloc; that the bill, as thus amended, be regarded for purposes of amendment as the original text; and that no point of order shall be considered to have been waived by agreement to this request.

Mr. CURTIS. Mr. President, if all the committee amendments are agreed to en bloc, will it be in order for me to offer an amendment to a committee amendment?

Mr. HAYDEN. Certainly.

Mr. THYE. Mr. President, I wish to offer an amendment on page 3. Is this the proper time to do so?

Mr. HAYDEN. Mr. President, I should like to have the committee amendments agreed to en bloc, and then have amendments offered from the floor.

The PRESIDING OFFICER (Mr. PAYNE in the chair). Is there objection to the request of the Senator from Arizona? The Chair hears none, and the committee amendments are agreed to en bloc.

The committee amendments agreed to en bloc are as follows:

Under the heading "Chapter I—Department of Agriculture," on page 2, after line 2, to insert:

"AGRICULTURAL RESEARCH SERVICE

"SALARIES AND EXPENSES

"Not to exceed $25,000 of funds appropriated under this head in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1956, for research, shall be available for construction of a building at the United States Range Livestock Experiment Station, Miles City, Mont."

On page 2, after line 10, to insert:

"ANIMAL DISEASE LABORATORY FACILITIES

"For preparation of plans and specifications for construction of facilities for animal disease research and control, and for surveys to determine the cost of acquiring and altering facilities which may be made suitable for such work, including employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), $500,000, to remain available until expended."

On page 2, after line 19, to strike out:

"EXTENSION SERVICE

"PAYMENTS TO STATES, HAWAII, ALASKA, AND PUERTO RICO

"For an additional amount for 'Payments to States, Hawaii, Alaska, and Puerto Rico,' $1,250,000."

At the top of page 3, to strike out:

"FEDERAL EXTENSION SERVICE

"For an additional amount for 'Federal Extension Service,' for administration and coordination, $35,000."

On page 3, after line 3, to strike out:

"SOIL CONSERVATION SERVICE

"CONSERVATION OPERATIONS

"For an additional amount for 'Conservation operations,' $150,000."

On page 3, after line 7, to strike out:

"AGRICULTURAL MARKETING SERVICE

"MARKETING RESEARCH AND SERVICE

"For an additional amount for 'Marketing research and service,' for marketing research and agricultural estimates, $250,000."

On page 3, after line 12, to insert:

"COMMODITY EXCHANGE AUTHORITY

"For an additional amount for 'Commodity Exchange Authority,' $33,000."

On page 3, after line 15, to strike out:

"FARMERS' HOME ADMINISTRATION

"SALARIES AND EXPENSES

"For an additional amount for 'Salaries and expenses,' $850,000."

On page 3, after line 19, to strike out:

"OFFICE OF THE GENERAL COUNCIL

"For an additional amount for 'Office of the General Counsel,' $36,000."

And in lieu thereof to insert:

"OFFICE OF THE GENERAL COUNSEL

"For an additional amount for 'Office of the General Counsel,' $65,000: *Provided*, That this appropriation shall be effective only upon enactment into law of H. R. 5891, 84th Congress."

On page 4, after line 3, to strike out:

"OFFICE OF THE SECRETARY

"For an additional amount for 'Office of the Secretary,' $19,000."

On page 4, after line 6, to strike out:

"OFFICE OF INFORMATION

"For an additional amount for 'Office of Information,' $30,000."

On page 4, after line 9, to insert:

"AGRICULTURAL CONSERVATION PROGRAM SERVICE

"Not to exceed $5,000,000 of the appropriation under the head 'Agricultural Conservation Program Service,' in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1955, shall be available for the purposes specified under the head 'Agricultural Conservation Program,' in the Second Supplemental Appropriation Act, 1955, and shall be merged with the amount provided therein."

On page 4, after line 18, to insert:

"COMMODITY CREDIT CORPORATION

"For the purpose of assisting the Commodity Credit Corporation in selling its agricultural commodities, the position of sales manager is hereby authorized in grade 17 of the General Schedule of the Classification Act of 1949, as amended, in accordance with the standards and procedures of that act."

Under the heading "Chapter II—Department of Commerce—Civil Aeronautics Administration," on page 5, after line 3, to insert:

"OPERATION AND REGULATION

"For an additional amount for 'Operation and regulation,' $1,200,000."

On page 5, after line 14, to insert:

"MARITIME ACTIVITIES

"MARITIME TRAINING

"For an additional amount for 'Maritime training,' $115,000; and the limitation under this head in the Department of Commerce Appropriation Act, 1956, on the amount available for transfer to applicable appropriations of the Public Health Service for services rendered to the Maritime Administration is increased by $5,000."

On page 5, after line 22, to insert:

"REPAIR OF RESERVE FLEET VESSELS (LIQUIDATION OF CONTRACT AUTHORIZATION)

"The limitation under this head in the Department of Commerce and Related Agencies Appropriation Act, 1956, on the amount which may be advanced to the appropriation, 'Salaries and expenses, maritime activities,' for administrative expenses is increased from '$150,000' to '$330,000.'"

On page 6, after line 4, to insert:

"BUREAU OF PUBLIC ROADS

"INTER-AMERICAN HIGHWAY

"For an additional amount for 'Inter-American Highway,' as authorized by the act of July 1, 1955 (Public Law 129), $49,730,000, to remain available until expended."

On page 6, after line 9, to insert:

"WEATHER BUREAU

"SALARIES AND EXPENSES

"For an additional amount of 'Salaries and expenses,' $1,500,000; and the limitation under this head in the Department of Commerce and Related Agencies Appropriation Act, 1956, on the amount available for improvement and operation of hurricane, severe storm, and tornado warning services, including research and construction of related facilities, is increased from '$4,250,000' to '$5,750,000'."

On page 6, after line 18, to insert:

"SMALL BUSINESS ADMINISTRATION

"SALARIES AND EXPENSES

"For necessary expenses, not otherwise provided for, of the Small Business Administration, including expenses of attendance at meetings concerned with the purposes of this appropriation and hire of passenger motor vehicles, $2,700,000; and in addition there may be transferred to this appropriation not to exceed $2,865,000 from the Revolving Fund, Small Business Administration, and not to exceed $535,000 from the fund for liquidation of Reconstruction Finance Corporation disaster loans, Small Business Administration, for administrative expenses in connection with activities financed under said funds: *Provided*, That the amount authorized for transfer from the Revolving Fund, Small Business Administration, may be increased, with the approval of the Bureau of the Budget, by such amount as may be required to finance administrative expenses incurred in the making of disaster loans."

On page 7, after line 11, to insert:

"REVOLVING FUND

"For additional capital for the Revolving Fund authorized by the Small Business Act of 1953, as amended, to be available without fiscal year limitation, $25 million: *Provided*, That this appropriation and the appropriation to the Small Business Administration for 'Salaries and expenses', for the fiscal year 1956, shall be available only upon the

enactment into law of S. 2127, 84th Congress, 1st session, or similar legislation, continuing the Small Business Administration during the fiscal year 1956."

On page 7, after line 21, to insert:

"UNITED STATES TARIFF COMMISSION

"That part of title III of Public Law 121, 84th Congress, approved June 30, 1955, which pertains to the appropriation for the Tariff Commission for the fiscal year ending June 30, 1956, is hereby amended by changing the period at the end thereof to a colon and adding the following additional proviso: '*And provided further*, That that part of the foregoing appropriation which is for expenses of travel shall be available, when specifically authorized by the head of the Tariff Commission, for expenses of attendance at meetings of organizations concerned with the functions and activities of the said Commission'."

Under the heading "Chapter III," on page 8, after line 9, to insert:

"CENTRAL INTELLIGENCE AGENCY

"CONSTRUCTION

"For the preparation of detail plans and specifications of a Central Intelligence Agency headquarters installation and for other purposes as authorized by title IV of the act of July 15, 1955 (Public Law 161), to remain available until expended, $7,000,000, of which $4,000,000 shall be available for transfer to the National Capital Planning Commission and to the Department of the Interior for acquisition of land and construction to extend the George Washington Memorial Parkway: *Provided*, That if it is determined such headquarters installation will not be constructed at the Research Station of the Bureau of Public Roads at Langley, Fairfax County, Va., none of the funds shall be available for acquisition of land and construction to extend the George Washington Memorial Parkway and not to exceed $350,000 shall be available from such $4,000,000 for acquisition of land for the site of the headquarters installation."

Under the heading "Department of Defense—Military Functions," on page 9, after line 19, to insert:

"DEPARTMENT OF THE ARMY

"MILITARY CONSTRUCTION, ARMY

"For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, and facilities, for the Army, as authorized by the act of September 28, 1951 (Public Law 155), the act of July 14, 1952 (Public Law 534), the act of August 7, 1953 (Public Law 209), the act of July 27, 1954 (Public Law 534), the act of September 1, 1954 (Public Law 765), and the act of July 15, 1955 (Public Law 161), without regard to sections 1136 and 3734, Revised Statutes, as amended, including hire of passenger motor vehicles; to remain available until expended, $486,427,000, to be derived by transfer from the appropriation for 'Procurement and production, Army'."

On page 10, after line 10, to insert:

"DEPARTMENT OF THE NAVY

"MILITARY CONSTRUCTION, NAVY

"For an additional amount for acquisition, construction, installation, and equipment of temporary or permanent public works, naval installations, and facilities for the Navy, as authorized by the act of September 28, 1951 (Public Law 155), the act of July 14, 1952 (Public Law 534), the act of August 7, 1953 (Public Law 209), the act of July 27, 1954 (Public Law 534), the act of September 1, 1954 (Public Law 765), and the act of July 15, 1955 (Public Law 161), without regard to sections 1136 and 3734, Revised Statutes, as amended; including hire of passenger motor vehicles; furniture for public quarters; and personnel in the Bureau of Yards and Docks and other personal services necessary for the purposes of this appropriation; $443,278,300, to remain available until expended."

On page 11, after line 2, to insert:

"AUDITED CLAIMS

"Applicable current appropriations of the Department of the Navy shall be available for the payment of claims certified by the Comptroller General to be otherwise due, in the amounts stated below, from the following appropriations:

"'Maintenance, Bureau of Supplies and Accounts,' fiscal year 1943, $171.48;

"'Pay, subsistence, and transportation, Navy,' fiscal year 1943, $3,344.24;

"'Maintenance, Bureau of Ships,' fiscal year 1946, $5,838.42; and

"'Transportation of things, Navy,' fiscal year 1948, $1,359.86."

On page 11, after line 15, to insert:

"DEPARTMENT OF THE AIR FORCE

"MILITARY CONSTRUCTION, AIR FORCE

"For an additional amount for acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, and facilities for the Air Force as authorized by the act of September 11, 1950 (Public Law 783), the act of September 28, 1951 (Public Law 155), the act of July 14, 1952 (Public Law 534), the act of August 7, 1953 (Public Law 209), the act of April 1, 1954 (Public Law 325), the act of July 27, 1954 (Public Law 534), the act of September 1, 1954 (Public Law 765), and of the act of July 15, 1955 (Public Law 161), without regard to sections 1136 and 3734, Revised Statutes, as amended; including hire of passenger motor vehicles, including research and development facilities at Wright-Patterson Air Force Base, Dayton, Ohio; to remain available until expended, $1,078,649,000 of which $255,000,000 shall be derived by transfer from the appropriation 'Procurement and production,' Army: *Provided*, That not to exceed $350,000 of this appropriation shall be used for the purposes authorized by section 303 of the act of July 15, 1955 (Public Law 161)."

On page 12, after line 13, to insert:

"GENERAL PROVISIONS

"SEC. 302. Funds appropriated to the military departments for military public works in prior years are hereby made available for military public works authorized for each such department by the act of July 15, 1955 (Public Law 161)."

On page 12, after line 19, to insert:

"SEC. 303. None of the funds appropriated in this chapter shall be expended for payments under a cost-plus-a-fixed-fee contract for work where cost estimates exceed $25,000 to be performed within the continental United States without the specific approval in writing of the Secretary of Defense setting forth the reasons therefor."

On page 13, after line 2, to insert:

"SEC. 304. None of the funds appropriated in this chapter shall be expended for additional costs involved in expediting construction, unless the Secretary of Defense certifies such costs to be necessary to protect the national interest and establishes a reasonable completion date for each such project, taking into consideration the urgency of the requirement, the type and location of the project, the climatic and seasonal conditions affecting the construction and the application of economical construction practices."

On page 13, after line 11, to insert:

"SEC. 305. None of the funds appropriated in this chapter shall be used for the construction, replacement, or reactivation of any bakery, laundry, or dry-cleaning facility in the United States, its Territories or possessions, as to which the Secretary of Defense does not certify, in writing, giving his reasons therefor, that the services to be furnished by such facilities are not obtainable from commercial sources at reasonable rates."

On page 13, after line 19, to insert:

"SEC. 306. Funds appropriated to the military departments for construction are hereby made available for advance planning, construction design, and architectural services, as authorized by section 504 of the act of September 28, 1951 (Public Law 155)."

Under the heading "Chapter IV," on page 14, after line 1, to insert:

"DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS

"DEPARTMENT OF THE ARMY

"Government and relief in occupied areas

"For expenses, not otherwise provided for, necessary to meet the responsibilities and obligations of the United States in connection with the government or occupation of the Ryukyu Islands, including, subject to such authorizations and limitations as may be prescribed by the head of the department or agency concerned, tuition, travel expenses, and fees incident to instruction in the United States or elsewhere of such persons as may be required to carry out the provisions of this appropriation; travel expenses and transportation; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), at rates not in excess of $50 per diem for individuals not to exceed 10 in number; translation rights, photographic work, education exhibits, and dissemination of information, including preview and review expenses incident thereto; hire of passenger motor vehicles and aircraft; repair and maintenance of buildings, utilities, facilities, and appurtenances; and such supplies, commodities, and equipment as may be essential to carry out the purposes of this appropriation; $3 million, of which not to exceed $1,210,000 shall be available for administrative and information and education expenses: *Provided*, That the general provisions of the Appropriation Act for the current fiscal year for the military functions of the Department of the Army shall apply to expenditures made by that Department from this appropriation: *Provided further*, That expenditures from this appropriation may be made outside continental United States, when necessary to carry out its purposes, without regard to sections 355, 1136, 3648, and 3734, Revised Statutes, as amended, civil service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States: *Provided further*, That expenditures from this appropriation may be made, when necessary to carry out its purposes, without regard to section 3709, Revised Statutes, as amended, and the Armed Services Procurement Act of 1947 (41 U. S. C. 151–161): *Provided further*, That expenditures may be made hereunder for the purposes of economic rehabilitation in the Ryukyu Islands in such manner as to be consistent with the general objectives of title II and III of the Mutual Security Act of 1954, and in the manner authorized by sections 505 (a) and 522 (e) thereof: *Provided further*, That funds appropriated hereunder and unexpended at the time of the termination of occupation by the United States, of any area for which such funds are made available, may be expended by the President for the procurement of such commodities and technical services, and commodities procured from funds herein or heretofore appropriated for government and relief in occupied areas and not delivered to such an area prior to the time of the termination of occupation, may be utilized by the President, as may be necessary to assist in the maintenance of the political and economic stability of such areas: *Provided further*, That before any such assistance is made available, an agreement shall be entered into between the United States and the recognized government or authority with respect to such area containing such undertakings by such government or authority as the President may determine to be necessary in

order to assure the efficient use of such assistance in furtherance of such purposes: *Provided further,* That such agreement shall, when applicable, include requirements, and undertakings corresponding to the requirements and undertakings specified in section 303 of the Mutual Security Act of 1954: *Provided further,* That funds appropriated hereunder may be used, insofar as practicable, and under such rules and regulations as may be prescribed by the head of the department or agency concerned to pay ocean transportation charges from United States ports, including territorial ports, to ports in the Ryukyus for the movement of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid or of relief packages consigned to individuals residing in such areas: *Provided further,* That under the rules and regulations to be prescribed, the head of the department or agency concerned shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to the Ryukyus regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals: *Provided further,* That the President may transfer to any other department or agency any function or functions provided for under this appropriation, and there shall be transferred to any such department or agency without reimbursement and without regard to the appropriation from which procured, such property as the Director of the Bureau of the Budget shall determine to relate primarily to any function or functions so transferred."

At the top of page 19, to insert:

"CHAPTER V. GENERAL GOVERNMENT MATTERS
EXECUTIVE OFFICE OF THE PRESIDENT

"OFFICE OF DEFENSE MOBILIZATION

"Salaries and expenses

"For an additional amount for 'Salaries and expenses,' for carrying out the provisions of section 7 of the act of June 21, 1955 (Public Law 86), $100,000."

On page 19, after line 8, to insert:

"DISTRICT OF COLUMBIA AUDITORIUM COMMISSION

"SALARIES AND EXPENSES

"For necessary expenses to carry out the provisions of the act of July 1, 1955 (Public Law 128), $25,000."

On page 19, after line 13, to insert:

"FOREIGN CLAIMS SETTLEMENT COMMISSION

"INTERNATIONAL CLAIMS

"For expenses necessary to enable the Commission to settle certain claims as authorized by the act of March 10, 1950, as amended (22 U. S. C. 1621–1627), including expenses of attendance at meetings of organizations concerned with the purpose of this appropriation; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), at rates not to exceed $50 per diem for individuals; and employment of aliens; $400,000: *Provided,* That this paragraph shall be effective only upon enactment into law of H. R. 6382, 84th Congress, 1st session."

At the top of page 20, to insert:

"PRESIDENT'S COMMISSION ON VETERANS' PENSIONS

"For expenses necessary for a special study of the veterans' compensation and pensions program, to be expended as the President may direct, $300,000."

On page 20, after line 4, to insert:

"SEC. 502. Appropriations contained in title I of the General Government Matters Appropriation Act, 1956, available for expenses of travel, shall be available, when specifically authorized by the head of the activity or establishment concerned, for expenses of attendance at meetings of organizations concerned with the function or activity for which the appropriation concerned is made."

In the heading on page 20, line 12, after the word "Chapter" to strike out "V" and insert "VI."

Under the heading "Independent Offices—Federal Civil Defense Administration—Operations," on page 20, line 16, after the word "Operations", to strike out "$650,000" and insert "$1,000,000."

Under the subhead "Surveys, Plans, and Research," on page 21, line 1, after "55a", to strike out "$8,000,000" and insert "$12,000,000."

On page 21, after line 2, to insert:

"SALARIES AND EXPENSES, CIVIL DEFENSE FUNCTIONS OF FEDERAL AGENCIES

"For necessary expenses to enable departments and agencies to discharge civil defense responsibilities delegated under the authority of section 201 (b) of the Federal Civil Defense Act of 1950, as amended, including expenses of attendance at meetings concerned with the purposes of this appropriation, and the purchase of materials and supplies necessary thereto, $3,050,000."

On page 21, after line 11, to insert:

"GENERAL SERVICES ADMINISTRATION

"SITES AND PLANNING, PURCHASE CONTRACTS, AND PUBLIC BUILDINGS PROJECTS

"For expenses necessary in carrying out the provisions of the Public Buildings Purchase Contract Act of 1954 (68 Stat. 518), $15,000,000, to remain available until expended and to be in addition to and available for the same purposes as any unobligated balances which have been or may be made available, by any law enacted during the first session of the 84th Congress, for carrying out the purposes of said act: *Provided,* That any such unobligated balances may be consolidated with this appropriation."

On page 21, after line 23, to insert:

"The aggregate of annual payments for amortization of principal and interest thereon required by all purchase contracts entered into during the fiscal year 1956 pursuant to the Public Buildings Act of 1949 (63 Stat. 176), as amended by the Public Buildings Purchase Contract Act of 1954 (68 Stat. 518), shall not exceed $10,000,000, in addition to the unused portion of the $5,000,000 limitation applicable prior to July 1, 1955, under section 411 (a) of the said Public Buildings Act of 1949, as amended."

On page 22, after line 8, to insert:

"ACQUISITION OF LAND, DISTRICT OF COLUMBIA

"For expenses, not otherwise provided for, necessary for acquisition by purchase, condemnation, or otherwise of a portion of the land, including improvements thereon, in square 62, District of Columbia, $300,000, to remain available until expended: *Provided,* That the Administrator of General Services is authorized to exchange the same or a part thereof for any other land in said square on such terms and conditions as the Administrator may determine with the approval of the National Capital Planning Commission."

On page 22, after line 18, to insert:

"REPAIR, IMPROVEMENT, AND EQUIPMENT OF FEDERALLY OWNED BUILDINGS OUTSIDE THE DISTRICT OF COLUMBIA

"For an additional amount for 'Repair, improvement, and equipment of federally owned buildings outside the District of Columbia', $1,150,000, to remain available until expended: *Provided,* That the limitation under this head in the Independent Offices Appropriation Act, 1956, on the amount available for expenses of travel, is increased from '$145,000' to '$155,000'."

On page 23, after line 3, to insert:

"OPERATING EXPENSES, FEDERAL SUPPLY SERVICE

"For an additional amount for 'Operating expenses, Federal Supply Service', $200,000; and the limitation under this head in the Independent Offices Appropriation Act, 1956, on the amount available for travel expenses is increased by $1,000."

On page 3, after line 9, to insert:

"EXPENSES, GENERAL SUPPLY FUND

"For an additional amount for 'Expenses, general supply fund', $1,000,000, of which $300,000 shall be for nonrecurring moving and space costs in connection with the relocation of warehouse management and other employees into office space in regional warehouses; and the limitation under this head in the Independent Offices Appropriation Act, 1956, on the amount available for expenses of travel is increased by $22,500."

On page 23, after line 18, to insert:

"Survey of Government Records, Records Management, and Disposal Practices, General Services Administration: For necessary expenses, including not to exceed $50,000 for administrative expenses, in connection with conducting surveys of Government records, and records creation, maintenance, management and disposal practices in Federal agencies, pursuant to sections 505 and 506 of the Federal Property and Administrative Services Act of 1949, as amended, $300,000: *Provided,* That notwithstanding any other provision of said act, the Administrator shall have final authority in all matters involving the conduct of surveys and the implementation of recommendations based on such surveys: *Provided further,* That the 1 year limitation in section 208 (b) of the Federal Property and Administrative Services Act of 1949, as amended, shall not apply to the procurement of services in connection with the conduct of such surveys: *Provided further,* That a detailed quarterly report on the progress of each survey conducted hereunder shall be made to the Appropriations Committee of the Congress."

On page 24, after line 13, to insert:

"OPERATING EXPENSES, NATIONAL ARCHIVES AND RECORDS SERVICE

"For an additional amount for 'Operating expenses, National Archives and Records Service,' $145,000."

On page 24, after line 17, to insert:

"STRATEGIC AND CRITICAL MATERIALS

"The appropriation granted under this head in the Independent Offices Appropriation Act, 1956, shall be available for necessary expenses for transportation and handling, within the United States (including charges at United States ports), storage, security, and maintenance of strategic and critical materials acquired for the supplemental stockpile pursuant to section 104 (b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U. S. C. 1704 (b))."

Under the heading "Housing and Home Finance Agency", on page 25, after line 3, to insert:

"OFFICE OF THE ADMINISTRATOR

"Salaries and expenses

"For an additional amount for 'Salaries and expenses,' $170,000, and the limitation under this head in the Independent Offices Appropriation Act, 1956, on the amount available for expenses of travel, is increased from '$263,700' to '$273,000'."

On page 25, after line 10, to insert:

"RESERVE OF PLANNED PUBLIC WORKS

"For an additional amount for 'Reserve of planned public works,' $5,500,000."

On page 25, after line 17, to insert:

"ADMINISTRATIVE EXPENSES

"For an additional amount for 'Administrative expenses,' $1,060,000."

On page 25, after line 20, to insert:

"CORPORATIONS

"Office of the Administrator, housing loan for educational institutions: The amount made available under this head in the Independent Offices Appropriation Act, 1956, for administrative expenses, is increased by $200,000."

At the top of page 26, to insert:

"Office of the Administrator, public facility loans: Not to exceed $250,000 of the revolving fund established pursuant to the Housing Amendments of 1955 (S. 2126, 84th Cong.) shall be available for administrative expenses: *Provided*, That the revolving fund established pursuant to section 108 of the Reconstruction Finance Corporation Liquidation Act (67 Stat. 230), as amended, shall be merged with the revolving fund for public facility loans established pursuant to said Housing Amendments of 1955 (S. 2126, 84th Cong.)."

On page 26, after line 10, to insert:

"Federal Housing Administration: The amount made available under this head in title II of the Independent Offices Appropriation Act, 1956 (Public Law 112), is increased from $5,900,000 to $7,000,000 and the limitation on the amount available for expenses of travel is increased from $300,000 to $464,000: *Provided*, That the limitation under said head on the amounts available for certain nonadministrative expenses of said Administration is increased from $33,000,000 to $37,600,000."

On page 26, after line 19, to insert:

"Public Housing Administration: The amount made available under this head in title II of the Independent Offices Appropriation Act, 1956, for administrative expenses of the Public Housing Administration in carrying out duties imposed by law, is increased from '$8,200,000' to '$9,260,000', and the limitation under said head on the amount available for expenses of travel is increased from '$530,000' to '$600,000'."

On page 27, after line 2, to insert:

"Appropriations and authorizations contained in this act for the Housing and Home Finance Agency (except $730,000 of the increase in the amount made available for administrative expenses of the Federal Housing Administration and the amount available for expenses of travel; $2,600,000 of the increase in the limitation on certain nonadministrative expenses of said Administration; the additional amount appropriated for 'Annual contributions' and $60,000 of the increase in amounts for administrative expenses of the Public Housing Administration) shall be effective only upon the enactment into law of the Housing Amendments of 1955 (S. 2126, 84th Cong.)."

On page 27, after line 14, to insert:

"NATIONAL SECURITY TRAINING COMMISSION

"SALARIES AND EXPENSES

"For necessary expenses of the National Security Training Commission, including services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), at rates for individuals not in excess of $50 per diem, and contracts with temporary or part-time employees may be renewed annually; and expenses of attendance at meetings concerned with the purposes of this appropriation; $80,000: *Provided*, That this paragraph shall be effective only upon enactment into law, during the first session of the 84th Congress, of H. R. 7000, or similar legislation: *Provided further*, That this appropriation may be used to reimburse the appropriation 'Special Projects, Executive Office of the President', for obligations incurred against said appropriation, prior to the enactment of this act, for expenses of the Commission."

On page 28, after line 5, to insert:

"SELECTIVE SERVICE SYSTEM

"SALARIES AND EXPENSES

"The amount made available under this head in the Independent Offices Appropriation Act, 1956, for registration, classification, and induction activities of local boards, shall also be available during the current fiscal year for expenses of the National Advisory Committee on the Selection of Physicians, Dentists, and Allied Specialists, including not to exceed $30,000 for expenses of travel."

In the heading, on page 28, line 15, after the word "Chapter" to strike out "VI" and insert "VII."

Under the heading, "Department of the Interior—Bureau of Indian Affairs," on page 29, after line 3, to insert:

"TRIBAL FUNDS

"For an additional amount for 'Tribal funds,' $200,000, from funds to the credit of the Indians of California as defined and enrolled under the act of May 18, 1928 (45 Stat. 602), as amended, the successors in interest to claims against the United States as therein provided, for payment of expenses, other than attorney fees, heretofore or hereafter incurred by attorneys prosecuting the claims of the Indians of California before the Indian Claims Commission under contracts approved by the Secretary of the Interior."

Under the subhead "Bureau of Mines—Conservation and Development of Mineral Resources," on page 29, line 18, after the word "resources", to strike out "$625,000" and insert "$1,450,000."

On page 29, after line 18, to insert:

"DRAINAGE OF ANTHRACITE MINES

"For contributions as authorized by the act 'To provide for the conservation of anthracite coal resources through measures of flood control and anthracite mine drainage, and for other purposes' (Public Law 162, approved July 15, 1955), $8,500,000, to remain available until expended."

Under the subhead "Fish and Wildlife Service—Construction," on page 30, line 6, after the word "Construction," to strike out "$325,000" and insert "$786,000, of which $455,000 shall be available for the construction of fish-cultural facilities below Norfolk Dam, Arkansas."

On page 30, after line 9, to insert:

"DEPARTMENT OF AGRICULTURE

"FOREST SERVICE—SALARIES AND EXPENSES

"For an additional amount for 'Salaries and expenses,' for national forest protection and management, $300,000: *Provided*, That this appropriation shall be effective only upon enactment into law of H. R. 5891, 84th Congress."

On page 30, after line 15, to insert:

"ALEXANDER HAMILTON BICENTENNIAL COMMISSION

"For an additional amount for 'Alexander Hamilton Bicentennial Commission,' $112,162, to remain available until expended: *Provided*, That this appropriation shall become effective only upon the enactment into law of S. 1395."

At the top of page 31, to insert:

"BOSTON NATIONAL HISTORIC SITES COMMISSION

"For expenses necessary to carry out the provisions of the act of June 16, 1955 (69 Stat. 136, 137, 138), $40,000, to remain available until June 30, 1957."

On page 31, after line 5, to insert:

"JOHN MARSHALL BICENTENNIAL CELEBRATION COMMISSION

"For an additional amount for 'John Marshall Bicentennial Celebration Commission' for carrying out the provisions of the act of August 13, 1954 (68 Stat. 702), including entertainment, $82,500, to remain available until December 31, 1955."

On page 31, after line 12, to insert:

"NATIONAL CAPITAL PLANNING COMMISSION

"SALARIES AND EXPENSES

"For an additional amount for 'Salaries and expenses', $57,000."

On page 31, after line 16, to insert:

"SMITHSONIAN INSTITUTION

"MUSEUM OF HISTORY AND TECHNOLOGY

"For necessary expenses of construction of a building for the Museum of History and Technology, as authorized by the act of June 28, 1955 (Public Law 106), including the preparation of plans and specifications, not to exceed $75,000 for services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), at rates not to exceed $100 per diem for individuals, and incidental expenses of the Regents of the Smithsonian Institution and of the Joint Congressional Committee established by said act, $2,288,000, to remain available until expended: *Provided*, That the expenses of the Joint Congressional Committee shall be paid upon certification of the Chairman of said Committee."

On page 32, after line 9, to insert:

"SOO LOCKS CENTENNIAL CELEBRATION COMMISSION

"Funds appropriated for the Soo Locks Centennial Celebration Commission in the Second Supplemental Appropriation Act, 1955 (Public Law 24, 84th Congress), shall be available for expenses of official entertainment."

In the heading, on page 32, line 16, after the word "Chapter", to strike out "VII" and insert "VIII."

Under the heading "Department of Labor—Office of the Solicitor—Salaries and Expenses", on page 32, at the beginning of line 21, to strike out "$110,000" and insert "$303,800."

At the top of page 33, to insert:

"BUREAU OF EMPLOYMENT SECURITY

"SALARIES AND EXPENSES, MEXICAN FARM LABOR PROGRAM

"For an additional amount for 'Salaries and expenses, Mexican farm labor program,' $650,000: *Provided*, That this amount shall be available only upon enactment into law of H. R. 3822, 84th Congress, or similar legislation, extending authority for the importation of Mexican agricultural workers."

On page 33, after line 9, to insert:

"WAGE AND HOUR DIVISION

"SALARIES AND EXPENSES

"For an additional amount for 'Salaries and expenses,' $2,185,000: *Provided*, That this amount and the amount appropriated in this act for 'Salaries and expenses, Office of the Solicitor,' shall be available only upon enactment into law of S. 2168, 84th Congress, or similar legislation, increasing the minimum wage."

Under the heading "Department of Health, Education, and Welfare," on page 34, after line 2, to insert:

"GALLAUDET COLLEGE

"SALARIES AND EXPENSES

"For an additional amount for 'Salaries and expenses,' fiscal year 1955, for payment of retroactive pay increases granted by administrative action, comparable to those authorized by the Federal Employees Salary Increase Act of 1955 (69 Stat. 172), $5,400, to be derived by transfer from the appropriation 'Grants to States for public assistance,' Social Security Administration, fiscal year 1955."

On page 34, after line 11, to insert:

"For an additional amount for 'Salaries and expenses,' for payment of pay increases granted by administrative action comparable

to those authorized by the Federal Employees Salary Increase Act of 1955 (69 Stat. 172), $8,700."

On page 34, after line 15, to insert:

"HOWARD UNIVERSITY

"SALARIES AND EXPENSES

"For an additional amount for 'Salaries and expenses,' fiscal year 1955, for payment of retroactive pay increases granted by administrative action, comparable to those authorized by the Federal Employees Salary Increase Act of 1955 (69 Stat. 172), $76,000, to be derived by transfer from the appropriation 'Grants to States for public assistance,' Social Security Administration, fiscal year 1955."

At the top of page 35, to insert:

"For an additional amount for 'Salaries and expenses', for payment of pay increases granted by administrative action comparable to those authorized by the Federal Employees Salary Increase Act of 1955 (69 Stat. 172), $220,000."

Under the subhead "Office of Education—Salaries and Expenses, White House Conference on Education", on page 35, line 9, after the word "Education", to strike out "$50,000" and insert "$238,000."

Under the subhead "Public Health Service", on page 35, after line 11, to insert:

"For additional amounts for appropriation to the Public Health Service, as follows:

" 'Assistance to States, general', $98,900;

" 'Venereal diseases', $31,100;

" 'Tuberculosis', $25,200;

" 'Communicable diseases', $116,800;

" 'Sanitary engineering activities', $107,000;

" 'Disease and sanitation investigations and control, Territory of Alaska', $13,000;

" 'Salaries and expenses, hospital construction services', $16,200;

" 'Hospital and medical care', $454,500;

" 'Foreign quarantine service', $32,300;

" 'Indian health activities', $32,200;

" 'National Cancer Institute', $57,600;

" 'Mental health activities', $39,500;

" 'National Heart Institute', $56,600;

" 'Dental health activities', $39,700;

" 'Arthritis and metabolic activities', $36,300;

" 'Microbiology activities', $54,300;

" 'Neurology and blindness activities', $7,800;

" 'Retired pay of commissioned officers', $141,000; and

" 'Salaries and expenses', $15,000."

On page 36, after line 15, to insert:

"SANITARY ENGINEERING ACTIVITIES

"For an additional amount for 'Sanitary engineering activities,' $1,190,000, to remain available only until June 30, 1956, for the purposes of the act of July 14, 1955 (Public Law 159)."

On page 36, after line 20, to insert:

"MENTAL HEALTH ACTIVITIES

"For an additional amount for 'Mental health activities,' $250,000: *Provided*, That this appropriation shall be available only upon the enactment into law during the first session of the 84th Congress of House Joint Resolution 256."

At the top of page 37, to insert:

"GRANTS TO STATES FOR POLIOMYELITIS VACCINATION

"For grants to States for carrying out the purposes of the Poliomyelitis Vaccination Assistance Act of 1955, $60 million: *Provided*, That this appropriation shall become effective only upon the enactment into law of H. R. 7126 or S. 2501, 84th Congress."

Under the subhead "Construction of Housing Facilities for Animals", on page 37, line 10, after the word "specifications", to strike out "$400,000" and insert "$685,280."

In the heading, on page 37, line 12, after the word "Chapter", to strike out "VIII" and insert "IX."

Under the heading "Public Works—Atomic Energy Commission—Plant and Equipment", on page 37, at the beginning of line 25, to strike out "$163,577,000" and insert "$270,800,000"; on page 38, line 3, after the name "Tennessee", to strike out the colon and "*Provided*, That only $37,400,000 shall be available prior to the enactment into law of H. R. 6795, 84th Congress", and in line 5, after the amendment just above stated, to insert a colon and "*Provided*, That, in addition to transfers otherwise authorized by law, $101 million of unexpended balances available under this head shall be transferred to the appropriation "Operating expenses, Atomic Energy Commission."

On Page 38, after line 9, to insert:

"DEPARTMENT OF THE INTERIOR

"BONNEVILLE POWER ADMINISTRATION

"Construction

"For an additional amount for 'Construction', $2,038,000, to remain available until expended."

On page 38, after line 14, to insert:

"BUREAU OF RECLAMATION

"CONSTRUCTION AND REHABILITATION

"For an additional amount for 'Construction and rehabilitation', $5 million, to remain available until expended: *Provided*, That this appropriation shall be effective only upon enactment into law during the 84th Congress of H. R. 3383 or S. 500."

At the top of page 39, to insert:

"DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS, DEPARTMENT OF THE ARMY

"RIVERS AND HARBORS AND FLOOD CONTROL

"Construction, general

"For an additional amount for 'Construction, general', $5,551,014."

In the heading, on page 39, line 7, after the word "Chapter", to strike out "IX" and insert "X."

Under the heading "Department of State—Salaries and Expenses", on page 39, at the beginning of line 11, to strike out "$1,820,000" and insert "$2,120,000."

On page 39, after line 15, to insert:

"EXTENSION AND REMODELING, STATE DEPARTMENT BUILDING

"For expenses necessary for planning the extension and remodeling, under the supervision of the General Services Administration, of the State Department Building, Washington, D. C., to remain available until expended, $2,500,000, to be transferred to the General Services Administration."

On page 40, after line 2, to insert:

"PAYMENT TO THE REPUBLIC OF PANAMA

"After the exchange of ratifications of the Treaty of Mutual Understanding and Cooperation, signed January 25, 1955, by the United States of America and the Republic of Panama (Senate Executive F, 84th Cong., 1st sess.; ratification advised by the Senate), the Secretary of the Treasury shall cause to be paid annually (in lieu of the annual payment provided under this head in the Department of State Appropriation Act, 1954), out of any money in the Treasury not otherwise appropriated, $1,930,000 as a payment to the Republic of Panama in accordance with article I thereof."

On page 40, after line 14, to insert:

"INTERNATIONAL EDUCATIONAL EXCHANGE ACTIVITIES

"The limitation under this head in the Department of State Appropriation Act, 1956, on the amount available for administrative expenses is increased from $3,300,000 to $3,485,000."

On page 40, after line 19, to insert:

"ACQUISITION OF BUILDINGS ABROAD

"The limitation under this head in the Department of State Appropriation Act, 1956, on the amount available for administrative expenses is increased from $900,000 to $950,000."

At the top of page 41, to insert:

"INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

"SALARIES AND EXPENSES

"For an additional amount for 'Salaries and expenses,' $75,000."

Under the heading "Department of Justice—Legal Activities and General Administration," on page 41, after line 17, to insert:

"FEDERAL PRISON SYSTEM

"BUILDINGS AND FACILITIES

"For making plans, conducting surveys, and preparing site recommendations for necessary new prison facilities, $500,000."

Under the heading "United States Information Agency—Salaries and Expenses," on page 43, line 6, to strike out "$243,260" and insert "$430,000."

On page 43, after line 6, to insert:

"FUNDS APPROPRIATED TO THE PRESIDENT

"EMERGENCY FUND FOR INTERNATIONAL AFFAIRS

"For expenses necessary to enable the President to take such measures as he deems appropriate to meet extraordinary or unusual circumstances arising in the international affairs of the Government, $6,000,000, to remain available until expended, for use in the President's discretion and without regard to such provisions of law as he may specify: *Provided*, That the President shall transmit to the Committees on Appropriations of the Senate and of the House of Representatives, not less often than quarterly, a full report of expenditures under this appropriation."

In the heading, on page 43, line 19, after the word "Chapter", to strike out "X" and insert "XI."

Under the heading "Treasury Department—Coast Guard—Operating Expenses," on page 44, line 4, to strike out "$5,000,000" and insert "$7,000,000."

On page 44, after line 9, to insert:

"POST OFFICE DEPARTMENT

"OFFICE OF FIRST ASSISTANT POSTMASTER GENERAL

"City delivery carriers

"For an additional amount, fiscal year 1947, for 'City delivery carriers', $10,000, to be derived by transfer from the appropriation 'Railway Mail Service', fiscal year 1947."

On page 44, after line 15, to insert:

"CORPORATION

"FEDERAL FACILITIES CORPORATION

"The amount of the Corporation's funds made available under this head in title I of the Treasury-Post Office Appropriation Act, 1956, for administrative expenses of the Corporation, is increased from $800,000 to $975,000."

In the heading, on page 45, line 1, after the word "Chapter", to strike out "XI" and insert "XII."

Under the heading "District of Columbia—Operating Expenses", on page 46, after line 14, to insert:

"SALARY INCREASES, POLICEMEN AND FIREMEN

"The provisions of title II of Public Law 123, approved June 30, 1955, shall apply also to costs in the fiscal year 1955 of pay increases granted by or pursuant to Public Law , 84th Congress: *Provided*, That this paragraph shall be effective only upon enactment into law of either S. 2428 or H. R. 7159, or similar legislation."

On page 46, after line 21, to insert:

"CAPITAL OUTLAY

"PUBLIC BUILDING CONSTRUCTION

"The appropriation for 'Capital outlay, public building construction', contained in the District of Columbia Appropriation Act, 1956, shall be available for preparation of plans and specifications for a warehouse at the Children's Center and the erection of the following structures, including the treatment of grounds: Branch library building in

Woodridge, new Metropolitan Police Women's Bureau Building (including the installation of telephones, telephone switchboard, and teletypewriter system), and new fire engine house in the vicinity of 24th and Irving Streets Southeast (including instruments for receiving alarms and connecting said house to the fire alarm system)."

On page 48, after line 6, to insert:

"CHAPTER XIII. LEGISLATIVE BRANCH

"SENATE

"Contingent expenses of the Senate

"Miscellaneous items: For an additional amount for Miscellaneous items, exclusive of labor, fiscal year 1955, $185,835."

On page 48, after line 13, to insert:

"GENERAL PROVISION

"Subsection (b) of section 1311 of the Supplemental Appropriation Act, 1955 (Public Law 663, 83d Cong.), is hereby amended by deleting the period at the end thereof and inserting the following: ': *Provided further*, That in the case of the Senate such report shall be made not later than March 31 of the year following the year with respect to which the report is made'."

In the heading, on page 49, line 1, after the word "Chapter", to strike out "XII" and insert "XIV."

Under the heading "Claims for Damages, Audited Claims, and Judgments," on page 49, line 9, after the word "in", to insert "Senate Document numbered —— and", and in line 11, after the word "Congress", to strike out "$5,343,868" and insert "$8,117,523."

At the top of page 50, to insert:

"CHAPTER XV. GENERAL PROVISIONS

"UNIFORM ALLOWANCES

"SEC. 1501. The following appropriations and funds available to the departments and agencies, for the fiscal year 1956, shall be available for uniforms or allowances therefor, as authorized by the act of September 1, 1954, as amended (68 Stat. 1114 and 69 Stat. 49):

"Legislative branch:

"Architect of the Capitol:

"'Capitol Buildings';

"'Senate Office Buildings';

"'House Office Buildings';

"Independent offices:

"Civil Service Commission: 'Salaries and expenses';

"Federal Trade Commission: 'Salaries and expenses';

"General Accounting Office: 'Salaries and expenses';

"Interstate Commerce Commission: The appropriation available for the pay of employees entitled to uniforms or allowances therefor under said act;

"National Advisory Committee for Aeronautics: 'Salaries and expenses';

"National Labor Relations Board: 'Salaries and expenses';

"Securities and Exchange Commission: 'Salaries and expenses';

"Smithsonian Institution: 'Salaries and expenses, National Gallery of Art';

"Veterans' Administration:

"'General operating expenses';

"'Medical administration and miscellaneous operating expenses';

"'Maintenance and operation of supply depots';

"Department of Agriculture:

"'Office of the Secretary';

"Commodity Credit Corporation: 'Limitation on administrative expenses';

"Department of Commerce:

"Office of the Secretary:

"'Salaries and expenses';

"'Working capital fund';

"Maritime activities: 'Salaries and expenses';

"Civil Aeronautics Administration: 'Operation and regulation';

"Maritime activities: 'Salaries and expenses';

"National Bureau of Standards: 'Working capital fund';

"Department of Health, Education, and Welfare:

"Freedmen's Hospital: 'Salaries and expenses';

"Public Health Service:

"'Assistance to States, general';

"'Venereal diseases';

"'Tuberculosis';

"'Communicable diseases';

"'Sanitary engineering activities';

"'Disease and sanitation investigations and control, Territory of Alaska';

"'Hospitals and medical care';

"'Foreign quarantine service';

"'Indian health activities';

"'National Institutes of Health, operating expenses';

"'National Cancer Institute';

"'Mental health activities';

"'National Heart Institute';

"'Dental health activities';

"'Arthritis and metabolic disease activities';

"'Microbiology activities';

"'Neurology and blindness activities';

"St. Elizabeths Hospital: 'Salaries and expenses';

"Social Security Administration: 'Salaries and expenses, Bureau of Old-Age and Survivors Insurance';

"Department of the Interior:

"Office of the Secretary:

"'Salaries and expenses';

"'Working capital fund';

"Bureau of Indian Affairs: 'Education and welfare services'; and

"Department of Labor:

"Office of the Secretary: 'Salaries and expenses'."

On page 53, after line 8, to insert:

"SEC. 1502. No part of any appropriation contained in this act, or of the funds available for expenditure by any corporation included in this act, shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force, or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this or any other act shall be guilty of a felony and, upon conviction, shall be fined not more than 1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law."

Mr. HAYDEN obtained the floor.

Mr. CHAVEZ. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. CHAVEZ. Mr. President, I think it would be proper very briefly to discuss chapter III, which involves construction money for the Defense Department.

Mr. HAYDEN. That is the largest item in the bill. Does the Senator wish to make a statement with reference to it?

Mr. CHAVEZ. I do. I wish to address myself to the items in chapter III of the bill as it is reported to the Senate.

Mr. President, total budget estimates for this chapter amounted to $1,480,000,000 in appropriations and $859,500,000 in unobligated balances and transfers, or a total of $2,339,500,000. The House of Representatives recommended that a total of $6,450,000 be appropriated for these items, although the House Appropriations Committee allowed $1,402,329,000 plus unobligated balances amounting to $486,612,000 or a total of $1,888,941,000.

The Senate Committee recommends an appropriation of $1,280,377,300 plus $741,427,000 in transfers or a total of $2,021,804,300. This is a reduction from the budget estimates of $199,622,700 in appropriations and $118,073,000 in transfers or a total reduction of $317,695,700. It is over the House bill by $1,273,927,300 in appropriations and $741,427,000 in transfers.

I shall now speak briefly of the individual items.

The Senate Committee recommends for the Central Intelligence Agency building an appropriation of $7 million. This includes $3 million for planning and $4 million for roads and purchase of site. The committee report treats of this matter fully.

For the Department of the Army the committee recommends $486,427,000 by transfer of $58,573,000 below the estimate. For the Navy the committee recommends $443,278,300, which is $85,271,700 below the estimate. For the Air Force, the committee recommends $823,649,000 in appropriations and $225 million in transfers. This is an amount $121,351,000 below the estimate. I shall mention only one of hundreds of items in the chapter that might be mentioned. The committee recommended approval of an appropriation of $79,527,000 for the Air Force Academy.

Except for specific items described in the committee report, the committee approved the authorized program as submitted by the executive branch. Certain other reductions were made because the committee agreed with the House committee that the programs as authorized and justified before the committees could not progress as rapidly as contemplated. These latter reductions should in no way be construed to eliminate or retard the approved items in the program.

I wish to thank all the members of the Department of Defense Subcommittee who attended the hearings and worked on this section of the bill. I believe that, as reported, the funds included will provide the construction necessary to keep our country militarily strong. It will also help to provide the housing so badly needed by the men in our Armed Forces.

The committee can only recommend the appropriation and the Congress approve it. It remains for the executive branch, and particularly the leaders in the Department of Defense, to see that the money is judiciously spent. I call upon those men, both civilian and military, to utilize the funds we provide in a manner that will bring credit upon the Department and effect economy for the country.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. HAYDEN. Mr. President, I offer an amendment to the committee amendment relating to the United States Tariff Commission.

The PRESIDING OFFICER. The amendment offered by the Senator from Arizona will be stated.

The LEGISLATIVE CLERK. On page 8, line 6, it is proposed to strike out the word "head" and to insert in lieu thereof the word "Chairman", so that it will read "Chairman of the Tariff Commission."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. GREEN. Mr. President, I do not desire to offer an amendment, but I do desire to compliment the committee on the splendid work it has done in making its report, and in particular I wish to commend it for the additional appropriation made for the Weather Bureau, and especially, in that connection, the million and a half dollars of additional funds for research regarding tornado and hurricane predictions. I have been especially interested in this subject since the very disastrous hurricanes which occurred last year. It is encouraging to find that the United States is not only seeking to repair damage done by such storms but to conduct research into better means of forecasting, which will probably save more money in the end and will cost less at this time.

The appropriation of $1,500,000 for research operations is in addition to the $7,500,000 already appropriated in other items to repair the damage done.

I wish to express my appreciation particularly for the interest shown in the matter of this increase by the senior Senator from Florida [Mr. HOLLAND] and the senior Senator from Arizona [Mr. HAYDEN].

Mr. HOLLAND. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. HOLLAND. I am exceedingly grateful to the Senator from Rhode Island, and I am certain I speak also for the distinguished chairman of the committee, the senior Senator from Arizona, in saying that we appreciate his gracious words.

In order that the record may clearly show what was done in this regard, I wish to read from the report a paragraph relating to the $1,500,000 extra money which the committee recommended should go to the Weather Bureau for research, to enable it better to meet its obligations in affording protection against hurricanes, tornadoes, and other severe storms. I read as follows:

The committee recommends $1,500,000, half the amount of the estimate, for additional funds for research into methods of bettering hurricane and tornado predictions. The amount recommended will be sufficient to cover the major part of the research operations. It is felt that, if additional equipment for research is required, it may be procured with the funds provided by the regular 1956 appropriation, in excess of the budget estimate, for the procurement of weather observation and research equipment in the Department of Commerce and Related Agencies Appropriations Act, 1956. The funds which were provided in that act were to remain available for a period of 4 years because all could not be obligated at this time; the committee can see no objection to the use of a part of the amount for expedited procurement of material now available which will hasten progress to more accurate predictions.

Before closing my remarks, I may say that I think the whole Senate, and indeed the whole country, is indebted, and feels indebted, to the distinguished senior Senator from Rhode Island for his aggressive interest relative to the building up of the essential services of the Weather Bureau, so as to afford better protection against hurricanes, tornadoes, and other severe storms.

Mr. President, while I am on my feet, may I say that one large amount added to the bill for the Department of Commerce relates to the Inter-American Highway. In order that the record may clearly show the thinking of the committee on that matter, in which we are recommending the appropriation at once of the entire amount of our country's contribution, which, added to the amount of this year's appropriation, will make possible the completion of the construction work within the 3-year period covered by recent legislation, I read from the report, as follows:

Since the consideration of the appropriation for fiscal year 1956, Public Law 129 has been approved (the act of July 1, 1955). The committee, in its report on the regular appropriation for fiscal year 1956 (Department of Commerce and Related Agencies Appropriation Act, 1956), said:

"Inter-American Highway: The committee recommends an appropriation of $25,250,000 for the continuance of the construction of the Inter-American Highway which is the full amount of the authorized but unappropriated balance.

"It is the sense of the committee that the interests of this Nation, our friendship for the neighbor nations, the value of surface access to the Panama Canal, and many other mutual benefits dictate early completion of this highway."

In recommending $49,730,000 for this purpose, the committee is, in the strongest terms, reiterating the views which were stated in the previous report. Under this appropriation, the highway should be completed in 3 years.

I am certain I voice the ardent wish of every member of our committee that the work may be prosecuted just as aggressively and rapidly as sound construction policies will permit, and that we may all look forward to the day, not longer than 3 years off, when citizens of the United States may easily, by motorcar, traverse our friendly neighbors, Mexico and the Central American countries, to arrive at Panama City or the Canal Zone, which is such an important part of this Nation's investment in economic and military stability.

Mr. MANSFIELD. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. MANSFIELD. Can the chairman of the committee tell me the status of the appropriation for the Great Falls Air Base and the Glasgow Air Base?

Mr. HAYDEN. Those items were spelled out in the House bill.

Mr. MANSFIELD. But I believe they were eliminated on points of order.

Mr. HAYDEN. Yes; subsequently in the House they were stricken from the bill on points of order. The committee restored the necessary funds for the Great Falls Air Base, in the amount of $5,523,000; and provided for the Glasgow site, for the Air Defense Command, $4,706,000. That appropriation is in a lump sum. The House committee report indicates how the lump sum is to be expended, and the Senate report shows the changes recommended from the House committee report.

Mr. MANSFIELD. I thank the chairman. I wanted to get assurance that the projects were included in the bill which is now before the Senate, and to ascertain what amounts were being provided.

Mr. HAYDEN. The amount stated in the committee report is the same as the amount contained in the bill as it was reported to the House.

Mr. MANSFIELD. I thank the chairman.

Mr. HUMPHREY. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. HUMPHREY. As a matter of clarification, with respect to the item which relates to the White House Conference on Education, is that fund adequate to take care of the estimated expenses of the delegates from all sections of the country who will attend the conference?

Mr. HAYDEN. The amount allowed was the full amount of the budget estimate, and included the transportation expenses of the persons who would attend the conference.

Mr. HUMPHREY. Am I correct in understanding that the provision will apply equally in all States?

Mr. HAYDEN. Yes. The idea was that if the conference was to be successful, all the States should be represented; and if no funds for transportation were provided, only those who could afford to spend their own money would come to Washington.

Mr. HUMPHREY. Yes. Another item is that relating to the Atomic Energy Commission. As the Senator may recall, the House included funds, if my memory is correct, for research and development. I believe the House provided an additional sum of approximately $25 million. Has that item been retained in the appropriation bill as reported by the committee?

Mr. HAYDEN. Yes; it has been included.

Mr. HUMPHREY. So that we may clearly understand the situation, can that money be used for pilot-plant dem-

onstration and pilot-plant experimentation?

Mr. HAYDEN. Everything recommended in the budget estimate was allowed, except funds for the reactor for the cargo ship. All other items as planned by the Commission are carried in the bill.

Mr. HUMPHREY. Since some Senators are interested in the question of REA development, is there anything within the language of the appropriation bill in connection with this particular atomic energy research and development fund which would prevent or prohibit the Atomic Energy Commission from cooperating with rural electric cooperatives in the establishment or the creation of reactor plants or furnaces?

Mr. HAYDEN. That is taken care of under operating expenses, which are appropriated for in the public-works bill. But so far as cooperation is concerned, there is no prohibition against the Atomic Energy Commission cooperating with REA's any more than there is against cooperation with other organizations.

Mr. HUMPHREY. In other words, the funds which are provided for the Atomic Energy Commission in the area of research and development would be available for experimental purposes and pilot-plant purposes for a private utility, a rural electric cooperative, or whatever legitimate purpose of reactor development the Commission might desire, with the exception of the ship.

Mr. HAYDEN. Provision for the ship is omitted from the bill; that is all.

Mr. HUMPHREY. The so-called commercial ship.

Mr. THYE. Mr. President, I am glad the question was asked of the chairman relative to the discretional authorization to the Atomic Energy Commission relative to research activity and pilot-plant development for the REA Association, because as the matter was discussed in committee it was my understanding that the funds would be made available for use at the discretion of the Atomic Energy Commission, and that the Commission could enter into that field for the purpose of research activity.

I wish to offer three amendments to the bill. The first amendment I propose is immediately after line 4, page 2, following the headings "Agricultural Research Service" and "Salaries and expenses." My amendment reads:

For additional amount for salaries and expenses for research, $380,000.

I believe the funds my amendment suggests must be provided so that additional research activities may go forward. If the problem of surpluses is to be solved, it will have to be done to a great extent by means of research; certainly research will help. I think the amendment is a sound one. I have discussed it with officials of the Department of Agriculture and they are in full support of the amendment.

The PRESIDING OFFICER (Mr. PAYNE in the chair). Will the Senator submit his amendment?

Mr. THYE. I cannot, sir. I have it attached to my copy of the bill. To that copy of the bill are attached my two amendments. The other amendment is intended to be proposed after line 15, page 3, to insert the following language:

FARMERS' HOME ADMINISTRATION

LOAN AUTHORIZATIONS

For additional amounts for "loans authorizations," for loans under title II of the Bankhead-Jones Farm Tenant Act, as amended, $15 million: *Provided*, That not to exceed the foregoing several amounts shall be borrowed in one account from the Secretary of the Treasury in accordance with the provisions set forth under this head in the Department of Agriculture Appropriation Act, 1952.

The language of the amendment has been checked with the Department of Agriculture, so that it will conform with whatever terminology the Solicitor may find to be necessary.

Then on line 19 of the same page, where the sum of $850,000 has been stricken by the committee, under the subheading "Salaries and Expenses," I proposed to insert the amount of $350,000.

I can send this marked-up bill to the desk, if it is desired, Mr. President, so that the clerk may have it, but I have read the amendments which I propose to submit to the bill. I believe the chairman of the committee has had the question raised and explained to him.

Mr. HAYDEN. Mr. President, the committee had under consideration certain other provisions which were not authorized by law. What I understand the Senator from Minnesota is doing is offering an amendment which is not subject to a point of order.

Mr. THYE. That is correct.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. YOUNG. Does the Senator plan to offer all three amendments en bloc, or separately?

Mr. THYE. They could be offered en bloc, because they relate to research and increasing the amount of money available for research and loans under the Bankhead-Jones Act. If additional funds are provided, the administrative funds must be increased. That is the reason for proposing the amount of $350,000.

Mr. YOUNG. Mr. President, I think the restoration of $15 million for loan authorization under the Farmers' Home Administration is fully justified. The Department of Agriculture had asked for $30 million. I think a mistake was made in the committee itself in writing up the bill, because I do not believe the committee intended to delete the entire $30 million, but only that part for which there was no authorizing legislation, such as loans to part-time farmers, and appropriations for like purposes. There is opposition to this item in both the House and Senate Agriculture Committees. We had considerable opposition in our own Appropriations Committee, and I think the $15 million should be restored, together with the $350,000 for salaries, but I would object to restoring $380,000 for research.

The Committee on Agriculture and Forestry has been very liberal with research funds. We have appropriated at least $7 million more this year and last year than was appropriated in previous years. In the vast amount of money which has been appropriated for research, which is in excess of $37 million, $350,000 could be found for this purpose. I do not think it represents an emergency which has to be dealt with in a supplemental appropriation bill.

I hope the two items will be approved, but not the one for research.

The PRESIDING OFFICER. Will the Senator from Minnesota submit his amendments to the desk?

Mr. SPARKMAN. Mr. President, before that is done——

The PRESIDING OFFICER. The Senator from Arizona has the floor.

Mr. THYE. Mr. President, will the Senator from Arizona yield, so that I may state the reason for the $380,000 for research?

Mr. HAYDEN. I yield.

Mr. THYE. The additional funds are needed to undertake research designed to aid low income farm families to improve their level of living, in line with the objectives set forth in the report on the development of agriculture's human resources.

The total increase of $380,000 would be used in connection with the following projects: One, farm and land management research, $310,000, to aid such families to increase their earning capacity; and two, human nutrition and home economics research, $70,000, to evaluate the effect of shifts to part-time or off-farm work on family living in terms of nutritional quality of diet and kind of living.

That is the justification for the amount proposed on page 2 following line 4.

Mr. YOUNG. Mr. President, the Department of Agriculture has had funds provided for exactly this same purpose. I would think they would be able to get along from now until next year on the very liberal allowances we have given them.

Mr. THYE. Mr. President, I would not be as positive in my feeling that the $380,000 was needed as I am on the question of the $15 million and the item for salaries and expenses of $350,000, because I believe the loan fund is a necessity. If the loaning authority fund is increased, the administrative funds will be necessary.

To an extent I agree with the Senator from North Dakota relative to research, but I think the assistance which will be made available by increasing the amount of funds to be administered under the Bankhead-Jones Farm Tenant Act is an absolute must, because it is the only way to safeguard the young couples who are seeking to get established as tenants on farming operations of their own.

Mr. President, I certainly hope there will be no objection to the two amendments which are proposed on page 3.

Mr. AIKEN. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. AIKEN. I believe the amendments are very important. I believe the $15 million amendment, relating to the Bankhead-Jones Act, is the most important; and, of course, the increased

amount for salaries is important. Personally I favor the research program, because I believe it is important to have a particular kind of research in this field. However, I value the unanimity of the Senate as highly as or more highly than I do the extra amount which might be used for research. If the need for research funds becomes acute by the time the second session of this Congress begins, I am sure the Senator from North Dakota would not object to making an appropriation for that purpose.

Mr. YOUNG. I would be happy to consent.

Mr. AIKEN. It is simply a question of using the funds which are available for 4 or 5 months.

Mr. HAYDEN. Mr. President, may I suggest to the Senator from Minnesota that he withdraw the first amendment and offer the other two en bloc?

Mr. THYE. Mr. President, I ask unanimous consent that my first amendment, on page 2, be withdrawn; and that the other two amendments, on page 3, be considered en bloc.

The PRESIDING OFFICER. The Chair is advised that, as of the moment, no amendments have been submitted by the Senator from Minnesota.

Mr. THYE. The Chair is entirely correct; I just realized that.

Mr. President, I now offer the two amendments to be found on page 3 in the marked copy of the bill I have sent to the desk.

The PRESIDING OFFICER. The Chair understands that the Senator Minnesota has requested unanimous consent that the two amendments on page 3 be considered en bloc.

Mr. THYE. That is correct.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota that his amendments be considered en bloc? Without objection, it is so ordered; and the amendments of the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. On page 3, after line 15, it is proposed to insert:

FARMERS' HOME ADMINISTRATION

LOAN AUTHORIZATIONS

For additional amounts for "Loan authorizations," for loans under title II of the Bankhead-Jones Farm Tenant Act, as amended, $15,000,000: *Provided*, That not to exceed the foregoing several amounts shall be borrowed in one account from the Secretary of the Treasury in accordance with the provisions set forth under this head in the Department of Agriculture Appropriation Act, 1952.

And in lines 18 and 19, it is proposed to restore the language previously deleted by the committee amendment, and to amend the same, so as to read as follows:

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses," $350,000.

The PRESIDING OFFICER. The question is on agreeing, en bloc, to the amendments of the Senator from Minnesota.

Mr. SPARKMAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Alabama will state it.

Mr. SPARKMAN. It is my purpose to offer a second paragraph at this point, and its effect would be to increase the administrative expenses, as carried in lines 18 and 19. Would such an amendment be in order after the amendment of the Senator from Minnesota, to increase the amount, is agreed to?

The PRESIDING OFFICER. The Chair will advise that such an amendment to the amount should be offered to the amendment of the Senator from Minnesota before it is agreed to.

Mr. SPARKMAN. Then, Mr. President, I ask unanimous consent that I may be allowed to send to the desk an amendment, to be stated at this time, before the amendment of the Senator from Minnesota is voted on.

The PRESIDING OFFICER. The Senator from Alabama has a right to offer such an amendment.

The amendment submitted by the Senator from Alabama to the amendment of the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. As a new paragraph at the end of the amendment of the Senator from Minnesota, it is proposed to insert the following:

For loans under title V, of the Housing Act of 1949, as amended (except grants under 504 (a)), $25,000,000, to remain available until expended: *Provided*, That not to exceed the foregoing amount shall be borrowed in one account from the Secretary of the Treasury in accordance with the provisions set forth under this heading in the Department of Agriculture Appropriation Act, 1952: *Provided further*, That this paragraph shall be effective only upon enactment into law during the first session of the 84th Congress of S. 2126.

And in lines 18 and 19, in lieu of the language proposed to be inserted by the amendment of Senator THYE, it is proposed to insert the following:

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses", $1,300,000.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. I wish to ask whether the amendment of the Senator from Alabama would fall under the heading of a conditional appropriation, which is prohibited.

The PRESIDING OFFICER. The Chair rules, on the advice of the Parliamentarian, that the proposed proviso is in order.

Mr. HAYDEN. Is the ruling based upon the fact that a bill authorizing the loans has been passed by the Senate?

The PRESIDING OFFICER. The amendment of the Senator from Alabama to the amendment of the Senator from Minnesota is in order because it carries out the provision of an act which has been passed by the Senate during this session.

Mr. THYE. The bill has not been passed by the House, has it?

Mr. HAYDEN. No; but the bill has been passed by the Senate; and thus the amendment to the amendment is in order, under our rules.

The PRESIDING OFFICER. The Chair is advised that the bill has not passed the House of Representatives.

Mr. SPARKMAN. Mr. President, let me point out that the amount proposed to be carried in lines 18 and 19 would take care of the administrative expenses required for this amendment to the amendment, and also of the administrative expenses required for the amendment of the Senator from Minnesota.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama to the amendment of the Senator from Minnesota.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendments offered by the Senator from Alabama [Mr. SPARKMAN] to the amendments offered by the Senator from Minnesota [Mr. THYE].

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing en bloc to the amendments offered by the Senator from Minnesota, as amended by the amendments of the Senator from Alabama.

The amendments as amended were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

INCREASE IN SALARIES OF OFFICERS AND MEMBERS OF METROPOLITAN POLICE FORCE, ETC.—CHANGE IN ENROLLMENT OF S. 2428

Mr. MANSFIELD. Mr. President, I send to the desk a concurrent resolution and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be read for the information of the Senate.

The concurrent resolution (S. Con. Res. 53) was read, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate be, and he is hereby, authorized and directed, in the enrollment of the bill (S. 2428), to increase the salaries of officers and members of the Metropolitan Police force, and the Fire Department of the District of Columbia, the United States Park Police, and the White House Police, and for other purposes, to make the following change, viz: On page 5, line 15, of the engrossed bill, strike out "63f–63k" and in lieu thereof insert "61f–61k."

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

FELICITATIONS OF CONGRESS TO COMMONWEALTH OF MASSACHUSETTS ON 175TH ANNIVERSARY OF THE ESTABLISHMENT OF ITS CONSTITUTION

Mr. O'MAHONEY. Mr. President, I ask unanimous consent for the present consideration of House Concurrent Resolution 193, extending the felicitations of Congress to the Commonwealth of Massachusetts on the 175th anniversary of the establishment of its constitution.

The PRESIDING OFFICER. The Chair lays before the Senate a concurrent resolution coming over from the House, which will be read.

The concurrent resolution (H. Con. Res. 193) was read as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress extends its felicitations to the Commonwealth of Massachusetts on the 175th anniversary of the establishment of its constitution, and expresses the gratitude of the American people for the part played by the early statesmen of Massachusetts in building the foundations which have served the Commonwealth and the Republic so well.

The PRESIDING OFFICER. Is there objection to the present consideration of the House concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. O'MAHONEY. Mr. President, the House concurrent resolution is identical with Senate Concurrent Resolution 50, which was submitted by the Senators from Massachusetts [Mr. SALTONSTALL and Mr. KENNEDY]. On behalf of the Committee on the Judiciary, I ask that the concurrent resolution be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 193) was agreed to.

The preamble was agreed to.

SUPPLEMENTAL APPROPRIATIONS, 1955

The Senate resumed the consideration of the bill (H. R. 7278) making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. THURMOND. Mr. President, I should like to ask the Senator from Arizona [Mr. HAYDEN] a question. Does the pending appropriation bill include $5 million for the Fort Jackson Hospital?

Mr. HAYDEN. Yes; that item is included in the bill.

Mr. CARLSON. Mr. President, I wish to make inquiry with respect to the appropriation for the Command and General Staff College at Fort Leavenworth, Kans. Through the kindness of the distinguished senior Senator from New Mexico [Mr. CHAVEZ], I had the privilege of appearing before the committee and presenting the item. I was accompanied by Secretary of the Army Stevens and General Davidson, the commandant at the Staff College.

On page 13 of the committee report, I find the following paragraph:

Command and General Staff College, Fort Leavenworth: The budget estimate for this item was $8,615,000. The House committee reduced this amount by $5,433,000. Total restoration was requested. The Senate committee granted an additional $200,000 for planning of the academic building, or a total of $3,382,000.

Am I to understand from that language that the amount available—provided the item is approved in conference—will be $3,382,000?

Mr. HAYDEN. The Senator is correct. Plans and specifications will be prepared, so that at the next session of Congress this item can be fully considered.

Mr. CARLSON. I appreciate the consideration shown by the committee with respect to this item. The structure concerned is an important academic building, necessary in the operation of the Command and General Staff College. This is where a thousand or 1,200 top flight officers of all branches are instructed. I hope that in the next session of Congress sufficient funds will be provided to construct this building.

Mr. STENNIS. Mr. President, I heartily second the statement of the Senator from Kansas [Mr. CARLSON]. I know of the need for this item. I have been on the premises. The Command and General Staff College at Fort Leavenworth is a permanent part of the military program. It pertains to the training of top flight officers. It certainly deserves attention. So far as I am concerned, this item will receive attention next year.

Mr. CARLSON. Mr. President, I express my sincere thanks to the Senator from Mississippi.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. NEUBERGER. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Oregon will be stated.

The LEGISLATIVE CLERK. On page 10, line 8, in the committee amendment, after the word "expended", it is proposed to strike out "486,427,000" and insert "$486,426,000."

Mr. NEUBERGER. Mr. President, I should like to explain, for the benefit particularly of the distinguished Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], who, I am glad to see, are present in the Chamber at this moment, that the amendment which I have sent to the desk deals with the Wichita Mountains National Wildlife Refuge, which has been discussed briefly on the floor of the Senate in the past few days.

Mr. President, the proposed transfer of refuge lands which the Army wants is not reflected in any way in either the authorization bill, H. R. 6829, or this Supplemental Appropriations bill, H. R. 7278. The item is not mentioned in House Report No. 1116, and cannot be found in Senate Report No. 1094. It is, therefore, easy to understand why so comparatively little objection was raised by those who want to preserve the Wichita National Wildlife Refuge when the Authorization bill was enacted and when the appropriation bill was passed by the House.

In the hearings, the Army made it clear, however, that included in the $3,053,000 item for Fort Sill is $2,200,000 for the purchase of approximately 20,000 acres of private lands south of the Wichita Refuge. It was stated during the hearings that $1,000 of that amount is to cover the administrative costs of having the 10,700 acres of refuge lands transferred to the Army by the Department of the Interior—when, and if, Interior surrenders control of the lands.

The Interior Department made an alternative proposal to the Army last spring, but, as I have stated before, the offer has been ignored.

Mr. President, another fact my colleagues should consider seriously is that even after the Authorization bill has become law, and the appropriation bill has been passed by the House, neither the Refuge Manager of the Wichita, the Chief of the Refuge Division, the Director of the United States Fish and Wildlife Service, or the Secretary of the Interior himself, will know exactly where the Army proposes to draw that new boundary line. The Army is requesting $1,000 to cover the administrative expenses of negotiating the transfer, but what about the $77,000 which the Interior Department would need to erect a new big game fence along the new boundary, and what about the additional $100,000 which would be required to build new access roads into the refuge?

While we are on that subject, what about the money that would be required to round up, slaughter, and dispose of the 250 bison and 75 longhorn steers for which there no longer would be pasture on the remainder of the refuge? This would be another Fort Huachuca case over again. This spring the State of Arizona, in despair after trying to work out its game-management program with the Army on that reoccupied area, finally gave up and destroyed the entire buffalo herd at considerable expense.

Mr. President, provision seems to have been made in this bill for the $1,000 the Army would need to negotiate the proposed land transfer, but where is the supplemental appropriation for the $177,000 that would be needed by the Department of the Interior to cover the first obvious costs that would result from this deal? No, Mr. President, this whole thing needs more study, and more of an effort on the part of the Army to resolve its problems at Fort Sill. We do not have to hurry into these hasty decisions, especially during the closing hours of this session of the 84th Congress.

I therefore have offered an amendment to delete that $1,000 from the Fort Sill appropriation, and let this legislative record show that Congress is opposed to the transfer of any part of the Wichita National Wildlife Refuge to Fort Sill.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. MANSFIELD. Is it not true that if the agreement advocated by the Army

is put into effect, it will cost the Fish and Wildlife Service $177,000 for the erection of fences and other appurtenances?

Mr. NEUBERGER. It will cost the Fish and Wildlife Service at least $177,000, because it will have to erect fences and take care of the animals which are now in that portion of the refuge proposed to be taken over by the Army. The Fish and Wildlife Service will have to provide further supervision, and the cost will be at least $177,000, if not more.

Mr. President, it is with some trepidation that I have advocated an amendment to the bill, when I know that the two very distinguished and able Senators from the State of Oklahoma have been in favor of the proposed reduction in size of the Wichita Mountains National Wildlife Refuge, for the purpose of enlarging the artillery range at Fort Sill.

Let me say to them that it is my candid opinion that whenever Federal lands are concerned, it is not a State matter. When we had before us the issue of building or not building a dam which would flood out the Dinosaur National Monument, that proposal concerned not only Utah, but the entire Nation.

There are people in my State of Oregon who desire to reduce the size of the Tule Lake Wildlife Refuge, so that they can enlarge reclamation farms and homesteads; and, although those people are my constituents, I am opposed to it, because I believe that these are Federal reservations, and that the people of the entire United States have a stake in them.

For example, I have opposed reduction in the size of the Olympia National Park in the State of Washington, even though many of the major trade unions which are very active in my State might obtain additional employment through logging of the forests within that national park.

When I was a member of the State Legislature of Oregon I voted against a memorial to Congress seeking to have transferred forests of the Bureau of Land Management to the jurisdiction of the State of Oregon, because I thought the forests properly belonged to all the American people, whether they lived in Brooklyn, N. Y., Milwaukee, Wis., or Seattle, Wash.

Mr. President, I believe a national question is at stake in reducing the size of this great wildlife refuge. Once we reduce the size of the Wichita Mountains Wildlife Refuge, we will have pressure put on us at the Tule Lake refuge in Oregon and California, and at the Olympia National Park in Washington. Pressure will also be put on us with respect to Yellowstone National Park in Wyoming, and at other parks as well.

All these great issues go together, Mr. President.

Therefore, I have submitted an amendment to prevent the reduction in size of the Wichita Mountains Wildlife Refuge for the purpose of enlarging the artillery range at Fort Sill.

Mr. HAYDEN. Mr. President, the committee took the action indicated because the members of the committee felt it was in the interest of national defense to do so. Apparently there is a conflict between the fish and wildlife interests and the national defense interests.

In view of the fact that Fort Sill, Okla., is and has been for many years the great artillery training center of our Army, we felt that the slight change involved ought to be made. It is not a substantial change, as can be seen by looking at a map of this whole tract. For that reason the committee has approved the amendment.

Mr. MONRONEY. Mr. President, it is with a great deal of regret that the Senator from Oklahoma speaks on this issue.

It was absolutely necessary to take the action recommended in the interest of preserving the Nation's oldest and most famous artillery post. Fort Sill was not established yesterday or during World War II or during World War I. It was established in 1907. Almost every artilleryman who has served our country in its wars has graduated on the terrain of the Fort Sill Reservation. It is unusual terrain, and it gives artillerymen the widest possible choice of firing practice, which will develop, as it has developed in the past, the proficiency of the artillerymen of our Army. That proficiency has led to victory in both world wars.

I should like to say to my distinguished friends from Oregon and other States that we in Oklahoma are as conscious of wildlife as they are. Our people enjoy these wildlife refuges. They go there at the rate of almost a million a year to enjoy them.

We do not entertain the people of Oregon in those wildlife refuges. It is the people of our own State who go there to enjoy the scenic beauty of the refuge.

However, when it becomes necessary to choose between the development of a wildlife refuge on the one hand, and the development of an adequate defense on the other hand, we must lean on the side of developing the strongest possible national defense we can.

If we are not allowed to take this additional 10,700 acres, which is about 6½ square miles in all, out of approximately 59,000 acres of the whole wildlife refuge, we will have to do one of two things. We must either provide within the very near future a new artillery school—but not with the great tradition and fine terrain of Fort Sill—at an expenditure of perhaps $250 million or more; or we must have the Fort Sill establishment continue to serve with a short range, on which the artillerymen can fire only a few thousand yards. If we follow the latter course, we will be giving the United States, for the first time in its history, a second rate defense. Our modern artillery has extremely long range, and it is increasing all the time.

The school at Fort Sill is not merely a practice field or a cantonment. It is where Army officers who will command our artillery batteries in our future wars will be trained.

If they are not trained in this school, and if they are not given the best available ranges for our modern guns, we will be giving ourselves second rate or third rate artillery. That might be fatal in a future war, because the artillery is the sinew of our national defense.

We do not like to take 10,700 acres from the wildlife refuge. However, let me tell the distinguished Senators from Oregon and other States that the State of Oklahoma believes in conservation and in wildlife. We have condemned land all over the State and added it to our wildlife refuges. We have added to the land around dams. We have acquired land with State funds. We have issued bonds with which to build up our recreational and wildlife facilities. We are not trying to take advantage of our wildlife refuges. However, when it becomes necessary to take additional land in order to meet the requirements of a modern artillery range, I do not believe it is asking too much to take from the southernmost boundary a strip about 1½ miles across and about 6 miles wide.

Mr. STENNIS. Mr. President, I have no desire to take part in this debate, except that perhaps a member of the Committee on Armed Services should say a word on the subject. The subcommittee which considered the bill and the full committee reluctantly and with great regret came to the conclusion that the only practical way in which to keep the Fort Sill artillery training unit going at its top level was to take the land proposed to be acquired. We, therefore, authorized the taking of 20,000 acres from individual owners—and that was done only after they had had an opportunity to testify before the committee—and 10,700 acres of Government land in the Wichita Mountains Wildlife Refuge.

The 10,700 acres are a part of the 30,544 acres now under a special-use permit to the Army. At the present time more than 30,000 acres, including the 10,700 acres, are under a special-use permit.

After very close examination of the artillery officers and other Army officials, it was found necessary, in order to get the full utilization of modern artillery weapons, to take this additional land.

For that reason alone, we recommended the taking of the land. It was approved by the Committee on Armed Services and by the Appropriations Committee.

Mr. MONRONEY. Mr. President, I thank the distinguished chairman of the subcommittee which studied this item.

I should like to call the attention of the Senate to the fact that this subject has not been casually considered by the Senator from Oklahoma or by the committees. The taking of the land was approved by the House Armed Services Committee after long hearings. It was also carefully considered by the Committee on Armed Services of the Senate, and it was approved by that committee. It also cleared the Committee on Appropriations of the House, and then the Appropriations Committee of the Senate. Four committees of Congress have approved the course of action proposed in the bill. After considering all the evidence, these committees have come to the conclusion that, bad and disagreeable as it may be to be forced to acquire 10,700 acres of a wildlife refuge, it is better than destroying the investment of more than $150 million or $200 million we now have in Fort Sill as the finest artillery center in the world, or provid-

ing only short firing ranges, which would mean giving us a second-class artillery.

The Army has made adjustments in order to save the parts of the wildlife refuge which are used by the public. The whole area of scenic highways and lakes and playgrounds has been preserved. The line has been dropped south of the roads. Only that part which is least used by the public is included. Most of that is high, rocky, and inaccessible land, which will not in any way detract in a material way from the refuge.

The big-game pasture will be distant by several miles from the area it is proposed to take. The scenic highway drives over Mount Scott and other places will be preserved, as will be the lakes. I do not see any other possible way to handle the situation if Fort Sill is not allowed to expand in the only direction it can expand.

There are highways, railroads, and crowded agricultural areas to the east, and there are Oklahoma towns to the south, Medicine Park and other thickly settled areas are to the north. Only by extending the range to the west and taking approximately one-fifth of the wildlife refuge can we provide for the kind of artillery training that I know every Member of the Senate would want the boys in our armed services to have.

We are taking 20,000 acres of privately owned land, and we also regret that. But if this were a time of war the Senate would be willing to take an entire county, if necessary, to acquire the kind of firing range necessary to give us the strongest possible fire power and the strongest possible defense.

I hope the Senate will support the four committees of the Congress who have studied this question long and hard. Only by taking the step recommended can we have the kind of defense that will be necessary to assure victory should war come.

Mr. KERR. Mr. President, I deeply regret to find myself at issue with the distinguished Senator from Oregon [Mr. NEUBERGER]. I can understand how his heart can yearn for something of which he knows absolutely nothing. If I am not mistaken, he has not been on the ground. If I am incorrect, I should like to have the Senator correct me at this point.

Mr. NEUBERGER. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. NEUBERGER. Does the Senator feel that it is necessary for a Senator to have been on the ground to be able to discuss any place concerning which he wishes certain action to be taken?

Mr. KERR. I do not think it is absolutely necessary, but I think it would not hurt.

Mr. NEUBERGER. Mr. President, will the Senator from Oklahoma yield for a further question?

Mr. KERR. I yield.

Mr. NEUBERGER. Would the Senator say that a Senator was estopped from taking a position on an issue before this body if he had not personally visited a location where the particular issue has been centered?

Mr. KERR. Not at all. Nor do I think any Senator who has visited it would be estopped from calling attention to the fact that another Senator was limited in his knowledge of it.

Mr. NEUBERGER. Is it not a fact that the Senate constantly passes on issues which concern all sorts of localities everywhere in this country, from Maine to California, when perhaps only the 2 Senators from the particular State involved have ever actually visited it in person?

Mr. KERR. I would say that has been done. I would not say it has been the uniform rule of procedure.

Mr. NEUBERGER. I should like to ask the Senator from Oklahoma a further question. We legislate continually regarding far-flung international areas where perhaps no Member of the Senate, or, at the very most, a handful of Senators, has ever visited. Would the Senator say that we were precluded from legislating because we had not visited such areas?

Mr. KERR. No; nor would I say we should completely close our minds to information which comes to us from those who have been there.

Mr. NEUBERGER. Is it not a fact that on practically every question which centers in one State and which comes before this Chamber, the 2 Senators from that particular State have, perhaps, the most personal intimacy with the particular place or location?

Mr. KERR. I would say that is very likely, and it is even possible that it is true in the present instance.

Mr. NEUBERGER. Does the Senator think that those of us who come from our particular States are precluded from taking an interest or a position, or even offering an amendment, pertaining to Federal lands within any other State?

Mr. KERR. I certainly do not think the Senator was precluded from offering his amendment. I think it would be well if he now took advantage of the opportunity he has to get information on the subject which he could not have unless he had been there.

Mr. NEUBERGER. I shall listen with interest, but I say to my good friend, the distinguished Senator from the State of Oklahoma, that I should not like to see established here any rule or tradition that a Senator from another State cannot take an active interest or a very positive position as to something within a State with which the Senators from that State have, perhaps, a more personal intimacy. There are Members of this body who take a position directly opposite to that of my colleague from Oregon and myself with reference to how hydroelectric power should be developed in the State of Oregon. Should our answer be that they cannot discuss the basic policies involved?

Mr. KERR. With reference to a matter which applies to the Senator's State I would feel that his State is ably represented in this body, and the senior Senator from Oklahoma would hesitate a great deal to take it upon himself to try to represent the interests of conflicting forces and elements within the State of Oregon, in view of the fact that that State is so ably represented here.

Mr. NEUBERGER. I would say to the distinguished Senator from Oklahoma that I do not regard a national wildlife refuge under the United States Fish and Wildlife Service as an issue involving only the State of Oklahoma because it is within the State of Oklahoma, any more than I think a wildlife refuge in the State of Oregon is an issue of the State of Oregon. There are people in the State of Oregon, farmers and ranchers, who would like to get into the Tule Lake Wildlife Refuge. If I should take the position, because I felt their policy was right, that the wildlife refuge in Oregon should be diminished in size, I would say that a Senator from Oklahoma, or a Senator from Maine, or a Senator from Minnesota, who had never been there, would have a right to debate the subject on the floor, even though he had never visited that wildlife refuge.

Mr. CHAVEZ. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. CHAVEZ. For 24 years I have been advocating taking care of wildlife throughout the country. There are many places about which I do not know, but I am still in favor of protection for fish and wildlife. But the problem here is not whether we favor fish and wildlife, but whether we should expand the artillery school in Oklahoma in the interest of the national defense. The question before the committee was not whether the committee was for or against wildlife. What good will wildlife do us, if our national defense is destroyed?

Mr. KERR. I thank my friend from New Mexico.

I wish to say to the distinguished Senator from Oregon that this is not a case of ranchers or farmers seeking to invade a national wildlife preserve. The fact is, as my able colleague has pointed out, that the national defense agency not only is seeking an additional 10,000 acres of land which presently lie within a fish and wildlife preserve, but it is seeking 20,000 acres now occupied by Oklahoma farm families, whereon they live and reside and make their living. I put all the scrutiny of which I was capable to the proposal to take 10,000 acres from the fish and wildlife refuge, and 20,000 acres from Oklahoma farmers. It was a matter with reference to which I had to be convinced that it was necessary for maintaining efficiency and permitting the improvement of the service of the national defense installation, before I came to the point of accepting the necessity as proposed by the Defense Department. My heart goes out to the hundreds of farm families who are there, and who of necessity will have to be moved.

There is on the 20,000 acres an Indian cemetery which has been hallowed ground for countless thousands of Indians for a century. Some of the great Indians of my State have been buried there. This was the area of the last stand of the buffalo. This was the area populated and inhabited by the tribes of the Indians of the plains—the plains Indians, the Apaches, the Comanches, the Arapaho, and others.

It was at Fort Sill that Geronimo was placed in confinement, and where he lived out the last part of his life.

I came home from World War I, as did many others who had started out early in the war as second lieutenants, and who managed to hold their own mighty well in that rank; and afterward I participated in the organization of the Oklahoma National Guard, which is a part of the now famed Thunderbird Division. Year after year, for almost 10 years, I attended the annual encampment at Fort Sill. As has been said by my distinguished colleague, Fort Sill is the greatest artillery training school on earth.

The eldest of my sons spent his months of training there, in preparation for his service and experience in the Korean war. I have been there and have seen soldiers from the lands of our allies, including Korean boys and others, receiving basic artillery training for service in the armies of our allies.

The Department of Defense tells us that if that Artillery School is to meet its requirements of tomorrow, it must have more room. I was at Fort Sill a few weeks ago and saw a demonstration of the firing of some of the modern artillery with which the Department of Defense has reinforced our country's defense. I saw there a gun which on its carriage would cover an area longer than the Senate Chamber, and is capable of firing I do do not know how many miles. But before that gun could be fired, it was necessary to point its muzzle a little above 45° in elevation, because there was not the range to test its efficiency and the result of its firing to the extent and limits of which it is capable. That gun has never been fired on the Fort Sill Reservation, and there are now hundreds of young Artillery officers training there, who have never yet been permitted to operate that great piece of defense equipment in the way in which it was built to be operated, because of an inadequate range.

It is to meet that difficulty that the Department of Defense has come to Congress. In spite of what my good friend from Oregon has said, that Congress knows nothing about what it is doing, this matter was considered by the Armed Services Committee of the Senate and the House, and was contested. In spite of what my good friend has said, it was authorized upon the testimony heard by the Armed Services Committees of the Senate and the House.

Instead of Congress being uninformed on this subject, the junior Senator from Oregon has demonstrated that he is the one who is uninformed.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. NEUBERGER. Is it not true that the farmers whom the Senator has been mentioning will be reimbursed financially for the lands which will be added to the Artillery Reservation?

Mr. KERR. Yes.

Mr. NEUBERGER. If the able Senators from Oklahoma are on the job, as I know they are, I should think they will see to it that no financial injustice is done to those farmers.

Mr. KERR. If we are able to do that, we will do so.

Mr. NEUBERGER. I know that is correct. Is it not also true that practically every time a highway is enlarged or is constructed, or a power line is built, or a natural gas line is laid, or a railroad is extended, the farmers whose land is taken by eminent domain receive financial reimbursement for the loss of their farms or ranches?

Mr. KERR. I am willing to concede that.

Mr. NEUBERGER. Is it not also true that there is pressure all over the country for the opening of reserved Federal areas, such as wildlife refuges, national parks, and national forests?

I read only recently, for example, that in the neighboring country to the north, which is allied with us in NATO and in the defense of the North American Continent, a great uranium strike was made in Banff National Park. I am certain the Senator from Oklahoma will grant that uranium is just as important to our national defense as is artillery.

Mr. KERR. I may say to my friend from Oregon that that subject is not before the Senate; and if it were, I would want to be much better informed than I now am before I would take the responsibility of deciding that question.

Mr. NEUBERGER. What I am trying to point out is that the neighboring country to the north, confronted with a strike of uranium in Banff National Park, still refused to permit the uranium to be mined, because it was within a national park.

Throughout the United States—in my own section of the country, as a matter of fact—lumber companies are pointing out that additional lumber is needed for national defense; that lumber is important for the national defense; and that, therefore, the timber resources of the national parks must be made available, so that the lumber can be harvested.

The Senator from Oklahoma has said that the artillery range must be enlarged. The point I have sought to make is that once we breach the line, whether it is in the Wichita Mountains Wildlife Refuge for an artillery range, or in the Olympic National Park for logging, or in any other area for uranium mining, or in some other area for ranches or for adding to the agricultural production of our country, the line will be breached everywhere.

Mr. KERR. There may be a basis for the argument that the desire of ranchers, farmers, and others in private business, to exploit the public domain, is similar to the case now before the Senate, but I may say to my good friend from Oregon that I am unable to accept it. It is as different from the case now before the Senate as it would be for one to urge that if the sun rises in the Southern Hemisphere, he is in the north, and that if it rises in the Northern Hemisphere, he is in the south.

The Senator was disturbed about the necessity of building fences to keep out animals. Fences are not built there to keep out animals. This area, both north and south of the present fence, not only the Fort Sill Reservation and the wildlife refuge, has one of the heaviest populations of quail, rabbit, squirrel, and other manifestations of miniature wildlife I have ever seen. They are in an entirely different position from that of the farmers on the 20,000 acres which the Government is seeking to take. There will not be a single quail, a single rabbit, or a single squirrel dispossessed, nor made a victim of eminent domain, nor required to give up his habitation, nor to go elsewhere so that roads, schools, and churches may be built, or cemeteries located. They will continue to live in their peaceful and protected habitation.

There are buffalo and longhorn cattle in this refuge. I should say something less than a thousand buffalo and something less than 500 longhorns will have 50,000 acres on which to roam 12 months in the year; and beyond that, when the grazing becomes scarce on the 50,000 acres which will be held inviolate after occupation, I have the assurance of the military authorities at Fort Sill and in the Defense Department that those animals will be permitted to come on to the Fort Sill Reservation in the periods between the uses of that particular area by the artillery, there to graze to their hearts' content and their stomachs' capacity.

My distinguished friend said there was a national question at stake, and he is right. It is the question of national defense.

Mr. President, actually the land which is already in Fort Sill Reservation is a greater refuge for most of the wildlife occupying both terrains than are the 10,000 acres sought by the Army.

I give my good friend this assurance; there is no animal on that wildlife refuge that knows when he crosses the line between the part held for his occupancy by the Interior Department and that part which is used primarily by the Military Establishment. I am sure the Senator would be amazed at the absence of concern on the part of those magnificent buffalo, longhorns, quail, squirrel, and rabbits as they go back and forth most of the time unmolested, with as little knowledge that they are crossing the line as the waters of the mighty Columbia have when they leave the adjacent State and go into the State of Oregon.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. NEUBERGER. Does the Senator from Oklahoma presuppose that because I have not visited the wildlife refuge we are discussing, I have not visited any wildlife refuge?

Mr. KERR. I do not presuppose it, but I am not sure of it. [Laughter.] If he has, the more he has visited refuges, the more he has become aware of the truth of which I have spoken with reference to the absence of concern on the part of the wildlife when they go from one sanctuary to another between which there is no barrier.

Mr. NEUBERGER. I am beginning to come to the conclusion that the Wichita is the only wildlife refuge which the Senator from Oklahoma has ever visited, and that it is a most unique one.

Mr. KERR. I must say to my friend that if he uses his absence of knowledge in that respect as much as he has on

the floor in relation to this matter at issue, then I am not surprised.

Mr. NEUBERGER. The Senator mentioned the vast gun carriage, approximately the size of this Chamber, which was going to be fired on the artillery range which would be carved from the wildlife refuge. A few moments later he said the animals would not know when they crossed the line. Will they know it when they cross the line and the big guns are being fired?

Mr. KERR. They know it. It is amazing how they know it when they are a foot south of the line and when they are a foot north of the line.

Mr. NEUBERGER. But when the 10,700 acres are taken for use in firing the guns, will the gunners use blanks?

Mr. KERR. No; but the Senator would be amazed how few animals there would be in the few square yards where the blanks would land.

Mr. NEUBERGER. Am I being led to believe there is no danger to the animals, when the people are being moved out?

Mr. KERR. There will be no greater danger then than there is now, because there is no fence between where they are now and where they will be.

Mr. NEUBERGER. Am I being led to believe that the Senator does not favor having any fence whatsoever?

Mr. KERR. I neither favor nor oppose it. I am sure that if a fence is needed it will be provided, but it will not be rabbit proof, quail proof, or squirrel proof, because if they cannot crawl under the fence, they can either fly or jump over it.

Mr. NEUBERGER. The Senator may remember that there has been a previous reference to a squirrel-proof fence.

Mr. KERR. If the Senator wants to dwell on the welfare of the squirrels on the White House grounds, he may do so, but that has as much relationship to this subject as other matters to which he has referred.

Mr. NEUBERGER. The Senator from Oklahoma said there was no national issue involved except that of national defense——

Mr. KERR. No; I said there was a national issue involved.

Mr. NEUBERGER. The Senator did not let me finish. I said the Senator from Oklahoma stated there was no national issue involved except national defense. Is not that what the Senator said?

Mr. KERR. No; I did not say that was the only national issue involved. I said that was the national issue involved. I took the position that it is a national issue that is involved, and that is a more important issue than is the wildlife issue.

Mr. NEUBERGER. When the range of artillery becomes greater than that which the Senator has described, will the Department of Defense take from the wildlife refuge another 10,700 acres?

Mr. KERR. That illustrates the lack of information my friend has about the location and terrain of this fish and wildlife refuge. If weapons with a greater range should be developed, the area used would be farther to the west. It would not involve a greater area where fish and wildlife are found, because the fish and wildlife area goes roughly north. If a greater range is required, it will be to the west. That would not involve an area adapted to a fish and wildlife reserve. I am happy to give that comforting information to my friend.

Mr. NEUBERGER. In other reserved Federal areas where the issue of national defense has been raised, does the Senator also think the areas of wildlife refuges should be reduced?

Mr. KERR. I do not know what the Senator speaks of. I did not know there was another question involving the issue before the Senate.

Mr. NEUBERGER. I did not say it was before the Senate, except collaterally, and the Senator from Oklahoma, who has had far more experience than I in legislative procedure and policy, knows that when a law is enacted, it often has far-reaching effect on other issues not then before the Congress. I do not believe it is possible for us to enact legislation which will diminish a great historic wildlife reserve, dating back half a century, without the legislation having an impact on other Federal reservations, so that the administration may go into them and take out resources or diminish the boundaries in the interest of national defense.

Mr. KERR. I would not belittle the intelligence of the Senate either by acknowledging that the action urged would set a precedent, or that if it were a precedent any Senator, including the distinguished Senator from Oregon, would be unable to use his good judgment with reference to a future piece of legislation, just as he would use it in regard to what is now pending, and on the basis of the issues involved, without feeling that he was bound either by the vote he cast on the amendment or did not cast on the amendment.

Mr. CHAVEZ. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. CHAVEZ. None of us, especially those of us from the West, like to lose any of the lands which belong either to the State or to the Federal Government, whether they be forests or refuges for wildlife, or other public domain. However, I wish to say to the Senate that in my State, the Federal Government owns about 55 percent of the entire area of the land. Guided missiles are being tested in the southern part of New Mexico, in Alamogordo and that vicinity. There are being taken 142,000 acres that belong to educational institutions of the State of New Mexico. There is wildlife in that area. As a matter of fact, a census was taken of the quail, turkey, antelope, mountain sheep, and other wildlife. Hundreds of thousands of acres of the public domain, which were leased to stockmen, are being taken.

Do Senators think we like to have that much land removed from the tax rolls? We do not. But are we going to proceed with the guided missile research and development program, or are we going to say that because New Mexico owns a small piece of land and because the Federal Government owns a certain piece of land, that program will not have the land it needs—not 20,000 acres, but hundreds of thousands of acres?

It is not that we do not like wildlife, or that we wish to deprive the State of a little revenue, or that we wish to deprive a stockman of a place on which to graze his cattle or his other stock, by which he makes a living. But the question is one of dire necessity; and the dire necessity is to keep up to date in perfecting modern means of national defense.

Mr. KERR. Mr. President, I thank the great Senator from New Mexico.

I submit that in the interest of national defense, the action of the committee should be approved, and the amendment of the Senator from Oregon should be rejected.

Mr. NEUBERGER. Mr. President, will the Senator from Oklahoma yield for a further question?

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Does the Senator from Oklahoma yield to the Senator from Oregon?

Mr. KERR. I yield.

Mr. NEUBERGER. Several times in his very eloquent and able remarks, which I never can hope to be able to match, the Senator from Oklahoma said he had confidence in the intelligence of the Senate and in its ability to decide on this issue in the interest of national defense. Therefore, will he join me in asking that there be a yea-and-nay vote on the issue?

Mr. KERR. Mr. President, I must say that I believe the Senators here are able to make up their minds regarding whether they wish to have a yea-and-nay vote or a voice vote or to vote by means of a division. I must say that I am not persuaded to join with the distinguished Senator from Oregon in any part of his effort in regard to the amendment.

Mr. NEUBERGER. Mr. President, I ask for the yeas and nays on the question of agreeing to the amendment I have offered.

Mr. DUFF. Mr. President, I should like to make an observation at this time. I desire to say that I believe the discussion which has occurred here deserves the very serious attention of the Senate.

As a member of the Armed Services Committee, I do not intend to challenge the committee's action, nor do I have any intention of putting anything in the way of what is necessary for the national defense, because that is imperative at all times.

But I believe the Defense Establishment certainly is under the obligation, in connection with making these installations, of taking a longer range view regarding the effects on the natural resources of the country and the effects in respect to every phase of our national life.

In Pennsylvania, the armed services have taken, for military installations and establishments, thousands of acres of land which, aside from irrigated land, is the most productive land anywhere in America. In one or two instances, by moving not more than 30 miles, they could have obtained very ordinary land, without destroying some of the best land we have; and the very

ordinary land could thus have been acquired for very much less cost, and with greater advantage both to the armed services and to the Nation.

I have heard the senior Senior from Virginia [Mr. BYRD] refer to the great amount of the tidewater lands of Virginia which have been taken by various branches of the armed services, without regard to the general, overall condition of that State.

Mr. President, when these things are undertaken in the first instance by the armed services, I believe they should act not merely by themselves in proceeding to locate their installations. Instead, they should take various other agencies into consideration.

In the instant case, I understand the Department of the Interior is opposed to the proposal. I am not challenging it; by reason of its necessity in connection with a tremendous operation, already involving $200 million, I do not challenge it. But if there could have been foresight, it would have been possible not to have located in a place where the expansion would make necessary the invasion of one of the great national wildlife refuges of the United States.

Therefore, I rise merely to say that hereafter, when it is time to make installations which will require vast amounts of land, there should be a law to require the military to consult the Department of the Interior, the Department of Agriculture, or other departments, for the purpose of determining whether adequate land for the purpose is available in some other place so as to prevent the use of the most valuable agricultural land or the most valuable industrial land or the most valuable wildlife land merely because the armed services do not have sufficient foresight to consider the possibilities of the situation.

Mr. NEUBERGER. Mr. President, I renew my request for the yeas and nays on the question of agreeing to my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were not ordered.

Mr. MORSE. Mr. President, I rise to discuss this matter very briefly.

It is a matter of great pride to me that in serving in the Senate, I have as a colleague one of the most prominent conservationists in the entire Nation. In fact, if we were to draw up a list of the 25 outstanding conservationists in the Nation, on the basis of their work and their expert knowledge and their writings in this field, I believe that my colleague [Mr. NEUBERGER] would have to be included in the list.

Mr. President, it seems to me that in this case we are dealing with some questions of fact. I do not claim to know the answers to the questions, I say frankly.

I wish to make very clear to Senator MONRONEY and Senator KERR that I know them to be ardent defenders of sound conservation programs in the United States. But when we have such conflicting contentions in connection with an issue, in my judgment it becomes the clear, public-service duty of the Members of the Senate to make the record, so that it will contain the facts, for people to study and to know about.

When I say that I know my two good friends, the Senators from Oklahoma, are certainly as devoted to sound conservation policies as I am, I recall—and for the moment I speak quite facetiously—that at the time of the Democratic National Convention, in 1952, I heard my very good friend, Senator KERR, announce on a television program that his favorite song was Home on the Range, "Where the deer and the antelope play." In fact, let me say that I thought that on that occasion he participated in the rendition of that song as melodiously as he always speaks on the floor of the Senate.

In connection with the reference in the song to buffalo, I desire to suggest to my friend, the Senator from Oklahoma, that if we continue to turn over to the military all the wildlife refuges in the country, the only place where he and I will ever be able to see a buffalo will be either on the back of a nickel or in a zoo here or there.

I believe that a conservation problem is involved in the extension by the military into more and more of the refuge areas, as the Senator from Pennsylvania [Mr. DUFF] has just pointed out.

The Senate knows that I always make clear the source of my information on issues and the source of the data I use in comments I make on issues involving questions of fact. I want the two Senators from Oklahoma to know the source of the record which I now shall make very briefly in regard to this matter, because in recent days I have met with representatives of conservationist groups in the United States, the chief delegate being Mr. Gutermuth, who has briefed me rather thoroughly on their point of view.

I wish to say, for the representatives of these conservation groups, that they do not believe that the Congress has required the Army to put into the record the answers to certain questions of fact which Mr. Gutermuth raised in his testimony before the Appropriations Committees of the House and of the Senate. Therefore I shall present the notes which I made in the series of conference with representatives of the conservation groups, because I think I owe it to the Senators from Oklahoma to do so, because they can, perhaps, answer some of the questions of fact which these conservationist representatives claim are not answered in the present record.

The conservation groups expressed to me the hope that the desired protection of the Wichita National Wildlife Refuge in Oklahoma would be provided in the appropriation bill before it reached the Senate floor. Attention was called to this important matter in my brief remarks on July 22, when I spoke about the Army's attempted rebuttal of a statement by C. R. Gutermuth, who appeared before the House and Senate Appropriations Subcommittees in behalf of five national conservation organizations.

Let me say to my two friends from Oklahoma that there is no question about the fact that I am motivated today in making these remarks by representations which I have received by telegraph, telephone, and letter from conservation groups in my own State who have appealed to me at least to see if a postponement of action on this proposal can be obtained, until further information can be gathered.

Mr. President, the fact that neither the Secretary of Defense nor the Secretary of the Army has responded to Mr. Gutermuth's telegram of July 18 makes me suspicious of the whole proposal. The Army was able to prepare a lengthy, detailed rebuttal to the statement of those national conservation organizations within 1 day, and it is difficult to understand why the accuracy of the Army's statements could not have been checked as quickly.

Is the Army attempting to withhold the real facts in this case until Fort Sill gets the needed appropriation? Although Mr. Gutermuth need not substantiate his statements to me, because I think he is a very reliable conservationist, he did state to Secretary Wilson and to Secretary Stevens in his wires of July 18, that his facts are confirmed by the refuge manager of the Wichita National Wildlife Refuge, and by the chief of the Refuge Division of the United States Fish and Wildlife Service, of the Department of the Interior.

The Senator from Pennsylvania [Mr. DUFF] referred to the fact that the Interior Department continues to oppose extension of this military reservation. It was my last information that when the entire record was in, the Department of the Interior continued to oppose it. I think we certainly need to be fully apprised as to the details of the opposition of the Department of the Interior.

Mr. President, this renewed attempt on the part of Fort Sill to take over those refuge lands should be pondered carefully. This is not the only attempt by the military to gain control of important forest, wildlife, and recreational lands. There is a long list of attempted invasions by the military of all kinds of Federal lands. The Army has been after the Cabeza Prieta and Kofa Refuges in Arizona, and another report came to my attention only yesterday of still another grab for a large part of the Desert Game Range in Nevada. The Navy backed away from the Francis Marion National Forest in South Carolina not too long ago only because of public opposition, and its more recent attempt to take over Passamore Island in Virginia likewise was squelched by an aroused citizenry. The Navy's latest move is to grab 30,000 acres of a game management area in the DeSoto National Forest in Mississippi.

I raise the question, Where does this sort of thing end, unless we try to work out some national pattern or program for the extension of these military installations in order to have at least a minimum of invasion of our Federal reserves, rather than to carry out the program on a hit-and-miss basis, project by project, from term to term?

In reviewing the Army's testimony in the House hearing on the authorization bill, it seems they still are not decided as to the permanency and use of such holdings as Camp Stewart, 285,000 acres in

Texas, and the Yuma Test Station, 900,000 acres in Arizona, yet they just took an additional 100,000 acres in Alaska. Perhaps the Senate should be looking into the entire situation with the thought of examining the overall plans for the present and future needs of the military.

Mr. President, according to the June 4, 1955, issue of the Tulsa World, when Fort Sill got ready to launch its final drive for the acquisition of those 20,320 acres of private lands and 10,700 acres of refuge lands, it had 250 members of the Oklahoma Press Association at Fort Sill for a briefing. Among other things, the commanding general of Fort Sill stated that the 31,000 acres of additional land were needed for practice with new artillery and guided missile weapons. I will not attempt to relate all of the big sales talk that was put out during that meeting in an effort to get the local business interests behind the move, but I am concerned about the recent change in the training program and in the name of Fort Sill. In 1946, the name was changed to Artillery School, with a branch at Fort Bliss, Tex., for anti-aircraft and guided missiles. Last month, however, according to the June 18 issue of the Daily Oklahoman, the name was changed to the Artillery and Guided Missile School. Mr. President, is something being added to Fort Sill that we do not know about, when we already have places like Camp Stewart, and a number of others, that are not being used fully, and which are more than adequate in size to handle those long-range weapons that they are trying to squeeze into Fort Sill?

Mr. President, I am sure that the responsible members of the Appropriations Committee have gone into this subject as carefully as time would permit. It is a tremendous task to pass on the many, much more significant items in this large money bill. However, the national wildlife refuge program of this country means much to me, since those areas do provide wholesome recreation for a harried citizenry, while filling their essential wildlife management purposes. I feel that we should give serious consideration to any thought of relinquishing even a small part of the comparatively few refuge acres that have been set aside and dedicated to that purpose.

I know that on the record the Senators from Oklahoma do not need to yield to any other Senators in their devotion to a sound conservation program. Neither do I yield to any other Member of the Senate in my dedication to an adequate national defense. When it is said that the issue is primarily an issue of national defense, if the facts mean that national defense can be protected only by this course of action, and that there are no alternatives—although the Department of the Interior contends to the contrary—then, of course, the national defense must be given the right-of-way. Not a single Senator will knowingly cast a vote to damage national defense.

Here we have two departments, the Army and the Department of the Interior, at loggerheads. The Department of the Interior does not accept the claim of the Army that this is necessary, because, apparently, there are other places where the so-called additional program to be added to Fort Sill could be conducted. Frankly, I do not know what the situation is in regard to the development of atomic weapons in the field of artillery, but if it is true that we are moving rapidly in the direction of atomic weapons in the field of artillery, it is quite possible that we may desire some locality far removed from this area of Oklahoma for the development of that kind of artillery range.

I am inclined to agree with other Senators, that if we permit Fort Sill to add another 8 miles of private lands to its present holdings, it should endeavor to stay within the 36 miles, or 63,000 yards. I understand that part of Fort Sill is crossed by a railroad and by a State highway, but from a careful study of the map, it would seem that the Army would have an adequate unobstructed space in which to fire the largest of its cannons, which has a maximum range of 31,000 yards. That matter had not been presented until I heard the Senator from Oklahoma [Mr. KERR] testify to it.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. MONRONEY. The distinguished Senator from Oregon has touched on perhaps the most misunderstood part of the whole subject. It is the question of why, with a distance of some 30 miles, additional land must be taken. The position of the wildlife people, with whom we would like to agree if we could, is that we should mount the atomic cannon and the other super guns at the far east end of the reservation and fire across State highways and railroads and the entire post, with its personnel establishments and machine shops and schools, on the assumption that the shells could be dropped on the extreme western part of the present land of Fort Sill.

That would be all right if the shells could always be trusted to go in the direction in which they are supposed to go. I am not willing to take that risk of human life.

Mr. MORSE. I would not want to either.

Mr. MONRONEY. That would mean firing across inhabited centers. If the Senator has read the hearings, he has, I am sure, read the suggestion that the Army follow the course it has been pursuing for 2 years—and the Fort Sill artillerymen have been trying to work out this matter in order to please the conservationists—and mount the guns in the refuge and fire into the Fort Sill range. They could mount the gun emplacements in the wildlife refuge, or near the border, as they have been placed, or work out an agreement with the wildlife refuge people and go 4 miles into the refuge and fire the guns in a high arc and lob the shells over the inhabited area across highways and railroads into the impact area in the far eastern part of the reservation.

That is the whole issue. I have read the hearings in the House committee and in the Senate committee. I have read the letters. It comes down to a simple fact. If we are to have an artillery range without an inhabited area between the gun and the impact area, it is necessary to fire from the Fort Sill reservation into the area of impact.

I would like to say to my distinguished friend from Oregon that we have tried to preserve the useful parts of the refuge, and the map which my distinguished colleague has before him, and which I showed to the Senator from Oregon earlier today, shows that we have dropped south of the parts that are used the most, and have gone into the high ground to the west, so as to cause the least interference with the wild life.

We are not indifferent to the value of wildlife. When Camp Gruber, near Muskogee, was discontinued, some 70,000 acres were taken over by Oklahoma A. & M. College and converted into a wildlife preserve. We have added other land as well.

However, when we come face to face with the hard fact that we will either have a second rate artillery, or must build a new artillery school, instead of taking about 10,000 acres of a total of 59,000 acres of wildlife refuge, then I believe we must face the fact, regretfully, that that land is required for our national-defense effort.

Mr. MORSE. I fully appreciate the position of the Senators from Oklahoma. I also appreciate the fact that we are not dealing with something that is all black or all white.

The junior Senator from Oklahoma [Mr. MONRONEY] has been very courteous to me. I am sure he does not object to my putting this in the RECORD. I had a very brief conversation on the floor of the Senate with the senior Senator from Oklahoma [Mr. KERR] before I spoke. However, the junior Senator from Oklahoma [Mr. MONRONEY] came to me and said he had been advised I had some objections to the bill, and I told him that the conservation people of my State and other conservation groups had presented a point of view to me, which I would put into the RECORD. That I have done.

At a conclusion to my remarks I shall make a final suggestion, which I believe is fair and equitable under the circumstances.

Mr. President, the personnel at Fort Sill has a good game management program. They should be commended for the splendid wildlife work that has been done on the fort property. In a clipping from a recent issue of the Lawton Press, I noted that there is a keen desire on the part of some of the officers in charge to broaden their activities to include wild turkey. Could it be, Mr. President, that the fact that some of the best wild turkey habitat on the Wichita Refuge is in the 10,700 acres that the Army wants be one of the factors that is motivating the expansion program? There is ample evidence to show that other areas in different parts of the country were taken over by the military largely because of their recreational values, and I do not think that we should close the door on the 850,000 people that have been using those recreational facilities in the Wichita each year.

As another interesting sidelight, I would like to quote the following sentence from a letter of July 14 from Lt.

Col. B. W. Legare, of the Office of the Chief of Legislative Liaison:

> At present, the Department of the Army is also utilizing on a permit basis from the Department of the Interior, in addition to the 10,700 acres referred to above, an additional 19,844 acres, which will be available for public use when it is not in active military use.

It seems to me, Mr. President, that that reflects the attitude of the Army. Fort Sill has its foot in the door on another 19,844 acres, and the engulfing process obviously is working effectively. Perhaps I should add that all, not just a part, but all of the recreational facilities of the Wichita Refuge are confined to the 30,544 acres under agreement.

The record shows that Representative ROBERT L. F. SIKES, chairman of the House Appropriations Subcommittee for Army Construction, stated on the floor when the supplemental appropriations bill was passed, that his committee had acted on the assumption that the land to be taken from the Wichita National Wildlife Refuge by the Army was the least desirable land and the least used land in the refuge, and that it has but few recreational facilities. He expressed the hope that, since it subsequently was shown to his committee that the proposed transfer involves some of the most valuable land in the refuge, and that it contains important recreational facilities, that further consideration should be given to the proposal.

Mr. President, the repeating of the same justification on the part of the Army, and the restating of those questionable statements, does not, in my opinion, constitute a review of the case, as Chairman SIKES recommended. Under the circumstances, the Senate should prohibit the transfer of those refuge lands at this time, and should wait until the Army has either proved its statements or has withdrawn its attack on Mr. Gutermuth and those five national conservation organizations. If it then can be shown that the requirements of Fort Sill cannot be met under this alternative proposal that was submitted to the Army last spring by the Department of the Interior, then, and not until then, should the Congress pass on the matter.

I close by saying that I have great difficulty in getting over the objections of the Department of the Interior. The Department alleges, as I read the record, that the alternative program which it offers will meet the defense needs. The Department of the Army, of course, denies it. I must admit that, on the basis of a so-called comparison of expert testimony, the presumption would be in favor of the Department of the Army. However, it is not a conclusive presumption, as I well know, after serving 8 years on the Committee on Armed Services. I do feel that we ought to have more consideration of the matter on the basis of further study of the representations of the conservation groups and of the representations of the conservation groups and of the representations of the Department of the Interior.

Mr. HUMPHREY. Mr. President, I spoke on this subject on July 20. I have had an opportunity to visit with the senior Senator from Oklahoma and the junior Senator from Oklahoma, and in that visit we discussed the map which has been provided for those of us who are concerned in the matter.

Regardless of the outcome of the discussion—and I believe the outcome is rather apparent—I feel the debate this afternoon on the issue of conservation and on the issue of wildlife refuges is very worthwhile. In behalf of the distinguished junior Senator from Oregon [Mr. NEUBERGER], I wish to say that I know of no man in Congress who has a more justified reputation for being an ardent and effective and devoted conservationist than the junior Senator from Oregon.

Long before his arrival in the Senate, his fame and reputation in the area of conservation, among other areas, had been brought to our attention through his writings, through his speeches, and through his deeds.

I also wish to say that I think it is very important that there be a certain number of stalwarts in the Congress, so-called minutemen, in defense of conservation, because there is a continuous effort in this country to whittle away what seem to be, momentarily, lands which can be sacrificed for what apparently is a great immediate purpose.

We have a country which is growing by leaps and bounds. The head of the National Park Service only recently testified that it would soon be necessary to start to ration our national parks, to place a limit on how many people can enjoy our national parks, the great playgrounds of the people of America. I have not been in all of them, and I intend to go into more of them.

I think the Congress of the United States should have a little more concern about the facilities to be found in wildlife refuges and national parks. The accommodations in some of them are abominable. The roads are not properly cared for. The housing facilities are inadequate, outdated, and insanitary. Yet we appropriate billions upon billions of dollars, and when it comes to taking care of the playgrounds of the people, where they can go and get away from the madhouse in which we live, escape the clatter of automobiles, the roar of airplanes, and the threat of war—whenever it comes to taking care of some peaceful area which God Almighty has put upon this earth we hear it said, "Well, the Army may need it."

I think the issue has been pretty well answered this afternoon. I think the senior Senator from Oregon answered it in the most polite, the most considerate, and yet the most precise terms. He was correct when he said he yields to none when it comes to a strong defense program. He was right when he said that the distinguished Senators from Oklahoma yield to none in their concern for conservation.

It is not a personal argument, Mr. President. It is not an argument over States rights or local rights, but it is an argument over basic public policy. I must say that good arguments can be made, and they have been made, for the expansion of Fort Sill. I can understand very well the desire of the Armed Services Committee and the Appropriations Committee not to liquidate an investment—not only an investment, but a great tradition. I can well understand the deep concern of the two Senators from Oklahoma for the proper expansion, development, and modernization of Fort Sill. It is a part of the great history of their State, as it was even when it was a Territory. It goes back years into the region of folklore and the history of the State of Oklahoma and of the great southwestern section of the country.

I have no argument with them on that point. I do not think either Senator from Oklahoma wishes to be unkind to conservation groups. I know that is not true. I know they are disturbed in their own hearts over making the decision. But decisions have to be made, and they made their decision according to what they thought to be the best interests of their State and of the Nation. We respect that decision.

Also, Mr. President, I think we should have great respect for the conservation groups. Those groups have made their views very plain to the Congress on this issue. Those groups are Citizens Committee for Natural Resources, Izaak Walton League of America, National Parks Association, National Wildlife Federation, Nature Conservancy, North American Wildlife Foundation, Outdoor Writers Association of America, Sierra Club, Southwest Association of Naturalists, Sport Fishing Institute, Wilderness Society, and Wildlife Management Institute.

There are no finer groups of good people to be found. These organizations are nonpartisan and nonpolitical. They represent the organized desire of millions of Americans to preserve in America the great wildlife refuges, parks, and playgrounds as a natural habitat for the growing population of our country.

Therefore, Mr. President, if nothing more comes out of the discussion today than the fact that there is a deep concern in the Congress over what appears to be a losing fight in the conservation and wildlife refuge program, we have at least expended our time well.

I have noted, as the senior Senator from Oregon pointed out, that the locality which we have been discussing is not the only place the United States Army wants to use the public lands.

I should like to quote from an article which was brought to my attention, published in the New York Times of July 3, and written by one of its feature writers who has visited playgrounds and refuges. The writer of the article is Mr. Raymond R. Camp. He points out as follows:

> The Desert Game Refuge in Nevada also is being threatened. The Service granted the Air Force permission to use part of the refuge for firing and the Air Force has now announced its intention of taking over primary jurisdiction of the refuge. This would eliminate wildlife interests in the area.
>
> The Army is seeking still another refuge, the Kofa Game Refuge in Arizona, for use in testing poisonous gas on a battlefront scale. As this is the final home of the Galliard Mountain sheep and serves as a major refuge for mule deer, pygy antelope, and

other game, it takes little imagination to realize what will happen to wildlife there.

Mr. President, at times the discussion has been most interesting and has provoked smiles and sometimes a friendly kind of laughter. We are not worried so much about the squirrels, the quail, and the rabbits. We are worried about the people. The funny thing about these little animals is that people enjoy them more than they enjoy themselves. That is why the United States of America is known as a Nation that has so many little pets. In the big cities, where there is hardly room for children, there will be found plenty of dogs and cats, because people like their little pets. They seem to bring them a little closer to what they think is nature. The purpose of game refuges is to preserve animals in a natural habitat so that people can have the experience of going into an area which has not been desecrated or adulterated by human hands.

In Minnesota we have a wilderness area concerning which there is a court case in the Federal court between operators of lodges who want to have the privilege of flying people in by plane and opening up the area to further exploitation and economic development, and those who want to preserve it as it is. The Government has said, "If you wish to go there, you are going to walk or go by canoe." We are going to have one little place in the United States where there is no room for a gas buggy, a train, a honky-tonk, or a saloon. We are going to have a place where there are only grass, bees, bugs, and flowers. I think the bees, the bugs, the grass, and the flowers do a better job in organizing their part of the world than we do in organizing our part.

So, Mr. President, we are talking about a very practical matter. Congress continues to appropriate more and more money for mental hospitals. We are told by doctors that we have nerve tension. They indicate to us that society is so hopped up that people can hardly get anything more with which to hop themselves up. The blessings of the outdoors are essential to us.

I do not think it is proper to leave the RECORD to show that the junior Senator from Oregon was interested only in small animals in his own State. He is interested in the entire country; and I know both the Senators from Oklahoma feel that way.

Mr. President, I wish to pay my respects to the conservation groups. They have talked to me and I hope they will continue to talk to me. I want them continuously to express their concern. But I wish to tell them now that they had better express it in no uncertain way when they are dealing with the Pentagon, because when a project comes up, all that is necessary to say is that the Army needs it. The Army has an insatiable appetite.

I recall that the junior Senator from Louisiana [Mr. LONG], in connection with the military public works bill a few years ago, succeeded in having the appropriation cut in half, and it was said that the military could not get by with that amount of money. Yet I point out that the junior Senator from Louisiana [Mr. LONG], through his subcommittee, cut the authorization anyway. The country's defenses did not collapse.

We hear of the testimony before the committees, and we learn the number of caps which were purchased from Mr. Lev and others. We hear of the testimony about the number of reams of carbon paper which the Pentagon has. They cannot figure out enough ways in which to use that carbon.

So it is no wonder that some persons are somewhat concerned when the Army says "We need 10,000 acres." Two years ago the Army thought they needed much more than that. I compliment the Senators from Oklahoma. They certainly whittled down the amount of land which the Army thought it needed. I know the Army met strong adversaries when they met the two Senators from Oklahoma.

I think the Senators from Oklahoma have done extremely well in limiting the acquisition. I hope that as a result of this discussion we will have an understanding that the acquisition is "the acquisition," because a time comes when we must try to hold what we have.

There is never enough land for the military; there never has been. We have found that to be true time after time of the Government itself. I do not wish to pick out the military especially. The Government never has enough office space.

So it is to the credit of the Senate Committee on Appropriations, and especially to the two Senators from Oklahoma, that they have stood their ground as well as they have.

I support the amendment which has been offered by the junior Senator from Oregon. I think he has done a great service for his country in bringing this issue to the attention of the people. I am happy to associate myself with him.

I wish to compliment especially the conservation groups, which are not willing to pull down their flag, which are not willing to retreat, which are unwilling to call it quits.

I warn them that in the days to come they had better put as much steam and enthusiasm as they can behind their efforts to protect the national heritage in the great public lands, refuges, and national parks, which are the playgrounds of the American people.

The PRESIDING OFFICER (Mr. STENNIS in the chair). The question is on agreeing to the amendment offered by the junior Senator from Oregon [Mr. NEUBERGER].

The amendment was rejected.

Mr. CURTIS. Mr. President, I offer an amendment, which I ask to have read.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Nebraska.

The CHIEF CLERK. On page 12, line 8, it is proposed to strike out $1,078,649,000 and in lieu thereof insert $1,081,316,000.

On page 12, in line 13, before the period, it is proposed to insert a comma and the following: "and not to exceed $2,667,000 of this appropriation shall be used for medical facilities at the Lincoln Air Force Base, Lincoln, Nebr., as authorized by section 301 of the act of July 15, 1955, Public Law 161."

Mr. CURTIS. Mr. President, the amendment would provide $2,667,000, in addition to the amount appropriated in the bill, for hospital facilities at the Lincoln, Nebr., airbase. This base is a part of the Strategic Air Command. At this hour of the evening, I shall not elaborate upon the important mission of this airbase and the prominent part which it plays in our national defense.

At present, the Lincoln airbase is without a hospital. It has an improvised or a makeshift infirmary in a barracks-type building.

The request I make is supported by the Air Force, which is asking for the hospital. It is approved by the Bureau of the Budget, and it is authorized by law.

It so happens that this item was not included in the bill which was introduced in the House, and it has not yet been inserted because of a certain chain of circumstances. Earlier this year there was discussion of a proposal to have the hospital of the Veterans' Administration at Lincoln released by the Veterans' Administration and assigned to the Air Force. The local people were brought into the discussion, along with the officials of the veterans' organizations, the Air Force, and others, and the proposal did not meet with approval.

However, in the meantime, there had gone forth to Congress the representations of the departments in regard to omitting the money for the hospital from the bill now before the Senate, and also from the authorization bill. Later the question of whether or not the veterans' hospital could be used by the Air Force was finally decided by the Congress. At that time the authorization bill for the military public works was before the House.

A conference was held by the interested parties, including my colleague, the senior Senator from Nebraska [Mr. HRUSKA], Representative WEAVER, and myself and interested citizens from Nebraska, together with Chairman CARL VINSON, of the House Committee on Armed Services. Assistant Secretary of Defense Floete also was present.

At that conference Chairman VINSON decided that the Veterans' Administration should keep its own hospital, and that Congress should provide a hospital at the airbase. That decision was approved by the House Committee on Armed Services. The item was included in the military construction bill and was included in the sum carried on page 28 of the House report. The House of Representatives approved that action. There was no dispute about it, and no opposition to it.

The bill came to the Senate, and the Senate Committee on Armed Services, in the authorization bill for the construction of military, naval, and air force installations, again approved the decision that the Veterans' Administration should keep its own hospital; and the committee authorized $2,667,000 for a hospital to be constructed at the Lincoln Air Base.

When this appropriation bill was before the House of Representatives, the House committee withheld the funds, saying they were awaiting a decision as to whether or not the veterans' hospital would be used.

The day after this bill passed the House the President signed the authorization bill, which made final the decision, to wit, that the Air Force should construct their own hospital.

As a matter of fact, the veterans' hospital in question is some miles across the city from the Air Force base. It is not an empty building, it is Nebraska's oldest veterans' *hospital* and very much of a going concern. This morning I obtained from the Veterans' Administration a statement of what is taking place there, and I call it to the attention of the Senate.

The Veterans' Administration proposes to operate the hospital with an average daily patient load of 220. The hospital has 258 beds, so there will be an 88 percent average occupancy during the fiscal year 1956; $1,634,000 has been allocated for the operation of the hospital, for fiscal year 1956 and $201,600 has been allocated for the operation of the outpatient clinical services. Contracts for residences have been completed for the fiscal year 1956.

In other words, there is no veterans' hospital available for the Air Force. As matters now stand, we have an Air Force base without a hospital and without adequate medical facilities. The Lincoln Air Force base is an important one. In addition to the need for the hospital to provide medical services to care for the officers and men and their dependents, it will also be a part of the medical training program. Medical units will be established there, mobile in nature, which in time of emergency will be called upon for action in any part of the world.

Not to have their own hospital near the runways is not in keeping with the desires of the Air Force.

I might say in reference to the need for this facility that the local civilian agencies of Lincoln, Nebr., have been called upon to take care of hardship cases among the families of these airmen and officers. The burden has been carried largely by the local chapter of the Red Cross, whose budget in recent months has gone up 600 percent.

I submit that there is no Member of Congress who is willing to take the position that we should have an important Air Force base, a part of the striking arm of this country, a part of the strategic air command, operate without a hospital and adequate medical facilities.

Yet, due to a chain of circumstances, provision for the hospital is out of the bill. I do not blame the committee. It has been diligent. Its members have worked for long hours. They have had many details to consider. The difficulty arose by reason of the conflicting information which came to the committee early this year, when the alternative proposal, which has now been rejected by the Congress, was under consideration.

Mr. President, I sincerely hope that the amendment will be agreed to. If anyone has any doubt about it, he will have an opportunity to inquire of the Air Force as to the need for and the wisdom of the amendment by the time the matter is taken up in conference.

Mr. HAYDEN. Mr. President, the Senator from Nebraska has made a very persuasive argument, and I am willing to take the amendment to conference.

The PRESIDING OFFICER (Mr. STENNIS in the chair). The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. CURTIS].

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, I shall take only about a minute, but for the purpose of completing the legislative record, I wish to call the attention of the Senate, so that it may be in the CONGRESSIONAL RECORD, to the report of the committee on the "Missouri River Basin project, transmission division." I am reading from page 38 of the report:

> The committee has approved the request of the Department to use $240,000 of available funds for the completion of the Yellowtail-Lovell transmission line. However, in approving the use of funds to complete this facility the committee desires to make it clear that nothing in the wording of the request of the Department of the Interior, or in the letter of approval of the Bureau of the Budget, is to be understood as a waiver of any preference expressed in section 5 of the Flood Control Act of 1944 or in the Federal reclamation laws.

Mr. MANSFIELD and Mr. MORSE addressed the Chair.

Mr. O'MAHONEY. I yield to the Senator from Montana.

Mr. MANSFIELD. I am glad the distinguished Senator from Wyoming has brought this matter up, because I recall that about a week ago we had a meeting with representatives of the Budget Bureau, the Bureau of Reclamation, and the Department of the Interior—as a matter of fact, the Acting Secretary was there—the meeting being also attended by the Senator from Montana, the senior Senator from Wyoming [Mr. BARRETT], and the distinguished junior Senator from Wyoming, who has the floor.

If I recall correctly, it was at the specific request of the junior Senator from Wyoming that the particular language now incorporated in the bill was sent to the Appropriations Committee. I wish to compliment the Senator from Wyoming for looking after the interests of the people not only of his own State, but of the State of Montana. Language is now incorporated in the report which leaves no doubt as to where there is to be preference.

Mr. O'MAHONEY. I thank the Senator. My purpose in calling this to the attention of the Senate is to make clear in the legislative history of the Appropriations Committee, that preference rights to REA's and municipalities are not to be disregarded or waived with regard to transmission lines.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Oregon.

Mr. MORSE. I was trying to get the floor when the Senator from Montana was recognized, and my purpose was to discuss the very matter the Senator brought up. The Senator will recall that I expressed some concern earlier about some of the language used by the Bureau of the Budget in some of its requests, and by the Department of the Interior in some of its letters of transmittal, in that it seemed to me that those two divisions of Government have not been as specific concerning so-called preference rights provided for in the Flood Control Act of 1944 and in the Federal reclamation laws as I would like to have them be.

I wish to commend the committee for the language contained in the report, because I interpret it as a clear serving of notice on the Bureau of the Budget and the Department of the Interior that the preference language contained in the Flood Control Act of 1944 and in the reclamation laws must be followed and observed and protected.

I know of no one in the Senate who is a greater legal authority on the preference language in the existing laws than is the junior Senator from Wyoming.

Mr. O'MAHONEY. The Senator is very kind.

Mr. MORSE. He knows of my views. I want to thank the committee for including this language in the report.

Mr. O'MAHONEY. I am very appreciative to the committee for adopting the language. The committee today, in authorizing the Trinity project in California, also adopted language to make clear that the preference rights for REA's are to be continued.

Mr. HAYDEN. Mr. President, I might state that the committee was very glad to have this matter brought to its attention by the Senator from Wyoming. There was a unanimous opinion that the provision should be inserted in the report.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the testimony which was given at the hearings and which is to be found on pages 824, 825, and 826 of the hearings, be printed in the RECORD at this point in my remarks.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

YELLOWTAIL DAM AND OWL CREEK PROJECT

Then, yesterday, before the Legislative Committee on the Interior there was a discussion as to the meaning of the press conference statement of the President with respect to the public works appropriations which were contained in H. R. 6766 and which were added by the Congress though there were not budget items before us. The President in his statement said this:

"In all 107 unbudgeted projects were added by the Congress."

And then later on he said:

"As a consequence of these considerations, initiation of the added projects cannot be undertaken until the detailed engineering plans have been completed and we have a sound basis for cost estimates."

Before this committee approved the Yellowtail Dam and the Owl Creek projects, Yellowtail for Montana and Owl Creek for Wyoming, those two projects had not only been authorized, but initial appropriations had been made and plans had been made.

Thus it was not clear to the legislative committee whether or not those projects were included within the President's statement.

The representative of the Bureau of the Budget testifying before our committee said, with respect to Yellowtail certain additional

engineering material would have to be added, but the Bureau of Reclamation testified, Mr. Dexheimer, that a letter had already been forwarded to the Bureau of the Budget with this detailed information.

So I requested that the 2 bureaus harmonize their statement, 1 that the engineering data was not present, the other that it was present, in order that we might clearly find that these 2 projects were not within the prohibition of the President's conference statement.

He made no list. So I felt it was incumbent upon me to come and report to this committee what that status is.

URGENCY OF PROJECTS

I would like to recommend to the committee, if I may be bold enough to do so, that it include in its report—you may examine the Bureau of Reclamation when they come today, and the Bureau of the Budget, if you call them—but that you include in the report a statement of your own opinion that the detailed engineering facts have been presented so that the work may be going on because it is vitally needed.

I do not need to go into the story again, but I will mention the Yellowtail because there you have another estimate from the Bureau for the construction of a transmission line. The importance of these estimates——

Chairman HAYDEN. That is the Yellowtail-Lovell line?

Senator O'MAHONEY. The Yellowtail-Lovell—is to be found both in the report that you have received from the Bureau of the Budget and in the letter which was addressed to you as chairman of this committee by Acting Secretary of Interior Fred A. Aandahl under date of June 24, 1955. In this letter Secretary Aandahl—I am reading paragraph 2—says:

"This will involve the completion of the Lovell-Yellowtail 115-kilovolt transmission line by the Bureau of Reclamation which would permit integration of the power system of the Bureau and the Pacific Power & Light Co., and systems in Wyoming with the Montana Power Co. system in Montana. The Montana Power Co. would provide the interconnection between its system at Billings, Mont., and the Yellowtail point of interconnection. This interconnection would make it possible to transmit needed power over the Bureau's transmission system to loads in the Wyoming area. The Yellowtail line was partially completed with most of the poles being placed and the conductor acquired at the time that Congress stopped construction by eliminating funds for this purpose."

The point to which I wish to draw attention is that this letter from the Secretary of the Interior makes no reference whatsoever to the preferred usage of power developed at Corps of Engineer dams and Reclamation Bureau dams.

REA COOPERATIVES

There are REA cooperatives throughout the State of Wyoming; there are REA cooperatives in the State of Montana. I asked my office to send over here, and it arrived just in time, a list of REA co-ops in the State of Wyoming:

Riverton Valley Electric Association, Riverton, Wyo.

Big Horn Rural Electric Co., Basin, Wyo.

Wyrulec Co., Lingle, Wyo.

Bridger Valley Electric Association, Mountain View, Wyo.

Wheatland Rural Electric Association, Wheatland, Wyo.

Lower Valley Power & Light, Inc., Freedom, Wyo.

Garland Light & Power Co., Powell, Wyo.

Washakie Rural Electric Co., Worland, Wyo.

Rural Electric Co., Pine Bluffs, Wyo.

Hot Springs County REA, Thermopolis, Wyo.

Carbon Power & Light, Inc., Saratoga, Wyo.

Niobrara Electric Association, Inc., Lusk, Wyo.

Shoshone River Power Co., Cody, Wyo.

Sheridan-Johnson REA, Sheridan, Wyo.

Tri-County REA, Pinedale, Wyo.

If this estimate is to be construed by the letter of the Secretary and by the language of the estimates as designed to provide for integration between existing public utility corporations and the Bureau of Reclamation without recognizing the preference established in the law which authorized this Missouri Basin development, it would be actually a change of law without action by the legislative committee or by the Congress itself.

NECESSITY FOR TRANSMISSION LINE

I think the transmission line is very necessary, and I hope that it will be built because the Yellowtail project has been built. The original line, the beginning of the original line, was designed to bring power for the construction of the Yellowtail project.

Chairman HAYDEN. It would be your desire that either there be a provision in the bill or in the report indicating——

Senator O'MAHONEY. Indicating that this appropriation is in nowise to be construed as limiting or modifying in any respect the preferred uses for electric power from the Bureau of Reclamation power plants set forth in the law.

NEED FOR WHEELING ARRANGEMENT

Chairman HAYDEN. In order to carry out that objective, after this power is delivered at the end of the Reclamation Service line to the private power company in Wyoming, there would have to be some kind of wheeling arrangement.

Senator O'MAHONEY. There would have to be some kind of wheeling arrangement. Wheeling arrangements have been made in the past, but the danger I seek to avoid is the danger that would arise from the construction of this language in the budget report and in the report of the Secretary.

I think that can be easily corrected by a statement in the report, that nothing is intended by this appropriation to deprive preferred users of their rights to receive that power.

If there is to be any modification of the system of stimulating and fostering the growth of REA cooperatives, which is private enterprise if there ever was any private enterprise, municipal systems and the like, why, it ought to be done not by vague language in a budget estimate, but by the action of the appropriate committee.

I thank you very much for your patience with me. If there are any questions, I shall be very glad to answer them.

Chairman HAYDEN. Senator KNOWLAND.

Senator KNOWLAND. So that we can have an opportunity to give a little study in advance, I think we should have some language prepared on it to be submitted to both sides of the table.

Senator O'MAHONEY. Very well. I am back at my old job, I see.

Chairman HAYDEN. Mr. FLOOD, do you have any observations?

Mr. THYE. Mr. President, in these closing moments of the discussion on the supplemental appropriation bill, which really closes up the work of the Committee on Appropriations for the first half of the 84th Congress, I wish to pay tribute to the chairman of the Committee on Appropriations [Mr. HAYDEN]. It is, of course, a tremendous responsibility to be chairman of the Appropriations Committee. Being chairman entails an enormous amount of hard work day and night, in order to accomplish the tasks before the committee.

The Senator from Arizona has accomplished wonders as chairman of this particular committee during this session. The work of the committee has been finished early in the session, and we are ahead of schedule as compared with the work of the committee in former years.

For these reasons, I take this opportunity to pay tribute to the Senator from Arizona [Mr. HAYDEN] and to the ranking minority member of the committee, the Senator from New Hampshire [Mr. BRIDGES], because of their able leadership, to the work of the subcommittees, and to the staff of the Appropriations Committee. The staff oftentimes would take the results that had been accomplished at 10 or 11 o'clock in the evening and then work through the night, in order to get bills or reports to the printer and have them on the desks of Senators the next day. So I do not want this opportunity to pass without paying tribute to the Senator from Arizona [Mr. HAYDEN], the Senator from New Hampshire [Mr. BRIDGES], and the staff of the committee, for a job ably done.

Mr. HAYDEN. Mr. President, I am sure that the Senator from New Hampshire [Mr. BRIDGES] and I have benefited greatly, in the accomplishment of the work of the committee, by the very experienced help of all the other members of the committee, many of whom either served as subcommittee chairmen for a second time or served in that capacity in the last Congress.

Mr. FULBRIGHT. Mr. President, I should like to associate myself with the remarks of the Senator from Minnesota [Mr. THYE]. I think all of us feel very much as he does in regard to the distinguished chairman of the Appropriations Committee.

Mr. President, I wish to attempt to make a little legislative history regarding the item of the bill dealing with the Republic of Panama.

I have been serving as chairman of a subcommittee which has been considering a treaty with Panama, which I believe will be reported to the Senate tomorrow. The treaty provides for an increase of $1,500,000 in the annuity payment to Panama.

I wish to say that from the discussion of this matter, it is my understanding of the treaty that the activities of the Panama Canal itself should be self-sustaining. I shall vote in favor of the ratification of the treaty. In recommending that the treaty be ratified by the Senate, I shall do so on the understanding that whatever is necessary to keep the Panama Canal self-sustaining will be done by the Congress. I do not believe that can be done at this session, because of the time limitation, and certain legislation will be required in order to accomplish that purpose.

Certainly I shall not oppose this item of the bill; in fact, I am in favor of it. However, I wish it to be understood that

in favoring it, I do so with that understanding, which I believe is the understanding of the committee.

Mr. HAYDEN. Mr. President, I understand that additional enabling legislation must be reported from the legislative committee and enacted, in order to accomplish the purpose of making the Panama Canal Company pay the cost of the increased annuity. For myself, I shall be very happy to support such legislation.

Mr. CHAVEZ. Mr. President, in regard to the remarks of the Senator from Arkansas [Mr. FULBRIGHT], let me say that under the provisions of the treaty, after it is ratified, the obligation of the United States will be somewhat greater than it has been heretofore. However, I am informed by good authorities in Panama that it is their purpose to use that particular fund in order to make their contributions to the Inter-American Highway, and not to use the fund for any other purpose.

Mr. FULBRIGHT. Mr. President, I hope the Senator from New Mexico did not think I was criticizing anything about the treaty.

Mr. CHAVEZ. I knew the Senator from Arkansas was not doing so. However, I wish to state how the money will be used. It is true that Panama will receive a somewhat larger amount. But I am informed that, instead of using the fund for other purposes, they wish to cooperate with the United States in completing the Inter-American Highway.

Mr. FULBRIGHT. I had not heard of that, but I am very pleased to hear it. I understand that the treaty will be before the Senate tomorrow.

Mr. MORSE. Mr. President, I wish to associate myself with the remarks of the Senator from Minnesota [Mr. THYE] regarding the very fair and impartial job which I believe the Appropriations Committee has done this year. In particular, I wish to commend the chairman of the committee and also its ranking Republican member.

I believe I have a little right to speak on this subject, inasmuch as it so happens that a considerable number of Pacific Northwest projects were before the committee this year. I think the members of the committee—Republicans and Democrats alike—demonstrated time and time again that they face these issues on their merits, and not on the basis of political considerations.

Of course, Mr. President, if the members of the committee had wished to play cheap, partisan politics, they could have taken, in the case of some of the projects, a position which they might have thought would serve some partisan, political advantage in relation to the senior Senator from Oregon. However, at no time did I feel that any of my representations before the committee was met on the basis of any partisan consideration at all. Instead, I felt that the people of the Pacific Northwest received from the committee what they were entitled to receive, namely, an impartial, fair consideration on the merits of each project, regardless of the political position of any of the Senators from the Pacific Northwest.

I desire to thank the chairman of the committee, in particular and also the Republican as well as the Democratic members.

Mr. President, I close by saying a special word of commendation in regard to an item appearing on page 38 of the bill, for which the committee recommends the allowance of the supplemental estimate of $2,038,000 for "Construction, Bonneville Power Administration." The funds recommended are to provide for the construction of the necessary transmission facilities to serve the proposed aluminium reduction plant to be constructed by the Harvey Machine Co. at The Dalles, Oreg.

For the past several decades, this project has been a matter of interest and concern in my State. It was generally the old case of whether the chicken or the egg came first. It was perfectly clear that here was a great company which was ready to operate an aluminum plant, provided the power could be made available to it from Bonneville; and the Bonneville Power Administration was taking the position that it needed a transmission line in order to supply the industry with the power.

In the field of aluminum, as in many other fields or phases of American industrial life, competition is desirable; and many of us have felt for some time that this competitive venture should be encouraged. That is why, as the chairman of the committee knows, in previous years I have urged the approval of this particular item, so that the transmission line could be constructed. In the past we were not successful, although, may I say, on several occasions we came very close to success.

This year, my colleague and I joined in the joint public representations on this matter and in representations to the committee. I wish to say to the committee that we deeply appreciate their action on this meritorious and sound item.

The PRESIDING OFFICER (Mr. THURMOND in the chair). The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H. R. 7278) was passed.

Mr. HAYDEN. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HAYDEN, Mr. RUSSELL, Mr. CHAVEZ, Mr. ELLENDER, Mr. HILL, Mr. STENNIS, Mr. BRIDGES, Mr. SALTONSTALL, Mr. YOUNG, Mr. KNOWLAND, and Mr. THYE conferees on the part of the Senate.

THE EMERGENCY ACCELERATED AMORTIZATION PROGRAM

Mr. FULBRIGHT. Mr. President, last Tuesday, I commented on a newspaper report about Secretary Humphrey's testimony on the emergency accelerated amortization program. In my comments, I pointed out that I had opposed the 1954 revision of the Internal Revenue Code because of its amortization provisions, and I indicated that this was the amortization provision to which I objected in last year's bill.

Secretary Humphrey has called to my attention the fact that it was the general amortization provisions of last year's bill to which I had objected, rather than to the continuance of the emergency accelerated amortization provision; and I wish to make this correction, for the benefit of the Senate.

The emergency accelerated amortization program under section 168 of the Internal Revenue Code, formerly section 124A, is a justified measure to assist in increasing defense-production capacity, where this method is the most satisfactory from the point of view of the Government. Of course, as Secretary Humphrey pointed out, such measures are justified only as emergency measures, and should be stopped as soon as the emergency is over.

This is why it is surprising to find that during the past three quarters, the number and the dollar value of the certificates issued have been increasing.

The Office of Defense Mobilization, the certifying authority under the law, seems to find more emergency facilities, rather than less, necessary. As the authority to issue these certificates is entirely discretionary, I agree with Secretary Humphrey's concern at this new trend.

This seems one more case, like the exemption from the antitrust laws for voluntary agreements, or the exemption industry-paid employees, where the administration favors continuance and extension of emergency measures which benefit business, particularly big business, at the same time as it takes pleasure in announcing that price and rent controls may be ended because the emergency is over.

The general provisions concerning amortization, relaxing the requirements for the benefit of industry, are a different matter. My objection to those provisions, as to the other provisions encouraging investment, such as the dividend credits, was that such strong measures of encouragement to investment, as contrasted with tax relief for consumers, were not necessary in 1954 to continue the flow of funds into investment. It is not clear just how far these measures helped to stimulate the stock market in its upward course last fall and winter. But it seems clear that these encouraging measures provided somewhat more enthusiasm for investment than was needed by the stock market.

Mr. President, I ask unanimous consent to have printed in the RECORD at this

point as a part of my remarks the following:

A copy of a letter dated July 20, 1955, addressed to me by the Secretary of the Treasury, calling my attention to the difference which I mentioned, together with his statement to the Subcommittee on Legal and Monetary Affairs of the House Government Operations Committee; a copy of my letter, dated July 26, 1955, in reply to the Secretary's letter, together with a United Press dispatch of July 4, describing the latest period in which the tax writeoffs have been allowed by the Office of Defense Mobilization, particularly calling attention to the nature of the amortization provision with respect to the Atchison, Topeka & Santa Fe Railroad, as an example of accelerated amortization for a purpose which it is difficult for me to believe is necessitated by any emergency in the national defense.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE TREASURY,
Washington, July 20, 1955.

The Honorable J. W. FULBRIGHT,
United States Senate,
Washington, D. C.

DEAR SENATOR: My attention has been called to some news reports last night, originating from your remarks in the RECORD at page 10884 relating to my testimony before the Subcommittee on Legal and Monetary Affairs of the House Government Operations Committee, with respect to accelerated amortization.

I have carefully read your remarks in the Record and I am afraid that you are confused between the provisions for accelerated amortization about which I was testifying and the new provisions which revamped the regular depreciation schedules in last year's tax law, which were not under discussion.

The RECORD quotes you as saying: "* * * that this is a procedure or policy which was initiated during the Korean war and has continued since that time, and that all of a sudden the Secretary of the Treasury has discovered that it is an artificial stimulus of a dangerous character. This is the very point which was under consideration last year during the debate on the tax bill, and it was one of the principal reasons why I voted against the tax bill, and why I believe a number of other Senators voted against that bill."

I well remember your objection in the debate last year to the tax bill and to its provisions relating to the depreciation schedules. These, however, have nothing whatever to do with accelerated amortization about which I was testifying on Monday, and it is a fact that those provisions for accelerated amortization were actually passed by the 81st Congress, effective as of January 1, 1950, and they have continued as a part of the Korean program since that time.

For your information, I am enclosing a copy of my statement before the subcommittee, in which you will see that my whole point is that the Korean provisions have now largely outlived their usefulness, and, therefore, from now on should be sparingly used and rigidly confined.

I am sure you will want to correct your mistaken criticism of my position, and I am very glad to have the opportunity to supply you with the facts concerning it.

Sincerely,

GEORGE M. HUMPHREY.

STATEMENT BY SECRETARY OF THE TREASURY HUMPHREY BEFORE THE SUBCOMMITTEE ON LEGAL AND MONETARY AFFAIRS OF THE HOUSE GOVERNMENT OPERATIONS COMMITTEE, JULY, 18, 1955

TREASURY DEPARTMENT,
Washington.

Mr. Chairman and gentlemen, I welcome this opportunity to appear before you and to express the point of view of the Treasury Department on the provisions in our tax laws which allow accelerated amortization for income tax purposes of the cost of certain "emergency facilities."

I want to make it clear that I am not urging repeal. Final decisions on the scope of the program should not be made until the studies now being made by the Defense Mobilization Board have been completed. I wish at this time simply to make certain suggestions which I believe should be carefully considered in any study of the matter.

The "crash" defense program which was initiated in connection with the Korean war has been substantially completed.

Emergency amortization served a useful purpose during the early phases of rebuilding and expanding defense plant capacity to meet that emergency. However, the accelerated tax writeoff is an artificial stimulus of a dangerous type. Its indefinite continuance involves the very real danger that interests receiving the benefits of it come to rely upon it to the detriment of others who are not so favored. A defense mobilization program on a substantial scale may be essential for years to come. Expansion of our defense facilities should be an integral part of our broad, orderly, long-range, natural economic growth. Our basic defense capacity cannot soundly be separated from the broad base of productive capacity in general on which our Nation relies for its economic strength. Artificial stimulants may well become artificial controls. Because this one is not of universal application but is bestowed only upon some who especially qualify as against others who do not, it could become a hindrance to sound, balanced, vigorous growth of our whole free economy. It is not the American way.

Moreover, I think it important to remember, in any consideration of the problem, that several recent changes in the tax laws have substantially altered the tax picture which existed when accelerated amortization of emergency facilities was first adopted. Then we had an excess-profits tax which took up to 82 percent of the profits from corporate business, and thereby tended to discourage large expenditures for new-plant facilities. That tax was repealed as of January 1, 1954. The new liberalized depreciation methods under the 1954 Internal Revenue Code now permit faster capital recovery by all taxpayers equally and meet the basic needs of the whole economy. This reduces the need for singling out particular taxpayers or particular facilities for more favorable treatment than others receive.

A highly selective program may well have merit if it is strictly limited to very special cases—where there is present and pressing need for goods that would be a "must" in time of war and which cannot be met by present facilities and where Government contribution is necessary to meet those goals. I suggest, however, that the broader the program—the more it extends into areas other than the direct production of goods that are directly needed for war—the more difficult it becomes to administer wisely, without essentially arbitrary or discriminatory results.

Indeed, the very existence of such a program may lead some taxpayers to construct facilities deliberately colored to meet supposed defense need. The tax benefits often could more than absorb the waste and extra expense to the taxpayer—but it hardly would be good for the economy.

The revenue effects of the program are significant. I shall present four statistical tables to the committee. They have been prepared by the Treasury staffs. These tables will give you the facts, and our estimates of the direct dollar impact of the present program on the revenue. You will note that the estimated revenue loss this fiscal year will be $880 million. With our budget not in balance, this figure gives us serious concern. Extension of the program well may stand in the way of future more general tax reductions for all taxpayers which would be of important assistance to all business and to our continued economic growth and expansion.

Finally, I should like to speak very frankly about this use of the tax laws to further special programs and accomplish purposes other than simply the collecting of taxes. The power to tax is the power to destroy and revenue laws should be used only to equitably raise revenue, not for other indirect purposes. It is dangerous to use the tax laws for social purposes, to favor one citizen or group of citizens over others, to exercise economic controls, or to indirectly subsidize any segment of our economy.

If, in the wisdom of the Congress, such subsidies or assistance to special communities or for special purposes are desired, then appropriations should be made for the purpose which can be submitted to the Congress through regular channels where the amounts will be well known and where the Congress specifically can vote in favor of or in opposition to special treatment for any group. Under this program of tax reduction in special cases, our net revenues can be reduced and our deficits increased without formal action or appropriations by the Congress. This use of the tax laws, where the stimulants are applied by men, not by law, is appropriate only in an emergency or under special conditions under rigid restrictions when usual procedures are inadequate for our protection.

Rapid amortization unquestionably was of real assistance in expediting preparation for the war and still can be useful if limited strictly and exclusively to that end. It induced the investment of large sums of private means for production that was made available under private management far better and far quicker than otherwise would have been obtained. It kept the investment of public funds to a minimum and it left no great burden of public properties to be disposed of when their war purposes had been served.

The Office of Defense Mobilization has recently requested the agencies that make recommendations to it, such as the Departments of Commerce and Interior and the Defense Transport Administration, to review all existing expansion goals with the following points in mind:

1. Evaluate goals on the basis of defense need. The need for additional expansion shall be quantitatively measured in terms of wartime supply and requirements.

2. Expansion goals shall be based upon shortages which, in the judgment of the delegate agency, will not be overcome without the incentive of tax amortization.

When the Defense Mobilization Board has completed its review of the program in the light of these criteria, and made its recommendations to the Director of Defense Mobilization, it is expected that the program for the future will be on a proper basis.

This is not critical of the past. Nor is it thought best to abandon the practice entirely. But its usefulness in the future will be greatest for the good of the Nation as a whole if from now on it is used only sparingly and very rigidly and strictly confined to direct war-requirements applications.

Effect of allowance of emergency amortization certificates; based on certificates of $30,521 million issued through June 29, 1955

[In millions of dollars]

Calendar year	Value of completed projects [1]	Amount subject to accelerated amortization	Normal depreciation [2]	Accelerated amortization	Excess of accelerated amortization	Decrease in tax liabilities [3]	Calendar year	Value of completed projects [1]	Amount subject to accelerated amortization	Normal depreciation [2]	Accelerated amortization	Excess of accelerated amortization	Decrease in tax liabilities [3]
1950	700	420	6	21	15	7	1958	30,521	18,313	1,279	2,060	781	351
1951	4,167	2,500	87	292	205	113	1959	30,521	18,313	1,228	1,383	155	70
1952	9,683	5,810	249	831	582	308	1960	30,521	18,313	1,146	743	−403	−181
1953	16,000	9,600	463	1,541	1,078	593	1961	30,521	18,313	1,080	372	−708	−319
1954	22,000	13,200	787	2,280	1,493	747	1962	30,521	18,313	1,037	200	−837	−377
1955	26,594	15,956	1,132	2,895	1,763	882	1963	30,521	18,313	1,000	63	−937	−422
1956	28,244	16,946	1,279	2,999	1,720	796	1964	30,521	18,313	967	0	−967	−435
1957	29,479	17,687	1,289	2,633	1,344	605							

[1] End of year. These estimates are based on the ODM reported figures, but are modified in order to reconcile with corporate amortization deductions for 1951 and 1952.

[2] Computed on the basis of a straight-line rate of 6 percent, assuming that all certificate holders use the declining-balance method at 200 percent of the straight-line rate for assets acquired after Jan. 1, 1954, switching to straight line when it becomes advantageous.

[3] Effective tax rates reflecting rate decrease scheduled under present law.

Office of the Secretary of the Treasury, Analysis Staff, Tax Division, July 18, 1955.

Effect of allowance of emergency amortization certificates

[In millions of dollars]

	Decrease in tax collections
1951	4
1952	77
1953	266
1954	569
1955	776
1956	880

Effect of allowance of emergency amortization certificates—Continued

[In millions of dollars]

	Decrease in tax collections
1957	810
1958	625
1959	370
1960	87
1961	−167
1962	−310

Effect of allowance of emergency amortization certificates—Continued

[In millions of dollars]

	Decrease in tax collections
1963	−374
1964	−420
1965	−434

Office of the Secretary of the Treasury, Analysis Staff, Tax Division, July 18, 1955.

Tax amortization applications and certifications

[Money figures in millions of dollars]

Period [1]	Applications filed during period [2]		Certificates issued (net) during period [2 3]		Certificates outstanding at end of period [2]		Period [1]	Applications filed during period [2]		Certificates issued (net) during period [2 3]		Certificates outstanding at end of period [2]	
	Number	Value	Number	Value	Number	Value		Number	Value	Number	Value	Number	Value
1950	1,014	3,923	149	[4] 1,330	149	[4] 1,330	1953	3,426	5,765	3,617	4,942		
1951	15,909	23,161	5,322	10,104			1st quarter	1,022	1,355	1,176	1,599	16,191	25,682
1st quarter	6,941	12,695	788	[4] 3,040	937	[4] 4,370	2d quarter	1,108	1,844	1,235	1,627	17,426	27,309
2d quarter	4,030	5,566	1,385	[4] 3,135	2,322	[4] 7,505	3d quarter	664	1,503	681	830	18,107	28,139
3d quarter	2,853	2,628	1,767	[4] 1,805	4,089	[4] 9,310	4th quarter	632	1,063	525	886	18,632	29,025
4th quarter	2,085	2,272	1,382	[4] 2,124	5,471	11,434	1954	1,500	2,643	756	635		
1952	7,036	8,101	9,544	12,649			1st quarter	374	736	359	477	18,991	29,502
1st quarter	2,517	2,924	3,267	[4] 5,375	8,738	[4] 16,809	2d quarter	434	609	−107	−568	18,884	28,934
2d quarter	1,802	2,073	3,350	[4] 4,225	12,088	[4] 21,034	3d quarter	375	917	282	678	19,166	29,612
3d quarter	1,417	1,559	1,913	[4] 1,825	14,001	[4] 22,859	4th quarter	317	381	222	48	19,388	29,660
4th quarter	1,300	1,545	1,014	[4] 1,224	15,015	24,083	1955						
							1st quarter	370	920	223	372	19,611	30,032
							2d quarter	660	3,012	350	489	19,961	30,521

[1] Based on biweekly progress reports that may not coincide exactly with calendar years or calendar-year quarters.

[2] Derived from cumulative data which reflect revisions, adjustments, and amendments; decumulated data for certain periods may reflect revisions pertaining to other periods.

[3] Data reflect the net effect of certificates issued and canceled; cumulative data reflect revisions, adjustments, and amendments.

[4] Rough approximations.

Source: Office of Defense Mobilization.

Office of the Secretary of the Treasury, Analysis Staff, Tax Division, July 18, 1955.

Effect of allowance of emergency amortization certificates; based on certificates of $30,521 million issued through June 29, 1955

[In millions of dollars]

Calendar year	Value of completed projects [1]	Amount subject to accelerated amortization	Normal depreciation [2]		Accelerated amortization	Excess of accelerated amortization		Decrease in tax liabilities under accelerated amortization [3] as compared to—	
			Straight line	Declining balance		Straight-line depreciation	Declining-balance depreciation	Straight-line depreciation	Declining-balance depreciation
1950	700	420	6	6	21	15	15	7	7
1951	4,167	2,500	87	87	292	205	205	113	113
1952	9,683	5,810	249	249	831	582	582	308	308
1953	16,000	9,600	463	463	1,541	1,078	1,078	593	593
1954	22,000	13,200	684	787	2,280	1,596	1,493	798	747
1955	26,594	15,956	875	1,132	2,895	2,020	1,763	1,010	882
1956	28,244	16,946	987	1,279	2,999	2,012	1,720	931	796
1957	29,479	17,687	1,038	1,289	2,633	1,595	1,344	718	605
1958	30,521	18,313	1,079	1,279	2,060	981	781	441	351
1959	30,521	18,313	1,098	1,228	1,383	285	155	128	70
1960	30,521	18,313	1,098	1,146	743	−355	−403	−160	−181
1961	30,521	18,313	1,098	1,080	372	−726	−708	−327	−319
1962	30,521	18,313	1,098	1,037	200	−898	−837	−404	−377
1963	30,521	18,313	1,098	1,000	63	−1,035	−937	−466	−422
1964	30,521	18,313	1,098	967	0	−1,098	−967	−494	−435

[1] End of year. These estimates are based on the ODM reported figures, but are modified in order to reconcile with corporate amortization deductions for 1951 and 1952.

[2] Straight-line depreciation rate assumed is 6 percent. Amounts shown for declining-balance depreciation assume that all certificate holders use this method for assets acquired after Jan. 1, 1954, switching to straight-line when it becomes advantageous.

[3] Effective tax rates reflecting rate decrease on Apr. 1, 1956, scheduled under present law.

Office of the Secretary of the Treasury, Analysis Staff, Tax Division, July 18, 1955.

JULY 26, 1955.

Hon. GEORGE M. HUMPHREY,
Secretary of the Treasury,
Washington, D. C.

DEAR MR. SECRETARY. Thank you for your letter of July 20 commenting on my remarks in the Senate on July 19 about tax amortization.

You are correct, of course, in pointing out that the tax amortization provision in the Internal Revenue Code revision to which I objected last year was the change in the regular depreciation schedules, rather than the emergency accelerated amortization provision in section 168, formerly 124A, of the code.

I shall be glad to correct this.

I have found your statement interesting, in its harsh criticisms of the program: "An artificial stimulus of a dangerous type"; "it is not the American way", the broader the program * * * the more difficult it becomes to administer wisely, without essentially arbitrary or discriminatory results."

In view of your criticism of the emergency accelerated amortization program, I am somewhat surprised to see that over the past 3 quarter-years, the number of certificates has increased from 222 up to 350, and the amounts from $48 million to $489 million.

As I understand it, section 168 does not require that certificates be issued, but rather limits them to cases where the certifying authority found a proposed facility "necessary in the interest of national defense during the emergency period" and then only to such proportion of the cost as is "attributable to defense purposes." Consequently, it seems to me that it would have been possible for the certifying authority, the ODM, to limit the issuance of certificates in such a fashion as to prevent abuses. And, I take it, the Government could stop issuing these certificates entirely if it should find the emergency over.

We often find that an authority granted to provide for an emergency situation has been continued and used long after the emergency need has passed, partly from inertia, partly because of the vested interests in the bureaucracy which has grown up around it, and partly because the segment of the public which benefits from the authority wishes it to continue.

It occurs to me that this emergency accelerated amortization provision may have outlived its real usefulness, and that the dangers of its continuance may far outweigh the benefits that may be derived from it in the future.

In this connection, it is interesting to note the present administration was quick to terminate price and rent controls and quick to ease the taxes on corporations. But it has urged the continuance of such authorities as the exemption from the antitrust laws for voluntary agreements under section 708 of the Defense Production Act—in fact it has even urged a 20-year extension—and continued exemptions from the conflict of interest statutes for industry-paid employees under section 710 (b) of the same act. And it has urged continuance of the financial aids to business under the Defense Production Act and the tax laws.

I was also interested in your statement that "revenue laws should be used only to equitably raise revenue, not for other indirect purposes. It is dangerous to use the tax laws for social purposes, to favor one citizen or group of citizens over others, to exercise economic controls, or to indirectly subsidize any segment of our economy."

It is indeed gratifying to find you accepting this principle, with which I heartily concur. Unfortunately, I cannot agree with your application of the principle. For example, in the 1954 tax bill my primary objection was that the basic purpose of most of the amendments was to encourage investment, by increased amortization, dividend deductions, and the like, whereas I was of the opinion that equally great, or greater, attention to the tax situation of the consumer was necessary at that time.

What part this emphasis on investments may have played in the recent stock-market upswing is difficult to assess, but favoring and encouraging investment through tax measures in 1954, while at the same time refusing equal relief to consumers, is, in my judgment, difficult to reconcile with your stated principle.

I shall, of course, be glad to look for your support, based on your belief that the revenue laws should be used to raise revenue only, in connection with tariff matters.

Sincerely yours,

J. W. FULBRIGHT,
Chairman.

THREE TAX WRITEOFFS ISSUED BY OFFICE OF DEFENSE MOBILIZATION—CONSUMERS POWER ALLOWED $18,280,000 TO BUILD NEW GENERATING EQUIPMENT

WASHINGTON, July 24.—Certificates for rapid tax writeoffs for 40 defense-related projects were issued between June 30 and July 13, the Office of Defense Mobilization announced tonight.

The certificates permit part of the projects' costs to be amortized for tax purposes over 5 years instead of the usual 20. The new or expanded facilities are valued at $47,768,434.

The largest certificates issued during the 2-week period went to:

Consumers Power Co., Muskegon, Mich., $18,280,000 for electric power generating equipment.

Aero-Jet General Corp., Sacramento County, Calif., $6,525,800 for research and development facilities.

Atchison, Topeka & Santa Fe Railway, $4,020,534 for a centralized traffic control system.

The ODM said it approved 35 percent of Consumer Power's application for rapid amortization, 70 percent of Aero-Jet's and 40 percent of the Santa Fe's. The amount approved for rapid tax writeoff depends on the facility's importance to defense.

Since the rapid tax writeoff program began in 1950 to encourage defense and defense-related industrial expansion, 20,001 such certificates have been issued, with a total value of $30,595,004,000.

The certificates have permitted quick tax writeoffs of $18,398,062,000 of the total value.

POLICY AND PROCEDURE IN CONNECTION WITH CONSTRUCTION CONTRACTS

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 622, Senate bill 1644.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1644) to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments.

PROGRAM FOR TOMORROW

Mr. CLEMENTS. Mr. President, I wish to announce the program for tomorrow.

It is the intention of the acting majority leader to call up tomorrow for consideration the treaty, Executive E, 84th Congress, 1st session, a treaty of friendship, commerce, and navigation with the Federal Republic of Germany, signed at Washington on October 29, 1954.

In addition, it is the intention of the acting majority leader to call up for consideration tomorrow the following measures, with the understanding that they will not necessarily be taken up in the order mentioned:

Calendar No. 1053, House bill 4744, to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act;

Calendar No. 1103, Senate bill 514, to provide for the disposal of certain Federal property in the Boulder City area, to provide assistance in the establishment of a municipality incorporated under the laws of Nevada, and for other purposes;

Calendar No. 1108, House bill 6454, to amend the joint resolution approved August 30, 1954, relating to the establishment of the Woodrow Wilson Centennial Celebration Commission, and for other purposes;

Calendar No. 830, Senate Resolution 129, to certify the report of the Committee on the Judiciary to the United States Attorney for the District of Columbia to the end that Joseph Starobin may be proceeded against in the manner and form provided by law;

Calendar No. 831, Senate Resolution 130, to certify the report of the Committee on the Judiciary to the United States Attorney for the District of Columbia to the end that Harry Sacher may be proceeded against in the manner and form provided by law;

Calendar No. 832, Senate Resolution 131, relating to the refusal of Harvey M. Matusow to answer questions before a Senate subcommittee;

Calendar No. 520, Senate bill 912, to amend the act of April 23, 1930, relating to a uniform retirement date for authorized retirements of Federal personnel; and

Calendar No. 1152, Senate bill 2630, to facilitate the establishment of local self-government at the communities of Oak Ridge, Tenn., and Richland, Wash., and to provide for the disposal of federally owned properties of such communities.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. CLEMENTS. I am happy to yield.

Mr. FULBRIGHT. Can the Senator tell us what the schedule will be for next week?

Mr. CLEMENTS. I will say to my friend from Arkansas that I hope, with sufficient cooperation in both the House and Senate, there will be some prospect that there will be no session next week, so far as the Senate is concerned.

Mr. FULBRIGHT. That is very encouraging.

Mr. CLEMENTS. We hope to be able to complete the legislative program by Saturday night or sooner.

Mr. FULBRIGHT. The Senator will have my support.

AUTHORIZATION TO FILE REPORTS AND RECEIVE MESSAGES

Mr. CLEMENTS. Mr. President, I ask unanimous consent that during the adjournment of the Senate following today's session, the several standing committees be authorized to file reports, and that the Secretary of the Senate be authorized to receive messages from the House.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT

Mr. CLEMENTS. Mr. President, I ask unanimous consent that when the Senate completes its work today, it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

THIRD ANNIVERSARY OF PUERTO RICAN INDEPENDENCE

Mr. SMATHERS. Mr. President, yesterday, July 25, the people of Puerto Rico celebrated the third anniversary of their Commonwealth status, and I believe that it is fitting and proper that we pay tribute to them for the remarkable strides which they have made under this form of self-government.

July 25, in fact, marks two anniversaries of significance. The first commemorates an historical landmark 57 years ago when, under the command of Gen. Nelson A. Miles, United States troops for the first time set foot on Puerto Rican soil. Since its discovery in 1492 by Columbus, and its settlement begun in 1508 by Ponce de Leon, Puerto Rico had been one of the many countries of the New World which formed a part of the Spanish Empire.

In 1898, we were at war with Spain in our endeavor to secure independence and freedom for the people of Cuba. When peace was made, the Crown of Spain ceded to the United States its sovereignty over the island of Puerto Rico. Thereby the United States assumed great responsibility toward the Puerto Rican people, who were Spanish in origin and culture and whose loyalties to that turning point in their history had been Spanish.

In conformity with the fundamental principles of the United States, the fact that this great Republic assumed sovereignty over that island could not end in its people becoming United States subjects. It could only result, as it has resulted, in their developing self-governing institutions in accordance with democratic principles. Ultimately, it had to bring as it has the organization of a free self-governing state in Puerto Rico: the Commonwealth of Puerto Rico.

The people of Puerto Rico have shown a remarkable capacity to adjust themselves to changing conditions and circumstances; for making a practical appraisal of, and for taking appropriate action to meet, those circumstances and conditions. Because of the small size of their island and because of its very limited natural resources, they realized that isolation and separation from the United States was not in their best interest. On the other hand, because of their geographical position 1,000 miles from Miami and 1,500 miles from New York, because of their cultural background, because they are a fully developed people by themselves, admission into the United States Union was not considered the most favorable way to maintain bonds of union with the United States. They brought us a formula conceived in the principles of freedom, democracy, and self-government, unique in the annals of our political system. In accordance with this formula, their bond with the United States does not mean incorporation in the Union, but rather association with the Union by solemn compact. Of course, it is not separation. Under the aegis of a common citizenship, they maintain a voluntary association with the United States. Thus, they have created their Commonwealth, their free state, with a constitution of their own adoption. They exercise the right of decision in all matters of their everyday life, while the United States, with their consent, performs relative to Puerto Rico the same functions as it does in the States of the Union. Today is the third anniversary of the creation of the Commonwealth of Puerto Rico.

The benefits of this new association are mutual. Citizens of the Commonwealth of Puerto Rico are also citizens of the United States. They can freely travel across the frontiers of this country. They find here the same opportunities which are open to all. All citizens of the United States, resident in Puerto Rico, are citizens of the Commonwealth of Puerto Rico, and they have the same protection and rights as in any native State of the Union.

There is free trade between the island and the mainland within a common tariff. Puerto Rico's economy has developed to the point where it is one of the best markets for United States products. Last year's purchases from continental United States totaled nearly a half-billion dollars, more than any country in the new world except Canada, Mexico, and Venezuela.

Again, Puerto Rico is a bastion for our defense in the Caribbean, a bulwark defending the Panama Canal. This is due, not only to its strategic position, but also to the wholehearted loyalty of the people of Puerto Rico to the United States and the ideals represented by the United States.

Puerto Rico has become an impressive example of what democratic institutions can do for any people and what people can do further to develop democratic institutions.

In the international sense, the citizens of the Commonwealth of Puerto Rico are in the same position as the citizens of the States of Florida and New York; they are United States citizens. As such, they are entitled to our Government's protection. By the same token, when the necessity arose to uphold the principles for which this Nation stands, they have been as eager and determined to defend them on the fields of battle as those born on State soil.

Three years ago today, the flag of the Commonwealth of Puerto Rico was raised to the top of the mast in Puerto Rico to fly alongside the Stars and Stripes. Both flags flying together are a symbol of a noble association.

We are proud of the Puerto Rican people and their efforts to reach a higher station in life. We should continue to help them as much as we can in their self-development. They are taxing both brawn and brain to solve their unemployment problem, heretofore extensive and appalling. They are trying to create new opportunities so that they will not have to leave their homeland to make a living. They are developing industrially.

The greater the interest and encouragement on the part of the people of the United States pointing the way for Puerto Rico to achieve higher standards of living, the greater an asset Puerto Rico will be as an associate—both politically and economically. Thus, the greater would be the prestige of the United States before the world, especially before our good neighbors below the border who are kinsmen of Puerto Rico's people.

Again Puerto Rico is convincing evidence of what was meant when Congress recently adopted unanimously the resolution condemning colonialism in the world. At no time can our relationship with Puerto Rico be classified as colonialistic. It is a free and voluntary association, entered into under the terms of a solemn compact which cannot be amended without mutual consent. Conditions and circumstances may change. The terms of the association may also change, as it may be agreed to from time to time, but no backward step will ever be taken. It will be a continuous ascent toward the higher goals of freedom, security, and common understanding that characterize the present relations of the Commonwealth of Puerto Rico with the United States.

In conclusion, Mr. President, I would like to take this opportunity to extend to the people of Puerto Rico my heartiest congratulations for having made such an excellent selection in choosing their official representatives. Resident Commissioner A. FERNÓS-ISERN, their representative in the Congress since 1947, has done an outstanding and effective job in presenting to the Congress the many problems affecting Puerto Rico. His sincerity of purpose and sterling character has been indelibly imprinted upon every Member of Congress without exception. Though he has no vote, he has frequently stated to me that he has the votes of 435 Members of the House of Representatives and 96 votes in the Senate of the United States. His activities on behalf of the Puerto Rican people have on more than one occasion amply demonstrated the correctness of this statement. As many of us here in the Congress will recall, it was he who was chairman of the constitutional convention which drafted the constitution of Puerto Rico. It was he who was chosen as a member of the United States delegation to the United Nations when the President of the United States informed the United Nations of Puerto Rico's self-governing status. In his official capac-

ity, as a representative of the people of Puerto Rico, he has justly earned the admiration and respect of every Member in both Houses of the Congress. His warm personality has endeared him to all of us, and I, for one, hope that the people of Puerto Rico will see fit to retain such a worthy representative for many long years in the public service. His great contribution to our cause and the cause of the Puerto Ricans is inestimable.

In Gov. Luis Muñoz-Marin, Puerto Rico has an equally outstanding citizen. As chief executive, he has unquestionably performed outstanding public service in their behalf. He is, in fact, a great leader. It was during his administration that successful efforts were made in industrializing Puerto Rico so that more people could obtain more jobs, which in turn provided them with an increased standard of living. The people of Puerto Rico and the people of the United States owe to him an everlasting debt of gratitude for the great public service which he has rendered and is rendering. The record of progress which already has been made under his administration is one in which we can all take just pride.

It was through the leadership of these men that Puerto Rico has advanced and is continuing to advance under a truly self-governing associated status with the United States.

On this, the third anniversary of its self-governing status, we, the people of the United States, wish the people of Puerto Rico continued success and Godspeed.

ADJOURNMENT

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. SMATHERS. Mr. President, in accordance with the previous order, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 33 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Wednesday, July 27, 1955, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 26, 1955

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, Thou knowest how greatly we need divine wisdom and strength in our desires and dreams to build a world which has in it peace and good will.

Show us how we may lift and lead bruised and broken humanity out of its sorrow and sufferings, out of its doubts into faith, and out of its fears into joy.

Grant that as citizens of this great Nation we may strive with all the ingenuity and capacity at our command to preserve its sovereignty and security, giving it our loyalty and allegiance.

May we have a spirit which bears witness to our kinship with the Prince of Peace.

Hear us in His name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills, joint resolutions, and concurrent resolutions of the House of the following titles:

H. R. 2150. An act to further amend section 106 of the Army-Navy Nurses Act of 1947 so as to provide for certain adjustments in the dates of rank of nurses and women medical specialists of the Regular Army and Regular Air Force in the permanent grade of captain, and for other purposes;

H. R. 2949. An act for the relief of Jose Armando Quaresma;

H. R. 4106. An act to authorize the crediting, for certain purposes, of prior active Federal commissioned service performed by a person appointed as a commissioned officer under section 101 or 102 of the Army-Navy Nurses Act of 1947, as amended, and for other purposes;

H. R. 4218. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment, and to provide certain services to the Girl Scouts of the United States of America for use at the Girl Scout Senior Roundup Encampment, and for other purposes;

H. R. 4717. An act to provide for the release of the express condition and limitation on certain land heretofore conveyed to the trustees of the village of Sag Harbor, N. Y.;

H. R. 4886. An act to provide that active service in the Army and Air Force shall be included in determining the eligibility for retirement of certain commissioned officers of the Navy, Marine Corps, and Coast Guard;

H. R. 5875. An act to amend title 14, United States Code, entitled "Coast Guard," for the purpose of providing involuntary retirement of certain officers, and for other purposes;

H. R. 5893. An act to amend paragraph I (a), part I, of the Veterans Regulation No. 1 (a), as amended, to make its provisions applicable to active service on and after June 27, 1950, and prior to February 1, 1955, and for other purposes;

H. R. 6277. An act to amend subsection 303 (c) of the Career Compensation Act of 1949 relating to transportation and storage of household goods of military personnel on permanent change of station;

H. R. 7194. An act to authorize subsistence allowances to enlisted personnel;

H. J. Res. 251. Joint resolution to authorize the President to issue posthumously to the late Seymour Richard Belinky, a flight officer in the United States Army, a commission as second lieutenant, United States Army, and for other purposes;

H. J. Res. 359. Joint resolution to authorize the designation of October 22, 1955, as National Olympic Day;

H. J. Res. 385. Joint resolution authorizing the printing and binding of a revised edition of Cannon's Procedure in the House of Representatives and providing that the same shall be subject to copyright by the author;

H. Con. Res. 50. Concurrent resolution commemorating the 200th anniversary of the migration of the Acadians from Nova Scotia to Louisiana and other areas;

H. Con. Res. 190. Concurrent resolution authorizing the printing as a House document of the manuscript entitled "The House of Representatives"; and

H. Con. Res. 193. Concurrent resolution extending the felicitations of Congress to the Commonwealth of Massachusetts on the 175th anniversary of the establishment of its constitution.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 2107. An act to amend the National Defense Facilities Act of 1950 to provide for additional facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes;

H. R. 2109. An act to authorize permanent appointments in the United States Navy and the United States Marine Corps;

H. R. 3338. An act to amend section 1 of the act of March 12, 1914;

H. R. 5512. An act to provide for the conveyance of certain property under the jurisdiction of the Housing and Home Finance Administrator to the State of Louisiana;

H. R. 6259. An act to amend section 8 of the act entitled "An act to establish a District of Columbia Armory Board, and for other purposes," approved June 4, 1948; and

H. R. 7029. An act to establish a Permanent Committee for the Oliver Wendell Holmes Devise, and for other purposes.

The message also announced that the Senate had passed bills and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 463. An act to authorize the issuance of commemorative medals to certain societies of which Benjamin Franklin was a member, founder, or sponsor in observance of the 250th anniversary of his birth;

S. 730. An act granting the consent of Congress to the States of Kansas and Oklahoma to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Arkansas River and its tributaries as they affect such States;

S. 926. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Ventura River reclamation project, California;

S. 1194. An act to provide for construction by the Secretary of the Interior of Red Willow Dam and Reservoir, Nebr., and construction by the Secretary of the Army of the Wilson Dam and Reservoir, Kans., as units of the Missouri River Basin project;

S. 1261. An act to authorize the conveyance of certain lands within Caven Point terminal and ammunition loading pier, New Jersey, to the New Jersey Turnpike Authority;

S. 1683. An act to amend the act of June 13, 1949 (63 Stat. 172), and for other purposes;

S. 1689. An act to authorize the Secretary of the Interior to execute a repayment contract with the Yuma Mesa Irrigation and Drainage District, Gila project, Arizona, and for other purposes;

S. 1834. An act to authorize certain retired commissioned officers of the Coast Guard to use the commissioned grade authorized them by the law under which they retired, in the computation of their retired pay under the provisions of the Career Compensation Act of 1949, as amended;

S. 2351. An act to authorize the conveyance of certain war housing projects to the city of Norfolk, Va.;

S. 2432. An act to permit the use in the coastwise trade of the barge *Irrigon;*

S. 2513. An act to authorize the sale of Welles Village war housing project in Glastonbury, Conn., to the housing authority of the Town of Glastonbury;

S. 2566. An act to amend title 14, United States Code, so as to provide for compensatory absence of Coast Guard military personnel serving at isolated aids to navigation, and for other purposes;

S. 2568. An act to amend title I of the act entitled "An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes";

S. 2573. An act to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended;

S. Con. Res. 40. Concurrent resolution to designate the period from September 17 through September 28 as Constitution Week; and

S. Con. Res. 53. Concurrent resolution to make a change in the enrollment of S. 2428, to increase the salaries of officers and members of the Metropolitan Police force, etc.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6382. An act to amend the International Claims Settlement Act of 1949, as amended.

The message also announced that the Senate insists upon its amendments to the foregoing bill; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPARKMAN, Mr. HUMPHREY, Mr. MANSFIELD, Mr. SMITH of New Jersey, and Mr. HICKENLOOPER to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 191) entitled "An act to regulate the election of delegates representing the District of Columbia to national political conventions, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MORSE, Mr. BIBLE, and Mr. HRUSKA to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 2851) entitled "An act to make agricultural commodities owned by the Commodity Credit Corporation available to persons in need in areas of acute distress," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. HOLLAND, Mr. ANDERSON, Mr. AIKEN, and Mr. WILLIAMS to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 3822) entitled "An act to amend title V of the Agricultural Act of 1949, as amended," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. HOLLAND, Mr. AIKEN, and Mr. YOUNG to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 4778) entitled "An act to provide for the purchase of bonds to cover postmasters, officers, and employees of the Post Office Department and mail clerks of the Armed Forces, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSTON of South Carolina, Mr. NEELY, and Mr. CARLSON to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1093) entitled "An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BIBLE, Mr. GORE, and Mr. BEALL to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7000) entitled "An act to provide for strengthening of the Reserve Forces, and for other purposes."

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 56–2.

CONSTITUTION WEEK

Mr. MARTIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (S. Con. Res. 40) to designate the period from September 17 through September 23 as Constitution Week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the President is authorized and requested to issue a proclamation designating the 7-day period beginning September 17 and ending September 23, 1955, as Constitution Week, and inviting the people of the United States to observe such week in schools, chuches, and other suitable places with appropriate ceremonies and activities.

The resolution was agreed to; and a motion to reconsider was laid on the table.

FOREIGN AID PROGRAM

Mr. GARY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. GARY. Mr. Speaker, in the conference committee to which I have just been appointed, I shall do my very best to maintain the $628 million cut in the mutual security appropriations bill recently voted by the House of Representatives.

I am distressed that the other body has restored over half a billion dollars of the funds previously cut from the bill by the House. I am certain that the mutual security program can be carried on adequately with $2.6 billion of new money, and that the appropriation of $3.2 billion as recommended by the other body, is unnecessary.

I have been a friend of the Marshall plan and other foreign aid programs since their inception following the end of World War II. Without these programs, Europe would certainly be Communist today. The Marshall plan, and its successors, have rebuilt European productive capacity, defense, and markets for American exports. I think these aid programs have been wonderfully successful. Because of this very success, it is now possible to reduce our expenditures for such aid.

I was a member of the House subcommittee which originally cut the Eisenhower administration's budget request $628 million, after careful study of the facts. This year, our subcommittee did not recommend a single penny of nonmilitary economic aid to the major countries of Western Europe. In fact, the bill we reported included no nonmilitary appropriations to Europe at all, except for some assistance the administration has requested for three critical points, West Berlin, Yugoslavia, and Spain. We did, however, make sure that sufficient military aid funds would be available.

A Democrat, I have cooperated in every way with this Republican administration when a clear need for foreign aid funds was shown. I have defended these programs on the floor of the House. My action for a cut this year is based solely upon my belief that the House bill represented sufficient funds to carry out the program properly.

When the administration presented its request for new foreign-aid money last month, it appeared there was a $620 million balance of previously appropriated funds which had not even been obligated. Of this amount only $200 million could be legally carried over into the new fiscal year which began July 1. The rest would revert to the Treasury for other appropriations. This was cause for rejoicing, not criticism, because it indicated that foreign aid needs last year were below expectations and new appropriations could therefore now be lessened.

However, the administration wished to obligate this $420 million before the end of the fiscal year, contrary to provisions of the 1955 Appropriations Act. We were considering that request when on June 28, another $312 million in unobligated funds was reported to our committee. To accommodate the administration, a hastily arranged meeting was held between officials of the administration and the ranking members of our subcommittee, and an agreement was reached to permit immediate obligation of the $312 million, but not the $420 million. The total of $512 million clearly gave the ad-

ministration sufficient room to deal with any emergency which might arise while the Congress was out of session. No justification for a new use for the unobligated $420 million was presented by the administration.

Then on June 30, the last day of the fiscal year, the administration announced reservation of the $420 million for common-use military items, completely contrary to the specific agreement not to obligate these unspent, unobligated, and unreserved funds, which otherwise would have returned to the Treasury.

Our subcommittee promptly cut $420 million in new money from the reserved item in the bill, reported the administration's breach of faith to the full committee and the House, and the House supported the cut. The foreign-aid appropriations bill as passed by the House, was approximately $900 million below the administration's original authorization request, and $600 million below the budget request, because of an additional $200 million in other well-justified cuts.

I strongly resent the methods used to reserve the $420 million after the agreement with representatives of our committee, but aside from that fact I am thoroughly convinced that the amount appropriated for the program by the House this year is entirely adequate for mutual security purposes for this fiscal year. That is the real point. Therefore, I shall do my best to hold the House cut in the conference committee despite the strong pressures which undoubtedly will be exerted.

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. PASSMAN. Mr. Speaker, I doubt if there is another Member of the Congress who understands the many complex problems of the foreign-aid program as the distinguished gentleman from Virginia [Mr. GARY].

Congressman GARY was chairman of the Foreign Aid Subcommittee on Appropriations for 4 years and ranking minority member for 4 years. He helped develop the program and it was the desire of the distinguished chairman of the Committee on Appropriations that Mr. GARY continue as chairman of the Foreign Operations Subcommittee on Appropriations. But inasmuch as beginning with this session of Congress it was made a permanent committee and the rules of the committee prohibit a member from being chairman of two subcommittees, Mr. GARY decided to remain as permanent chairman of the Treasury and Post Office Subcommittee on Appropriations and accept the ranking majority position on the Foreign Operations Subcommittee on Appropriations.

The House is very fortunate in having the distinguished gentleman from Virginia, Congressman VAUGHAN GARY, as a member of the conference that must, in the very near future, adjust the difference between the House and Senate versions of the foreign-aid appropriation for 1956 because he understands the bill and the full reasons for the reductions made by the Foreign Operations Subcommittee on Appropriations and supported by the full Committee on Appropriations and the House.

SPECIAL ORDERS GRANTED

Mr. DEANE asked and was given permission to address the House for 15 minutes on Thursday next, at the conclusion of the legislative program and any special orders heretofore entered.

Mr. PATMAN asked and was given permission to address the House for 30 minutes today, following the legislative program and any special orders heretofore entered; to revise and extend his remarks and to include extraneous matter; on the subject of The Great Conspiracy of 1933: A Study in Short Memories by Paul F. Boller, Jr., which relates to the recognition of Soviet Russia and brings in the important part of the late Secretary Cordell Hull in connection therewith.

PROCEEDINGS AGAINST JOHN T. GOJACK

Mr. WALTER. Mr. Speaker, by direction of the Committee on Un-American Activities, I present a privileged report and ask for its immediate consideration.

The Clerk read the report, as follows:

PROCEEDINGS AGAINST JOHN T. GOJACK

Mr. WALTER, from the Committee on Un-American Activities, submitted the following report:

CITING JOHN T. GOJACK

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 84th Congress, caused to be issued a subpena to John T. Gojack, 1835 South Calhoun Street, Fort Wayne, Ind. The said subpena directed John T. Gojack to be and appear before the said Committee on Un-American Activities or a duly authorized subcommittee thereof, of which the Honorable FRANCIS E. WALTER is chairman, on February 28, 1955, at the hour of 10 a. m., in room 225–A, Old House Office Building, Washington, D. C., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon the said John T. Gojack is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States marshal, South Bend, Ind.:

"You are hereby commanded to summon John T. Gojack to be and appear before the Committee on Un-American Activities, or a duly authorized subcommittee thereof, of the House of Representatives of the United States, of which the Honorable FRANCIS E. WALTER is chairman, in their chamber in the city of Washington, room 225–A, Old House Office Building, on Monday, February 28, 1955, at the hour of 10 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 19th day of February 1955.

"Attest:

"FRANCIS E. WALTER,
Chairman.

"[SEAL] "RALPH R. ROBERTS,
"Clerk, House of Representatives."

The said subpena was duly served as appears by the return made thereon by Roy M. Amos, United States marshal, by James R. Settles, deputy, who was duly authorized to serve the said subpena. The return of the service by the said Roy M. Amos, United States marshal, by James R. Settles, deputy, being endorsed thereon, is set forth in words and figures as follows:

"Subpena for John T. Gojack, before the Committee on Un-American Activities, served February 23, 1955, by personal service of a copy of this writ on John T. Gojack, at Fort Wayne, Ind.

"ROY M. AMOS,
"United States Marshal.
"By JAMES R. SETTLES,
"Deputy."

The said John T. Gojack, pursuant to said subpena and in compliance therewith, appeared before the said committee on February 28, 1955, to give such testimony as required under and by virtue of Public Law 601, section 121, subsection (q) (2) of the 79th Congress and under House Resolution 5 of the 84th Congress. The said John T. Gojack, having appeared as a witness and having been asked the questions, namely:

"Were you ever a member of the Communist Party?

"Were you then a member of the Communist Party in 1948, at any time during the year 1948?

"I want to ask you one question: Are you now a member of the Communist Party?

"You have left us under the impression at this point that by reading the newspapers you knew that Johnson was chairman of the Communist Party of Indiana and I am asking you if that is the only way you knew Johnson.

"Are you acquainted with Henry Aron, A-r-o-n?

"Mr. Gojack, did Mr. Elmer Johnson or Mr. Aron ever appear and address a group of people when you were present?

"May I ask the witness, do you know whether or not Russell Nixon is a member of the Communist Party?

"Did you take active part in the peace pilgrimage to Washington which was organized by one of the 'front' organizations known as the American Peace Crusade?

"What method was used to get you as an original sponsor? [That is, original sponsor of the American Peace Crusade[1]]"

which questions were pertinent to the subject under inquiry, refused to answer said questions and, as a result of said John T. Gojack's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said John T. Gojack.

The record of the proceedings before the committee on February 28, 1955, during which John T. Gojack refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"UNITED STATES
"HOUSE OF REPRESENTATIVES,
"SUBCOMMITTEE OF THE COMMITTEE
"ON UN-AMERICAN ACTIVITIES,
"Washington, D. C.,
"Monday, February 28, 1955.

"PUBLIC HEARING

"The subcommittee of the Committee on Un-American Activities met pursuant to call at 10:20 a. m., in the caucus room, Old House

[1] Words inside brackets added for clarity.

Office Building, Washington, D. C., Hon. MORGAN M. MOULDER presiding.

* * * * *

"Mr. MOULDER. The committee will be in order.

"This subcommittee was appointed pursuant to the rules of the House as ordered by FRANCIS E. WALTER, chairman of the full committee, and it is composed of three members—the Honorable CLYDE DOYLE, of California, on my right, the Honorable GORDON H. SCHERER, of Ohio, and myself as chairman of the subcommittee. Mr. SCHERER, of Ohio, is absent and will be present within the next few minutes.

* * * * *

"After the testimony of several witnesses, John Thomas Gojack was called as a witness.

"Committee members present: Representatives MORGAN M. MOULDER, chairman of the subcommittee, CLYDE DOYLE, and GORDON SCHERER.

* * * * *

"Mr. MOULDER. Call your next witness.

"Mr. TAVENNER. Mr. John T. Gojack, will you come forward, please, sir?

"Mr. MOULDER. Hold up your right hand and be sworn. Do you solemnly swear the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. GOJACK. I do.

"Testimony of John Thomas Gojack, accompanied by counsel, Frank Donner

"Mr. MOULDER. Are you accompanied by counsel?

"Mr. GOJACK. Yes.

"Mr. MOULDER. Counsel, state your name.

"Mr. DONNER. My name is Frank Donner, 342 Madison Avenue, New York City.

"Mr. TAVENNER. Please state your name.

"Mr. GOJACK. John Thomas Gojack.

* * * * *

"Mr. TAVENNER. When and where were you born, Mr. Gojack?

"Mr. GOJACK. I was born in Dayton, Ohio, August 15, 1916.

"Mr. TAVENNER. Where do you now reside?

"Mr. GOJACK. I reside in Fort Wayne, Ind.

"Mr. TAVENNER. What is your address in Fort Wayne?

"Mr. GOJACK. My address is 2303 Florida Drive.

* * * * *

"Mr. TAVENNER. Now, will you tell the committee, please, what your present occupation is?

"Mr. GOJACK. My present occupation is in the capacity as general vice president and district president of the United Electrical, Radio and Machine Workers of America, union organization that your chairman announced in the press he was out to put out of business. That is part of the reason why I think this whole investigation is a union-busting venture and not legitimate investigation.

"Mr. TAVENNER. Are you an officer of district No. 9?

"Mr. GOJACK. Yes.

"Mr. TAVENNER. What is that office?

"Mr. GOJACK. I stated in answer to your first question, president of district 9.

"Mr. TAVENNER. A district president. You didn't state what district.

"Mr. GOJACK. I happen to be elected president of district council 9.

"Mr. TAVENNER. Will you tell the committee, please, what your education, formal educational training, has been.

"Mr. GOJACK. Well, my formal education consists of 7 years in parochial and public schools and if you want to include other educational experiences I will be glad to recite them.

"Mr. TAVENNER. I am speaking of your formal educational training. That was the question. Did you attend any other schools besides those that have been mentioned?

"Mr. GOJACK. I believe I went to school when I was in the Army some years ago, and I consider my 16 years in the labor movement somewhat of a schooling——

* * * * *

"Mr. TAVENNER. Now, will you proceed, please, to give us your employment after August 1940, beginning with August 1940?

"Mr. GOJACK. In 1940 while still unemployed at Delco Products, but working for the union to get this plant organized, I was given a job as field organizer for the United Electrical, Radio and Machine Workers of America. I worked as a field organizer until——

"Mr. TAVENNER. Did that begin August 1940?

"Mr. GOJACK. August 1, 1940, if I remember correctly; yes, sir.

"Mr. TAVENNER. You had no prior employment by UE? You went there directly from the Delco Products Co.?

"Mr. GOJACK. As a matter of fact, I was currently unemployed; I was on layoff from Delco. Because I was one of the few workers who would get out at the plant and put out leaflets when the rest of the workers were totally fearful of doing this because of the wrath of General Motors, I was engaged to work as an organizer. They felt I had some courage in facing this giant corporation who had sought to keep a union out of its plant.

"Mr. TAVENNER. When was Delco organized?

"Mr. GOJACK. It was organized in 1940 in December. The election was held in January, if I remember. I had been working voluntarily for the local and, as I applied earlier, I received some very modest amounts of money for organizing, the handbill distribution, and participating in handbilling.

"If I remember correctly, at one point when they couldn't get workers to do it because of the fear of the corporation, they hired Western Union boys and I offered to work for the same money as Western Union boys because I needed funds to supplement my WPA.

"Mr. TAVENNER. Will you continue with your employment by UE beginning August 1, 1940, and the various positions held by you in that organization from that time to the present?

"Mr. GOJACK. As I said earlier, I was engaged as a field organizer for that union about August 1, 1940. Sometime in 1942, I don't recall the exact date, I think the fall of 1942—I would have to check the records to get the exact date—the executive board of District Council 9 in the Fort Wayne area where I had by that time been sent by the national union, hired, asked the international union to give me a leave of absence to hire me as business representative of the district council because of my experience in negotiation. At that point I went off the payroll of the national union and went to work as an employee of District Council 9.

* * * * *

"Mr. TAVENNER. Let's go back again to the period that you were employed by the UE. The last that you told us was that in 1942 you were hired as business agent by the executive board of district No. 9. How long did you serve in that capacity?

"Mr. GOJACK. Until the fall of 1943, at which time I was elected president of District Council 9, if I remember correctly.

"Mr. TAVENNER. How long did you remain president of district 9, the council of district 9?

"Mr. GOJACK. I have been elected annually, reelected annually, for every year since that time on a number of occasions in contested elections, with opponents, but I received the majority vote in our district council meeting in which the elections take place annually, in the fall.

"Mr. TAVENNER. You still hold that position?

"Mr. GOJACK. Yes; the last reelection was in the fall of 1954.

"Mr. TAVENNER. What other positions have you held in the union besides the ones you have told us of?

"Mr. GOJACK. According to the constitution of our union by virtue of that office of district council president, I am automatically a general vice president of the national union and a member of the general executive board. And I have held that office concurrent with the district council position in accordance with the constitution of our organization.

"Mr. TAVENNER. I think now I shall ask the question that the Congressman asked you a few moments ago: Have you been a member of the Communist Party at any time while occupying any of the positions you have enumerated in the union?

"Mr. GOJACK. In 1949 and 1950 and 1951 and 1952 and 1953, and 1954, on August 24, 1954, I signed an affidavit which said 'I am a responsible officer of the union named below, the UE. I am not a member of the Communist Party or affiliated with such party, I do not believe in and I am not a member of nor do I support any organization that believes in or teaches the overthrow of the United States Government by force or by any illegal or unconstitutional methods.'

"Mr. SCHERER. Mr. Chairman, I ask that the witness be directed to answer Mr. Tavenner's question because obviously his answer was not responsive to the question.

"Mr. MOULDER. That is correct. The witness is directed to give a direct answer to the question propounded by counsel. As I recall, he asked you whether or not at any time while you have been employed by the UE in any official capacity, were you at any time a member of the Communist Party.

"Mr. GOJACK. Mr. Moulder, I don't believe that this committee has any right to investigate my political beliefs or affiliations, especially so when its purpose is union busting.

"Mr. TAVENNER. The answer is not responsive to the question.

"Mr. GOJACK. I will explain why. If you want to know my political beliefs, you can check the records in Allen County, Ind.

"Mr. MOULDER. The fact that you refuse to answer that question truthfully—would that have the effect of busting the union?

"Mr. GOJACK. Every time I cast a ballot in a primary election I have had to register my party preference and those records are available to you and that convinces me you are not interested in my political affiliation.

"Mr. MOULDER. You were asked a very simple question as to whether or not you had ever been a member of the Communist Party while you were employed by or actively engaged in any official capacity for the UE.

"Mr. GOJACK. I don't believe that Public Law 601——

"Mr. MOULDER. You can answer that.

"Mr. GOJACK. Gives this committee the right to inquire into my——

"Mr. DOYLE. I do not mean to interrupt you again, but you are proceeding again to read that prepared statement. Why don't you come out for the right and give us a forthright answer, an honest-to-God answer, and answer the question promptly and quickly?

"You know very well whether or not you have been a member of the Communist Party. That is our question.

"Mr. GOJACK. My forthright answer is this——

"Mr. DOYLE. You have taken about 3 minutes already trying to get out of answering that question.

"Mr. GOJACK. I haven't been hedging. You Congressmen have been taking the floor.

"Mr. MOULDER. You said 1949, 1950, 1951, 1952, 1953, and 1954——

"Mr. DOYLE. Down to August 24, 1954.

"Mr. MOULDER. In 1948 were you a member of the Communist Party?

"Mr. GOJACK. This affidavit is still on file. I don't believe the resolution which put you up in business, under the first amendment to the Constitution, gives you the right to inquire into my political beliefs.

"Mr. MOULDER. You have no hesitancy in answering the question as to 1949. That was after the law compelled you to sign this affidavit. Prior to that time, say 6 months prior to 1948, were you then a member of the Communist Party?

"Mr. GOJACK. Mr. Congressman, because these hearings were set up to interfere in labor board elections in Magnavox and Whirlpool—

"Mr. MOULDER. Do you refuse to answer the question?

"Mr. GOJACK. No; if you let me answer the question I will answer it. I will give you the answer in my own way.

"Mr. MOULDER. Were you a member of the Communist Party in the year 1948?

"Mr. GOJACK. Look—it is not a simple question. When you have got paid liars like Matusow around here and you had a fellow from Ohio that was a lunatic that testified in one case, and this committee——

"Mr. MOULDER. You can tell the truth.

"Mr. GOJACK. This committee took the word of a lunatic and tried to frame some people, and Cecil Scott and Representative WALTER——

"Mr. TAVENNER. Cecil Scott never testified.

"Mr. GOJACK. The chairman of the committee said Cecil Scott was a lunatic and altered a document before this committee and WALTER said he would recommend the matter be referred to the United States Attorney.

"Mr. TAVENNER. That doesn't excuse you from telling the truth. What is the truth? Were you a member of the Communist Party at any time before you became a UE employee or since?

"Mr. GOJACK. When you have a paid liar like Matusow——

"Mr. TAVENNER. He is not testifying about you.

"Mr. GOJACK. Matusow tells in his revelations about going into Dayton, Ohio, and meeting with the personnel manager——

"Mr. SCHERER. I ask that this diatribe be stopped, Mr. Chairman. I don't have to take that from you even if the chairman—it is a simple question. Mr. Chairman, I ask that you direct him to answer the question. May I ask a question?

"Were you ever a member of the Communist Party? Let's get the record straight because I want to get this record just right. Were you ever a member of the Communist Party?

"Mr. GOJACK. I am going to answer that question in my own way.

"Mr. MOULDER. The question calls for a civil answer.

"Mr. GOJACK. Not while you have paid liars like Matusow and Strunk, who said this lad was running a strike in a guided-missile plant in Detroit. I was involved in that strike. It is not a guided-missile plant in the first place. I tried to break that strike on that paid liar's testimony.

"Mr. SCHERER. I am directing you to quit talking and answer the question, and, if you don't, you are in contempt. Do you understand?

"Mr. GOJACK. I think it is up to the courts to decide who is in contempt, not you. We haven't reached a stage in this country where a Moulder or a Scherer can tell who is in contempt. I have some faith in the courts of this land yet.

"Mr. MOULDER. The Chair directs you to answer the question propounded to you by Mr. SCHERER. You have not answered the question, I understand.

"Mr. TAVENNER. Let's get together on the question because that is important.

"Mr. SCHERER. Mr. Chairman, may I have the floor?

"Mr. MOULDER. Yes.

"Mr. SCHERER. Were you ever a member of the Communist Party?

"Mr. GOJACK. My answer to that question is that since 1949 I have signed these affidavits, one on file now. MCCARTHY had an investigation, which the Department of Justice said——

"Mr. SCHERER. Just a minute.

"Mr. Chairman, I ask that you direct him to answer my question.

"Mr. MOULDER. The Chair directs you to answer the question.

"Mr. GOJACK. I am going to answer your question if you will be patient.

"Mr. MOULDER. When?

"Mr. GOJACK. If you will stop interrupting and let me answer, I will.

"Mr. MOULDER. How long do you think it will take you to answer?

"Mr. GOJACK. I think I can do it in about a minute and a half.

"Mr. MOULDER. That question calls for a simple 'Yes' or 'No.'

"Mr. GOJACK. Not when you have paid liars like Matusow around who frame these hearings.

"Mr. MOULDER. That is enough.

"Mr. GOJACK. I think the first amendment to the Constitution protects me in my right to challenge this committee asking me any questions about my political affiliations or beliefs and especially when it is used for union busting.

"Mr. MOULDER. Do you claim the privilege under the fifth amendment now?

"Mr. GOJACK. No; I have not.

"Mr. MOULDER. The Chair directs you to answer the question: Were you ever a member of the Communist Party?

"Mr. GOJACK. I am saying the first amendment to the United States Constituton gives me the right to challenge your committee using this hearing for union busting and for strike breaking as in the case of this paid liar, Strunk, who lied about the Square D strike.

"Mr. MOULDER. Do you decline to answer the question?

"Mr. GOJACK. I will answer the question my own way.

"Mr. MOULDER. Do you decline to answer the question for the reasons you have just stated?

"Mr. GOJACK. For the reason that the first amendment——

"Mr. MOULDER. You decline to answer for the reason of the first amendment; is that right?

"Mr. GOJACK. No; for the reason that the first amendment of the United States Constitution——

"Mr. MOULDER. That is enough. Proceed.

"Mr. GOJACK. I want to give my explanation.

"Mr. SCHERER. Mr. Chairman, I insist that you ask counsel to proceed now.

"Mr. MOULDER. Proceed. However, I want to——

"Mr. GOJACK. You are not permitting me to give my explanation of the answer.

"Mr. MOULDER. You have not attempted to answer the question. You have been making a speech like an ordinary soapbox Communist orator.

"Mr. GOJACK. I haven't had the opportunity to vote myself a $10,000 raise.

"Mr. MOULDER. Let us proceed.

"Mr. GOJACK. I want the record to show I have not been given an opportunity to make an explanation.

"Mr. MOULDER. Are you refusing to answer the question because Congress voted itself a $10,000 raise?

"Mr. GOJACK. No; but I resent—and not with bitterness against my Government because I love my Government, although I dislike some of the people currently in control of it from Charlie Wilson on down.

"Mr. MOULDER. I ask you——

"Mr. GOJACK. Some of these other corporation people here are here for the sole purpose of using this hearing to bust our union.

"Mr. DOYLE. You have made a speech, so your members will know what you have said before the committee.

"Mr. MOULDER. I want to resubmit the question whether or not you were a memberof the Communist Party in the year 1948 or at any time prior to the time you signed the first affidavit referred to in your testimony.

"Mr. GOJACK. My answer to that——

"Mr. MOULDER. You answered the question as to 1949, 1950, 1951, 1952, 1953, and 1954.

"Mr. DOYLE. No; he has not. All he said was he swore to an affidavit. I do not take cognizance that the affidavit is an answer to the question.

"Mr. MOULDER. Were you then a member of the Communist Party in 1948, at any time during the year 1948?

"Mr. GOJACK. The purpose of this hearing clearly in my mind is not legislative in character.

"Mr. MOULDER. You decline to answer?

"Mr. GOJACK. This hearing is designed to influence an election, designed to smear me. You have no right as a committee——

"Mr. MOULDER. You are arguing with us. You have not answered the question; you have declined to answer it.

"Mr. GOJACK. My answer to the question is when you have paid liars like Matusow, paid liars like Strunk, and paid liars like this lunatic, Cecil Scott, around——

"Mr. DOYLE. This is the fourth time you have given those as your reasons.

"Mr. GOJACK. There may be others.

"Mr. DOYLE. Don't repeat those same reasons. Start in on some new ones, if you have them.

"Mr. GOJACK. I think my reason is about the best one I can think of because I love the United States Constitution and I think that the first amendment ought to protect me, particularly insofar as the first amendment doesn't give or rather guards against the kind of an operation this witch-hunting committee is engaged in.

"Mr. MOULDER. Do you claim this privilege under that amendment and decline to answer?

"Do you decline to answer by claiming the privilege under the first amendment?

"Mr. GOJACK. Yes.

"Mr. SCHERER. Let's go to the next question.

"Mr. MOULDER. All right.

"Mr. DOYLE. It is 4:30, Mr. Chairman. We talked about adjourning.

"Mr. GOJACK. May I finish my explanation? I haven't finished yet. I mean in regard to this paid liar Matusow, this liar Strunk, Cecil Scott——

"Mr. SCHERER. I ask that we proceed with the next question. Matusow was a Communist.

"Mr. GOJACK. Also a union buster. He was your boy then. You loved him then.

"Mr. MOULDER. I want to ask you one question: Are you now a member of the Communist Party?

"Mr. GOJACK. I have this affidavit on file and that affidavit speaks for itself.

"Mr. SCHERER. Wait a minute. I ask that you direct the witness to answer your question. Let's keep this record straight. I am going to make a motion to cite him for contempt.

"Mr. MOULDER. The Chair directs you to answer the question "yes" or "no;" Are you now a member of the Communist Party?

"It is a very simple question calling for a very simple answer.

"Mr. GOJACK. I swore to an affidavit.

"Mr. MOULDER. What was the date of the affidavit?

"Mr. GOJACK. August 24, 1954.

"Mr. MOULDER. I am referring to this date.

"Mr. GOJACK. This covers this date. This affidavit is still on file.

"Mr. DOYLE. It does not.

"Mr. GOJACK. It does.

"Mr. DOYLE. The chairman asked you whether or not you are a member of the Communist Party today, the date you are sitting in that chair.

"Mr. GOJACK. I am telling you this affidavit is on file here in Washington and this affidavit, signed and notarized, says I am not a member of the Communist Party or affiliated with such party and it also has the reference in there to not believing in or not being a member of nor supporting any organization that believes in or teaches the overthrow of the United States by force or by any illegal or unconstitutional methods. That affidavit is on file and in effect.

"Mr. SCHERER. Who do you think you are fooling? I ask you, Mr. Chairman, that you direct him to answer the question.

"Mr. MOULDER. The Chair requests that you answer the question as to whether or not you are now a member of the Communist Party.

"Mr. DOYLE. Mr. Chairman, I submit it is not a matter of requesting, that you as chairman under the law and under your assignment are directing him to answer the question.

"Mr. MOULDER. The Chair directs you to answer.

"Mr. GOJACK. Under the first amendment to the Constitution you have no right to even have this hearing.

"Mr. DOYLE. That is your opinion.

"Mr. GOJACK. Yes; and I am entitled to my opinion in this country still, though we are getting dangerously close to the point when Representative WALTER can tell people how to vote in an election.

"Mr. DOYLE. Why do you decline to give an honest answer? You don't suppose we will take that affidavit as the answer to this question, do you?

"Mr. GOJACK. I am not going to cooperate with union busters. My union is on record as the UAO–WAC, not a bad union, to fight back against McCarthys, McCarrans, Jenners, and Veldes.

"Mr. MOULDER. Do you want to answer or do you decline to answer the question that has been asked? Are you now a member of the Communist Party?

"Mr. GOJACK. I am letting the record speak for itself.

* * * * *

"UNITED STATES HOUSE OF
REPRESENTATIVES,
"SUBCOMMITTEE OF THE COMMITTEE
ON UN-AMERICAN ACTIVITIES,
"Washington, D. C., Tuesday, March 1, 1955.

"PUBLIC HEARING

"The subcommittee of the Committee on Un-American Activities met, pursuant to recess, at 10 a. m., in the Caucus Room, Old House Office Building, Washington, D. C., Hon. MORGAN M. MOULDER (chairman) presiding.

"Committee members present: Representatives MORGAN M. MOULDER (chairman), CLYDE DOYLE, and GORDON H. SCHERER.

* * * * *

"Mr. MOULDER. The committee will be in order.

"Will you call Mr. Gojack.

"Testimony of John Thomas Gojack, accompanied by counsel, Frank Donner (resumed)

* * * * *

"Mr. TAVENNER. While you were residing in Fort Wayne, was there a strike conducted in General Electric by a local of the UE?

"Mr. GOJACK. Yes, sir; there was.

"Mr. TAVENNER. What was the name of the local, the number of the local?

"Mr. GOJACK. It was at that time UE local 901.

"Mr. TAVENNER. 901. Did the Communist Party participate in any manner in the conduct of the strike?

"Mr. GOJACK. That strike was voted by the membership of local 901, the membership voted upon a plan of strike action which included the establishment of committees for various activities in the conduct of the strike.

"Each chairman of the various strike committees made up what was known as a strike strategy committee. That strike strategy committee met every morning in the office of UE local 901. The entire conduct of that strike was in the hands of that strike strategy committee, the various stewards and picket captains' meetings that were called and also the special membership meetings that were called.

"Mr. TAVENNER. Who was the secretary of local 901 at that time?

"Mr. GOJACK. If I remember correctly, Miss Bertha Scott.

"Mr. TAVENNER. Were you a member of the strike committee?

"Mr. GOJACK. No, sir; I was a member of another GE local at the time, but I served in a helpful capacity, assisting the local in the conduct of the strike.

"Mr. TAVENNER. Did you attend its meetings?

"Mr. GOJACK. Some of them, sir.

"Mr. TAVENNER. Do you recall attending a meeting on January 16, 1946, at which you presented a letter that had been written to you by the secretary of the Communist Party?

"Mr. GOJACK. I don't recall presenting a letter myself. I recall 1 incident in this strike, 2, as a matter of fact; 1 in which the local had received a communication with an offer from someone to give them copies of this paper or to furnish them to people active in the strike. There was quite a discussion about this—at one strike strategy committee meeting, as I recall, as a matter of fact, a heated discussion. The strike strategy committee took a vote on it. I was not a party to the vote. I was not a party to the discussion other than I was asked a question about this paper and, as a matter of fact, I recall this very clearly. Someone raised the question about, does reading this so-called Communist paper, I believe it was the Worker, or the Daily Worker, does that make you a Communist? I remember in response to a question saying that, well, I read the Wall Street Journal and that didn't make me a capitalist, and that I personally read everything I could. I only had seven grades of formal schooling and I gave myself an education after that by reading a lot.

"I have read a lot. I am sorry to say that there are certain things in this country that since the rise of MCCARTHY are now forbidden reading material and I think that is a sad thing for this country.

"Mr. MOULDER. I don't think you need to apologize about your education. You are a very brilliant man.

"Mr. TAVENNER. Do you recall whether or not the communication with respect to making available to your strike committee of the Daily Worker was addressed to you?

"Mr. GOJACK. Sir, I don't recall that at all and I might say this: that the lady who took those minutes of that meeting didn't like me at all and on many occasions I found that the minutes she took completely distorted my position in meetings. As a matter of fact, the closest supporter of this woman, one Dallas Smith, who was involved in another incident where some Communists gave them coffee for the strike, and I will be glad to give you the details on the use of Communist coffee in the strike, that this Dallas Smith later went on to break this union and later was engaged by the General Electric Co. and is today an employee in the personnel office, paid off for helping to break that union.

"That union in that plant happens to be in a very weakened position with less than 500 members out of 9,000 workers in that shop paying dues into the union.

"It was the activities of people like Dallas Smith who was paid off by the company and this woman who distorted the minutes who are responsible for that.

"Mr. SCHERER. This woman who you say distorted the minutes: Was she a fellow union member at the time?

"Mr. GOJACK. She never worked in the shop. She was hired as a secretary. She was then elected to secretary.

"Mr. SCHERER. Of the union?

"Mr. GOJACK. Of the union.

"Mr. SCHERER. You claim she was an employer's stooge for the purpose of sabotaging you?

"Mr. GOJACK. I have no evidence to that effect. I merely stated my belief, my knowledge, that she never passed up an opportunity to do a job on me and how she colored her minutes.

"Mr. TAVENNER. Now, you have charged Miss Scott with altering the minutes or improperly reporting them because you see before me a typewritten statement. Is that the reason you are doing it? You are anticipating that I am going to read you the minutes of that meeting?

"Mr. GOJACK. I don't know how many paid liars you have working for you. I know of three of my own knowledge.

"Mr. TAVENNER. Will you answer the question?

"Mr. GOJACK. As to what?

"Mr. TAVENNER. As to whether or not the reason for your attacking Miss Scott is that you see that I have before me what appears to be a copy of the minutes?

"Mr. GOJACK. I don't see what you have before you. You have all kinds of papers before you.

"Mr. TAVENNER. You have told us that the matter was presented to a meeting and you have told us that the account of it was improperly stated by Miss Scott before I have given you any facts in regard to it at all. Have you seen it before?

"Mr. GOJACK. I know it from other reasons.

"Mr. TANNER. You have seen it before?

"Mr. GOJACK. No; I know this because Mr. Dallas Smith and the group with him who are members of the IUE-CIO, the only McCarthyite union in America, a union that cooperates with you, you had material here yesterday that the IUE-CIO stole from our union office. You are using material stolen by a rival union. This same union, this same clique, Dallas Smith, who is now working for General Electric as a boss, have used and distorted what happened during this strike.

"Mr. SCHERER. What union did you call a McCarthyite union?

"Mr. GOJACK. IUE–CIO.

"Mr. TAVENNER. Let's proceed.

"Mr. GOJACK. I haven't finished my answer.

"Mr. TAVENNER. You are not answering the question. You are arguing extraneous matters.

"Mr. GOJACK. I am explaining that I know of this distortion because the IUE–CIO and Dallas Smith had used this in their attempts to wreck the union in 1949 and subsequent to that.

"Mr. TAVENNER. You are saying the statement is false before you have heard me make any reference to it.

Mr. GOJACK. I am saying it is false because the IUE–CIO have used this repeatedly.

"Mr. TAVENNER. You have stated you have never seen it before.

"Mr. GOJACK. I never have——

"Mr. TAVENNER. In other words, you are swearing something false which you haven't seen and as to which I have not yet asked you a question.

"Let me ask you the question and see whether you say it is false: According to the minutes of January 16, 1946, which I quote: 'A letter was read addressed to Brother Gojack from the secretary of the Communist Party, stating that they would like to donate 100 copies of the Worker, weekly paper of the Communist Party.' Is that true or false?

"Mr. GOJACK. As I recall that meeting——

"Mr. TAVENNER. Will you answer the question, please, and then you may explain your answer. Is it true or false?

"Mr. GOJACK. I don't recall whether I read the statement. The secretary read the letter first, as I remember.

"Mr. TAVENNER. That isn't an answer to the question.

"Mr. GOJACK. They asked me if I had a communication. It so happened that I had received one.

"Mr. TAVENNER. You had received it. That is the question I have been trying to get you to answer. From whom did you receive it?

"Mr. GOJACK. I don't know.

"Mr. TAVENNER. Wasn't it from the secretary of the Communist Party?

"Mr. GOJACK. I don't know.

"Mr. TAVENNER. Who was the secretary of the Communist Party of the State of Indiana at that time?

"Mr. GOJACK. I don't know.

"Mr. TAVENNER. Are you acquainted with Elmer Johnson?

"Mr. GOJACK. Let me explain my other answer—I don't know.

"Mr. TAVENNER. Are you acquainted with Elmer Johnson?

"Mr. GOJACK. I will get to that later. I am going to explain my other answer. The reason I don't know whether this communication came from any Communist, I have received communications from the IUE–CIO and I have seen this McCarthyite union forge communications allegedly from the Communist Party for just such purposes as this.

"Mr. SCHERER. Are you charging another union with forgery now?

"Mr. GOJACK. Just the same kind of forgery your lunatic Cecil Scott used.

"Mr. SCHERER. He has mentioned Cecil Scott. Cecil Scott testified before this committee I think 4 years before I became a Member of Congress, but it so happens I must say, in defense of Cecil Scott, that what he said in that executive testimony has been corroborated over and over again by many competent witnesses. And the testimony of Cecil Scott was never released by this committee. I have to say that.

"Mr. TAVENNER. You made an explanation as to the IUE forging documents. IUE was not in existence in 1946; was it?

"Mr. GOJACK. No; but people who later created this McCarthyite outfit were active in 1946 laying the groundwork for it. Dallas Smith and Bertha Scott were some of those people.

* * * * *

"Mr. TAVENNER. You say there was considerable discussion and difference of opinion about the acceptance of the copies of the Communist Daily Worker or Sunday Worker. I find this paragraph in the minutes, 'A general discussion was held on this matter, at which time opposition was expressed to such a donation and also those in favor of accepting expressed that people can get considerable information from this paper that they cannot get from any other labor or daily paper in the way of labor news.'

"Is anything false about that statement in the report in the minutes?

"Mr. GOJACK. There was a very lengthy discussion, as I recall, and that paragraph describes part of that discussion; yes.

"Mr. TAVENNER. And accurately; doesn't it?

"Mr. GOJACK. Not completely. Accurate insofar as it goes; yes.

"Mr. TAVENNER. Wasn't the report also accurate in that it stated the letter which was presented was a letter addressed to Brother Gojack from the secretary of the Communist Party?

"Mr. GOJACK. I am not sure of that because if a letter had been addressed to me in my capacity as UE district council president without some reference to the GE strike, as I recall it, there was something on the envelope and I don't know where it came from, about GE strike committee, something like that. That was my reason for taking my letter along there. As I remember, other people, someone in the local received a similar letter.

"Mr. TAVENNER. Who was it?

"Mr. GOJACK. I don't recall. If I remember correctly, it was addressed to the district local.

"Mr. TAVENNER. This minute says the document was addressed to Brother Gojack. There isn't a reference to any other person. Was the vote finally that of 10 in favor and 7 against accepting this type of assistance from the Communist Party?

"Mr. GOJACK. As I recall, I don't remember the exact vote, as I recall the strike strategy committee, I was not a member of it, after a very long debate voted to accept the contribution on the basis that they would accept a contribution from anybody and if the Wall Street Journal would have sent out a bundle of their papers they would have accepted that.

"Mr. TAVENNER. Did you at the time, at this meeting, January 16, 1946, know the leaders of the Communist Party in the State of Indiana? That is the chairman and the State secretary?

"Mr. GOJACK. I don't even know what the positions represent; I don't know.

"Mr. TAVENNER. You did not know who the chairman was and who the State secretary was?

"Mr. GOJACK. Mr. Tavenner——

"Mr. SCHERER. I ask that you direct the witness to answer the question.

"Mr. MOULDER. The witness is directed to make a direct answer to the question.

"Mr. DONNER. Will you repeat the question?

"Mr. TAVENNER. Repeat the question, please.

"(The reporter read from his notes as requested.)

"Mr. GOJACK. I am not at all certain who the chairman and secretary was at a given time. I could answer that by saying, and truthfully, that——

"Mr. SCHERER. We assume it is truthfully; you are under oath.

"Mr. MOULDER. Proceed.

"Mr. TAVENNER. Proceed, please.

"Mr. MOULDER. What period of time are you referring to as to who the chairman and secretary was?

"Mr. TAVENNER. January 16, 1946.

"Mr. GOJACK. As I started to say before I was interrupted by that snide remark from Congressman SCHERER, I could answer that question truthfully by saying that I read the press and the Indiana press often reported accounts of activities of the Communist Party, officials of it would issue releases or get in the press. I might have known at that time who these officials were. But when I start answering those kinds of questions I feel that we are getting to the heart of the fundamental objective to this committee in its operation here. I don't believe that this committee has a right to ask me who I know, what my political beliefs are.

"Mr. MOULDER. He did not ask you that question. He just asked you if you knew who was serving in the official capacity and, as you have stated, you may have acquired that knowledge by reading the papers.

"Mr. GOJACK. I don't think they have a right to ask me if I knew Wendell Willkie, whom I knew in Indiana. I don't think you have a right to ask me questions relating to any political connections I may have, any friends I may have. I think we are getting into the heart of my dispute with the committee here. I don't think you have a right to go into any of this.

"Mr. MOULDER. He is not asking you about your political affiliation. He is asking you if you knew who was serving——

"Mr. GOJACK. Here is what he is doing. He is trying to convict me on a guilt by association basis, and I don't think this committee has a right to indict me, let alone convict me. I think that is a job for the courts in this land.

"I think here this committee is getting too far afield from what Public Law 601 has laid out for it. You are doing the job of the courts here and I think you are usurping the rights of the court.

"(The witness conferred with his counsel.)

"Mr. SCHERER. There are only two things this committee can do, and that is cite you for contempt if you are guilty of contempt and, secondly, if you would commit perjury or any witness commits perjury, refer the testimony to the Department of Justice. That is all this committee can do. It cannot do anything else. It cannot convict anybody.

"Mr. DONNER. Is the reporter recording the fact that I consulted with my client?

"Mr. MOULDER. Yes.

"Mr. DONNER. May I object to that, please?

"Mr. MOULDER. The record will show your objection. As I understand the question, it has nothing to do with your association, political association, or any objection you have raised. The question is merely, Do you know who was serving in that period of time in a certain official capacity? Is that right?

"Mr. TAVENNER. Yes, sir.

"Mr. GOJACK. Since Mr. Tavenner has mentioned this name of—what was it? Johnson? I recall knowing from newspapers or discussions that name of Johnson as some Communist official in Indiana. I don't know his position, and I don't know when he was an official, and don't know the time.

"Mr. SCHERER. Is that the only way you know Johnson, because you read it in the newspaper? Is that the only way you know Johnson? Is that what you are telling us?

"Mr. GOJACK. No; that is not the only way.

"Mr. SCHERER. Tell us how well you knew Johnson.

"Mr. GOJACK. I didn't know Johnson well.

"Mr. SCHERER. Or how slightly you knew him. You have left us under the impression at this point that by reading the newspapers you know that Johnson was chairman of the Communist Party of Indiana and I am asking you if that is the only way that you knew Johnson.

"(The witness conferred with his counsel.)

"Mr. DONNER. I want to renew my objection if the record continues to show consultation.

"Mr. MOULDER. Well, also have the record show that the witness has a perfect right to confer and consult with you at any time.

"Mr. DONNER. I understand.

"(The witness conferred with his counsel.)

"Mr. GOJACK. I want to decline to answer that question on the following grounds: It is here where in this area of questioning that I grow fearful of the use of a paid liar like Matusow, a paid liar like Strunk, and a paid lunatic and convicted forger like Cecil Scott and any other paid informers that you may have and because I feel as strongly——

"Mr. SCHERER. Sounds like the article your counsel wrote for the Nation magazine. I remember reading those things in that magazine.

"Mr. GOJACK. If you will be patient I will give you my next comment.

"Mr. SCHERER. I am very patient.

"Mr. GOJACK. I agree with the Baltimore Sun and Time magazine which said that the Matusow case reminds us that stool pigeons are as a class to be despised and not to be trusted——

"Mr. MOULDER. Those are the reasons that you——

"Mr. GOJACK. I haven't finished my reasons.

"Mr. MOULDER. You wish to list some more reasons for refusing to answer the question?

"Mr. GOJACK. Yes.

"Mr. MOULDER. How long do you think it will take?

"Mr. GOJACK. About half a minute.

"Mr. MOULDER. All right.

"Mr. GOJACK. Because I fear the use of such paid informers, who as a class are to be despised, I fear to answer that question and therefore I invoke the protection afforded by the first amendment to the United States

Constitution and I reiterate my basic objection that the first amendment to the Constitution does not give this committee the right to inquire into any of my beliefs, any of my connections, any ideas I may have.

"Mr. SCHERER. Mr. Chairman, I ask that you direct the witness to answer my question. The first amendment is no basis for refusal to answer that question.

"Mr. MOULDER. Is it your question?

"Mr. SCHERER. My question is——

"Mr. MOULDER. The Chair directs the witness to answer the question propounded by Mr. SCHERER. As I understand it, you refuse to answer for the reasons stated.

"Mr. GOJACK. Yes.

* * * * *

"Mr. TAVENNER. Are you acquainted with Henry Aron, A-r-o-n?

"Mr. GOJACK. To this and to every other question that you ask me along these lines for the reasons I have stated earlier, I don't know what paid liar you have here to do a Matusow job on me.

"Mr. MOULDER. We do not have any paid liars, neither has the committee ever employed any witness to testify or compensated any witness for his testimony any more than you are going to be other than for your mileage and attendance before the committee.

"Mr. GOJACK. You had a Matusow who has said quite differently, from what I have read.

"Mr. SCHERER. We have heard about Matusow from you all day yesterday and all day today. He came from the Communist——

"Mr. GOJACK. I don't know Strunk, but I know he is a liar.

"Mr. SCHERER. He came from the same Communist Party that you refuse to say under the first amendment whether you were a member of or not.

"Mr. GOJACK. When you cite testimony here as the counsel for the committee did yesterday from a so-called underground agent Strunk that is so fantastically a lie as that this woman who was 200 miles away ran a strike at Bay City when Bay City is a long way from Detroit, and that the strike was at a guided-missile plant where Square D never made guided missiles, and when Congressman Clardy used that paid liar's testimony to try to break that strike.

"Mr. SCHERER. We are getting away from the question. The question was did he know this man Aron. He is dancing around. Do you know Aron? That is the only question.

"Mr. GOJACK. I have already declined. Aren't you with us?

"Mr. MOULDER. On the ground of the first amendment?

"Mr. GOJACK. Yes, sir; for the reasons stated, and all of the fundamental objections that I have on the ground the first amendment doesn't give you the right to even hold this hearing, let alone ask me these questions.

"Mr. MOULDER. Proceed.

* * * * *

"Mr. TAVENNER. Mr. Gojack, did Mr. Elmer Johnson or Mr. Aron ever appear and address a group of people when you were present?

"Mr. GOJACK. To that question and to every other question like it, I repeat my basic objection that this committee has no right to ask me this question, the first amendment to the Constitution prohibits your inquiring into my political beliefs, what meetings I went to. My goodness, if you are allowed——

"Mr. SCHERER. Mr. Chairman, we have heard this speech a dozen times.

"Mr. MOULDER. Mr. Gojack, you have no right to object to a question being propounded to you during the proceedings of this hearing. You can decline to answer for legal reasons if you wish to do so. Why don't you give a direct answer, a direct response, rather, by answering the question or by declining to answer instead of objecting to the committee even existing or the act of Congress creating it, and answer the questions propounded by counsel?

"We understand your opposition to the committee, your bitterness against the committee functions. You have clearly expressed yourself along that line, but I don't think you should proceed to make that statement every time you are asked a question.

"Mr. GOJACK. Mr. MOULDER, this goes to the heart of my objections because——

"Mr. MOULDER. Then decline to answer for the reasons previously stated on the first amendment to the Constitution, as provided by the first amendment to the Constitution if that is your reason.

"Mr. GOJACK. I will do that, but I would like to finish my reply to this one. If this committee can ask me those questions, then you can ask me questions about meetings at which I attended with other trade unionists, A. F. of L. and CIO, Republican Labor Club, then some Democratic committee or itself can declare somebody being involved in 20 years of treason.

"Mr. SCHERER. We are only asking you about Communist meetings. That is all we are interested in.

"Mr. GOJACK. To some people like your friend MCCARTHY being active in another political party involves treason and my point is that this goes to my basic objection. You have no right to ask me the question.

"Mr. SCHERER. Direct the witness to answer Mr. Tavenner's question.

"Mr. MOULDER. The witness is directed to answer the question.

"Mr. GOJACK. I decline to answer on the ground previously stated.

* * * * *

"Mr. TAVENNER. Are you acquainted with Russell Nixon?

"Mr. GOJACK. Yes; I know Russ Nixon.

"Mr. TAVENNER. Was he known to you to be a member of the Communist Party?

"Mr. GOJACK. Russ Nixon is known to me to be a Washington representative, legislative representative of our union.

"Mr. TAVENNER. Yes; we know that. Will you answer the question, please?

"Mr. GOJACK. To this question, sir, and any question about any other individuals regarding political beliefs or affiliations, sir, I respectfully decline to reply on the grounds on which I am challenging the jurisdiction of this committee.

"Mr. MOULDER. Do you not realize that the courts have held that the Communist Party is not a political organization; that it is not a political party?

"Mr. GOJACK. Frankly, I don't know what it is in terms of the court decisions. I read the other day where a fellow was convicted in Chicago for 5 years for being a member of it, under the Smith Act. I am not keeping pace with these court decisions.

"Mr. SCHERER. Then it would not be a political party if you could be convicted and sentenced for 5 years for belonging to it. It is a criminal conspiracy as much as any other conspiracy on the Federal criminal statutes.

"Mr. DOYLE. Mr. SCHERER, may I supplement your observation by saying, assuming that the finding of the Federal court was according to the evidence and law, it would mean that this committee could not possibly be inquiring into your political affiliations when we are asking you whether or not you are a member of the Communist Party, because the court has held that the Communist Party is not a legitimate political party, as I understand Mr. SCHERER'S observation.

"Mr. GOJACK. Sir, I am neither a lawyer nor a Government expert on this question. I remember reading in the New York Times the other day where A. MULTER, one of your fellow Congressmen from Brooklyn, said that under this new law to outlaw Communists, the Communist Control Act of 1954, the one that HUMPHREY tacked some amendments onto—according to that one, he stated President Eisenhower could be proven a Communist. I don't know what the legal——

"Mr. DOYLE. May I just sincerely observe, Mr. Gojack, you may not be a lawyer, but you are a very able and very well read young man, apparently. You are a very well informed labor-union leader. I say that because that is my impression from your testimony. You do not need to apologize for not being well read and well informed, because manifestly you are, and you are a very able witness, very, very well informed in all the areas in which you are being questioned.

"Mr. GOJACK. Thank you, Mr. DOYLE.

"Mr. SCHERER. The question still is——

"Mr. MOULDER. May I ask the witness, Do you know whether or not Russell Nixon is a member of the Communist Party? I am just asking whether or not you know that.

"Mr. GOJACK. Sir——

"Mr. MOULDER. Do you or do you not know? I am not asking you to state whether or not he is, but whether or not you know.

"Mr. GOJACK. Sir, I respectfully submit that that question cannot be propounded to me by this committee because it seeks to expose someone, and I don't think that the law under which this committee operates was set up for exposure purposes. My understanding is that that is what the courts are for, to expose people.

"Mr. SCHERER. Their job is to judge, not to expose. It is the job of this committee to expose Communists. That is one of its primary duties, to expose Communists and the nature of the infiltration of the Communist conspiracy in every activity and agency of American life, which includes labor unions.

"Mr. MOULDER. Do you decline to answer that question?

"Mr. GOJACK. Yes, sir; on the grounds previously stated.

"Mr. TAVENNER. May I suggest that he be directed to answer.

"Mr. DOYLE. I move he be directed to answer, Mr. Chairman.

"Mr. MOULDER. You are directed to answer the question.

"Mr. GOJACK. Sir, I respectfully decline on the grounds previously stated.

* * * * *

"Mr. TAVENNER. You have volunteered that you engaged in many meetings in what you have termed in behalf of peace. You are familiar with the Communist Party line, I suppose, with regard to the Stockholm peace appeal and various others that followed it; are you not? You are not?

"Mr. GOJACK. I am not even sure what you mean by the question.

"Mr. TAVENNER. Did you take an active part in the peace pilgrimage to Washington which was organized by one of the front organizations known as the American Peace Crusade?

"(The witness conferred with his counsel.)

"Mr. GOJACK. Sir, on this and all other questions that deal with my activity in any organizations, political or otherwise, what I think, how I feel, what I did about peace, whether I went on a specific delegation or not, and with whom—to all such questions I must respectfully decline to answer on the ground that the first amendment to the Constitution does not give the committee the right to pry into my beliefs.

"Mr. SCHERER. Mr. Chairman, I ask you to direct the witness to answer.

"Mr. MOULDER. Yes, Mr. Gojack, you are directed to answer the question.

"Mr. GOJACK. I respectfully decline to answer for the reasons stated.

"Mr. TAVENNER. I want to make it clear, Mr. Gojack, that I am not interested at all in what your beliefs or opinions were about those matters. What I am interested in is the extent to which the Communist Party was engaged in manipulating peace moves in this country in behalf of a foreign power. That is what I am interested in. My questioning of you is to determine what knowledge or information you had on the subject.

"Mr. MOULDER. May I say, Mr. Tavenner, in connection with your statement, that the

so-called peace moves on the part of the Soviet Union were being instigated over here as propaganda so as to prevent any opposition to their aggression and domination of the free world.

"Mr. DOYLE. Mr. Chairman, may I add to those two fine statements that I am also interested in knowing what the witness knows about the extent to which the American Communist Party, in connection with these peace moves or otherwise, was using the leadership of American labor unions, especially any labor union that the witness might have been a member of at that time or had any connection with. The question is the extent to which the Communist Party had infiltrated American labor unions, if you know anything about it, the extent to which they were using it then and are using it now for their conspiratorial purposes.

"That is all, Mr. Counsel.

"Mr. TAVENNER. The documents which I handed you have dates which are very significant. The letter from Mr. Nixon was on March 27, which was after the so-called peace pilgrimage to Washington, which occurred on March 15; but the letter which he enclosed from the Communist-dominated outfit in Paris was dated February 16, 1951. Normally it would have been expected to have been disseminated before your peace pilgrimage here.

"May I ask you whether or not that letter had any influence upon your action then or later?

"Mr. GOJACK. Which letter are you referring to?

"Mr. TAVENNER. The letter from Mr. Nixon.

"Mr. GOJACK. The letter from Mr. Nixon had no influence on any actions I took with regard to peace. I have acted on my own initiative on that question—letters to the editor at home, and delegations, and many activities.

"Mr. TAVENNER. If you have disseminated among all your unions, representing thousands of members, this propaganda document from Paris, then you were performing a substantial chore for the Communist Party; weren't you?

"Mr. GOJACK. Sir, I didn't testify that I circulated that. I testified that I remember vaguely that on one such communication from some trade union in Europe, which I showed around to people whom I met in my work, someone asked me if they could have extra copies of that. I remember mimeographing that. I am not at all certain—I didn't testify that it was this thing here, and it wouldn't have been circulated to thousands, sir. If it were a matter of something that came from our Washington office or our national office and didn't go directly to the locals, we sent it to about 25 local unions. Then the local unions themselves decided what to do with it, whether to file it, read it at a meeting, or throw it in a wastebasket.

" * * * * *

"Mr. TAVENNER. Now I hand you the February 1, 1951, issue of the Daily Worker, at least a photostatic copy of it. It relates to the American Peace Crusade. It gives the names of those who were the initial sponsors of it. I will ask you to state whether or not there appears among the list of sponsors the name of John Gojack, international vice president, UERMWA, Fort Wayne, Ind.

"(Document handed to the witness.)

"Mr. GOJACK. This document appears to be a photostat of the paper you described, with the notation that 65 notables—

"Mr. TAVENNER. Will you answer the question, please? Your statement is not responsive to my question.

"Mr. GOJACK. I am sorry.

"Mr. TAVENNER. The question is: Will you examine to see whether or not your name is listed as one of the original sponsors of that organization?

"Mr. GOJACK. On this paper you show me, this photostat, rather, my name is listed down there.

"Mr. TAVENNER. Does there not appear above your name the statement, 'Other original sponsors include'?

"Mr. GOJACK. After a listing of Thomas Mann, the Nobel Prize winner, four Protestant bishops and leading scientists, writers, Negro leaders, and trade unionists, the language appears which you read on the paper you handed me: 'Other initial sponsors include.'

"Mr. TAVENNER. Does your name appear among those included as original sponsors?

"Mr. GOJACK. Yes; on this document here, my name appears along with some A. F. or L. and CIO leaders, also.

"Mr. TAVENNER. Yes; I know. That is a voluntary statement by you. What I want to find out is, who solicited you as one of the original sponsors?

"Mr. GOJACK. On that question, sir, I respectfully decline to answer on the grounds previously stated.

"Mr. TAVENNER. What method was used to get you as an original sponsor?

"Mr. GOJACK. I respectfully decline to answer, sir, for the reasons previously stated.

"Mr. SCHERER. I ask that you direct the witness to answer the last question.

"Mr. MOULDER. The witness is directed to answer the question.

" * * * * *

"Mr. GOJACK. I respectfully decline to answer for the reasons stated, Mr. Chairman."

" * * * * *

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said John T. Gojack, relative to the subject matter which, under Public Law 601, section 121, subsection (q) (2) of the 79th Congress and under House Resolution 5 of the 84th Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Were you ever a member of the Communist Party?

"Were you then a member of the Communist Party in 1948, at any time during the year 1948?

"I want to ask you one question: Are you now a member of the Communist Party?

"You have left us under the impression at this point that by reading the newspapers you knew that Johnson was chairman of the Communist Party of Indiana, and I am asking you if that is the only way that you knew Johnson.

"Are you acquainted with Henry Aron, A-r-o-n?

"Mr. Gojack, did Mr. Elmer Johnson or Mr. Aron ever appear and address a group of people when you were present?

"May I ask the witness, do you know whether or not Russell Nixon is a member of the Communist Party?

"Did you take active part in the peace pilgrimage to Washington which was organized by one of the 'front' organizations known as the American Peace Crusade?

"What method was used to get you as an original sponsor? [That is, original sponsor of the American Peace Crusade.]"

Which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony, and places the said witness in contempt of the House of Representatives of the United States.

Mr. WALTER (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that further reading of the report be dispensed with and that it be ordered to be printed.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania.

There was no objection.

Mr. WALTER. Mr. Speaker, I offer a resolution (H. Res. 315) and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of John Thomas Gojack to answer questions before the said Committee on Un-American Activities, together with all the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Columbia, to the end that the said John Thomas Gojack may be proceeded against in the manner and form provided by law.

The resolution was agreed to; and a motion to reconsider was laid on the table.

STATE DEFENSE FORCES

Mr. VINSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7289) to authorize the States to organize and maintain State Defense Forces, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. MARTIN. Reserving the right to object, Mr. Speaker, will the gentleman from Texas kindly explain the purpose of this proposed legislation?

Mr. KILDAY. This bill authorizes the States to maintain a State Guard. During the period of the war when the National Guard was in Federal service the State Guard was organized in, I think, all of the States. After the return of the National Guard the State Guard ceased to exist. This permits the maintenance of a State Guard in the States to be available in the event the National Guard is called back to duty and to be trained and to be at the disposal of the Government.

This provision was included in the original bill we had here in connection with the Reserves. When the National Guard and other matters were removed from that bill this went out with it. Full hearings were held in connection with the bill, and it has been reported by the Committee on Armed Services.

Mr. MARTIN. Was it reported unanimously?

Mr. KILDAY. It was reported unanimously by the committee; yes.

Mr. MARTIN. I withdraw my reservation of objection, Mr. Speaker.

Mr. GROSS. Reserving the right to object, Mr. Speaker, why was it taken out of the other bill? Was that to make the other bill more palatable, so that it would be easier to pass it in the House?

Mr. KILDAY. That bill was reduced to nothing more than the Reserves. Everything with reference to any other provision except the Reserves was removed from that bill. This is not part of the Reserves, therefore it was removed.

Mr. GROSS. But it was taken out of the other bill in order that the bill passed yesterday would be approved by the House; is not that correct?

Mr. KILDAY. I do not believe that is a fair appraisal of the action in removing

it. I think it was removed because of the decision to confine that bill to the Reserves, and this is not part of the Reserves.

Mr. GROSS. Under the circumstances, Mr. Speaker, I must object to the unanimous-consent request.

The SPEAKER. Objection is heard.

PERMANENT APPOINTMENTS IN NAVY AND MARINE CORPS

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2109) to authorize permanent appointments in the United States Navy and the United States Marine Corps, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 4, after line 4, insert:

"SEC. 5. The authority contained in this act shall expire 2 years from and after the date of enactment of this act."

Mr. BROOKS of Louisiana. Mr. Speaker, this amendment merely makes this bill a temporary 2-year bill rather than permanent legislation. The Committee on Armed Services this morning unanimously agreed to this change.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Senate amendment was concurred in; and a motion to reconsider was laid on the table.

COMMISSION ON GOVERNMENT SECURITY

Mr. WALTER submitted a conference report and statement on the joint resolution (H. J. Res. 157) to establish a Commission on Government Security.

STRENGTHENING OF THE RESERVE FORCES

Mr. VINSON. Mr. Speaker, I ask unanimous consent that the bill (H. R. 5297) to provide for the strengthening of the Reserve forces, and for other purposes, be taken from the Speaker's table and recommitted to the Committee on Armed Services.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. GROSS. Reserving the right to object, Mr. Speaker, what is this bill?

The SPEAKER. The gentleman has asked unanimous consent that this bill be recommitted to the Committee on Armed Services.

Mr. GROSS. This is the bill to which I objected a moment ago?

Mr. VINSON. No; not at all. This is the first Reserves bill. It is on the Speaker's table. I am asking unanimous consent that it be recommitted to the Committee on Armed Services.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

THE SUMMIT CONFERENCE

Mr. WILSON of Indiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. WILSON of Indiana. Mr. Speaker, in my weekly newsletter to constituents on June 20, I wrote of the Geneva Conference, then several weeks ahead, I said:

These conferences will become historically significant. There won't be any world-shaking documents or agreements. The real value * * * will be intangible, for the time being. In President Eisenhower we have a shrewd and astute representative who can read between the lines, see the shape of things to come. He will leave Geneva with a pretty clear picture, he will have in his mind a blueprint of procedure as America continues on the road to universal peace and prosperity under American leadership. We can rest assured this meeting will not be another Yalta or Potsdam. * * * I predict our leader will leave Geneva with the blue chips in his pocket. Moscow will fail in its effort to brand the United States as the enemy of peace.

That my predictions were true, that Mr. Eisenhower has returned from Geneva with a great victory to our credit is clearly shown by the editorial expressions of most of our leading newspapers. One of the best of these editorials, I think, is the one appearing in the Indianapolis Star of July 25. It follows:

GENERAL IKE: MASTER STRATEGIST

Whatever else the summit conference may or may not produce it displayed to the fullest the amazing talent for maneuver of a previously untried statesman on the world scene. President Eisenhower met the Muscovites on their chosen field of battle, blunted the end of their peace offensive, made them shoulder the blame for the Geneva deadlock, and then drove their propaganda battalions from the field with his magnificently timed offer of total and unlimited inspection of armaments by Russia and the United States.

Because of Ike's leadership, Geneva is beginning to shape up as the biggest—not to say the first—victory we have ever scored against the Reds at the conference table. The chances are a million to one against the Reds accepting this plan. It would tear down the Iron Curtain. It would expose to the world the shabbiness and the weariness that lie behind the "monolithic" facade of the police state. It would give Soviet citizens contact with free people. The myth that Russia needs a slave system because of threats by the wicked Western imperialists would be demolished.

So, the first reaction by the Reds indicates that they will try to pigeonhole the plan in some committee while hesitating to reject it outright. Nobody in the world will be fooled by this. The Reds wanted a meeting of the "heads of state" precisely because they thought they could get us over a propaganda barrel with all sorts of phony peace resolutions. It is they who are now over a barrel—and there is the laughable prospect that Messrs. Bulganin, Khrushchev, and Molotov may have to cable back to Moscow for instructions from their superiors to get them off the hook.

This has turned out to be some conference. We have not given away one single country or compromised a vital principle. No ally has been betrayed—like China at Yalta—and no ally has succumbed to Red blandishments. Real peace is nearer because General Ike remembered that attack is the best defense.

COST OF NATURAL GAS

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks, and include a short table.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VURSELL. Mr. Speaker, I am placing in the RECORD a short table, which I hope the Members will read, which will give authoritative information as to the cost of gas to the consumers, which I feel sure will be of interest in considering the natural gas bill when it comes before this body. It gives the facts as to the cost of natural gas to the consumers covering 10 of the largest cities in the United States.

I hope each Member will carefully study this table.

Average price paid for gas by residential consumers in 1954

City	Service area	Average residential gas bill for 1954	Expense of utility service for transportation and distribution	Amount paid to producers for gas consumed			Producer's percent of consumer's average cost
				Per year	Per month	Per day	
		Dollars	*Dollars*	*Dollars*	*Cents*	*Cents*	*Percent*
New York	Consolidated Edison	50.64	48.93	1.71	14	0.5	3.4
Baltimore	Consolidated Gas, Electric Light & Power Company of Baltimore	65.72	60.28	5.44	45	1.5	8.3
St. Louis	Laclede Gas Co	78.87	71.76	7.11	59	1.9	9.0
Detroit	Michigan Consolidated Gas Co	86.46	78.03	8.43	70	2.3	9.8
Milwaukee	Milwaukee Gas Light Co	78.80	73.59	5.21	43	1.4	6.6
Minneapolis	Minneapolis Gas Co	116.08	101.43	14.65	122	4.0	12.6
Suburban Philadelphia	Philadelphia Electric Co	113.52	107.70	5.82	48	1.6	5.1
Newark	Public Service Electric & Gas Co	59.86	57.02	2.84	24	.8	4.7
Washington, D. C	Washington Gas Light Co	103.59	94.01	9.58	80	2.6	9.2
Chicago	Peoples Gas Light Co	54.06	48.60	5.46	45	1.5	10.1

Sources: Annual reports to stockholders; insurance reports of distributing utilities; annual reports of distributing utilities to State regulatory commissions; annual reports of pipeline companies to Federal Power Commission.

THE LATE HONORABLE J. ROLAND KINZER

Mr. DAGUE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DAGUE. Mr. Speaker, it is with profound regret and a sense of deep personal loss that I must inform the Members of this House of the death of my predecessor, John Roland Kinzer, who departed this life at his home in Lancaster, Pa., early this morning at the age of 81.

Mr. Kinzer was first elected to the House to fill the vacancy created by the death of William W. Greist and served in this body with honor and distinction from January 28, 1930, to January 3, 1947, when, following his decision not to seek reelection, he returned to his home in Lancaster, Pa., where he resumed the practice of law. Mr. Kinzer was born on a farm in Lancaster County, Pa., and following an education in the public schools, graduated from Franklin and Marshall College and was admitted to the Lancaster County bar in 1900.

His marriage to Bertha Snyder brought to his side a devoted wife and confidante who was his constant inspiration throughout their married life, which was terminated by her death a few years ago. He is survived by two brothers: Theodore, with whom he lived, and Dr. H. C. Kinzer, a practicing physician in Lancaster.

Congressman Kinzer represented that type of conservative thinking and living to which the Ninth District of Pennsylvania has always been dedicated. He gave to public office the fullest measure of dedicated service and earned for himself the respect of a constituency who appreciate those qualities in its elected officials. I shall always be indebted to him for his friendly counsel and advice, and in his passing I know that I have lost a stalwart friend and this House has lost one of its most distinguished former Members. I am sure that you will join with me in extending condolences to his bereaved brothers.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. DAGUE. I yield.

Mr. MARTIN. Mr. Speaker, I join with the distinguished gentleman from Pennsylvania in expressing the keenest regret at the death of J. Roland Kinzer. He was my personal friend for many years, and was beloved by all of us who were privileged to serve with him. Roland Kinzer was a man of the highest integrity, a man of great ability, and one of those solid Americans who have done so much to build up this country. His passing is a loss not only for the people who loved to bestow honors upon him but for his State and the Nation. I extend to his family my deepest sympathy in their hour of sorrow.

Mr. DAGUE. I thank the distinguished minority leader.

Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks on the life and service of the late J. Roland Kinzer.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GAVIN. Mr. Speaker, it was with deep sorrow that I learned of the passing of my very good friend, and our former colleague, John Roland Kinzer, who died at the age of 81 in Lancaster, Pa. Our State has lost one of its finest citizens.

Mr. Kinzer served in Congress from 1930 until his retirement in 1947. He was an honest, conscientious, and loyal legislator. His work in the House of Representatives was useful and constructive and his ambition was to preserve the principles and ideals of our great Nation.

He was a humble and kindly man and one whom you admired as a companion and a friend. He was always considerate of everybody and the kind of man who added much to our daily lives, with a kind word for everyone.

Today it is with a feeling of sadness that we record his passing, and remember him for the many little acts of kindness that marked his friendship and good will toward all of us who knew him.

CHINESE COMMUNIST SITUATION

Mr. HALE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. HALE. Mr. Speaker, I rise to protest against the possibility of our having any negotiations of any kind and for any purpose with the illegitimate, Communist, so-called People's Government of China, unless the legitimate Nationalist Government is present and participating in those negotiations.

If we have negotiations behind the back of the Nationalist Government, we inevitably legitimate the Communist government of China and will default on every commitment we have ever made to the Nationalist Government. Our treatment of the Nationalist Government of China has been poor enough at best.

Last January we adopted a policy of defending Formosa and the Pescadores, and taking all steps fairly incidental thereto. This policy was a sound one concurred in with only insignificant dissent in House and Senate. The policy has been successful up to this point and there is no reason whatever to weaken on it now.

FOREIGN AID APPROPRIATIONS

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, I take this time to commend the gentleman from Virginia [Mr. GARY], for the statement he made a few moments ago expressing his unswerving opposition to the restoration, in conference, of approximately half a billion dollars to the foreign giveaway bill. I simply want to assure the gentleman from Virginia for what it may be worth, that I will be most happy to stay here with him until Christmas if necessary to stop the restoration of those funds.

MOUNT CHOCORUA

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, much as we all respect President Eisenhower, we disapprove of the misguided enthusiasm on the part of a few New Hampshire legislators to change the name of a famous mountain in that State and rechristen it "Mount Eisenhower."

The President who is well schooled in tradition would be embarrassed by this suggestion to change well-known name places at will even though well intended and in his honor.

Mount Chocorua in New Hampshire has been known for decades to millions of tourists who carry with them the legend of the Indian chieftain who defiantly sacrificed his own life rather than submit to the palefaces who invaded his paradise. Old Indian names are a part of our color heritage. To abandon them at the caprice of the moment would be to sacrifice everything in the past just for the whim of the day.

We have enough changes going on around us as it is, without unsettling everything. We do not have to imitate the celebrated novel "1984" where one of the ministries of a totalitarian state was kept busy changing the record of the past to conform to the political needs of the day. We have many beautiful names in our national parks and forests commemorating personages and events of rich past. These should not be disturbed.

Then the policy of the United States Board on Geographic Names, Department of the Interior, is opposed to such tinkering with tradition. And the New Hampshire House of Representatives will be commended for rejecting this proposal.

The following editorial appeared in the Daily Evening Item of Lynn, Mass., on Thursday, July 21, 1955. Also included is a letter from the Department of the Interior.

KEEP CHOCORUA

To thousands of greater Lynn residents who, through the four seasons, journey through Chocorua on their way to the White Mountains, the sight of Mount Chocorua is a previous landmark.

The resolution of Representative WILLIAM T. ROBERTSON, Republican, Gilmanton, of New Hampshire to rename Mount Chocorua for President Eisenhower and at the same time "destroy a grisly Indian legend" will not meet with approval in our own area.

With all due respect to the President, renaming the picturesque mountain to Mount Eisenhower would be a distinct disservice to the Granite State.

If the practice of renaming landmarks to honor national figures grows in legislative favor in New Hampshire, soon there would be no Echo Lake or White Horse Ledge in North Conway, no Old Man of the Mountains, no Flume, no Lost River, no Glen Ellis Falls, no Crawford Notch.

No matter how "grisly" is the Indian legend of Chocorua—the chief who slew every member of a white man's family to avenge the death of his son who was entrusted to its care—the changing of the name of "the Matterhorn of New England" would gain no additional respect for the President, nor would it add to the lore which is so much an interesting part of New Hampshire.

UNITED STATES
BOARD ON GEOGRAPHIC NAMES,
DEPARTMENT OF THE INTERIOR,
Washington, D. C., July 22, 1955.

Hon. THOMAS J. LANE,
House of Representatives,
Washington, D. C.

MY DEAR MR. LANE: In reply to your letter of July 21, enclosing a clipping, the proposal to rename Mount Chocorua for President Eisenhower would not be favored by this Board.

The Board does not entertain proposals for changes of well established names unless they are unsatisfactory as names, for such reasons as duplication. Continually changing geographic names would give rise to endless confusion. The name Mount Chocorua is, to my personal knowledge, firmly and widely established. Further, the Board does not entertain proposals to apply the names of living persons to natural features in this country, as you will note from the enclosed policy statement. While this may appear unduly restrictive, its wisdom has been demonstrated repeatedly and much embarrassment to all concerned has been avoided in countless instances.

Sincerely yours,

MEREDITH F. BURRILL,
Executive Secretary.

UNITED STATES
BOARD OF GEOGRAPHIC NAMES,
DEPARTMENT OF THE INTERIOR,
Washington, D. C.

STATEMENT OF POLICY FOR APPLYING NAMES OF PERSONS TO NATURAL FEATURES

This statement of policy is for the guidance of the Board in deciding cases and for the guidance of organizations and individuals who propose personal names for natural features. The policy with reference to place names in Antarctica is stated elsewhere.

It should be understood that the various factors involved in the policy outlined below are relative. Peaks which are major features in eastern United States would be secondary features in western United States and minor features in Alaska.

Features which are prominent in the public mind by reason of accessibility, outstanding natural beauty, or other special attribute should be placed in the category next higher than their magnitude alone would warrant.

Features in areas where many features are unnamed should be considered in the category next lower than their magnitude alone would warrant.

An existing name should not be replaced unless it is a duplicate or is inappropriate.

Names of men who qualify for features of one order of magnitude may be applied to features of a lower order if such application is particularly appropriate.

I. MAJOR FEATURES

With the following qualifications, the Board will consider applying the name of a deceased person to a natural feature of the first order of magnitude, such as a mountain range or group; a high, massive, or spectacular mountain, summit, peak, or ridge; a large river; a major island; or a prominent cape:

1. Only one major feature of a kind should be named for a particular individual, and few features of first order of magnitude of different kinds should be named for any individual.

2. Only one whose public service, achievements, and fame are likely to be enduring should have his name applied to a feature of first order of magnitude.

3. A feature of first order of magnitude, except in an area where few features are named, should be named only for a person whose public service and achievements are likely to be more than regional in effect, though his work and reputation may be only regional in scope.

4. In applying the name of an individual to any feature, and particularly to a first-order feature, a clear distinction should be made between honorable fame and mere notoriety.

5. The importance of the public service or achievements of the person whose name is proposed should be commensurate with the magnitude or grandeur of the feature.

6. In areas where few features are named, a major feature may be named for a person associated with it or with the region in one or more of the following ways:

(a) Through exploration, survey, or scientific investigation resulting in contributions to the knowledge of the feature in question or of the region that encompasses it.

(b) Through personal efforts resulting in conservation of the natural heritage of the place or region or in its long-range development.

(c) Through long association with the feature, such as residence or work in the locality.

(d) Through outstanding public service to the residents and the region.

II. SECONDARY FEATURES

With the following qualifications, the Board will consider applying the name of a deceased person to a natural feature of the second-order of magnitude, such as a mountain other than that of the greatest size, a ridge, a small glacier, a valley, a medium-to-small island, a medium-sized river:

1. The person whose name is proposed should have been associated with the feature or region in one or more of the following ways:

(a) Through exploration, survey, or scientific investigation resulting in contributions to the knowledge of the feature in question or of the region that encompasses it.

(b) Through personal efforts resulting in conservation of the natural heritage of the place or region or in its long-range development.

(c) Through long association with the feature, such as residence or work in the locality.

(d) Through outstanding public service to the residents and the region.

2. The name of a deceased member of the Armed Forces will be considered for application to a feature on or near which he met death in line of duty or engaged in heroic action. The name of a member of the Armed Forces who died in line of duty anywhere will be considered for application to an unnamed feature with which he was associated.

III. MINOR FEATURES

With the following qualifications, the Board will consider applying the name of a person, living or deceased, to a relatively small natural feature, such as a hill, watercourse, or cove:

1. If the name is well established in local usage.

2. Name of an early occupant or owner.

3. The name of a member of the Armed Forces who died in line of duty anywhere will be considered for application to a feature with which he was associated.

4. The name of a person who died on or near the feature.

MARCH 5, 1946.

CONVEYANCE OF CERTAIN PROPERTY TO STATE OF LOUISIANA

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5512) to provide for the conveyance of certain property under the jurisdiction of the Housing and Home Finance Administrator to the State of Louisiana, with Senate amendments and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, strike out lines 7 to 12, inclusive.
Page 2, line 13, strike out "3" and insert "2."

Mr. MARTIN. Mr. Speaker, reserving the right to object, is this legislation approved by the minority members of the committee?

Mr. SPENCE. I do not think it has been. I will withdraw the request if the gentleman wishes. I will tell the gentleman what the Senate amendments do. Originally the funds available to pay for this were to be available from the Hill-Burton Act. The Senate amendments struck that provision out.

I asked the author of the bill to communicate with the gentleman from Michigan [Mr. WOLCOTT] about it.

Mr. MARTIN. Is the gentleman from Michigan [Mr. WOLCOTT] agreeable to it?

Mr. SPENCE. I have not heard whether he was contacted or not.

Mr. MARTIN. I think probably the gentleman should withhold action on the amendments until the gentleman from Michigan can be consulted.

Mr. SPENCE. Mr. Speaker, I withdraw the request.

STATE DEFENSE FORCES

Mr. VINSON. Mr. Speaker, I renew my request for the immediate consideration of the bill (H. R. 7289) to authorize the States to organize and maintain State defense forces, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 61 of the National Defense Act, as amended (39 Stat. 198), is amended by adding the following subsections:

"(b) In addition to the Army National Guard and Air National Guard heretofore authorized by this act, the States may, as provided by the laws of such State, organize and maintain State defense forces in conformance with regulations prescribed by the Secretary of the Army. The regulations of the Secretary of the Army shall, among other things, provide for the maximum composition of the State defense forces within each State and shall limit the organization of such forces, during periods of peace, to a strength as deemed appropriate for organizing and planning and to serve as a basis for the rapid expansion of such State de-

fense forces, if and when any part of the Army National Guard or Air National Guard may be ordered to active duty in the service of the United States, or during periods of a national emergency declared by the Congress or proclaimed by the President. State defense forces established under this section may not be called, ordered, or in any manner drafted, as such, into the Armed Forces of the United States. State defense forces may be used within their respective State borders as deemed necessary by the chief executive thereof. A member of a State defense force established under this section is not exempt from military service in the Armed Forces of the United States under any Federal law by reason of membership therein, and further, such member is not entitled to pay, allowances, subsistence, transportation, or medical care or treatment from Federal funds. No person may become a member of the organized militia established under this section if he is a member of the Reserve Forces as defined in section 101 of the Armed Forces Reserve Act of 1952.

"(c) The President may prescribe for the issuance of such arms, ammunition, clothing, and other items of military equipment for the use of the State defense forces as he deems appropriate.

"(d) The National Guard Bureau shall be charged with administering the provisions of this section pursuant to policies prescribed by the Secretary of the Army and shall be the channel of communication between the Department of the Army and the several States.

"(e) As used in this section, the term 'State' means any State, Commonwealth, Territory, the District of Columbia, the Virgin Islands, the Canal Zone, or Guam."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed and a motion to reconsider was laid on the table.

SPECIAL ORDERS GRANTED

Mr. HOFFMAN of Michigan asked and was given permission to address the House for 20 minutes today, following the legislative program and previously entered special orders.

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes today, following the legislative program and previously entered special orders.

NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS ACT OF 1955

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 314, and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7474) to amend and supplement the Federal Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. No amendments shall be in order to section 4 of the bill except amendments offered by direction of the Committee on Public Works, which shall be in order notwithstanding any rule of the House to the contrary, but shall not be subject to amendment, and except it shall be in order to move to strike out all after the enacting clause and insert as a substitute the text of the bill H. R. 7494 and all points of order against such substitute are hereby waived. At the conclusion of the consideration of the bill H. R. 7474 the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. MASON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MASON. Mr. Speaker, how long has this rule been out and may I ask whether under our rules it can be considered at this time?

The SPEAKER. It can be because it was reported on yesterday.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Illinois and at this time I yield myself such time as I may require.

Mr. Speaker, this rule will make in order consideration of the bill (H. R. 7474) to amend and supplement the Federal-Aid Road Act. This rule is a modified open rule. All of the sections of the bill, H. R. 7474, are open to amendment in the usual fashion except section 4 which deals with the tax provisions.

In addition to that, the so-called Dondero bill, H. R. 7494, which, as I understand it, includes the Clay report recommendation for a bond method of financing will be in order as a substitute for the whole bill.

Mr. SMITH of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Mississippi.

Mr. SMITH of Mississippi. Is it the gentleman's understanding that under the rule, supported by the committee, that it will not be in order for an amendment to be proposed as a substitute proposal in the nature of a bill introduced by the gentleman from Louisiana [Mr. THOMPSON] and as outlined before the Rules Committee yesterday by the gentleman from Alabama [Mr. JONES]?

Mr. BOLLING. We were informally advised that such a bill would be in order as an amendment or as a substitute for the Dondero substitute. Since it does not contain provisions with regard to taxation, we were informed that that particular piece of legislation would appear to be in order as an amendment to the Dondero bill.

Mr. SMITH of Mississippi. In other words, if this rule is adopted, the House will be given an opportunity to vote upon the so-called Thompson bill, the substitute which will be offered by the gentleman from Louisiana [Mr. THOMPSON] or the gentleman from Alabama [Mr. JONES] or the gentleman from Mississippi?

Mr. BOLLING. That is my understanding.

Mr. WILSON of Indiana. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Indiana.

Mr. WILSON of Indiana. I take this time because there is only an hour on the rule. I do not think that is sufficient time to go into this matter. There are also 3 hours general debate and the 3 hours general debate as provided in the rule is not going to give every Member an opportunity to be heard. I would like to have at least 30 minutes to speak on the bill. It is the most far-reaching bill this Congress has ever passed. It is a tax bill—one of the largest tax bills ever passed. It is an appropriation bill—appropriating more money than the House has ever appropriated in any bill. I venture to say there will not be 25 percent of the Members have a chance to speak on the bill. I would be inclined to vote against the rule unless I can be assured that every Member will be given an opportunity to speak on this far-reaching piece of legislation. Now, the gentleman said this was a semi-open rule. He should have said "semi-open gag rule" because, if there was ever a time when the American taxpayers were gagged, it is in this rule. The tax plan cannot be remedied and you are ramming it down the throats of all of the farmers and the truck drivers and a lot of business enterprises. They will be gagged to death—clear out of existence. This is about the worst piece of legislation I have ever seen come before the House.

Mr. BOLLING. The gentleman is aware that there are 19 sections to the bill, and only 1, section 4, is closed to amendment.

Mr. WILSON of Indiana. That is the tax section.

Mr. BOLLING. Therefore, under the 5-minute rule, every Member will have adequate opportunity to express himself in the usual fashion.

Mr. WILSON of Indiana. For 5 minutes.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Iowa.

Mr. GROSS. But the tax feature in this bill is closed to any amendment; is that correct?

Mr. BOLLING. Except to the amendment which is contained in the bill H. R. 7494, made in order by the rule, which is commonly called the Dondero bill, and contains the Clay report proposal for a bonding program to finance the legislation.

Mr. GROSS. But individual Members of the House will not have an opportunity to offer amendments to the taxing features of this bill.

Mr. BOLLING. That is correct, with the qualifications I have stated.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Illinois.

Mr. ALLEN of Illinois. In addition, the Committee on Public Works can offer amendments.

Mr. BOLLING. The gentleman is correct. The Committee on Public Works is also authorized to offer amendments.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the

gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN. Mr. Speaker, the Nation's present highway systems, Federal and State, are inadequate to do the job they are called upon to undertake every 24 hours of the day.

Almost every element of our economic expansion—which has brought us, under this administration, the greatest prosperity in our history—has kept pace with our growing Nation. We have lagged in the nationwide development of our most necessary roadways.

That is the reason why we must have a bold, aggressive program to get the highway-building job done—a job that is most necessary for the growth and the security of the United States.

We must remember that America is in a period of massive population growth. For this reason, our road-building plans should be laid out on the basis of at least the next decade if we are to accomplish what is needed to keep our highways in pace with our economic development.

President Eisenhower has developed a 10-year accelerated highway-building plan which will be wholly adequate for the growth and for the defense needs of our Nation for many years after its completion.

The President's highway program provides for the completion of broad avenues of exit from cities and for high-speed highways throughout the land.

The President's plan proposes that the Federal Government expend $3,122,500,000 a year—or a total of $31,255,000,000 in 10 years. The biggest share of the Federal Government's expenditure—$25 billion—would go to improve and expand interstate highways over the 10-year period. The various States and municipalities will be asked to contribute a total of $1,166,660,000 during the 10-year period, bringing to nearly $27 billion total expenditures for the interstate system.

Under the President's plan, States would not be called upon to siphon off vast matching funds to meet Federal requirements, but would instead be able to continue improvements with their own funds of highways not eligible for Federal aid.

The President's program, realistically taking into account the rapid population growth and economic expansion now underway, directs its emphasis squarely at the place where the people's needs are greatest. This program provides $6,225,000,000 in Federal aid for primary, secondary, and urban road construction over a 10-year period, broken down as follows: Primary roads, $3,150,000,000; secondary roads, $2,100,000,000; urban roads, $750 million, with $225 million going for forest highways.

Detailed studies of roadbuilding needs indicate that this is the amount needed and the amount that can be economically spent on roadbuilding over a 10-year period.

The President's plan will not raise taxes; it will not increase the Federal debt.

The President's plan will, across the Nation, bring relief in the form of better roads to those of us who are paying more than we should be to travel on today's narrow, jammed, and dangerous highways.

In seeking to establish a Federal Highway Corporation to finance the 10-year, $31,225,000,000 highway program, the President has taken into account the support of his program from many sources. These include the majority of the Nation's governors and mayors. These are the men who must accept the final responsibility for meeting the people's needs.

The Federal Highway Corporation would sell 30-year bonds to raise more than $21 billion. Additional revenue for highway building would come from regular sources, without increasing taxes.

Bond issues for highway construction are as old as the Nation's highway system itself.

By using this system of finance, by 1956 the Nation would have a 40,000-mile, 4-lane network of roads, linking all major industrial and urban areas and providing 90 percent of all cities of 50,000 population and over, including 42 State capitals, with modern, safe, and efficient roads—roads adequate to meet emergency needs and adequate for the anticipated growth across the Nation.

No other road program before us will do so.

Overall, the 10-year program for providing the necessary road network will cost $101 billion in 10 years. The plan calls for Federal aid totaling 30 percent of this total in the 10-year period.

State and local governments, to meet the needs, are expected to increase their expenditures on Federal-aid primary and secondary road systems to finance the remaining 70 percent.

I ask this Congress to approve the President's program, in keeping with what, in my opinion, are the wishes of the majority of the State and local governments in the Nation.

As a Member of this body, I am fully aware that we are in substantial agreement that we must undertake without delay a major roadbuilding task across the Nation.

The appalling accident and death rates will be reduced on a new highway system and economic waste will fail. These are immediate benefits of the program.

What we must do if we are to meet the issue intelligently is build up a modern network of highways in the next decade, not a piecemeal construction program in a shorter period. Not a lagging, dollar-consuming program that will, prayerfully, do the job sometime in the far-distant future.

Some critics question the need of spending $11 billion in interest on 30-year highway bonds.

Let me answer that in this way:

Each day every car owner in the Nation wastes money on inadequate roads.

Every time a driver makes an unnecessary stop in his car because of bad or crowded roads, it costs him or her a cent and one-half in tire, brake, and battery year.

Each year, the waste in gasoline and oil on old-fashioned, crowded roads and highways costs individual motorists a total of $43.32; unnecessary tire wear costs each of us a total of $11 a year; unnecessary wear and tear on brakes cost $6.25.

Within the next decade, when the President's highway program will be needed most, an estimated 81 million vehicles will be traveling a total of 814 billion miles each year—an increase of 46 percent over the total number of drivers and miles traveled today. This road program will save money to the auto drivers.

The need is now. Our farmers are bringing their produce to market on rutted and soft-surfaced roads in many areas, paying dearly in wear and tear on their trucks in doing so. We need new highways for our children—to see that they get to school and back home safely. We need new highways for our housewives—for their weekly shopping, to keep the home going. We need new highways for our industrial development. And our military leaders emphasize the desperate need for a modern highway system. We in Congress have a responsibility to the people of our great country. They are a patient people, they are a responsible people, and they are a grateful people. I can think of no other service that could abound with benefits for so many as this 10-year program to bring up to date the American road system.

We have a man of high vision in the White House. After careful study, he has proposed a 10-year highway plan that will meet all of our needs in the foreseeable future. It is geared to the entire administration program of peace and prosperity. It treats all Americans as partners in the necessary venture of building up a modern system of travel to match the Nation's industrial and population growth.

The best Nation in the world surely should have the best highway system in the world.

The President's program will provide for such a great need and will keep our highways in pace with our general economic progress and our prosperity. Let us substitute his bill for that reported by the committee.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Iowa.

Mr. GROSS. Do I correctly understand that the gentleman is supporting this semiclosed rule that prohibits any amendments whatever on the tax provisions of the bill?

Mr. MARTIN. The only way we can get legislation on the floor is through a rule, and that rule having been reported, yes, I shall support it.

Mr. GROSS. A rule excluding any amendments to one of the most important features of this bill, which is the taxing feature? What is complex about taxes with respect to motor vehicles and fuels?

Mr. MARTIN. The gentleman is not going to get into a debate with me on taxes in this short space of time. I do not have sufficient time to do that. But the only way we can secure a road bill is to adopt the rule putting the legislation in order.

Mr. CHRISTOPHER. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Missouri.

Mr. CHRISTOPHER. I believe the distinguished gentleman from Massachusetts said that the President's road program contemplated the spending of $101 billion over a 10-year period for this highway program, and I think he also said that could be accomplished without raising taxes or without increasing the national debt. Now I submit that I need a little explanation on that, and I wish the gentleman from Massachusetts would explain that statement so that even a Congressman would understand it.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. MASON. I have an explanation of that question, and I expect to have time given to me to answer it.

Mr. CHRISTOPHER. I will listen to it with great interest.

Mr. MARTIN. I believe the gentleman from Missouri is an intelligent Member of the House, and when the facts are presented to him, he will appreciate how it can be done. I must ask him to remember that we are a growing country and we are constantly increasing our resources. As they develop, we can pay this bill without hurting anyone, and we hope some day in the not too distant future that the tension in the world will be removed, and then we can pay these bills so rapidly that you would not know that we had done it.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. McCORMACK. My question is this, assuming that the Dondero substitute is not adopted—just assuming that.

Mr. MARTIN. I do not like to assume that. I am hoping, John, that you will give me enough votes to pass it.

Mr. McCORMACK. But assuming that it is not.

Mr. MARTIN. I cannot assume that, but you can.

Mr. McCORMACK. Well, they ask these questions in a courtroom on the basis of an assumption.

Mr. MARTIN. I am not a lawyer. I am just a plain newspaperman who tells the truth always, and not on the basis of assumptions.

Mr. McCORMACK. If the situation develops where the final vote is between the bill reported out of the committee and a straight authorization, that is with the Dondero substitute not adopted, would the gentleman then favor the committee bill?

Mr. MARTIN. The gentleman would have to go into his office and prayerfully give consideration to any such unexpected alternative.

Mr. McGREGOR. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. McGREGOR. I just want to add my word with reference to the question raised by the gentleman from Missouri relative to the $101 billion highway program. There has never been presented to this Congress a program calling for $101 billion. As the result of a survey made, which would be the utopia of all engineers, including all roads, even the farm-to-market roads, the primary roads, and the interstate roads and all the intrastate road systems, if they were built to the plans and specifications described by certain engineers the overall cost including the share of the Federal Government and the States and the local governments might possibly be $101 billion. But we have never had presented to this Congress for any consideration a $101 billion road program.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Maryland [Mr. FALLON].

Mr. FALLON. Mr. Speaker, I take this time not to go into an explanation of the bill, but I first would like to compliment the distinguished gentleman from Massachusetts [Mr. MARTIN] for his explanation of the Clay report. It is a synopsis of what we heard for the past 7 or 8 weeks when we were holding hearings on that particular subject. I would like to inform the House why and how the bill that we are considering is here today, and how it comes to be here. While we were considering hearings on the Clay report, the other body took action on it. The other body, because of the huge interest cost of $11,500,000,000 and the mortgage on the highways of America for 30 years, voted down the Clay report 2 to 1; I think the vote was 60 to 31. We were told at the time that if we brought a bill in here, a straight authorization bill to do the same job that would raise the public debt limit the President would not sign it. So we were faced with only one alternative, and that was the unpopular task of trying to get a highway bill which will do the job after the study of the bill by Public Roads, the State highway commissioners, and the study that the Clay Commission made and reported to the President. So we took the unpopular course of bringing a bill in here that will finance this program and build it in a period of 12 years and pay for it in a period of 15 years. That is the reason this bill is here today.

It would have been an easy task for this committee to bring in an authorization bill that the President would not sign, but we would only be wasting the time of the committee and the time of the House. Also, it is foolish even to bring in a bill with the bond features in it, outside of the public debt, because the other body has already served notice on us that they would not pass such a bill at this session.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. FALLON. I yield.

Mr. McCORMACK. Under the bond issue what will be the ultimate additional cost that the American people would have to pay?

Mr. FALLON. It was reported in the other body, and it was testified to before our committee that it would cost an additional $11,500,000,000 that would be paid out in interest and other charges.

Mr. McCORMACK. One further question: Is it fair to assume that even if the committee bill passes, which is a 12-year program, that there would have to be additional programs? Because the 40,000-mile interstate mileage is not going to complete the future necessities and demands of our country. Is that true?

Mr. FALLON. That is correct.

Mr. McCORMACK. If we pass a bill providing for a bond issue, bonds would be issued for probably up to 30 years, so we would be giving a first mortgage on our highways for 30 years. Is that right?

Mr. FALLON. That is right.

Mr. McCORMACK. Let us say that 10 or 12 years from now it becomes necessary to extend the program, pass another bill and authorize another bond issue; that would be a second mortgage at that time. It would be rather difficult to raise a second mortgage under those circumstances, would it not?

Mr. FALLON. That is correct.

Mr. McCORMACK. This bill is a pay-as-you-go bill.

Mr. FALLON. That is correct, and all the money that is authorized to be spent on the highways in the next 15 years will be available for 15 years further if the necessity arises.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. FALLON. I yield.

Mr. HALLECK. Apropos the questions of the gentleman from Massachusetts, is it not also true that if the Dondero substitute should prevail providing for the issuance of bonds then, if the Congress of the United States levy additional taxes specifically to reduce those bonds, to that same extent you would reduce the life of the bonds, and interest payments would be reduced?

Mr. FALLON. That is absolutely true.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, there are three bills that will probably be considered if this rule is adopted, and a number of others have been introduced.

I do not think any of these bills ought to pass at this time. Everybody is in a hurry to adjourn and we have this adjournment rush on for this weekend, but whether it is this weekend or next weekend, this House is not going to give to this complicated matter the serious determination that a matter of this magnitude needs.

I do not care which one of these bills you pass, you are going to be buying a pig in a poke for $48 billion. Somebody is going to pay for it.

The Democratic bill undertakes to fix the pay-as-you-go plan; and, of course, the tax is placed upon probably the most unpopular users of the highways. The Republican bill has by some arithmetical legerdemain managed to fix it up so that nobody is going to pay anything. There is not going to be any additional bond issue, there is not going to be any additional tax. If that can be done I am for it, so are the rest of you, but I doubt whether that can be accomplished. It all illustrates that we are in a state of confusion about this bill.

There are four separate minority reports on the committee bill and we are just not in a position to consider it at this time.

Let me tell you something about this closed rule. The Rules Committee gave to the Committee on Public Works the right to write a bill on a tax matter and

present it to you without any right of amendment. When I asked the chairman of that committee whether his committee had asked for a closed rule, I was told that the committee had voted on the question of a closed rule and the committee itself voted 17 to 11 against asking the Committee on Rules for a closed rule. In addition to that, I was told that the Committee on Public Works had voted, probably by a similar majority, against asking for an open rule. We never were able to find out what the committee itself wanted in the nature of a rule and the committee itself now does not know what it wants in the nature of a rule because there are four minority reports.

Here we are in the last 5 days of the session being asked to deal with this tremendous proposition. What are you thinking about? This should not be considered at this time and none of these bills ought to be passed.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Indiana.

Mr. HALLECK. Of course the gentleman knows of my high regard for him and he knows also that I know, and agree with him, that we ought to proceed carefully with measures of this sort. But I would like to call to his attention the fact that a commission was appointed, the Clay Commission, that studied this matter for months and months. The Committee on Public Works held hearings for weeks and weeks. There were deliberations within the committee. And then after weeks and weeks of deliberations the committee reported a bill. The rule, I think properly, makes in order a substitute so that the House can work its will as between a tax bill and a bond issue bill. Personally, I think we are probably as well informed about the matter as we will ever be and that now is the time to proceed to act on the measure.

Mr. SMITH of Virginia. I would be glad to answer the gentleman's question if I knew what it was.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. As I understand the gentleman from Indiana, he says the Clay Commission knows all about this, so it is not necessary that we know anything about it.

Mr. SMITH of Virginia. Yes, that seems to be the way things are working out.

Mr. ELLSWORTH. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. AYRES].

Mr. AYRES. Mr. Speaker, the gentleman from Virginia had a good point when he brought out and emphasized the fact that there is much confusion in connection with this bill. It is true there was much time spent on the Clay report. There was considerable time spent in hearings by the committee on that phase of the matter. But in all of my experience in the Congress I have never seen the taxpayer divested of his cash so rapidly as the Public Works Committee did in the 12 hours of hearings on the tax provision of this bill. In 12 hours they were able to come up with a scheme which will relieve the American taxpayers of $12 billion. I do not think we can improve on a billion dollars an hour.

When we say that certain segments of our economy are going to pay this tax, we are just kidding the American taxpayer. Whenever you put a tax on a basic transportation item such as you are doing in this bill, you are doing nothing more than placing indirectly a hidden manufacturer's sales tax on the American people. When we vote the issue here today will be whether you and I want to vote for a discriminatory tax under a closed rule where the discriminatory feature cannot be removed or you want to vote for a bill that has been proposed by the President of the United States and has been given thorough consideration.

I hope that the Dondero substitute will be agreed to. Time and much consideration has been given that bill. I am not going to be critical of the closed rule. Ever since I have been here we have out of necessity had to consider tax measures under a closed rule. But I am critical of a precedent being broken and a committee other than the Committee on Ways and means being assigned what is primarily a tax bill. What we have is a discriminatory tax bill which incidentally gets highways.

Mr. ELLSWORTH. Mr. Speaker, I yield 4 minutes to the gentleman from Indiana [Mr. WILSON].

Mr. WILSON of Indiana. Mr. Speaker, the time allotted by this rule is wholly inadequate for even fair consideration of this bill. I guess that in general debate it will amount to spending about fifteen or sixteen billion dollars per hour of study by this committee.

Now, this bill will project a tax program and a spending program many years into the future. It had, as the gentleman who preceded me mentioned, 12 hours of study in the Committee on Public Works. And, as the distinguished chairman of the Committee on Rules said, "Just look at the different views that the committee had on this bill." Here are the minority views. Turn to the front page of your report and read it for yourselves: Additional minority views, separate views, individual views. It is what you might call a political quickie, and little good and much harm is sure to come from this bill if it is enacted.

Now, as to the rule: They call it a limited open rule. Well, it depends on who the man is who is sponsoring the rule. It is so gaggy that few of you are going to have an opportunity to be heard on this bill, but every one of you is going to be given an opportunity to be heard when you go back to your districts, when the farmers start talking to you about this tax when they start collecting it. There will be a 3-cent tax put on their fuel, and they will get a refund of 1 cent, and when they buy that 50 gallons of gasoline and they get that 1 cent for the use of the machinery on the farm, they will say, "Why do we not get the other 2 cents?" If they are entitled to a 1-cent reduction, they are entitled to 3. They ought to have it, and they will want to know why they cannot get it.

Mr. GEORGE. Mr. Speaker, will the gentleman yield?

Mr. WILSON of Indiana. I yield to the gentleman from Kansas.

Mr. GEORGE. Your diesel-fuel people have had that exemption on off-the-highway use, have they not?

Mr. WILSON of Indiana. I will go into that later, but I will not take the time on this rule to explain that. But it is so gaggy that a lot of you folks will be anxious to get away from the mess and come back to the District next year when the Congress reconvenes and reconsider it.

I want to correct a misimpression that was left here by the gentleman from Illinois [Mr. ALLEN] and the gentleman from Missouri [Mr. BOLLING]. The gentleman from Illinois said, "Is it not true that this rule is open enough so that the members of the Committee on Public Works can offer amendments?" And the gentleman from Missouri said, "Yes." Well, that is not true. Read the rule. The members of the committee have no opportunity to offer amendments. The only way they can do that is to go into executive session and call this thing back. Here is the language in the rule: No amendment shall be in order to section 4 of this bill except amendments offered by direction of the Committee on Public Works. Now, that is not the individual members. The members of the Committee on Public Works have no opportunity to offer amendments to this bill; it is only an amendment offered by direction of the committee, not the members. I want that impression cleared up, because it has been called to my attention that any member of the Committee on Public Works could offer an amendment. He cannot do it.

Again I want to remind you of the vote in this committee. A motion was made to direct the chairman of the Committee on Public Works to go to the Committee on Rules and ask for this gag rule. That motion was voted down 17 to 11. Now, that is how the committee stood on it. They were opposed to this gag rule themselves. And, of course, when they asked for instructions in regard to an open rule, they also voted that down. So, that further adds to the confusion. It shows that they did not know what kind of a rule they wanted, because they did not know what kind of a bill they had to offer.

Mr. BOLLING. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. SMITH].

Mr. SMITH of Mississippi. Mr. Speaker, I regret very much that the rule that has been presented to the House today makes it impossible for me to offer an amendment which I had intended to offer to the bill, to provide for an exemption of all nonhighway users from payment of the gasoline tax. The committee recognized the fact that it is improper and inequitable to tax nonhighway users for gasoline, when this fuel tax is dedicated to a road program, when it exempted nonhighway users from the tax increase.

WHAT IS FAIR?

If it is equitable to exempt 1 cent of the tax, it is certainly fair and just that the entire 3-cent tax also be exempted. The rule that has been presented for the handling of this bill today makes it impossible for this House to express any voice in that matter. I think we are passing up a great opportunity here to enact legislation under a fair system that will be fair to farmers and fishermen and anybody else who uses gasoline in a nonhighway use.

Mr. SISK. Mr. Speaker, will the gentleman yield for a question?

Mr. SMITH of Mississippi. I yield to the gentleman.

Mr. SISK. I should like to commend the gentleman on his statement, that this rule makes it impossible to offer his amendment. I agree with him completely on the justice of his proposed amendment.

Mr. SMITH of Mississippi. I thank the gentleman. This is going to make it inevitable that we act upon this proposal at some later date. Nonhighway users in the country are not going to allow such an iniquitious situation or condition in our tax laws.

Mr. DENTON. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Mississippi. I yield to the gentleman.

Mr. DENTON. I want to concur in what the gentleman is saying. I think it is unfair to tax people for highway use when they do not use the highway. When this law was enacted, farm equipment was not mechanized. Mostly horses were used. It is not fair that these people should pay a road tax when they are not using the highways.

Mr. SMITH of Mississippi. I thank the gentleman. Certainly it is not fair to charge a farmer 2 cents of tax and exempt him on the 1 cent.

Mr. MARSHALL. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Mississippi. I yield to the gentleman.

Mr. MARSHALL. Mr. Speaker, I wish to commend the gentleman on his efforts and let him know that I heartily agree with him. Is the gentleman advocating that we vote down the rule?

Mr. SMITH of Mississippi. The gentleman is making it very clear that he does not think the rule is fair.

Mr. ELLSWORTH. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Speaker, I expect to talk solely on the tax features of this bill.

Mr. Speaker, the automobile and truck owners of America are now paying more than their fair share of the taxes. In 1953 the Federal Government collected on gasoline, lubricating oil, tires, and tubes $1,144,000,000 in excise taxes. On automobiles, trucks, buses, trailers, and auto parts and accessories, the Federal Government collected another $1 billion in excise taxes. In 1953 the Federal Government gave back to the States in grants-in-aid for roads $515,444,540, retaining approximately $1,750,000,000. This means the Federal Government kept $3 out of every $4 collected in special taxes from autos and truck owners, turned $1 back to the States for building of roads, and spent $3 for general Government needs.

The auto and truck owners of America are being gypped because they pay all the other taxes for Government that other citizens pay and in addition these special taxes.

Mr. Speaker, if the one and three-quarter billion dollars now collected from the automobile and truck owners of America in special taxes now being used for general Government expenditures were earmarked for this road program, it would pay the entire cost of the bond program of the President's plan plus the interest, without the need of any new taxes.

I am therefore against any new taxes for this road-building program, because I am convinced that the taxes now being collected will pay and should pay for the bond program and the interest thereon.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. MASON. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Does not the gentleman feel that a measure of this importance should come before the House at a time when we have ample time for debate and real opportunity has been given to the proper committee, the gentleman's Committee on Ways and Means, to do something on the tax measure? This is really a tax measure as well as a highway bill.

Mr. MASON. Of course, that is the only sensible course.

Mr. H. CARL ANDERSEN. I think the only sensible thing to do here is to vote down the rule and in that way have the opportunity to amend the bill so as to improve it.

Mr. MASON. I agree with the gentleman.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. MASON. I yield to the gentleman from Indiana.

Mr. HALLECK. Is it not true that the Committee on Ways and Means by a formal vote delegated the tax power exercised in this bill to the Committee on Public Works?

Mr. MASON. It is true that they did by a formal vote of 15 to 10. That speaks for itself.

Mr. DIES. Mr. Speaker, will the gentleman yield?

Mr. MASON. I yield to the gentleman from Texas.

Mr. DIES. How did the gentleman vote?

Mr. MASON. Of course, the gentleman knows how I voted without asking that.

Mr. ELLSWORTH. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, it is absolutely unthinkable that a measure of the ramifications of this bill should come before the House of Representatives under any part of a gag rule. I do not care what committee of the Congress delegated to another committee authority with respect to taxes. I have to vote here today on my own responsibility as other Members do. I simply want to say that this rule ought to be defeated. If someone does not put on a quorum call when we finish debate on the rule, you can be sure you are going to vote on the record to knock out this gag rule. It is unbelievable that Members of the House are denied the opportunity to offer amendments to the important tax section. Defeat of this rule will mean, and very properly so, that the House will have an opportunity to work its will.

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 274, nays 129, answered "present" 1, not voting 30, as follows:

[Roll No. 130]

YEAS—274

Adair	Coon	Hayworth
Addonizio	Cooper	Hébert
Albert	Corbett	Henderson
Alger	Coudert	Herlong
Allen, Calif.	Cramer	Heselton
Allen, Ill.	Cretella	Hess
Andresen, August H.	Cunningham	Hiestand
Andrews	Curtis, Mass.	Hill
Arends	Curtis, Mo.	Hoeven
Aspinall	Dague	Hoffman, Ill.
Auchincloss	Davidson	Holifield
Avery	Davis, Tenn.	Holmes
Ayres	Davis, Wis.	Holt
Bailey	Deane	Holtzman
Baker	Delaney	Hope
Baldwin	Dempsey	Horan
Bass, N. H.	Denton	Hosmer
Bates	Derounian	Huddleston
Baumhart	Devereux	Hull
Beamer	Diggs	Hyde
Becker	Dixon	Ikard
Belcher	Dodd	James
Bennett, Fla.	Dollinger	Johansen
Bennett, Mich.	Dolliver	Johnson, Calif.
Betts	Dondero	Johnson, Wis.
Boggs	Dorn, N. Y.	Jones, Mo.
Boland	Doyle	Judd
Bolling	Ellsworth	Karsten
Bolton, Frances P.	Evins	Kean
Bolton, Oliver P.	Fallon	Kearns
Bosch	Fascell	Keating
Bowler	Feighan	Kee
Boyle	Fenton	Kelley, Pa.
Bray	Fine	Kelly, N. Y.
Brooks, La.	Flood	Keogh
Brooks, Tex.	Forand	Kilday
Brown, Ohio	Ford	King, Calif.
Brownson	Frazier	Kirwan
Broyhill	Frelinghuysen	Klein
Buckley	Friedel	Kluczynski
Budge	Fulton	Knox
Burnside	Garmatz	Knutson
Bush	Gavin	Laird
Byrnes, Wis.	Gentry	Lane
Canfield	George	Latham
Carnahan	Gordon	Lesinski
Carrigg	Grant	Lipscomb
Cederberg	Gregory	Lovre
Celler	Griffiths	McConnell
Chase	Gubser	McCormack
Chelf	Hagen	McCulloch
Chenoweth	Hale	McDonough
Christopher	Halleck	McGregor
Clark	Hand	McIntire
Clevenger	Harden	McVey
Cole	Harrison, Nebr.	Macdonald
	Harrison, Va.	Machrowicz
	Harvey	Mack, Wash.
	Hays, Ohio	Madden

Magnuson	Reed, Ill.	Thomas
Mailliard	Rees, Kans.	Thompson, Mich.
Martin	Reuss	Thompson, N. J.
Meader	Riehlman	Thompson, Tex.
Merrow	Robsion, Ky.	Thomson, Wyo.
Metcalf	Rodino	Thornberry
Miller, Calif.	Rogers, Colo.	Tollefson
Miller, Md.	Rogers, Fla.	Trimble
Miller, Nebr.	Rogers, Mass.	Tumulty
Mills	Rooney	Udall
Minshall	Roosevelt	Utt
Mollohan	Rutherford	Vanik
Morano	St. George	Van Pelt
Moulder	Saylor	Velde
Multer	Schenck	Vorys
Murray, Ill.	Scherer	Wainwright
Nicholson	Schwengel	Walter
Norblad	Scott	Weaver
O'Brien, Ill.	Scrivner	Westland
O'Hara, Ill.	Scudder	Wharton
O'Hara, Minn.	Sheehan	Widnall
O'Neill	Sheppard	Wier
Ostertag	Short	Wigglesworth
Patman	Sieminski	Williams, N. J.
Patterson	Sikes	Williams, N. Y.
Pelly	Siler	Willis
Pfost	Simpson, Ill.	Wolcott
Polk	Simpson, Pa.	Wolverton
Powell	Spence	Wright
Price	Springer	Yates
Priest	Staggers	Young
Prouty	Sullivan	Younger
Rabaut	Talle	
Ray	Teague, Calif.	

NAYS—129

Abbitt	Flynt	O'Konski
Abernethy	Fogarty	Osmers
Alexander	Forrester	Passman
Andersen, H. Carl	Fountain	Philbin
Ashley	Gary	Phillips
Ashmore	Gathings	Pilcher
Barden	Granahan	Pillion
Barrett	Green, Oreg.	Poage
Bass, Tenn.	Gross	Poff
Bell	Gwinn	Preston
Bentley	Haley	Quigley
Berry	Harris	Rhodes, Pa.
Blitch	Hays, Ark.	Richards
Bonner	Hoffman, Mich.	Riley
Bow	Jackson	Rivers
Brown, Ga.	Jarman	Roberts
Burdick	Jenkins	Robeson, Va.
Burleson	Jennings	Rogers, Tex.
Byrd	Jensen	Sadlak
Byrne, Pa.	Jonas	Seely-Brown
Cannon	Jones, Ala.	Selden
Carlyle	Jones, N. C.	Shuford
Chatham	Kilgore	Sisk
Chudoff	King, Pa.	Smith, Kans.
Church	Landrum	Smith, Miss.
Colmer	Lanham	Smith, Va.
Cooley	Lankford	Smith, Wis.
Crumpacker	LeCompte	Steed
Davis, Ga.	Long	Taber
Dawson, Ill.	McCarthy	Taylor
Dawson, Utah	McMillan	Teague, Tex.
Dies	Mack, Ill.	Thompson, La.
Donohue	Mahon	Tuck
Dorn, S. C.	Marshall	Van Zandt
Dowdy	Mason	Vinson
Durham	Matthews	Whitten
Edmondson	Morgan	Wickersham
Elliott	Morrison	Williams, Miss.
Engle	Moss	Wilson, Ind.
Fernandez	Murray, Tenn.	Winstead
Fino	Natcher	Withrow
Fisher	Nelson	Zablocki
Fjare	Norrell	
	O'Brien, N. Y.	

ANSWERED "PRESENT"—1

Blatnik

NOT VOTING—30

Anfuso	Hardy	Radwan
Boykin	Hillings	Rains
Buchanan	Hinshaw	Reece, Tenn.
Chiperfield	Kearney	Reed, N. Y.
Dingell	Kilburn	Rhodes, Oreg.
Donovan	Krueger	Shelley
Eberharter	McDowell	Vursell
Gamble	Miller, N. Y.	Watts
Gray	Mumma	Wilson, Calif.
Green, Pa.	Perkins	Zelenko

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Dingell for, with Mr. Blatnik against.

Mr. Anfuso for, with Mr. Green of Pennsylvania against.

Mr. Zelenko for, with Mr. Boykin against.

Mr. Donovan for, with Mr. Eberharter against.

Mr. McDowell for, with Mr. Radwan against.

Until further notice:

Mr. Shelley with Mr. Kilburn.

Mrs. Buchanan with Mr. Reece of Tennessee.

Mr. Perkins with Mr. Miller of New York.

Mr. Rains with Mr. Rhodes of Arizona.

Mr. Watts with Mr. Gamble.

Mr. Hardy with Mr. Hinshaw.

Mr. Gray with Mr. Chiperfield.

Mr. BLATNIK. Mr. Speaker, I have a live pair with the gentleman from Michigan, Mr. DINGELL. Were he present he would have voted "yea." I voted "nay." I therefore withdraw my vote and answer "present."

Mr. ENGLE, Mr. FOGARTY, and Mr. PHILBIN changed their vote from "yea" to "nay."

Mr. WRIGHT changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

INTERNATIONAL CLAIMS SETTLEMENT ACT OF 1949

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6382) to amend the International Claims Settlement Act of 1949, as amended, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. RICHARDS, ZABLOCKI, DODD, VORYS, and Mrs. FRANCES P. BOLTON.

NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS ACT OF 1955

Mr. FALLON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7474) to amend and supplement the Federal Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 7474, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. FALLON. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, the year 1954 saw the recognition by many people of the existing deficiencies in our highway system and the necessity for doing something about it at an early date. Committees were appointed by the governor's conference and by the President of the United States to give attention to this problem. The activities of these groups culminated in a report to the President by his Advisory Committee on a National Highway Program, in January of this year. The report of the Advisory Committee pointed to the inadequacy of our present system of highways to accommodate the approximately 58 million motor vehicles now registered to operate over them and the urgent necessity to deal with the national traffic jam immediately in view of the prospect of vehicle registrations reaching 81 million by 1965. The report attributed these conditions to two basic causes: First, the 4-year moratorium imposed upon construction during World War II, which prevented both adequate maintenance and replacement; and, second, the shrinkage in the purchasing power of the road dollar. While dollarwise our expenditures on roads have increased materially since construction activities began after World War II, the level of physical construction is now but little higher than it was prewar. The resulting failure of our highway program to keep pace with needs has contributed to the high level of casualties from traffic accidents, which is truly alarming. Accidents on our highways take approximately 100 lives every day and the daily rate of injury is approximately 3,000. No monetary value can be placed on this appalling loss, nor must any be placed upon it for the people of this country to want to take drastic remedial action. The monetary cost attributable to highway accidents was placed in the Clay committee report at approximately $4⅓ billion annually. Improved highways will of course not eliminate these costs, but studies do demonstrate that both the accident rate and the fatality rate are sharply reduced on roads built to the standards intended to be used on the interstate system which it is our purpose to build at a greatly accelerated pace as a means of meeting the serious problem we are confronted with.

Bills were introduced in the Senate and House implementing the program outlined in the report to the President by his Highway Advisory Committee. The bill in the House was referred to the Committee on Public Works and came before the Roads Subcommittee, of which I am chairman. The Senate acted first on the highway program and passed a bill, S. 1048, which also was before the Roads Subcommittee. Extensive hearings were held on these bills, as a result of which the committee reached certain conclusions and arrived at certain decisions. There was little dissent from the view that our present system of highways was inadequate to meet the anticipated needs of commerce, the national and civil defense, and the desires of the public generally for an abundance of high quality roads. However, some divergence of views appeared on such questions as the role to be played by the Federal Government in relation to the governments of the several States; the type of network most needed; the length of the program required; and, of foremost importance, how the program was to be financed.

H. R. 4260, designed to carry out the plan of the President's Advisory Committee, placed special emphasis on the National System of Interstate Highways and authorized the expenditure of $25 billion of Federal funds over a period of 10 years, nearly all to be financed by bonds to be issued by a Federal Highway Corporation created by Congress for this purpose, with the bonds to be outside the Federal budget and not included in the national debt subject to the statutory debt limit. The total cost of the interstate system was estimated at $27 billion, with the State and local governments providing the balance of $2 billion. It was contemplated that the Federal contributions to the primary, secondary, and urban systems be continued at a level less than the $700 million annually, provided by the Federal Highway Act of 1954, specifically $600 million for these three categories. The bill passed by the Senate contained authorizations for appropriations for a 5-year period through the fiscal year 1961, amounting to $7¾ billion in total for the interstate system and $900 million annually for the regular Federal-aid primary, secondary, and urban systems. No financing provisions were included. Constitutionally, of course, no tax provisions could be incorporated in the Senate bill, and the bond-financing proposal was rejected as basically unsound.

At the conclusion of extensive hearings before the Roads Subcommittee, I introduced a bill, H. R. 7072, incorporating a somewhat different approach to the solution of the highway problem. Upon consideration in executive session, a special subcommittee consisting of 5 Democrats and 4 Republicans was appointed to consider H. R. 7072, S. 1048, the bill that passed the Senate, and H. R. 4260, the bill carrying out the views of the President's Advisory Committee on a national-highway program, now superseded by H. R. 7494. They concluded that H. R. 7072 came closer to meeting the views of the committee than the other bills and recommended that consideration be given to that bill with certain amendments. These amendments were incorporated in a committee print, and because it contained a section imposing taxes to finance the program in part, 2 days of hearings were held on this feature before the full Public Works Committee. Everyone desiring to be heard was given an opportunity and practically all parties that had shown an interest in the subject did appear and make a presentation on the subject. The Ways and Means Committee cooperated by designating five of its members to sit with the Public Works Committee to hear the testimony on the tax provisions.

Numerous amendments to the committee print were agreed to involving a compromise of many viewpoints, chiefly in connection with the tax provisions, and a clean bill, H. R. 7474, was introduced. That bill was reported favorably by a vote of 17 to 9 and is the bill now before you. Minority views were submitted by four members of the committee. Additional minority views were submitted by 2 of the signators of the minority views and 3 other members of the committee. Separate views were submitted by 2 of the signators of the additional minority views, and individual views were submitted by 1 of the members of the committee. This rather complicated lineup is a reflection of the complexity of the problem, and as I explain the bill briefly, section by section, I shall attempt to bring to your attention as fairly as I can, the nature of the differences of views in the committee. At the outset, however, I should like to give you a broad outline of the bill and draw to your attention the major differences between this bill, the Senate bill, H. R. 7494, and the present law.

The overall objective of H. R. 7474 is to provide a blueprint as well as the means for accomplishing a long-range highway program with due emphasis on our most immediate need, namely, the interstate system, but with due regard for the remainder of our highways, namely, the regular Federal aid primary and secondary systems and the urban extensions thereof. H. R. 7474 authorizes the appropriation of $24 billion over a 13-year period beginning with the fiscal year ending June 30, 1957, for the construction and improvement of the interstate system. In this respect the bill closely resembles H. R. 7494 with its proposal for a Federal expenditure of $25 billion over 10 years, and differs materially from the Senate bill which only authorizes $7¾ billion over 5 years. The Senate bill thus provides only an initial program constituting about one-third of the total program. Our committee is strongly of the view that it is preferable to make provision for the entire program at this time in order that the benefits of long-range planning may be derived. In this respect all of the bills reflect a change in the policy of the present law which authorizes appropriations for only two years.

As to the regular Federal aid program, H. R. 7474 authorizes the appropriation of $725 million for the fiscal year ending June 30, 1957, and declares it to be the intent of Congress progressively to increase the sums for these purposes by $25 million each year through the fiscal year ending June 30, 1969. This constitutes an average of about $875 million per year and by 1969 the annual total would be $1,025,000,000. In this respect our bill more closely resembles the Senate bill which authorizes $900 million annually for the next 5 years. H. R. 4260, on the other hand, contemplates a freezing of Federal contributions for the regular Federal aid programs at $600 million a year for an indefinite period, possibly 30 years. With respect to this important item we believe our bill to be infinitely better than H. R. 7494, which ignores the needs of these important segments of our highway system. It should not be overlooked that these systems, which carry approximately 85 percent of the total traffic, probably mean more to the farmers and to the enjoyment of motoring by the private automobile owner than does the interstate system. As compared with the Senate bill, again we think our bill better because it permits longer range planning.

In one way or another, all of the programs reflected by the three bills I have been discussing contemplate a continuation at current levels of the Federal contribution for roads in the Federal domain.

The matching ratio for regular Federal aid is to be continued on a 50–50 basis under all of the proposals. On the interstate system, as a recognition of the predominating national interest, the matching ratio has been changed from the present 60–40 Federal to State ratio to a 90–10 Federal to State ratio under H. R. 7474 and the Senate bill. In H. R. 4260 no specific matching funds by the States are specified, but it is stated in the President's Advisory Committee report that the traditional requirement for local financial participation is sound and that the States would be expected to contribute annually the amount they are required to contribute under the 1954 act to obtain funds from the $175 million made available to the interstate system by the Federal Government 1954, and that the cities would be expected to participate to the same degree.

So much for the general outline of the program. Hand in hand with the consideration of the program itself went the consideration of how to finance it. This was a responsibility that the committee recognized and was willing to face squarely. There were some who felt that it would be sufficient for our committee to decide what was needed in the way of roads to meet our needs and to let someone else worry about where and how the Federal Treasury would meet the bill. However, in view of the general recognition of the unbalanced state of our Federal budget and the already burdensome level of our national debt, it was felt by the majority of our committee that our responsibility to the American people went beyond that and that the highway bill itself should deal with the problem of financing. Once determined that we should deal with this distasteful but all important aspect of the problem, the first major decision to be made was whether the program should be financed on a deficit basis through borrowings or on a pay-as-you-go basis. H. R. 7494 reflecting the views of the President's Advisory Committee is a deficit plan and our committee rejected it, as did the Senate, and agreed to put the highway program on a pay-as-you-go basis. There can be no doubt this decision was a wise one. The plan in H. R. 7494 would pledge the revenues derived from highway users for a period of 30 years to pay for roads that are to be built in 10 years. What is to happen at the end of 10 years? Does anyone think that our roads will then be adequate for the following 20 years and that the Federal Government will not be called upon to contribute more than $600 million per year after 10 years? We had best be realistic and recognize that this cannot be so. This seems to be clearly recognized by President Eisenhower who is quoted on page 2 of the Advisory Committee report as saying that after the completion of the 10-year program "we shall only have made a good start in the highways the country will need for a population of 200 million people"—a population estimated to be reached in 1970. Furthermore, this deficit financing plan

would result in the expenditure of $11½ billion over the next 30 years in interest alone. To mortgage the future wealth of this country in peacetime to pay for a road program would seem to me to be the height of folly. I feel that a true appraisal of the overall effect of such an approach would be that it was a serious blow to national defense rather than the creation of an asset for the strengthening of our defenses. In short, our committee did not want our road program to be tainted with financial irresponsibility.

Putting the road program on a pay-as-you-go basis meant imposing taxes to help pay the bill. Normally, of course, the determination of what taxes to levy falls under the jurisdiction of the Ways and Means Committee but here we did not have a normal situation. In the first place, there was no dissent from the view that the users of the roads were the ones who should pay for them, thus narrowing to a limited area the taxes to be looked to in order to raise the needed revenue. Thus, there was no issue with respect to this problem which the Ways and Means Committee would normally reserve to itself. In the second place, the amount of revenue to be raised was not dependent upon a consideration of the whole Federal budget or broad fiscal policy, matters on which the Congress looks to the Ways and Means Committee, but rather upon the road program provided for by the Public Works Committee. Finally, the equitable allocation of the burden among the different classes of users was dependent upon considerations falling more particularly within the knowledge and experience of the Public Works Committee than the Ways and Means Committee. We, of course, sought and were generously given able technical assistance by the staff of the Ways and Means Committee and other experts who normally draft tax measures. In short, I am convinced that from a substantive standpoint there has been no encroachment by the Public Works Committee upon the prerogatives and jurisdiction of the Ways and Means Committee.

After hearings and a careful study of various tax proposals, the committee incorporated a section increasing the rates of the excise taxes on gasoline, diesel fuel, the larger sized tires and tubes and trucks and buses, and imposing a new tax on the material used in retreading and recapping large tires. These proposals are estimated to increase general fund revenues by $12.4 billion over the 16-year period beginning with fiscal year 1956 and ending with fiscal year 1971.

The existing tax rates on gasoline, diesel fuel, and large tires and tubes would produce about $21.6 billion over this same period. Thus, assuming normal growth in highway usage, total revenue available will amount to $34 billion and will cover 96 percent of the estimated total Federal expenditures for highways. The committee believes the improvement in the highway system which will result from its program will increase tax yields even further and thus eliminate this gap between these revenues and the highway expenditures provided under this bill.

I will discuss certain aspects of the tax provisions further as I go through the bill section by section.

At this point, having described the program provided for by H. R. 7474 and the tax provisions included to permit the accomplishment of this program on a pay-as-you-go basis, I wish to call your attention briefly to the minority views signed by four members of the committee, since their views relate principally to these two features.

The minority views take exception to the size of the program for the interstate system and to the inclusion of any tax provisions in the bill. One reason given for the opposition is that because of the size of the program it would be inflationary because of a shortage of cement and of highway engineers. Evidence presented before the committee satisfied the majority that present capacity and planned expansion of material production would be ample to meet the program provided for by the bill. The signers of the minority views recommend the substitution of a plan calling for an expenditure of $1 billion annually on the interstate highway system for a 10-year period. In discussing the taxes it is stated by the minority that they have no objection to a soundly developed program of user taxes to bear the larger share of the increased cost of the interstate system, but they take various exceptions to the tax proposals included in H. R. 7474. The objections voiced did not seem to the majority to be well grounded and it was felt that they stem primarily from opposition to the inclusion of any tax provisions in the highway bill. The signers of the minority views recognized that under their substitute proposal with no provision made for increased taxes there would be a substantial gap between the cost of the program and any revenues that might reasonably be anticipated. It is to be noted that the minority also renounced the plan called for by H. R. 7494. The substitute proposal of the minority is basically a deficit-financing proposal with the taxpayers having to carry the burden which should properly rest upon the users of the highways. It should also be mentioned that in individual views filed by one member of the committee agreement was expressed with the views of the minority with regard to their position with respect to the size of the program on the interstate system. However, he expressed disagreement with the views of the minority with regard to the tax provisions and agreement with the policy of the majority in putting the highway program on a pay-as-you-go basis through the levying of new taxes.

Another important provision of H. R. 7474 is one having to do with size and weight limitations. While fundamentally a problem of State regulation, the committee felt that if the Federal Government is to pay 90 percent of the cost of the national system it is entitled to protection against damage to that investment, caused by excessive loads on the highways. Hence provisions have been included in the bill to withhold apportionment of funds for the national system from any State which increases its maximum weights and dimensions of vehicles over those permitted in State laws in effect on March 1, 1956, or than the standards recommended by the American Association of State Highway Officials, whichever are greater. This is an entirely reasonable provision. The proposed interstate system will be built to specifications substantially in accord with those recommended by the American Association of State Highway Officials. It should be clearly understood that this provision will not cause any State to reduce the size and weight limitations now in effect. This is identical with a provision in the Senate bill except that in that bill the date governing State laws is July 1, 1955, instead of March 1, 1956. H. R. 7494 does not contain any provision dealing with sizes and weights but we think it highly important that any bill passed by the Congress contain such a provision. It is worthy of note that none of the minority views or the separate or individual views took any exception to the inclusion of such a provision.

Another feature of H. R. 7474 is a provision having to do with the relocation of facilities of public utilities caused by the reconstruction of highways. Section 7 of the bill provides that 50 percent of the cost of relocation of utility facilities necessitated by the construction of a project on the Federal-aid systems may, on the recommendation of the State highway department, be paid from Federal funds whenever under the laws of the State where the project is being constructed the entire relocation cost is required to be borne by the utility. It is also provided that in no case shall the reimbursement on any project exceed 2 percent of the total approved cost of such project. In view of the magnitude of the proposed highway program, and the resulting heavy financial burdens on the utilities that could not reasonably have been anticipated, the committee felt that it would be fair and equitable to include a provision such as I have described. A similar provision was included in the bill passed by the Senate. H. R. 7494 contains no provision similar to this. Exception to this provision was taken by the five signers of the additional minority views.

The last provision to which I wish to call attention at this time is one contained in section 11, providing that all workmen employed on the initial construction work on projects in the interstate system authorized by this act shall be paid wages at rates not less than those prevailing in similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act. No similar provision is contained in S. 1048 as passed by the Senate or in H. R. 7494. In separate views signed by two members of the committee exception was taken to the inclusion of this provision.

At this point I should like to indicate to you the coverage of H. R. 7474 by describing briefly and in general terms the content of each section of the bill. For the most part I think it unnecessary to give you the detailed provisions of each section nor to comment on them as the

most important points have already been covered in my previous discussion of the bill. This, however, will not be true with respect to section 4, the tax provision, which will require further detailed comment.

Section 1 of the bill contains the authorization for appropriations for the regular Federal-aid program other than the interstate system for the fiscal year 1957 and includes an outline of the program for the next 13 years through the fiscal year ending June 30, 1969, in the form of a declaration of intent. The details of this section have already been presented to you.

Section 2 contains the authorization of appropriations for the construction and improvement of the interstate system for a 13-year period beginning with the fiscal year ending June 30, 1957, and extending through tne fiscal year ending June 30, 1969. The authorizations start with $1.2 billion for the year 1957 and gradually increase to a maximum of $2.3 billion for the years 1964 and 1965, and then gradually descend to the level of $1.2 billion for the years 1968 and 1969. The total of these authorizations is $24 billion. The committee is of the view that with a program of this magnitude and of this duration spelled out in advance, and with the gradual acceleration provided for by this plan, the road-construction industry will be able to keep pace and thus avoid the inflationary effects feared by the minority. Section 2 also provides for the manner of determining the sums to be apportioned each year among the States. The sums are to be apportioned in the ratio which the estimated cost of completing the national system in each State bears to the estimated total cost of completing the entire national system, as set forth in computations filed by the Bureau of Public Roads in House Document No. 120, 84th Congress. S. 1048 provides that the money for the interstate system shall be apportioned in the same manner as now provided by law. The apportionment provision in H. R. 7474 seems much preferable to that in the Senate bill for it is designed to insure the uniform completion of the entire interstate system whereas the Senate provision does not necessarily insure that result. The size and weight limitation provision already described is also to be found in section 2. Following the size and weight limitation provision there is a direction to the Secretary of Commerce to expedite the conduct of tests by the Highway Research Board of the National Academy of Sciences in cooperation with the Bureau of Public Roads and certain others for the purpose of determining the maximum desirable dimensions and weights for vehicles operated on Federal-aid highway systems, and to submit such recommendations to Congress not later than March 1, 1958.

Section 3 would permit up to 20 percent of the amount apportioned to any State in any year for expenditure on Federal-aid, primary, secondary, urban, and interstate systems, respectively, to be transferred from the apportionment under one system to any of the others, when requested by the State highway department and approved by the governor and the Secretary of Commerce as being in the public interest. The current rate of transfer permissible and not applicable to the interstate system is 10 percent. State highway officials have urged the increase of this percentage to 25 percent. The committee determined that a figure of 20 percent was reasonable and that this greater latitude and flexibility was desirable. This figure of 20 percent is the same as that included in S. 1048.

This brings us to section 4, containing the taxing provisions, which is probably the most important section of the bill, or if not the most important section, at least of coequal importance with sections 1 and 2 of the bill setting forth the road program. Its importance stems from the fact that our committee is firmly convinced that if there is no means provided for financing the road program there will be no law establishing such a program. Quite understandably, this section was the most controversial in the entire bill. The committee had two principal objectives; the first was to provide a scale of taxes that would produce sufficient revenue so that when added to the revenue anticipated from existing taxes on fuel, large tires and tubes, there would be sufficient money coming in to pay for the program provided for in sections 1 and 2 of the bill. As I have already indicated to you, the $12.4 billion expected to be raised from the new taxes, when added to the $21.6 billion expected to be derived from the existing taxes on the items named, will cover about 96 percent of the estimated total Federal expenditures for highways during the 13-year program. The second major objective of the committee was to divide the burden of the new taxes equitably among the various classes of users. This the committee feels it has done.

The taxes imposed by section 4 include an increase of the tax on gasoline and special fuels from 2 cents to 3 cents; an increase in the tax on diesel fuel from 2 cents to 4 cents; an increase in manufacturers' excise tax on trucks, truck trailers, and buses from 8 percent to 10 percent; an increase in the tax on tires larger than 8.50 by 18, used on trucks, trailers, and buses, from 5 cents to 15 cents per pound; an increase in the tax on tires larger than 7.25 by 18 but not larger than 8.50 by 18, used on trucks, trailers, and buses, from 5 cents to 8 cents per pound; an increase in the tax on inner tubes for tires larger than 8.50 by 18 from 9 cents to 15 cents per pound; and a new tax on camelback or recapping material having a crown width of 6 inches or more amounting to 15 cents per pound.

Exemptions from the increases are provided for nonhighway uses and for municipal transit systems. In view of the fact that the proposed new taxes are designed as user charges to pay for the highways it was deemed to be both logical and equitable that off-highway uses of both fuel and tires be exempted, as for example in connection with the operation of farm machinery.

In view of the importance of this section I should like to explain to you briefly the manner in which we arrived at the various taxes. Knowing approximately the amount of money we had to come up with, it soon became obvious to the committee that a very large proportion of the total would have to be derived from an increase in the tax on gasoline, as this appeared to be the only feasible source from which anything like the required sum could be obtained. This becomes clear when you realize that of the $12.4 billion to be raised over the 16-year period, $9.3 billion of it, or 75 percent, is to be derived from an increase of 1 cent per gallon in the tax on gasoline. Furthermore, this is a reasonable feature of a user charge system because it does reach out and tap all of the users of the highways.

With this as the basic tax provision, certain natural consequences followed. The first of these, and one of relatively little significance, was that the tax on certain special fuels should similarly be increased from 2 cents to 3 cents. Another was that the tax on diesel fuel, which is becoming more and more to be used as the fuel in heavy commercial vehicles, should be increased. Here, however, there was a question as to how much the increase should be. Currently the rate on diesel fuel is at the same level as the rate on gasoline, namely, 2 cents a gallon. When considered as a user charge this is inequitable to the users of gasoline because vehicles using diesel oil obtain on the average about 1.6 times as much mileage as vehicles of similar size and weight using gasoline. Thus, to equate the tax to terms of the relative use of the highways, the tax on diesel fuel should be approximately 1.6 times as high as the tax on gasoline.

After the increases proposed in this bill go into effect, the Federal tax on gasoline will be 3 cents. Accordingly, it would seem appropriate that the tax on diesel fuel should be close to 5 cents per gallon. As I have pointed out the increase in the tax on diesel fuel is only to 4 cents a gallon. Frankly, this is one of the compromises that it was necessary to make in connection with the consideration of this bill in the committee, and while I personally felt that a 5-cent tax was more appropriate on diesel fuel, I am willing to abide by the judgment of the majority of the committee and support the tax of 4 cents a gallon on diesel fuel, provided all the other provisions of this section receive support.

Another consequence that flowed from the decision of the committee to impose as a basic tax an increase of 1 cent per gallon in the tax on gasoline was the realization that the across-the-board imposition of such a tax would result in a heavy discrimination against the private automobile and in favor of the heavy commercial vehicles. Evidence before the committee indicated that for each ton-mile of use of the highways a heavy truck paid only about one-fifth as much gasoline tax as the average automobile paid. Accordingly, when heavy commercial vehicles pay the same rate of gasoline tax as private automobiles, this discrimination against the private automobile is created, and the committee felt that some additional tax

applicable only to the heavy commercial vehicle should be included in the proposed new tax structure.

It was suggested by a member of the committee that tires served to reflect use of the highways in terms of weight and distance because the heavy vehicle requires more and larger tires, and the greater the mileage of such a vehicle the more often the tires would have to be replaced. Accordingly, it was determined that a tax in the form of so many cents per pound on the rubber in the tires used by the vehicles of the size and type so greatly favored by the uniform gasoline tax would meet the requirements of the situation. Data presented to the committee indicated that the size of the tires used by such vehicles were those larger than 8.50 by 18. The question then remained as to what the rate per pound should be on such tires.

Evidence was presented to the committee that indicated that it would take a tax of 41 cents per pound on rubber to overcome the discrimination against the private motorist created by a 1 cent a gallon gasoline tax. No competent evidence refuting this figure was presented to the committee, but it was felt that an increase in the tax on rubber for large tires of this amount would perhaps be too drastic a tax at this time and that a lesser rate of tax should be imposed. The committee finally arrived at a tax of 15 cents per pound on the large tires. This is a very modest tax and in my judgment too low, but again I am willing to abide by the decision of the committee in this respect. It is estimated that at the outset the increase in the tax on large tires will bring in approximately $45 million revenue per year and that over the 16-year period it will average approximately $65 million per year.

The committee felt that in addition to the increase to be imposed on large tires there should also be a somewhat smaller increase on medium size tires for commercial vehicles because while the discrimination in their favor in comparison with the private automobile is not nearly as marked as in the case of the heavy trucks, some discrimination does exist and also it is anticipated that enormous benefit would be derived from the new roads by this class of vehicles. Accordingly, the committee concluded that an increase in the tax on rubber in tires of this size of 3 cents per pound should be included. The tax on medium tires is expected to produce about $9 million at the outset and ultimately reach $14 million, with an average of about $11.5 million.

The tax on the so-called camelback, or retreading materials, is a natural corollary of the tax on large tires. It is imposed only on camelback of the size normally used on the large size tires. One important consideration in this connection was that it was feared that without such a tax various people might be inclined to recap tires more often than was safe in an attempt to avoid buying new tires carrying the newly imposed taxes.

The increase in the manufacturers' excise tax on trucks, buses, and trailers from 8 to 10 percent is certainly fully justified for there is no reason why private automobiles should be paying 10 percent as they are now and trucks, buses, and trailers pay some lesser amount. Particularly is this so in view of the highly favorable treatment that they receive through the imposition of the common rate of tax on gasoline. Thus you have a brief explanation of how the committee arrived at its conclusions to impose the various taxes in section 4.

Despite the conviction of the committee that the taxes being imposed on heavy trucks were extremely moderate, the committee took pains to investigate to determine what the probable overall effect would be on the trucking industry as a consequence of the construction of the new roads called for by the program and the imposition of the taxes provided for in section 4. Data obtained from reliable trucking sources indicate that it is the judgment of the industry itself that the proposed new roads will probably result in savings annually to the trucking industry of over $1 billion. Probably the best means of comparing the savings anticipated from the construction of new throughway type highways such as the proposed interstate system and the cost of the taxes to be imposed by this bill is in the terms of cost per vehicle mile. According to truck studies, operations over roads of throughway design as compared to other roads will result in savings of at least 5 cents per vehicle mile. All of the increased taxes imposed by section 4 taken together would increase operating costs for heavy trucks approximately one-half cent per vehicle mile. There can be no question about the modest nature of the taxes being imposed upon the trucking industry by this bill. If there is anything wrong with the tax provision insofar as it imposes taxes upon heavy trucks, it would be because the level of the taxes is too low, not too high. However, even if the tax is not adequate, the bill does establish the principle of the user charge, which is a great step forward.

The president of the American Automobile Association supported the taxes on the heavy trucks but felt that the tax on heavy tires should be at the rate of approximately 50 cents per pound instead of 15 cents. Representatives of the railroads also supported the user charge on trucks in the form of the tax on large tires but felt that in order to overcome what they regard as the subsidization of the heavy trucks by the private automobile through the payment of an equal rate of 3 cents per gallon as proposed on gasoline, it would take a tax of approximately $1.20 per pound on tires. The committee took into consideration all of the conflicting views and reached the conclusion that the proposal now contained in H. R. 7474 is fair and equitable as between users and will result in a soundly financed highway program.

Returning now to an analysis of the bill, section 4 also contains certain technical provisions for the imposition of floor taxes and also for refunds on floor stocks at the end of the tax period. It will not be necessary to explain these in detail.

Section 5 permits the Secretary of Commerce to acquire lands for the new interstate system and provides the means of controlling access to the roads to be built as part of the interstate system.

Section 6 permits the Secretary of Commerce to make certain advances to the State for the acquisition of rights-of-way. This is an important provision which it is believed will result in substantially reduced costs of acquisition of rights-of-way for the new interstate system.

Section 7 contains the provisions with respect to relocation of utility facilities, which I have already discussed.

Section 8 declares it to be the sense of the Congress that all segments of the Federal-aid system should be improved to standards adequate for national defense and national economy at the earliest practicable date. The Secretary of Commerce is to submit to the Congress by February 1, 1957, and annually thereafter, a report together with recommendations regarding the progress in attaining this objective.

Section 9 provides that the Secretary in connection with the undesignated mileage of the national system shall take into consideration elimination of bottlenecks in evacuation routes leading from target areas as designated by the Federal Civil Defense Administration.

Section 10 provides for agreements between the Secretary and the State highway departments to control access to the national system. It also provides that these agreements shall contain provisions necessary to insure to the users of the system benefits of free competition in purchasing supplies and services adjacent to the highways in the system.

Section 11 contains the Davis-Bacon Act provisions already discussed.

Section 12 authorizes the inclusion in the national system of toll roads, bridges, or tunnels under certain specified conditions.

Section 13 would broaden the definition of the term "construction," as contained in section 1 of the Federal Aid Highway Act of 1944, by adding thereto the following words: "cost of relocation of tenants, cost of demolition of structures, or removal of usable buildings to new sites, including the cost of such sites."

Section 14 contains certain administrative changes deemed necessary to carry out the greatly expanded program provided for by H. R. 7474. It provides for the addition of certain top supervisory and administrative grades. It also changes the name of the Bureau of Public Roads to the Public Roads Administration and abolishes the office of the Commissioner of Public Roads. It also provides that the new administration be headed by an administrator appointed by the President with the advice and consent of the Senate.

Section 15 repeals so much of section 1 and section 2 of the Federal Aid Highway Act of 1954 as authorize appropriations for the fiscal year ending June 30, 1957. This was appropriate because the new bill provides authorization of appropriations for that year.

Section 16 provides that section 13 of the Federal Aid Highway Act of 1950 relating to hearings for projects involving bypasses shall not be applicable to projects on the national system constructed pursuant to section 2 of this act.

Section 17 provides that all provisions of the Federal Aid Highway Acts not inconsistent with this act shall remain in full force and effect and that all inconsistent provisions are repealed.

Section 18 is a separability clause.

Section 19 provides that this act may be cited as the "National System of Interstate and Defense Highways Act of 1955."

This, gentlemen, is the bill presented to you for your consideration by the Committee on Public Works. In my judgment it is a realistic bill providing for a sound program of highway construction, soundly financed. In view of the complexity of the problems involved and the diversity of the interests affected, I think there was a remarkable degree of agreement among the members of the Public Works Committee. I recommend this bill for your favorable consideration and support.

Mr. DONDERO. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the gentleman from Maryland, Mr. FALLON, the acting chairman of our committee, has presented to the House clearly and distinctly the provisions of the committee bill. It is my purpose to present to the House what is contained in the President's bill or the Clay committee bill, which embraces a different philosophy from that reported by our committee.

The subject of highways in this country is not new. Although we have the finest network of highways of any country in the world today, yet through the years and because of war they have been neglected and we are far behind in preserving or providing the necessary highways for our people. We must provide an adequate system to support the economy of our country which travels on the roads of the Nation today. The purpose of this legislation is to see whether or not we can provide a method by which the American people shall have a system of highways adequate for their needs, adequate to carry the 70 percent of the economy of the Nation, because that is about the percent of our business that now travels on the highways of the United States. Knowing that we are far behind as a Nation in the construction of roads, the President in 1954 conceived the idea of appointing a commission now known as the Clay Commission—by the way, it was a bipartisan commission—to study the question of our need for roads in the United States and make a report. That committee or commission was in session over 4 months, and it is my information that they contacted nearly every segment of the American economy, business, labor, agriculture, industry, in order to get all of the information they could on which to file a proper report with the President. That report is now known as the Clay report, as I have said.

Two bills were introduced at the beginning of the year, known as H. R. 4260 and H. R. 4261, the first one by the gentleman from New York [Mr. BUCKLEY], the chairman of the Committee on Public Works, and the other by myself, which embodied substantially the provisions and the recommendations of the Clay Commission. With few minor amendments and one major amendment, that report containing the recommendations is embodied in the bill which I will offer today as an amendment to the committee bill, so that the House may have its choice.

The committee bill provides a method of taxation to be immediately assessed to pay for the roads. The Clay bill, or the bill I have introduced, provides a different method of securing the money, namely, the issuance of bonds to run 30 years in order to spread the burden over a longer period of time and also to provide a way so that more people and more cars will help to pay the bill instead of fastening it on the people in the next 10 or 15 years.

There are no new taxes provided in the Clay bill or my bill. Present taxes remain unchanged and no new ones added. My bill leaves it exactly as it is now. It does not contain two things that are in the committee bill. It does not contain the Bacon-Davis provision. It does not contain the reimbursement of utilities. It does not contain the provision for reimbursement to the States for roads already built.

What the acting chairman of the committee has said in reference to the report and the committee bill clearly indicates, of course, that only 12 hours were spent upon the taxing feature of the Fallon bill. I do not agree that this is a gag rule because section 4 of the bill covers the subject of taxation. We all know, at least those who have been here any number of years, that you cannot bring a tax measure to the floor of the House in any other manner and hope for any success for final conclusion on it except under a closed rule. So I believe the rule adopted is fair. I know that amendments may be offered to the bill which I introduced—H. R. 7494. I do not know exactly what they may be. Be that as it may, the bill will be offered and Members will have an opportunity to express their will on the kind of a road bill they think we ought to have.

I remember well what the chairman said in reference to the action of the other body; that they had voted down the Clay bill, or the philosophy contained in it, by a vote of better than 2 to 1. I do not believe the House of Representatives should always be guided by what another body does in regard to legislation. We have the right to express our views. We represent the American people. I think they expect us to present to them the kind of legislation which will in the best way provide what they need the most, namely, an adequate highway system to meet our fast-growing economy.

Why do I say that the Clay bill in my judgment is the better bill? We have 58½ million registered cars in the United States today. The Nation is growing at the rate of about 2½ million in population every year. In addition to that, we are adding to the highways of the Nation every year between 2½ or 3 million new cars. The industry has been providing about 6 million new cars a year, but 3 million old cars leave the highways each year. This leaves a net gain of about 3 million cars a year on our highways. In 10 years that means 30 million more cars will be on the highways of this country in addition to the 58 million we now have. It shows the great need, and also I think the great emergency that faces us, to provide an adequate system of highways at the earliest possible time.

As to taxes, my own opinion is that inasmuch as the interstate system—and that is what we are talking about here today—does involve the question of the Nation's security and national defense, that all of the people of the United States should share in paying for the new roads through the issuance of bonds rather than assess new taxes. I believe the people would be perfectly willing to pay, just as we are doing now, and they would not be unduly burdened by paying the additional interest if spread over a 30-year period.

I am sure that every Member in this House can think of project after project in his district that has been financed and constructed in the same manner as we propose to build the roads under the Clay bill or my bill.

Schoolhouses, waterworks, sewer systems, and nearly every great public project in your State and district, with few exceptions, are paid for by borrowing the money, issuing bonds and paying interest thereon. They pay for them as they use them. That is exactly the philosophy of the President's or the Clay bill.

I have heard something said about a Presidential veto. That is the first time that subject came to my ears. I know of no road bill that the President has said he was going to veto. If that has gotten abroad, I certainly did not hear it.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from New York.

Mr. KEATING. May I ask the gentleman if the substitute he proposes to offer has specific provisions as to how these bonds are to be paid off? Does it earmark any revenues for that purpose?

Mr. DONDERO. I do not believe under the laws of the land you can definitely earmark revenue, but at least there is a moral connection between the revenue from gas and other fuel taxes from which the bonds and interest would be paid over a period of years.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Connecticut.

Mr. MORANO. As I understand, the formula is contained in the gentleman's substitute?

Mr. DONDERO. Yes; I omitted to mention that.

Mr. MORANO. Will the gentleman explain what the formula is with respect to matching funds?

Mr. DONDERO. Under the 1954 Act, the formula on the ABC roads is 50–50, just as it has always been. The Clay bill provides that the $622 million needed for matching funds in these 3 categories of roads remains the same, and the amount received above that will be given to the corporation under the bill.

That would amortize the bonds and interest as they come due.

Mr. MORANO. Is it estimated that there will be more than $622 million coming in?

Mr. DONDERO. There will be.

Mr. MORANO. So that you will have excess money to help pay interest on the bonds and retire them?

Mr. DONDERO. That is correct. The tax on gas, diesel fuel, and other user taxes now amounts to about $2,300,000,000 a year.

Mr. WITHROW. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Wisconsin.

Mr. WITHROW. I believe the gentleman ought to state that Secretary of the Treasury Humphrey, when he appeared before the committee, made the positive statement that could sell these bonds, and very readily.

Mr. DONDERO. That is correct. There is no question about the bonds being sold. Undoubtedly it would follow the same rule we adopted in the St. Lawrence Seaway bill, where bonds were provided for payment.

Mr. MORANO. Does the gentleman have any information as to how much interest may be on those bonds?

Mr. DONDERO. It has been stated as eleven or eleven and a half billion in the 30 years they will run.

Mr. FALLON. Mr. Chairman, I yield 13 minutes to the gentleman from New Mexico [Mr. DEMPSEY].

Mr. DEMPSEY. Mr. Chairman, I think everybody in this House, and certainly every witness that appeared before our committee, acknowledges we must have additional roads. The road situation has reached a condition where there is very little safety. We are killing more than 100 people a day and injuring over 3,000 people a day.

As far as I am personally concerned, I am for doing something about the highways. Our highways are 20 years behind the rest of our Nation's economy. It is pretty near time that we set up some funds to correct the evils of the past. We have spent too little money on highways in the past, and that neglect is what people are suffering from now.

We have heard our chairman, the gentleman from Maryland [Mr. FALLON], explain the bill. We have heard the ranking member of our committee, the gentleman from Michigan [Mr. DONDERO], explain his part of the bill and what he thinks about it. They are both very able men. I propose to vote for a highway bill. Whichever bill this body feels is the better bill will have my approval. I do think there are many things to be considered. There is very little difference, if any, between the Clay bill and the Fallon bill. There is no difference in the amount of money involved or any difference in the way the money will be applied. A formula has been worked out, which I think is most equitable. In the past we have expended the money in the respective States, so far as Federal aid is concerned, on the basis of population and on the basis of the number of miles of roads in the State and so on. This bill does not do that. It is a more equitable bill. Whether you have the Clay bill or the Fallon bill, the same application appears so far as the allocation of funds is concerned. There are 40,000 miles of highways to be brought up to a high standard by both bills. The allocation of funds is predicated upon what the cost in the respective States will be. In other words, if each State had 100 miles of roads or 1,000 miles of roads, they would not all get the same amount of money because the costs in some States are very much higher than in others. In States like New York, California and Pennsylvania, the costs are high. In the Western States the costs are low. So that annually you would get one-tenth or one-twelfth of the amount required under either bill, depending on the number of years, to apply to that percentage of the roads in your State so that all States could have their roads completed at the same time.

The Secretary of the Treasury, Mr. Humphrey in appearing before our committee, pointed out that there were two routes we could take. We could take the Clay bill using the bonds and setting up a corporation or we could provide taxes. He said he preferred the bond route, but that the other was very satisfactory to him. As a matter of fact, he said from the standpoint of inflation—there was more inflation in the bonds than there was in paying-as-you-go. He also said he did not know any Secretary of the Treasury who would not welcome additional funds coming into the Treasury.

The thing that concerns me about the so-called Clay bill and the bond route is this: We have a certain income coming in from gasoline taxes and diesel-fuel taxes. Those are the only two tax features we have being considered in the Clay bill. From those two sources the annual revenue at the present time is approximately $1,019,000,000. The present allocation for primary and secondary roads runs something over $600 million. We have estimated the increase as we go over the years of the additional taxes which we will get from gasoline and diesel fuel. Those are the only taxes that would be considered, that is, to pay off the bonded indebtedness and to pay for the upkeep and improvements of the primary, secondary, and urban roads. The bonded indebtedness will be paid off over a period of 30 years, and it is going to take all this surplus money that we do not spend for the primary and secondary roads to pay off the bonds and the interest. There is not a man or woman in this House who does not know that you must improve the secondary roads and the primary roads over these 30 years.

We are going to have a serious situation in regard to the increasing number of cars on the highways, 3 million a year. In 15 years we are going to have a condition probably more serious, if that is possible, than you have today.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. I yield to the gentleman from Maryland.

Mr. FALLON. The gentleman calls to the attention of the House the fact that in the report we show that 100 persons are killed daily on our highways and 3,000 sent to hospitals. We also had testimony before our committee to the effect that in the last 10 years 300,000 lives were lost on the highways; the economic loss was $35 billion; and that we hospitalized 8 million people.

Mr. DEMPSEY. That is correct.

Mr. FALLON. And the forecast for the future is that this loss is going to increase alarmingly.

Mr. DEMPSEY. It is going to increase alarmingly, and unless we get this job started immediately, I think the responsibility must rest on the shoulders of each Member of this House.

Mr. WILSON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. Very briefly.

Mr. WILSON of Indiana. The gentleman made the statement that Secretary of the Treasury Humphrey had more or less agreed that there were two ways of financing this project, one by raising taxes, and he approved this. Is it not true the gentleman would imply that he approved this particular tax program?

Mr. DEMPSEY. I will say this to the gentleman, he said he had checked over these figures and there was very little difference between what we showed and the results of the Treasury Department experts.

Mr. WILSON of Indiana. But does the gentleman mean to imply that he said that this is the right proportion of tax and on the right items to raise the money? I want to make that clear.

Mr. DEMPSEY. He did not say that because he did not appear there as an expert on raising money for highways. He did say he would welcome a payment plan, that if a choice had to be made between two plans he would prefer the Clay bill. That is what he said.

Mr. BURNSIDE. Mr. Chairman, if the gentleman will yield, I believe the gentleman will remember that he said in answer to questions I asked him that he would have no objection to the Fallon bill.

Mr. WILSON of Indiana. But did he say that the tax on rubber was just right?

Mr. BURNSIDE. He said this tax would be all right.

Mr. WILSON of Indiana. Did he say that the excise tax was just right, that the diesel-fuel tax was just right?

Mr. DEMPSEY. Mr. Chairman, I did not yield for two Members to engage in an argument between themselves. I refuse to yield further. I tried to answer the question.

Fifteen years from now we are going to have a much more difficult situation on our highways. Under the Clay bill our highway funds would be mortgaged for 30 years. Where are we going to get the money to keep up the primary and secondary roads that tie into the interstate system? And that is something that is very necessary to do.

Secretary Humphrey did say that we would not in this bill take money from the general fund, that for whatever money we use we must either issue bonds or create taxes. That was the statement of the Secretary of the Treasury. I think he was very frank and a very splendid witness, so far as I am concerned.

I shall not take much more of your time, but for a great many years I have

been trying diligently to obtain more money for highways, because I have had occasion to know of the need. We must build a better road base, we must build lanes that are wider, we must build highways that are wider. It is not sufficient to have a lane that is 9½ feet wide when the trucks themselves are 8½ feet. We must have 12-foot lanes and a 6-lane interstate system instead of 2 lanes.

And I would like to speak of the death situation. For every 2 people we kill on a four-lane highway with a comparable mileage we kill 7 people on a two-lane highway. We have these narrow bridges, nearly 10,000 of them, on the 40,000-mile interstate highway system, bridges that are entirely inadequate.

I am most regretful that the Treasury cannot see its way clear to provide some of the money so badly needed, because when we kill over a hundred people a day on the highways it is more than all the men who were killed in the Korean war. Twenty-four thousand people were killed there, but we kill from 36,000 to 38,000 a year on the highways of America. I think the time has come when something should be done to correct this situation.

I, as I am sure was every other member of the committee, was hopeful that an adequate highway development program could be carried out without any additional tax. Weeks of careful and conscientious research and study provided convincing evidence that this could not be done. It was either a reasonable and equitable tax increase or adoption of a plan that would cost $11.5 billion in bond interest alone and tie up our normal tax income for roadbulding purposes for the next 30 years. That freeze of funds could result only in another serious deterioration in our highways and places us in a position of having once more to seek additional income to provide traffic arteries adequate to cope with our constantly increasing motor vehicle population.

To burden the American taxpayers with $11.5 billion additional, of which not $1 would build roads, even though the taxpayment were extended over the 30-year period does not make sense. It is not good business.

It is entirely possible that the tax increases proposed in this bill may be inequitable, insofar as some segments of the taxpaying group are concerned. The burden may be disproportionately distributed. But I can assure you that any inequity, if there be one, is not the result of prejudice or bias on the part of any committee member. If such an inequity should be shown to exist by even brief experience, it can and will be readily corrected.

It is well to bear in mind, I believe, that financial considerations in this legislation are not confined to taxation alone. The roads to be constructed under this program will result in enormous savings for owners and operators of vehicles. Conservative estimates made by traffic experts are that operating cost of the passenger cars will be reduced at least 1 cent a mile, while for larger vehicles they will amount to 4 cents a mile. Our deteriorated and inadequate highways have been costing us many human lives each year. It is estimated that this annual toll of 38,000 will be cut by at least 5,000 by improved roads. There will be material reduction in the more than 1 million injuries resulting from traffic accidents as well as in the $3 billion a year in property damage and other losses incurred on our present deficient highway system.

The attitude of the American public in general, the great rank and file of the men and women who own and operate motor vehicles every day, has been most gratifying. Very few have voiced any opposition to the proposed gasoline-tax increase. To my mind, that is evidence beyond refutation that they are willing to pay for better roads, that they recognize the need for those roads, and that the proposed gasoline-tax increase is the most sensible way of investing in those roads.

Personally, I would be very happy indeed if we could devise some magical way of solving our highway problem, so that our defense effort and economic welfare would not be seriously hampered, without resorting to any tax increase, without the issuance of bonds which would add to our indebtedness and increase our interest burden. But the Nation's best fiscal experts, including the Secretary of the Treasury, told our committee what would be necessary in order to carry out the contemplated highway program. We agreed upon what we believed would be the wisest and most economical course in the long run. This legislation is the result. I believe it is entitled to the support of every Member of this House.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. I yield to the gentleman from Michigan.

Mr. RABAUT. Mr. Chairman, I want to commend the gentleman for the fine statement he has made. It has been clear, open, and all embracing. The gentleman's statement is like his character.

Mr. DEMPSEY. I thank the gentleman.

Mr. DONDERO. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. McGREGOR].

Mr. McGREGOR. Mr. Chairman, I want to take this opportunity first of paying my respects to the distinguished chairman of the majority party, the gentleman from Maryland [Mr. FALLON]. He has been most fair in our deliberations. He has given the minority party every consideration except for about 30 days when they had their own private little party and we Republicans were not invited. Outside of that he has been most considerate. I also want to pay my respects to the ranking minority member of our committee the gentleman from Michigan [Mr. DONDERO], and the junior member from New Mexico [Mr. DEMPSEY].

I want to join with the gentleman from New Mexico in his statement that, in his opinion, the American people want better roads and they are willing to pay for better roads. But, let us be honest. If you want roads you are going to have to pay for them.

There are two ways of paying for these roads, one in the form of bonds, as is suggested in the Clay Committee report, and, second, by means of taxes, which the gentleman from Maryland [Mr. FALLON] has submitted for your consideration in the bill which came out of our committee.

I resent very, very much the inference from some people that the Public Works Committee did not give proper consideration to the highway measure. Let me say that the Clay Committee bill had hearings before our committee from April 18 to June 1, inclusive, 90 percent of that, if you please, on the interstate system. Last year we had 13 weeks of hearings on the intrastate system. So, certainly, we have given the road program every consideration.

It has been suggested to us, and I think rightly, that if you were to bring an authorized highway bill to the floor of this House for consideration everybody would vote for the highway bill and then if you brought a revenue-raising measure later to the floor for consideration everyone would vote against the revenue-raising measure. So, let us be honest, let us have a backbone where some wishbones are. Let us live up to our responsibility. If we are going to vote an authorization for the expenditure of $25 billion let us have the intestinal fortitude to say: Yes, we are going to raise the money to pay for it.

As I said before, you can do it in two ways, by bonds or by taxes. No one likes taxes. It is rather amusing to hear some of my good friends get up and raise the question, "Did Secretary Humphrey say that he was in favor of 5 cents or 7 cents or 9 cents?" Of course he did not. We did not ask him the question. We were trying to determine how much money was necessary and then to try to get an equitable tax for all people, if you please. But, regardless of what taxes you put on some people, they will insist that they want the other people to absorb that particular tax. Now, that is the thing that we are faced with. Nobody likes a tax proposal, but let us give the people a road bill that will be satisfactory, and will carry an equitable tax program.

Two years ago in the 1954 Highway Act we authorized and appropriated the approximate amount of money that was collected through the gasoline and diesel tax, $966 million. What are we doing in this particular bill? We are saying to the people, "You who use the roads are going to pay for them." You could not satisfy some people if you took off all the tax except possibly one-tenth of 1 percent. They want good roads, but they want somebody else to pay for them.

Now, the Clay Committee report, which I am advocating, is the result of many weeks of study by a nonpartisan group. It was adopted by the Governors Conference. Not only a majority of the executives, if you please, but nearly every single governor signed that report.

I yield to the gentleman from Mississippi.

Mr. SMITH of Mississippi. Did the gentleman say all 48 governors endorsed the Clay report?

Mr. McGREGOR. That is my understanding.

Mr. SMITH of Mississippi. I think the gentleman is incorrect. I think if he will check, he will find he is in error.

Mr. McGREGOR. If the gentleman will name a governor who did not sign it, I will be very happy to stand corrected.

Mr. SMITH of Mississippi. I am authorized to speak for only one, the Governor of Mississippi. He did not sign it.

Mr. McGREGOR. Of course, I may be in error. I know that the distinguished gentleman from Mississippi has opposed the highway bill ever since we started it, and probably his Governor is doing the same thing. So, I may be in error, and if I am, I stand corrected. We will say, then, that 47 governors signed the report.

Mr. SMITH of Mississippi. I still raise a question about that.

Mr. McGREGOR. So we will say that 47 governors signed it. But, it was signed by a large majority. Put it that way. And I was told that it was a strong majority, and finally unanimous, so I thought. But, I recall now that the gentleman from Mississippi did raise a point of order in the committee that his Governor had not signed it. So, I withdraw the name of the Governor of Mississippi. However, the rest of the governors favored the Clay report. Why? Because we were adequately taking care of the ABC roads along with the interstate system, and we are not putting an exorbitant tax on anyone. You say that is not good business? You farmers, if you decide you have a milk market and need an extra cow, what do you do? You go to the bank and borrow the money and buy the cow. That is good business. And, we are doing it on a sound financial basis, and that is the reason I am pleading with you to back up the substitute that is going to be offered by the gentleman from Michigan. In that way we can go along with a good highway program and give you just as many miles, and you are not going to put on a new tax that hurts anyone.

Mr. Chairman, several months ago President Eisenhower, along with the vast majority of the traveling public, recognized a need for an increased highway program. This was brought about by a full recognition of the bottlenecks in various localities which were most disastrous to both a civilian and military defense program. It was also brought about because of the recognition that approximately 36,000 lives were lost in highway accidents last year.

In order to get a full and complete picture of the needs and necessary expenditures, President Eisenhower appointed a nonpartisan commission to make a thorough study of the needs of our highway system. This study was headed by Gen. Lucius Clay, retired. After many weeks of hearings, they reported to the President their findings and made a recommendation that an adequate highway program could be established without additional taxes, the financing being handled by issuance of bonds dependent upon anticipated revenue.

The President submitted the so-called Clay report to the Congress with the understanding that it was a basis on which the Congress could establish an adequate highway program to meet our civilian and military needs. The program was incorporated in legislation presented in the House of Representatives by the gentleman from New York, Congressman BUCKLEY, chairman of the Public Works Committee, H. R. 4260; and Congressman DONDERO, ranking Member from the State of Michigan, H. R. 4261.

Hearings were held and many, many witnesses appeared before our committee and a large majority, including a full report on the governors conference which represented all the governors of the United States, were in favor of the Clay Committee report.

Before the hearings were finally completed, Speaker RAYBURN called a meeting of the Democratic members of the Public Works Committee to draft their own highway bill and, for the first time since I have been a Member of Congress, politics entered into the highway program. The Republican members of the Public Works Committee were not invited to the so-called session of the Democrats to draft highway legislation.

The result of that meeting was the introduction by Congressman FALLON of H. R. 7072 which called for a 6-cent diesel fuel tax, an increase of 4 cents; a 3-cent gasoline tax, which was an increase of 1 cent; a 50-cent-per-pound tire tax, which was an increase of 45 cents per pound on all tubes 9.00 by 20, which was an increase of 41 cents per pound. Retread or camelback tires had a new tax of 20 cents. The new bill as recommended by the Democratic members of the Public Works Committee before presentation to the full Public Works Committee included Republicans.

Mr. FALLON's bill, H. R. 7072, got such a hot reception from the general public because of its exorbitant and ridiculous tax increases that the acting chairman of the Public Works Committee, who was the author of H. R. 7072, asked that a subcommittee be appointed including Republicans. May I state here, Mr. Chairman, that I have served under many chairmen but never have I served under any that was more fair and willing to assume his responsibility than the gentleman from Maryland [Mr. FALLON]. At our first meeting, when we were called to consider H. R. 7072, Mr. FALLON attempted to explain to all of us that H. R. 7072 was his bill and was not authorized by the Democrat Party. Of course, to anyone on the Hill, this statement is without question one absorbing the blame of the Democrat Party. Knowing George, as we affectionately do, we are certain that he did not introduce any bill without the sanction of the leadership of his particular party. So, after many meetings that we know of, we can truthfully say that H. R. 7072 is the responsibility of the Democratic Party and not Mr. FALLON.

When our full Public Works Committee met relative to H. R. 7072, it was decided that the Republicans, the minority party, should be taken into consideration because the Democrats were bound and determined to put a tax upon the people to pay for their highway program.

A subcommittee was appointed, and this subcommittee reported H. R. 7474—and may I add I voted against it—and it is the stepchild of the bill that aroused such public sentiment, known as H. R. 7072.

The President's Commission—General Clay's commission—made a report that it would give us as many miles of highways and in approximately the same period of time as H. R. 7072 without the additional taxes that is carried in the so-called Fallon or Democratic bill.

Mr. Chairman, at this point I would like to include in my remarks the recommendations of the original Fallon bill, H. R. 7072, and the recommendations of its stepchild, H. R. 7474. Regardless of what the new bill might call for, the Republican Party certainly can be given credit for reducing the taxes on the users of our highways of diesel taxes from 6 cents a gallon to 4 cents a gallon. From tax on tires of 50 cents per pound to 10 cents per pound. From 50 cents per pound on large tubes to 6 cents a pound, and on the so-called camelback from 20 cents a pound to 15 cents a pound—material alone.

At this point, Mr. Chairman, I am not going to take the time of the Congress to enter into various arguments relative to other sections of the bill presented by the majority party of the Public Works Committee. The records will show, however, that we Republicans were very active and gave the controlling vote on whether or not off-the-road users would be exempt from the various taxes set forth by the Democratic Party in this legislation.

We all recognize, Mr. Chairman, that we need an adequate highway program, and we recognize that many want a highway program, but, in their opinion, the other person should pay for it. I am one who firmly believes, and my record will justify the statement, that I want an adequate highway program, with an equitable distribution of the taxes, which is certainly not exemplified in H. R. 7474.

Even though I am not in accord with H. R. 7474 as it is written, yet I firmly believe that if we cannot substitute the Clay Committee report for this legislation that the only chance we have for a highway program is to vote for H. R. 7474 and let the legislation go to a conference between the House and Senate and endeavor to iron out the differences. After all, Mr. Chairman, I reiterate my previous statement that I think the American people want better highways and are willing to pay for them providing they are certain that this additional tax be used for highway purposes. I will do my best to bring this about.

H. R. 7474

Selected additional Federal excise taxes proposed rate and yield, fiscal years 1956–71

Gasoline, 1 cent additional	$9,281,000,000
Diesel tax, 2 cents additional	512,000,000
Large tires (sizes larger than 8½ x 18), 10 cents additional	1,075,000,000
Inner Tubes for above tires, 6 cents additional	52,000,000
Tires (7¼ up to and including 8½ x 18), 3 cents additional	183,000,000
Manufacturers' excise tax on trucks, busses, and trailers, additional 2 percent	928,000,000
Camelback with a crown width of 6 inches or more, 15 cents per pound	395,000,000
Total	12,426,000,000

H. R. 7072, FALLON BILL

Department of Commerce, Bureau of Public Roads—Selected Federal excise taxes, existing and proposed

Item	Fiscal 1955			Fiscal 1956–70		
	Present	Proposed	Difference	Present	Proposed	Difference
1. Diesel tax:						
Rate—cents per gallon	2	6		2	6	
Yield—dollars	23, 219, 000	69, 657, 000	46, 438, 000	476, 850, 000	1, 430, 550, 000	953, 700, 000
2. Gasoline tax:						
Rate—cents per gallon	2	3		2	3	
Yield—dollars	925, 362, 000	1, 388, 043, 000	462, 681, 000	18, 597, 150, 000	27, 895, 725, 000	9, 298, 575, 000
3. Tires 9.00×20 and over (weighing 90 pounds or more):						
Rate—cents per pound	5	50		5	50	
Yield—dollars	22, 580, 000	225, 800, 000	203, 220, 000	500, 540, 000	5, 005, 400, 000	4, 504, 860, 000
4. All other tires:						
Rate—cents per pound	5	5		5	5	
Yield—dollars	109, 130, 000	109, 130, 000		2, 419, 760, 000	2, 419, 760, 000	
5. Tubes 9.00×20 and over:						
Rate—cents per pound	9	50		9	50	
Yield—dollars	3, 252, 000	18, 065, 000	14, 813, 000	72, 082, 000	400, 455, 000	328, 373, 000
6. All other tubes:						
Rate—cents per pound	9	9		9	9	
Yield—dollars	8, 201, 000	8, 201, 000		181, 818, 000	181, 818, 000	
7. Camelback:						
Rate—cents per pound		20			20	
Yield—dollars		46, 000, 000	46, 000, 000		829, 950, 000	829, 950, 000
Total, yield—dollars	1, 091, 744, 000	1, 864, 896, 000	773, 152, 000	22, 248, 200, 000	38, 163, 658, 000	15, 915, 458, 000

Mr. DONDERO. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. MACK], a member of the committee.

Mr. MACK of Washington. Mr. Chairman, everybody is agreed that this Nation desperately needs and earnestly wants more, wider, better and safer highways. Everybody desires to eliminate the 36,000 deaths and the hundreds of thousands of injuries that occur each year on our Nation's highways. When we spend money to better highways, we get it back from the savings that are made, the savings in hospital and medical bills, the savings in wear and tear on our automobiles, trucks and tires. We get it back in the saving on insurance rates automobile owners pay. We get back the money we spend on highways. There is no controversy over that.

So let us here today talk about some of the things which are in controversy. There are four matters in controversy. The first of those is the proposal to give twenty-five to fifty million dollars to the traction companies of the Nation's great cities. This bill, H. R. 7474, provides that we shall take money away from the gasoline and tire users and give twenty-five to fifty million dollars of that money to the traction companies of the big cities. These transit company magnates are the only highway users in the entire Nation who are exempted from the tax provisions of this bill. When one of the gentlemen in our committee talked about the sorry financial plight of the traction companies in New York he almost wept. Last night, I happened to run across a financial magazine and looked at the financial statement of this traction company to which we are going to give part of the twenty-five to fifty million dollars. The report showed that this company made twice as much money in the first three months of this year as it had made in the first three months of last year. I do not think that this Wolfson amendment, as it might be called, should be in this highway bill. But it is there and it is going to stay there, because it is one of the things that we cannot take out of the Fallon bill. We can eliminate this give-away to the transit companies by voting for the President's plan.

There is another proposal in this bill that should never have been in the bill. That is this bill's proposal to give away $970 million of the tax money we take from the gasoline and tire users to the utility companies of this country. The Democrats are always saying that they are for public power and against private power. But here in their bill they give $970 million of the taxes raised by this bill to the great utilities of the country.

Then there is also the Davis-Bacon provision of the bill. That is not a matter of controversy among the members of the committee because we voted Bacon-Davis into the bill by a vote of 28 to 4. Both Republicans and Democrats on the committee supported this provision. But in some sections of the country people are opposed to this proposal.

The big controversy in this bill is over its financial provisions. The President of the United States proposes that we finance this vast highway program by a bond issue to be paid off with the revenues which we derive from the present 2-cent-a-gallon gasoline tax. The President does not feel additional taxes are necessary. During recent years we have been collecting $875 million a year from the gasoline tax. Yet we never have spent, up to July 1 of this year, more than $575 million of the $875 million in any year. Here is a surplus of $300 million we have been diverting from roads to other purposes. The President proposes to take that surplus and the increased returns from gasoline taxes that is occurring at the rate of $50 million a year and employ all of this revenue to pay off these road bonds. The President thinks his plan is sound financially.

The Secretary of the Treasury, the greatest authority on financing in Government says the President's bonding plan is sound. The Treasury experts say it is sound. The Secretary of Commerce says it is financially sound. The Bureau of Public Roads says it is sound. Most of the governors of the United States say the President's bill is sound, workable and desirable. But the Democratic majority of the Committee on Public Works by unanimous vote say it is unsound and they turned down the President's bonding plan and prepared a high tax plan in its place.

After the committee completed hearings, I think on June 1, there was a period of 36 days when nothing was done. No committee sessions were held. During that time there were reports that the Democrats were holding sessions of their own, with no Republicans present, trying to develop a tax plan as a substitute to the Eisenhower program.

The Speaker of the House of Representatives was quoted in the press as being opposed to a bonding plan and urging the committee to take action and get out a highway bill. Then the Democrats did come out with H. R. 7072. The taxes in H. R. 7072 were unfair, unjust and punitive. These punitive tax proposals in that original Democratic bill resulted in the Members of Congress receiving thousands of telegrams in protest to these proposed exorbitant and excessive taxes.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I will yield when I have completed my statement.

Mr. FALLON. The gentleman spoke about a bill I introduced. I do not think he made a fair statement. I do not believe the gentleman would want to make an unfair statement.

Mr. MACK of Washington. I do not want to make an unfair statement, but let me finish my statement, and then let the gentleman give his answer to it.

The Democrat members of the committee had meetings and finally introduced H. R. 7072. It was the only bill before the committee. It was the Democrat's high tax proposal as a substitute for the President's proposal for a bonded highway program. The telegrams poured in. We had a meeting and a subcommittee was named. Not until the subcommittee met did we begin to consider any reductions in the onerous and unjust taxes that were proposed by H. R. 7072, the Democrat bill.

Let me tell you what these taxes in that original Democrat bill were. There

was a provision that every heavy truck tire should bear a tax of 50 cents a pound. These truck tires weigh 100 pounds each. This would be a $50 tax per tire, a 900-percent increase over the present rate of tax.

The tax on truck tubes was increased by the original Democrat bill from 9 cents a pound to 50 cents a pound, a 500-percent increase.

The tax increase on gasoline in the Democrat's bill was 1 cent a gallon, or 50 percent, and on diesel oil a competing fuel to gasoline, it was to be 4 cents, or a 200 percent increase over present rates.

On camelback retread material that wholesales at 31 cents a pound, the tax in the Democrat bill was to be $1 a pound, 3½ times the cost of the material itself.

I noticed in press accounts that some of the Democrats have been protesting that the trucking industry and the tire people have complained about the taxes in this Democrat bill. These Democrats hinted that if the truckers and tire people did not stop complaining they were likely to destroy the highway bill. What industry in this country would not complain if it was proposed to increase their taxes 900 percent, as the Democrats proposed in the case of tires, or 3½ times the price of the commodity, as the Democrats did in the case of camelback? Would not the candy people protest if you proposed a tax of 17 cents on a 5-cent candy bar? Would not the shoe men protest if you proposed a $35 tax on a $10 pair of shoes? Would not the clothiers throughout this country protest if you proposed a $175 tax on a $50 suit of clothes? Of course Members of Congress got telegrams of protest from these people. They were justified in protesting to these proposed unfair and unjust taxes.

Finally the committee went into session with the Republicans and the Democrats attending. The committee discussed this bill very diligently and very thoroughly, and the committee now has come out with the present bill which, in my estimate, is not too bad a bill. The taxes originally proposed have been materially reduced. The $50 tax on heavy truck tires has been reduced to $15. The tax on tubes, that was to be 50 cents a pound, has been reduced to 15 cents. The tax on camelback is made to apply only to the camelback used in big tires and it is reduced to 15 cents a pound instead of being $1 a pound proposed in the original Democrat bill. The diesel fuel tax, that was 6 cents in the original Democrat bill, has now, by the action of both the Republicans and the Democrats working together, been reduced to 4 cents. It still is, I think, too high, but is not really as onerous and not nearly as bad as was first proposed.

It is a pretty fair bill, not good, but not too bad. My position on this legislation is that I will support the substitute that will be offered by the gentleman from Michigan [Mr. DONDERO], which would adopt the President's plan, or the Republican bond plan. If, however, the President's plan is voted down, I will vote for the bill that is now before the House because safer highways are desperately needed.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. FALLON. Mr. Chairman, before yielding time to the gentleman from Illinois [Mr. KLUCZYNSKI], I yield 2 minutes to the gentleman from New York [Mr. BUCKLEY].

Mr. BUCKLEY. Mr. Chairman, I listened attentively to the gentleman from Washington [Mr. MACK] refer to the gentleman from New York as having a crying towel when I was talking about the buses of the city of New York, and also buses throughout the United States generally. It was rather interesting to note that he said the bus system of New York City was making money. For his information, 40 percent of the buses operated within the municipal limits of New York City today have been taken over by the city of New York, because they are unable to pay their franchise tax and have been unable to make any money. Under this bill, a nonuser of the Federal highways is not supposed to be taxed. The buses in the city of New York are confined within the boundaries of the city of New York. For instance, the county which I have the honor to represent, Bronx County, has four Congressmen. The county is 4 miles square, and we have a population of 1,800,000 in that county, and not like the district represented by my colleague, the gentleman from Washington [Mr. MACK]. The buses in the city of New York never go on an interstate highway or on a secondary highway. The only roads over which those buses travel are the routes to which they are assigned from the time the buses are manufactured until the time that they go to the junkyard. Why should buses that operate within the city limits—and this applies not only to New York City but to every other city throughout the United States—have to pay taxes applicable to interstate highways, either a diesel oil tax or a gasoline tax or a rubber tax when the bus is never used on an interstate highway or a secondary road. Of course, Mr. MACK is going to prove to us that the bus companies of New York City are making money; but I would want to see that proved. You cannot vote against this bill, Mr. MACK, because you know yourself the Democrats make a very strong effort against taxing people. But I know that after this bill goes through, the President of the United States when he signs this bill, is going to say this is not the kind of bill I wanted—I did not want to tax the people—but he is going to sign it. Am I right? Yes.

Mr. FALLON. Mr. Chairman, I yield 12 minutes to the gentleman from Illinois [Mr. KLUCZYNSKI].

Mr. KLUCZYNSKI. Mr. Chairman, I am very sorry that in this important legislation we have had to have politics injected. I am very happy to be a member of the Committee on Public Works. The membership of that committee is nonpartisan with respect to legislation of this character. We are a good American committee and we leave our politics outside in the hallway. I am sorry that this incident happened on this very important legislation.

Mr. Chairman, the bill before us today H. R. 7474 is known as the National System of Interstate and Defense Highways Act of 1955.

The extensive hearings which were held on this legislation reminds me of when I was a member of the Committee on Banking and Currency and we had the defense production measure under consideration. Everybody agreed that controls were necessary, but the slogan appeared to be: Please do not control our particular industry. And so it is with H. R. 7474. Everybody seems to agree that we need better roads. Everybody appears to be in favor of an interstate highway system. Most Members of the House and Senate are in favor of adequate Federal highways, but nobody seems to want to pay for them.

The Committee on Public Works held extensive hearings for 8 weeks. After listening to all of the testimony, the Fallon bill was favorably reported from the committee by a vote of 17 to 9. It is my belief that there is not a member of the committee who is satisfied with all features of the bill. We all appear to be in agreement that something must be done to improve the highway system in order to keep to a minimum the loss of human lives on the roads. We must make our highways safer for the motorist, the truck driver and pedestrians.

The gentleman from Maryland [Mr. FALLON], the sponsor of H. R. 7474 and chairman of the Subcommittee on Roads, should be congratulated for making it possible to consider this important measure and afford us the opportunity to debate the bill. The chairman of the subcommittee has been fair at all times with the hearings. He gave everybody an opportunity to be heard, who expressed a desire so to do.

It is generally believed that we must build adequate roads. The Chicago American in its July 22 issue has given an excellent definition of what is meant by the word "adequate." The editorial states by "adequate" is meant a highway system constructed to handle modern traffic safely. It means straight, wide, graded, divided highways with control of access wherever this is needed. If the highways could be built by direct appropriation, that would be favored. If they could be constructed through the issuance of revenue bonds, that would be favored. If they could be established by increased taxation, that plan would be favored.

In the 83d Congress, I introduced H. R. 3637 providing that all money collected annually by the Federal Government from highway users of gasoline, fuel oil, excise taxes on tires, tubes, batteries, accessories, new cars, trucks and buses, which would yield about $2½ billion a year should be placed in a Federal highway aid trust fund, and used for this purpose, instead of going into the general revenue fund of the Treasury and used for other purposes. If this was done we would not today be debating on how to finance a multi-billion dollar much needed Federal highway program.

The administration's bill of February 1955, called for construction of the Interstate Highway System through a revenue bond issue. Under that plan the Gov-

ernment would pay 95 percent of the cost. Under the proposed 30-year bond issue, it is estimated it would cost the taxpayers $11 billion in interest alone.

The Fallon bill levies tax increases and will pay 90 percent of the cost. Because the House Public Works Committee, despite crushing pressure has had the courage to report it favorably after many days of intense and sometimes heated private discussions, I am in favor of the enactment of the measure for adequate Federal highways, no matter how it is financed.

When the pressure was at its heaviest, one of the committee members made this remark, "We have heard from everyone except the public." No one can speak adequately for the public except their Representatives in Congress. The public has no organized lobby or pressure groups and I am confident that we will give the public proper representation in the consideration of H. R. 7474 on the floor of the House today.

The public recognizes it will have to pay the increased taxes no matter upon what industries or articles they may be levied. The public also knows that you spend the money in building the roads and they will pay for them and nonetheless will bless you for the benefits conferred upon them in according them safe means of highway transportation.

Mr. Chairman, I sincerely hope this measure is passed by an overwhelming majority.

Mr. DONDERO. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. SCHERER].

Mr. SCHERER. Mr. Chairman, it was to be expected that in providing legislation for the largest public-works program in all history that intense controversy and marked differences of opinion would develop.

The proposed expenditure of approximately $34 billion has brought tremendous pressures on Members of Congress. As a result, our attention has been diverted from the principal objective of the legislation, namely, the critical and crucial need for a courageous highway program.

There is no longer any question that the highway systems of this country are totally inadequate to meet present and future transportation needs.

It has been said that America is a nation on wheels. Today there are 58 million automobiles on our highways. In 10 short years 90 million vehicles will crowd the roads of America. It has been clearly established by the evidence adduced before the Public Works Committee that our expanding economy will be stifled to an unbelievable degree if we do not break the traffic bottlenecks that are gradually strangling our transportation lifeline. Economic loss due to inadequate highways has reached a staggering sum, not to mention the thousands of persons that are needlessly killed each year because of these same inadequate highways.

We, therefore, come to the inescapable conclusion that an adequate and effective highway construction program is as important to the national welfare as is our defense program. In fact, highway betterment is in itself a defense measure. We all know that the industrial areas will be the frontline trenches of the next war and that the only defense against atomic attack is evacuation. The evidence is overwhelming that our present highways could not possibly evacuate the cities of the United States in the time required much less move large military equipment and manpower rapidly and effectively across this country.

The time to act is now. Tomorrow may be too late. It is essential that the Congress act courageously. We must reconcile our differences—many of them petty—as to how this job is to be done.

Many of us favored the plan and method recommended by the President in the Clay report as the most effective way to handle this gigantic program. When it became apparent in committee that the method of financing the program suggested by the President was not acceptable to the majority then those of us who recognized that roads were paramount and the method of obtaining them secondary gave serious consideration to the proposals contained in the Fallon bill.

The Fallon bill and the President's program set forth in the Dondero bill are almost identical insofar as the basic and crucial parts of the legislation are concerned.

With a few exceptions only the method of financing the program is different. While the methods are different the authors of both bills have wisely and courageously provided the means of paying for this gigantic project. They are unlike the Gore bill in the Senate and the Thompson bill in the House that provide no method of financing. These latter bills are ideal for those who want to point to the fact that they voted for roads but who want to avoid the political responsibility of providing funds—who now suggest that the method of financing be deferred and turned over to the Ways and Means Committee for intensive study—who will then find it convenient at a later date to vote against such taxation programs as the Ways and Means Committee may eventually recommend.

Secondly, the Fallon and Dondero bills differ from the Gore and Thompson bills in what I consider to be the very heart of this road legislation.

For the first time in history the Fallon and Dondero bills provide for the distribution of funds on the basis of need. The money will be spent where it will do the most good—where it will do the most toward relieving traffic snarls that are gradually but surely strangling American transportation.

If we are going to follow the overwhelming and almost uncontradictable evidence adduced in the 7-week hearing before the Public Works Committee—evidence from the most competent authorities in the country—we must at least adopt the method of distributing funds as set forth in the Fallon and Dondero bills. These bills deal primarily with the interstate system. Its very name indicates that it is the system with which the Federal Government should be primarily concerned. It is on this system that we find the large volume and extreme density of traffic between centers of population. It is on this system that we find the bottlenecks—the slowdowns, reduced to a snail's pace, just outside and in the cities and towns.

The reasons for these conditions can be understood when we realize that the interstate system, which consists of only 37,600 miles, represents approximately 1 percent of the total road mileage in this country. This 1 percent, however, carries one-seventh of all the traffic. It means, therefore, that the density of traffic on the interstate system is 14 times the average density on all other highways.

These conditions have resulted in tremendously increased automobile operating costs, such as gasoline and oil consumption waste, brake and tire wear, and, above all, an unbelievable man-hour loss. The loss to the trucking industry, which is eventually passed on to the consumer, is incalculable.

The rebuilding of the interstate system to the standards required will save 1 cent a mile in operating costs for passenger cars.

The trucking industry will save 4 cents a mile in operating costs.

All this will result in a total savings to highway users and our economy of $1,475,000,000 per year.

The evidence is conclusive that it is on the interstate system where we are having a disproportionate number of accidents and loss of life. The rebuilding of the interstate system will result in a reduction of monetary losses from accidents alone amounting to $725 million per year. The total savings, therefore, will reach the staggering sum $2,100,000,000 a year. These savings alone will offset much of the cost of the program.

Furthermore, one of the principal advocates for the development of the interstate system is the Department of Defense. The Defense Department, like all of us, has no problem with its equipment reaching the main arteries of traffic from its installations. It points out that its difficulty, like yours and mine, begins when it attempts to transport large military equipment and personnel across the country on the interstate system. The Department of Defense, without reservation, recommends that the interstate system be developed as proposed by the administration and that it be given priority.

The testimony shows that the primary, secondary, and farm-to-market roads are generally capable of adequately doing the job that is demanded of them today.

I drive between Cincinnati and Washington quite often over the interstate system. In view of my service on the Subcommittee on Roads, I have made careful observation of conditions. Time and time again I have driven in a long line of traffic, frequently crawling up steep grades with other vehicles behind big trucks. While impatiently waiting to move ahead more quickly, I have glanced down the intersecting secondary roads. Invariably they have been in good condition, with little or no traffic on them. Usually vehicles, if any, on these intersecting thoroughfares would be stopped at the intersection waiting to enter the crowded arterial highway. I

am certain each of you has had similar experiences. There are 1 million miles of such secondary roads in this country that carry only from 1 to 100 cars a day.

I am not saying these secondary roads are perfect—that they do not need improvement and that we should not spend any money on them. All I am trying to do is to point out the relative needs.

Last year this Congress almost doubled the amount of Federal funds allocated for these other systems. The fact is that most of this additional money has yet not been used for improvement of these roads. Some States are going to have difficulty in matching the new funds provided for in the 1954 act.

If the interstate system is improved as recommended by the President all other roads will have made available further additional funds in the nature of a hidden windfall. Because of the heavy demands on the interstate system, States today are spending a large part of their own highway funds on the rebuilding and maintenance of the interstate system within their respective States. If the Federal Government takes over the cost of rebuilding these interstate roads the States then will be able to use the money they are now spending on the interstate system on their secondary highways. These roads are primarily the States responsibility anyhow.

Now, in spite of what has been shown about relative needs, it is now proposed by some to dump additional millions on these roads.

Thirty States have said they will not be able to match these additional amounts. Why do some then in the face of these facts and all of the evidence to the contrary and against the recommendations of 97 percent of the witnesses who appeared before our committee, insist on giving these additional Federal funds for the secondary systems. Why do some advocate this when the available money is limited—when this money could be used so much more profitably if it were used where it is actually needed.

A long list of highway experts and responsible organiaztions, headed by the Association of State Highway officials, proved by cogent evidence that the solution to our critical highway deficiencies was the immediate and uniform, and note I say uniform, rebuilding of our interstate system under modern scientific highway engineering standards in every State in the Union. The cost of doing this job will vary from State to State depending on the number of miles of the interstate system within the State—topography, land acquisition costs, width of highways, utility relocation costs, number of grade separations, and interchanges.

Both the Fallon and Dondero bills will give America the highway system she so badly needs in the shortest possible time. Because the need is critical this House must do everything possible to reconcile our differences over the method of financing the program. I realize this is a difficult assignment, particularly in view of the tremendous pressures that have been exerted on us by those who have special interests at stake.

Mr. THOMPSON of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. SCHERER. I yield to the gentleman from Louisiana.

Mr. THOMPSON of Louisiana. Have not the highway users provided millions of dollars over the past 20 years for general purposes?

Mr. SCHERER. I still say that the Thompson bill provides no financing.

Mr. THOMPSON of Louisiana. It certainly does.

Mr. SCHERER. As I say, these latter bills are ideal for those who want to point to the fact that they voted for roads but who want to avoid the political responsibility of providing the funds.

Mr. FALLON. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. JONES].

Mr. JONES of Alabama. Mr. Chairman, so far the equation has been between two propositions. One group of advocates is for H. R. 7474 and the other is for the so-called Clay proposal. There are members of the committee who think that there is still a better approach to the solution of the highway problem than that contained in either one of those two proposals heretofore discussed.

I want to call the attention of the Members to the minority report commencing at page 36 of the committee report. I hope the Members will read the dissenting views, because it is impossible for us at this time to go into every section of the bill for the purpose of making a comparative analysis.

Let us review briefly the most recent history of the Highway Act. The most important category of roads to be dealt with in any of the three proposals is the interstate system of roads. Under the Highway Act of 1946, it provides that there would be a system of highways known as the interstate highway system or defense highways. It comprises 40,000 miles out of a total of 720,000 miles which make up the Federal road system that is eligible for Federal assistance. Up to the present moment there has been designated on the interstate system 37,600 miles. The balance of the mileage has yet to be designated.

In the 1952 act we authorized for appropriation the first money items for the interstate system. We provided $25 million. In the fiscal year that has just expired there was expended or contracted for expenditure $25 million for the 40,000 miles of road. This year there will be expended or authorized for expenditure under contract with the State highway departments $175 million on a matching basis of 60–40. All other categories of roads are on a 50–50 basis.

In the same period the secondary roads in 1955 got $165 million. In 1956, this year, they will get $210 million.

The primary or principal arterial roads, exclusive of the interstate system, got $247 million in the calendar year 1955 and $315 million for the fiscal year 1956.

The urban roads got $137 million for 1955 and $175 million for the fiscal year 1956.

Now let us see the differences between the proposals now pending before the committee. Section 1 of H. R. 7474 provides that the interstate system will obtain for the first year approximately $1.2 billions. The amounts made available in 1956 on the matching basis of the so-called ABC roads will be $725 million with an increase of $25 million annually until it reaches $1 billion. That is not provided for in the so-called Clay bill. The Clay bill freezes the amounts of money at the figure of the 1954 act. The bond would be issued for a 30-year period, with an accelerated amount for the interstate system. There would be no increases in the categories that are frozen.

In addition we have the Thompson bill, H. R. 7542, which provides for a 10-year program which provides for a billion dollars a year for the interstate system. We will commence the fiscal year 1957 with $725 million for the ABC roads and increase it $25 million a year until in 10 years it reaches the $1 billion.

The reason for that is that we acknowledge there is a tremendous road problem in our country. We are increasing the number of vehicles on our highways by approximately 3 billion a year, as the gentleman from Michigan pointed out. If we are going to take a uniform approach to the road program, it means that we cannot undertake the program and neglect other categories of roads. The interstate system carries only 14 percent or one-seventh of the total vehicular traffic now on our highways. Yet the adoption of either the Clay proposal or H. R. 7474 would mean that the interstate system would get a far disproportionate amount of money than would be obtained under a uniform approach such as proposed in the Thompson bill.

In section 3 of the Dondero bill, which is the Clay proposal, and the Fallon bill, which is H. R. 7474, there is a 20-percent exchange. We have heard a great deal of comment that the States could take this 20 percent which accrues under all categories of roads and transfer it to suit their needs. We all know that the State of Alabama or the State of New York or State of California, as the case might be, is not going to take the 90–10 money, that is, 90-percent Federal Government and 10-percent State government money and put it on the secondary or primary roads whereby they will be required to put up 50 percent of the total cost of the project. The 20-percent figure will make no great change in the ABC systems of roads nor will the State be a greater beneficiary or recipient of Federal assistance from the amounts made available to the interstate systems of roads.

Section 4 is the tax provision. Of course, it is the most controversial section of the bill. The so-called Clay plan, they say, does not increase the taxes, and the gentleman from Ohio made a great plea for honesty and forthrightness in dealing with this problem of taxes. If it is a forthright proposition that he insists upon, then let him oppose the so-called Clay bill where there is not one red penny to be collected in taxes, but which takes the money from the General Treasury of the United States where all the taxable sources of revenues is now deposited and turns it over to the corporation to pay that amount which naturally increases the deficit of the Federal

Treasury. How can you spend over $2 billion a year without jeopardizing the fiscal situation of the Federal Government when you increase the debt by a minimum of $24 billion in 10 years? If he wants to avoid that, then let him vote against the Clay plan. Under the Thompson proposal, there is the recognition that on this enormous program of road construction where we, for the first time, are providing an enormous amount of money in the sum of $1 billion for the construction of the interstate system that there is no great and imperative need for increased taxation. In the first place, these taxes expire on March 1, 1956.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. FALLON. I am sorry, but the time has all been allocated as fairly as I could divide the time between the members of the committee. I can give the gentleman an extra minute.

Mr. JONES of Alabama. Mr. Chairman, the Committee on Ways and Means will have an opportunity next March to sit down and in an orderly fashion review the fiscal situation in relation to the $12.4 billion which is proposed in taxes under the Fallon bill. Why was it necessary for us to have to consider for the first time a revenue measure for raising money for a highway program? Further, we had 12 hours to consider the question of a $12.4 billion tax program. I hope that the provision of H. R. 7474 will be voted down, and that the so-called Clay plan will be rejected. I hope we will adopt a bill that will increase the amount for roads and give the Congress an opportunity to review this whole situation in a normal fashion, as we have done heretofore.

Mr. DONDERO. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. SCUDDER], a member of the committee.

Mr. SCUDDER. Mr. Chairman, today we are considering one of the largest projects ever dreamed of, and more than likely the biggest project the world will ever attempt. As I recall, this project will amount to approximately 90 times the cost of the Panama Canal, all to be built within a period of about 12 years.

As a member of the Public Works Committee that for almost 2 months considered the administration bill which was the result of an extensive investigation by the Clay Commission, I feel that the theory in general is sound and that the highway program as recommended could be built without the imposition of any new or additional taxes. The opposition to the payment of interest during the reasonable life of this project in my opinion is very much of a bug-a-boo. Money in the taxpayers pocket from an interest standpoint offsets the interest charge that would accrue against the obligation for the construction of the highway. However, this bill was voted down in committee and as the Gore bill had passed the Senate, we are called to work out a compromise bill.

The original bill as submitted carried tax provisions that would have in many respects crippled the highway users and in my opinion, was very unfair. We were able to reduce the proposed taxes by amending H. R. 7474 to a point where at least the highway users could operate without the confiscation of the businesses and industries. H. R. 7474 is not a compromise measure but an entirely different approach to the cost for construction of highways. I voted to report this bill after we had greatly reduced the proposed taxes because I realize the great need for an adequate highway system. We cannot continue the terrific traffic casualties that amount to some 36,000 a year and the maiming of more than a million each year. The cost of our inadequate highways is estimated in loss of wages, medical expenses, property damage and cost of overhead insurance, at about $4,350,000,000 each year.

With improvements contemplated under this act, it is estimated that at least 4,000 lives will be saved each year because of safer highways, and millions of dollars in property losses. With the Federal Government assuming 90 percent of the cost of the national interstate system, the States with the amount of Federal appropriation money plus their own highway income, will be able to bring the highway system of our country up to a high standard of improvement within the 10-year program.

The Dondero bill H. R. 7494 I understand, will be offered as a substitute to H. R. 7474. If this substitute is approved I shall endeavor to amend the same by a reduced tax as contained in the present bill by the following amounts which will truly be a compromise bill: Reduce the gasoline tax from 1 cent to a half cent, reduce diesel fuel from 2 cents to 1 cent, reduce the tax on small truck tires from 3 cents to 2 cents per pound, reduce the tax on large sized tires from 10 cents to 5 cents, reduce the tax on large tubes from 6 cents to 4 cents per pound, reduce the tax on camelback from 15 cents to 7½ cents per pound but allow the 2 percent manufacturer's tax to remain the same as this would merely bring the truck tax on a par with the tax now imposed on private pleasure cars. These taxes though reduced would produce new income of about $7 billion and added to the tax now being collected, should retire the entire obligation in a period of less than 20 years. This should be a practical and reasonable compromise between the two theories set forth for the financing of this program.

I trust that when the opportunity presents itself that I may secure the support of the membership of the House.

Mr. DONDERO. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. GEORGE].

Mr. GEORGE. Mr. Chairman, when I became a Member of the Congress in 1949, I requested appointment to the Public Works Committee. My reason for doing so was the fact that I had just completed 10 years of service in the Kansas State Highway Department in an executive capacity. During that period of time, I had attended numerous national conferences of State highway officials, and had attended numerous conferences of the States making up the Mississippi Valley group.

At these meetings I became thoroughly familiar with the highway problem of the United States—not only as it applied to rural and urban areas, but the tremendous deficiencies that exist in our great cities.

I thought, from my knowledge and background, I might be able to contribute something to the Public Works Committee, especially as it related to our national highway program.

During the first Congress, in 1950, I was also shocked and surprised to find that the Bureau of the Budget was only proposing a $400 million appropriation to the States.

The record showed that the gasoline tax alone was producing, in national revenue, almost twice that amount of money. I asked the representatives of the Bureau of the Budget how they justified their figure on the basis of our tremendous highway needs, and how they could reconcile less than 50 percent of the highway users tax going back to highways for construction to benefit the traveling public. They could not and did not try to justify their figure.

The Public Works Committee, in its wisdom, upon my motion, decided to increase this amount $100 million a year for construction purposes. We members of the Public Works Committee were still not satisfied that this was an adequate program, so under the leadership of Congressman HARRY MCGREGOR, who became chairman of the Roads Subcommittee of the Public Works Committee in 1952, your committee held exhaustive hearings on highway needs and what should and must be done to bring our highway program to a more nearly adequate system.

I want to assure you that these hearings were held entirely on a bipartisan and nonpolitical basis as our committee has always operated on this basis up to the present time. After these hearings, the Public Works Committee passed a greatly expanded highway program providing for $900 million in Federal aid.

Upon the basis of our study and what highway builders everywhere knew, and the traveling public were finding out to their sorrow, the Congress of the United States had been backing an entirely inadequate highway system. We had not even remotely tried to keep up with the tremendous needs in this field.

It was with this background and the special knowledge of our problem that the President of the United States, Dwight D. Eisenhower, appointed what has become known as the Clay Committee, to make recommendations to him as to how we could satisfactorily meet our tremendous transportation problem.

This was a bipartisan committee. They consulted with the National Association of State Highway Officials, all the Governors of the United States, all of the State highway departments, the organization of the Council of Mayors of the United States, and other interested groups.

After an exhaustive 3-month study, the Clay Committee made its report to the President, with certain specific recommendations as to how it would be feasible to implement this large highway-building program.

Congressman BUCKLEY, of New York, Congressman DONDERO, of Michigan, and myself, all introduced a highway measure intending to implement the Clay Committee recommendations, which would give us an adequate national highway defense system in a period of 10 years.

The Public Works Committee started its hearings the middle of April on the provisions written into this bill. The hearings lasted until June 1 and comprised 1,093 pages of testimony from all segments of our economy, 90 percent of whom endorsed the provisions contained in this proposed law.

At this point, I would like to introduce in the RECORD testimony given by Governor Ribicoff, of Connecticut, who appeared before our committee at the time of the governors' conference in Washington, and the evidence he gave was after the Senate had reported out the Gore bill. Governor Ribicoff's testimony is in line with the opinions expressed by a vast majority of the governors, as well as the mayors of the cities in the United States:

STATEMENT OF HON. ABRAHAM RIBICOFF, GOVERNOR OF THE STATE OF CONNECTICUT, HOUSE OF REPRESENTATIVES, COMMITTEE ON PUBLIC WORKS, MAY 4, 1955

Governor RIBICOFF. All I want to say is, it is very good to get back and see so many of my former colleagues. As my eye goes around the hall, there are very few who did not serve with me in the 81st and 82d Congresses.

Of course, when you sit on the executive side, the problems look a little different than when you are on the legislative side.

But I do want to say I have been designated by the six New England governors to present the New England point of view. As you know, the New England States have 3 Democratic and 3 Republican governors. I come before you talking for Connecticut, Rhode Island, New Hampshire, Massachusetts, Vermont, and Maine.

All of us have studied this problem and we have come to a unanimous agreement that we prefer the Clay proposal to the Gore plan. As a matter of fact, we find that we would have great difficulty in matching the funds required by the Gore plan. We do find that we will not have any difficulty in supplying the matching funds under the Clay proposal. * * *

In answer to some of the questions you asked, we in New England feel that there is not anything wrong in bonding for capital improvements. You used the phrases "pay-as-you-go" or "pay later." I would like to substitute the phrases "pay-as-you-use" or "pay-as-you-ride." Basically these roads are going to be built for people to use during the next 30 years or more. Under those circumstances I do not think it is too onerous to expect the people who are actually using the roads to pay for those roads as they were using them, because it is the same thing in the most simple and elemental sense as a young man who is getting married and who wants to buy a house. I suppose he could save $500 a year for 25 or 30 years and then when he is an old man, get a house. Or, he can go down to the bank and get a mortgage on the house and enjoy it for the next 25 years or 30 years, and pay the interest charges, and capital expenditures off while he is using that home himself and his family.

It is my hope that this committee will report out a bill. As a governor, and listening to the governor's conference in Washington these last few days, it is very obvious that the highway needs in every State are as important as any other issue facing our people. I know and you know, whether it is the city of Washington, or Detroit, or Hartford, Conn., or wherever you come from, we have traffic snarls and traffic tangles that are really freezing the mobility of our Nation. With the amount of automobiles being used, if we do not solve the highway needs you are setting this Nation into economic paralysis. * * *

The six New England governors definitely feel that the Gore bill is not a good bill, and we do believe that the Clay program is a good program.

I respectfully hope that you gentlemen in considering this legislation will take these factors into account.

Mr. Chairman, up until June 1, the Public Works Committee had been practically free of partisan politics, and it was for this reason I have been proud to be a member of this committee. However, on that date, for some reason, our hearings on the President's proposal were stopped. The Democrat members of our committee met in private sessions, and a few weeks later, we were presented with the Fallon bill.

The Public Works Committee then proceeded to vote to substitute the Fallon bill for the President's bill. This was done with all the Democrat committee members voting for this substitution.

Of course, our committee was thrown into a turmoil. In order to prevent not having highway legislation this year, the committee voted to authorize the chairman and the ranking minority member to appoint a roads subcommittee of 5 Democrats and 4 Republicans to see if we could work out some compromise in the taxing provisions of the Fallon bill which would be more acceptable to the general public, and to see if we could once again restore the bipartisan action that has always prevailed in our Public Works Committee.

After numerous meetings by this roads subcommittee in which they scaled down the taxing provisions of the Fallon bill, the result of their action was presented to the full committee for its consideration. After further amending the Fallon proposal, we have the bill that is before us today for your consideration.

My State of Kansas is not particularly concerned or involved in this legislation because, out of our 128,000 miles of highway, 10,000 miles of which are on our Federal and State system, and 35,000 miles of which are on our farm-to-market system, we only have a little over 600 miles involved in the measure we are considering today for the interregional highway system.

If I were to look at this legislation purely from a congressional viewpoint, as it affects my district, or even as it affects my State, I would adopt the provincial attitude and be against all of these provisions. But with the knowledge I have, I realize the tremendous need for some type of an expanded highway program. I do not want to see us get bogged down in trying to promote the common good, in purely partisan politics.

It is my intention to support the amendment, which will be offered by Congressman DONDERO, to substitute the administration's measure in preference to the Democratic bill. I am doing this with the idea in mind that it will get the job done quicker and will cause less dislocation in our financial and taxing structure.

If this substitute is adopted by the Congress, and those people who want to substitute the taxing provision, and who believe we should more or less pay for this program as we go, they, of course, can push their taxing provisions in the next session of Congress.

It has occurred to me that we should, in fairness, try to raise more money for this program, and above all, we should see that if it is raised, it applies to our highway systems throughout the United States.

I believe the Ways and Means Committee should make an exhaustive study, starting in January, with the idea in mind of raising more revenue for highway purposes and equalizing inequalities they now have in existing law. For instance, they now levy tax on gasoline at the source and the average farmer throughout the United States, who burns tractor gasoline, is forced to contribute to this fund without any exemption or refund, while his more fortunate neighbor, who is operating on a much larger scale and can afford the investment in a diesel tractor, does not pay any tax for fuel consumed off the highway.

This procedure over a period of years has penalized the small farmer and given special privilege to the large operator with more high-priced equipment.

I think we should pass the President's proposal, based on the studies begun in past years, and on the Clay Committee Report, which was worked out with the governors, mayors, and State highway department officials of the United States.

If we substitute this measure for the Fallon bill, then I think the Ways and Means Committee should make adequate provisions in the coming year to liquidate this program as fast as they find it to be reasonable and practical.

I urge that you support the Dondero substitute.

Mr. DONDERO. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. BECKER], a member of the committee.

Mr. BECKER. Mr. Chairman, I would just like to give a little history of the proposed bill known as the Clay plan. It bears the name of the gentleman from Michigan [Mr. DONDERO], the ranking minority member of the Committee on Public Works and former chairman of that committee.

First, however, I want to compliment the chairman of the Committee on Public Roads, the gentleman from Maryland [Mr. FALLON]. During the many long weeks of hearings he met with some very trying situations but through all of them kept his equilibrium and always came up with a smile. He treated every member of the committee fairly and every person who appeared before that committee received a full hearing.

This is the first time in my legislative experience, both as a member of the New York State Legislature and as a Member of the House, when a bill came before a committee with as comprehensive a report as this, submitted by the committee headed by Gen. Lucius D. Clay, a nonpartisan committee, made up of people who were experts in various fields of ac-

tivity. After many months of hearings, the Dondero bill was written, formulating the plan, which has been approved by the President of the United States.

The Committee on Public Roads held hearings for 7 long weeks, beginning on April 18 and running well into June. They appear in this volume of 1,100 pages of testimony. I can say without fear of contradiction that of the people appearing before the committee better than 95 percent spoke in favor of the Clay plan, which is the Dondero bill featuring the bond plan. Over 95 percent testified in favor of that plan. I can remember hardly anyone who testified against it. The governors of the various States appearing before the committee, both Democrats and Republicans, were heartily in favor of this plan of financing. Every one spoke in favor also of an interstate system throughout the entire United States, not only because of the economic benefits but for national-defense requirements.

Mr. Chairman, after the hearings were concluded we had silence for several weeks. Then we heard—I am speaking about myself and the Republican members—that the Democratic members of the Public Works Committee were holding private caucuses and would come up with a new bill. Several weeks later, we were apprised of a bill encompassing the various provisions that is now known as the Fallon bill. Before hearings were set on the Fallon bill we received hundreds and hundreds of telegrams and protests on its provisions.

Only then were hearings set on the tax provisions. Twelve hours of hearings were provided, and even in those hearings, I think the record will show, that there was a great deal of testimony in opposition to the taxing provisions.

Now, very briefly the picture is simply this: The Clay committee convinced me that the Dondero bill was a good bill and that the financing provisions were completely sound and workable. Seven weeks of testimony by various governors, experts, road people, and other witnesses confirmed that it was in the best interest of the people.

The question will be brought up here about $11.5 billion in interest to provide for the bonds under the Clay plan. Well, none of us like to pay interest. But let me call your attention to the fact that since 1945 this Congress has voted $65 billion in foreign aid, every dollar of which is deficit financing which means borrowed money and the taxpayers of this country are paying $1.6 billion a year in interest in order to provide for foreign aid. That makes $16 billion in interest that we will pay on that deficit financing for foreign aid in a 10-year period.

So, what is wrong with providing a plan for financing by a bond issue to give the American people good highways? I see nothing wrong in it. Our whole economy is based upon financing on installment buying. That is how this highway system can be built. I say that the Dondero bill is a good bill, and the bonding provisions are good, and I hope it prevails.

There is one thing I would like to say in closing. The Davis-Bacon provisions are not in the Dondero bill, I shall support that as an amendment, to be offered by the gentleman from Washington [Mr. MACK].

Mr. FALLON. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. SMITH].

Mr. SMITH of Mississippi. Mr. Chairman, in reference to the general history of this highway legislation, I, too, want to join in the tributes that have been paid to the chairman of the subcommittee, the gentleman from Maryland [Mr. FALLON], in regard to the work that he has done on this bill. I also want to pay tribute to the chairman of our full committee, the gentleman from New York [Mr. BUCKLEY].

Through the cooperation of these two leaders of the committee and various other members, we achieved a notable victory in that committee, one that has been obscured in this fight about the taxing provisions. The great victory that was achieved was the resounding defeat of this so-called Clay plan or, let me be more specific, the Eisenhower plan, which was turned down by the committee by a good, substantial vote.

FINANCIAL HOCUS-POCUS

The Eisenhower plan was rejected in the committee for a number of reasons. I think the most obvious reason and the most compelling reason that motivated the people who voted against the Eisenhower plan was the question of the financial legerdemain involved in that plan. It was a matter of simple honesty as opposed to this question of whether you are going to try to cover up and conceal an addition to the national debt.

The gentleman from New York who just preceded me has made it very plain that the Eisenhower plan would be, as he says, an addition to the national debt. Of course, it would be written out in such a manner that it would not be added to the debt limit that would cost the taxpayers an extra $2 billion. But, that would not amount to much if it saved us from adding to the debt limit. What is $2 billion if we can avoid asking for a debt-limit increase? It is a cheap matter to put up $2 billion to stop from adding to the debt limit. In fact, we have spent more than that, and we will, to avoid this increase in the debt limit.

FREEZE ON OTHER PLANS

In addition to that, the Eisenhower plan would provide for a 30-year freeze of all of the normal Federal aid assistance. The normal primary and secondary roads assistance that we have been carrying on, that we have expanded this year for the first time at a good margin will be frozen at the present level. That is envisioned in order to pay for the Eisenhower bonds and to pay for this $11 or $12 billion in interest that would be required under that proposal.

There is some question as to actually how much the interest would be. We have estimates in regard to this interest that would make it perhaps higher than was suggested here.

MR. CAMPBELL'S OPPOSITION

A lot of statements have been made about the witnesses who appeared before our committee. Nobody on my left side has mentioned that very outstanding Republican appointed by the President of the United States to be Comptroller General, Mr. Joseph Campbell, who appeared before our committee and very strongly opposed the Clay plan and the method of financing as the worst type of unsound financial legislation.

The testimony of Mr. Campbell was one of the important factors in the decision of some 19 members of the committee to reject the Clay plan. As I mentioned earlier, the great victory that was achieved in our committee was the rejection of the Clay plan, which is nothing more than financial legerdemain to get up a pump-priming system that will help give us some economic activity, without the cost having to be reflected in the national debt as we normally consider it.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield to the gentleman.

Mr. BALDWIN. Is it not true that in the committee, all the way through, the gentleman was opposed to any highway system?

Mr. SMITH of Mississippi. That is completely untrue, and anybody who says that, I shall repeat it to him in stronger language.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield further?

Mr. SMITH of Mississippi. No; I do not want to dwell upon that point further. I made it very clear in the committee that if the financial plans proposed were in accordance with correct user taxes I would support such a plan. Unfortunately, the majority of the committee did not support my ideas.

TAX VOTES

While we are talking about that, I would like to pay my respects to some of my good Republican colleagues who have been complaining about the taxes in this bill, yet, when the issue came up in regard to taxes in the committee they voted for every one of them.

I would like to pay my respect to those people on the Republican side who complained about limited hearings, when the vast majority of the Republican members of the committee voted to limit those hearings.

There are a great many things wrong with this bill, as has been pointed out. We voted out $12 billion of taxes in 12 hours of hearings, or about a billion dollars per hour of hearings.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield.

Mr. CRAMER. So far as the gentleman was concerned, the great victory in the committee was the defeat of the Clay proposal. Having won that victory, is the gentleman now willing to go along with the Fallon bill or is the gentleman going to vote for the Thompson bill, which is no bill at all?

Mr. SMITH of Mississippi. Mr. Chairman, I yielded for a question, not for a speech on the Thompson bill. I shall vote for the Thompson bill, which is certainly in keeping with a conservative attitude toward a financing program. If the gentleman on my left were concerned

about the economic policy of our country, were really concerned about how we should proceed under this program, they should consider the Thompson bill, which is a moderate bill, to start with, and which can be expanded in the future to meet any type of goal desired if economic conditions so indicate and if the workings under the bill should so indicate in the future.

PUMP PRIMING

I have heard some rumors from the left side of the aisle to the effect that one of the reasons for promoting this bill—it has not been brought out in debate, but several of them mentioned it to me privately—that this is a good bill to stir up economic activity in this country and keep things prosperous and make things all right in that way. I agree that perhaps it is along that line, but I have some question about how our overall economy would be affected by this bill.

Certainly the Fallon bill, which is before us, is much to be preferred to the Clay plan. But actually, the most conservative and the soundest approach that could be made to this legislation is the Thompson bill. We could accelerate the program as provided under the Thompson bill, consistent with the manner in which we can provide proper taxes upon the actual users of the interstate highway system, instead of putting them upon the general public, because 86 percent of the general public will not use this interstate highway system.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. I wonder if the gentleman, in stating his objections to the Clay plan has brought out the fact——

Mr. SMITH of Mississippi. It actually was the Eisenhower plan.

Mr. ROGERS of Florida. The Eisenhower plan, if the gentleman prefers to call it that—has brought out the fact that the testimony developed the fact that the roads would probably wear out in about 20 years, and that you would still be paying for another 10 years for roads that had already worn out?

Mr. SMITH of Mississippi. I have not referred to that, but others have. We would be having second and third mortgages on these roads under the Eisenhower plan. At the same time the normal primary and secondary systems would be frozen with no additional aid.

Mr. ROGERS of Florida. As a matter of fact, did not the Secretary of the Treasury, Mr. Humphrey, testify if that came about certain taxes would have to be imposed?

Mr. SMITH of Mississippi. It was borne out in his testimony to the committee that we would either have to have new taxes at that time or new bonds.

Mr. SCUDDER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield to the gentleman from California.

Mr. SCUDDER. Was there anybody in authority who said these highways would be worn out in 20 years? As I understand it, they were remarks made by individuals. But the rights-of-way will not deteriorate, the foundations are not going to deteriorate, and the bridges will not deteriorate in that time.

Mr. SMITH of Mississippi. The rights-of-way will not deteriorate, but I should point out the situation in a lot of the States right now, that the rights-of-way will become obsolete in connection with the construction of the new interstate system that we expect to authorize, I am told that in a lot of the States some of the present interstate system of rights-of-way will have to be abandoned because they are not large enough and it would be too expensive to widen them. That will be the situation when the traffic count gets higher at the end of this period.

Mr. DONDERO. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. WITHROW].

Mr. WITHROW. Mr. Chairman, I yield to no one in my desire to see an adequate and constructive road program projected. I definitely feel that the program recommended by President Eisenhower and embodied in the measures introduced sometime ago by Congressman BUCKLEY, of New York, chairman of the Public Works Committee of the House, and by Congressman DONDERO, of Michigan, who is the ranking Republican member of the Public Works Committee. Both of these bills provided for the establishment of a Federal Highway Corporation and vested it with the authority to issue bonds to finance the program. Said bonds and the interest on them to be paid by the residue of the 2-cent gasoline and the 2-cent diesel oil tax after financing the Federal-aid program now in effect and which the Federal Government participates in to the extent of approximately $800 million, all on a 50–50 participation basis.

The testimony before the Public Works Committee was that there is a grave need for an expanded Federal-highway program, particularly as it affects our interstate system. All of the bills proposed to date emphasize a greatly expanded interstate highway program with the matching funds changed from the 50–50 formula to a 90–10 formula, with the Federal Government supplying 90 percent. I favor a bond issue to finance this expanded highway program. Secretary Humphrey, appearing before the committee, stated that he would have no difficulty selling the bonds. I shall support the Dondero substitute when it is proposed.

The need is urgent for new and improved highways; however, this is not a valid argument for adopting a revenue provision which is not only harsh, but, in my opinion, is discriminatory.

I am opposed to the revenue section of this bill for two reasons: First, that it places a further tax burden upon an already overtaxed product, gasoline; and, second, that it hits a class of taxpayers in my State who are now straining under the burden of a $60 million worth of State tax increase recently imposed by the Wisconsin Legislature.

I do not know how it has been with the rest of you, but I for one have been literally deluged with telegrams and other communications from the people back home asking me to spare them the added burden of this proposed increase in the Federal gasoline tax.

In Wisconsin the State gasoline tax was raised this year from a rate of 4 cents a gallon to 6 cents—a 50-percent increase—costing the highway users of my State an additional $22 million a year. Accordingly, this proposed 50-per cent increase in the Federal tax rate would add still another $11 million to their gas-tax burden.

Added to this is the fact that the Wisconsin Legislature this year found it necessary to increase some of the general State taxes which fall heavily upon car owners and other citizens alike. Among these was a $29 million increase in the surtax on individual incomes, and a $7 million increase in the cigarette tax. Such is the picture of the present tax situation in my own State, and probably in many other States as well.

With less than 2 million taxpayers in the State of Wisconsin, that $60 million increase in State revenue spells for the average citizen an added tax bill of $30 to $35 a year.

With 1.3 million motor vehicles registered in Wisconsin, the $22 million increase in the State gas tax means an added $17 a year for the average car owner to pay in that 1 item—and if we now add yet another cent to the Federal tax rate, he will be paying, on an average, more than $76 a year in gasoline taxes alone—half again as much as the $51 he paid last year.

This brings me to my other point—that gasoline is a commodity which is already being taxed at a staggeringly high rate when compared with all the other automotive products and supplies.

The prevailing price of regular gasoline in Wisconsin is now a little less than 23 cents a gallon, but when you add to that the 6 cents of State tax plus the proposed 3-cent Federal tax, you have a levy amounting to 40 percent of the selling price.

That, I submit, is exactly four times as much tax as we now pay on luxuries—and I am just wondering today how many people back home actually consider their cars to be such superluxuries as to warrant the fancy schedule of taxes now being fashioned for them to pay.

Many of the people I talked to seem to think that this Federal highway program, tied in as it is with national defense, should be financed in large measure out of general revenues and should not be paid for just by those people who happen to own automobiles and trucks.

Why, they ask, should the car owner, in the face of all the special taxes he now pays to support ordinary highway programs, be saddled with this extraordinary item of national defense spending?

That is a tough question to answer—and if the answer of this Congress is to be that the full weight shall be placed on highway users, then I say that the least we can do is turn our sights toward some of the other automotive taxes—the ones which are not duplicated at State level and which, therefore, now carry a far lower tax rate.

The present 10-percent Federal excise on new cars now produces about $1 billion a year, while the 8-percent tax on trucks, trailers, and buses yields another

$200 million or more. If we were to increase those rates—not to the 40-percent level at which gasoline is now taxed—but merely to a conservative 15-percent rate, we would gain an additional $675 million a year in revenue. That is $175 million more than the $500 million the proposed increase in the Federal gas tax is calculated to produce.

But looking into this a little further, just as a matter of interest, we might also apply that 15-percent rate to the item of auto parts and accessories, which are now taxed at 8 percent. There we would gain $179 million a year.

And as for tires and tubes, we have heard a good bit of testimony on that point. The present tire tax, though stated in terms of cents per pound, figures out, I believe, to about 6 percent of the price. By boosting that tax rate to the equivalent of a 15-percent levy, we would get another $200 million or more.

Lubricating oil is another item to be considered, but in checking into that I find that the present Federal tax of 6 cents a gallon already amounts to something between 37 and 50 percent of the manufacturer's price, so there is no need to talk of raising that one. It is already 2 or 3 times as high as our hypothetical 15-percent level.

So now let us recapitulate to see, just as a matter of curiosity, what revenue gains we would achieve by applying a 15-percent rate or its equivalent to all those Federal automotive taxes which are not duplicated at State level.

A 15-percent tax on new automobiles would add $500 million a year.

A similar rate on trucks, trailers, and buses would add $175 million a year.

A 15-percent tax on parts and accessories would add $179 million a year.

The equivalent of a 15-percent tax on tires and inner tubes would add about $200 million or more.

All of these add up to something over $1 billion a year in increased revenues—and all this without increasing any of those individual taxes to anything higher than 15 percent, which is but a fraction of the present level of taxation on gasoline.

But bear in mind that I am not saying that this is what we should do. As I said before, I feel that the people of my State—and especially those who own automobiles—are already paying full and plenty in special taxes levied for highway purposes. They should not be called upon to finance this phase of national defense single-handed.

My point is this: that with combined taxes on gasoline in Wisconsin and most other States now amounting to 35 percent of the price, and going up to 40 percent if we impose this Federal increase.

And with so many States now faced with the necessity of further raising their State gas tax rates as the only apparent means of financing their own part of the vast highway program blueprinted for them by the Federal Government.

Where is the wisdom of a proposal that puts the Federal Government in the position of further invading this particular field of taxation which is the mainstay source of State highway revenue and a field in which the States themselves hold a prior claim?

Why should the tax on gasoline constantly go up and up—to 40, 50, and perhaps some day to 100 percent of the retail price, while all these other automotive excises—which are not duplicated at State level—must be held so sacredly to a conservative level of 10 percent or less?

The same argument applies with equal force to the increase in the Federal tax on diesel fuel oil. I believe that the proposed differential between gasoline and diesel fuel is not justified. The economy of operating a diesel engine is being narrowed each year by improvements in gasoline engine design and development. Any differential presupposes a fixed and constant fuel consumption differential between the gasoline and diesel engine. These assumptions are not valid.

I am likewise opposed to the additional taxes on tires and tubes imposed in section 4 of the most recent Fallon bill. I am not sure that these taxes will not do harm to a great industry. I say this because I believe that the Public Works Committee of the House is not in any position to pass on taxation matters which have such an impact on our present economy as do the taxes imposed in section 4 of H. R. 7474. In discussing the taxation features in our committee at all times there was considerable confusion due to the fact that the committee had neither the experience nor the facilities to act wisely on these very intricate and related activities. Probably the most absurd situation was in Mr. FALLON'S first bill, H. R. 7072. There was a tax imposition of 20 cents a pound on recapped or retreaded tires which would make the cost of the retreaded tire more than the cost of a new tire and would put in the neighborhood of 10,000 firms now recapping tires out of business. Likewise the other revenue features of the first Fallon bill were ridiculously high; they have now been toned down and somewhat corrected, I believe, for the prime purpose of obtaining support in this House. These tax features of the highway bill should have been gone over by the Ways and Means Committee so that we would have an experienced and capable analysis of the taxes and of the repercussions it was reasonable to expect the taxes would have upon our present economy.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. WITHROW. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I certainly think the gentleman is making a wonderful statement and I know he has worked hard on this matter. We are both deeply interested in problems that face certain municipalities and I am sure he will recall that while the highway legislation was being considered by the Public Works Committee, the representatives of the city of Milwaukee, and of the cities of La Crosse and Madison, called to our attention a problem that has arisen in conjunction with the eligibility of certain urban routes for Federal assistance.

The representatives of these cities suggested that the 1955 Highway Act include a provision which would make certain urban routes, which do not constitute direct extensions of the primary or secondary systems, eligible for Federal assistance.

Will the gentleman advise me whether the bill before us contains a provision which would carry into effect the recommendations made by the above-mentioned cities?

Mr. WITHROW. Indeed I was very much interested in regard to that. Mr. DuPont, President Eisenhower's special assistant, who was assigned to the road conference told us under interrogation that section 3 of H. R. 7474 would take care of that because it would permit of the transfer of 20 percent of funds if approved by State highway authorities.

Mr. ZABLOCKI. In other words, the bill before us will make Federal assistance available for certain lateral, feeder, distributor, circumferential, and civil defense evacuation routes which may be required to furnish maximum utility of the various Federal-aid systems within or adjacent to urban areas.

Mr. WITHROW. We were assured by Mr. DuPont that it would.

Mr. FALLON. Mr. Chairman, I yield such time as he may desire to the Delegate from Alaska [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, there has been a suggestion or two here this afternoon that the taxing provisions of this bill constitute its most controversial feature. I do not dissent from that conclusion. In fact, the taxing provisions are the all-important ones to Alaska. Indeed, they are the only ones which apply. Here is a situation where taxes are being imposed without any corresponding benefits, or any benefits at all. I do think it is important that the interests of the more than 200,000 people in Alaska be recognized even though the main consideration has to do with more than 160 million highway users elsewhere.

Alaska is the only one of the States or Territories not included within the Federal aid highway system. Puerto Rico is included. Hawaii is included. Even the District of Columbia is included. But not Alaska.

All our public domain roads are now built by direct appropriations made to the Department of the Interior in the annual Interior Department appropriation bill. Of course, supplementary funds are advanced by the Territory of Alaska, although not according to an established formula.

So if H. R. 7474 should be enacted or any bill with similar taxing provisions, it will mean that Alaskans will have to pay more for gasoline, more for diesel fuel for highway vehicles, more for tires—without a dollar being returned for roads. I submit that this is altogether unfair. At this time we play our part in making available Federal funds for road construction and road maintenance by the Department of the Interior on the Alaska public domain in that we pay all highway taxes applied to Americans elsewhere. Now it is intended apparently to impose upon us these very substantial increases without any benefits being returned.

Long ago I took up with the Clay Committee the proposition of devising a formula so that Alaska might be included in the administration's highway plans.

The reply made to me in effect said that it was well understood that Alaska's 586,000 square miles had a highway system extending only about 3,000 miles because the Federal Aid Acts were not applicable there; yet at the same time, because the general Federal system did not extend to the Territory of Alaska, the committee could not consider Alaska's needs. Subsequently, I urged upon the appropriate legislative committees what I considered the high desirability of making provision for Alaska roads under the accelerated building plans being advanced in the various bills which were taken up. Yet the net result is that no provision has been made for Alaska except that we shall be taxed along with those who will actually benefit from highway improvements which increased taxes will bring.

I cannot state with positiveness why it is that despite efforts made at various times Alaska has never been included in the Federal Highway System. It is certain that it must be if the country is to be opened up by the same type of road-building program which has had such marvelous results elsewhere under the American flag.

The report on H. R. 7474 states that it is intended to produce revenues sufficient for a pay-as-you-go highway building program. So far as Alaska is concerned, it will be a stay-where-you-are program. Alaskans will pay but they will not go. They will not be permitted to.

The report elsewhere states that "Because the committee believes that the additional burdens resulting from its tax program should fall largely upon highway users, it has made provision for the exemption of nonhighway users. The committee has also attempted to concentrate the burden upon those who will benefit most directly from the improvement of the Nation's highway system." Using then the committee's own criteria, I want to suggest with all possible emphasis that before final action is had upon a highway bill that justice and equity demand that Alaska be exempted from its taxing provisions.

Mr. FALLON. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. ZABLOCKI].

Mr. ZABLOCKI. Mr. Chairman, I rise in support of the legislation before us.

Earlier today, I voted against the rule under which the Highway Act of 1955 was brought before this House. I did this because I objected to the conditions outlined in the rule, which prohibit amendments to section 4 of the bill, other than those proposed by members of the Public Works Committee.

Now, to me section 4 of the bill before us is of grave importance. This section, in effect, increases taxes on highway users by some $12 billion over the period of time involved in this legislation. Twelve billion dollars is a tremendous amount of money. I felt that the proposed tax increases warranted a full study by the Ways and Means Committee, which is the taxwriting committee of this House. While I am wholeheartedly in favor of financing highway improvements on a pay-as-you-go basis, I did not feel that a $12 billion tax boost should be voted without prior study of the subject by the Ways and Means Committee, or without opening that section of the bill to floor amendments.

This issue, however, was settled when the majority of this House voted to accept the rule. What we have to consider now is the overall highway bill.

I am in favor of the bill because it will help to solve our highway problem. Now most of us will agree that the economy of our Nation is greatly dependent upon motor-vehicle transportation. We will also agree that we have failed to keep our highway systems adequate to meet our needs, and that we have piled up a backlog of deficiencies which will have to be overcome if our economy is not to become stagnated.

In 1946, 9 years ago, we had some 34 million motor vehicles registered in the United States. This year, the registrations have reached the 58-million mark. Further, it is estimated that within 10 years that number will be increased to 81 million.

While this astonishing increase has been taking place, our expenditures for highway construction and improvements have lagged behind. In terms of 1941 dollars, we spent less on highway programs in 1953 than we did in 1938, even though the number of registered motor vehicles had almost doubled between those two dates.

Such a state of affairs cannot be permitted to continue. We must try to improve our highway program, and we must do so quickly.

I believe that the bill before us will help us to solve our national highway problem. It is true that the bill does not go as far as some people feel it should go. Nevertheless, it is a constructive piece of legislation and it merits our support. It is my hope that the bill will be approved without delay.

Mr. FALLON. Mr. Chairman, I yield 3 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS of Arkansas. Mr. Chairman, on June 30 of this year the Commission on Intergovernmental Relations, a Presidential commission, sometimes referred to as the Kestenbaum Commission, on which 5 members of this House serve, completed 2 years of arduous work in studying various grants-in-aid programs. Among the topics to receive considerable attention and study is the matter of improved highways. I have not had an opportunity to study the application of general principles which the Commission recommends to the bill now pending, but I do wish to call to the attention of the House the principal recommendations of the Commission as set forth in its report. It is to be regretted that the report was delayed and that few Members of the House have had an opportunity to study the detailed recommendations and findings of this Commission. It will take but a few moments to read the principal recommendations and with your indulgence I shall do that. I shall include as a part of my remarks the entire chapter on highways.

Mr. DOLLIVER. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Iowa, who rendered an excellent service as a member of the Commission.

Mr. DOLLIVER. Is it not true that the Commission spent a great deal of time considering the problem of State and Federal relationships with respect to highways and that probably we had more discussion and more controversy about this subject than any other single subject that was studied by the Commission? We considered it from the very beginning and found ourselves finally in pretty good agreement on it.

Mr. HAYS of Arkansas. Yes; that is certainly true, and I appreciate the contribution of my friend from Iowa.

Here are the Commission's recommendations:

The Commission recommends that the actual construction and maintenance of highways be performed by the States and their subdivisions.

The Commission recommends that the present Federal-aid highway program be continued and that funds appropriated thereunder be increased. The increase in funds should be so allocated as (1) to give recognition to the national responsibility for highways of major importance to the national security, including special needs for civil defense, and (2) to provide for accelerated improvement of highways in order to insure a balanced program to serve the needs of our expanding economy.

The Commission recommends that the expanded highway program be financed substantially on a pay-as-you-go basis and that Congress provide additional revenues for this purpose, primarily from increased motor fuel taxes.

The Commission recommends a reduction in the extent and degree of Federal supervision accompanying highway grants-in-aid.

The Commission recommends the repeal of provisions of the Hayden-Cartwright Act requiring the States to expend certain amounts of specific taxes for highway purposes.

Mr. Chairman, in addition to the recommendations which I have just read I believe that the Members would be interested in the comments of chapter 11 of the report and with permission of the House I am including it in my remarks as follows:

CHAPTER 11

HIGHWAYS

From the inception of our Federal system, a nationwide interest in highways has been recognized. The Constitution itself gives Congress the powers to establish post-roads and to regulate commerce among the States.

During the first 40 years of the Republic, many turnpikes were constructed by private companies seeking profit through tolls. Some of the States invested in the securities of the turnpike companies. In 1806, the National Government began construction of the National Pike, or Cumberland Road, and by 1819 the road extended 131 miles from Cumberland, Md., to Wheeling, W. Va., on the Ohio River. By 1819, Pennsylvania had completed a surfaced highway from Philadelphia to Pittsburgh.

Soon after the development of the steam locomotive in 1830, the resources of the country were directed to construction of railroads, and highways entered a period of neglect. Until almost the turn of the 20th century, local governments handled such road building as was done. A good-roads movement in the late 19th century was spearheaded by a coalition of bicyclists demanding smooth roads for recreation, farmers wanting to get out of the mud, and railroad interests seeking feeders to their lines. During the 1890's State aid to counties for road construction was begun and several State highway departments were organized. The movement spread rapidly,

particularly after the automobile appeared. By 1917, all States were participating in highway development.

In the same period, the National Government developed an interest in highways that has continued to the present day. An Office of Road Inquiry, established in the Department of Agriculture in 1893, eventually became the Bureau of Public Roads in the Department of Commerce. Federal highway activities, including aid to the States, are presently centered in this Bureau. From 1893 to 1912, the Bureau's functions were limited to investigation and research. In 1912, the Congress authorized $500,000 for an experimental program in rural postroad construction. The Federal-Aid Road Act of 1916 continues to be a part of the basic legislation governing Federal highway aid. It authorized Federal aid funds of $75 million over a 5-year period and, together with legislation enacted in 1921, established the principles of (1) limiting Federal aid to construction projects on designated primary highway systems, (2) apportioning funds among States by statutory formula, and (3) requiring State matching of Federal aid in fixed proportions.

During the depression of the 1930's, the National Government participated in highway construction through various emergency programs which were outside the regular channels of highway aid. As a matter of fact, in every year from 1936 to 1941, inclusive, emergency highway aid exceeded regular aid by substantial amounts.

New regular aid programs for designated urban extensions of primary highways and for a limited mileage of secondary roads were initiated under the Highway Act of 1944. This act also provided for selection of a national system of interstate highways limited to 40,000 miles. Authorization of aid specifically for the interstate highway system was first provided in the 1952 act.

Extent of Federal aid

Regular Federal highway aid (as distinguished from special or emergency aid) has supplied only 8.51 percent of total revenues used for all highway purposes over the 33-year period since 1921. By intervals, the percentages are: 1921–31, 5.76 percent; 1932–42, 9.19 percent; 1943–53, 9.49 percent. However, regular Federal aid has supplied much larger percentages of expenditures for highway construction, as shown in the following comparison:

	Total highway construction expenditures	Regular Federal aid	Percentages
	Million	*Million*	
1921–31	$12,106	$1,075	8.88
1932–42	13,686	2,254	16.47
1943–53	18,330	3,328	18.16
	44,122	6,657	[1] 15.09

[1] Average.

It is estimated that total expenditures for highway construction in 1954 were $3.7 billion, of which $2.1 billion was expended on systems eligible for Federal aid. About $600 million, or 16 percent, of the $3.7 billion represented Federal funds.

Federal aid authorizations for each of the fiscal years 1954 and 1955 total $575 million; for 1956 and 1957 the total is $875 million for each year, as follows:

	Each fiscal year 1954 and 1955	Each fiscal year 1956 and 1957
Interstate system	$25,000,000	$175,000,000
Primary system	247,500,000	315,000,000
Secondary system	165,000,000	210,000,000
Urban highways	137,500,000	175,000,000

There is considerable lag between the authorization figures and actual appropriations. Payments are made only as money is needed to meet State claims for reimbursement; claims are not filed until actual construction begins.

National participation in the total highway expenditure varies greatly from State to State. When expressed in terms of all highway costs, including planning, construction, maintenance, interest, and administrative overhead, the percentages of Federal aid in 1952 highway expenditures were 3.7 percent in New Jersey, 4 percent in Maryland, and 8.6 percent in California. At the other extreme, percentages were 35.1 in Wyoming, 33.5 in Nevada, and 26.6 in New Mexico. When expressed in terms of construction costs only, the National Government's share ranged from 6 percent in New Jersey to 53.9 percent in Nevada.

Federal aid is apportioned among the States by statutory formulas which give weight to population, land area, and specified road mileage. Prior to the 1954 act, dollar for dollar matching of all Federal funds was required in most States, an exception being made for States in which unappropriated and unreserved public lands and nontaxable Indian lands constituted more than 5 percent of the total area. In these States the matching requirements were reduced according to the amount of such lands. The 1954 Federal-Aid Highway Act reduced the State matching share from 50 to 40 percent for the interstate system, again providing a downward adjustment for States with large public-land areas. State per capita income is not taken into account in either the allotment or the matching process.

Allocation of responsibilities

Large public expenditures for highways during the past three decades have produced a highway network which in many respects is the finest and most extensive in the world. But the highway system as a whole does not yet measure up to the growth of population and traffic, economic advancement, and change, and imperative defense needs. If, indeed, the highway situation is critical, then the National, State, and local governments all have a vital stake and a large obligation in its rectification. If the United States is to maintain and advance its productive and defensive strength, which depends so largely upon the efficiency and economy of the transportation system, an acceleration of the rate of highway improvement is needed, particularly with respect to major highways. Consequently, the Commission bases its recommendations upon the necessity for a stepped-up highway construction program during the next 5 to 10 years.

In the view of the Commission, the primary responsibility for highway development rests with States and their subdivisions. A preponderant proportion of the country's total highway mileage is intrastate or primarily local in character, and State and local highway departments by and large are competent and adequate. However, the national interest in an adequate highway system is so great as to justify action by the National Government, at certain times and under certain conditions, in encouraging and supplementing State action. National-State highway relationships should be flexible, not static. Under normal conditions States can and should fulfill their responsibilities for highway functions with a minimum of Federal aid. But when defense needs or economic conditions disrupt the status quo, the National Government should expand its role.

In the light of these premises, the following recommendations are submitted:

The Commission recommends that the actual construction and maintenance of highways be performed by the States and their subdivisions.

The National Government should give technical assistance to and cooperate with the States on problems of highway construction and maintenance. However, only in those cases where a highway is built in a National park, reservation, or similar area, or as limited access to a Federal facility, should construction be undertaken by the National Government.

It would be a basic mistake and wasteful duplication for the National Government to embark upon a new program of actually building, maintaining, and operating any large segment of the highway network. Highway construction and maintenance have been handled by the States and localities with consistent competence.

The Commission recommends that the present Federal aid highway program be continued and that funds appropriated thereunder be increased. The increase in funds should be so allocated as (1) to give recognition to the National responsibility for highways of major importance to the national security, including special needs for civil defense, and (2) to provide for accelerated improvement of highways in order to insure a balanced program to serve the needs of our expanding economy.[1] [2] [3]

---

[1] Mayor Henderson believes that in carrying out the recommended highway program, greater emphasis ought to be placed upon the development of highways in urban areas.

[2] Mr. Burton, Governors Thornton, Jones, and Shivers, Senator Schoeppel, and Congressman Dolliver join in the following statement:

"We regretfully dissent from this major highway recommendation by the Commission. The recommendation endorses a permanent direction we believe to be unsound.

"In recent years State executives had substantially moved to a position of supporting State assumption of highway responsibilities upon the release of national highway user revenue sources for State use. This could not be done suddenly and was subject to reservations regarding federally impacted areas and the circumstances of States wherein there was a low ratio of population to highway mileage like the Western States with their large area of Federal land holdings.

"We likewise recognize that an important exception should be made for purposes of economic stabilization, and also for the need to 'catch up' on current highway deficiencies in the interstate system and metropolitan arterial systems. We are deeply impressed by the persuasive argument of the President that this Nation mobilize all its forces to arrest the terrible traffic toll upon human life, and that the National and State Governments work together on this important task. We believe that national assistance in 'catching up' is warranted by safety, military, and civilian defense necessities.

"Nevertheless, the above reservations are minor alterations of the principle of State responsibility and the 'catch-up' needs are of an emergency nature—but a real emergency. Federal assistance can speed the time when the ultimate fiscal and administrative highway responsibilities can be returned to the States and we believe that the Commission should be definitive in recommending this.

"We believe that every effort should be made to conduct the program on a pay-as-you-go basis. We are not intransigent in this matter but stress the importance of a sound balance of urgent need, fullest possibilities of current financing, and the capacity of contractors to do the job."

[3] Governors Driscoll and Battle dissent, as follows:

"We do not question the need for a greatly improved highway system. The States have recognized this need and have established new records for highway construction. In the development of a highway program it is

The Commission is cognizant of existing critical highway needs and of the efforts being exerted by all levels of government to meet them. Total governmental highway expenditures for 1954 are estimated at $6.4 billion, compared to $4.9 billion 3 years earlier. Legislation enacted in 1954 increased Federal financial assistance to the States for highway purposes by more than 50 percent. However, there is abundant evidence that the current rate of highway improvement is not sufficient to meet current emerging needs. Failure to meet these needs will seriously affect the national security and the national economy. Humanitarian considerations alone, in terms of reducing the annual toll of highway accidents, call for vigorous action in revamping the unsafe segments of the highway network.

The Commission believes that there is sound justification for Federal participation in the improvement of many highways. The Commission generally approves existing legislation, which provides Federal aid for primary highways, including interstate routes and urban extensions, and for secondary roads, including farm-to-market roads.

The Commission believes that present circumstances justify a concentration of increased Federal highway funds on a limited mileage of highways of key importance to interstate commerce and to military and civilian defense. However, this does not mean that other highways now eligible for Federal highway aid should be neglected in an expanded program.

The Commission believes that civil defense is primarily a responsibility of the National Government. This has particular relevance in the case of highways required for civil defense. Special and costly features needed to adapt new roads to civil defense needs should be financed largely by the National Government.

The Commission considers toll highways a matter of State and local policy. Present and past Federal-aid highway acts have provided, however, that no tolls may be charged on roads partly financed by the National Government. The Commission endorses this principle and recommends that no Federal aid be given for any toll road.

Financing and supervision

The Commission recommends that the expanded highway program be financed substantially on a pay-as-you-go basis and that Congress provide additional revenues for this purpose, primarily from increased motor-fuel taxes.[4]

The effect of the Commission's recommendation on highway aids will be to increase Federal expenditures substantially. Additional revenues should be provided to meet a major share of these expenditures. An increase in taxes is preferable to deficit financing as a means of supporting larger highway outlays by the National Government. The latter method would result in high interest charges and would shift the burden to citizens of a future generation, who will have continuing highway and other governmental responsibilities of their own to finance.

The Commission recommends a reduction in the extent and degree of Federal supervision accompanying highway grants-in-aid.

Congress should be constantly alert to prevent procedural abuses by any administrative agency to which it may delegate duties. Federal agencies should diminish controls over the details of State highway planning, design, and construction. Over the years, the Bureau of Public Roads has made a notable contribution to highway improvement in this country through technical leadership and the stimulation and coordination of State activity in this field. However, in the light of the maturity and competence of most State highway departments, it appears to the Commission that the Bureau of Public Roads could relax much of its close supervision of State highway work. The Bureau has already made a good start but more can be done.

The 1954 Highway Act sensibly permits, under certain conditions, the substitution of certifications by State highway authorities for detailed compliance checks by the National Government. National legislation and administrative regulations of the Bureau of Public Roads might well leave the States free to carry forward their highway programs, simply certifying that they have complied with Bureau requirements. Through spot checks of performance and through complete accounting records, the Bureau could forestall misuse of Federal funds.

Although the Commission favors relaxation of Federal supervision, it believes that the National Government should continue to prescribe basic minimum standards for the construction of federally aided highways. Moreover, where interstate highway connections are involved, the Bureau of Public Roads should continue to exercise strong guidance.

The Commission recommends the repeal of provisions of the Hayden-Cartwright Act requiring the States to expend certain amounts of specific taxes for highway purposes.

The National Government may rightfully require State matching of aid which it extends, as the law already provides. Beyond this the National Government should not go. The States should be free to use their tax revenues as they see fit. Elsewhere in this report the Commission has urged a careful reappraisal by the States of all constitutional and statutory requirements, such as earmarking of specific taxes, which fetter the ability of the States and their subdivisions to deal with their fiscal problems. Certainly the National Government should not add to the fiscal problems of the States by imposing additional and unnecessary restrictions.

---

unwise to pledge gasoline taxes that may be paid 10 years from now to meet today's needs. It is equally unwise during a period of comparatively full employment for the Nation to go substantially into debt to meet its highway requirements. Likewise, there must be a reasonable balance between the construction program and the ability of contractors to build roads on a competitive basis.

"The Commission's proposal, when compared with the unrealistic programs presently being considered, is moderate. Its advocacy of a pay-as-you-go program for free public highway is commendable. However, we must dissent from the Commission's recommendation for an increase in highway grants for the following reasons:

"(1) Responsibility for the construction and maintenance of a modern nationwide highway system should rest with the States. They have demonstrated their ability to cooperate with one another in the development of an interstate system. Within the various regions of this country, they are more conscious of their own and one another's needs than any agency of the National Government. If given the opportunity to do so, they may be expected to meet the national interest.

"(2) While the total contribution of the National Government for highway construction is small in comparison with the contribution of the States and their political subdivisions, its impact on State budgets and policies is substantial because of a wide variety of administrative and policy controls. These range all the way from an attempt by the National Government to compel the States to dedicate State taxes to a discrimination against toll roads and parkways. In addition, the Government has sought to control wages, establish national standards, choose routes, and more recently an attempt has been made to control the use of margin areas along federally aided highways. Any increases in highway grants may be expected to increase the budgetary impact and further curtail the fiscal independence of the States. History discloses that representatives of the Bureau of Public Roads have on more than one occasion advocated increased authority over State highways. An increase in the grants will tend to give the National Government a dominant vested interest, with Federal control the inevitable consequence.

"(3) The proposal continuing two or more levels of government in a single operation increases costs, retards construction, and results in wasteful duplication and overlapping of effort where none is necessary.

"(4) There is a better way to accelerate the construction of an adequate national highway system. The present Federal gasoline tax should be repealed. This may be done outright or on a tax offset basis, as in the case of the unemployment compensation tax. If the later procedure is adopted, it should be the prelude to outright repeal of the tax. The gasoline tax now being collected by the National Government was first imposed as a temporary tax to meet an emergency situation and has long been regarded by many as a tax that should be returned to the States. In a limited number of States which have large Federal land holdings and in which the need for highway aid may be demonstrated, it should be granted for a limited period out of general revenues of the National Government.

"(5) The funds required to support the grant-in-aid device are collected from the citizens of the States. The States with the greatest density of population, the greatest highway needs, and the largest number of traffic accidents are likewise the States whose citizens make the largest contribution to the Federal Treasury. These are also the States to which the largest highway grants will be given. This unnecessary and wasteful 'exchange' of tax dollars inevitably strengthens the centralization of our Government in Washington. In fact, the grant-in-aid programs that have been proposed are more likely to strengthen centralized bureaucracy than to speed highway construction. By requiring more dollars for administration, these programs leave fewer dollars for pavements. By the same token they weaken State and local governments. As de Tocqueville said: 'A democratic people tends toward centralization, as it were by instinct. It arrives at provincial institutions only by reflection.'"

[4] Mr. Folsom dissents from this recommendation:

"The Nation's needs for an improved interstate highway system are urgent. Unless taxes are increased substantially, borrowing may be needed to finance accelerated construction of this system. The borrowing needed should be done on a self-liquidating basis with the amount of debt related to anticipated highway-user revenues. Regardless of the method of financing, Federal highway expenditures should be paid for from highway-user revenues only, not from general tax revenues."

Mrs. Hobby, Mr. Burton, and Governor Thornton join in this dissent.

Mr. DONDERO. Mr. Chairman, I yield such time as she may desire to the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Chairman, I would like at this time to put in the RECORD something which bears out what has already been well said here today. That is, this is not a political matter. While it is not a political matter I think we all have a right to a difference of opinion. I hold in my hand a telegram which I

would like to read, and may I say, incidentally, that I am not the only one to receive this telegram. It reads as follows:

Before recording your position on pending highway program and related tax increases, I respectfully urge further study of the far reaching effects of such legislation on basic economy of our State. My appeal for your consideration is based on conviction that harmful results must follow imposition of huge burden of new taxes on motor vehicles now widely used in practically all branches of New York industry, agriculture, and commerce. Suggestion that more thought be given tax question is addressed to entire New York delegation regardless of party affiliation. Am certain every Representative in both parties wants to safeguard the future prosperity of our State just as much as I do. Cannot help regarding proposed increases in excises on vehicles, other equipment, tires, tubes, etc., as burdensome and discouraging to operators, but wish to comment in particular on much larger sums involved in suggested increases on motor fuel. Some Members of Congress from New York may not realize that present State and Federal taxes on motor fuel now take $180 million yearly out of pockets of our vehicle owners. New State and Federal taxes passed this year or now pending would add $90 million beginning January 1, 1956, raising total to $270 million, annually. Of this tremendous sum, motor-trucks, which are the work horses of the economy and provide services essential to every family and all business, will be forced to pay 30 percent or $80 million yearly. I believe such drastic measures call for more thorough study even if decision on question has to go over to next session.

Regards.

I would just like to say that the telegram is from James A. Farley, who certainly has the interest of our State at heart and certainly cannot be accused of being a partisan of my side of the aisle.

Mr. FALLON. Mr. Chairman, I yield 8 minutes to the gentleman from West Virginia [Mr. BURNSIDE].

Mr. BURNSIDE. Mr. Chairman, the gentleman from Indiana [Mr. WILSON], asked a question as to the adequacy of the program and as to the statement that Secretary Humphrey made while he was a witness before the committee. I read now from the committee print so that this may be straight in the RECORD:

Mr. BOGGS. I have just one other question. As I understand your answer to my previous question, it is that if this bill provides the necessary revenues out of current revenues, then you approve the bill. Is that correct?

Secretary HUMPHREY. To do the job. Any bill that will do the job in the necessary time and that will raise sufficient revenue to pay as we go is the thing I cannot object to as Secretary of the Treasury of the United States.

Now let me follow that with another quote from Mr. BOGGS and the Secretary:

Mr. BOGGS. One final question and I am finished.

Secretary HUMPHREY. The only thing, Mr. BOGGS, this committee must not do, is to pass a bill and not provide some way of financing it.

Mr. BOGGS. One final question. Have you studied the tax schedules proposed in this bill?

Secretary HUMPHREY. I have. Yes, sir.

Mr. BOGGS. What do you think of them?

Secretary HUMPHREY. I think that it will raise the money outlined. I think the figures and the computations are correct as nearly as can be reasonably estimated, and I think it will raise the amount of money over the period approximately as they are outlining it. * * *

Mr. BOGGS. Do you think the proposal is fair and equitable?

Secretary HUMPHREY. That is a very big question.

Mr. BOGGS. It sure is.

Secretary HUMPHREY. I think it is a pretty good spread of the taxes that would be required among the people that will benefit from a substantially improved highway system.

Mr. BOGGS. That is all, Mr. Chairman.

Mr. Chairman, I am sure you have just heard of the Kastenbaum pay-as-you-go report. I feel this so strongly because I know the problem West Virginia has had to meet its costs, and I know in that State they have paid as they go, and they have gotten pretty good roads for the money they have been spending.

Mr. Chairman, the highway-aid bill now under consideration by this body is the most important piece of legislation to be discussed here this session. We had more than 15 weeks of debate on this bill in our committee. Its success or failure can have a vital impact on the economic well-being of this country over the next 2 or 3 decades. Everyone testifying before our committee realized that we needed the highways. Not a single person would say we did not need the highways.

I am sure that no one here has any doubt of the extreme need to plan and accelerate the construction of a bigger and better highway system in the United States. We have 90- to 100-mile-per-hour cars and 30- to 40-mile-per-hour highways. So you can see easily why there is the slaughter on the highways that the Members have been talking about this afternoon.

It is a matter which demands action now. At the present time, there are 58 million automobiles, 10 million trucks, and 250,000 buses crowding our highway system. Traffic experts predict the total will increase to more than 80 million motor vehicles in the next 10 years, an increase of 40 percent.

There is no doubt in my mind that an adequate highway system in this country is the key to the continued expansion of our national economy. In the next 15 years, the population of the United States may well grow to 200 million people and whether employment and family income continue to rise will depend to a great extent on the highway building program outlined in this bill—the Fallon bill.

The motor vehicle is no longer a luxury in the United States. It is a necessity; our everyday pattern of life is based on it. Yet, we have done virtually nothing since the end of World War II to expand or improve the web of highways that bisects this country.

Do you realize that we are spending only one-half as much money as we did 20 to 30 years ago, as compared with the expansion of the economy since that time, on highways?

Work should begin immediately to build broad new traffic arteries across the country, to resurface and widen existing roads and eliminate the thousands of miles of dirt roads which still carry some of this country's motor vehicles.

This is a point that I want to drive home to those from the rural areas. This bill will carry a 90–10 provision that will relieve sums of money for primary and secondary roads, large sums of money. Not only that, but there will be $25 million more per year to be added to the primary and secondary roads of our country as listed in the Fallon bill.

Not only our economic well-being, but our military strength too, depends upon a smoothly geared network of good highways. Every day lost in providing this network of first-class highways may mean disaster as the result of delay in moving defense equipment and the evacuation of our people in the event of enemy attack.

Although there have been differences of opinion here as to the proper method by which to finance this gigantic undertaking, I believe the concensus is unanimous that the continued prosperity and safety of this Nation demands that the Congress take action to overcome the major road deficiencies as rapidly as possible.

I am prepared to vote in favor of the bill as it has been reported to the House by the Public Works Committee, including the provisions to increase taxes on highway users and provide $12,400,000,000 in additional funds for highway construction between now and July 1, 1971.

During consideration of the bill in committee I offered an amendment, which was accepted, to exempt from any increased Federal tax on gasoline the off-highway users of gasoline. In my opinion, this was the only fair attitude the committee could adopt, in view of the fact that the off-highway user of gasoline does not contribute in any way to the deterioration of our highways.

I see no reason why a company which has motor vehicles using gasoline for fuel and operating strictly within the confines of its plants, should be taxed to support public highways. Many companies which fall within this category are, at the same time, contributing their share toward maintaining the public roads through the purchase of gasoline to power motor vehicles which they use on the highways.

For this reason, Mr. Chairman, I introduced my amendment to section 4 of H. R. 7474, the amendment which has come to be known as the Burnside amendment. I think it entirely fair. It would apply not only to the plants I just mentioned but, for example, to farmers who use rubber-tired, gasoline- or diesel-propelled machinery entirely on their farms. In practically every case these people own cars or trucks which are used on the highways and which would be subject to the additional tax imposed. To tax their farm machinery, however, would be to impose a double burden, a burden which our farmers can ill afford, when they are finding it so difficult to farm profitably. Mr. Chairman, I know you are familiar with the drastic decline suffered recently by the coal-mining industry. West Virginia mines use a great deal of machinery which is operating almost entirely underground, which never sees the light of day. To impose the

additional tax upon this machinery when the very companies which operate the mines where it is used also frequently use fleets of trucks which will be taxed on the highways would be most unjust. This, too, is avoided by my amendment, which the committee approved. In the case of both farms and mines, I think that it is vital that we take no action which will discourage the use of modern equipment. I would not want to impose a tax on machinery used either in mines or on farms if that tax would discourage the use of machinery which enables farmers to employ modern agricultural methods and which makes it easier for miners in their very difficult and dangerous work. These, Mr. Chairman, are but a few of the examples where I think my amendment relieves what would otherwise have been injustice. The same situation is true in many other fields as well. Trucks and other machinery used entirely in the woods in lumbering operations and other off-highway users are exempted.

I do not see how the committee could have approached the problem of paying for our roads in a fairer way. Particularly, Mr. Chairman, in light of the Burnside amendment No. 2, which eliminated from additional taxation all camelback used to recap tires with a 6-inch crown or less. Now, Mr. Chairman, that would eliminate taxes on camelback for recapping medium and small size tires such as those used on Fords, Chevrolets, Plymouths, and so forth. I also included in this amendment the cutting of the diesel tax from 5 cents a gallon to 4 cents a gallon. These amendments, I feel, eliminated inequities. I am glad to say that the Committee on Public Works adopted them.

The bill as it is presently constituted provides a pay-as-you-go approach to the problem of financing this highway program, an approach which I believe is the most practical. Support for this type of financing is contained in many of the statements made before the committee by experts in the highway field.

The United States has been operating too long with horse-and-buggy highways in an economy which demands broad, new, streamlined traffic arteries for maximum strength and efficiency. This bill is a step toward providing that streamlined system.

Mr. YOUNG. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Nevada?

There was no objection.

Mr. YOUNG. Mr. Chairman, the House finds itself in a unique position with regard to highway legislation today. Usually we have more problems than cures. In this situation we have as many, or more, proposed cures than problems. Yesterday one of my constituents inquired whether H. R. 7474 was the 7,474th bill proposed in this session or the 7,474th highway bill.

One place where there does seem to be a unanimity of opinion is in the fact that we face a critical situation with regard to highways unless vigorous action is taken immediately. We are told that in 1946 there were 34 million vehicles. Today there are 58 million, and 10 years hence the figure will be 81 million.

In order that we select the proper palliative from among the vast array of legislative nostrums that have been offered to us, it is my feeling that we should go back to first principles—that we should pay less attention to the alleged wonders of each proposed cure and more attention to the basic symptoms of our patient.

First, the study I have made of the highway problem in Nevada and elsewhere in the West seems to indicate that this body should strive for legislation which would permit long-range planning and orderly development.

It has been the custom for many years for Congress to make highway legislation containing authorizations for subsequent 2-year periods. With the passage of S. 1048 by the other body, this was increased to a 5-year period. Even such an increase, however, does not enable the long-range planning which is necessary to smoothly and efficiently accomplish the mammoth task which faces us. I am pleased that both of the major proposals facing us today, that is H. R. 7474 and the recommendations of the Clay committee, which I understand will be offered in the Dondero amendment, cover a much longer period of time. This will make possible orderly development of our highway facilities and permit necessary long-range consideration.

Secondly, it is my feeling that any highway legislation that comes out of this body should be as much as possible on a pay-as-we-go basis. Insofar as it can be ascertained those who receive the benefits should bear the economic burden which is a necessary part of the construction of the improved facilities. In this respect I feel that provisions of H. R. 7474 are preferable to the financial scheme contained in the Clay committee report.

I do not mean to say that I approve entirely of the new tax revenues that are included in the provisions of this bill. I regret that a closed rule does not permit this House to speak its will with respect thereto.

However, I am pleased that the present excise taxes contained in this measure represent a great improvement over those contained in H. R. 7072, which was reported from the Public Works Committee several weeks ago.

There is almost no one who opposes at this time an enlarged highway construction program. Chief dispute centers on the financial provisions involved in the respective proposals. With the national debt limit in excess of $275 billion, I feel it important insofar as possible that we pay the expenses of the enlarged program as we proceed to construct the roads and facilities.

Therefore, it is my feeling that we should continue the status quo on the Federal-aid system and place chief emphasis on the interstate network because it will make the greatest contribution to national defense and the development of our economy. In Nevada, for example, our main highway problems are U. S. 40, which passes over Donner Summit, and U. S. 91 which runs between Los Angeles and Las Vegas. There are dangerous, time-wasting bottlenecks on both of these roads that should be eliminated at the earliest possible opportunity.

There are certain provisions, however, of H. R. 7474 which, in my opinion, are not satisfactory in their present form. First, the provision of paragraph 2 (e) which imposes weight and size limitations on trucks using the interstate system will have a discriminatory effect on States such as my own. The legislation provides that if a State does not now have laws and regulations, it will be given until March 1, 1956, to complete consideration thereof. Where the State legislature meets only in the odd-numbered years, such as in Nevada, this precludes an opportunity for the State legislature to deliberate on the problem and may well freeze into effect undesirable limitations.

Mr. DONDERO. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, we have heard much said today with regard to the need for additional highway facilities here in America. Let me review briefly some of those needs to make certain we understand just exactly what they are and the fact that either by the expenditure of some of this money resulting from additional taxes or, in the alternative, the setting up of this Corporation and paying for construction through a bond-issue program, is needed if we are to provide for these highways. It is absolutely essential at this time that something be done immediately to solve this problem, and that it not be put off.

The annual savings as the result of the interstate system alone, and that is the 40,000-mile system alone, would be in lives 3,500 per year. The cost of accidents would be reduced by 250 percent if just this 40,000-mile interstate system were completed. The total cost yearly resulting from not having a complete interstate system is $2.1 billion, an amount equal to the amount to be expended under either of the proposals presently under consideration. So I think that alone clearly shows that this highway program is needed.

In addition, there will be savings estimated in automobile operation as follows: The average automobile saving would be 1 cent per mile resulting from the completion of the interstate system alone. There is an argument over whether or not the increased tax of 1 cent per gallon is equitable with an average operation of 15 miles per gallon and a savings, thus, of 15 cents per gallon.

As to the operation of trucks, it is estimated that for those who operate on the interstate system the saving will be 4 cents a mile, and the average mileage of diesel trucks is 6 miles per gallon, meaning they are saving 24 cents per gallon on the operation of diesel fuel, and the suggestion is there be 2 cents additional per gallon on the diesel fuel.

It is a little bit difficult for me to see why under these circumstances the trucking interests are not being bene-

fited substantially and claim to be so much discriminated against.

I want to point out further that of the amount of money to be raised, $12 billion, only $3 billion could by any stretch of the imagination be included in this so-called discriminatory tax classification—the difference between $12 billion and $9 billion.

Let me point out to you that the Clay report showed there are approximately 9,303,000 trucks in America today. If you take the $3 billion over a 15-year period, that will be only $200 million additional tax that group will have to pay, or $22 per truck per year.

Let us be fair about it. Let us get down to the heavy trucks. Let us say the tax were limited to them alone, which it is not, and we would have then approximately 85,000 trucks, and a cost of approximately $225 a year per truck, for getting the best highways they have had in the history of their trucking operation. Is this such a discriminatory tax then?

I personally have spent most of my time working for the President's program, the Clay plan. That gives the people additional roads without additional taxes. That is no sleight-of-hand trick. Anyone who has had any experience in municipal, State, or county financing knows that is the way we get things built today without having the money to do it today. We have to go out and borrow, and I have not found a financier who is willing to lend you money without charging you interest.

That is the situation. You have a situation with the Dondero proposal, the Clay proposal before you, where it has been suggested that we are going to have a 30-year freeze of the ABC roads. the primary, secondary, and urban roads. I want to suggest to you that is not true. In the first place, there is more money spent this year as the result of last year's authorization than has even been spent on primary, secondary, and urban roads in the country's history. That does not mean that this amount of money is going to be frozen for a 30-year period under the Dondero plan at all. If in the wisdom of this Congress it should see fit in the next session next year to vote more money for those primary, secondary, and urban roads, they can do it, just as they did back in 1954. So to say you are freezing in any way the ABC roads under the Dondero proposal is wholly inaccurate. The suggestion has been made that these roads are not going to last over a 30-year period.

In all fairness, on that question, that question was specifically asked of the road authority, Mr. du Pont, as he appeared before the committee, and he made the unqualified statement that the largest cost of your roads is not the surfacing material, but it is the providing of the rights-of-way and the undersurface, and that amounts to 70 percent of the cost and that that will last indefinitely. So you could not possibly be talking about more than 30 percent of the cost under any circumstances.

The value of the Dondero bill is that it gives you a road program without any additional taxes. It does not in any way hamper or cripple the ABC road program. It also provides for a pay-as-you-use program. We have been discussing all types of programs here today—the pay-as-you-use program, the pay-as-you-go program, or tax program or the alternative Thompson bill, the not-pay-at-all program.

I favor paying as you use, with no additional taxes if this is possible under the present temperament of the House.

Mr. DONDERO. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. SCHWENGEL], a member of the committee.

Mr. SCHWENGEL. Mr. Chairman, this is the first time I have had a chance to stand in this well and address you. Because of that, I have one thing to ask of you. That if you ask me any questions please make them easy, because I know you are graduates in this game of legislation and I do not feel quite equal to combat some of the political questions from the floor.

I want at the outset to pay tribute to the chairman of our Subcommittee on Roads and Highways [Mr. FALLON] and to the members of the committee who sat through many, many hours patiently listening to volumes of testimony on this very important question of roads for America. At this point, I am constrained to remind you, especially you people who have been wondering when we are going to do something for America while we are doing something for people all over the world—here is the place where we can do something for America. I want to pay tribute to that great American appointed by our President, General Clay, and his committee who gave us an exhaustive study and a complete report and presented without question the great need for highways in America. It has been testified to by virtually hundreds, yes thousands of people who have the welfare of the economy of our country at heart. As I sat through the hearings on this very important committee on this important legislation, I could not help but be impressed with the fact that here we were in this committee and in this Congress presented with a proposition that is the greatest thing ever presented to this legislative body or any legislative body in any nation in all the history of the world for the economy, and for the economic welfare of our Nation. Therefore, it is of tremendous importance to the people we represent. You have heard a great deal about what it is going to cost and what it is going to cost if you do not have it. We, on the committee, were reminded that we were going to pay for this highway system whether we build it or not in increased costs of accidents and loss of lives. If nothing else makes it important, that one factor certainly ought to make it important to all of us. I should like in my few moments here to tell you a little about the governors of our 48 States and why it was that the vast majority of them came to us and testified in favor of this kind of legislation—maybe for not all of the Clay report in all its detail, but they were willing to accept the Clay report, in general, because it recognized the principle that they have known and understood in their respective States for a long time, and that is the gasoline tax should be dedicated to the building of roads, and the Clay report does that very thing. It practically guarantees that the revenue from the gas tax will be used for the building of a road system. Therefore, they were willing to change their position of returning this tax to the States and fitting their plans in with this program of the interstate system.

Something has been said and a lot more will be said about the prerogatives of the Ways and Means Committee being taken over by the Public Works Committee, and I agree that that probably is not in order and as it should be; but being a member of that committee and its being assigned to us we had to do the very best we could. So with general agreement we gave 12 hours to it. In the beginning I agreed to it feeling it was not enough, and when we ended it I still felt it was not enough time to pass upon the testimony that was presented to us.

In spite of this, I think we had a pretty good answer to the tax question, and there are some good things in the tax provision presented in the Fallon bill. If we do not adopt it, I am rather hopeful that we will not, it can then be taken up by the Ways and Means Committee. All of the testimony heard before our committee can be of great use to the Ways and Means Committee as they consider it later.

We will have an opportunity to vote on three plans: The pay-as-you-build, the pay-part-and-borrow-part, and the Clay report.

I want to submit to you the Clay report as a compromise plan. That sounds strange, I know, but I present it to you as a compromise plan for the reason that I think it is a good plan and presents a plan to start the road program. The Ways and Means Committee can then act as it goes into session as soon as Congress convenes next year.

In closing let me just say this, let us not play politics with this, let us not for political reasons scuttle America's future economic prosperity, the happiness of its people.

Mr. DONDERO. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. BALDWIN], a member of the committee.

Mr. BALDWIN. Mr. Chairman, the Public Works Committee has come before you today with several versions of highway bills upon which we have devoted a great deal of time. I think there is no question in the mind of the committee that there is an urgent need for highway improvement in this country. We had a tremendous amount of testimony before the committee as to the number of lives lost, the casualties inflicted, and the property damage incurred because we have not had adequate highways. So the decision we are making today is not whether or not we need expanded highways; the difference of opinion seems to be on the method of financing them.

There has been some discussion as to whether or not the American people are willing to pay what will be required for

the construction of adequate highways. May I say that in one county in my district in California the situation on roads became so critical, so crucial, that the people of that county voluntarily voted a bond issue by over two-thirds vote to raise $10 million which to them in that one county was just as big as the total amount to be raised in the Clay proposal—$10 million for one county to construct roads urgently needed. So I think that as long as they would vote that for themselves, it indicates the answer to this problem.

Those people voluntarily showed that they wanted those roads so badly they were willing to vote a bond issue for that purpose. I am of the opinion they have demonstrated the fact that they also would be willing to build the roads provided by the Clay plan. We have many other evidences of the fact that people are willing to invest in the future in a similar way. How many of your constituents go out and pay 100 percent cash for the homes they desire to buy? They know that their home is an investment in the future, they are glad to pay for it as they use that home. So they pay a part of it down and continue to pay for it year by year. They are willing and glad to pay interest because they are getting an asset that is well worth it. It is exactly similar to what we are proposing to do in the Clay plan which, may I say I am going to endorse and support when it comes before us.

I would like to mention one other thing in connection with the Dondero bill as it has been proposed here and which the gentleman from New York [Mr. BECKER] mentioned a few moments ago. He had in mind submitting an amendment to provide for a Davis-Bacon Act prevailing wage provision in the Dondero substitute bill. The gentleman from New York [Mr. BECKER] and I have discussed this and we are going to submit such an amendment so that there will be provided a Davis-Bacon provision in the Dondero version of the highway bill. It is our opinion that there should not be any difference between the Dondero bill and the Fallon bill on anything except basically the financing plan when the Dondero bill comes before this body. It is our understanding it will be possible to submit amendments to the substitute bill, therefore it is our intention to submit this amendment.

When we get to the consideration of the interstate highway system, we might as well recognize the fact that the same rules that apply to other Federal financing should apply there. The Davis-Bacon Act provision would provide that prevailing wages should likewise apply to the financing of the interstate highway system which now we are definitely recognizing in this act as primarily a Federal responsibility. So at the appropriate time such an amendment will be submitted and I hope we will have the support of the majority of the Members of this body when that amendment comes before you.

Mr. BURNSIDE. Mr. Chairman, I yield 7 minutes to the gentleman from Texas [Mr. GENTRY].

Mr. GENTRY. Mr. Chairman, it is my opinion that major highway construction is needed and that it will cost us almost as much, in actual dollars and cents, not to do the construction—and thus not have a modern road system—than it will to do it and thereby realize the kind of highway transportation system which is warranted by our highly industrialized economy.

May I presume to offer only brief comment on this legislation out of my several years' experience in highway administration. If the House should decide at this time to set up the construction of the interstate system, not by increment, as it might well do, but in its entirety, it would be my opinion that, in the interest of fiscal responsibility, and, in the interest of our country and its people, taxes should be imposed which would pay a substantial portion of its great cost of $24 billion.

I should like to add, too, that it is my definite conviction that the tax provision of this bill is a fair one.

Legislation to effect highway improvement, desirable as it may be, should not serve as a vehicle for the inclusion of unjust, unfair, and unwise provisions which raid the Treasury and serve to defeat its primary purpose by robbing it of needed funds.

There is, from my viewpoint, one particularly vicious provision in this bill. It is section 7, which says to the States that they may give hundreds of millions of dollars to the utilities. Under the circumstances, this question of reimbursement is simply no business of the Congress. It should not be in this legislation because it is not right, either legally, equitably, or morally. It would perpetrate a wrong.

Just what does section 7 provide? Seemingly innocently enough, it says that—

> Fifty percent of the cost of relocation of utility facilities * * * may be paid from Federal funds whenever, under the laws of the State where the project is being constructed, the entire relocation cost is required to be borne by the utilities.

That sounds quite benign but what does it really mean? It actually means that regardless of the common law; regardless of the holdings of the courts of last resort; regardless of valid statutes enacted by the States under which permits have been given and are being given to utilities to place their facilities on the rights-of-way, solely under the condition that they would move them at their own expense to permit needed highway improvement; regardless of the tens of thousands of presently existing legal, written contracts that have been made between the States and the utilities, at the express request of the utilities, by which they were allowed to use highway rights-of-way for their facilities upon their contractual obligation to remove them when highway improvement was needed; regardless of the fact that the officials of the State highway department have made long trips to Washington on 2 occasions during the last 3 months to earnestly protest any inclusion of a reimbursement provision—regardless of all these things, this provision would say to the States that we offer you the money to do that which would vitiate your contracts, violate your State laws, destroy your State's sovereignty, do that which you earnestly plead with us you do not want to do, and which you believe should not be done by you or anyone else—all for the sake of giving more than 99 percent of the money provided to firms not needing and not entitled to it.

The majority report says the utilities claim they did not know an expanded highway program would be undertaken when they signed these contracts. They said it but it is just so much hogwash. Why? One answer is that they have made some of these contracts, at their own specific request, in recent months, and after the projection of the expanded program. Another is that it has been known by everyone for a long, long time that our main highways had to be expanded and many utility executives have been active for years in campaigns to procure such expansion. Another is the fact that the utility lobby to put this over was set up in Washington, not this year, but in 1952 some 3 years before the Clay report. Because of the pressure of this lobby, and somewhat as a measure of defense against it, Congress, more than a year ago—and still before the Clay report—authorized a public-utility relocation study which was undertaken both by the Bureau of Public Roads and the Research Board of the National Academy of Science. Both studies certainly devastated the utilities on this issue but it did not devastate their lobby. It is still with us. Another convincing reason as to why this legislation did not spring from the effort to reconstruct the interstate system is the fact that it provided for reimbursement to the utilities, not just on the 40,000 miles of the interstate system, but on the entire 730,000 miles of the Federal aid primary, secondary, and urban road system. This is done though the bill was supposed to be an interstate bill. No, there is nothing to their claim that they were in ignorance when they made the contracts. They made them because, doing so would save them hundreds of millions of dollars in right-of-way costs. It is a well-known fact that most of these utilities have bought little rights-of-way during their history and not one of them purchases rights-of-way when it can use that owned by others.

The majority report also states that isolated instances were cited where relocation costs were such as to seriously impair capital structure. The cases were so isolated that they practically did not exist. It is my opinion that it might be difficult to find even one case that would withstand an investigation of the facts. The leading witness for the utilities claimed that he would be practically ruined if Congress did not provide him reimbursement. He cited a case, or cases, in which he said his removal costs would be $1 million or more, an expense which would only cost him $480,000 since otherwise he would have to pay 52 percent of it in taxes. Further examination of this witness developed the fact that his firm is capitalized at more than $300 million and that his revenue in the 13-year period during which he would have to relocate his facilities would be more than $1,300,000,000. Just for the record, his indicated removal costs would be less

than one twenty-eighth of 1 percent of his revenues.

You will find more than 99 percent of utility ownership to be in much the same position financially. However, if there should happen to be a case of some small utility that would be really greatly burdened by facility readjustment cost, is it not reasonable to suppose that the State highway department, the officials and employees of which would be well known to the utility, probably would cooperate in some manner in helping him. Certainly we do not need to give practically the whole of this great sum of money to prosperous companies not entitled to it, in order to help some little fellow that might be found in some part of our country.

Would it not be a sad commentary, under the circumstances, for us, in effect, to try to force this authority on the States, an authority they do not want, an authority they pleadingly insist, if accepted and acted on by them, would be wrong in principle? If there is anything sacred in State sovereignty, it should be respected where the facts show it has been exercised so fully as it has by the States in this matter.

By passing this provision we simply would be sending the utility lobby back to the State capitols where it was working without success in this same endeavor before it decided to transfer its activity to Washington.

Mr. DONDERO. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. WILSON].

Mr. WILSON of Indiana. Mr. Chairman, I feel very badly about this situation. I asked the Committee on Rules for more time. Sufficient time was not given in the Public Works hearings or before the Committee on Rules. I was promised at least 5 minutes and possibly 10, and now I find myself with only 3 minutes in which to discuss this matter.

I represent a section of Indiana in which is located the Cummins Engine Co. which started making engines in 1919. They spent 13 years developing what is the finest diesel engine on the market before they marketed the first motor. They spent vast sums of money perfecting that motor. The first year in which they operated in the black was 18 years later, in 1937. Now they manufacture more than 50 percent of all the diesel engines used in highway motor transportation.

That diesel engine costs twice as much as a gasoline engine and the excise tax is twice that paid on other engines. It is a heavier engine. It carries a net pay load less than that of gasoline engines. The principal factor that enables them to sell that engine, which is so essential to our mines and in our defense program today, is the fuel-economy differential. There is that economy differential between a gasoline motor and a diesel motor. Because of that differential the diesel people are able to sell that more expensive motor.

Now we would discriminate against this industry. We would do away with that fuel-economy differential, and in doing that we may put an industry out of business.

Some people who see heavy trucks along the highways seem to think they are all diesel powered. They are wrong. Actually, less than 2.3 percent of the heavy trucks in the East are diesel powered. The diesel motor is the best, the cleanest, the most perfect motor that can be built. It has more perfect combustion. That is how they get the fuel economy that you cannot get with any other type of motor. Gasoline motors put out 12,000 percent more poisonous carbon-monoxide gas than do the diesels. Other internal-combustion engines cannot meet the requirements of the Bureau of Mines for that reason.

So we see the diesel engine does operate a little more economically and safely. You get 10 cents a mile for driving your automobile today, if you work for the Government, but only 2 cents of that is spent for gasoline. Therefore, we can figure that only about 20 percent of the cost of operating a truck is for fuel.

It was first proposed in this bill to increase the diesel fuel tax 300 percent of its original, while the increased gasoline tax was only 150 percent of its original. The Public Works Committee cut down the diesel-gasoline differential, but a differential still remains. I regard that as discrimination, and discrimination is bad. I know we cannot amend the taxing features of this bill, but I call the attention of my colleagues to these discriminatory features, nonetheless.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DONDERO. Mr. Chairman, I yield the balance of our time on this side to the gentleman from Ohio [Mr. AYRES].

Mr. AYRES. Mr. Chairman, I am not so naive as to think that I am going to change anyone's opinion on this proposed legislation. However, I do want to clarify two things.

The gentleman from Washington [Mr. MACK] went into some detail as to charges that had been made and news stories that appeared in the press, regarding the lobbies that had been operating around Washington in connection with this bill. He went on to state that the discriminatory tax naturally made it necessary for the rubber and trucking industries to come in and protect their interests.

Coming from the rubber capital of the world and the largest trucking center in the United States, I felt perhaps I should clarify the record. I perhaps am responsible in some degree for bringing in the trucking interests and the rubber interests. I was aware that the railroad lobby was operating here. I told my boys, "You better come down to Washington. These boys are really organized. If you don't hurry they will soon have the dome." And they got here.

The thing that really disturbed me was the fact the railroads were lobbying behind the scenes before the Fallon bill was introduced. On June 24 they sent out a letter, and this letter went out from the American Short Line Railroad Association, in which they recommended to their members that they contact Congressmen and get them to vote for a 50-cent-per-pound increase in the tire taxes. I would like to read two paragraphs from this letter:

> We believe two essential provisions—(1) limitation of vehicle sizes and weights and (2) graduated user charges on heavy vehicles—should be included in any legislation authorizing a Federal highway-aid program.

Then they went on to say to their membership:

> If there is any hope of getting these two essential provisions in the final legislation, it must be done through your prompt efforts with as many Congressmen as you may properly approach.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Michigan.

Mr. MEADER. The gentleman says "may properly approach."

Mr. AYRES. "With as many Congressmen as you may properly approach."

Mr. MEADER. Does the gentleman think it is proper for the railroads to take an interest in throwing stones in the way of competitors, that is to say, the trucking industry? Is that a proper approach?

Mr. AYRES. I do not think it is proper. By the same token, I do not think it is right for this Congress to enact discriminatory legislation that will put the trucking industry at a disadvantage and give a competitor an advantage.

Honestly, I am not too concerned about what is going to happen here this afternoon. I have sat here through the entire debate. I have heard the many discrepancies that have been discussed, many different opinions. Regardless of what bill we pass here this afternoon it will go over to the other body. The gentleman over there who will be heading the Finance Committee has stated he wants to take a good look at this bill, and when that gentleman takes a good look at it, he is on record over a period of years for never being for any discriminatory tax. They are well-versed in that field. I think it is quite significant that they have asked to take a look at it.

The other thing I am happy about is that not one member of the Committee on Ways and Means has come here this afternoon and said that the tax provisions in this bill are adequate.

Mr. FALLON. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. MACHROWICZ].

Mr. MACHROWICZ. Mr. Chairman, I had not expected to take time here today, but I think there are several matters that need some clarification. I think the two gentlemen who just preceded me made a very good argument for their particular industry. However, I do want to call your attention to the fact that when Secretary Humphrey testified before our committee on July 12, I asked him a question, and that question was prompted by a series of questions asked just prior to that by my distinguished colleague from Michigan [Mr. DONDERO]. I asked this question:

> Mr. Secretary, I think you have answered most of my questions, but the series of questions my colleague from Michigan, Mr.

DONDERO, has asked you have raised in my mind an inference that probably the Clay plan might be more advisable because this plan would impose a burden which our committee could not stand.

I want to ask you this question in view of those series of questions: Do you feel this new bill, which has been proposed, this new proposal of taxes, would impose an unfair burden on our economy that any segment of it could not stand?

Secretary HUMPHREY. Your question has two points to it.

As to the first, as to the total, I would say "No," without any question.

As to whether this spread is absolutely fair in all respects, I haven't heard the testimony of other witnesses and I would hesitate to answer that.

My general impression is that it would not; but, as I say, I haven't heard the other witnesses.

I do think it is a fair spread.

So I think probably we have not too much to worry about as to whether or not this will ruin any particular segment of our economy.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. MACHROWICZ. I yield.

Mr. JONES of Alabama. Is the gentleman saying to the Committee that neither the Fallon bill nor the Clay plan is the Republican plan, since it is supported by the Secretary of the Treasury?

Mr. MACHROWICZ. No; I most certainly will not.

Mr. THOMPSON of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. MACHROWICZ. I yield.

Mr. THOMPSON of Louisiana. I appreciate the gentleman yielding. Just a few moments ago, the gentleman from Florida [Mr. CRAMER] made an observation that I was going to agree with. He said that only $3 billion of this proposed tax could possibly be discriminatory. I agree with that. It is just about $3 billion. Is this good? There are other things too, but I will not labor the point. But, small business is vitally interested in what happens to the taxes on things that small-business men use, and on the stocks that they have in their stores. I also remember in the committee, I introduced an amendment which would have straightened out one of these inequities having to do with floor stocks of tires on which the small-business men have to pay taxes, but the factory-owned outlets do not have to pay taxes until the time of sale, and the gentleman from Florida made a point of order against my amendment. I think we are overlooking the small-business man here, and we ought to give them consideration.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. MACHROWICZ. I am sorry, my time is limited. I must decline to yield.

Mr. McGREGOR. The gentleman made a statement which I am certain he would want corrected as to just what the Secretary said.

Mr. MACHROWICZ. I am sorry. I decline to yield.

Mr. Chairman, there is one other matter that I would like to bring out, and that is the fact that much has been said here about the Clay Committee report. But very little has been said about the report of another committee, the chairman of which was appointed by the President of the United States, and upon which five members of this Congress also participated. The gentleman from Arkansas and the gentleman from Iowa said a few words about that, and I wish you would remember that on June 29 of this year the Committee on Intergovernment Relations, of which Mr. Kestenbaum was chairman and of which five Members of this Congress were members, unanimously stated that they do not favor the Clay report, but that they do favor a financing plan such as the one proposed by the gentleman from Maryland [Mr. FALLON]. May I state also that one gentleman for whom we all have high respect, Joseph Campbell, Comptroller General of the United States, appeared before our committee and I think it would be useful for some of us to know what he said about the Clay report. Here is what he said before our committee about the Clay bill, the Dondero bill:

> We think that the proposed method of financing is inadvisable because the result would be that the borrowing would not be included in the public debt obligation of the United States while the issuance of the corporation's bonds would be with the approval of the Secretary of the Treasury, and they would be repaid from the permanent appropriation——

The CHAIRMAN. The time of the gentleman has expired.

Mr. TEAGUE of Texas. Mr. Chairman, there is no doubt in my mind that our national highway program should be accelerated. The real question is how and to what extent, within Federal and State budgets the program can be stepped up. Our Nation is tied together at the present by a network of highways which has sustained the unity of the Nation and has provided for the very basis of the name we bear—the United States. It is nevertheless the distinct obligation of the individual States and they should have the final say and control of all highways to be constructed within their borders. Locations, priorities, and so forth, should be made by the individual State highway departments after consultation with an appropriate Federal agency. This consultation should be a prime requirement because at the present due to the vastness of the country and many other problems peculiar only to the individual States, there exists a hodgepodge of construction and various proposals for linkage of the interstate system.

Each holiday that passes points up the fact that our present highway system is inadequate for existing traffic conditions, leave any defense traffic in the event of a national emergency. Improvements have not kept pace with increased traffic demands and cost of an inadequate system is high not only in wear and tear of automotive equipment, but also in accidents and loss of life. The present plight of our interstate system was forcibly brought to my attention during the hearings I conducted as chairman of the subcommittee for Civil Defense for the District of Columbia when the problems of evacuation were discussed.

Throughout our entire country, large-scale evacuation would be needed in the event of an A-bomb attack. The Federal Civil Defense officials stated that the withdrawal task from our major cities would be the biggest problem ever yet faced, and a prime contributing factor was the highway system as it exists at present. For the information of those present, it is estimated that as a matter of Federal policy, at least 70 million people would have to be evacuated from target areas in case of threatened enemy attack. No urban area in the country today has highway facilities equal to this task. The rapid improvement of the complete 40,000-mile interstate system, including the necessary urban connections, is therefor a very vital civil and national defense matter.

I am, Mr. Speaker, wholeheartedly in opposition to the Davis-Bacon proposal in the legislation under consideration at the present. Certainly I am not opposed to a workingman making a decent wage; but in legislation of this type, I do not believe that the Federal Government should prescribe to the individual States the prevailing wage rate to be paid for the construction and improvement of the highways within that State, whether they be a part of the interstate system or not. Therefore it is my hope that someway, somehow, this provision can be stricken from the bill.

I think also, Mr. Speaker, that closer scrutiny could be given to the tax features of the bill. It appears that there are certain inequities in the bill as it has been presented to us; although I agree with the pay-as-you-go idea as set forth in the legislation.

I am including a number of telegrams I have received, Mr. Speaker, each asking that I do what I can to either defeat or support certain provisions of this legislation. A glance at these telegrams will show the predicament that virtually every Member in this body is in at the present time and it may point to the fact that there is need for further study and additional deliberation on the tax features of the legislation under consideration.

AUSTIN, TEX., *July 25, 1955.*

Hon. OLIN TEAGUE,
House Office Building,
Washington, D. C.:

As executive director of the Organized Trucking Industry of Texas, representing some 1,200 commercial motor vehicle operators, I want to confirm this industry's feeling that a Federal highway program is imperative at this session. Our only concern is that it is equitably financed. We feel that Representative TOM STEED'S compromise plan will do the job and is a road program we can live with as well. I hope you can give such a plan your active support.

JIM TAYLOR,
Executive Director, Texas Motor Transportation Association.

AUSTIN, TEX., *July 21, 1955.*

Hon. OLIN E. TEAGUE,
House of Representatives,
Washington, D. C.:

The Texas Good Roads Association holds it imperative that the Fallon bill up for floor consideration be passed and that quickly. It would be tragic and disastrous if the Federal Congress failed to make available in the 84th regular session moneys to finance an expanded, modernized, and integrated highway construction program. We urge you to work diligently and enthusiastically for the

passage of this bill. Any tax bill always runs the gauntlet of protest and opposition. Every affected industry has had an opportunity to present its viewpoint and spell out alleged inequities and unwise provisions. We frankly are greatly concerned by the inclusion of the utilities section and the Bacon-Davis section which we think will compound hurtful provisions. We know all legislation is based on compromise and seldom reflects all provisions which one thinks beneficial and sound but we do insist we have to get a bill through this session in the interests of a sound national economy, national defense, and certainly in the interest of safety and convenience of the motoring public. We are hopeful that it will not vitiate sound established principles of governmental practice. To that end we urge your unending support of the bill with rule changes which will permit consideration of wise amendments. Time is of the essence. Good citizenship requires that no consideration operates as a road block to bar the final adoption of the Fallon bill with essential amendments to make it acceptable to the Senate.

IKE ASHBURN,
Texas Good Roads Association.

TRANS-TEXAS AIRWAYS,
Houston, Tex., July 20, 1955.

Hon. OLIN E. TEAGUE,
United States Congressman,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN TEAGUE: It is my understanding that the House Public Works Committee has reported out favorably highway bill H. R. 7072 which proposes to finance a highway program through a series of tax increases, including a 1-cent increase in tax on gasoline. The committee approved an exemption for nonhighway users from such increased gasoline tax which includes aviation use.

On behalf of Trans-Texas Airways, I urge your support of such exemption for nonhighway purposes in view of the fact that the gasoline tax provisions in this bill are obviously intended to provide revenue from highway users for an expanded highway construction program and that the imposition of an increase of tax on gasoline used for nonhighway purposes would be inequitable.

We sincerely request that you will support the bill as it now exempts nonhighway users from the proposed increased gasoline tax.

Cordially yours,
TRANS-TEXAS AIRWAYS,
JACK K. AYER,
Executive Assistant to the President.

AUSTIN, TEX., *July 22, 1955.*

Hon. OLIN E. TEAGUE,
House Office Building,
Washington, D. C.:

We would appreciate your best efforts in seeing the utility provision struck from the highway bill. We consider this an invasion of States rights and conflicting with contracts now existing between the States and utilities companies.

TEXAS HIGHWAY BRANCH ASSOCIATED GENERAL CONTRACTORS.

WASHINGTON, D. C., *July 22, 1955.*

Hon. OLIN E. TEAGUE,
House Office Building,
Washington, D. C.:

The American Trucking Associations is vigorously supporting the national-defense highway program. It was the first taxpaying group to express at congressional hearings on May 12 and again on July 11, its willingness to pay tax increases to support the program, our objections are directed to those revenue provisions in section 4 of H. R. 7474, which call for a higher rate of tax on diesel fuel than on gasoline and a higher tax rate for truck tires, tubes, and tire recapping material than on other tires, tubes, and tire-recapping material. This does not mean we object to trucks paying more than automobiles. The same rate of tax for cars and trucks produces enormously greater tax payments per truck than per car.

AMERICAN TRUCKING ASSOCIATIONS, INC.,
NEIL J. CURRY, *President,*
JOHN V. LAWRENCE,
Managing Director.

CORPUS CHRISTI, TEX., *July 19, 1955.*

Hon. OLIN E. TEAGUE,
House of Representaives, Congress of the the United States, Washington, D. C.:

City transit companies are now paying more than their just portion of gasoline and diesel fuel tax to build State and Federal highways upon which they are not licensed to operate while paying to the municipalities a tax for use of city streets. Texas State 54th legislature recognized this and gave Texas transit some relief by amending house bill 660 to exempt city transit companies from additional State fuel tax. Urge that you adopt similar amendment exempting urban transit from all additional taxes proposed in H. R. 7072 to allow us to continue this necessary operation under private ownership.

B. GORDON FORSYTH,
Chairman, Texas Transit Association; Vice President, Nueces Transportation Co.

DALLAS, TEX., *July 20, 1955.*

Hon. OLIN E. TEAGUE,
Washington, D. C.:

Last night House Public Works Committee under heavy labor pressure voted to include Davis-Bacon provision in highway bill substantially like section 11, Fallon bill, H. R. 7072. We wish to voice our objections to this section and particularly the need for a thorough investigation of the Davis-Bacon law and its operations by the House Labor Committee before it is extended into these new areas heretofore reserved to the States. It has cost the taxpayers millions of dollars and has been used to raise labor standards insofar as wages are concerned on public works by means never intended under the law. All of this has been at the taxpayers' expense with the help and support of political allies of organized labor who are located in key spots in Government service. We ask that you make a valiant fight on the floor and vote against the inclusion of the Davis-Bacon provision in the House Public Works Committee Highway bill.

F. S. OLDT,
National Director, Association of General Contractors of America.

FORT WORTH, TEX.

OLIN E. TEAGUE,
House of Representatives,
Washington, D. C.:

Passage of H. R. 7072, a bill at levying additional unfair taxes against the trucking industry, would be a serious blow to these businesses which already carry more than their share of the tax load. Strongly urge that you vote no to this vicious legislation.

J. T. CALNON.

FORT WORTH, TEX.

OLIN E. TEAGUE,
House of Representatives,
Washington, D. C.:

Strongly urge that you vote no to H. R. 7072 which poses a serious threat to trucking industry. Passage of this unfair measure would force many of the Nation's truckers, who already carry a heavy tax load, out of business. Such action would seriously damage the Nation's economy.

KEN W. DAVIS.

AUSTIN, TEX., *July 6, 1955.*

Hon. OLIN TEAGUE,
House of Representatives,
Washington, D. C.:

Public and private utilities including the nearly 300 independent telephone companies throughout Texas are anxious to obtain passage of the reimbursement provisions of the Federal Highway Relocation Aid bill. Unless the provisions of the Gore bill are substantially followed discrimination against utilities will increase the cost of service in the future and will operate to force location of utilities away from public rights-of-way thereby increasing the cost of and reduce the efficiency of maintenance as well as increase cost due to relocation expense. Some utilities already enjoy such immunity. We feel sure when you consider the overall situation that you will be satisfied to support this legislation.

TEXAS TELEPHONE ASSOCIATION,
J. B. HALEY, *Executive Secretary.*

FORT WORTH, TEX., *July 1, 1955.*

Hon. OLIN TEAGUE,
House of Representatives,
Washington, D. C.:

We are advised House of Representatives intends to take up H. R. 7072 for final passage before adjournment. This is the Federal highway bill with provisions added for raising revenue through increase in Federal gasoline tax from 2 to 3 cents and Diesel from 2 to 6 cents and excise taxes on tires and tubes size 920 or over and weighing 90 pounds or over from 5 and 9 cents, respectively, to 50 cents per pound. These increases will yield about $850 million per year with large vehicles paying about half of it, although they are only a fraction of the total motor vehicles. This would cost Greyhound an amount equivalent to 20 percent of its entire 1954 net income before taxes. We are unalterably opposed to the bill because of its confiscatory impact on the motor-bus industry. In any event the measure should not be taken up without first affording to those affected a full public hearing before the proper congressional committee. We urge you to assist us in postponing consideration of the bill until such time as the committee can hear all of the facts with reference to this measure.

E. F. FREEMAN,
President, Southwestern Greyhound Lines, Inc.

CORPUS CHRISTI, TEX., *July 7, 1955.*

Hon. OLIN E. TEAGUE,
House of Representatives,
Washington, D. C.:

Strongly urge your opposition to H. R. 7072 which adds $2,000 per year to already-taxed trucks.

JOE F. HALL.
HALL OIL CO.

Mr. FALLON. Mr. Chairman, how much time remains?

The CHAIRMAN. The time of the gentleman from Maryland has expired. All time has expired.

The Chair desires to make a statement: Under the rule no amendments are in order to section 4 of the pending bill except amendments offered by direction of the Committee on Public Works which shall be in order notwithstanding any rule of the House to the contrary, but shall not be subject to amendment, and except it shall be in order to strike out all after the enacting clause and insert as a substitute the text of the bill H. R. 7494.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That, for the purpose of carrying out the provisions of the Federal-Aid Road Act approved July 11, 1916 (39

Stat. 355), and all acts amendatory thereof and supplementary thereto, there is hereby authorized to be appropriated the sum of $725 million for the fiscal year ending June 30, 1957, which sum shall be available for expenditure as follows:

(a) $326,250,000 for projects on the Federal-aid primary highway system.

(b) $217,500,000 for projects on the Federal-aid secondary system.

(c) $181,250,000 for projects on extensions of these systems within urban areas.

The sums authorized by this section shall be apportioned among the several States in the manner now provided by law and in accordance with the formulas set forth in section 4 of the Federal-Aid Highway Act of 1944, approved December 20, 1944 (58 Stat. 838).

Any sums apportioned to any State under this section shall be available for expenditure in that State until June 30, 1959, and any amounts so apportioned remaining unexpended at the end of such period shall lapse: *Provided*, That such funds shall be deemed to have been expended if a sum equal to the total of the sums herein and heretofore apportioned to the State is covered by formal agreements with the Secretary of Commerce for improvement of specific projects as provided in this act, and prior acts.

Recognizing it to be in the national interest to foster and accelerate the construction of a safe and efficient system of Federal-aid highways in each State, it is hereby declared to be the intent of Congress progressively to increase the annual sums heretofore authorized by the Federal-Aid Highway Act of 1954, for construction of projects on the Federal-aid primary and secondary systems and approved extensions thereof in urban areas, by amounts which in each year shall provide an increase over the immediately preceding year of not less than $25 million, commencing with the fiscal year ending June 30, 1957, as hereinbefore provided, and continuing such progression in each of the succeeding fiscal years, through the fiscal year ending June 30, 1969, for which funds may hereafter be authorized. It is further the intent to allocate the total funds thus provided to the three categories in the same relative ratio as hereinbefore provided for projects on the Federal-aid primary and secondary systems and approved extensions thereof in urban areas.

It is further declared to be the intent of Congress to continue during the life of this act the authorizations for roads in the Federal domain at annual rates not less than those contained in sections 3, 4, and 5 of the Federal-aid Highway Act of 1954 (Public Law 350, 83d Cong.).

Mr. WILSON of Indiana. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. WILSON of Indiana moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. WILSON of Indiana. Mr. Chairman, this is an unusual procedure one must go through in order to get to speak briefly on a bill of this importance. In this stampede to get out of here the committee would ram a $48 billion tax bill down the throats of the country. Let me tell you that it is not going to be popular. If you think it is, wait until you go home.

I want to offer a few figures here for the benefit of some of the Members. I want to let you know how many truck drivers and owners there are opposed to this bill in the State of Indiana. I am going to take 1 congressional district of Indiana—and that district is not the largest or the most heavily populated—where they have 25,743 truck registrations. The value of those trucks is $28,317,000. They employ 19,977 people, with a payroll of some $82 million a year. They are not going to be very happy about this bill, especially since they have not had a chance to be heard on the merits of the bill.

If the bill is so good, why did not the committee that sponsors it give more vitally interested people an opportunity to testify? I was given 3 minutes. I have been fighting this bill a long time, yet I was given only 3 minutes to explain my position.

More than 100,000 hogs are sold every year at the Producers Market Association stockyards near one important Indiana city. Trucks run daily, hauling 75 percent to the eastern markets, usually to New Jersey and Pittsburgh.

Who is going to pay the extra cost this bill would impose on the trucking industry? Why, of course, the consumers. It is going to be passed on. The trucking people cannot stand it all. Members of this body had better take a second look at the people who operate the trucks back home and those who will be affected by a hike in trucking charges.

And then there are the farmers who are going to have to be checked and questioned about the 1-cent refund on fuel tax he is supposed to get, under this bill. He will find he has to pay 3 cents Federal gasoline tax and he is going to wonder why only 1 cent is refunded. Why, if he can get the 1 cent back, can he not get the other 2 cents? If you think these farmers are plumb crazy you are absolutely wrong. The farmers are getting pretty smart and they are going to remember this thing when the time comes.

This is the worst bill, the worst procedure I have ever seen in the 15 years I have been a Member of Congress. I happen to be the only Republican ever elected from my congressional district in Indiana. I have been here 15 years and if I look after my people and their interests I will be here a long time more.

But, if I help to ram this bill down their throats and take a long vacation and get my salary increased $7,200 a year and go off fishing and say "to heck with them," they will not send me back, and I would not blame them.

Mr. Chairman, I ask unanimous consent to withdraw my preferential motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. DONDERO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DONDERO: Strike out all after the enacting clause and insert:

"Short title

"SECTION 1. That this act may be cited as the 'National Interstate Highway Act.'

"Objective and policy

"SEC. 2. It is hereby declared to be in the national interest to foster and accelerate the development of a modern, adequate, safe, and efficient system of highways deemed essential for the expansion of the economy and the changing concepts of the military and civil defense of the United States. It is further declared to be desirable that the development of such system of highways be continued through the cooperation and joint efforts of the Federal Government, the States, and local subdivisions thereof. It is hereby found that those essential highways are in fact inadequate to meet the needs of interstate commerce and the national and civil defense, and that the most important portion of such highways are, or should be, located on the National System of Interstate Highways.

Accordingly, it is the objective of this act to complete the construction of the National System of Interstate Highways within the next 10 years up to such standards as will produce safe highways adequate to handle traffic needs for at least the next 20 years. This objective will be reached only by means of a program which will presently assure the financing of the system as a whole, and provide for prompt acquisition of necessary rights-of-way. It is hereby declared to be the policy of Congress to continue or to impose such taxes as may be necessary to meet this objective.

"SEC. 3. This act is divided into titles and sections according to the following table of contents:

"TABLE OF CONTENTS

"Title I—Federal Highway Corporation

"Sec. 101. Creation of Corporation.
Sec. 102. Management of Corporation.
Sec. 103. Duty of Corporation.
Sec. 104. Corporate powers.
Sec. 105. Corporate financing.
Sec. 106. Services and facilities of other agencies.
Sec. 107. Misappropriation of funds.
Sec. 108. Report to Congress.

"Title II—Concerning the Department of Commerce

"Sec. 201. Cancellation of authorizations.
Sec. 202. Interstate system.
Sec. 203. Standards.
Sec. 204. Expenditure authorization.
Sec. 205. Distribution by States.
Sec. 206. Scheduling of construction and participation by States.
Sec. 207. Right-of-way acquisition.

"Title III—Miscellaneous

"Sec. 301. Definitions.
Sec. 302. Without compensation employees.
Sec. 303. Amendment to Corporation Control Act.
Sec. 304. Construction of this act.
Sec. 305. Effect on present law.

"TITLE I—INTERSTATE HIGHWAY FINANCE CORPORATION

"Creation of Corporation

"SEC. 101. There is hereby created, subject to the direction and supervision of the President, a body corporate to be known as the Interstate Highway Finance Corporation. As hereafter provided in section 303, the Corporation shall be subject to the provisions of the Government Corporation Control Act. The principal office of the Corporation shall be located in the District of Columbia.

"Management of Corporation

"SEC. 102. (a) The management of the Corporation shall be vested in a Board of Directors (hereinafter referred to as the 'Board') composed of four members. One of these members shall be a full-time public member appointed by the President, by and with the consent of the Senate, without regard to political party affiliation, and the President shall designate such full-time public member as Chairman of the Board. The three remaining members shall be the Secretary of Commerce (hereinafter called 'Secretary'), the Secretary of the Treasury, and the Secretary of Defense, or their representatives. The Commissioner of Public Roads shall serve as executive secretary of the Board.

"(b) The Chairman of the Board shall receive compensation at the rate of $17,500 per annum. As Chairman, he shall preside at meetings of the Board and be the Corporation's chief representative. He shall be responsible for general supervision of the activities of the staff of the Corporation. He shall also maintain liaison with the representatives of the States with respect to the policies set forth in this act. The Chairman in the conduct of his functions as Chairman shall act in conformance with determinations of the Board.

"Duty of Corporation

"SEC. 103. It shall be the duty of the Corporation (a) to receive and borrow funds, (b) to provide and make available to the Secretary such sums as are necessary to permit him to make the payments or advances to the States, through the established channels of the Bureau of Public Roads of the Federal share of the cost of construction of projects on the interstate system, and such other costs or expenses as are permitted or required to be paid or advanced by him in connection with the interstate system under the terms of this act, and (c) to perform such other duties as may be required in the performance of its functions and the exercise of its powers under this act.

"Corporate powers

"SEC. 104. For the purpose of carrying out its functions under this act, the Corporation—

"(1) shall have succession in its corporate name;

"(2) may adopt and use a corporate seal, which shall be judicially noticed;

"(3) may sue and be sued in its corporate name;

"(4) may adopt, amend, and repeal bylaws, rules, and regulations governing the manner in which its functions may be carried out and the powers vested in it may be exercised;

"(5) may make and carry out such contracts, agreements, or other transactions as it may deem necessary or advisable in the conduct of its business;

"(6) may incur indebtedness as provided in section 105, and incur current obligations incidental to performing its functions, subject to provisions of law applicable to Government corportions;

"(7) may appoint such officers, agents, attorneys, and employees as it deems necessary for the conduct of its affairs, define their authority and duties, delegate to them such of the powers vested in the Corporation as the Board may determine, require bonds of such of them as the Board may designate, and fix the penalties and pay the premiums on such bonds;

"(8) may utilize the available services and facilities of other agencies as provided in section 106;

"(9) may use the United States mails in the same manner as its executive departments; and

"(10) may take such actions and exercise such other powers as may be necessary, incidental or appropriate to carry out the function of the Corporation, and to further the objectives of this act.

"Corporate financing

"SEC. 105. (a) The Corporation is authorized to issue, upon the approval of the Secretary of the Treasury, obligations in an amount not to exceed $21 billion. Obligations issued under this subsection shall have such maturities, not to exceed 30 years, and shall bear such rate or rates of interest, as may be determined by the Corporation with the approval of the Secretary of the Treasury, and they shall be redeemable at the option of the Corporation before maturity in such manner as may be stipulated in the obligations. The aggregate amount of obligations under this subsection outstanding at any one time shall not exceed the maximum amount of obligations, as determined by the Secretary of the Treasury as of July 1 of each year, on which the annual principal and interest payments required over the life of the obligations can be made from prospective appropriations under subsection (b) and other revenues of the Corporation, but obligations lawfully issued hereunder will not be affected by determinations subsequent to date of issue. The Corporation shall insert appropriate language in all of its obligations issued under this subsection clearly indicating that the obligations, together with the interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instrumentality thereof other than the Corporation. The Corporation is authorized to purchase in the open market for retirement, at any time and at any price, any outstanding obligations issued under this subsection.

"(b) There are hereby authorized to be appropriated and there shall be paid by the Secretary of the Treasury to the Corporation for the fiscal year 1956, and for each fiscal year thereafter in which there are outstanding unmatured obligations of the Corporation, out of any moneys in the Treasury not otherwise appropriated, amounts equal to the revenue in excess of $622,500,000 collected during each fiscal year, as shown by the official accounts of the Director of Internal Revenue, from the taxes (including interest, penalties, and additions to taxes) imposed by sections 4081 and 4041 of the Internal Revenue Code of 1954 on gasoline and special fuels, upon certification by the Board and the Secretary of the Treasury as necessary to finance this program. The Secretary of the Treasury shall enter into a contract with the Corporation providing for the payment of such amounts to the Corporation, which contract shall stand as security for the outstanding obligations of the Corporation, it being the intent of Congress that such amounts shall be dedicated to the construction of the Interstate System. The Secretary of the Treasury may advance to the Corporation in any fiscal year an amount not in excess of the estimated appropriations for that fiscal year, such advances to be repaid from amounts subsequently appropriated hereunder in that fiscal year. The Corporation shall pay into the Treasury as miscellaneous receipts, on the basis of annual billings as determined by the Secretary of the Treasury, an amount for each fiscal year that bears the same ratio to the estimated costs of collecting taxes, refunds of taxes, and costs of making refunds of taxes under section 4081 and 4041 of the Internal Revenue Code of 1954 for that fiscal year as the appropriation hereunder bears to the estimated total revenue collected under those provisions for that fiscal year.

"(c) The Corporation may issue to the Secretary of the Treasury its obligations in an amount not to exceed in any 1 year the amount necessary above all other revenues of the Corporation to provide for debt service of the Corporation during that year but not to exceed the aggregate amount of $5 billion outstanding at any one time. The obligations issued by the Corporation under this subsection shall have such maturities as may be prescribed by the Corporation with the approval of the Secretary of the Treasury and shall be redeemable at the option of the Corporation before maturity in such manner as may be stipulated in the obligations. Each such obligation shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of the obligation of the Corporation. The Secretary of the Treasury is authorized to purchase any obligations of the Corporation to be issued under this subsection, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include any purchases of the Corporation's obligations hereunder.

"(d) All obligations issued by the Corporation shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds, the investment or deposit of which shall be under authority and control of the United States or any officer or officers thereof.

"(e) The penultimate sentence of paragraph Seventh of section 5136 of the Revised Statutes, as amended, is amended by inserting after the phrase "or obligations of the Federal National Mortgage Association," the phrase "or obligations of the Interstate Highway Finance Corporation,".

"(f) All revenues of the Corporation, including moneys appropriated under subsection (b) of this section shall be maintained as a trust fund.

"Services and facilities of other agencies

"SEC. 106. (a) Except as specifically authorized by the President, the Corporation shall, with the consent of the agency concerned, accept and utilize, on a reimbursable basis, the services of the officers, employees, facilities, and information of any agency of the United States, except that any such agency having custody of any data relating to any of the matters within the jurisdiction of the Corporation shall, upon the request of the Corporation, make such data available to the Corporation without reimbursement.

"(b) The Corporation shall contribute to the civil-service retirement and disability fund, on the basis of annual billings as determined by the Civil Service Commission, for the Government's share of the cost of the civil-service retirement system applicable to the Corporation's employees and their beneficiaries. The Corporation shall also contribute to the employee's compensation fund, on the basis of annual billings as determined by the Secretary of Labor, for the benefit payments made from such fund on account of the Corporation's employees. The annual billings shall also include a statement of the fair portion of the cost of the administration of the respective funds, which shall be paid by the Corporation into the Treasury as miscellaneous receipts.

"Misappropriation of funds

"SEC. 107. (a) All general penal statutes relating to the larceny, embezzlement, or conversion, of public moneys or property of the United States shall apply to the moneys and property of the Corporation.

"(b) Any person who, with intent to defraud the Corporation, or to deceive any director, officer, or employee of the Corporation or any officer or employee of the United States, (1) makes any false entry in any book of the Corporation, or (2) makes any false report or statement for the Corporation, shall, upon conviction thereof, be fined not more than $10,000 or imprisoned not more than 5 years, or both.

"(c) Any person who shall receive any compensation, rebate, or reward, or shall enter into any conspiracy, collusion, or agreement, express or implied, with intent to defraud the Corporation or wrongfully and unlawfully to defeat its purposes, shall, on conviction thereof, be fined not more than $5,000 or imprisoned not more than 5 years, or both.

"Report to the Congress

"SEC. 108. The Board shall prepare an annual report of operations under this act for transmittal by the President to the Congress.

"TITLE II—PROVISIONS CONCERNING THE DEPARTMENT OF COMMERCE

"Cancellation of authorizations

"SEC. 201. (a) Section 2 of the Federal-Aid Highway Act of 1954 is hereby repealed.

"(b) Section 1 of the Federal-Aid Highway Act of 1954 is hereby amended by reducing the authorization for projects on the Federal-aid primary system in urban areas, and for projects on approved extensions of the Federal-aid secondary system within urban areas, for the fiscal years ending June 30, 1956 and 1957, from '$175 million' to '$75 million.'

"Interstate system

"SEC. 202. In furtherance of section 7 of the Federal-Aid Highway Act of 1944, the Secretary is authorized, within the limitation of 40,000 miles, to approve as part of the interstate system such lateral feeder and distributing routes, and circumferential routes as may be required to furnish maximum utility of the system within or adjacent to urban areas, provided that one or both ends of such routes shall lie on a route of the system. The Secretary is further authorized to approve as part of the interstate system any highway which complies with the standards of section 203 and which lies on an approved route of the interstate system irrespective as to whether or not tolls are collected for the use thereof. The Secretary is authorized, in cooperation with the State highway departments, to designate as promptly as reasonable possible routes to take up the mileage still undersigned so that the entire 40,000 miles of this system shall be designated. In approving any undesignated mileage the Secretary shall designate those routes which contribute most to the benefit of the system as a whole and are most important from the point of view of national defense. In case the actual construction of highways on the system increases available undesignated mileage the Secretary may redesignate this mileage in accordance with the preceding sentence. No additional mileage shall be placed on the system until the Secretary shall certify that 80 percent of the mileage originally designated has been improved to the approved standards.

"Standards

"SEC. 203. (a) The standards to be used for the interstate system shall be those approved by the Secretary after consultation with the Department of Defense, the Federal Civil Defense Administration, and the State highway departments. The Secretary is authorized to make the final determination of the standards to be used, except as provided in section 102 (d).

"(b) The geometric standards for the interstate system shall be such standards as are deemed adequate to properly accommodate the types and volume of traffic forecast for the 20 years immediately following enactment of this act. Such standards shall provide for the development of a system as nationally uniform in characteristics as possible within a 10-year construction period.

"(c) The right-of-way width on the interstate system shall be adequate to permit construction of the route to the geometric standards provided for in subparagraph (b) for a period of at least 20 years following the date of authorization of a project under this act. Such width shall not be deemed adequate if (1) it does not include provision for the addition of more traffic lanes at a future date, except that the maximum width in any case need not exceed that necessary for three moving lanes in each direction, plus service roads as necessary; and if (2) it does not contain the proper and necessary degree and type of control of access or exits from the highway which will permit maximum freedom of traffic flow and promote national safety.

"(d) The standards shall be periodically reviewed by the Secretary, after consultation with the appropriate State and Federal officials, to insure maximum utility of the completed system with due recognition to the desirability of developing a national system having the greatest uniformity of characteristics possible.

"Expenditure authorization

"SEC. 204. The Secretary is hereby authorized to make payments in an amount not to exceed $25 billion or such lesser sum as estimated by the Corporation on the basis of prospective revenues to be the maximum amount to be available for the purposes of this act.

"Distribution by States

"SEC. 205. (a) All sums herein authorized shall be apportioned among the several States in accordance with needs of the interstate system in the several States as determined in accordance with the provisions of this act: *Provided*, That the following amounts (representing 90 percent of the needs of the several States with respect to the interstate system, as reported in House Document No. 120, 84th Cong., 1st sess.), shall be distributed to the States as next hereinbelow set forth:

[Amounts in thousands]

State	10 years	Annually
Alabama	$328,811	$32,881
Arizona	188,622	18,862
Arkansas	182,776	18,278
California	2,089,397	208,940
Colorado	140,752	14,075
Connecticut	499,500	49,950
Delaware	59,330	5,933
Florida	445,622	44,562
Georgia	629,921	62,992
Idaho	96,292	9,629
Illinois	958,212	95,821
Indiana	780,526	78,053
Iowa	248,133	24,813
Kansas	185,779	18,578
Kentucky	442,800	44,280
Louisiana	443,272	44,327
Maine	132,549	13,255
Maryland	390,730	39,073
Massachusetts	754,179	75,418
Michigan	1,166,141	116,614
Minnesota	434,781	43,478
Mississippi	221,252	22,125
Missouri	538,728	53,873
Montana	137,038	13,704
Nebraska	96,034	9,603
Nevada	66,106	6,611
New Hampshire	59,785	5,979
New Jersey	1,221,470	122,147
New Mexico	212,141	21,214
New York	1,202,310	120,231
North Carolina	222,215	22,222
North Dakota	96,161	9,616
Ohio	1,224,656	122,466
Oklahoma	339,274	33,927
Oregon	287,460	28,746
Pennsylvania	684,019	68,402
Rhode Island	110,582	11,058
South Carolina	164,953	16,495
South Dakota	85,576	8,558
Tennessee	341,855	34,186
Texas	784,814	78,481
Utah	214,418	21,442
Vermont	159,601	15,960
Virginia	512,514	51,251
Washington	420,742	42,074
West Virginia	232,726	23,273
Wisconsin	290,158	29,016
Wyoming	266,261	26,626
District of Columbia	136,621	13,662

Provided, That the Secretary shall, in cooperation with the several States, reevaluate the remaining needs of the interstate system in the several States in 1958, 1961, and 1964, and shall render a written report to the Congress on or before the 1st day of February in each of such years containing the results of such reevaluation and his recommendations with reference to any proposed changes in the distribution of the balance of the funds apportioned in the foregoing table: *Provided further*, That the Federal share payable on account of any project on the National System of Interstate Highways provided for by funds made available hereunder shall be 90 percent of the total cost thereof, plus a percentage of the remaining 10 percent of such cost in any State containing unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceeding 5 percent of the total area of all lands therein, equal to the percentage that the area of such lands in such State is of its total area; *And provided further*, That such Federal share payable on any project in any State shall not exceed 95 percent of the total cost of such project.

"(b) On or before April 1, 1956, each State desiring to avail itself of funds hereunder shall file a statement, and an estimate of the cost as of January 1, 1956, of bringing that portion of the designated interstate mileage within its boundaries up to the standards prescribed under this act. On or before April 1 of each subsequent year, each State shall submit a revised estimate of such cost as of January 1 of such year, including therein the actual or estimated cost of any construction of such mileage begun or carried on subsequent to January 1, 1956.

"(c) On or before July 1, 1956, and on or before July 1 of each year thereafter, the Secretary shall establish an approved estimate of cost for construction of projects on the interstate system in each State, and the Secretary shall in accordance with needs and subject to the provisions of section 205 (a), determine the ratio of the approved estimate of cost for each State to the total of the approved estimates of such costs for all States.

"Scheduling of construction and participation by States

"SEC. 206. (a) On or before April 1, 1956, and on or before April 1 of each year thereafter, each State desiring to avail itself of funds hereunder shall file a statement and an estimate of the cost of projects it proposes to construct during each of the next two fiscal years. The Secretary shall examine these estimates, and before the beginning of each fiscal year, commencing with the fiscal year 1956, he shall establish an approved construction program, including the estimated cost thereof, for each State for such fiscal year.

"(b) The Secretary shall make allocations to the States in the amounts of the approved estimates, and the Secretary shall promptly notify the States of the approved construction programs and of the amounts so allocated. These allocations shall be available for obligation by the States to which allocated for a period of 2 years. Any sums not under obligation at the end of any 2-year period may be reallocated, as the Secretary may determine.

"(c) On or before July 1, 1956, and on or before July 1 of each year thereafter, the Secretary shall transmit to the Corporation a schedule indicating his best estimate of the cash requirements necessary to meet payments during the next 2 fiscal years. These estimates shall include estimates of amounts needed for payments under section 207, for research as authorized by section 10 (a) of the Federal-Aid Highway Act of 1954, and for administrative purposes in an amount not exceeding one-tenth of 1 percent of the funds made available by the Corporation in any fiscal year. The Corporation shall promptly make available funds to the Secretary as required by his annual estimate.

"(d) The Secretary is authorized to advance funds to each State to permit prompt payment of construction costs.

"(e) Payments to the States made pursuant to this section shall be subject to the conditions (1) that construction of projects on the interstate system in each State shall be in accordance with the standards approved by the Secretary; (2) that the State participates in the costs of construction in each fiscal year in the matching amount provided for such State under the terms of section 205 (a); and (3) that the State will have the same obligations as to maintenance of the projects constructed under this act that it has under Federal-aid highway legislation.

"Right-of-way acquisition

"SEC. 207. (a) If the Secretary shall determine that the State highway department of any State is unable to obtain possession and the right to enter upon and use the rights-of-way, lands or interest in lands, improved or unimproved, including the control of access thereto from adjoining lands, required for any project on the interstate system with sufficient promptness, and each such State has agreed with the Secretary to pay, at such time as may be specified by the Secretary, an amount equal to 10 percent of the costs incurred by the Secretary in acquiring such lands or interests in lands, or such lesser percentage as may be applicable under the provisions of section 205 (a), the Secretary is authorized, upon the request of such a State, prior to approval of title by the Attorney General, and in the name of the United States, to acquire, enter upon, and take possession of such rights-of-way, lands or interests in lands, including the control of access thereto from adjoining lands, by purchase, donation, condemnation or otherwise in accordance with the laws of the United States (including the act of February 26, 1931; 46 Stat. 1421), and to expend funds for projects thereon. The authority granted by this section shall also apply to lands and interest in lands received as grants of land from the United States and owned or held by railroads or other corporations. The cost incurred by the Secretary in acquiring any such rights-of-way, lands or interest in lands may include the cost of examination and abstract of title, certificate of title, advertising, and any fees incidental to such acquisition; and shall be payable out of the funds apportioned to the State hereunder available to the Secretary for construction of projects on the interstate system. The Secretary is further authorized and directed by proper deed, executed in the name of the United States, to convey any such rights-of-way, lands, or interest in lands, including the control of access thereto from adjoining lands, acquired in any State under the provisions of this section, except the outside 5 feet of any such right-of-way in States unable or unwilling to control access, to the State highway department of such State or to such political subdivision thereof as its laws may provide, upon such terms and conditions as may be agreed upon by the Secretary and the State highway department, or political subdivisions to which the conveyance is to be made. Whenever the State is able and agrees to control access, the outside 5 feet may be conveyed to it.

"(b) Whenever rights-of-way on the interstate system are required over public lands of the United States, the Secretary may make such arrangements with the agency having jurisdiction over such lands as may be necessary to give the State or other person constructing the projects on such lands adequate rights-of-way and control of access thereto from adjoining lands, and any such agency is hereby directed to cooperate with the Secretary in this connection.

"(c) The Secretary may adopt such regulations as he deems advisable to protect fully the interests of the United States in the acquisition of rights-of-way. He may take such action as necessary to carry out such regulations.

"TITLE III—MISCELLANEOUS

"Definitions

"SEC. 301. As used in this act, unless the context requires otherwise—

"(a) The term 'interstate system' means the National System of Interstate Highways as authorized to be designated by section 7 of the Federal-Aid Highway Act of 1944, and includes those routes heretofore designated by the Commissioner of the Bureau of Public Roads, as well as routes to be hereafter designated. The mileage so designated as of June 30, 1954, is 37,600 miles. The mileage of the routes so designated is calculated by stating the mileage of the most traveled highway between control points. The mileage of the entire system is limited to 40,000 miles.

"(b) The term 'Corporation' means the Interstate Highway Finance Corporation created by title I of this act.

"(c) The term 'Secretary' means the Secretary of Commerce.

"(d) The term 'Federal-aid highway legislation' means 'the act providing that the United States shall aid the States in the construction of rural post roads and for other purposes,' approved June 11, 1916, as amended and supplemented.

"Amendment to Corporation Control Act

"SEC. 302. Section 101 of the Government Corporation Control Act (59 Stat. 597), as amended, is hereby further amended by adding thereto the words 'Federal Highway Corporation.'

"Construction of this act

"SEC. 303. If any section, subsection, or other provision of this act, or the application thereof to any person or circumstance is held invalid, the remainder of this act and the application of such section, subsection, or other provision to other persons or circumstance shall not be affected thereby.

"Effect on present law

"SEC. 304. All provisions of Federal-aid highway legislation shall remain in full force and effect, and shall apply to the required actions to be taken, and payments to be made, by the Secretary under this act in connection with the interstate system with the same force and effect that said provisions of the said legislation applied to such actions and payments in connection with the interstate system prior to the passage of this act, except that the provisions of this act shall supersede any provision of the said legislation which conflicts with a provision of this act, except that section 13 of the Federal-Aid Highway Act of 1950 shall not be applicable to the interstate system, and for the purposes of section 12 of the Hayden-Cartwright Act, the allocations made under this act shall not be deemed an apportionment."

Mr. FALLON (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with, and that it be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

Mr. DONDERO. Mr. Chairman, reserving the right to object, and I shall not object except to say that the amendment which I have offered is the Clay report bill so that the House will understand it.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. DONDERO. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. WILSON of Indiana. I object, Mr. Chairman.

Mr. DONDERO. Mr. Chairman, as I said at the beginning of the debate on this legislation, this is perhaps the largest legislative proposal for the building of highways ever offered by any civilized government in the history of the world. It is not a $48 billion program on the part of the Federal Government either under the Clay bill or under the Fallon bill. The Fallon bill proposes $24 billion in taxes, the Clay bill $21 billion in bonds.

Now, much has been said in regard to the payment of the interest that might accrue on these bonds. To begin with, the people to whom that interest will be paid will pay back to the Federal Government a considerable share of it in income taxes.

There has been criticism here this afternoon that the roads will be worn out before the bonds are paid. Let me say certainly the rights-of-way will not wear out; neither will the foundations of the roads wear out. The top may wear out as it does on all other roads. I am reminded of the building of the Pennsylvania Turnpike, which was nearly 20 years ago. It is true that in some places they have been compelled to blacktop it, but that is all. In addition to that, if it becomes necessary, whether it is built under this bill or the Fallon bill, let us remind ourselves and be aware of the fact that the maintenance and repair of these roads is the responsibility of the States and not of the Federal Government. I am sure the States will not expend money where it is not necessary, and I do not think anybody need fear that the roads will wear out before the bonds are paid.

It has been pointed out that there will be great savings to the people of this country, if we provide a more adequate system of highways. Not only will there be a great saving of life, estimated at more than 10 percent—I hope it is more—but also a saving in the destruction of property upon the highways of the Nation today which amounts to the staggering sum of approximately $4 billion. If we save even a quarter or half of that, plus the saving of life, that is justification enough for the Congress of the United States to pass legislation to provide better and more adequate highways.

I want to repeat, so no one will misunderstand, that the bill which I have introduced is the same as the original Clay bill that was introduced back in January-February of this year, with one exception and with a few minor amendments.

The Bacon-Davis provision is not in the bill which I introduced. Neither is there a provision for payment to utilities for the relocation of their facilities. A provision that was in the original bill provided for payment to the States for roads already built, and that has been omitted from this bill. Those are the main features. Otherwise, the rest of the bill remains practically the same. The financing provision is the same. I am sure that everyone understands what my bill contains even though it was not read in full. I was in complete accord with the motion made by the gentleman from Maryland [Mr. FALLON] who has been helpful and cooperative in presenting legislation for highways, and a wonderful acting chairman of the committee.

So, as we come to a vote on this bill, let everybody understand what it is, so that no mistakes will be made. Now that Members have a choice, 1 of 2 things will be done; either they will vote for

the financing of the highway program over a period of 30 years, through the issuance of bonds, or they will vote for the Fallon bill which provides for the imposition of taxes. In either case, there is a choice offered and an opportunity for the House to express its judgment in connection with the greatest road program ever presented to the United States Congress.

Mr. FALLON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I might say that all during the hearings and conferences the ranking Member on the Republican side has been of very great help and a steadying influence. We do not differ in any way on this highway program except on the financial section. The gentleman from Michigan [Mr. DONDERO] and I have worked together on road programs for the past 10 years, and at no time have we ever differed on the need for road legislation that came before the House.

The reason why we shifted our attention from the Clay bill or the Dondero bill is the fact that the other body took such positive action against it. It is true that we should not always be influenced by the judgment or actions of the other body. But as a practical matter we had to take this action into consideration. If there is to be any chance of a highway bill this year, it certainly cannot be the Dondero bill, because if we were to go into conference with two different philosophies, there would be little possibility of an agreement. I think we have got to find some legislation close to the provisions of the bill from the other body. That was the main reason why this bill was voted down by the Committee on Public Works.

Another reason was there would be $11,500,000,000 in interest, which would make this road program cost $11,500,000,000 more than it would cost under H. R. 7474. That is a fact. There is no way of dodging it. It would cost $11,500,000,000 more.

So we must decide here today whether we want to pay for these roads in 15 years in cash and no interest charges or whether we want to pay for them over a period of 30 years on credit with huge interest costs.

The fact is, at the end of 15 years, we will be able to say to the next generation, "Here is something that is paid for."

Mr. DEMPSEY. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield to the gentleman from New Mexico.

Mr. DEMPSEY. There seems to be some confusion on the utilities question. Is it possible for any utility to get any reimbursement unless the respective State highway commission recommends it?

Mr. FALLON. Under the basic law, the Bureau of Public Roads cannot honor anything coming from anybody except the State highway commission.

Mr. DEMPSEY. And the State highway commission must recommend it before any reimbursement can be made?

Mr. FALLON. That is correct.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield.

Mr. JONES of Alabama. Under the present law, if a particular utility wanted to apply for these benefits, and have the State reimburse them, is it not true that the Federal Government would participate in the relocation cost of the utility?

Mr. FALLON. At the present time, yes.

Mr. JONES of Alabama. So why is it necessary to have any section at all in here about that?

Mr. DEMPSEY. This even limits it. This is 2 percent and half of the cost.

Mr. FALLON. This limits it to 50 percent of the cost and 2 percent of the cost of the project.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield to the gentleman from Minnesota.

Mr. JUDD. Does anybody believe that a State highway commission would not recommend that the Federal Government pay the 50 percent if the law authorized the Federal Government to do so? The State would not do it if it had to use only its own money, but is not the State highway commission likely to say, "Sure, go ahead, if the Federal Government will pay it, it is fine."

Mr. FALLON. The State is allowed to do it now and the Federal Government picks up the check for 100 percent. Under this amendment it can pick up the check only for 50 percent, and only when recommended by the highway commission.

Mr. DEMPSEY. If the State recommends it, the State puts up half and the Government puts up half. It does not take it from the Federal Government.

Mr. FALLON. That is right.

Mr. MACK of Washington. Mr. Chairman, I offer an amendment to the Dondero substitute.

The Clerk read as follows:

Amendment offered by Mr. MACK of Washington to the substitute amendment offered by Mr. DONDERO: On page 20, line 16, renumber section 207 as section 208 and add a new section 207 as follows:

"Labor standards

"SEC. 207. The Secretary of Commerce shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on the initial work performed on highway projects in the National System of Interstate Highways authorized by this act shall be paid wages at rates not less than those prevailing on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the act of August 30, 1935, known as the Davis-Bacon Act (40 U. S. C., sec. 276–a)."

Mr. MACHROWICZ. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Michigan.

Mr. MACHROWICZ. Will the gentleman explain whether this is the same amendment as now contained in the Fallon bill?

Mr. MACK of Washington. This is the same amendment that is contained in the Fallon bill.

Mr. MACHROWICZ. I thank the gentleman.

Mr. MACK of Washington. The Davis-Bacon provision was put into the Fallon bill by a vote of 28 to 4. In short, almost all of the Republicans and nearly all of the Democrats on the committee are in favor of the Davis-Bacon provision.

The Davis-Bacon provision is an old law in the United States. It has been on the statute books for 25 years, since 1931. The authors of the Davis-Bacon law when enacted in 1931 were the Senator from Pennsylvania, Mr. Davis, who was at one time Secretary of Labor in a Republican administration, and Mr. Bacon, a Representative from the State of New York. Mr. Bacon, a Representative of our State of New York, I am told was a very wealthy man and a very conservative man. The circumstance which led Mr. Bacon to propose the Davis-Bacon bill was that the Veterans' Administration was engaged in building a veterans' hospital in his district in New York State.

The contractor who had the lowest bid was from outside of the State of New York. He brought in a crew of a thousand workers from a low-wage area and built barracks in which to house this crew, messhalls in which to feed his workers, and opened a company store in which to sell these workers goods. This aroused the opposition of the business people of the community; it aroused the opposition of the contractors in the State of New York, and it aroused the opposition of labor. As a result, Congress in the Hoover administration, a Republican administration, in 1931 enacted this law in order to protect workers against this type of unfair competition.

The Davis-Bacon law, now on the statute books for a quarter of a century, is in force on many types of public works.

The Davis-Bacon law today applies wherever Federal money is employed to build airports, to construct schools, to carry out slum clearance, to build Federal hospitals. It applies to the lease-purchase program of public buildings enacted last year by the 83d Republican Congress.

The Davis-Bacon law requirements are in force even where the Federal Government pays all of the cost to construct such roads as forest roads and Park Service roads.

I, by my amendment, am asking that this Davis-Bacon law apply to the interstate highways that are to be built under this bill and toward the cost of which the Federal Government will provide 90 to 95 percent of all the money used to build them.

If it is right to have the Davis-Bacon provision in the highway act and in force where the Federal Government provides all the money, certainly there is nothing wrong to enforcing the Davis-Bacon law where the Federal Government puts up 90 percent to 95 percent of the money.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield.

Mr. DONDERO. As one who introduced the Clay bill as an amendment, I certainly have no objection to your proposal.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield.

Mr. BALDWIN. I wish at this time to join in the remarks of the gentleman from Washington [Mr. MACK]. I hope very much the committee will adopt his amendment.

Mr. MACK of Washington. I know the gentleman from California had a similar amendment ready to offer and would have offered it had he had an opportunity.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield

Mr. HOLMES. I want to commend the gentleman from Washington for offering this amendment, and I will join in supporting the amendment.

Mr. MACK of Washington. Mr. Chairman, the highway program proposed by this bill authorizes the spending of $48½ billion during the next 15 years for the construction of new highways. This will be the greatest public works program in the history of mankind. The money provided in this legislation would build the equivalent of 140 Panama Canals—the Panama Canal cost $360 million to build. No building program of such colossal magnitude heretofore has ever been undertaken.

To carry out this program great companies will organize construction crews and then bid on the thousands of highway projects to be let.

The Government, under law, must accept the lowest bids for these jobs. What I seek to safeguard against through the Davis-Bacon provision is that companies which organize construction crews in low wage areas shall not be permitted to bring low paid crews into States and areas where wages are higher and thereby break down wage rates where good wage rates now prevail.

We do not want contractors to get contracts based on their ability to hire labor cheaply. We want them to compete on a basis of ability, competency and efficiency, not on low wages. The Federal Government should not be a party to encouraging the breaking down of wage standards in any area where good wages prevail. That is why the protection of the Davis-Bacon law is needed in this bill.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield.

Mr. PELLY. Mr. Chairman, I rise to support the so-called Clay bill as introduced by our colleague from Michigan [Mr. DONDERO]. I am opposed to the Fallon bill primarily because I oppose its discriminatory tax provisions. A howl of protest followed this attempt by the Public Works Committee to usurp the Ways and Means Committee's jurisdiction and include unequal and unfair taxes in the bill. But why these taxes at all? In our expanding economy the present taxes on gasoline will pay off a bond issue. All local financing is done that way. Suffice to say that with the estimated net increase of 3 million cars annually traveling our highways the administration's original proposal to finance the cost by issuing bonds is absolutely practical in my judgment.

The only reservation I make in support of the Clay bill is that this Davis-Bacon provision must be included. The inclusion of the Davis-Bacon provision is absolutely essential to the maintenance of living standards in the State of Washington, with particular reference to my district of Seattle and Kitsap County. My area is a high-cost-of-living area, and prevailing wage rates must be maintained if labor in my district is to hold the wage scales necessary to the maintenance of proper living standards under these high-cost conditions. We have had occasions in the past when outside contractors with out-of-area labor came in and undercut local labor markets. I am unalterably opposed to the repetition of such a situation. Consequently, I am supporting the Clay bill, with the intention of supporting an amendment providing the Davis-Bacon wage provision when it is offered.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Ohio, a member of the committee.

Mr. SCHERER. As a member of the committee, I join the gentleman from Washington in supporting his amendment.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield.

Mr. KEATING. I was happy to hear the ranking minority Member say that he had no opposition to this amendment. I think it greatly improves the substitute amendment, and I hope the amendment will be adopted and that the substitute will be adopted.

Mr. MACK of Washington. The committee voted for it 28 to 4.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield.

Mr. MORANO. I wish to congratulate the gentleman from Washington for offering his amendment, and I shall support it.

Mr. THOMPSON of Louisiana. Mr. Chairman, I offer a substitute amendment for the amendment offered by the gentleman from Michigan [Mr. DONDERO].

The Clerk read as follows:

Amendment offered by Mr. THOMPSON of Louisiana as a substitute for the amendment offered by Mr. DONDERO: Strike out all after the enacting clause of H. R. 7474 and insert in lieu thereof the following: "That, for the purpose of carrying out the provisions of the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), and all acts amendatory thereof and supplementary thereto, there is hereby authorized to be appropriated the sum of $725 million for the fiscal year ending June 30, 1957, which sum shall be available for expenditure as follows:

"(a) $326,250,000 for projects on the Federal-aid primary highway system.

"(b) $217,500,000 for projects on the Federal-aid secondary system.

"(c) $181,250,000 for projects on extensions of these systems within urban areas.

"The sums authorized by this section shall be apportioned among the several States in the manner now provided by law and in accordance with the formulas set forth in section 4 of the Federal-Aid Highway Act of 1944, approved December 20, 1944 (58 Stat. 838).

"Any sums apportioned to any State under this section shall be available for expenditure in that State until June 30, 1959, and any amounts so apportioned remaining unexpended at the end of such period shall lapse: *Provided*, That such funds shall be deemed to have been expended if a sum equal to the total of the sums herein and heretofore apportioned to the State is covered by formal agreements with the Secretary of Commerce for improvement of specific projects as provided in this act, and prior acts.

"Recognizing it to be in the national interest to foster and accelerate the construction of a safe and efficient system of Federal-aid highways in each State, it is hereby declared to be the intent of Congress progressively to increase the annual sums heretofore authorized by the Federal-Aid Highway Act of 1954, for construction of projects on the Federal-aid primary and secondary systems and approved extensions thereof in urban areas, by amounts which in each year shall provide an increase over the immediately preceding year of not less than $25 million, commencing with the fiscal year ending June 30, 1957, as hereinbefore provided, and continuing such progression in each of the succeeding fiscal years, through the fiscal year ending June 30, 1966, for which funds may hereafter be authorized. It is further the intent to allocate the total funds thus provided to the three categories in the same relative ratio as hereinbefore provided for projects on the Federal-aid primary and secondary systems and approved extensions thereof in urban areas.

"It is further declared to be the intent of Congress to continue during the life of this act the authorizations for roads in the Federal domain at annual rates not less than those contained in sections 3, 4, and 5 of the Federal-Aid Highway Act of 1954 (Public Law 350, 83d Cong.).

"SEC. 2. (a) For national defense and other purposes, it is considered essential to provide for the early completion of a national system of interstate and defense highways, which system shall be understood to mean a system of highways of primary importance to the national defense and economy and welfare of the Nation, and shall be the system referred to as the National System of Interstate Highways, authorized in section 7 of the Federal-Aid Highway Act of 1944, which act is hereby amended to substitute the term 'National System of Interstate and Defense Highways' for the term 'National System of Interstate Highways' wherever that term appears in that act or any other acts. When used herein the term 'National System' shall be understood to mean the National System of Interstate and Defense Highways described above.

"(b) For the purpose of expediting the construction, reconstruction, and improvement of the national system, including extensions, spurs, and distributing connectors thereof through, within and into urban areas, designated in accordance with the provisions of section 7 of the Federal-Aid Highway Act of 1944 (58 Stat. 838), there is hereby authorized to be appropriated the additional sum of $1 billion for the fiscal year ending June 30, 1957, and an additional like amount for each succeeding fiscal year to and including the fiscal year ending June 30, 1966. The sum herein authorized for each fiscal year shall be apportioned among the several States in the ratio which the estimated cost of completing the national system in each State bears to the estimated total cost of completing the national system in all of the States and the District of Columbia as set forth in the computations compiled by the Bureau of Public Roads on pages 6 and 7 of House Document No. 120, 84th Congress: *Provided further*, That the Federal share payable

on account of any project on the national system provided for by funds made available under the provisions of this section shall be increased to 90 percent of the total cost thereof, plus a percentage of the remaining 10 percent of such cost in any State containing unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceeding 5 percent of the total area of all lands therein, equal to the percentage that the area of such lands in such State is of its total area: *And provided further*, That such Federal share payable on any project in any State shall not exceed 95 percent of the total cost of such project.

"(c) Any sums apportioned to any State under the provisions of this section shall be available for expenditure in that State for 2 years after the close of the fiscal year for which such sums are authorized: *Provided*, That such funds for any fiscal year shall be deemed to be expended if a sum equal to the total of the sum apportioned to the State for such fiscal year and previous fiscal years is covered by formal agreements with the Secretary for the improvement of specific projects under this section.

"(d) Any amount apportioned to the States under the provisions of this section unexpended at the end of the period during which it is available for expenditure under the terms of subsection (c) of this section shall lapse.

"(e) No funds authorized to be appropriated for any fiscal year by this section shall be apportioned to any State within the boundaries of which the National System may lawfully be used by vehicles with any dimension or with weight in excess of the greater of (1) the maximum corresponding dimensions or maximum corresponding weight permitted for vehicles using the public highways of such State under laws in effect in such State or regulations established by appropriate State authority effective on March 1, 1956, or (2) the maximum corresponding dimensions or maximum corresponding weight recommended for vehicles operated over the highways of the United States by the American Association of State Highway Officials in a document published by such association entitled 'Policy Concerning Maximum Dimensions, Weights, and Speeds of Motor Vehicles To Be Operated Over the Highways of the United States' and incorporating recommendations adopted by such association on April 1, 1946. Any amount which is withheld from apportionment to any State pursuant to the foregoing provisions of this section shall be reapportioned, in the same manner as provided in paragraph (b) of this section, to the States which have not been denied apportionments pursuant to such provisions: *Provided, however*, That nothing herein shall be construed to deny apportionment to any State allowing the lawful operation over the public highways within such State of any vehicles or combinations thereof that could be operated lawfully over the public highways within such State on March 1, 1956.

"(f) The Secretary is directed to take all action possible to expedite the conduct of a series of tests now planned or being conducted by the Highway Research Board of the National Academy of Sciences, in cooperation with the Bureau of Public Roads, the several States, and other persons and organizations, for the purpose of determining the maximum desirable dimensions and weights for vehicles operated on the Federal-aid highway systems and, after the conclusion of such tests, but not later than March 1, 1958, to make recommendations to the Congress with respect to such maximum desirable dimensions and weights.

"SEC. 3. Not more than 20 percent of the respective amounts apportioned to a State for any fiscal year from funds made available for expenditure under clause (a), clause (b), or clause (c) of the first section, or from funds authorized to be appropriated under section 2, may be transferred to the apportionment made to such State under any other of such clauses or under such section, except that no such apportionment may be increased by more than 20 percent by reason of transfers to it under this section: *Provided*, That such transfer is requested by the State highway department and is approved by the Governor of said State and the Secretary as being in the public interest: *Provided further*, That the Federal share payable on account of any project provided for by funds made available by transfer under the provisions of this section shall not exceed 50 percent of the costs thereof, including the costs of rights-of-way, except that in the case of any State containing unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceeding 5 percent of the total area of all lands therein, the Federal share shall be increased by a percentage of the remaining cost equal to the percentage that the area of all such lands in such State is of the total area: *Provided further*, That the transfers hereinabove permitted for funds authorized to be appropriated for the fiscal years ending June 30, 1957, through the fiscal year ending June 30, 1966, shall likewise be permitted on the same basis for funds which may be hereafter authorized to be appropriated for any subsequent fiscal year: *And provided further*, That nothing herein contained shall be deemed to alter or impair the authority contained in the last proviso to subparagraph (b) of section 3 of the Federal-Aid Highway Act of 1944.

"SEC. 4. (a) In any case in which the Secretary is requested by any State to acquire any lands or interests in lands (including, within the term 'interests in lands', the control of access thereto from adjoining lands) required by such State for right-of-way or other purposes in connection with the prosecution of any project for the construction, reconstruction, or improvement of any section of the National System, the Secretary is authorized, in the name of the United States and prior to the approval of title by the Attorney General, to acquire, enter upon, and take possession of such lands or interests in lands by purchase, donation, condemnation, or otherwise in accordance with the laws of the United States (including the act of February 26, 1931; 46 Stat. 1421), if—

"(1) the Secretary has determined either that such State is unable to acquire necessary interests in lands, or is unable to acquire such lands or interests in lands with sufficient promptness; and

"(2) such State has agreed with the Secretary to pay, at such time as may be specified by the Secretary, an amount equal to 10 percent of the costs incurred by the Secretary in acquiring such lands or interests in lands.

"The authority granted by this section shall also apply to lands and interests in lands received as grants of land from the United States and owned or held by railroads or other corporations.

"(b) The costs incurred by the Secretary in acquiring any such lands or interests in lands may include the cost of examination and abstract of title, certificate of title, advertising, and any fees incidental to such acquisition. All costs incurred by the Secretary in connection with the acquisition of any such lands or interests in lands shall be paid from the funds for construction, reconstruction, and improvement of the National System apportioned to the State upon the request of which such lands or interests in lands are acquired and any sums paid to the Secretary by such State as its share of the costs of acquisition of such lands or interests in lands shall be deposited in the Treasury to the credit of the appropriation for Federal-aid highways or shall be deducted from other moneys due the State for reimbursement under section 2 of this act and shall be credited to the amount apportioned to such State as its apportionment of funds for construction, reconstruction, or improvement of the National System.

"(c) The Secretary is further authorized and directed by proper deed, executed in the name of the United States, to convey any such lands or interests in lands acquired in any State under the provisions of this section, except the outside 5 feet of any such right-of-way in States unable or unwilling to control access, to the State highway department of such State or such political subdivision thereof as its laws may provide, upon such terms and conditions as to such lands or interest in lands as may be agreed upon by the Secretary and the State highway department, or political subdivisions to which the conveyance is to be made. Whenever the State is able and agrees to control access, the outside 5 feet may be conveyed to it.

"(d) Whenever rights-of-way on the National System are required over public lands of the United States, the Secretary may make such arrangements with the agency having jurisdiction over such lands as may be necessary to give the State or other person constructing the projects on such lands adequate rights-of-way and control of access thereto from adjoining lands, and any such agency is hereby directed to cooperate with the Secretary in this connection.

"SEC. 5. (a) For the purpose of facilitating the acquisition of rights-of-way in the most expeditious and economical manner and recognizing that the acquisition of rights-of-way requires lengthy planning and negotiations if it is to be done at a reasonable cost, the Secretary is hereby authorized, subsequent to fiscal year ending June 30, 1956, upon request of the State highway department, to make available to the States, funds for acquisition of rights-of-way in anticipation of construction and under such rules and regulations as the Secretary might prescribe, in amounts equal to 10 percent of the funds apportioned and available to the State within any category of any system under this act, for said acquisition of rights-of-way for roads to be constructed within a 5-year period following the fiscal year in which such request is made on the same participation basis as provided by this act for any such system.

"(b) In order to permit the initiation of this program for the National System at the earliest possible time, the Secretary, in addition to his existing authority to enter into contractual obligation, is authorized to make reimbursements or advances to the States for construction with respect to section 2 hereof, in an amount not to exceed $500 million during the fiscal year ending June 30, 1956: *Provided*, That the funds expended hereunder shall be credited against sums apportioned to the State in which expended for projects under the provisions of section 2 of this act.

"SEC. 6. It is hereby declared to be the sense of Congress that all segments of the Federal-aid highway systems should be improved to standards adequate to meet the needs of national defense and the national economy at the earliest practicable date. The Secretary is hereby directed to submit to the Congress not later than February 1, 1957, and annually thereafter, a report on the progress made in attaining the foregoing objective, together with recommendations with regard to the programs herein authorized.

"SEC. 7. In addition to the purposes set forth in section 7 of the Federal-Aid Highway Act of 1944, there shall be considered in connection with the undesignated mileage of the National System the additional purposes of eliminating bottlenecks in the evacuation routes leading from target areas, as designated by the Administrator of the Federal Civil Defense Administration, and providing such lateral feeder and distribut-

ing routes as may be required to furnish maximum utility of the system. The Secretary shall include in the annual report called for under section 6 hereof a statement showing what designations have been made during the prior calendar year.

"SEC. 8. All agreements between the Secretary and the State highway department for the construction of projects on the National System may contain a clause providing that the State will not add any points of access to, or exit from, the project in addition to those approved by the Secretary in the plans for such project, without the prior approval of the Secretary. Such agreements shall also contain such provisions as the Secretary feels necessary to insure that the users of the National System will receive the benefits of free competition in purchasing supplies and services at or adjacent to highways in such system, and such agreements shall also contain a clause providing that the State will not permit automotive service stations or other commercial establishments to be constructed or located on the right-of-way of the National System in such State.

"SEC. 9. The Secretary of Commerce shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on the initial construction work performed on highway projects in the National System authorized under section 2 of this act shall be paid wages at rates not less than those prevailing on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the act of August 30, 1935, known as the Davis-Bacon Act (40 U. S. C., sec. 276–a).

"SEC. 10. The Secretary is authorized to consider as part of the National System any toll road, bridge, or tunnel, now or hereafter constructed which meets the standards adopted for the improvement of projects located on this system, whenever such road, bridge, or tunnel forms a logical segment of this system as presently designated or as may be hereafter designated. Where a road on which tolls are being collected is incorporated in the National System, the Secretary is authorized to approve connecting projects under this Act to provide the necessary continuous system of highways: *Provided*, That agreement has been reached with the State prior to approval of any such project that (1) the section of toll road will become free to the public upon retirement of any bonds outstanding at the time of the agreement, (2) that all toll collections are used for maintenance and operation and debt service of the section of road incorporated into the system, and (3) that there is one or more reasonably satisfactory alternate free routes available to traffic by which the toll section of the system may be bypassed. Where a toll bridge or tunnel is incorporated in the National System, the Secretary is authorized to approve projects under this act approaching any such bridge or tunnel to a point where such project will have some reasonable use irrespective of its use for such bridge or tunnel.

"SEC. 11. The definition of the term 'construction' in section 1 of the Federal-Aid Highway Act of 1944 is hereby amended to read as follows:

"'The term "construction" means the supervising, inspecting, actual building, and all expenses incidental to the construction of a highway, including locating, surveying, and mapping, cost of rights-of-way, cost of relocation of tenants, cost of demolition of structures or removal of usable buildings to new sites, including the cost of such sites, and the elimination of hazards of railway grade crossings.'

"SEC. 12. So much of the first section and of section 2 of the Federal-Aid Highway Act of 1954 as authorizes appropriations for the fiscal year ending June 30, 1957, is hereby repealed.

"SEC. 13. The provisions of section 13 of the Federal-Aid Highway Act of 1950 shall not be applicable to projects constructed pursuant to section 2 of this act.

"SEC. 14. All provisions of the Federal-Aid Road Act of 1916, together with all acts amendatory or supplementary thereto, not inconsistent with this act, shall remain in full force and effect and be applicable hereto. All acts or parts of acts in any way inconsistent with the provisions of this act are hereby repealed.

"SEC. 15. If any section, subsection, or other provision of this act or the application thereof to any person or circumstance is held invalid, the remainder of this act and the application of such section, subsection, or other provision to other persons or circumstances shall not be affected thereby.

"SEC. 16. This act may be cited as the 'National System of Interstate and Defense Highways Act of 1955'."

Mr. McGREGOR. Mr. Chairman, a point of order. I make a point of order that the substitute amendment is not in order. It is a substitute to the substitute.

The CHAIRMAN. The Chair will advise the gentleman from Ohio that it is offered as a substitute to the amendment offered by the gentleman from Michigan [Mr. DONDERO].

Mr. McGREGOR. Then, if I understand the gentleman correctly, the gentleman from Michigan did not offer a substitute, but offered an amendment; is that correct?

The CHAIRMAN. The gentleman from Michigan [Mr. DONDERO] offered a motion to strike out and insert, which is an amendment, an original amendment.

Mr. MACK of Washington. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MACK of Washington. When would the Mack amendment come to a vote or would the chairman and the ranking member accept the amendment since everybody seems to be in agreement on it?

The CHAIRMAN. The amendment offered by the gentleman from Washington, which was an amendment to the amendment, will be voted on before any other amendments are voted on.

Mr. MACK of Washington. I thank the Chairman.

Mr. THOMPSON of Louisiana. Mr. Chairman, I ask unanimous consent that further reading of the substitute be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The CHAIRMAN. The gentleman from Louisiana [Mr. THOMPSON] is recognized.

Mr. THOMPSON of Louisiana. Mr. Chairman, I am sorry there seems to be an inclination on the part of some to keep this bill from being considered from all angles. I first want to say, Mr. Chairman, that I will not take up my time and the time of the membership by going back into all the details that have been argued so many times here this afternoon, and that we of the committee have labored with for over 8 weeks.

I am proud to serve on this Committee on Public Works. I think every member of the committee has made a conscientious effort to bring out a road bill that will give our motoring public and our defense forces the type of highway we should expect in a country like America.

But, Mr. Chairman, I think that perhaps we are proceeding here a little too fast. We had full hearings on the highway bill. We had no differences insofar as the need for highways are concerned, or how much it would cost to build them, but we did not use the time that I think should have been taken in committee to consider methods of financing that would have to be devised to pay for these highways.

I will say that the gentleman from Michigan, my good friend, Mr. DONDERO, has worked as hard as anyone to try to produce a program for the American people that could be realized and carried out.

I must say for my friends who take the position that they want the Clay plan, but if you do not want that, they would go along with you on something else. I do not think there are two routes we can follow at all; I think there is one that is best. It reminds me of the schoolteacher who went before the school board for examination and interview for a position. He learned that six members of the board believed in teaching that the world was round and the other six that the world was flat. So when this professor went before them, having heard of this argument, and was asked how he would teach geography, he answered: "As far as I am concerned, I am prepared to teach it either way.'

That is the position I think of too many of the membership on my left today.

This substitute amendment in effect is what has been called the Thompson bill. We have in it every perfection made by the committee that has to do with highways. We have in it the same ABC provisions that the Fallon bill contained and that the Dondero bill contained. We have in it all the factors of a realistic approach to the highway program. We want highways to be built. We do not want this program to bog down or to get a program that is way beyond our reach or something the people back home would not like. We want a highway bill, but we want one that our budget will stand.

Did any Member of this House object the other day when we cut $600 million from foreign aid appropriations? Who stood up to object?

Mr. MACHROWICZ. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of Louisiana. I yield.

Mr. MACHROWICZ. Will the gentleman explain whether the same thing which is found in the Fallon bill and which is found in the Dondero bill, namely the Davis-Bacon provisions, are also in the gentleman's bill?

Mr. THOMPSON of Louisiana. Yes, that is included. Everything is included that is in the Fallon bill except the financing.

The fact that the Appropriations Committee cut over $600 million from the foreign aid bill the other day indicates that it is the concensus of the House that we can save the $600 million from general revenues just from that one source. Now, if you have a residue that will amount to over $500 million a year for

the next 10 years in the existing highway users' taxes, why not use that, why not look back to see the billions of dollars that have previously been collected from highway users for general purposes? Why not give these highway users their due and not dig deeper into their pockets? If you vote for this substitute amendment, I assure you, Mr. Chairman, we will get a highway bill out that I feel the Senate will accept. We can then start building highways. You cannot build 1 mile more of highway in a period of 3 years with $10 billion than you can with $3 billion. The first 3 years is going to be the formative period. You cannot possibly spend the money as fast as the Fallon bill would have you do it for the first 3 years. So why not wait until the 3 years have gone by and let the then Congress pass on it. If the program can be accelerated, let us accelerate it at that time. But as a beginning, I ask you to vote for my amendment. I believe it is a good one.

Mr. DONDERO. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DONDERO. Mr. Chairman, does the vote come first on the Mack amendment, including the Davis-Bacon provision, or would it come first on the substitute offered by the gentleman from Louisiana [Mr. THOMPSON]?

The CHAIRMAN. The vote will come first on the so-called Mack amendment.

Mr. FALLON. Mr. Chairman I rise in opposition to the Thompson substitute amendment.

Mr. Chairman, I do not know much about this bill because it was never considered by the committee.

Mr. THOMPSON of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield to the gentleman from Louisiana.

Mr. THOMPSON of Louisiana. The bill was presented to the committee twice in the form of an amendment and considered. Of course, it was voted down.

Mr. FALLON. I am sorry to say the bill was never considered as a bill. It was offered as an amendment. It was never read. It was voted down. The committee never considered the bill, therefore I oppose the substitute.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield to the gentleman from Michigan.

Mr. DONDERO. Mr. Chairman, I may say to the House that I am opposed, as is the gentleman from Maryland, to the Thompson substitute.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield to the gentleman from Ohio.

Mr. McGREGOR. Mr. Chairman, I just want to call the attention of the membership to the fact that should this substitute prevail, as offered by the gentleman from Louisiana, you would have a highway bill without any means whatsoever of financing it. That is what you would be up against.

Mr. JONES of Alabama. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am surprised to know that anyone on the Committee on Public Works, of which I am a member and on which I have been attending constantly during the hearings on a road bill, say at this late hour that no provisions of the so-called Thompson substitute were ever considered by the committee.

Well, now, let us look at the record. There are 19 sections to the Fallon bill. The Fallon bill and the Thompson bill are identical except for 4 sections. The only section deleted from the Fallon bill is section 4 and the so-called utility provisions of the bill.

The substance of the Thompson bill was indeed considered and it was offered in the form of an amendment on three specific occasions. I do not think anyone who attended the hearings of this committee can refute that statement.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Maryland.

Mr. FALLON. Will not the gentleman see if I am correct in this statement. The first time the committee heard of this particular bill was on the last day when it was offered as a substitute?

Mr. JONES of Alabama. The gentleman knows that the numbers of the bill were changed but that the substance of the bill had been offered to the committee.

Now let me proceed.

Mr. FALLON. I was trying to ascertain the date on the bill when it was introduced, and I could not get a copy.

Mr. JONES of Alabama. Of course, the contents of the bill should not take anybody by surprise because it was considered in the committee in substance on the several occasions I have mentioned.

Let us see what this bill attempts to do. In the first place, it recognizes that there must be an acceleration of the so-called interstate or defense highway system. We increased the amount from $175 million to $1 billion a year. In addition to that, we set the amount on the urban, the primary, and the secondary roads at $725 million with an acceleration of $25 million until the 10th year, at which time the interstate and the ABC roads will get an equal amount.

Let me point out again to you that in the other 2 bills you are going to spend two-thirds of the entire amount of money, 66 percent, for 40,000 miles of road which are traveled by one-seventh of the vehicular traffic. In the Thompson bill we set aside an increased amount for the interstate system, and next year, on March 1, if there is need for additional taxes, the Committee on Ways and Means can consider this problem in relationship to the fiscal policy of the Federal Government and the overall tax schedule.

I have heard a great deal from the other side of the aisle that we must be forthright and we must come forward with a pay-as-you-go plan; yet those who advocate a pay-as-you-go plan advocate that we create a corporation and issue bonds which will cost in a 30-year period $11.5 billion in interest alone. Money from the general Treasury of the United States would be used as capital reserve to pay for the highway program. How irresponsible can you get, to say that you are going to place a harness on the people of this country, a $36 billion expenditure, and you are not going to raise taxes, nor are you going to disturb the fiscal policy of the Federal Government, and that we are not going to have deficit financing?

There is a moderate and a temperate way that we can go about this program. The road bill is written every 2 years. We can review this legislation in the light of the needs after we have seen the experience of the appropriation of $1 billion a year on the interstate or defense system.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

(Mr. JONES of Alabama asked and was given permission to proceed for 2 additional minutes.)

Mr. JONES of Alabama. Now, there are two very important sections in this bill that have not been properly covered. In section 14 of the bill we have a so-called reclassification act which upgrades the number of employees in the Bureau of Public Roads. It seems to me that if we want to create new jobs at higher classes of pay, that the department could request the Committee on Post Office and Civil Service to look into their needs.

Now I want to talk about section 7. Section 7 provides that the Bureau of Public Roads can reimburse the States up to 50 percent of the relocation costs of a utility occupying the right-of-way provided, of course, it does not exceed 2 percent of the project cost. Why was that put in this bill against the objection of every State highway director in the entire United States?

The gentleman from Texas [Mr. GENTRY] has telegrams from every director of every State highway department, and they are unanimous in their protest against that section. Why was the section written in there? Because under the present law, if a State has a statute reimbursing the utilities, the Bureau of Public Roads would recognize that contractual relationship and would make proper reimbursement. But here we are asking the States to come in and violate the contracts that they have made with the utilities and pass on an even more burdensome debt to the Federal Government.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. JONES] has expired.

Mr. WRIGHT. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I know the Members are very tired, and I hope I can conclude what I have to say in less than the 5 minutes allotted to me.

Throughout 18 long weeks of hearings I have sat in the Committee on Public Works and listened to the viewpoints of the truckers, of the railroaders, of the laborers, and, on the other side, the contractors, listened to viewpoints of those people who had a special vantage point from which they viewed this proposed legislation.

And yet there is one viewpoint, Mr. Chairman, which I think should be expressed on this floor, and that is the

viewpoint of the person whom we are primarily responsible for representing, the average American who in the final analysis is going to pay for these roads, regardless of which of these three substitute plans is adopted, and who has every reason to expect his full dollar's worth in roads that he can use.

What is the basic difference between the three plans and their effect upon that average American? First of all, the Dondero plan embracing the Clay Commission proposal embodies, it seems to me, fiscal irresponsibility through the back door. Surely it is not the role of statesmanship for us to pass a bill which would cost the American taxpayer $1.55 for every dollar's worth of road we build him. Surely it is not the role of statesmanship for us to sit here today and approve a bill which will earmark $11½ billion, if you please, for interest payments, when that $11½ billion otherwise could be spent building some 21,000 miles of superhighway.

Surely it is not the role of statesmanship for us, Mr. Chairman, to yoke a succeeding generation 30 years hence, some of whose members are yet unborn, with the responsibility of paying for roads that we had already worn out, simply that we might have a few extra miles on which to ride in comfort now.

For those reasons I think we cannot, in fairness to that average American, support the Dondero substitute.

While I do not approve all that is in the Thompson substitute, as I expressed in my individual views in the report of the committee, I support it now for the reason that it trims down the excessive amount of money set aside both in the Dondero bill and the committee bill for this 1 percent of the roads of our country known as the interstate highway system.

I wonder how many of the Members of this House have looked at the map that delineates this interstate highway system on which each of these bills, the committee bill and the Dondero substitute, asks us to place almost three-fourths of all the Federal Highway tax funds—1 percent of the Nation's highways.

Mr. Chairman, I wonder how many of the people in this House have looked to see what a very small part this is of the highways in their own districts. There are 40 million families in this country and there is $31½ billion to be raised in the Dondero bill, which means that the average family in our districts is going to be called upon to pay something like $775 in extended taxes over 30 years' time, for improvements in 1 percent of the roads—think of it.

Some of our citizens will never drive on one of these superhighways, and many will do so only very infrequently.

What we need is a highway improvement program which will share its benefits more equitably among all of our millions of average American motorists, one which our economy can absorb and our people can afford.

Therefore, Mr. Chairman, I respectfully suggest that the Members of this House support the Thompson substitute, which brings the entire program into better alinement, which spends the same on the primary and secondary roads, but which does not make the mistake these other bills do of increasing this small 1 percent of the highway by 8,000 percent over the amount of money appropriated to it last year; and that then we dedicate ourselves to providing the funds to make this program self-liquidating on a pay-as-we-go basis. Perhaps it could be done now; perhaps early next year, but in any event before the authorized expenditures go into effect.

I tried to offer at the desk of the Speaker an amendment to the Thompson substitute. It would have cut the additional taxes imposed by the Fallon bill commensurately with the reduced appropriation and would have come nearer being a pay-as-you-go program than any of the plans that have been offered to us so far. I was informed that my amendment would have been in the third degree and therefore out of order.

It should be obvious, Mr. Chairman, that if we spend anything like the amount authorized in either the committee bill or the Dondero bill, taxes will have to be raised appreciably.

The committee bill takes cognizance of that fact, and for this reason is infinitely preferable to the Dondero proposal which does not. Yet the taxes it imposes, and they are formidable, still fall short of the amount the bill authorizes for expenditure over the 12 years.

A 50 percent increase in the Federal gasoline tax, a 100 percent increase in the diesel fuel tax, a 200 percent increase in the tax on larger tires—these are not negligible increases by any manner of means. Still they do not fully meet the cost.

I agree that those who profit most from the use of highways should pay their fair proportionate share of the cost. Yet let us not deceive ourselves. These taxes will find their way into the pocketbook of the average American through increased costs of goods and services. He will pay most of the bill, however we might devise it.

It is up to us, therefore, to see that he gets his full and complete dollar's worth. It is up to us to see that he gets roads which will be useful and serviceable to him.

It is worth noting that the less abrupt and more moderate increase provided in the Thompson formula will still be the most dynamic road-building program ever undertaken in the entire history of this Nation. I believe it is just about all our economy could absorb without inflationary dislocations.

These are the reasons, Mr. Chairman, why I believe we should support the Thompson substitute and then buttress it with a pay-as-you-go provision, to the end that we may have a reasonable and equitable highway program in the interest of the average American.

Mr. CORBETT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was extremely interested in the remarks of the gentleman from Texas who has just concluded, particularly that part dealing with splitting some of this tax proposal and applying it to the reduction of the bonds and the building of roads, because I had a similar bill prepared.

Here is where we arrive today. We are caught under a rule situation where we have to choose between the pay-as-you-go plan, the plan which provides for setting up the corporation and issuing bonds, or a program which simply authorizes the roads to be built, and then says that on a later date we may find the ways and means to pay the money.

I believe if we examine this thing in our minds for just a moment, we can recognize that if the Dondero bill is accepted, if the provisions which were set up by the Clay Commission are written into law here, that corporation then can proceed with its work and can get this highway program that everyone says is so necessary and desirable underway. This Congress in its session next year, or the next, or the next, or the next, can determine on the basis of the economic conditions of the times, can determine because of the budget situation in that existing year, what is the economic thing to do about retirement of these bonds. Certainly we do not have to be stuck with the program of paying off the bonds according to some calendar schedule. We can raise the money either from some of these taxes out of the general fund or from new levies, but retire these bonds faster.

This is the point I believe a number of the members of the committee have overlooked entirely in the consideration of this road program, and it is a simple fact that during the last fiscal year $2,300 million were extracted from the pockets of the users of our highways and the money went into the general fund. That money having been earmarked or having been linked to the highway program would have provided every mile of road that is contemplated here without any increase in any taxes and without the issuance of any bonds. I submit to you we are still paying it, and that a program as extensive as this one and a program that is going to involve billions and multiple billions of dollars is something that should be paid for over the years as a result of the deliberations of the Committee on Ways and Means so that annually, as we make every other appropriation, this program should be paid for. The way to get our roads and to get them fast is to set up this commission and let them issue the bonds and blueprint their program, and we will proceed to pay for it in a logical and economical manner as the years go by.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield.

Mr. GROSS. Mr. Chairman, I wonder if the gentleman can tell me where the cement is going to come from to build the roads under this accelerated program? In Iowa today, I am told it is almost impossible for farmers to buy cement.

Mr. CORBETT. I cannot tell you what the productive capacity of the cement concerns of the United States is at present or what their projected capacity may be. I am sorry I cannot answer the gentleman's question.

Mr. GROSS. May I point out to the gentleman that the road building program in the State of Iowa has been retarded this year as a result of a lack of

cement. I wonder where we are going to get the material to build these roads.

Mr. CORBETT. I think, first of all, we better get the money before we try to buy the material and that we get the authorization.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. SMITH of Mississippi. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the so-called Thompson substitute which is being presented to us today. I would like to call the attention of the Committee to the fact that the program is a moderate and conservative program. Even though it does have this advantage of moderation and conservativeness, it is still 4,000 percent more for the interstate system than was spent last year. Last year we spent $25 million for the interstate system. It is proposed under the Thompson bill to spend $1 billion in the forthcoming year. Certainly that is enough of an acceleration for the interstate system until we have a chance to catch our breath and find out what we are doing. The gentleman from Iowa mentioned the cement shortage which is apparent today. The cement industry recognizes that that is one of the important factors that we must take into consideration before we go too far in this program. If we spell out a program that has to be completed by a certain deadline, what are we going to do to the price of cement? There is another factor in regard to the number of highway engineers who are available. Today it is a recognized fact that we do not have a full supply. I suggest that the members of the Committee read the minority views on page 36 of the committee report and look into some of the factors that are considered here today, when we talk about the importance of taking a little closer look at this interstate highway program. There is nothing in the Thompson bill, as presented to the Committee, which would not make it possible to accelerate the program at any time within the next few years if it became apparent that it was economical and advantageous to do so, and if it became apparent that we could finance it. There are no taxes in the Thompson bill, it is true, but there is nothing to prevent whatever program is put into effect from being financed to a degree when these excise taxes have to be automatically renewed next spring.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield.

Mr. BAKER. That is my very point. The Fallon bill provides a tax revenue and the Dondero bill provides for a bond issue. How would you build the highways under the Thompson bill, which does not have either?

Mr. SMITH of Mississippi. The roads would be built in the same way as we build them today. The program would be authorized and the appropriation would be made in the light of what the Congress wanted to appropriate.

We are presently spending money on highway bills that have no finance provisions in them. The gentleman's committee has the responsibility of providing the taxes.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. Present taxes are now about $2.5 billion. Surely the Ways and Means Committee could find enough money to finance the bill.

Mr. SMITH of Mississippi. The Dondero plan adds no new taxes.

This bill which is less ambitious would provide for less in the way of adding to the public debt than the Dondero bill, and the Thompson bill provides for a cheaper rate of interest than the Dondero bill.

The Dondero bill would provide for this grandiose corporation outside of public control which would have enormous power over the States in regard to their highway programs, a corporation that has never been considered before. We talk about what we are doing here, this is the biggest public-works program ever conceived in the history of the United States. It is far bigger than all of Roosevelt's and Harry Hopkins' added together in the way of public works, yet under the Dondero bill you would take that out of the control of Congress and give it to a corporation appointed by the President; you would not even have the congressional review which was available under the public-works program.

I suggest that you have here in the Thompson substitute a bill that is not subject to the objections that have been raised by supporters of the other types of bills, something that you can proceed under and start operations under on an accelerated interstate program.

Mr. GENTRY. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I have heard some amazing things here today. You would think from some statements that have been made that the purpose of the utility provision in this bill was to deprive the utilities of something. Let me state to you that the purpose of this utility provision is to give to the utilities $970 million of money that is needed for roads.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. GENTRY. I yield.

Mr. DONDERO. I do not think the gentleman intends to lead the House to believe that the utility provision is in the Clay bill. It is not in there at all.

Mr. GENTRY. It is not in the Thompson bill, either.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. GENTRY. I yield.

Mr. JENSEN. Is it not a fact that the REA's and the mutual telephone companies, the small mutual telephone companies, are interested in this 50 percent provision?

Mr. GENTRY. I will say to the gentleman from Iowa that over 85 percent of the REA's and telephone lines and electric lines are either on unpaved roads or on small farm-to-market roads which will not have to be expanded and reconstructed within our lifetime. The expense to REA would be negligible.

Mr. JENSEN. I just want to say, however, that I have had a number of telegrams from REA's and telephone calls from mutual telephone companies asking me to be in favor of the provision.

Mr. GENTRY. I know the gentleman has; and I know also that most of them were induced by the big utilities who have scoured the country everywhere to get them.

Mr. JENSEN. I must say to my friend that the big companies are much better able to pay this than the little REA's.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GENTRY. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. GENTRY. I yield to the gentleman from Maryland.

Mr. FALLON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

Mr. JONES of Missouri and Mr. JONES of Alabama objected.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. GENTRY. I yield to the gentleman from Michigan.

Mr. MEADER. I read the statement the gentleman sent around to all Members of Congress and I want to compliment him on the effort and study he put into this matter. I would like to ask a question that was not covered in that memorandum. Does the gentleman know whether or not the public utilities have set up reserves to comply with their obligations under State contracts to relocate their equipment at their own expense?

Mr. GENTRY. Outside of TVA the public utilities in this act are a very, very small percentage. Of course, the TVA pays no taxes or has to pay any taxes. It gets Government financing.

Mr. MEADER. I want to call attention to the fact that the utilities normally are very conservative in setting up a reserve for replacement of equipment and for everything they have to do, all of which goes into the computation of their rates. I want to ask the gentleman, Does he know whether or not these utilities have set aside a reserve for the relocation that they are required under State law to do?

Mr. GENTRY. Every utility in the country has such a reserve. The major power utilities have $2,200,000,000 in reserves. The American Telephone & Telegraph Co. has $800 million in reserves. All of the others have comparable reserves.

Mr. Chairman, let me read to you what the president of the American Association of State Highway Officials said about this legislation. You know they want this money, they want to build this great system of highways and it takes a lot of courage to come here and object to something that they all want.

Here is what Mr. McCoy, of California, who came here 3,000 miles, said:

> The obvious inequity of paying for utility relocation costs out of highway funds is apparent if we ask ourselves this question: Why should utility relocation costs be passed on to the motorist instead of to the consumers of utility facilities, in view of the fact that the consumers have received the benefit of free rights-of-way purchased at public expense?
>
> * * * The utilities are attempting to repudiate their contractual obligation to States, cities, and counties through Federal legislation.

That is exactly what they are attempting to do. They are trying to repudiate their contracts they have in all the States with the States by which they secure free right-of-way. They are coming here to the Congress and getting something which they have been refused in State legislation.

But the State highway officials were not satisfied with that. Only 2 weeks ago they came again before our committee and listen to what the president of the association said:

> We wish to say here today for the record that we approve of your action as to providing a construction program and for financing it. We want a highway act of 1955 this session and we will appreciate anything you can do to assure action. We do, however, strongly object to the utility reimbursement feature.

That was when the legislation was practically assured. They came back here for the sole purpose of saying to the committee that we do not feel you should include this provision in the legislation.

Listen to what the American Automobile Association said:

> The utilities are making an unconscionable raid to grab money sorely needed to meet critical highway deficiencies.

Now I would like to make this one statement, and I think this sets out this proposal very well. The laws permitting the utilities the use of rights-of-way under certain restrictions and conditions were enacted at the specific request of the utilities; that is, in the States. They have saved and are saving great sums of money as a result of these laws which they got passed in the State legislatures. Rights-of-way have been maintained for them at the expense and inconvenience of the highway users and without expense to the utilities. The new rights-of-way required for the interstate system will cost the highway users billion of dollars. The utilities will not pay 1 cent of it, but they expect to occupy them free of any charge. They expect them to be maintained for them also free of any charge, but the spokesmen of the utilities now demand that the highway users not only buy new rights-of-way for them and maintain them for them forever, but that they also move the utility facilities onto the new locations and pay the removal bill, and that is what they are providing for in this legislation, all without legal sanction, and in most cases in direct contravention of solemn contracts which the utilities asked the States to make with them by which they secured the valuable right to enter upon the highways in the first instance.

Now, here is exactly what this will do. This would completely and permanently change the historic and legal relationship between the parties; that is, the States and the utilities. It would make the States completely subordinate to the utilities instead of the reverse as it is at present under the States police power.

Mr. GEORGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to call the attention of the House to the fact that insofar as our utility laws are concerned under which we are operating at the present time, the Federal Government does reimburse the States where the States reimburse the utility companies up to 50 percent of their moving charges. In other words, if the State pays 50 percent, the Federal Government will pay the other 50 percent on moving the utilities. Most of the States are doing that at the present time on an optional and hardship basis. There are three States in the United States that are reimbursing the utilities at the rate of 100 percent. Michigan happens to be one of those States at the present time. In my judgment I do not think this Congress should upset or change the operation of the Federal bureau as it has been doing in the past, because I am sure it is fair to the REA and the small telephone lines, because the Federal Government reimburses them, where they, the States, will share 50 percent, where it is determined it is a hardship, and the States pay the other 50 percent on moving cost. I just give that information to the House.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. GEORGE. I yield to the gentleman from Iowa.

Mr. JENSEN. The gentleman is now referring to the Fallon bill?

Mr. GEORGE. I am referring to the law as it exists at the present time. The Fallon bill goes farther than that and says that they may, which infers, where the State reimburses none at all, they can get 50 percent Federal money if they apply and the State government O. K.'s it.

Mr. JENSEN. Let me ask the gentleman this question. Here we have a small town, a municipality, and they have sewers, water, telephone, and electric power lines, and we run a highway through that town and they have to move all of those utilities. Now, many of those small towns own their own utilities. Can the gentleman tell me how those small towns are going to pay this bill?

Mr. GEORGE. In our State that is part of the construction cost. And if they are on the streets and outside of the sidewalk line, as nearly all of them are, it is part of the construction cost and there is total reimbursement.

Mr. JENSEN. Reimbursement by whom?

Mr. GEORGE. By the State and Federal governments. If it is 50–50 money, they divide the cost 50–50. But if we pass this bill now with a provision for 90 percent Federal money and 10 percent State money, we leave the existing law alone. If we change it to 50 percent Federal money and say that the State "may," that means that the State can pay 50 percent Federal money but they do not have to put up any money of their own at all.

So what is going on at the present time is that 50 percent Federal money and 50 percent State money goes into the cost of moving utilities where the State determines that they owe an obligation so far as construction of the highway is concerned.

Mr. JENSEN. Does the gentleman say that that law is effective in every State except three?

Mr. GEORGE. Except three. And in those States they follow the policy of reimbursing 100 percent, regardless of where the utility is or what size it is.

Mr. JENSEN. I thank the gentleman.

Mr. FALLON. Mr. Chairman, I ask unanimous consent that all debate on the Thompson substitute and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. PATMAN].

Mr. FALLON. Mr. Chairman, I ask unanimous consent to yield the time allotted to me to Mr. PATMAN.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

INFLATION DANGER

Mr. PATMAN. Mr. Chairman, I should like to mention something that has not been discussed yet—that is, I have not heard it discussed; that is, which plan will be in the interest of our country at this time?

There is real danger of inflation facing our country. Which bill would be more inflationary, the Dondero bill or the Fallon bill?

If you issue $21 billion of bonds, that is the same as creating $21 billion of money. That is inflationary. If you pay as you go, that is not inflationary.

Right now people are beginning to talk about reducing installment buying, or perhaps cutting it out, because of the danger of inflation. Installment buying amounts to an increase of only about $1 billion a year. This would be $21 billion.

There is much talk about housing being inflationary. They say we should reduce the amount of construction in the housing field because it is inflationary. But that would be a very small amount compared to $21 billion. If we have any danger of inflation in our country, this proposed $21 billion would be highly inflationary. If we were to adopt this plan, it would probably mean we would have to impose restrictions upon installment buying. It would mean that we would probably have to impose restrictions upon the construction industry—the housing industry—because of the inflationary danger.

We should not run that risk. The truth is that instead of creating more

debt paper and more Government obligations we should be reducing our national debt. We have today about $704 billion in debts. That means, of course, public debts and private debts. We cannot pay those debts off because no debts, no money. If you liquidate the debt, you liquidate the money. You do not have money to do business on. So anyone who says we ought to pay off all our debts has not thought the question through. We are going to have to have debt from now on out, and a lot more, under our capitalistic system, which is the finest and best system on earth. Nobody has found a better system. You must have debts in order to keep in business. So we are not going to be concerned too much about the debt except to keep it in line and prevent inflation.

Instead of creating more debts and more interest and more inflation, why not reduce our national debt some and then we do not have to be troubled about the installment buying or the housing construction or anything else, as long as we do not increase our overall national debt and our public debt or our aggregate debt?

So this bill that is introduced by the gentleman from Michigan [Mr. DONDERO], for whom I have a very high regard, is presented by him as what he believes to be the best answer to the problem, but it is an inflationary bill. It is calling for $21 billion in extra debt. To say that it is not added to the national debt is phony, absolutely phony. You cannot say that the Government is going to be responsible for $21 billion more in debt for roads or any other purpose and yet it is not added to our national debt. Possibly you will keep it out of the actual figures but the truth is it will be that much more national debt. You can call it anything you want to but it is increasing our national debt.

We have twenty-nine or thirty billion dollars of Federal Reserve notes outstanding, that currency you have in your pockets, and every one of them says the United States Government promises to pay on demand so many dollars. That is a part of our national debt but it is not carried as a part of our national debt. It is not included but it is a part. It will have to be paid off. This is debt here. You will say you are not carrying it as part of the national debt, but I do not care how you carry it, the people will owe it. It will be a liability. It will be a mortgage upon the property of all the people of our Nation and their incomes. There is no way to avoid it.

Therefore, the Dondero amendment is an inflationary amendment. It should be defeated. We should adopt a pay-as-you-go plan, and any inequalities in the taxes proposed can be adjusted in conference.

Mr. SIEMINSKI. Mr. Chairman, the Fallon bill has everything—fairness to all, fiscal responsibility, flexible implications to adjust to full-scale schedules in roadbuilding, materials consumption, high employment, steady payrolls, travel safety, fewer deaths, lower motoring costs for more miles traveled in less time, motoring benefits that can pace the economy of the Nation year after year in peace with a hum that should make the growth of our gross national product a vital and vibrant performance.

As vehicle-miles increase, so does the growth of our gross national product. The two have been synonymous over the years.

The Fallon bill gives all a chance to hold the line on the national debt as the growth of our gross national product mounts. It is an outstanding and astute accomplishment in the management of fiscal affairs. It is a magnificent tribute to fiscal responsibility in government.

The Fallon bill allows our people, for the first time in many years, to call a halt to deficit financing. It gives them a breather, time to match needs with deeds, fully paid as deeds meet needs.

Mr. Chairman, I am glad to have gone to bat a week or so ago in the CONGRESSIONAL RECORD, in a speech on the House floor, urging the Public Works Committee to be careful with its then reported high levies against the motorist, the trucker, and the bus operator to pay for the national interstate road network. I am glad that the Fallon bill takes counsel of that warning.

The Fallon bill is a good bill, eminently fair to all. I shall support it and vote against any bond schemes levied against our people under the cloak of congressional sanction. We were burnt in Hudson County on that bond-flotation score with the New York Port Authority. We do not propose to allow others to be burnt. We urge passage of the Fallon bill.

A capsule of my speech as reported over the wires by the Associated Press follows:

WASHINGTON (AP)—Representative SIEMINSKI appealed to Congress today to consider the tattered purse of the American car owner when it works out financing plans for a new highway building program.

SIEMINSKI, in a speech prepared for the House, called the car owner "the goose that has been laying the golden egg."

"The satisfaction of his needs puts to work tremendous numbers of people in the automotive, truck and bus manufacturing industries," he said.

Yet, he added, the car owner, bus operator and trucker are being penalized with "arbitrary and unreasonable automotive levies."

"For the past 24 years," he continued, "they have paid ever-increasing taxes on fuel and lubricating oils. They are charged with tolls on bridges and tunnels that help pay for projects not connected with their travel, not to mention the tremendous cost to them in man hours paid to keep cars, buses and trucks serviced and repaired throughout the United States with the purchase of spare parts this requires."

SIEMINSKI submitted figures showing that last year the Federal Government collected $854,666,000 in gasoline and Diesel fuel taxes and $68,441,000 in taxes on lubricating oils. In addition, he said, the States collected $2,218,097,000 in gasoline taxes.

The new highway building program will succeed, he said, if framed to fit the purse of all and "to call a halt in the foreseeable future to the mounting cost of motoring in the United States."

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, I am happy to support the provision in this bill which will insure that wages on this tremendous Federal-highway project will be at rates not less than those prevailing on similar construction in the immediate locality where the construction is going on—all in accordance with the legislation commonly known as the Davis-Bacon Act of 1931.

Two years ago when other Federal construction legislation was before the Congress, I went back in the CONGRESSIONAL RECORD to review the history of the Davis-Bacon Act. The authors of this law were Senator James L. Davis, Republican, of Pennsylvania, who was later Secretary of Labor in President Hoover's Cabinet. Representative Robert L. Bacon, Republican, of New York, had long been interested in legislation to cover such situations. This act is not new, having been passed in 1931 under a Republican Congress and a Republican administration.

At that time there was a real reason for the necessity of such legislation. On several Federal projects previous to 1931, it had been the regular procedure of some low-bid contractors to ship in cheap labor from backward areas. Many of these contractors housed their men and fed them on the project itself. I am sure the Congress can understand, in view of that unwholesome situation, why the Davis-Bacon Act was passed.

In practically all Federal construction since that date the provisions of the Davis-Bacon Act have been applied in order to assure local communities that local prevailing wage standards woudl not be endangered. The Davis-Bacon Act now applies to all direct Federal construction as well as to contracts for schools, hospitals, housing, and airport projects constructed with Federal-aid funds.

I am happy that the gentleman from Michigan [Mr. DONDERO], in offering the Clay committee substitute bill, asked that the House amend his substitute to include the provisions of the Davis-Bacon Act. By his amendment the gentleman from Michigan has assured the House that both the Fallon bill and the Clay bill will contain the applicable provisions of the Davis-Bacon Act.

Since by far the greatest part of the national highway system, provided for in section 2, will be financed by Federal funds, I am sure the Members of the House feel that labor standards normally applicable to Federal construction should also apply to this great arterial-highway system. This action has only the effect of preserving and affirming, rather than extending the longstanding policies of the Congress in matters of Federal expenditure and procurement. It is my understanding that in extending the application of this act to highway construction, the committee did so with the thought that all determinations made by the Secretary of Labor will be based on the prevailing wage rates on similar construction in the immediate localities.

All of this act follows the recent pattern and history of the Federal Government insofar as wage rates are concerned in local communities. It is a fair provision and is in the best interests of all of the country.

The CHAIRMAN. The question is on the amendment offered by the gentle-

man from Washington [Mr. MACK] to the amendment offered by the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, may I inquire if the amendment offered by the gentleman from Washington is the Bacon-Davis amendment?

The CHAIRMAN. The Chair is in no position to reply to that, but, without objection, the amendment may be again reported.

There was no objection.

The Clerk again reported the Mack of Washington amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. MACK].

The amendment was agreed to.

The CHAIRMAN. The question in on the substitute amendment offered by the gentleman from Louisiana [Mr. THOMPSON].

The question was taken; and on a division (demanded by Mr. THOMPSON of Louisiana) there were—ayes 89, noes 178.

So the substitute amendment was rejected.

Mr. FALLON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 7474) to amend and supplement the Federal Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, had come to no resolution thereon.

THE SUMMIT OF FREEDOM: ITS INDIVISIBILITY — ON THE JUST CAUSE OF UKRAINE AND OTHER CAPTIVE NON-RUSSIAN NATIONS IN THE U. S. S. R.

Mr. FEIGHAN. Mr. Speaker, the Four Power Conference in Geneva has stimulated a great deal of public discussion on the issues of war and peace, colonialism and imperialism, liberation and the continued captivity of nations in the Russian Communist empire. Fortunately, some of this discussion has been based on fundamental factors of political reality that lead us in no way to exude optimism over the outcome of that conference. On the other hand, quite discomforting are the many fallacies and myths that have cropped up in this discussion to cause serious wonderment as to the depth of our general knowledge and understanding of the recent history and political actualities of Eastern Europe.

One such fallacy is that the so-called satellite countries alone are deserving of freedom and national independence. What of the freedom and national independence of Lithuania, Latvia, and Estonia, that are now an illegally incorporated part of the Soviet Union? What of the freedom and national independence of Ukraine which, with its population of over 40 million people and rich industrial resources, stands not only as the largest captive non-Russian nation in the enslaved part of Europe, but also is the most strategic base for further Russian Communist aggression? What of the freedom and national independence of the many other non-Russian nations in the Soviet Union—Byelorussia, Georgia, Azerbaijan, Armenia, Cossackia, Turkestan, and others—who along with Ukraine and the Baltic States make up approximately 120 million people, exceeding the total population of the satellite countries? Are these captive non-Russian nations in the U. S. S. R. a forgotten segment of humanity to be sacrificed in the appeasement of Russian Communist imperialism and colonialism? A true and honest espousal of freedom and national self-determination cannot in moral and political principle tolerate a double standard, accommodating some degree of imperialism and colonialism, at that over a greater area of resources and population.

Another striking fallacy in current discussion is the contemplation of a peaceful coexistence of nations while the Iron Curtain continues in existence. The continued existence of the Iron Curtain is in blunt fact the very institutional contradiction to a peaceful coexistence of nations. Moreover, its elimination will not be achieved, as many mistakenly believe, by the process of liberating only the so-called satellite countries. This process would only serve to move it eastward to a territorial position where the first Iron Curtain was approximately set up about the borders of the Soviet Union in 1923. Whether to the east or west, so long as any Iron Curtain exists, the grounds for a genuine and durable peace are absent.

A very significant political work in connection with the Big Four Conference is the scholarly memorandum presented to President Eisenhower by the Ukrainian Congress Committee of America. This memorandum on The Summit of Freedom: Its Indivisibility was prepared and submitted by Dr. Lev E. Dobriansky, well-known professor of economics at Georgetown University and national chairman of the Ukrainian Congress Committee of America. On the basis of the inherent indivisibility of freedom, it advances the freedom cause of all the captive nations in the Red colonial empire, including the Russian nation, and necessarily concentrates on the just cause of Ukraine and other captive non-Russian nations in the U.S.S.R. Its objective, systematic presentation explodes the myths and fallacies to which I have referred here only in part, and offers a challenging analysis which deserves the careful examination of every American who soberly faces the problems of our foreign policy and the issue of war or peace.

Because I believe that this memorandum will be of interest to all Members of Congress, I am including it in my remarks.

THE SUMMIT OF FREEDOM: ITS INDIVISIBILITY—ON THE JUST CAUSE OF UKRAINE AND OTHER CAPTIVE NON-RUSSIAN NATIONS IN THE U. S. S. R.

I. SOME CONCRETE MEASURES OF REAL SUCCESS

"We shall never acquiesce in the enslavement of any people in order to purchase fancied gain for ourselves." (Dwight D. Eisenhower.)

In the full spirit and meaning of your quoted declaration we cannot but view the points listed below as some of the concrete measures of real success—indeed, in themselves veritable tests of the sincerity of Moscow's representation—in this conference. Surely, secure grounds and bases of genuine peace could not be achieved should this conference prove to be another expression of the cold war and merely revolve about a meeting of persons rather than a meeting of minds. In our judgment, without the consummation of such a meeting of minds on basic principles of political and social order, implemented by certain possible gestures of mutual good will in the interest of peaceable relations among nations and peoples, the outcome of this conference will only serve to justify the considered position of countless observers and analysts that this is simply another episode in the Communist strategy, staged on the highest diplomatic level, to purchase valuable time for the current genocidal consolidation of the Red colonial empire, as a necessary prerequisite for more decisive aggressions against the free world. History shows in factual abundance that wars are prepared in intervals passing for peace, and the present Russian Communist preparation is no exception.

Unless, in unbridled emotion, the peoples of the world, the free and the enslaved, are expected to pay hollow utterances to "Peace—It's Wonderful," it appears to us, as well as to other informed groups in the Soviet Union, that, ironically enough, we shall be purchasing "fancied gain for ourselves" if our resolve to "never acquiesce in the enslavement of any people" falls short of translation in the form of specific tests, political challenge, and courageous advocacy of fixed and unalterable principles. It is in the hope of witnessing the realistic translation of this moral resolve at this summit conference that we advance the following points of test and challenge:

1. In cognizance of the inherent indivisibility of freedom, a declaration on moral and political principles of national independence, sovereignty, and self-government of all nations and peoples, including Ukraine and the other captive non-Russian nations in the Soviet Union.

2. Systematic relative disarmament with airtight international control and enforceable inspection at any selected spatial point, necessarily involving the coverage of special armed security units like the MGB and the MVD in the Soviet Union.

3. Based on the fundamental conduciveness of the cultural intercourse of peoples to peaceful relations, the complete abolishment of the Iron Curtain which by definition would preclude its mere transfer eastward to the present borders of the Soviet Union.

4. In the vibrant spirit of Bandung, the rejection of imperialism and colonialism which in relation to Moscow can only be overtly demonstrated under international authority by the staging of free elections in the so-called satellite countries and the free exercise by Ukraine and the other captive non-Russian nations of the legal right reserved to them in article 17 of the Soviet constitution which reads, "The right freely to secede from the U. S. S. R. is reserved to every Union Republic."

5. Generated in a cultivated atmosphere of a universalized Declaration of Independence, proposals for the elimination of Moscow-directed agencies of infiltration and subversion and, in the interest of peaceful relations between nations and peoples, notably Ukraine and Byelorussia as now recognized by us in the United Nations, the complete liberation of 20 million people held in Russian Communist labor camps, including millions of Ukrainians and uncounted numbers of other non-Russians such as former

German, Austrian, Rumanian, and other war prisoners, all those people held in abject slavery contrary to the basic principles of the United Nations Charter which reaffirms "faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women" and likewise contrary to the express provisions of the Soviet constitution which, under article 9 "precludes the exploitation of the labor of others" and under article 118 "guarantees the right to employment and payment for their work."

Careful thought and reflection devoted to each of these concrete points reveal that close correlation between peace and freedom which can emerge only in stages but which, nevertheless, is based on specific grounds of test and challenge validated both by principle and historical truth.

II. THE INDIVISIBILITY OF FREEDOM

"A house divided against itself cannot stand." (Abraham Lincoln.)

In essential truth, the summit of freedom is its indivisibility. The quoted words of one of our greatest Presidents ring truer today than even at the time they were uttered. By virtue of our miraculous technological advancements in the past century, the house today is the world. And again in the words of Lincoln, it "cannot endure permanently half slave and half free." In their own dialectical fashion all leading Communist theoreticians have substantially expressed the same idea in the cause of Communist slavery. The dynamics of historical development permit no other outcome than either the triumph of freedom or that of slavery. In upholding the torch of morality and political principle we cannot pass the unique historic opportunity provided by this conference at the summit to underscore the nature of the summit of freedom itself.

In real terms, the indivisibility of freedom is brilliantly reflected today in the patriotic struggles for the complete freedom of Korea, China, Indochina, Manchuria, Mongolia, areas in Africa, the satellite countries of Poland, Czechoslovakia, Hungary, Bulgaria, Rumania, and Albania, and the captive non-Russian nations in the Soviet Union—Ukraine, Byelorussia, Lithuania, Latvia, Estonia, Georgia, Armenia, Azerbaijan, Cossackia, Turkestan, and others. Driven by the natural force of enlightened nationalism, these patriotic struggles for unified freedom, national independence, sovereignty, and self-government are intrinsically related at the summit of freedom and involve vast territories and peoples to warrant the most serious consideration in this conference at the summit.

Only perpetuated fallacies, carved in part by arid legalism, could in rational defiance of the indivisibility of freedom restrict the areas for the test and challenge of freedom. Contrary to one current fallacy, the record of Communist conquests commence in 1920 rather than in 1940, with Ukraine and the independent non-Russian republics as the first victims of Russian Communist imperialism. As in the case of later victims, the Government of Soviet Russia recognized the Ukrainian National Republic on December 17, 1917, only to subvert its independence and conquer the country shortly thereafter. Contrary to another popular fallacy, the record of broken Communist treaties also begins in the period following World War I, as in the case of its numerous treaties with independent Ukraine, Georgia, and others, rather than on the eve of World War II.

Fortunately, these and other gravely misleading fallacies have been powerfully dispelled by the official documented reports of the Select Committee on Communist Aggression of the House of Representatives. Hearings leading to the official publication of the Investigation of Communist Takeover and Occupation of the Non-Russian Nations of the U. S. S. R. and the objective scholarly presentation in Special Report No. 4 on the Communist Takeover and Occupation of Ukraine, as well as in other special reports on different non-Russian nations in the Soviet Union, have authoritatively established the permanent record on Communist aggression since 1920. The truths they reveal substantiate beyond question of doubt the indivisibility of freedom as manifested these past 35 years in the unrelenting struggle for national independence on the part of the Ukrainian and other non-Russian nations. Their official contents stand to mirror the compromise of freedom and principle that would be incurred in the fact of the cumulative sequence of Communist aggression since 1920, should arid legalism prevail to arbitrarily date this record from the 40's. The house would still be divided against itself and could not stand, especially since the largest and most resourceful non-Russian nation in Eastern Europe would remain in captivity and continue to serve as a strategic springboard for expedient Communist aggression in the future.

III. CONTROLLED RELATIVE DISARMAMENT

"I do not believe that we—or other nations—dare accept less than a truly effective enforceable system of international inspection and control. This is one case where half a loaf is not better than none." (Bernard M. Baruch.)

The emotional predication of certain arguments regarding world disarmament on the horrendous consequences of nuclear warfare upon civilization and humanity appeal more to the fear of man than to his reason. The paralyzing effects of fear may well be concessions of appeasement that could really spell the end of civilization in its true meaning. To confuse civilization with its material external expressions that in any war are vulnerable to attack and devastation, no matter what the degree, is to misconstrue its substance and meaning as revealed in the traditional wisdom, cumulative knowledge and moral evolution of man. Armaments are indeed the means of warfare and admittedly, their systematic, relative reduction would produce wholesome, conditioning effects toward real peace, but ultimately the magnitude of the means is determined by the particular ends contemplated by the parties involved, ends which can be gleaned from the record and institutions of each.

Considering the scope and magnitude of the means of warfare available today, it has been pointedly stated by one of our foremost citizens who has devoted himself to the problem that "this is one case where half a loaf is not better than none." The elements of official Communist perfidy, long records of broken promise and aggressions, and Iron Curtain protection for the execution of dishonoring maneuvers underlie the truth of this prudent statement. As attested to in the greatest measure by the long experience of Ukraine and the other captive non-Russian nations with characteristic Moscovite chicanery, proposed agreements to outlaw atomic weapons or to contribute to a peace pool or to maintain certain ratios of armament status fall far short of the present requirements of real disarmament for peace.

With the easy diversion of fissionable material for war or peace, international agreements, least of all with Moscow, are patently inadequate, unless an airtight, enforceable system of control and inspection at any selected spatial point is provided for. This control should be extended to all major means of warfare, and should include the armed security forces of the MGB and the MVD in the Soviet Union. Also, this control should be effectuated on the basis of a program of relative disarmament and so conceived as to preclude any temptation at violation of contracted agreements. In short, internationally controlled relative disarmament lifts the Iron Curtain surrounding the means of warfare and doubtlessly concealing the calculated formation of the surprise attack.

IV. ABOLISHMENT OF THE RUSSIAN IRON CURTAIN

"It is clear that this process of encroachment and consolidation by which Russia has grown in the last 500 years from the duchy of Muscovy to a vast empire has got to be stopped." (Dean Acheson.)

The historic Russian institution of the Iron Curtain does not merely surround the buildup of means of warfare. As the classic observation of the Honorable Dean Acheson indicates, the Iron Curtain has been an institutional necessity to the process of encroachment and consolidation of Russian totalitarianism, whether White or Red, over centuries of imperialist and colonial growth. In the contemporary framework, the first and original Iron Curtain was thrown about the conquered nations of Ukraine and others in 1920, and in the instant historical interval of 20 years was moved westward to envelop other hitherto independent non-Russian nations, like Poland, Hungary, Bulgaria, Lithuania, and others. Thus, to seek only the liberation and independence of the so-called satellite countries—to be sure, an admirable feat in itself—could only mean to seek the removal of the Iron Curtain roughly to the borders of the recent past, which certainly would not insure a durable and just peace.

On careful analysis, the institution of the Iron Curtain, which has served to perpetuate the centuries-old oppression of the great majority of the Russian people itself, is a proven necessity for the dual Russian Communist policy of effectuating, on the one hand, systematic genocide, political terrorism, and a continuous aggression against the many non-Russian nations already brought into the captivity of the Red colonial empire and, on the other hand, of spreading its fraudulent propaganda on "the workers' paradise," "equality and sovereignty of nations," and so forth, in gullible quarters of the free world. The Iron Curtain supports also in its institutional way the subversive and political aggressive activities of Moscow in the free world. This role is substantially by no means new, for as Mr. Acheson's classic statement shows, "The Russian rulers liked to bet on sure things: to be in a position to cut their losses when events showed that they had overreached themselves. They have not wanted to risk everything on a single throw of the dice. The Politburo has acted in this same way. It has carried on and built on the imperialist tradition. What it has added consists mainly of new weapons and new tactics—the weapons of conspiracy, subversion, psychological and ideological warfare, and indirect aggression, and tactics skillfully designed to employ these weapons." The evidence shows in abundance the fashioning and refinement of these techniques of infiltration, "intensive revolution" and subversion in the early destruction of the independent Ukrainian National Republic and those of the other non-Russian nations now held captive in the Soviet Union.

The continued existence of the Iron Curtain, situated at whatever borders, is a crass mockery to the concept of the peaceful coexistence of nations, a concept which, significantly, was first used by Lenin and his associates in relation to independent Ukraine and other non-Russian nations in the period of 1917–20. The Iron Curtain thrown about these countries, following their Russian Communist conquest, has proved so effective that many Westerners evince, even today, scarce knowledge and understanding of the long histories in the fight for freedom and independence of these non-Russian nations.

In the interests of truth and peace, one of the most challenging tests of Moscow's sincerity for peace is this proposal for the abolishment of the Iron Curtain. No force is

more fundamental to the peaceful coexistence of nations than the free cultural intercourse of peoples. The freedom envisioned here, with the nonexistence of the Iron Curtain, goes far beyond the current propaganda theatrics of select invitations and planned tours in the Soviet Union. This greatest challenge for truth and peace at this conference poses the freedom of peoples—all peoples who truly seek peace—to travel where they wish and to observe for themselves the actual conditions of life in all quarters of the globe.

V. BANDUNG, GENEVA AND THE ANTICOLONIAL CHALLENGE

"It came naturally to the United States to take a lead in this matter. We ourselves are the first colony in modern times to have won independence. We have a natural sympathy with those everywhere who follow our example." (John Foster Dulles.)

On the basis of the truth stated by our morally spirited Secretary of State, the striking example of Ukraine and other colonies in the vast Russian Communist empire unquestionably attracts our natural sympathy. The modern histories of these captive non-Russian nations are epics in the struggle against despotic Russian imperialism and colonialism. They unmistakably form integral parts of the overall movement of peoples and nations in this century, leading to the collapse of empires and the independence of nations with distinctive cultures, langages and histories. This is the moving spirit of our century which recently was crystallized at the historic Bandung conference.

The spirit of Bandung is the tremendous moral force infused into the complex of international affairs today by former colonial nations. The wholesomely impassioned representatives of these nations speak from recent experience. They speak eloquently in behalf of all remaining colonial and dependent nations, especially the many non-Russian nations reduced to this status in the past 35 years. As history well shows, Ukraine and the other captive non-Russian nations were the first to be subjected to Red colonialism with their forcible incorporation into the Soviet Union. They were the first to taste the unsurpassed colonialism of Red Moscow, savoring as it does of incomparable economic exploitation, genocide, russification, and slave labor.

The spirit of Bandung has found current expression in our own Congress, and this committee takes pride in having supported House Resolution 149 which, in unanimous passage, expresses "the sense of Congress on the maintenance of traditional United States policy in opposition to colonialism and Communist imperialism." We agree wholeheartedly with the report of the House Committee on Foreign Affairs, comparing the language of this resolution with that of the Declaration of Independence and emphasizing that "just as the Holy Scriptures are read and reread and the eternal truths which they expound are constantly proclaimed, so it is essential for a united America to proclaim to the world the fundamental principles upon which our Government, Nation, and people rest."

In fitting response to this ringing call of the people's representatives, no more propitious occasion for this proclamation of principles could be had than this conference at the summit. The spirit of Bandung cannot be stilled at Geneva: the real and most outstanding issues of this century cannot be avoided if peace with freedom is at stake. Where God-given, inalienable rights are at stake, no double standard is permissible. no half or quarter empire is thinkable, since empires, liike cancer, though in part emaciated, regrow with even greater intensity. A philosophy denying these rights cannot possibly live side by side with one cherishing them, and the Communists know this best. "Live and let live" becomes sheer rhetoric where an unrelenting struggle for the free exercise of these God-given rights of independent national existence is involved. The anticolonial challenge to Moscow's sincerity for peace can best be transmitted at this conference in proposals for free elections in the satellite areas and the exercise of the legal secession right in the captive non-Russian areas of the Soviet Union. Stalinist cynicism had always confirmed their right to secede but negated the power of exercise. Believers in freedom, however, know that this power resides in the very essence of the right.

VI. A UNIVERSALIZED DECLARATION OF INDEPENDENCE

"The right is more precious than peace, and we shall fight for the things which we have always carried nearest our hearts." (Woodrow Wilson.)

These are—"for democracy, for the right of those who submit to authority to have a voice in their own governments, for the rights and liberties of small nations, for a universal dominion of right by such a concert of free peoples as shall bring peace and safety to all nations and make the world itself at last free." Few have expresed with equal eloquence the supremacy of rights in relation to peace than this great President and ardent advocate of the national self-determination of peoples. Had this principle, which is a precious part of our American tradition, been generally applied after World War I, it is safe to say that a durable global peace could have been achieved. Certainly, there would not be today the Communist imperialist menace, the long record of Communist aggression and absorption of foreign territories, had the large and resourceful independent republics of Ukraine, Turkestan, Byelorussia and others been assisted and sustained by the powerful proponents of the principle of national self-determination.

Most ironically, this sacred principle is being widely exploited today by the Russian Communists as it had been even before they ascended to power. During the period of chaos that followed the abdication of Czar Nicholas II, the Ukrainian nation, for example, now of some 45 million people, recovered its liberty and founded its own independent and democratic state, the Ukrainian National Republic. However, it is well documented historically that to bring about the permanent collapse of the Czarist reign, Bolshevik propaganda as concocted by Lenin, Stalin, and others aimed at this very development. It viewed the colossal centrifugal force of enlightened nationalism in the non-Russian regions of the Empire as a potent instrument for this desired end; and in the same way that Moscow exploits nationalism today in various parts of the free world, so in this early period of Bolsheviks advocated the principle of national self-determination in the most unqualified terms. Then it was to break up an empire to implant themselves in power: now, as shown brilliantly in Indochina, it is to divide the free world in order to extend to the point of completion the gigantic program of empire building begun once they seized power in 1917.

Freedom's challenge to Moscow and its expedient espousal of this basic principle is the abolishment of the Iron Curtain and, under the authority of the United Nations, the conduct of free elections and the exercise of the secession right in all of the non-Russian nations of the Red colonial empire. This is the test of a real application of a principle that Moscow professes for the ears of the free world.

As Mr. Acheson declared in testimony before a congressional committee, "We are stressing here that independence is the great thing to start with. If peoples are really independent and they are not satellites of anybody, then we can begin to work with them, because they have got something which we understand." In an empire, such as the Fussian Communist empire, all neighboring nations are satellites, especially the captive non-Russian nations in the formal structure of the Soviet Union, who in geographic area, population, and resources exceed the other non-Russian nations. In relation to all of them, truly, "independence is the great thing to start with," and only a universalized declaration of independence, for which we are best fitted to initiate in order to achieve that universal dominion of right, can adequately express the force of freedom at this conference. Independence is the real, solid basis for understanding and thus peace among peoples. It is the primary requisite for a true community of nations and the logical prerequisite of any scheme of free federation of nations. Indeed, the very independence of the great part of the Russian nation, in surcease of tyranny, oppression, and economic privation sustained for centuries by absolutist Russian expansionism, is dependent on the independence of all non-Russian nations in this Red colonial empire.

VII. PEACE—FREEDOM=COMMUNIST SLAVERY

"War to the hilt between communism and capitalism is inevitable. Today, of course, we are not strong enough to attack. Our time will come in 20 or 30 years. To win we shall need the element of surprise."

The high Communist functionary, Dmitri Z. Manuilski, continues in this remarkably significant vein. "The bourgeoisie will have to be put to sleep. So we shall begin by launching the most spectacular peace movement on record. There will be electrifying overtures and unheard of concession. The capitalist countries, stupid and decadent, will rejoice to cooperate in their own destruction. They will leap at another chance to be friends. As soon as their guard is down, we shall smash them with our clenched fist." These seemingly prophetic words were uttered in 1930 to international students at the Lenin School of Political Warfare in Moscow. They embrace thoughts repeatedly asserted in other words by all high-ranking members of the Russian Communist regime. In prediction of time and circumstance they vividly picture the very exhibitions staged before our eyes today. The spectacular Communist circus on peace is on the road and a Barnum-like audience is forming in the free world, leaping at another chance to be friends.

These words, as indeed masses of others, spell out the same fixed and unalterable formula, peace—freedom=Communist slavery. As indicated before, present Communist theatricals in the ostensible interest of peace, performed by way of planned tours, ballets, sports participation, a world assembly for peace in Helsinki, misleading Austrian treaty concessions and numerous other deceptive demonstrations, furnish not an iota of real evidence in the desire for a durable and just peace. Instead, they constitute propaganda projections on a world scale of what, in 35 years of intimate experience with Russian Communist tactics and deception, every patriotic Ukrainian and other captive non-Russian in the U. S. S. R. has come to know as the Iron Curtain on true information, the verbal facade behind which the real Communist activity is feverishly pursued. At this very moment of overflowing peace talk, hundreds of thousands of Ukrainian youth and those of the other non-Russian nations are being coralled and shipped to Central Asia in the buildup of a tremendous agricultural base relatively insulated for large-scale war; Communist agents are infiltrating all sectors of Vietnam for the eventual kill in Indochina; North Korea is rapidly becoming a huge arsenal for planned things to come—to mention only a few instances of real Moscow-centered Communist activity behind its verbal facade of peace.

The most ominous aspect of the current scene is the evident Communist play for time, to consolidate within, neutralize without, attain to a striking adequacy of nuclear weapons, and finally to strike in Pearl Harbor style for the greatest stakes the world has ever known. This Communist calculus for world conquest finds open credence in the very words quoted above. It finds more than ample real credence in the entire documented course of Russian Communist history and strategy. Unless real tests, as proposed here, are advanced sooner or later, and several should be at this conference on peace and freedom, then undoubtedly the sinister formula of peace—freedom=Communist slavery will gain the time necessary for its real application.

In the nature of things, the growing psychology in some quarters of giving the people several more years of "peace" through relative inaction and endless diplomatic truck is productive only of a fatalist resignation to inevitable war and short-run losses of existing opportunities to really prevent the outbreak of a third world war. As long as the Iron Curtain exists, at whatever borders, the fulfilment of a peaceful coexistence of nations can only remain as an ideal. The only alternative opportunity open to us is not, as some mistakenly impute it, the course of preventive war, but rather a full-grown peaceful policy of liberation that, in fact, is capable of disrupting the applied Communist calculus for world conquest. The efficient cause of liberation throughout the Red colonial empire is independence and national self-determination. It is, at once, the just cause, not only of the so-called satellite nations, but also of the 120 million people in the captive Ukraine and other non-Russian nations in the U. S. S. R. It is the cause, both efficient and just, that necessarily must find expression in the conference at the summit if the summit of freedom itself is to tower above all else in the true interests of peace and all of humanity.

Our hopes and prayers are constantly with you, as those of countless other Americans cherishing firm conviction in a "universal dominion of right," a dominion that cannot but encompass Geneva, a dominion that reigns in the hearts of all in behalf of whom this memorandum is hereby respectfully submitted.

LEV E. DOBRIANSKY,
Chairman.
Ukrainian Congress Committee of America, Professor, Georgetown University.

SPECIAL ORDER GRANTED

Mr. FEIGHAN asked and was given permission to address the House for 5 minutes today, following the legislative program of the day and the conclusion of any special orders heretofore entered.

COMMITTEE ON PUBLIC WORKS

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have until midnight tonight to file reports on the water pollution control bill, S. 890, and the New Orleans gulf outlet bill, H. R. 6309.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

AMENDING NATURAL GAS ACT

Mr. COLMER, from the Committee on Rules, reported the following privileged resolution (H. Res. 317, Rept. No. 1445) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6645) to amend the Natural Gas Act, as amended. After general debate, which shall be confined to the bill, and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

PERMANENT COMMITTEE FOR THE OLIVER WENDELL HOLMES DEVISE

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7029) to establish a Permanent Committee for the Oliver Wendell Holmes Devise, and for other purposes, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 2, line 3, strike out all after "rate" down to and including "deposit" in line 5 and insert "to be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month preceding the deposit on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from the first day of such month."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in; and a motion to reconsider was laid on the table.

THE DR. JONAS E. SALK GOLD MEDAL

Mr. DAVIDSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 278, to provide that a gold medal be coined and presented to Dr. Jonas E. Salk in honor of his achievements in the field of medicine.

The Clerk read the title of the joint resolution.

Mr. MARTIN. Mr. Speaker, reserving the right to object, I understand this has been reported unanimously by the Committee on Banking and Currency.

Mr. DAVIDSON. That is correct.

Mr. MARTIN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That in recognition of the great achievement of Dr. Jonas E. Salk in the field of medicine by his discovery of a serum for the prevention of poliomyelitis, the Secretary of the Treasury is authorized and directed to cause to be struck and presented to Dr. Jonas E. Salk a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary. For such purpose there is authorized to be appropriated the sum of $2,500.

SEC. 2. The Secretary of the Treasury shall cause duplicates in bronze of such medal to be coined and sold, under such regulations as he may prescribe, at a price sufficient to cover the cost thereof (including labor), and the appropriations used for carrying out the provisions of this section shall be reimbursed out of the proceeds of such sale.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. JONAS E. SALK

Mr. DAVIDSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DAVIDSON. Mr. Speaker, I am deeply moved and gratified by the unanimous action of the House in approving the bill which I introduced to present a gold medal to Dr. Jonas E. Salk. In authorizing the coining of this special medal we recognize the accomplishment which he has made. This young doctor has opened the door to the conquest of infantile paralysis. As a result of his great work, made possible by the contributions of all Americans to the National Foundation for Infantile Paralysis March of Dimes campaigns, many lives will be saved; many children, our most precious national resource, will be spared untold agony. The parents of America and the world will no longer live in fear of this dread crippling disease.

During the last 16 years the National Foundation for Infantile Paralysis has expended a total of $25,541,662.14 for direct research for the development of a poliomyelitis vaccine. The annual March of Dimes campaign, conducted by the national foundation, received the support of the entire Nation. The money so generously contributed by the people made it possible for scientists to intensively study the problem. Dr. Jonas E. Salk first entered the fight against polio in 1942 when he joined the staff of the University of Michigan as the recipient of a National Foundation for Infantile Paralysis fellowship. In 1951 he began his direct research at the virus research laboratories of the University of Pittsburgh on the vaccine now being used.

The Salk vaccine is the result of a painstaking and intensive research program in which live polio virus is treated by chemicals so that a delicate balance is struck in which the ability of the virus to cause disease is eliminated by meticu-

lously calculated chemical additions but still leaving the virus with sufficient potency to stimulate antibody production. Dr. Salk, as the name of the vaccine indicates, was able to develop this vaccine. In his tests at Pittsburgh he proved that the vaccine which he produced was able to raise the antibody level. In the nationwide field trial held by the National Foundation last year Dr. Salk's vaccine was proved highly effective in preventing paralysis. Over 1,830,000 children throughout the United States took part in this massive trial. During the last 2 years Dr. Salk wrote and published over 12 medical papers concerning immunization against poliomyelitis.

Dr. Salk is a modest man; his parents, too, have with pardonable parental pride, shown great humility. I do not think I exaggerate, however, when I say that the people of the entire Nation and of New York, particularly those who live in my district, Manhattan's west side, take great pride, as I do, in Dr. Salk's achievement. We are proud of him and of the training which he received from his parents and the New York City school system which helped mold the great scientist we know today.

I think it fitting that we express our thanks and appreciation to Dr. Salk. This modest recognition of his work and that of his fellow scientists is the very least that a grateful Nation can do.

CONVEYANCE OF CERTAIN PROPERTY TO STATE OF LOUISIANA

Mr. MULTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5512) to provide for the conveyance of certain property under the jurisdiction of the Housing and Home Finance Administrator to the State of Louisiana, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, strike out lines 7 to 12, inclusive.

Page 2, line 13, strike out "3" and insert "2."

Mr. MARTIN. Mr. Speaker, reserving the right to object, do I understand that this is agreeable to the ranking Republican minority member on the committee, the gentleman from Michigan [Mr. WOLCOTT]?

Mr. MULTER. The gentleman's statement is correct.

Mr. MARTIN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were concurred in; and a motion to reconsider was laid on the table.

PROGRAM FOR JULY 27

The SPEAKER. Before any more Members leave the Chamber, the Chair desires to recognize the gentleman from Oklahoma [Mr. ALBERT] to announce the program for tomorrow.

Mr. ALBERT. Mr. Speaker, in response to the statement of the Chair, when the House convenes tomorrow at 12 o'clock we will continue consideration of H. R. 7474, the highway bill. If that bill is disposed of at a reasonable hour, it is planned to begin, and if possible, finish general debate on the Natural Gas Act. The House will convene at 12 o'clock tomorrow but it is planned to convene the House at 10 o'clock on Thursday and possibly on Friday. On Thursday we will continue the consideration of the Natural Gas Act.

Mr. MARTIN. The gentleman does not know what the program is for the balance of the week?

Mr. ALBERT. I cannot advise the gentleman at this time as to the program for the balance of the week.

DISTRICT OF COLUMBIA ARMORY BOARD

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6259) to amend section 8 of the act entitled "An act entitled to establish a District of Columbia Armory Board and for other purposes," with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 5, strike out "SEC. 2–1706" and insert "SEC. 2–1708."

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendment was concurred in; and a motion to reconsider was laid on the table.

SALARIES OF TEACHERS, SCHOOL OFFICERS, AND OTHER EMPLOYEES OF THE BOARD OF EDUCATION, DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1093) to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes, with House amendments thereto, insist upon its amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs ABERNETHY, DAVIS of Georgia, JONES of North Carolina, MILLER of Nebraska, and HYDE.

AUTHORIZING SECRETARY OF SENATE TO MAKE A CERTAIN CHANGE

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 53.

The Clerk read the Senate concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate be, and he is hereby, authorized and directed, in the enrollment of the bill (S. 2428) to increase the salaries of officers and members of the Metropolitan Police force, and the Fire Department of the District of Columbia, the United States Park Police, and the White House Police, and for other purposes, to make the following change, viz: On page 5, line 15, of the engrossed bill, strike out "63f–63k" and insert in lieu thereof "61f–61k."

The Senate concurrent resolution was agreed to; and a motion to reconsider was laid on the table.

CONVEYANCE OF CERTAIN LAND TO STATE OF TEXAS

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 593) to convey by quitclaim deed certain land to the State of Texas.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MARTIN. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. TEAGUE of Texas. Mr. Speaker, this bill permits the Government to sell back to the State of Texas 100 acres of land near Whitney Dam and Reservoir. There will be no money expended. The bill provides that the land will be sold back for no less than the amount the Government paid for it.

Mr. MARTIN. It goes back to the State?

Mr. TEAGUE of Texas. To be used as a State park.

Mr. MARTIN. And the National Government did not pay anything for it in the first instance?

Mr. TEAGUE of Texas. The National Government paid something, but it will get no less than it paid for the tract of land.

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, have any improvements been made by the National Government?

Mr. TEAGUE of Texas. No; no improvements have been made.

Mr. HOFFMAN of Michigan. Has the bill been approved by a committee?

Mr. TEAGUE of Texas. By the Committee on Public Works unanimously.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Army is hereby authorized to convey by quitclaim deed to the State of Texas, for public park and recreational purposes only, such areas within the portion of Whitney Dam and Reservoir project, Texas, designated by the Corps of Engineers as Towash Park and designated by the State of Texas Parks Board as Lake Whitney State Park, as he shall deem essential to provide building sites for permanent buildings and other improvements for public park and recreational purposes, but not to exceed 100 acres, at fair market value as determined by him, which in no event shall be less than the cost to the Government of acquiring such areas, and under such terms and conditions as he shall deem advisable to assure that the use of said areas by the State will not interfere with the operation of said dam and reservoir

project and such additional terms and conditions as he shall deem to be advisable in the public interest.

The conveyance authorized by this act shall not pass any right, title, or interest in oil, gas, fissionable materials, or other minerals.

In the event actual construction of said buildings and improvements has not commenced within 5 years from the effective date of this act, or in the event said property shall cease to be used for public park and recreation purposes for a period of 2 successive years, then title thereto shall immediately revert to the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL DEFENSE FACILITIES ACT OF 1950

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2107) to amend the National Defense Facilities Act of 1950 to provide for additional facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That the National Defense Facilities Act of 1950 (64 Stat. 829; 50 U. S. C. 881–886) is amended as follows:

"(a) Section 3 is amended by deleting the phrase 'in an amount not to exceed $250 million over a period of the next 5 fiscal years' and by inserting in lieu thereof 'in an amount not to exceed $500 million over a period of the next 8 fiscal years commencing with fiscal year 1951'.

"(b) Subsection 3 (b) is amended to read as follows:

"'(b) (1) contribute to any State such funds as he shall determine to be necessary to expand, rehabilitate or convert facilities owned by such State to the extent required for the joint utilization of such facilities; and

"'(2) contribute to any State such funds as he shall determine to be necessary to expand, rehabilitate or convert facilities owned by such State to the extent made necessary, or to acquire, construct, expand, rehabilitate or convert such additional facilities as he shall determine to have been made essential, by any conversion, redesignation or reorganization of a unit or units of the National Guard of the United States or the Air National Guard of the United States requested or authorized by the Secretary of the Army or the Secretary of the Air Force, respectively.'

"(c) Subsection 4 (b) is amended by deleting the words 'with regard' and substituting therefor the words 'and shall have consented'.

"(d) Subsection 4 (c) is amended by inserting after the word 'acquired' in line 7 thereof the words 'by the United States'.

"(e) Subsection 4 (d) is amended to read as follows:

"'(d) Each contribution made pursuant to section 3 (b) or 3 (c) of this act shall be subject to such terms and conditions as the Secretary of Defense, after consultation with the Armed Services Committees of the Congress, shall deem necessary to accomplish the purposes of this act: *Provided*, That except as agreed at the time the contribution is made the facilities provided through contributions made pursuant to section 3 (b) (2) or 3 (c) of this act shall be subject to joint utilization only to the extent deemed practicable by the State concerned. No contribution shall be made under section 3 (c) for any armory in an amount exceeding 75 percent of the cost of the additional or improved armories to be constructed: *And provided further*, That for the purpose of such computation the amount to be contributed by any State shall be exclusive of the cost or market value of any real estate which may be contributed by the State concerned for the purposes of section 3 (c) of this act.'

"(f) Section 6 is amended by (1) inserting immediately after 'SEC. 6.' the following: '(a)', and (2) adding at the end thereof the following new subsection:

"'(b) All construction, expansion, rehabilitation, or conversion of facilities in each State pursuant to section 3 (b) or 3 (c) of this act shall be done in accordance with the laws of such State and under the supervision of officials of such State, subject to the inspection and approval of the Secretary of Defense.'

"(g) Subsections 7 (b), (c), and (d) are redesignated subsections 7 (c), (d), and (e), respectively, and subsection 7 (b) is inserted to read as follows:

"'(b) "Armory" means a structure which houses a unit or units of a Reserve component and is used for the training and administration thereof, including such appurtenant structures as may house equipment used in the training and administration of such unit or units. All other facilities shall be considered nonarmory for the purposes of this act.'

"(h) Subsection 7 (d) as redesignated is amended to read as follows:

"'(d) "Reserve component" shall include:

"'(1) The National Guard of the United States;

"'(2) The Army Reserve;

"'(3) The Naval Reserve;

"'(4) The Marine Corps Reserve;

"'(5) The Air National Guard of the United States;

"'(6) The Air Force Reserve; and

"'(7) The Coast Guard Reserve; and'."

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. MARTIN. Mr. Speaker, reserving the right to object, will the gentleman explain what the measure does?

Mr. BROOKS of Louisiana. Mr. Speaker, this measure was taken up by considering the Senate amendment before the Committee on Armed Services this morning, and they agreed unanimously to the Senate amendment. This bill was passed for the purpose of providing facilities for training in the Reserves in the several States throughout the United States. It supplements the original act which provided $250 million and was expendable over a 5-year period of time. This is expendable over an 8-year period of time, and the amount has been raised by the Senate. But, in consideration of the fact that the Reserve program is expanded now, the committee reviewed it this morning and unanimously approved the Senate amendment.

Mr. MARTIN. I withdraw my reservation of objection, Mr. Speaker.

Mr. GROSS. Mr. Speaker, further reserving the right to object, was this bill passed by the House?

Mr. BROOKS of Louisiana. Oh, yes. It passed unanimously. I think there was hardly 1 vote, perhaps, against it. The gentleman was one of those who supported it, too.

Mr. GROSS. I understand this amount has been increased.

Mr. BROOKS of Louisiana. The Senate increased the amount but also extended the time. The House set a more limited time in which to spend the money. The Senate thought it wise to give more time to spend the money but increased the amount. That is the only difference. It provides for armories throughout the several States as well as general facilities for Reserve training throughout the several States. Every State in the Union will be affected.

Mr. GROSS. May I say to the gentleman it was my understanding at the time the bill was passed—I think I am correct in saying this—that the gentleman from Georgia [Mr. VINSON] at that time said that this appropriation was to increase the armory facilities of the country and did not take into account the needs of the Reserves.

Mr. BROOKS of Louisiana. As I remember, I handled the bill when it came to the House originally, but I will say this: It has been in operation for 5 years, and the authorization has been exhausted, and under the terms of this bill the Government is permitted to expend so much per year over a period of time for armory construction, and the States will match the funds in certain cases.

Mr. GROSS. Well, I thought at that time that this was the forerunner of the passage of the bill which went through the House yesterday, but at that time I was assured that some other legislation would be necessary in order to provide the facilities for this new Reserve setup.

Mr. BROOKS of Louisiana. This would have been necessary regardless of the bill that passed, the National Reserve training bill. It would have been necessary because we have been consuming the money over a period of years in helping to build armories for training under the present program, and not contemplating the bill that was passed recently.

Mr. GROSS. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Senate amendment was concurred in; and a motion to reconsider was laid on the table.

MEDALS COMMEMORATING THE 120TH ANNIVERSARY OF THE SIGNING OF THE TEXAS DECLARATION OF INDEPENDENCE

Mr. THORNBERRY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7244) to provide for the striking of medals in commemoration of the 120th anniversary of the signing of the Texas Declaration of Independence and the Battles of the Alamo, Goliad, and San Jacinto in the year 1836.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MARTIN. Mr. Speaker, reserving the right to object, I understand this came out of the committee unanimously

and has been approved by the Treasury Department.

Mr. THORNBERRY. Yes.

Mr. MARTIN. One question I would like to ask. If my recollection is correct, several years ago we discontinued these medals as being an attack on private industry and that we were going out of that business. Have we been doing much of that lately?

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. THORNBERRY. I yield to the gentleman from Texas.

Mr. PATMAN. This is the only one that I know of that has been approved, but this was approved by the Treasury. It seems to me a new policy which, of course, is a good one.

Mr. MARTIN. I was questioning that. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That in commemoration of the 120th anniversary of the signing of the Texas Declaration of Independence and the Battles of the Alamo, Goliad, and San Jacinto in the year 1836 the Secretary of the Treasury is authorized and directed to strike and furnish to the Texas Heritage Foundation, Inc., 2,000 medals $1\frac{5}{8}$ inches in diameter, with suitable emblems, devices, and inscriptions to be determined by the Secretary. The medals shall be considered to be national medals within the meaning of section 3551 of the Revised Statutes.

SEC. 2. (a) The Secretary of the Treasury shall cause such medals to be struck and furnished at not less than the estimated cost of manufacture, including labor, materials, dies, use of machinery, and overhead expenses; and security satisfactory to the Director of the Mint shall be furnished to indemnify the United States for the full payment of such cost.

(b) Upon authorization from the Texas Heritage Foundation, Inc., the Secretary of the Treasury shall cause duplicates in bronze of such medal to be coined and sold, under such regulations as he may prescribe, at a price sufficient to cover the cost thereof (including labor).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. UTT asked and was given permission to address the House for 1 hour on Friday, July 29, following the legislative program and any special orders heretofore entered.

MR. DAIRY FARMER, YOU CAN HELP CONGRESS RAISE YOUR INCOME

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. JOHNSON] is recognized for 60 minutes.

Mr. JOHNSON of Wisconsin. Mr. Speaker, dairy farmers in my district, the Ninth Wisconsin District, are confronted with an economic situation which for everyone is serious. For many, the situation is outright desperate. Mr. Speaker, there are dairy farmers in my district who are being driven out of business by the ruinously low level of income resulting from the present administration's dairy price-support policy.

VETERANS HARDEST HIT

Hardest hit of all, I regret to say, are the young farm families, particularly the young veterans who began farming within the past half-dozen years or so. They bought their farms, their machinery, and livestock at high prices, in a period when dairy products were selling at 100 percent of parity. They are being squeezed out of existence by present-day prices which are permitted to rest on the very bottom of the mandatory support law.

The dairy-price situation in my district is a genuine depression for us. It has cut farm family incomes to the bone. It is cutting into the standard of living of businessmen in the cities and villages whose prosperity is tied to that of the farmers in their community.

DAIRY-FARM DEPRESSION

The dairy farming depression is the basic problem of the Ninth District of Wisconsin. It is the main problem of many other districts in this country which depend mainly upon income from the food products from manufactured milk. It is a vitally important problem to every citizen in such districts. It is vitally important to the whole Nation also, for it threatens the supply of milk, our basic food. The dairy depression threatens the prosperity of our whole economy. For these reasons, I want to discuss the causes and consequences of the dairy farming depression, and to review with you the proposal I have offered in my bill, H. R. 4360, as something we might do to cure the dairy depression. Something must be done. We cannot afford to sacrifice our dairy farmers against the wall of indifference that is raised against their distress by the administration.

DAIRY INCOME DOWN 50 PERCENT SINCE 1952

Mr. Speaker, milk for manufacturing purposes was selling for 100 percent of parity at the end of 1952, just before the present administration took office. Now, only 2½ years later, prices average only 75 percent of the same standard of parity. This means a 25-percent cut in gross income for producers of manufacturing milk. Moreover, this cut of 25 percent in gross income only begins to tell the full seriousness of the situation. At least 60 percent of gross sales receipts is required to pay production costs. This means that the 25-percent cut in gross receipts results in more than a 50-percent cut in the net income of dairy-farming families, a 50-percent cut in their "take-home pay," which is what they have to spend for family living expenses, for educating their children, for savings against their old age. The average dairy-farming family in my district, with prices at 100 percent of parity, received a monthly net family income of approximately $200 per month. They are now asked by this administration to accept a cut in take-home pay to about $100 per month. That figure is far below a decent American standard of living. I do not think this Nation can justify paying such a shamefully low return to dairy-farming families who are, I believe, about the hardest working people we have in the entire country.

The Eisenhower administration maintains that dairy income should be left at this present low level. Secretary Benson has refused to exercise his authority to give additional support to dairy product prices, and he has vigorously opposed all efforts to do so by legislation. Secretary Benson has not made any suggestions for changing the present dairy situation and, in fact, has declared it should be left exactly as it is. In this position, he has had the full support and encouragement of President Eisenhower.

ADMINISTRATION POLICY CUTS FARM PRICES

The administration's policy of favoring reduced incomes for dairy farmers is entirely consistent with its policy of forcing all farm prices downward. Mr. Speaker, I know it sounds harsh to assert that it is the policy of this administration to force farm prices down. But that is exactly what it has done, and it has been done deliberately. On every opportunity allowed him under the new law, the Secretary of Agriculture has deliberately cut the price supports on every farm commodity when doing so would result in permitting prices received by farmers to fall. There can only be one conclusion reached by observing what this administration has actually done to farm prices. That is that the administration's policy is to drive farm prices down. In addition to using every legal opportunity that has occurred to cut farm prices directly, the administration has endorsed, lobbied for, and propagandized in favor of changing the farm laws, to permit even greater reductions in farm price supports.

FOOD PROCESSOR CALLING SHOTS

Mr. Speaker, it is not my purpose today to attempt to examine the motives behind this administration policy of forcing farm prices down. Certainly the presence in high positions in this administration of many representatives of the big food-processing corporations which have profited greatly during the past 2½ years from reduced prices paid to farmers for their raw materials, while they maintained their resale prices to consumers at close to their alltime high, suggests a plausible explanation. Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD a list of some of the representatives of the big food processing companies serving in the Department of Agriculture.

The SPEAKER pro tempore (Mr. BROOKS of Texas). Without objection, it is so ordered.

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, the list is as follows:

USDA PERSONNEL WITH EXPERIENCE IN PROCESSING COMPANIES

James A. McConnell, Assistant Secretary: Commodity Stabilization Service: owner of Grange League Federation Exchange; executive vice president, Commercial Molasses Corp. (farm marketing association); director, Pacific Molasses Corp.; director of Farm Foundation.

Walter C. Berger, associate administrator, Commodity Stabilization Service: owner of Des Moines Oat Products Co. (feed manufacturing); president (1946–52), American Feed Manufacturers Association; director of National Grain Trade Council; director of Western Grain and Feed Association; vice president and director of Shea Chemical Co.

M. D. Smith, executive assistant to Benson: Director of National Association of Frozen Food Packers; manager of family plants—Smith Canning & Freezing Co.; Smith Frozen Foods (Oregon and Idaho).

N. R. Clark, special assistant on commodity disposal: vice president of Swift & Co. (retired).

Earl Hughes, director of Commodity Stabilization Service: Trustee of Foundation for American Agriculture and of Farm Foundation.

Also Milton Eisenhower is a member of the board of directors of Quaker Oats Co.

A Department of Agriculture representative testified before the Dairy Subcommittee of the House Agriculture Committee that the price to consumers of fluid milk has gone down only four-tenths of a cent—from 23.4 cents per quart in 1953 to 23 cents in 1954. But I will not dwell on this. My purpose is to explain what has happened and what its consequences are to dairy farmers.

EISENHOWER CAMPAIGN PROMISES

Mr. Speaker, dairy farmers in my district and in other dairy-producing areas are particularly disappointed in the Eisenhower administration's farm policy as it has developed in practice. Less than 3 years ago, dairy producers were led to believe that the Republican candidate for President intended to improve their situation, not to make it gravely more critical. I do not ask you to take my word for this. I want to read you the words of General Eisenhower himself, the promises which the Republican candidate for President made to farmers within a few miles of the borders of my district, in his major farm speech at Kasson, Minn., on September 6, 1952.

General Eisenhower said, and I quote:

I firmly believe that agriculture is entitled to a fair and full share of the national income and it must be a policy of Government to help agriculture achieve this goal in ways that minimize Government control and protect farmers' independence. And a fair share is not merely 90 percent of parity—but full parity.

We must find sound methods of obtaining greater protection for our diversified farms, our producers of perishable goods. They yield the rich variety of meat, milk, eggs, fruits, and vegetables that support our nutritious national diet. As provided in the Republican platform, then on perishable crops so important to the diversified farmer—crops such as oats, barley, rye, and soybeans—should be given the same protection as available to the major cash crops.

The Democrat planners have made the diversified farmer the forgotten man of agriculture. They keep saying, "There is no way of protecting perishables except through the Brannan plan." But we can and will find a sound way to do the job without indulging in the moral bankruptcy of the Brannan plan.

CAMPAIGN PLEDGE NOT HONORED

Mr. Speaker, the Eisenhower administration faced the first test of President Eisenhower's campaign promises to producers of perishables shortly after taking office in January 1953. Before April 1 that year it was necessary for the Secretary of Agriculture to announce the price support rate to be in effect for dairy products for the ensuing year. After much hesitation and a great deal of concern on the part of dairy farmers, and requiring the trade to transfer its inventories to Government storage, the Secretary announced that he would support prices of dairy products at 90 percent of parity, the maximum level authorized by law, and the same as had been kept in effect by the preceding Democratic administration.

Ninety percent was the promise. But, unfortunately, that promise was not observed. Although 90-percent supports were announced, the Secretary of Agriculture deliberately refused to make them effective to support dairy prices at 90 percent of parity. Prices of dairy products actually averaged only 83 percent of parity throughout the year running from April 1, 1953, to March 30, 1954. This happened because Secretary Benson refused to set the dollars-and-cents purchase price for milk products high enough to provide prices to farmers of 90 percent of parity, as he had promised.

As 1953 proceeded, the cut out of the consumers' dollar for milk products taken by the middleman was increased so much farmers no longer got 90 percent of parity. Benson refused to increase the Government purchase price of manufactured products sufficiently to make up for the larger cut taken by processors. Consequently, the farmers' share did not come up to the promised 90 percent of parity.

DAIRY FARMER CUT TO 75 PERCENT OF PARITY APRIL 1, 1954

Then, on April 1, 1954, the Secretary of Agriculture openly exercised his policy of cutting farmers' incomes to the bone. Effective on that date, Secretary Benson reduced dairy price supports to 75 percent of parity, the minimum allowed by law. This resulted in an immediate further collapse of prices for dairy products, from which they have never recovered to this day.

BENSON TINKERING CUTS DOWN DAIRY PARITY

Even though supports were slashed to the minimum allowed by law, the administration's drive for lower farm prices was not satisfied. In preparation for the next stage, the price-cutting step, Secretary Benson began to tinker with the definition of parity for manufacturing milk. He was not permitted by law to cut the percentage of parity below 75 percent, but he did have the authority to accomplish the same thing by juggling parity itself downward, and that is exactly what he proceeded to do. His predecessor in the office, Secretary Charles Brannan, had supported prices of manufactured dairy products on the basis of a parity equivalent computed as 88½ percent of the parity price for all milk sold at wholesale. Secretary Benson, as soon as he had cut price supports to the legal minimum of 75 percent of parity, took a new base period and cut parity on manufacturing milk from 88½ percent to only 84.1 percent of the parity price of all milk.

In January 1955, using the same device, Secretary Benson took a further step, reducing the parity equivalent on manufacturing milk to only 83.7 percent of parity price for all milk. This had the effect of cutting parity itself by 5½ percent, so that by the exercise of his discretionary authority, Secretary Benson has reduced the minimum price support floor protection established by law to 69½ percent of parity, or less, as it had been calculated by former Secretary Charles Brannan.

MILK PRODUCER ON SLIDING SCALE

Beginning last April 1, 1955, the price support in effect for manufacturing milk has been exactly the same, in dollars and cents, as it was in the preceding year. But because parity itself has been manipulated downward, it comes out to a higher percentage of parity. For example, prices received by farmers in June 1955 averaged 80 percent of Secretary Benson's manipulated parity. But they averaged only 75 percent of former Secretary Brannan's parity.

REPUBLICAN CAMPAIGN ORATORS TRY TO FOOL DAIRY FARMERS

Secretary Benson's manipulation of the parity formula computation for manufacturing milk has been exploited by Republican campaign orators, who point with pride to the fact that milk prices now average 80 percent of parity, without ever mentioning that parity itself has been skidded downward by Secretary Benson. In short, Benson's policy is to give the farmers percentage points without the dollars and cents. You cannot buy groceries or pay the taxes with percentage points. It takes dollars and cents to do that. The same policy of cutting the parity formula is being followed for other important commodities to manipulate their dollars and cents support prices downward.

The administration's manipulation of the parity computation for milk is, to my mind, one of the most threatening aspects of its cruel aim to drive farmers' prices down. It is, in effect, evading the intent of Congress when it declared by law that dairy products could not be supported at less than 75 percent of parity. Without ever changing the law, this loophole gives Benson the opportunity to slice off more and more from the dairy farmers' price floor. When parity has been cut far enough, he can raise the percentage points he is giving the farmers—while at the same time, the dollars and cents that go into the farmers' pockets are being reduced.

THEY ARE NOT TELLING ALL THE STORY

Mr. Speaker, I have stressed this matter of manipulation of the parity computation because it is particularly hard for our friends who are not in the dairy industry to understand it. The dairy farmers themselves are not deceived by it. They read the dollars and cents that are printed on their milk checks. But many of our friends, when they read the percentage points that are printed in newspaper headlines, or hear them discussed on the radio and television or in campaign speeches, might be led astray by this Republican policy of paying the farmers in percentage points of a downward manipulated parity computation,

instead of in the dollars and cents that it takes to provide an American standard of living.

The Eisenhower administration's cynical manipulation of parity on milk raises what to my mind is of urgent importance from the standpoint of the dairy farmer. That milk must be made a basic commodity, with a realistic parity defined and assured by law, so that it cannot be juggled and tampered with by an administration that is bent on using every posible means to force farm prices down.

Mr. Speaker, I have tried to the best of my power to achieve for milk, our basic food, the recognition in our farm legislation that it deserves—that of a basic commodity able to get equitable protection with other important farm commodities.

Mr. WHITTEN. Will the gentleman yield?

Mr. JOHNSON of Wisconsin. I yield to my friend the gentleman from Mississippi, chairman of the Subcommittee on Agricultural Appropriations.

Mr. WHITTEN. I wish to commend the gentleman for his untiring efforts in behalf of the farmers of the Nation, particularly the dairy farmers. I feel that he has here pointed out the fallacies of this administration which seems to believe that reduced prices, higher costs, and reduced production will not appreciably hurt the farmer. In my opinion it is ruining the farmer and will eventually be felt in the towns and the cities. I thank the gentleman for presenting these facts.

SUPPORT OF CONGRESSMEN FROM OTHER AREAS NECESSARY TO PASS DAIRY LEGISLATION

Mr. JOHNSON of Wisconsin. The problem of our dairy farmers is far too serious to be made into a political football. It needs to be approached with hardheaded commonsense. It is not a political issue; it is an economic issue. Representatives from dairy-farming districts are obligated to treat it as an economic issue, and to refrain from injuring the interests of their dairy-farming constituents by playing politics with their welfare.

It is a simple, clear-cut fact of life that the first concern of anyone who is sincerely interested in helping the dairy farmer must be to secure and maintain unity in the ranks of agricultural Representatives. There simply are not enough Representatives from dairy districts to pass a law all by themselves. We must have allies, or we are doomed to fail. Congressmen representing the various farm commodities must hang together or we will, so to speak, all be hung separately. Our best hope for getting support for dairy farmers lies with the Representatives from other agricultural areas. Without that support, the cause of any kind of legislative help for the dairy farmers' problem is futile. Anybody from the dairy area should know that in order to get legislation through the committee, it is necessary to get support from a majority of the 34 members of the committee. At the present time, there are only 6 members of the full Agriculture Committee who represent concentrated dairy areas.

Since I came to Congress in January 1954, I have made it my primary concern to determine what is needed to win for dairy products the protection granted to the basic agricultural commodities. I have reached certain conclusions. The fundamental one is that before any measure to give basic price-support protection to dairy commodities can be passed, Congressmen representing areas that produce other agricultural commodities must agree to its support. That is a hard-boiled fact of political life, and anyone who is sincerely interested in getting a dairy price-support program through Congress has got to consider it.

YOU CAN'T SIT ON BOTH SIDES OF THE FENCE

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Wisconsin. I am glad to yield to my friend the vice chairman of our committee, the gentleman from Texas.

Mr. POAGE. I agree with the gentleman from Wisconsin that the logical thing for anyone to do who is seriously interested in getting 90 percent support for dairy products is to at least offer to accept the same kind of production controls which have been accepted by every one of the present basic crops.

The gentleman will remember that I have repeatedly offered to support a 90 percent support program for dairy products if the dairy people wanted to accept controls. I know the gentleman has taken a sane and reasonable position, but he has some colleagues who seem more interested in asking for something than in getting anything for the dairy farmers.

I am sure the gentleman will remember the so-called Laird amendment which this House rejected early this year. I know the gentleman voted for it, realizing that any vote against it would be misrepresented, but in all honesty, can the gentleman from Wisconsin, who is so well informed on, and deeply interested in, dairy problems, state that that amendment was either fair or practicable? Would the gentleman say that any experienced Member of this House could have expected to pass such an amendment. Would he even contend that dairy farmers should get 90 percent supports and at the same time enjoy unlimited production while every other producer in this country has to accept strict controls in order to get this support? Would the gentleman yield long enough for me to read an editorial out of the latest edition of Hoard's Dairyman?

Mr. JOHNSON of Wisconsin. I yield further.

Mr. POAGE. The editorial is as follows:

[From Hoard's Dairyman of June 10, 1955]

HOUSE SKIPS DAIRY

Perhaps one good thing came out of the bitter House of Representatives debate on farm price supports. It was clearly demonstrated that neither political party had much to offer in the way of a peacetime dairy program.

There are a few individuals within each party who know the dairy industry and have made constructive suggestions. Unfortunately, the majority of Congressmen have been unable to comprehend the complexities of the dairy industry and fail to recognize the essential ingredients of a sound dairy program.

During the most recent congressional election, northern Democrats, primarily from the big cities, promised great changes in dairy prices if their party was elected to control the Congress. From the South, however, Democratic congressional leaders cautioned the higher dairy price supports must carry with them effective production controls such as are applied to the so-called basic crops.

Most Republican candidates preferred to support the flexible price-support program rather than go to production controls.

When the showdown came in the House of Representatives, both political parties backed away from production controls and higher price supports.

There are people, of course, who believe that we can have higher price supports without production controls. When this was proposed by Representative LAIRD (Wisconsin), southern Democrats turned him down because production controls were not provided.

In our opinion, the logic of the southern Democrats is sound. The Government simply cannot continue to buy up the huge quantities of dairy products which are stimulated by higher prices on all milk and cream produced. From the dairy industry's point of view, it cannot have its cake and eat it too.

What is often overlooked is that there are different types of production-control methods, some of which are considerably more appealing than others. For example, we would strenuously object to a strict quota type of control. On the other hand, as indicated before in these columns, a two-price system is desirable, workable, and effective. There is no limitation of production but only the domestic market is supported at a given price level. The foreign, industrial, and relief markets are free-price markets and farmers receive whatever milk brings in these markets.

At one time we estimated that the application of the two-price dairy program to American dairying last year would have resulted in an increased income to dairy farmers of over $700 million. All this would have been at no cost to the Federal Government. Frankly, we regret that the Congress does not give the dairy industry a chance to handle its own stabilization program. We are convinced that it can do a far better job than the Government has done to date.

Mr. JOHNSON of Wisconsin. The gentleman is so right. When the House refused, as we certainly knew in advance it would, to give dairy commodities all the protection given to the basics without any of the responsibilities, these Republican dairy district Representatives voted against H. R. 12.

Mr. POAGE. The gentleman from Wisconsin has faithfully attended all meetings of the Agricultural Committee. Does he not know that the members who have been actually trying to solve the dairy problems have been working with the producers of other crops in an effort to get a common approach. I know that the gentleman voted for 90 percent supports for all commodities including dairy products. I know that the gentleman has offered this House a sound, constructive program of 90 percent supports for a controlled production of dairy products. I am glad to work with the gentleman or any other member who wants to treat dairy products just like cotton, wheat and tobacco, but I can't go along with, and this House won't go along with, those who ask that

the dairy farmer be given all of the benefits and none of the burdens of a 90-percent support program. The chairman of the Dairy Subcommittee tells me he expects to hold some hearings out in the gentleman's area this fall. I am not a member of that subcommittee but as a member of the full committee who is interested in dairying, I hope to be able to attend and to take part in some of these hearings.

Mr. JOHNSON of Wisconsin. The gentleman from Texas is a dairy farmer himself. I want to thank him for these remarks. I want to commend those few Republicans in this House who remained faithful to the economic interests of their farmer constituents, who placed the welfare of farmers above the dictation of the political potentates of their party. Most of the 22 Republicans, who are about one-tenth of all their party's members in this House and voted for H. R. 12, were from cash grain-producing areas, not from dairy districts.

H. R. 12 RAISED MILK SUPPORTS

But the House Committee on Agriculture is continuing to give the dairy problem a very large share of its attention. Very promising progress is being made. In passing H. R. 12, the House of Representatives went on record against any further cut in dairy farmers' prices next year by the Benson device of manipulating parity downward below the minimum allowed by law under the Brannan parity formula. H. R. 12 raised the minimum price support floor from 75 percent of parity to 80 percent. It continued for 2 more years the $15 million annual appropriation for brucellosis indemnity payments. It increased from $50 million to $75 million the annual appropriation for purchasing fluid milk for schoolchildren on which school authorities in Wisconsin particularly have done such an excellent job in the past year. This is not yet victory, and it is not enough. But it is something, and it is progress.

CONGRESSMAN JOHNSON PROMISED SUPPORT OF CONGRESSMEN FROM BASIC AREAS TO MAKE MILK A BASIC COMMODITY

My colleagues in the House from areas which produce wheat, rice, tobacco, peanuts, cotton, and other basic commodities have promised time and time again they will back my efforts to make dairy products a basic commodity if the dairy farmers will accept the same responsibility for keeping supplies in line with demand that producers of other basics have accepted.

I introduced H. R. 4360, a bill to designate dairy products as basic commodities, which provides for marketing quotas on milk, so that we could find out what dairy farmers really want. I have been told by the chairman that the Dairy Subcommittee will try to hold hearings on this bill so that dairy farmers can tell the Congress what they think of it. I have strongly urged all this session that such hearings be held. I emphasize, Mr. Speaker, that if dairy farmers do not want this bill, I would be the last one to urge it and I will immediately begin to search for another way out of the dairy farmers' dilemma.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Wisconsin. I yield to my chairman.

Mr. COOLEY. The gentleman from Wisconsin has made a splendid statement. Having served as a Member of this House for more than 20 years, during all of which time I have been a Member of the House Committee on Agriculture, I have, of course, seen Members of Congress come and go. I am glad to have this opportunity to commend and congratulate the gentleman from Wisconsin upon the splendid manner in which he has performed all of the duties of his high office. He has been at all times intensely interested in the problems of the dairy farmers. He thoroughly understands their problems and he has constantly had their welfare in mind. Frankly, Mr. Speaker, no Member of our great Committee with whom I have served, has been more interested in the problems of dairy farmers than has Lester Johnson. He has not only been interested in dairy farmers and in their problems, but he has been interested in the problems of all of the farmers of America.

Our Committee on Agriculture is composed of 37 Members of Congress—34 from congressional districts within the States, and in addition to these 34 Members, we have a Delegate from Hawaii, a Delegate from Alaska, and a Commissioner from the Commonwealth of Puerto Rico. As chairman of that great committee, I have appointed 16 subcommittees, and during the present session of Congress more bills have been referred to our committee in this one session than were referred to the committee during the entire 2 years of the 83d Congress.

The author of every bill referred to our committee during this session, who has requested a hearing on his bill, has been accorded a fair hearing.

In addition to attending the meetings of his own subcommittee, and the meetings of the full committee, LESTER JOHNSON has attended the meetings of other subcommittees to which legislation relating to problems other than dairy farmers has been referred. LESTER JOHNSON has tried diligently and faithfully, during his entire service on the Agriculture Committee, to learn all he possibly could about the problems of farmers, and while on other subcommittees he has had no right to vote, he has demonstrated more interest in the problems of American agriculture, generally speaking, than any other member of our committee. He knows that no segment of our agricultural economy can prosper at the expense of any other segment of our economy. He knows full well that farmers cannot be successful and prosperous if they are fighting among themselves.

LESTER JOHNSON knows that if we are to have a successful farm program, which is essential to the welfare of our Nation and to the well-being of our farmers, we must understand each others problems and that we must not fight among ourselves.

Mr. Speaker, I do not know of any Member of this House who has more conscientiously nor more consistently applied himself to the pefomance of his duties as a Repesentative in Congess than has Mr. JOHNSON.

LESTER JOHNSON has made many friends in both political parties during his brief service in the House of Representatives, and he is held in high esteem not only by the Democratic Members of this House, but also by Republicans, because all of us know that he is thoroughly trustworthy, he is honest, he is upright, he is forthright, and he is faithful. When I say that he is faithful, I do not mean even to suggest that he is merely faithful to a party. I mean only to emphasize the fact that he is faithful to the principles of a truly representative democracy.

During my entire service in Congress, while a humble member of the House Committee on Agriculture as well as during the times I have served as chairman of that very important Committee, all of the chairmen of that committee and I have tried our dead level best to keep partisan politics out of our deliberations. The problems of agriculture are paramount to all other problems. We shall never be able to solve the problems of peace until we solve the problems of agriculture. A hungry world will never be a happy world. Hungry people are easy prey to all the isms and alien concepts of government.

I am certain that the gentleman from Wisconsin who is now addressing the House has never been prompted by partisan politics, either in voting in our committee, or on the floor of this House.

The problems of agriculture are not only paramount to all other problems, for upon the good earth all mankind must of necessity depend, but these problems should at all times be above partisan politics, just as our foreign policy should at all times be above the bondages of partisan politics. The problems of agriculture and the problems of the unhappy world in which we are living cut across party lines, and State lines, and even across international boundaries. In dealing with these important problems, which are so vital to the world and to all mankind, a Member of Congress has no right to be partisan. In dealing with these problems he must be a statesman rather than a politician.

Mr. Speaker, I understand that some false accusations, some unfair innuendoes, and some unfair, inaccurate, and unwarranted statements have been leveled at LESTER JOHNSON. Merely because he has shown an interest in the welfare of all of American agriculture, and has voted for programs essential to the welfare of farmers in other sections of America, it has been suggested, in sinister fashion, that he has not been as interested as he should have been in the welfare of dairy farmers. Let me here and now nail that, and all of that, to the cross. The dairy farmers of America have no greater champion in the Congress of our country than LESTER JOHNSON. There is never an hour of the day or the night that he does not have the welfare of the dairy farmers close to his heart.

Now let us face up to the facts. As a Member of Congress I have never advocated, nor shall I ever advocate, high fixed price support levels for any agri-

culture commodity the producers of which are not willing to attempt to keep production in line with reasonable consumer demand. The producers of basic agricultural commodities have consistently indicated their willingness, by accepting acreage allotments and marketing quotas, to keep production in line with reasonable consumer demand. We have worked out a program over the years, and we have provided the machinery which has enabled, and will continue to enable, the producers of basic agricultural commodities to keep production in line with consumer demand. The producers of beef cattle have not been able to arrange or to define a program to keep the production of beef in line with consumer demand, nor have the dairymen of America offered a program to keep production down to the level of consumer demand. I appreciate the great difficulties involved in both beef cattle production and in dairy production. Both of these important segments of our agricultural economy are quite different from cotton, peanuts, and tobacco, and the other basic commodities which very readily lend themselves to production control. If the producers of beef cattle and if the dairymen of America will offer a production control program, I want to assure them that I shall be the very first to offer my cooperation in an effort to provide adequate price supports. Notwithstanding all the things that I have said, the fact remains that I voted for and our committee reported a bill to support dairy products at 80 percent of parity, and we did this at a time when the Secretary of Agriculture, Mr. Ezra Taft Benson, had dropped the boom on the heads of dairy farmers.

Although members of our committee did everything possible to assist dairy farmers in their desperate plight, we were forced by the Eisenhower administration to strike out the 80 percent of parity price support for dairy products. Although Secretary Benson for about 14 long months had the authority to lower the price supports on dairy products gradually, and to relieve the intensity of the impact and shock on dairy farmers, he waited for 14 long months and then "dropped the boom," and it was a deadly blow. I have never complained that the Secretary waited to take action, but I did complain when he dropped the price support, by one stroke of the pen, and overnight, from 90 percent to 75 percent of parity. Even President Eisenhower said publicly at a press conference that the change should be made gradually. Not Mr. Benson—who was slow to action, but finally dealt the death blow to the dairy industry.

In this situation LESTER JOHNSON, Congressman, who is now addressing the House, did everything he possibly could in behalf of dairy farmers. He voted for high price supports. Having a very personal knowledge of the problems involved, he tried to ascertain the views and the wishes of dairy farmers, and I am happy to say, Mr. Speaker, that those of us in whose districts other important agricultural commodities are produced, actually followed LESTER JOHNSON'S leadership in our efforts to aid the dairy industry of America, but I must, in fairness, repeat that I cannot even now say that I am willing to support the unlimited production of dairy products at 90 percent of parity, when my own farmers are forced to reduce their acreage and their production to keep that production in line with consumer demand and to provide the accumulation of huge surpluses.

Not knowing just what the dairy farmers of America really want in the way of a farm program, I have agreed with my friend, the distinguished gentleman from Wisconsin, LESTER JOHNSON, that our committee should give further thought and consideration to the problems involved, and I have directed our dairy subcommittee, of which the gentleman from Mississippi, Congressman THOMAS ABERNETHY, is chairman, to conduct hearings in Wisconsin and in other dairy States, during the recess of Congress, and to make every effort to ascertain the wishes and the views of our farmers who are now engaged in the dairy industry. I hope very much that I can arrange to attend these hearings, and I shall make every possible effort to do so. With 16 subcommittees working on various problems, all of which are vital to the welfare of our farmers and to the general welfare of all of our people, it would be difficult for me to arrange to attend the meetings of the subcommittees which will hold the hearings on the problems of dairy farmers. I want to assure my friend from Wisconsin that I shall do everything I possibly can to attend the meetings which will be held in his congressional district, and in other congressional districts in which dairying is of great importance.

Again I want to compliment my beloved friend, the distinguished gentleman from Wisconsin, LESTER JOHNSON, upon his efforts and his interest in all the problems which so vitally affect the welfare of the people he has so well represented.

Mr. ABERNETHY. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Wisconsin. I yield to my friend the gentleman from Mississippi [Mr. ABERNETHY], chairman of our Dairy Subcommittee.

Mr. ABERNETHY. May I say to the gentleman that I am interested in the bill he has introduced. In my judgment, it is worthy of the dairy farmers' consideration. It is not my purpose, however, to press the bill upon the dairy farmer unless the dairy farmer wants that type of legislation.

Mr. JOHNSON of Wisconsin. May I say to the gentleman that is the same attitude I have. I want to find out what the dairy farmer wants.

Mr. ABERNETHY. That is the attitude of all of us in regard to all of the farm program and particularly with regard to the basic program.

I know there is considerable interest in the gentleman's State in the work of the Dairy Subcommittee of the House Committee on Agriculture. Throughout the year I have been serving as chairman of that subcommittee. I have received numerous communications from dairy farmers in that State indicating their interest in this subject, in the legislation proposed by the gentleman, and in other legislation pending before the committee. It is the thought of our subcommittee that we may visit the gentleman's district in the State of Wisconsin sometime during the recess. I do not know yet whether we will be able to work that out or not, but I want to say to the gentleman, since he has discussed it with me, and extended the invitation, that I hope we can work it out. I am going to do my best to bring the committee up there this fall.

I commend the gentleman on the service he has rendered the people of his district. I think they were very wise the day they decided to send him here.

Mr. JOHNSON of Wisconsin. I thank my friend from Mississippi.

CONGRESSMAN O'KONSKI FROM WISCONSIN PUBLICLY GIVES SUPPORT

I am most grateful to my Republican colleague from the 10th District of Wisconsin for the support he has pledged to me in this effort to explore the wishes of the dairy farmers. I would like to refer my colleagues at this point to the exchange between myself and the gentleman from Wisconsin that occurs on page 5782 of the CONGRESSIONAL RECORD for May 5, 1955, during the debate on H. R. 12, as follows:

Mr. JOHNSON of Wisconsin. Along with the gentleman from the 10th District of Wisconsin, I also voted last year against flexible farm price supports and for rigid supports at 90 percent of parity.

I might state to the gentleman from the 10th district that in the House Agriculture Committee meeting of March 8 we tried to get 90 percent supports for dairy products without quotas or controls. After this motion lost, I offered an amendment to support dairy products at 85 percent of parity without quotas or controls.

On the vote, which lost by 14 to 13, I had the support of 10 Democrats and 2 Republicans in addition to my own vote. Eleven Republicans and three Democratic members of the committee voted against my motion.

I have introduced a bill, H. R. 4360, which provides for quotas and controls. I shall support the present amendment for 90 percent. I am in the same position as the gentleman from the 10th District. If we are unsuccessful in passage of this amendment, I wonder if the gentleman will support me in my effort to make dairy products a basic commodity if the dairy farmers of the United States want such a program with the same procedure for controls and quotas that apply to other basic commodities.

Mr. O'KONSKI. I think so. I think one of the reasons for the illness in the dairy industry is the lack of marketing quotas. I think one of the basic reasons why the dairy industry is in the pinch and mess it is in today is because we have not had these controls.

For instance, whenever a farmer in Kansas was cut down on his wheat acreage, he turned those acres into a dairy farm. As the acreage was cut for the wheat farmer and the corn farmer and the tobacco farmer, they turned those acres into dairy farms. If we had controls to prevent those people from going into the dairy business on the side, we would not have the difficulty we have today. I do not believe we should have 90 percent of parity and pile up surplus upon surplus. I want to be reasonable about this. I think if we do have dairy products included in this bill as a basic commodity, that we also ought to have the Department of Agriculture work out a system of quotas, because it is the only way in which we could operate within reason.

Mr. JOHNSON of Wisconsin. I thank the gentleman.

My purpose in introducing that legislation was to find out what farmers in the dairy areas really wanted, so that we could have hearings and determine just what they wanted. If the dairy farmer does not want it, I would be the last one to urge it.

CONGRESSMAN JOHNSON INTRODUCES BILL TO MAKE MILK A BASIC

Mr. Speaker, I should now like to explain the provisions of my suggestion that dairy producers be authorized by law to regulate their marketings in order to qualify for basic price support legislation.

During our consideration of H. R. 12 and in the hearings of the dairy subcommittee, there has been increasing discussion of the use of marketing quotas. Most Members of Congress feel that if milk is to be given 90 percent price supports, then milk producers should agree, like wheat, rice, tobacco, peanut and cotton producers, to limit their marketings to put some controls and a top limit on the quantity of product to be supported. I have talked extensively in the past several months with many Congressmen, particularly from areas that produce basic commodities. They have assured me repeatedly that they will support my effort to give milk the recognition it deserves as a basic commodity with the same price support protection given to the other basic commodities, if dairy farmers will accept similar responsibility for keeping the supply of milk in line with the demand.

As a result of such discussion, I introduced a bill, H. R. 4360, to authorize a referendum among dairy farmers on the use of quotas. My purpose was to stimulate discussion on the subject, to get suggestions on how quotas might be applied, and to determine the sentiment of farmers themselves on such a step. Milk producers in Federal milk market areas already regulate the supplies of milk offered to the retail fluid market. My bill would extend this principle to milk used for butter, cheese, and other products.

WILL MILK PRODUCERS ACCEPT MARKETING QUOTAS?

The argument against adequate supports run in this channel. You cannot have adequate supports without control over supply. Then, it is said, milk producers won't accept marketing quotas. Thus, a false dilemma is set up and results in no action. Dairy farmers themselves need to help correct this impression. Most Congressmen appear to have been led to believe that dairy farmers are opposed to quotas. The processor groups told us that. The big dairy companies have told us that.

Mr. Speaker, I am hoping that the Agriculture Committee will take the time to go out in the country to see what the dairy farmer really wants. I realize that the processor whose income increases with each 100 pounds he processes is against limiting the supply as it may reduce his income. We in Congress need to find out what the milk producer himself thinks. He does not have the money or the time to come to Washington to tell us.

My bill, H. R. 4360, is not the final answer. No one is more willing than I to admit that. We in Congress do not have a corps of research experts in the various agricultural fields, nor thousands of employees scattered across the Nation to refine plans and report farmer opinion as are under Secretary Benson's control. We must depend in a large measure on volunteered suggestions, criticisms and reactions expressed in our mail to refine and test policy suggestions.

H. R. 4360 is performing the function I had in mind when I introduced it. Many suggestions have been made to me in regard to it. It is my hope that, after completing hearings at points throughout the dairy producing areas, the dairy subcommittee of the House Agriculture Committee will introduce a revised version of my bill which incorporates the improvements that are brought out by these hearings.

It is my feeling that dairy farmers will not oppose a reasonable combination of production payments and marketing quotas when they understand the situation and that, if Congress should couple such payment and quota system with an improved level of price supports, the plan would be accepted.

FIVE PERCENT OVER PRODUCTION CAUSED POULTRY FARMERS TO GET 19 PERCENT LESS

The nub of the dairy problem is the production of 6 to 10 billion pounds more milk annually than will clear the market at present price levels and population numbers.

This overproduction is a temporary problem because, if we could hold production steady at the present level for just another 2 years, population increase would then absorb the current total production of dairy products.

The problem is not one of an enormous and perpetual surplus, and interminable Government price support. It is one of assisting the dairy farmers while demand catches up with production at price levels fair to the farmers.

It is not fair to our farmers, Mr. Speaker, for them to take a severe economic beating just because they do their job a little too well and produce a few percent more than the market will absorb at a fair price. Look at the situation with eggs last year, for example. Farmers sold just 5 percent more eggs in 1954 than in 1953. This small increase in production knocked prices down so far that the total income from 5 percent more eggs in 1954 was 19 percent less than their total receipts from the smaller volume of eggs in 1953.

WAR YEARS WE ENCOURAGED OVERPRODUCTION

Dairy production was encouraged and stimulated in the war periods of the last decade. Improved technology has added to total output. Demand has been weakened by the failure to maintain full employment, economic conditions, the competition of tax-free colored oleomargarine, and some decline in exports.

We have the problem, as I see it, of helping dairy farmers stay solvent for 2 to 4 years while demand catches up to their normal output. It would be possible to impose drastic marketing quotas on dairy products and limit production to what the market will absorb by that device alone. Such a solution would heighten the economic distress of dairy farmers, not relieve it. It would be the scarcity solution, hard on both the farmers and the consumers. I am opposed to any such course.

BASIC AIMS OF JOHNSON DAIRY PROPOSAL

I am greatly interested, however, in the plan proposed in my bill, that we use a combination of production-adjustment payments along with marketing quotas to handle the problem. If dairy farmers generally approve the idea, I would work and vote for it.

Briefly, the basic aim of my dairy proposals are as follows:

First. That the production of milk and its products be maintained at a level that will provide fully as much as the people of this Nation need and will consume if they have the level of incomes that would be provided in an economy of full employment.

Second. That we expand consumption of dairy products sufficiently to allow everyone sufficient milk and milk products needed for adequate, healthful diets by increased use of milk in schools, the Armed Forces, welfare institutions, and through a food-stamp plan for low-income families.

Third. That farmers be authorized and enabled to regulate their sale of milk so that sales slightly in excess of the needs for adequate, healthful diets will not result in bankrupting the farmers.

Fourth. That we also give farmers the authority, if the Federal Government fails to meet its obligations under the Full Employment Act of 1946 to maintain full employment, or to expand the consumption of milk by low-income people, to regulate their marketing so as to avoid bankruptcy prices.

Fifth. That prices to farmers be protected at a fair level against fluctuations in supply and demand by the use of production-adjustment payments of the difference between the market price and the agreed-upon support price, and when a slight temporary surplus of dairy marketing occur, that this be sold in the market at lower prices to consumers with the loss to farmers made up with production payments. Doing this would eliminate the need for the Government to pay storage charges.

PRODUCTION ADJUSTMENT PAYMENTS ALONG WITH MARKETING QUOTA PLAN EXPLAINED

Essentially, the provisions of my bill, H. R. 4360, in accordance with these overall aims, are as follows:

First. That we ask the dairy farmers to reduce their marketings from 3 to 5 percent to eliminate about half of the milk and milk products which are not clearing the market at present price levels.

Second. That we let the price of milk and milk products drop a little in the market so consumers will use more butter, cheese, milk, and other dairy products; this would allow consumption of the other half of the so-called surplus.

Third. That we give the farmers a production adjustment payment of the difference between the market price and agreed-upon price-support level.

Fourth. That we eliminate totally the need for Government storage of the dairy surplus.

There has been opposition to the use of production payments in our price-support programs in the past because of the sums which would have to be appropriated to make the payments on an uncontrolled production. Such costs can be controlled and held to whatever level Congress decrees, with the use of quotas and adjustment payments in combination.

A study has been made of the possibilities and prospective costs of combined use of adjustment payments and quotas. Congress can write its own ticket. If we would add about $225 million next year to what we are paying for dairy products to go into storage, and farmers would reduce their marketing 4 to 5 percent, we could support dairy farm income at 90 percent of parity and give the consumers a considerable price break at the same time. We would also eliminate the need for the Government to pay storage charges on unused dairy products.

Support at lower levels would, of course, cost somewhat less, but in my judgment it would be very foolish to economize at the expense of farmers who are already in an economic depression dangerous to our whole national economy. Dairy farmers should not be required to take prices anything below 90 percent of parity. In my judgment, they are entitled to a full 100 percent of a fair and reasonable computation of parity.

HOW MARKETING QUOTAS WOULD WORK

I would like to describe just how the proposed marketing quotas on milk would work out for an individual farmer whose production is characteristic of most of the farmers in my district in Wisconsin.

Let us assume that Farmer Olson sold 200,000 pounds of milk in the base period, and that a 4-percent cut for 1956 is required by the quota.

This farmer would then be eligible to sell 192,000 pounds of milk and to receive production payments on them.

If the average market price for milk were 10 percent below parity on the support price in effect for the year, and the farmer's sale slips showed that he got an average of $3 per hundredweight, he would receive a gross income of $6,394. He would get $5,760 directly by sale in the market of his 192,000 pounds quota at the market price of $3 per hundredweight. In addition, he would get a direct production adjustment payment of $634, giving him a total gross income of $6,394.

If, however, he decided to sell his entire production of 200,000 pounds, he would not be eligible to receive any production adjustment payments. He would also be required to pay a penalty on the 8,000 pounds of milk sold in excess of his marketing quota. If the penalty were set at 75 percent of the support price, it would amount to $2.50 per hundred, or a total penalty on the 8,000 pounds of excess sales of $200. His gross income would then be $5,800, figured by subtracting the penalty of $200 from his market receipts of $6,000 for sale of 200,000 pounds of milk at the market price of $3 per hundredweight.

For example, it will be seen that it would be to the advantage of the farmer to comply with his marketing quota. If he did so, he would get a gross income for the year of $6,394, contrasted to only $5,800 which he would get by not complying with his quota. The $6,394 gross income under such a program would compare favorably also with the $6,000 gross income he would get in an unsupported market for his full production of 200,000 pounds of milk at the market price of $3 per hundredweight.

CONCLUSION

Mr. Speaker, in conclusion, as I have stated before, I introduced H. R. 4360 to try to find out what the dairy farmer wants. If he does not want to accept marketing quotas and is satisfied with Mr. Benson's sliding scale for dairy farmers, I want to know it. Sixty-one percent of the dairy farmers in my district voted for me in 1953, and sent me to Congress. Sixty-three percent voted for me in 1954. I would assume from this large vote they wanted me to come to Washington to help them work out a solution to their problems. Since coming to Congress in January 1954, I have tried to find a solution and have worked hard in their behalf. I can honestly say that the 6 months I have been a member of the House Committee on Agriculture and the Dairy Subcommittee we have not received one suggestion from our present Secretary of Agriculture, except when he testified before our committee and told us that the flexing of dairy farmers is working fine and he is well satisfied.

H. R. 4360 is my own brainchild and was introduced, as I have stated before, as a result of conferences with members of the Agriculture Committee from various sections of the United States. Many people have told me I am sticking my political neck out in coming forward with this plan, and already certain of the large processors have been circulating incorrect information concerning this bill.

If the dairy farmers are opposed to it, I would be the last one to urge it on them, and will immediately begin to search for another way out of the dairy farmers' dilemma. But I do not propose to have Swift & Co., Armour & Co., Beatrice Creameries, Fairmont Foods Co., or Kraft Food Products tell me what the dairy farmer wants. I hope that during the coming months it will be possible for me to determine what the dairy farmer wants. I would like to hear from them, and I want to receive their views. I also hope that before the next session convenes the Dairy Subcommittee will be able to hold hearings in all the dairy areas of the country to find out how the dairy farmers feel about this. I also hope my colleagues on the Agriculture Committee who are not members of the Dairy Subcommittee will accompany the subcommittee for these hearings so they can hear the dairy farmer's testimony as to what he wants. I further hope that if such hearings are held the farmer will appear and make his views known.

Mr. JONES of Missouri. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Wisconsin. I yield to my friend from Missouri, a member of the Agriculture Committee.

Mr. JONES of Missouri. Mr. Speaker, I think the gentleman from Wisconsin is to be commended on the excellent statement which he has just made, which is typical of the commonsense, realistic stand he has taken in his efforts to solve the problems of the dairy farmers whom he so effectively and intelligently represents.

To begin with he has demonstrated that he has a clearcut view of the problem and is facing it in a most realistic manner. I say this because he has recognized that in return for the benefits to be derived from any support program, the producer must agree to cooperate in that program. Those farmers who produce the so-called basic commodities that have been supported at 90 percent of parity have agreed to production controls and marketing quotas, and it is only on this basis that anyone can justify the continuation of a fixed support program which will insure to the producer at least 90 percent of parity.

I know that our colleague from Wisconsin, who has been fighting so determinedly and so persistently for the farmers of his district whose livelihood is so dependent upon a fair price for their dairy products, has done much to convince the members of the Committee on Agriculture not only of his sincerity and his determination to bring about economic relief for the people of his district, but also of his ability to make worthwhile contributions to the solution of all of the perplexing problems with which this committee is faced.

Through the introduction of legislation which would contribute immensely to relieving a situation which has been made worse through the administration of the present program conceived by an administration that has failed to live up to its promises, the gentleman from Wisconsin has brought to the attention of the committee suggestions which, if enacted into law, would undoubtedly bring about greater prosperity to those areas wherein dairying is the major industry, but would also make available to the American people abundant supplies of all dairy products at prices which would be fair to the consumer.

It is my belief that if those producers who depend upon dairying for their livlihood will continue to put their trust in this capable and energetic Representative who has so effectively been dramatizing their story to the other Members of Congress, that they will in a comparatively short time begin to see the visible results of his campaign and begin to reap the benefits from a sound workable program based upon the theory that the American farmer is entitled to a fair share of the consumer's dollar and that he is entitled to all of those benefits which come from a soundly conceived price-support program resulting not only in 90 percent of parity, but the full parity as promised by candidate Eisenhower, but which apparently has been forgotten by President Eisenhower who appears to be sitting idly by while his duly appointed Secretary of Agriculture refuses to recognize the problem, and in failing to even recognize the problem, certainly can offer no suggestions for its solution.

Mr. THOMPSON of Texas. Mr. Speaker, will the gentleman yield?

Mr, JOHNSON of Wisconsin. I yield to my friend the gentleman from Texas,

a member of the Committee on Agriculture.

Mr. THOMPSON of Texas. Mr. Speaker, I wish to commend the gentleman from Wisconsin on his fine presentation. He is an ardent champion of the dairy industry, which happens to be of great interest and importance in my district. The gentleman was kind enough to visit Texas with me earlier this summer, and if the Agriculture Committee visits Wisconsin, I shall certainly make every effort to return the courtesy to him and his people. He learned much about our rice and cotton industry, and I want to improve my knowledge of his dairy problems. Like him, I want to hear what the farmers themselves want.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Wisconsin. I yield to my friend, the gentleman from Texas.

Mr. PATMAN. Mr. Speaker, I want to commend the gentleman for the very fine fight he has made for the dairy farmer and the dairy industry, in Congress. I do not know of any Member who is more on the alert, to be of help and aid and assistance to the dairy industry than the gentleman from Wisconsin. Ever since he came to Congress he has been working in behalf of the dairy industry and in the interest, I will say, of the plain people particularly. I commend him for the wonderful fights he has always made here on the floor of this House in that respect. He is a real and genuine friend of small business and a valuable and effective Member of the Congress.

Mr. JOHNSON of Wisconsin. Mr. Speaker, I want to thank my friend, the gentleman from Texas, [Mr. PATMAN], for those kind words. I would like to say to the gentleman that he was one of the first Members I met when I came to Washington, and I have valued his counsel very much.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Wisconsin. I yield to my friend the gentleman from Oklahoma, my colleague on the committee.

Mr. ALBERT. As a member of the Committee on Agriculture, I commend the gentleman on the statement he is making and commend his district on having a Representative in Congress who works as diligently in the interests of the dairy farmer as anyone I have even known, not only diligently but intelligently and effectively.

Mr. JOHNSON of Wisconsin. I thank my friend from Oklahoma.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Wisconsin. I yield to my friend the gentleman from Virginia, my colleague on the committee.

Mr. JENNINGS. I wish to compliment the gentleman on the fine statement he has made here today. It is a real pleasure to serve on the Committee on Agriculture with him. I know of no man who is more sincere and more industrious than he, and who has the interest of all the farm families of the United States, and especially those families out in his section, the dairy families, more at heart.

May I say to the gentleman it will give me pleasure, as serving on the subcommittee with him pertaining to these dairy matters has, to meet in his district and study these problems firsthand. When the occasion arises, he may be sure I will be present.

Again I commend the gentleman on the fine and unselfish effort he is giving to the constituents of his district as well as to the other farm families and the people of the United States.

Mr. JOHNSON of Wisconsin. I thank the gentleman from Virginia.

Mr. MATTHEWS. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Wisconsin. I yield to my esteemed colleague and member of the Agriculture Committee the gentleman from Florida.

Mr. MATTHEWS. I also have listened with a great deal of interest to the talk the gentleman from Wisconsin has been giving us. I remember when the gentleman came here not so long ago, he had hardly been here a month before he was in the well of the House making a talk for the farmers in his district, and he was placing particular emphasis on the problems of the dairy farmers. I have served with the gentleman on the Committee on Agriculture and on the Committee on Veterans' Affairs, and I am particularly impressed with the way the gentleman has insisted that the committee go to his district and get the grassroots problem. I hope it will be possible for me to go there and to be with him. I commend the gentleman on the stand that he is making for the dairy farmers and the other people in his great district in the State of Wisconsin.

Mr. JOHNSON of Wisconsin. I thank the gentleman and I hope he will be able to come to Wisconsin with the Committee on Agriculture.

A STUDY IN SHORT MEMORIES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, on the subject of The Great Conspiracy of 1933: A Study in Short Memories, by Paul F. Boller, Jr., that is published in the Southwest Review, spring 1954 edition, is particularly interesting now since the late Secretary of State, Cordell Hull, was instrumental in getting Russia recognized by the United States. He is mentioned very favorably a number of times in this particular article. The subject, Short Memories, is a good one. Many of the people who are now criticizing those who caused the recognition of Russia were among those who were advocating it at that time. Readers of this article will be surprised to discover some of their names.

Mr. Speaker, I will read the article as follows:

THE "GREAT CONSPIRACY" OF 1933: A STUDY IN SHORT MEMORIES

(By Paul F. Boller, Jr.)

On the 10th of October 1933—7 months after assuming office—President Franklin Roosevelt sent off a note to Mikhail Kalinin, President of the All-Union Central Executive Committee of the Union of Soviet Socialist Republics, calling attention to the desirability of an effort to end the present abnormal relations between 125 million people in the United States and the 160 million people of Russia. Adding that it was regrettable that the two countries should now be without a practical method of communicating with each other, Roosevelt invited Kalinin to send a representative to Washington to discuss outstanding questions at issue between the two nations. A few days later the Soviet President accepted Roosevelt's invitation and designated Maxim Litvinov, People's Commissar for Foreign Affairs, as emissary to the United States. Early the following month, Commissar Litvinov arrived in New York, proceeded to Washington where he was greeted at Union Station by Secretary of State Cordell Hull, and immediately paid a ceremonial visit to Franklin Roosevelt.

Negotiations to remove what Litvinov called "that artificial barrier which has for 16 years prevented normal intercourse between the peoples of our two countries" proceeded swiftly. There were a few days of conferences at the White House and at the State Department, interspersed with luncheons and dinners honoring Litvinov. Then, late in the night of November 16, the President and the Commissar, with State and Treasury Department officials present, brought their discussions to a close and exchanged five sets of diplomatic notes. The next day Roosevelt announced to nearly 200 correspondents who packjammed his White House office that at 10 minutes before midnight on November 16, 1933, the United States Government had finally resumed diplomatic relations with the Soviet Union after a lapse of 16 years.

In this fashion, according to a theory now being sedulously advanced in certain quarters of this country, was the great conspiracy consummated. From the day of recognition, it appears, we can trace all the present troubles of the United States and the woes of the world at large. More than any other single factor, so the new thesis now circulating runs, it was recognition of the Soviet Union in late 1933 that gave the steadily disintegrating Bolshevik regime a new lease on life and started it off on its program of worldwide imperialist expansion. And who was responsible for this great act of betrayal? Why, Franklin Roosevelt and the New Deal crowd, of course. Roosevelt "took action virtually on his own, rejecting the counsel of elder statesmen who thought we should wait awhile before opening our doors to Soviet diplomats," declared Bascom N. Timmons, columnist for the Dallas Times Herald, on November 17, 1953. "Russia was recognized solely because Franklin D. Roosevelt as President insisted upon it," stated a Dallas Morning News editorial 2 days later.

At the very least, according to present-day critics of Roosevelt's action 20 years ago, the New Deal "brain trust" was "soft" toward communism, filled with ecstasy at the prospect of doing business with Soviet leaders; at the worst, Roosevelt and his associates were coconspirators with the Kremlin, prepared to go to any lengths to welcome a pariah among nations back into the respectable world community and to facilitate the dissemination of Communist propaganda within the United States. No sensible, God-fearing, patriotic American, the theory goes, would have touched this international outlaw with a 10-foot pole in 1933. But here, as elsewhere, the American people were helpless victims of New Deal machinations. And we have been paying a heavy price for this folly—or treachery—ever since.

So far as I can discover, this new thesis regarding Soviet recognition was first put forward in the pages of the American Mercury during the campaign year of 1952. "The gravest charge against the Democratic Party," wrote Mercury Editor William Brad-

ford Huie in September 1952, "is that it allowed evil and naive men within it to convert it into a vehicle which aided the growth of Soviet Russia and the extension of Soviet power." It is a "historic fact," he observed, that it started on its iniquitous course "when it championed recognition of the Soviet Union" in 1933.

A corollary to the Roosevelt-New Deal recognition-conspiracy thesis has been developed by William F. Buckley, Jr., a recent Yale alumnus whose God and Man at Yale raised a minor tempest at his alma mater in 1951. In an article for the March 1952 Mercury entitled "The Colossal Flunk," the zealous young fact finder produced another exposé: "How our professors have betrayed the American people." The outstanding example of betrayal by the American professoriate occurred, according to Buckley, on "that day in November 1933 when the President of the United States * * * clasped the hand of Maxim Litvinoff and extended full diplomatic recognition to the Soviet Union." Buckley poses this searching question:

"Now whose responsibility was it to confront Franklin Roosevelt with the available and overwhelming evidence that this capricious act was nothing more than an invitation to the Comintern to set up in the United States hemispheric headquarters for a violent revolutionary movement * * *?"

The answer is self-evident: "The responsibility sat squarely on the shoulders of the academic community." Yet, Buckley continues sorrowfully:

"A survey of the literature of the day reveals hardly a dissenting wavelength originating from the Nation's ivory towers. The reverse, in fact, was the case: The academic journals of the period treated compassionately and even encouragingly American recognition, which served immeasurably to fortify Stalin's then faltering domestic position. * * * [This was the] academic betrayal of 1933."

Well, as Al Smith used to say, let's take a look at the record. Let's attempt to do what presumably Bascom Timmons, the anonymous Dallas News editorial writer, William Bradford Huie, and William Buckley did before citing their various charges: examine the record. We might, in fact, begin by taking a look at Al Smith's own record. True, he was a liberal of a sort, and thus suspect; but he was never actually a full-fledged New Dealer, and in 1940 he finally broke completely with Roosevelt. Furthermore, he remained a devout Roman Catholic throughout his life. He was never, so far as I know, accused of subversion or even of creeping socialism. Seven months before Roosevelt's overtures to Kalinin—a few days before Roosevelt's inauguration, to be exact—Smith appeared before the Senate Finance Committee and announced flatly: "I believe that we ought to recognize Russia; I do not know any reason for not doing it." The crowd that jammed the committee room, with spectators standing two apiece on chairs, listened intently as the popular, cigar-smoking, brown-derbied New Yorker explained his views:

"Somebody says they owe us $100 million. We kept troops in Russia for quite a while when we were not at war with them (a reference to Allied intervention in North Russia and Siberia, 1918–20), and we did some damage to them. I think we could sit around the table and settle that matter very easily.

"There is no use in trading with them under cover. We are doing it. Through the Amtorg, or whatever you call it, the Russian trading company, our material and stuff is getting into Russia.

"We might just as well be represented there and let them be represented here at Washington and let us do business with them in the open."

Smith made it clear that he had no use for the Soviet form of government, but he insisted that bolshevism presented no real threat to the American system.

"I do not think myself that they are making any headway with this communism. If there would be any place where you would see some of it, you would see it in a city like New York, and it does not mean anything down there. New York is contented. The people are satisfied. They are suffering, but they are satisfied.

"Now and then down in Union Square there are a half a dozen crackpots jump up on the platform and holler out at the people, but that has been going on down there since I was a boy."

Most newspapers appeared to agree with Smith. It is "a stupid policy that has for all these years kept the Russian market closed to us," commented the Brooklyn Daily Eagle. The Norfolk Virginian-Pilot found it "a pleasure to see Al blow away the cobwebs." Urging immediate recognition, the New York World-Telegram asserted that "Russia is the only place we can get a large foreign market quickly for so much of our surplus production—and a market which has the unusual distinction in these times of never defaulting on its trade payments." The Providence News-Tribune saw advantages from recognition going far beyond benefits to American trade:

"There is a good deal to be said for the point of view that closer connection between the people of Russia and the peoples of what are called the capitalistic countries would result in the Soviet system going under rather than otherwise. Wild blood is not tamed or taught to be man's friend instead of his enemy by being left to roam and rave through its native jungle."

Surveying newspaper response as a whole throughout the country, the Literary Digest concluded that the "majority of editors" sided with Al.

There is no question but that the generally sympathetic reaction to Smith's recommendations represented an almost complete transformation of American attitudes toward the Soviet Union from those prevailing in the years immediately following the Bolshevik Revolution. The American people, from President Wilson on down, had greeted with unanimous enthusiasm the collapse of czarist autocracy in March 1917, and its replacement by a provisional government based upon constitutional democratic principles. But their optimism had given way first to bewilderment and then to dismay when, the following November, the Bolsheviks under Lenin and Trotsky overthrew the Kerensky government and proclaimed a communistic dictatorship. As the Bolsheviks proceeded, in rapid succession, to sign a separate peace with Germany, repudiate all Russian debts, organize the Third Communist International, and consolidate their power within Russia by "Red terror," American opinion changed quickly to indignation and revulsion. Thus when the Bolsheviks attempted in June 1918, and again in March 1919, to establish formal diplomatic relations with the United States, there was general support in the country for President Wilson's stern refusal to have anything to do with them. In explaining why the United States "recoils" from recognition, Bainbridge Colby, Wilson's Secretary of State, defined the official American attitude toward the Soviet regime in August 1920:

"The existing regime in Russia is based upon the negation of every principle of honor and good faith, and every usage and convention, underlying the whole structure of international law; the negation, in short, of every principle upon which it is possible to base harmonious and trustful relations, whether of nations or of individuals."

Nonrecognition was about the only policy to survive the Harding landslide in 1920, and it became the fixed policy of the Harding, Coolidge, and Hoover administrations, despite repeated efforts by the Soviets to resume diplomatic relations with each new administration.

It is important to note, however, that diplomatic nonrecognition did not mean economic nonrecognition during these years. In 1920 Washington lifted its ban on commercial relations with the Soviets, and American business firms began at once to enter into trade agreements with unofficial Soviet representatives in the United States. Many firms negotiated contracts with Amtorg Trading Co. providing for adjustment of claims arising out of Soviet confiscations of American property during the revolution. Others, like General Electric, General Motors, Standard Oil, and International Harvester, granted sizable commercial credits to the Soviets for relatively long terms, while the Chase National Bank and Equitable Trust Co. financed short-term loans for the purchase of American cotton. Even Hamilton Fish, who in the 1930's, as Republican Congressman from New York, was to be a leading antirecognitionist, took a trip to Russia and returned to tell the New York Kiwanis that Russia offered great business opportunities. As late as March 1926 he was still interested enough to introduce a resolution in Congress urging President Coolidge to create a commission composed of representatives of—

"The manufacturing, commercial, financial, agricultural, and exporting and importing interests of the United States, together with Government officials, which would endeavor to reopen trade and commercial relations with the people of Russia with a view to the resumption of trade and commerce and for the exchange of missions, pending the settlement of political relations between the two countries."

Despite the absence of governmental encouragement, however, American-Russian trade increased steadily during the 1920's, and by 1928 the United States was exporting three times as much to Russia as it had in 1913. Then in 1928–29, when Russia launched its first 5-year plan—a program for heavy industrial development and agricultural collectivization dependent, to an important extent, on imports from abroad—there was a sharp rise in American exports to the Soviets. By 1930 the United States had become the chief exporter to the Soviet Union, and the Soviets had become the world's largest purchaser of American agricultural and industrial equipment.

Furthermore, during the late 1920's American firms began sending engineers, technicians, and industrial experts to Russia to provide technical assistance on Soviet projects; and by 1930 some 30 firms, including Du Pont, Ford, General Electric, RCA, and Sperry Gyroscope, were participating in such arrangements. Reversing the process, Henry Ford invited Russian engineers to come to America to study so that they might "perfect themselves" in the techniques of mass production. Infuriated at the friendly relations developing between American business and the Soviets, Father Charles E. Coughlin, of Detroit, accused Henry Ford, along with the Chase National Bank and J. P. Morgan ("which is not certainly an American institution"), of "subsidizing" bolshevism, while Ralph M. Easley, chairman of the American Civic Federation, began calling Standard Oil's Ivy L. Lee "comrade" and concluded angrily that the growing rapprochement between the two countries was a matter of "plain dollars and cents."

Plain dollars and cents undoubtedly played a major role in the gradual development of sentiment for recognition in the years before 1933. Ivy Lee remarked that "the most significant fact about the present Russian regime was the personal honesty of the men in charge."

Returning from a visit to Russia, James D. Mooney, vice president of General Motors, declared that "the initiation of full diplomatic relations with the Soviet Republics was necessary in the interest of the development of normal trade relations." A poll taken in May 1932 of 50 firms dealing with Russia revealed that 22 favored immediate recognition and that only 4 were definitely opposed. Among those who spoke out in favor of recognition were the presidents of Sullivan Machinery Co., of Chicago, and C. O. Bartlett & Sons Co., of Cleveland, Edward A. Filene, of William Filene's Sons Co., of Boston, and the Commonwealth Club, of San Francisco, a business organization, which passed a resolution favoring recognition. "What about Russia?" queried Business Week in June 1932. "Washington has refused consistently to deal with the question. Business is more friendly." The views of corporation lawyer Paul D. Cravath doubtless reflected those of an increasingly larger segment of the American business and financial world during the late 1920's and early 1930's. Insisting that recognition does not remotely involve approval of Soviet principle and methods, Cravath declared:

"The obvious advantages of a policy of recognition are those upon which the whole system of diplomatic relations between civilized nations is based. Our Government would be in a position through its diplomatic representatives to protect, life, liberty, and property of Americans visiting, or sojourning, in Russia, of whom there are already several thousand annually, who are now dependent upon the good offices of the diplomatic representatives of other governments. Our Government would be able by the usual diplomatic methods to encourage and protect American trade with Russia. There is much force in the view that when—our Government—encouraged American merchants and manufacturers to engage in trade with Russia, it owed our citizens the duty of protecting this trade by the usual diplomatic machinery. * * * With an Ambassador at Moscow and consuls in the principal trading centers of Russia, our Government would be able to assemble reliable information for the guidance of our merchants, manufacturers, and bankers."

As American business moved steadily in the direction of recognition during the early 1930's, it was joined by a similar movement in the press and in politics. In the spring of 1932 Roy Howard, president of Scripps-Howard Newspaper Service, began a recognition campaign in his influential newspaper chain. "I think the menace of bolshevism in the United States is about as great as the menace of sunstroke in Greenland or chilblains in the Sahara," he told the vice president of the Chase National Bank. Beginning in 1930, Senator William E. Borah, Republican, Idaho, who had been a steadfast advocate of recognition throughout the 1920's, was supported in his views by an increasing number of senatorial colleagues. Senator Burton K. Wheeler, Democrat, Montana, declared that by "all the rules of international law and practice, they are entitled to recognition." Democrats like Senators Barkley, Ladd, Pittman, and Robinson, and Republicans like Senators Cutting, Johnson, Brookhart, La Follette, Norris, and Nye added their voices to the rising chorus.

It is clear by 1933 many of the arguments against recognition had lost much of their weight. Worldwide depression had forced most European nations to join Russia in defaulting on World War I debts to the United States, and the Russian debt began to seem far less important than formerly. In addition, the dollars and cents argument for recognition took on new meaning as the depression widened throughout the United States, and the prospect of recognition and increased trade began to appear more and more attractive as a means of helping to pull the economy out of the doldrums. Trade with Russia, explained Thomas Campbell, a Montana mass production farmer, is one of the best ways to help terminate our industrial depression. Furthermore, the rise of Hitler in Germany and the threat of Japanese expansion in the Orient added a compelling new argument in favor of reconciliation with Russia: it might serve as a stabilizing factor in the precarious international situation.

Finally, fear of Communist propaganda had gradually waned throughout the period. After Stalin broke with Trotsky in 1926 and announced, "We have had enough of that idiotic slogan, the world revolution," it appeared to many Americans that Russia had abandoned its program of world revolution and was settling down to the far less menacing job of building socialism in one country. Communism in America, it was noted, was still a negligible factor; and in any case, the fundamental bulwark against communism was not nonrecognition but a strong and viable American system. "I have no sympathy with communism," said Gifford Pinchot, Republican Governor of Pennsylvania, "but I am not afraid of it nor of the recognition of Russia by this country." Senator Bronson Cutting, Republican, of New Mexico, even went so far as to welcome Communist propaganda: "In the battle of propaganda on both sides, in a battle where the facts could be made available to both sides, I have no doubt of the final issue." In January 1933, the New York Times reported that of 51 Senators polled, 22 favored recognition, 20 declined to commit themselves, and only 9 recorded their opposition. "Time and events," admitted the Times, long an opponent of recognition, "have been wearing down the obstacles standing in the way of correct relations between the United States and Soviet Russia."

It cannot be said, therefore, that Al Smith's remarks before the Senate committee in March 1933 were in any way unusual; nor is it surprising that the "majority of editors" considered his recommendations the plain commonsense of the matter. Joined by business and financial circles, the editors continued to "side with Al" as the United States moved steadily in the direction of recognition in the months following his appearance before the Senate. Early in July, Time reported that Litvinov, once accustomed to being snubbed by American Secretaries of State, "now hobnobs in friendly fashion" with Secretary Hull at the World Economic Conference then in session in London. Talk of recognition "grew serious," according to the New York Times, when it became known that William C. Bullitt, executive officer of the United States delegation, had an hour's talk with Litvinov, and that Senator James Couzens (Republican, Michigan) lunched with a second Soviet delegate, Valerie I. Mezhlank. Since this was not the first time that Bullitt had conferred with Litvinov at the London Conference, it appeared that "serious exploratory work" on the recognition problem was under way.

Out of the friendly hobnobbing in London came a "thumping deal" between Litvinov and Assistant Secretary of State Raymond Moley by which, said Time, "the soft opening wedge" for recognition was to be "a great wad of cotton." This deal was announced in Washington by Jesse Jones, Chairman of the Reconstruction Finance Corporation: an RFC loan of $4 million to the Soviet Union for the purchase of surplus cotton in the United States. This is "the first time since the World War," noted the Literary Digest, "that the Government sanctions a business deal with Russia." There was general agreement that the RFC loan constituted "informal recognition" of Russia. Within a few weeks the RFC had received some 40 requests for further loans to enable American manufacturers to sell to Russia on credit. With some amusement, the Nation, a liberal weekly which, along with the New Republic, had favored recognition since the early 1920's, printed a cartoon in which an American businessman, confronted by a Russian with hat in hand, is saying to a woman representing the American press: "Be nice to him, dear."

Both the press and the business world were extremely nice to him. So, too, were the politicians. When, on October 20, the text of the Roosevelt-Kalinin exchange was released to the press, the New York Times ran a story on the first page headed: "Roosevelt's Move Wins Wide Backing. Most of the Senators and Representatives Commenting Favor the Step." Among those expressing themselves as in favor of the move were Senators Elmer Thomas, Democrat, of Oklahoma; George McGill, Democrat, of Kansas; and Kenneth McKellar, Democrat, of Tennessee. Senator Robert Reynolds, Democrat, of North Carolina, was joined by Senator James Couzens, Republican, of Michigan, in calling for immediate and full recognition. Arriving from Europe, Senator William G. McAdoo, Democrat, of California, recalled that he had long favored recognition. His colleague, Senator Hiram Johnson, Republican, of California, thought recognition would be wise, sensible, and statesmanlike. Speaker of the House Henry A. Rainey, Democrat, of Illinois, declared the recognition would open an outlet for our surplus goods. Senator Cutting brushed aside fears of Soviet propaganda by quoting Karl Radek: "Revolutions are not carried in suitcases. They cannot be imported; they grow."

Like the Senators, American bankers and businessmen, according to the Times, were particularly interested in the development of trade relations that would follow recognition. Many of them felt that the potentialities of trade with this economically youthful country were unlimited. To reassure those who were still wavering on the recognition issue, officials of General Electric and RCA, both of which have had large dealings with the Soviet, announced that at all times their relations with Soviet Russia have been eminently satisfactory. Reversing its previous stand, the American-Russian Chamber of Commerce, whose membership included leading business and banking houses, came out for recognition. The United States Board of Trade took similar action.

The city of Seattle was especially excited by the prospects: "Seattle Sees Trade Boom" was the front-page headline in the New York Times, "Shipping men, port authorities and other business heads" forecast "the opening of a new trade era" for the city. The president of the Pacific National Bank and the Seattle Clearing House Association was quoted as saying that recognition might open the door for "large transactions" and that Seattle, the closest American post to Vladivostok, would see a revival of shipping.

Newspaper editors sided as energetically with Roosevelt in October as they had with Al Smith in March. "Sensible and sober men," said the Baltimore Sun, will regard Roosevelt's invitation to Kalinin with undivided approval. All over the country, such papers as the Hartford Courant, the Cleveland Plain Dealer, the Kansas City Star, the St. Paul Pioneer Press, the Des Moines Tribune, the San Francisco Chronicle, and the Portland Oregonian expressed similar sentiments. The United States should properly be on friendly terms with Russia and aid in its industrial development, said the Dallas News. It should enable it also to retain its place as a Pacific power, thus checking to some extent Japanese ambitions in the Far East.

In Collier's, Ray Tucker welcomed Roosevelt's move as a return to sensible relations and an important stimulant to trade. Time

saw in Kalinin's swift response to Roosevelt 2 or 3 triumphs for the President:

(1) Never before had the Soviets agreed to discuss differences with a sovereign power before their own sovereignty was recognized. (2) Upon excited Europe and the Far East * * * the drawing together of Russia and the United States must have a quieting effect. (3) The quieting effect upon United States domestic excitments was instant and undisputed.

In the Literary Digest, Ernest K. Lindley asserted that nonrecognition was an "anomaly which has seemed grotesque to an increasing number of people." "With the future of its own great domestic experiment at stake," wrote Lindley, "the Soviet influence has been overwhelmingly on the side of peace." William Phillips Simms, Scripps-Howard foreign editor, agreed with Lindley that time had vastly modified objections to recognition. "The real value of the meeting in Washington," said Business Week, "will be the agreement of the two countries to carry on trade relations on a normal basis. If this be provided, business will do much for itself in the development of trade with the Soviet Union."

The Washington Daily News summed up much of the prevailing opinion in a cartoon picturing Uncle Sam in bed, "Waking up at last," as a telephone labeled "Russia" jingles merrily to the tune of "Trade Opportunities." And the Kansas City Star ridiculed fears of Communist propaganda in a cartoon which showed Uncle Sam and Russia smiling at each other across a fence on which hangs a sign reading "Quarantine: Revolutionary Measles." Russia is pointing to the sign; but Uncle Sam, holding a brief case loaded with "Orders," beams back: "I've already had it—in a mild form." The caption: "He surely won't catch it now."

There were, to be sure, a number of vigorous protests as Litvinov arrived in Washington and went into a huddle with Roosevelt and Hull. Senator David A. Reed (Republican, Pennsylvania) was "awfully sorry" about it; the Washington Star favored recognition only if Russia promised not to carry on "subversive agitation" in the United States; the Los Angeles Times favored it only if Russia was willing to "behave in an internationally civilized manner." A group calling itself the Paul Reveres telegraphed a protest to the White House; Edward A. Hayes, national commander of the American Legion, deplored the negotiations—though Representative WRIGHT PATMAN of Texas assured Roosevelt that not more than 5 percent of the Legion membership would be antagonized by recognition—and the American Alliance, headed by Maj. Gen. Mark L. Hersey, Ely Culbertson, Bishop James E. Freeman, Martin Littleton, Nathan D. Perlman, Rabbi Abram Simon, Rev. Edmund A. Walsh, and Grover Whalen, announced a series of radio programs to oppose recognition. The American Federation of Labor sent Roosevelt a long document containing a "damning indictment" of recognition, reasserting the fixed policy of William Green, Matthew Woll, and other A. F. of L. leaders toward the Soviet Union since 1917.

But these were minor ripples compared to the tidal wave of opinion favoring Roosevelt's action. Shortly before Litvinov's arrival in Washington, the American Foundation published a long report urging recognition. Signers of the report included, among others, James D. Mooney, president of the General Motors Export Co.; Thomas S. Gates, president of the University of Pennsylvania; Thomas W. Lamont of J. P. Morgan & Co.; George M. Houston, president of Baldwin Locomotive Works; Roscoe Pound, dean of the Harvard School of Law; Gen. William N. Haskell of the National Guard of New York; J. H. Rand, Jr., president of Remington Rand Corp.; Thomas A. Morgan, president of Curtis Wright; Dr. Walter G. Alvarez of the Mayo Clinic; and Judge Curtis Bok, of Philadelphia. At the same time, the foundation announced that in a poll it had taken of 1,139 dailies in the country, 63 percent had voted for recognition, 2.6 percent favored it with qualifications, and only 26.9 percent were opposed. A breakdown of the figures indicated that the greatest sentiment for recognition was to be found in the South and in the large eastern States, with the greatest opposition appearing in New England. In an analysis of the political complexion of the newspapers, Editor and Publisher reported that the favorable vote did not reflect party lines. The position of the Dallas News may be taken as typical of the views of two-thirds of American newspapers at this time:

"President Roosevelt returns to the older theory of recognition that a government is entitled to recognition if it is in full possession of the government, if it is able to maintain order and protect life and property, and if its rule is acquiesced in by the people. Russia fulfills these conditions and all that now remains is to reach agreements respecting debts and pledges against propaganda. These agreements can be made in principle and details worked out through appointed commissions.

"Some object to recognition on the ground that Russia's system of government is communistic and in general antireligious. Internationally, however, each state in theory has the right to determine its own form of government and sphere of activity. * * * The general opinion in this country is that Russia and the United States should resume normal and diplomatic relations, since they have many common interests, especially in the Far East, and can readily develop trade relations, mutually profitable."

To the Dallas News, Russia was "Just Another Customer." A News cartoon portrayed a Russian woman waiting before the counter of a general store to make her purchases while Uncle Sam, the clerk, tells two protesting women (the A. F. of L. and the DAR): "Listen! I ain't goin' to marry the gal!"

While probably not everyone agreed with Stanley High that Litvinov was "the leading candidate for the current year's Nobel Peace Award," the Commissar met, in general, an extremely warm reception in this country. "The thing that has amazed me," commented Oswald Garrison Villard in the Nation, "is that there has been no terrific outburst of protest from the Daughters of the Revolution, the Sons of the Revolution, Ham Fish, or Ralph M. Easley. I thought they would be holding mass meetings at Carnegie Hall." Somewhat disappointedly, he added: "But there hasn't been a peep from them."

When Litvinov reached Washington, the Roosevelt administration was fully prepared to get down to brass tacks. The question of recognition had been given thoughtful and serious consideration for many months. Letters favoring or disapproving recognition had been accumulating in the right-hand drawer of Secretary Hull's desk from his very first day in office; in addition, he had been receiving one delegation after another with views to express on the matter. From the very beginning Hull had felt that "certain conditions" had arisen which had not been "fully present under previous administrations" and that the Russian question merited fresh consideration. As he told Molotov, 9 years later, after the United States had entered World War II,

"When I came to the State Department, in 1933, I recommended recognition of the Soviet Governmetnt on several important grounds. Probably the most important was the great need and opportunity for cooperation between our two Governments during the years ahead for the purpose of promoting and preserving conditions of peace in the world. My further grounds were the traditional friendship between the peoples of the 2 countries and the fact that it was contrary to the best interests of 2 great nations such as the Soviets and ourselves not to be on speaking terms diplomatically in view of the existing circumstances in the international field."

At the London Economic Conference in June and July, Hull discussed the subject elaborately with a number of Foreign Ministers attending the meeting, and he also conferred with Litvinov, whom he found a "thoroughly capable diplomat and international statesman," with an "agreeable personality." Returning from London in August, Hull outlined in a memorandum to the President the problems involved in recognition. In his Memoirs (1948), he tells us:

"In some respects we stood to gain more than Russia by a restoration of diplomatic relations. Without relations, the Russians were probably much better informed about conditions in America than we were about the situation in Russia. * * * Moreover, it was easier for the Russians to do business in the United States without diplomatic protection than it was for Americans to do business in Russia."

Four points, he told Roosevelt, would have to be settled before any agreement could be reached with the Russians: (1) The question of Communist propaganda; (2) freedom of religion for United States citizens in Russia; (3) fair treatment of American citizens in Russia; and (4) settlement of the debts, both governmental and private, which were owed by Russia.

Satisfactory settlement of all four points mentioned by Hull in his memorandum was insisted upon by Roosevelt and his advisers before they would consent to grant formal recognition to the Soviet Union. According to William Bullitt, an "ardent proponent of recognition" (Hull) and a prime mover in the events of October and November, Litvinov, "after refusing to sign such agreements so persistently that he was handed a schedule of steamship sailings and told to sign or go home, did sign them on November 16, 1933, and we established diplomatic relations with the Soviet Union." With respect to propaganda, Litvinov promised that it would be the "fixed policy" of his government to "refrain" from interference in American affairs. On the second point, Litvinov agreed that American citizens residing in Russia should be permitted "freedom of religious worship and exercise of ecclesiastical functions." In addition, Roosevelt prevailed upon Litvinov to accept, a long series of guarantees respecting the rights of Americans in Russia. The question of debts (and Russian counterclaims for damages done by American troops in northern Russia during the period of Allied intervention, 1918–20) was left to future negotiations. As a "goodwill gesture," Litvinov waived claims for damages done by American forces in Siberia during and after World War I.

Upon conclusion of the agreement, Roosevelt named William C. Bullitt, who had been working tirelessly for recognition since 1919 and who, as special assistant to Hull, had played a prominent part in the negotiations, as first Ambassador to the Soviet Union. "After 14 years his point was made" was the caption under Time's picture of the new Ambassador.

The immediate reactions to the recognition settlement were just about what we might expect. Moscow, not surprisingly, hailed it as Ochen horosho (very fine), although Pravda could not resist a dig at William Green—"that yellow trade-union bureaucrat"—for his bitter end opposition. In Episcopal Church House, Philadelphia, Archdeacon the Reverend James P. Bullitt, uncle of the new Ambassador, flared: "The United States has disgraced itself by establishing relations with a country which is beyond the

pale—a pariah among nations." Congressman Hamilton Fish denounced the "brain trust," and William Green reaffirmed AFL hostility to the Soviet regime. Most of the oppositionists, however, accepted the decision with resignation and hoped for the best. Edward Hayes, of the American Legion, received Roosevelt's announcement "with the spirit of the soldier"; the State Journal of Lincoln, Nebr., conceded that it "will be acceptable to a great majority"; and the Los Angeles Times expressed hope that it would "work out for the best interests of both countries."

In general, the American press greeted recognition with quiet satisfaction. Time reported that virtually all newspapers approved the agreement, or at least did not actively oppose it. Even such a formerly anti-recognitionist paper as the New York Herald Tribune could "express nothing but approval." A Dallas News cartoon captioned "Tea for Two" showed Uncle Sam and Uncle Joe enjoying a spot of tea together from a teapot filled with "Friendship and Trade." Roosevelt, observed the News, saw the absurdity of a continued refusal to recognize a great nation with a stable government. * * * Without question, the Nation as a whole will give sanction to this decision. Russia has a people of 160 million, occupying a large fraction of this earth's surface. In its civilization, it is Western, not Oriental, and it is certain to become within the next 25 years one of the greatest in the family of nations.

"After all, sovietism is an experiment in a sort of democracy. * * * There will be the exchange of ideas and of political and cultural experiences, as a result of which each, it is to be hoped, may gain knowledge and wisdom from the other. The two peoples should be fast friends in the future as they were in the past."

On the front page, the News announced on November 18: "Recognition aid to sale of Texas cotton in Russia. Millions of bales now expected to be sold to Soviet consumers." According to the News, the reluctance of Americans to do business with the Soviets owing to absence of diplomatic relations is now removed by the character of good standing which President Roosevelt's official announcement implies. For several months Jesse H. Jones, Chairman of the Reconstruction Finance Corporation, has been maneuvering to make possible large shipments of raw and manufactured products into this reservoir of trade. * * * Russia has always taken large amounts of Texas cotton which appeared to best serve its mill purposes. For instance in 1929 the Soviet bought nearly $25 million worth of Texas cotton, and in the remainder of the South, the expenditure was only $6 million. During the last 9 years Texas cotton to the value of about $150 million has been purchased by that government.

"Mr. Roosevelt's recognition of the Soviet, according to the prevailing Washington opinion, will be one of the most important accomplishments of his administration when the history is written. The step will have the approval of the business world."

On the 19th, the News reported that Dallas expected "a marked business and industrial improvement" as a direct result of recognition. C. J. Crampton, executive secretary of the Dallas Chamber of Commerce, was quoted as saying it "will certainly help our business." Others, like Sherwood H. Avery, secretary of the North Texas Foreign Trade Club, were of the same opinion.

The enthusiasm of Dallas for the economic benefits of recognition was duplicated in other parts of the country. Francis T. Cole, executive vice president of the American Manufacturers Export Association, made public a survey conducted among 400 manufacturers analyzing the promising opportunities for business expected to follow from recognition and increased trade. C. W. Linscheid, president of the Export Managers' Club of New York, referred to recognition as "a distinct step forward." Similar statements were made by Samuel M. Vauclain, chairman of the board of Baldwin Locomotive Works, and Alfred P. Sloan, Jr., president of General Motors. A news story in the New York Times stated that Michigan was "likely to reap a financial harvest because of the expected demand for products, especially automobiles," and reported that George Feehan, of the Detroit Chamber of Commerce, had forecast a boom for American trade.

In Congress, the reaction was similarly favorable. Senator Borah, dean of the recognitionists, was so pleased that he telegraphed congratulations from Boise, Idaho, to both Roosevelt and Litvinov. Typical of lawmakers who foresaw excellent results in terms of foreign trade and world peace were Democratic Senators Reynolds, Black, Thomas (both Elbert D. and Elmer), and Robinson, and Republican Senators Nye and Capper. Speaker of the House Rainey called recognition the "greatest thing in the world that has happened to bring about world peace."

Busily rounding up opinion in leftist circles, the New York Times reported that Norman Thomas' Socialist Party approved of Roosevelt's action; in the opinion of the Socialists, the Comintern had been outlawed by Litvinov's pledge and the Communist Party dealt a death blow. The Times ran into some difficulty, however, when it attempted to get a statement from leaders of the American Communist Party. Recognition left the comrades "officially mute last night." At the offices of the Daily Worker, reporters were told that Earl Browder was "out of town. We don't know where, but may be back tomorrow." William Z. Foster was also out of town and nobody knew where he was. Robert Minor was "at a beach in Virginia, but what beach was not known." Sam Don, editor of the Worker, told reporters there would be no editorial on the subject that day and declined to comment further. Since at this time Roosevelt was, in the opinion of American Stalinists, "the most effective agent Wall Street has had in several years," his Cabinet "the new Wall Street hunger and war cabinet," and the NRA an "Industrial Slavery Act," the forerunner of "American fascism," the temporary bewilderment of the Communist Party, United States of America, over the new development is perhaps understandable. On this occasion, as on many others, the Kremlin had apparently not bothered to tip the American party off in advance, and the usually garrulous comrades were forced into one of their brief periods of silence pending official adjustment to the new line.

It is part of history, of course, that the high hopes that Americans entertained generally during 1933 for the future of American-Soviet relations failed of realization. Disillusionment began almost immediately in the months following recognition, and by the middle of 1935 had become quite widespread within administration circles as well as outside. In subsequent negotiations, the Soviets failed to agree on debt payments, and as a result the Roosevelt administration refused to extend credits through the Export-Import Bank (established in 1934 for that specific purpose) for Soviet purchases in this country. Though an increase in American-Soviet trade did develop after 1933, there was nothing like the trade boom anticipated by American business interests. Nor did Soviet leaders show any disposition to honor the pledge that Litvinov had made to refrain from interference in American internal affairs.

In the clear light of hindsight, this disillusionment may appear to have been inevitable. But it is impossible to escape the conclusion that Roosevelt's action on November 16, 1933, was heartily endorsed by the American people as a whole. The sound and fury that arise periodically in this country upon occasions of major foreign policy decisions—entry into World War II, the recall of General MacArthur from the Far East, the question of recognizing Red China—seem to have been notably absent while the question of Soviet recognition was being decided.

The contention that Roosevelt "took action virtually on his own" is simply untrue. If Roosevelt had decided on recognition by September 1933, as Bullitt reports, he had been preceded in his decision by influential spokesmen in the American press, business, financial, and political circles. If we are to talk of betrayals 20 years ago, then we shall be forced to place business betrayal and newspaper betrayal at the top of the list. The lure of trade seems to have been the primary motivation for prorecognition sentiment in this country in the early 1930's; but the threat posed by Nazi Germany and imperialist Japan appears to have figured most prominently in the calculations of Roosevelt and his associates. By the early fall of 1933, according to Bullitt, "both the President and I were convinced that Hitler would eventually make war unless England, France, and the Soviet Union should stand together against Nazi aggression. It seemed in our national interest to prevent the outbreak of a Hitler war and, therefore, to resume relations somewhat skeptically with the Soviet Union. * * * The primary objective was to prevent the launching of another world war by Hitler."

It seemed nonsense, says Bullitt, for the United States to continue to snub Russia when "there seemed to be a faint possibility that we might obtain the cooperation of the Soviet Government for the preservation of peace in both Europe and Asia." It is difficult to see anything sinister in that; given the circumstances of 1933, it seemed, as isolationist Senator Hiram Johnson put it, "wise, sensible, and statesmanlike."

Maxim Litvinov's successful trip to the United States wound up on November 24 with what the Nation called "the most extraordinary dinner ever given in New York City." Some 2,500 persons paid $5.50 a plate for a farewell dinner (which included Beluge caviar spread thin on toast, borsch, and filet of beef Stroganoff) at Manhattan's Waldorf-Astoria on the eve of Litvinov's sailing for home. Although no cardinal or other Catholic official was present, Time noted that the American Apostolic Church of America sent its chief prelate and that the big warm room buzzed with the voices of General Motors' Sloan; General Electric's Gerald Swope; Ford's Sorenson; Pennsylvania's Atterbury; Baldwin Locomotive's Houston; Thomas A. Edison's son, Charles; Theodore Roosevelt's son, Kermit; Owen D. Young; Henry Morgenthau, Sr.; and dowagers galore.

Mingling with the guests could also be found S. Parker Gilbert, of the firm of J. P. Morgan; Loomis, of the Lehigh Valley Railroad; Gordon Rentschler, of the National City Bank; the head of the New York Herald Tribune, and the president of the American Chamber of Commerce. The high point of the evening undoubtedly came when the guests stood and faced a stage behind which hung a huge American flag and the Red flag with the Soviet hammer and sickle while the organ played My Country, 'tis of Thee, and then switched into the Internationale. "Not a liberal editor appeared on the dais," observed the Nation ironically, "and hardly a man or woman who battled for Russian recognition when to do so was to invite contumely, insult, and abuse."

It would be nice if the expounders of the Roosevelt-recognition-conspiracy thesis would pause long enough in their current campaign of contumely, insult, and abuse to take a look at the Waldorf-Astoria's guest list for that gemütlich evening in New York City 20 years ago.

THE RULES OF THE HOUSE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 20 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to proceed out of order and to read some records and documents and also read from my own manuscript.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, proceedings in the House are governed by the Constitution,[1] by the precedents established by Parliament,[2] and by the rules adopted by the House as each Congress convenes.[3]

Roberts' Rules of Order, the rules of any other body, give way when in conflict with the above.

Since coming here in 1935, an earnest effort has been made to familiarize myself with the Rules of the House and the precedents. But the subject is so broad that, as we meet here from day to day, there is difficulty, both when we are in Committee of the Whole and when we are in the House, in following the correct procedure.

As the Speaker, the gentleman from Texas [Mr. RAYBURN], has so often impressed upon us, the Rules of the House—if we are to retain the respect and confidence of the people—must be adhered to.

So that the House proceedings may be orderly, progressive, and efficient, a basic, fundamental rule of Parliament, and now of this House,[4] authorizes any Member to make a point of order, and "it is a breach of order for the Speaker to refuse to put a question which is in order."[5]

On March 18, 1955, when the House had under consideration H. R. 4903, and the gentleman from Texas [Mr. RAYBURN] offered an amendment authorizing the construction of an additional fireproof office building for the use of the House of Representatives, including such necessary access facilities over or under public streets and such other appurtenant or necessary facilities as may be approved by the House Office Building Commission, the following occurred—CONGRESSIONAL RECORD, pages 3204 and 3205:

Mr. CANNON. Mr. Chairman, in view of the emergency involved, and the urgent need of the facility for which the appropriation is proposed, the committee accepts this amendment and approves the expenditure.

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. I make the point of order against the amendment that it is legislation on an appropriation bill.

Mr. CANNON. Mr. Chairman, the point of order comes too late.

The CHAIRMAN. The point of order does come too late.

Mr. HOFFMAN of Michigan. How does it come too late when I was on my feet seeking recognition before the gentleman was recognized?

The CHAIRMAN. The gentleman, as chairman of the committee, was recognized first.

Mr. HOFFMAN of Michigan. That is to say the rule that requires recognition of the chairman of a committee would deprive another Member from making a point of order?

The CHAIRMAN. No. Did the gentleman address the Chair?

Mr. HOFFMAN of Michigan. I did address the Chair before the Clerk finished reading.

The CHAIRMAN. That was not the proper time.

Mr. HOFFMAN of Michigan. I was on my feet and addressed the Chair before the Clerk finished and as soon as he finished. Now, if I have to shout louder, I can do that.

The CHAIRMAN. The Chair could not recognize the gentleman until the Clerk had finished reading.

The attention of my colleagues is called to the fact that one of the reasons given by the Chairman for his failure to recognize me to make the point of order was that my point of order came too late.

My contention is that the point of order did not come too late, because I was on my feet, seeking recognition, before the gentleman who objected to the point of order was recognized.

The Chairman apparently realized that to be the fact because he gave as his reason for his refusal to recognize me that the gentleman he did recognize was chairman of the committee.

Then, in reply to my inquiry as to whether that established procedure deprived another Member of the right to make a point of order, the Chairman replied in the negative and inquired as to whether I did address the Chair.

Having been advised that I had addressed the Chair, even before the Clerk finished reading, the Chairman then stated that that was not the proper time.

The Chairman was then advised that I was on my feet and addressed the Chair, not only before the Clerk finished reading but as soon as he finished.

It was apparent that I was entitled to recognition on a point of order, both while the Clerk was reading and after he finished.

It is axiomatic that one rising to a point of order and addressing the Speaker must be recognized, if orderly procedure is to prevail.

Even the reading of the Journal of the previous day's proceedings may be interrupted by a point of order.[6]

Moreover, every Member who has attended the sessions of the present Congress knows that the right to make a point of order has been recognized, not only when the Clerk is reading, when a Member is speaking, but during a rollcall.

If that were not the rule, disorder might prevent an understanding by the Members of what was transpiring on the floor.

YIELDING TIME

When, under a rule adopted by the House, the time for general debate has been fixed, control of the time is divided between the majority member in charge of the bill and the ranking minority member of the committee which reported it out.

Under the practice, the member in charge of the bill, usually the committee or subcommittee chairman, and the ranking minority member allocate the time available to those wishing to participate in the debate.

When the Committee of the Whole has a bill under consideration under the 5-minute rule, the practice has been for the Chairman to recognize members as they arose on the floor, giving priority of recognition to members of the committee which reported the bill for action and, in giving recognition, usually alternating between members of the two parties.

Thursday, June 16, the House had under consideration H. R. 6766, a very important appropriation bill. The gentleman from Michigan [Mr. RABAUT], in charge of the bill, at a time when 42 Members were on their feet seeking recognition to participate in the debate on the Phillips amendment, secured, on motion, a limitation of debate to a period so brief that each had but 2 minutes.

The following proceedings then occurred:[7]

Mr. RABAUT. Mr. Chairman, I take this time to make a statement relative to the debate on this amendment.

Mr. HOFFMAN of Michigan. Mr. Chairman, I object. I demand the regular order.

The CHAIRMAN. The name of the gentleman from Michigan [Mr. RABAUT] is on the list, and the Chair has recognized the gentleman.

Under this recognition, the gentleman from Michigan [Mr. RABAUT] was entitled to the 2 minutes to which his motion had limited all who desired to participate in the debate on the Phillips amendment.

Immediately following that recognition, the RECORD shows the following:[8]

Mr. RABAUT. I want to announce that I shall object to anybody transferring their time.

Subsequently, in the debate on the Phillips amendment, and after the gentleman from Indiana [Mr. HALLECK] had secured recognition for 2 minutes under the limitation imposed by the Rabaut motion, the gentleman from Indiana [Mr. BEAMER] asked unanimous consent that the time allotted to him be transferred to his colleague.

The gentleman from Michigan [Mr. RABAUT] then announced:[9]

Mr. RABAUT. Mr. Chairman, I made the statement before anyone started to speak that no matter what the time allotment would be I should have to object to the transfer of time. Therefore I object.

After the gentleman from Indiana [Mr. HALLECK] had exhausted his 2 minutes, in answer to his parliamentary inquiry:

Mr. HALLECK. Because the pattern was set, Mr. Chairman, in respect to yielding, would it not be proper at this time for anyone who wanted to yield to me, after he was recognized, to be so recognized in order that I might complete my statement?

The Chairman announced:

The CHAIRMAN. The present occupant of the Chair has always alternated between the

---

[1] Jefferson Manual, secs. 1–281.
[2] Id., secs. 283–620.
[3] Id., secs. 621–950.
[4] Jefferson Manual, sec. 304.
[5] Id.
[6] Jefferson's Manual, sec. 621, p. 303.
[7] CONGRESSIONAL RECORD, p. 8475.
[8] Id.
[9] CONGRESSIONAL RECORD, p. 8477.

sides and thinks in fairness that that precedent should be followed. The Chair recognizes the gentleman from Tennessee [Mr. BASS].

This ruling was in accordance with the procedure adopted by the motion limiting debate on the Phillips amendment and with the precedents heretofore established by the House.

After the gentleman from Tennessee had used his 2 minutes, the Chair then recognized the gentleman from Indiana [Mr. BEAMER] for 2 minutes. On request of the gentleman from Indiana [Mr. HALLECK], Mr. BEAMER yielded, and when 2 minutes had been used, the Chair announced that the time of the gentleman had expired.

After several Members had been recognized and used the allotted 2 minutes, the Chairman recognized the gentleman from North Carolina [Mr. JONAS] who was one of those who were standing when the time for debate was limited. Then the majority leader arose and the following occurred: [10]

Mr. MCCORMACK. Mr. Chairman, if the gentleman will yield for a moment, I do not want to ask him a question but I am going to ask my friend from Michigan [Mr. RABAUT] if he will state to the Members that he has no objection to Members transferring their time to other Members if they desire to do so. I hope my friend from Michigan will do that.

Mr. RABAUT. I will do it.

This concession on the part of the gentleman in charge of the bill, Mr. RABAUT, permitted any one of the 42 Members who was on his feet when the limitation was adopted and who had not used the time allotted to yield his time to any other Member who was recognized for 2 minutes.

It is my understanding that this change in the attitude of the gentleman in charge of the bill was due to the fact that, if he insisted that the leaders on my left were to be limited to 2 minutes on a bill of this importance, it might thereafter, when debate was limited, be extremely difficult for even the Speaker to obtain, under similar circumstances—as he has obtained—as much as 15 minutes to participate in debate.

Undoubtedly the desire to promote comity between the parties was a controlling factor in inducing a change in the procedure.

The change in the procedure which followed the request made by the gentleman from Massachusetts [Mr. MCCORMACK] was, however, subject to a point of order which might be raised by any Member.

The yielding of time by one who was, under the amendment, entitled to 2 minutes, was not, thereafter, during the debate, objected to, and the gentleman from Indiana, as did others, was able to secure additional, though limited, time.

Going back for a moment: Immediately after the gentleman from Michigan [Mr. RABAUT] had, by motion, obtained a limitation of time on debate on the Phillips amendment, the gentleman from Louisiana [Mr. LONG] offered a preferential motion. That motion was defeated.

[10] CONGRESSIONAL RECORD, p. 8481.

A POINT OF ORDER

Then the Member from the Fourth District of Michigan, your humble servant, offered the preferential motion that the Committee rise, report the bill back to the House with a recommendation that the enacting clause be stricken. He was recognized, spoke 5 minutes in support of his motion, then asked unanimous consent to withdraw the motion. The following then occurred: [11]

Mr. HALLECK. Mr. Chairman, I object.

Mr. Chairman, I wish to be recognized in opposition to the motion.

Mr. RABAUT. Mr. Chairman, I rise in opposition to the motion.

The CHAIRMAN. The gentleman from Michigan [Mr. RABAUT] is recognized.

If the gentleman in charge of the bill, the gentleman from Michigan [Mr. RABAUT], desired to speak in opposition to the preferential motion just offered, he was, under the precedents, as chairman of the committee in charge of the bill and as a member of the opposite party, entitled to prior recognition. That ruling is not subject to criticism.

The gentleman from Michigan [Mr. RABAUT] was recognized, but please note the following: When the gentleman from Michigan [Mr. RABAUT], a committee member in charge of the bill, was given a priority recognition, he rose in opposition to the preferential motion, and he added:

Mr. Chairman, I wish to address myself to the preferential motion.

The gentleman from Tennessee [Mr. DAVIS] then stated:

Mr. Chairman, will the gentleman yield?

The gentleman from Michigan [Mr. RABAUT] then yielded to the gentleman from Tennessee.

Neither the Rules of the House nor those prevailing in committee, nor the practice of either, justifies a member of the committee in yielding his time to another member.

A sound reason for this is that the efficacy of the rule or practice which entitled a member of a committee or the chairman of a committee to priority of recognition would be completely destroyed if one entitled to such priority was permitted to indiscriminately forthwith yield the time granted him. The purpose of the rule as to priority of recognition would be defeated.

One speaking in debate can, of course, yield either for a question or an observation, but if objection is made he cannot transfer his time.

It cannot be forgotten that the gentleman from Michigan [Mr. RABAUT] secured his recognition on two grounds, first, that he was opposed to the preferential motion offered by the Member from Michigan, and, second, that he was a member of the committee and that it was customary in debate to alternately recognize members of the two parties.

Under the rules, the only debate permissible at the time the gentleman from Michigan [Mr. RABAUT] was recognized was in opposition to the preferential motion. The gentleman securing recognition no doubt understood this, for he specifically stated that he wished to address himself to the preferential motion.

If assuming, as we must, that at the time the only time which the gentleman from Michigan [Mr. RABAUT] could yield to the gentleman from Tennessee [Mr. DAVIS] was the 5 minutes to which he was entitled, the gentleman from Tennessee [Mr. DAVIS] to be in order would be required to speak in opposition to the preferential motion—that if he did not speak in opposition to the preferential motion, then he was not entitled to the floor, unless he was speaking in lieu of a 2-minute talk by his colleague, the gentleman from Michigan [Mr. RABAUT]. But that would not be proper, because the only question then before the committee was on the preferential motion.

The gentleman from Tennessee [Mr. DAVIS], having been yielded to by the gentleman from Michigan [Mr. RABAUT], then continued the debate as follows: [12]

Mr. DAVIS of Tennessee. Mr. Chairman, I should like to read as much of this argument here as I possibly can in answer.

As for Dixon-Yates, the position of the city of Memphis has, from the outset, been clear and unequivocable.

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. That the gentleman from Michigan [Mr. RABAUT] has already asked that no one under the rule be permitted to yield his time to another. Under the rules he cannot do it.

The CHAIRMAN. The gentleman is out of order. The point of order is overruled.

If the gentleman from Tennessee was not speaking in opposition to the preferential motion—and it would seem to be apparent that he was debating the Dixon-Yates contract and the position of the city of Memphis—the point of order was good.

The only argument which was permissible in the situation as it was then presented was an argument in opposition to the motion to report the bill back to the House and to strike the enacting clause.

The point of order that the gentleman was not speaking on the motion was not made by me, as perhaps it should have been, but it seems to be obvious that if the gentleman was not speaking in opposition to the motion he would only be entitled to the floor to make the argument he was making under the 2 minutes to which the gentleman from Michigan [Mr. RABAUT] was entitled, and which he had declared would not be yielded to another Member.

The gentleman from Michigan [Mr. RABAUT] should have been required to withdraw his objection to the yielding of time as he subsequently did, in answer to a request from the majority leader, a reference to which has just been made.

It is evident from the foregoing proceedings, as quoted, that the gentleman from Michigan [Mr. RABAUT] secured the floor in preference to the recognition of the gentleman from Indiana [Mr. HALLECK] on his statement that he rose in opposition to the motion; and thereafter, in speaking in opposition to the amendment, he yielded to the gentleman from

[11] CONGRESSIONAL RECORD, p. 8476.

[12] CONGRESSIONAL RECORD, p. 8476.

Tennessee [Mr. DAVIS], who it is apparent did not speak in opposition to the motion, nor even on the Phillips amendment, but spoke on another phase of the bill—which included many provisions other than the Dixon-Yates contract, the appropriation for the TVA.

Moreover, regardless of whether the point of order was good, or whether it was bad, I fail to find any justification for the statement of the Chairman that, when I made the point of order, I was out of order. The statement by the Chair that "The gentleman is out of order" was a gratuitous, uncalled-for observation.

READING OF PAPERS IN DEBATE

Usually in debate, either in the House or in the Committee of the Whole, when a Member has the floor he may read, without objection, his own speech or may quote from papers or documents. That is the usual, daily practice. Members, unless objection has been made, have been permitted to read either statements written by themselves or to quote from others.

However, the rule [13] is clear and the practice [13a] has, until the incident to which reference will be made, been quite uniform.

But, when objection is made, then the Member should either obtain unanimous consent, or the question should be resolved by the action of the House.

Rule XXX of the 84th Congress, section 915, page 484, provides that:

When the reading of a paper other than one upon which the House is called to give a

---

[13] Jefferson's Manual, sec. 917, p. 485.

[13a] Hinds' Precedents of the House of Representatives, vol. 5, 1907:

"The first rule on this subject dates from November 13, 1794 (3d and 4th Congresses, Journal, p. 228 (Gales and Seaton edition)), when the House adopted this rule:

"When the reading of a paper is called for which has been before read to the House, and the same is objected to by any Member, it shall be determined by a vote of the House.

"As early as 1802 this rule was changed to the following form:

"When the reading of a paper is called for, and the same is objected to by any Member, it shall be determined by a vote of the House (the rule appears first in this form in the draft of the rules printed in the Journal of January 7, 1802 (1st sess., 7th Cong., Journal, p. 39, Annals; p. 410)).

"In this form the rule continued until the revision of 1880, when the present form was adopted. In their report (2d sess. 46th Cong., RECORD, p. 202), at that time the Committee on Rules say that they amended the old rule so as to make it applicable only to papers 'other than one upon which the House is called to give a final vote.' thus reaffirming or recognizing the right of a Member to demand the reading of a paper on which he is called to vote. This is the long-established rule and practice of the English Parliament.

"5258. Under the parliamentary law every Member has the right to have a paper once read before he is called to vote on it.

"The reading of papers other than the one on which the vote is taken is usually permitted under the parliamentary law without question, but if objection is made the Speaker must take the sense of the House.

* * * * *

"A Member has not a right even to read his own speech, committed to writing, without leave. This also is to prevent an abuse of time, and therefore is not refused but where that is intended (2 Grey, 227)."

Cannon's Precedents of the House of Representatives, vol. 8, 1936:

"2602. A Member in debate usually reads or has read by the Clerk such papers as he pleases, but his privilege is subject to the authority of the House if another Member objects.

"On February 20, 1919 (3d sess., 65th Cong., RECORD, p. 3892), the bill (H. R. 16020) providing deficiency appropriation for the railroads was being considered in the Committee of the Whole House on the State of the Union.

"During general debate, Mr. Edward E. Denison, of Illinois, asked that the Clerk read in his time a press report taken from a recent issue of a Washington newspaper.

"Mr. William W. Larsen, of Georgia, objected to the reading.

"Mr. James R. Mann, of Illinois, argued that under the recent practice of the House objection might not be made to the reading of a paper by a Member in his own time.

"The Chairman (John N. Garner, of Texas) said:

" 'The objection is sustained. The present occupant of the Chair was of the opinion that the gentleman from Illinois had the right to read it in his own time, but the parliamentary clerk suggested that the rule was the other way, and he is more familiar with it than the Chair. It is very plain here in the rule as cited by the parliamentary clerk. Rule XXX is very clear on that.'

"Mr. Denison himself then proposed to read the article.

"Mr. Larsen again objected, and Mr. Joseph Walsh, of Massachusetts, moved that the gentleman from Illinois be permitted to read the article in question.

"The question being taken was decided in the affirmative, and Mr. Denison read the article in the course of his remarks."

Cannon's Precedents of the House of Representatives, vol. 8, 1936:

"2603. Instance wherein the request of a Member to have read a paper not before the House for action encountered objection and was referred to the House.

"On January 20, 1920 (2d sess., 66th Congress, RECORD, p. 1782) Mr. Edward J. King, of Illinois, asked unanimous consent to address the House for 1 minute.

"There being no objection, Mr. King sent a telegram to the desk with the request that it be read by the Clerk.

"Mr. Thomas L. Blanton, of Texas, objected to the reading of the telegram.

"The Speaker (Frederick H. Gillett, of Massachusetts) said:

" 'It can be read by the Clerk only by unanimous consent. The gentleman objects. A Member cannot read without consent of the House.'

"On motion of Mr. John I. Nolan, of California, the question was referred to the House which on a yea-and-nay vote decided, yeas 303, nays 2, that the telegram should be read."

Cannon's Precedents of the House of Representatives, vol. 8, 1936:

"2604. The reading of papers in debate is subject to the authority of the House, but a motion that a Member having the floor be permitted to read such papers as a part of his remarks is privileged.

"On February 10, 1931 (3d sess., 71st Congress, RECORD, p. 4544) during consideration of the naval appropriation bill in the Committee of the Whole House on the State of the Union, Mr. Thomas L. Blanton, of Texas, in the course of his remarks on the bill proposed to read a resolution passed by a post of the American Legion.

"Mr. Elliott W. Sproul, of Illinois, objected to the reading of the paper.

"Whereupon, Mr. William P. Connery, Jr., of Massachusetts, moved that Mr. Blanton be permitted to read the resolution as a part of his remarks.

"Mr. John Taber, of New York, made the point of order that the motion was not privileged.

"The Chairman (Frederick R. Lehlbach, of New Jersey) ruled:

" 'The gentleman from Massachusetts moves that the gentleman from Texas be permitted to read the matter which he has indicated.

" 'The motion is privileged and in order (under rule XXX). The question is on the motion of the gentleman from Massachusetts.' "

Cannon's Precedents of the House of Representatives, vol. 8, 1936:

"2605. The reading of papers other than the one on which the vote is taken is subject to the will of the House and any Member may object.

"Rule XXX, providing for taking the sense of the House on the reading of a paper in debate, applies also to proceedings in the Committee of the Whole.

"The rules of the House govern the Committee of the Whole insofar as applicable.

"A motion that a Member having the floor be permitted to read a paper objected to in debate is privileged.

"On January 16, 1931 (3d sess., 71st Congress, RECORD, p. 2377) the Committee of the Whole House on the State of the Union was considering the State, Justice, Commerce, and Labor Departments appropriation bill.

"During debate, Mr. John J. Boylan, of New York, began the reading of resolutions adopted by the American Federation of Labor.

"Mr. Charles L. Underhill, of Massachusetts, rose to a point of order and objected to the reading of the paper.

"The Chairman (C. William Ramseyer, of Iowa, Chairman) sustained the point of order and said:

" 'In order that the gentleman may read the paper he must get either unanimous consent or an affirmative vote of the House.

" 'There is a rule against reading a paper unless the Member gets consent to do so, Rule XXX, which reads as follows: "When the reading of a paper other than one upon which the House is called to give a final vote is demanded, and the same is objected to by any Member, it shall be determined without debate by a vote of the House." '

"Thereupon, Mr. Charles R. Crisp, of Georgia, offered a motion that the gentleman be permitted to proceed with the reading of the resolutions in debate.

"Mr. William H. Stafford, of Wisconsin, raised the question of order that rule XXX admitting such motions was limited to proceedings in the House and did not apply to proceedings in Committee of the Whole.

"The Chairman ruled: 'In the opinion of the Chair, it is within the power of the Committee of the Whole House to determine whether or not it will permit a paper to be read. The point of order is overruled.' "

Hinds' Precedents of the House of Representatives, volume 5, 1907:

"5293. A Member may not have a report read at the Clerk's desk in his own time, if objection is made, without leave of the House; and even has been debarred from reading it himself in his place: On April 13, 1900 (1st sess., 56th Cong., RECORD, pp. 4136, 4137), the Committee of the Whole House was considering the bill (S. 1194) granting an increase of pension to John B. Ritzman, and Mr. W. Jasper Talbert, of South Carolina, asked to have read in his time a paper relating, not to the bill under consideration, but to the general subject of pensions.

"The Chairman (Charles H. Grosvenor, of Ohio, Chairman) held that this would be in order only by unanimous consent.

final vote is demanded, and the same is objected to by any Member, it shall be determined without debate by a vote of the House.

After the point of order that the gentleman in charge of the bill, Mr. RABAUT, could not yield his time to another Member was overruled, the gentleman from Tennessee [Mr. DAVIS], to whom Mr. RABAUT had yielded and who was then addressing the House said: [14]

Mr. Chairman, I should like to read as much of this argument here as I possibly can in answer. As for Dixon-Yates, the position of the city of Memphis has, from the outset, been clear and unequivocable.

And he then proceeded to read as a part of his own speech the letter from the mayor of Memphis.

As he read, the Member from the Fourth District of Michigan rose and made a point of order. Permit me to quote from the RECORD:

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. The gentleman in the well is reading his speech, which is contrary to the rules.

The CHAIRMAN. The gentleman is entitled to read his speech if he so desires.

The point of order is overruled.

Mr. DAVIS of Tennessee. I am quoting from a letter addressed to the Chairman of the Tennessee Valley Authority by the mayor of Memphis * * *.

Is it not clear that, under the rules of the House, when the point of order was made, it was the duty of the chairman to submit to the House the question of whether the gentleman from Tennessee should be permitted to read his speech and, as a part of that speech, the letter, or for the gentleman from Tennessee to ask for unanimous consent to read his speech and the letter from the mayor? I certainly would not have objected had the proper practice been followed.

Are the proceedings when the House is in Committee of the Whole House on the State of the Union to be governed and controlled by the rules of the House and the precedents?

Or are exceptions to those rules in violation of the precedents to be made by a chairman or a speaker as his individual caprice may dictate?

That is the question which is propounded to the House.

My knowledge of the rules and of the precedents does not in any degree approach that of the Speaker, the Parliamentarian, or many Members of the House, but in my respect for the House and its proceedings, Mr. Speaker, I yield to no one.

THE DEMAND FOR THE READING OF AN ENGROSSED COPY OF A BILL [15]

Last Thursday, June 16, 1955, the Committee of the Whole House on the State of the Union had under consideration H. R. 6766, making appropriations for the Atomic Energy Commission, the Tennessee Valley Authority, certain agencies of the Department of the Interior, and civil functions administered by the Department of the Army for the fiscal year ending June 30, 1956, and for other purposes.[16]

The gentleman from Michigan [Mr. RABAUT] who had charge of the bill put on a drive to finish the bill and force its passage before the legislative day was over.

On one occasion during debate, the gentleman from Michigan, who was in charge of the bill, by motion, as previously stated, limited the time of 42 Members who desired to speak to 2 minutes each.

And what was the issue before the House? The issue was whether the Federal Government should grant the request of the Tennessee Valley Authority for some $6,500,000 to continue and to enlarge its efforts to produce, sell, and distribute electrical energy in competition with taxpaying private interests.

The action taken by the gentleman in charge of the bill and by the leadership of the House supporting that action was dismaying.

No charge is made that one reason for the action was to continue and approve the practice of adjourning from Thursday until Monday, then scheduling for Monday no important business or votes. That practice gives the members of the "Thursday to Tuesday Club" a 4-day recess during which they are given opportunity each weekend to leave Washington, attend to business other than as Representatives, or to reenergize themselves in delightful home surroundings. Nor do I suggest that the bill was forced to a vote at around 7:15 Thursday evening, rather than going over to Friday or to Monday, because some members of the "Thursday to Tuesday Club" could not conveniently be in attendance.

One purpose in referring to this incident is to call to the attention of the House the fact that, if the House would stay in session on Fridays and transact business on Mondays, we might possibly be able to adjourn this session of the Congress not later than the 4th or at the latest the middle of July. A most desirable objective, I think, if we consider the interests of the people, and certainly such adjournment is desired by an overwhelming majority of the House.

ENCOURAGING AN EARLY ADJOURNMENT

Inasmuch as the usual efforts to obtain a reasonable time for debate were unproductive, it occurred to me that if by some procedure the gentleman in charge of the bill and perhaps others could be convinced that the business of the House might be expedited by a greater consideration of the wishes of those who desired to debate an important issue, a useful purpose would be served.

The quickest arrival at a desired end is not always attained by riding roughshod over the wishes of Members desiring to debate the provisions of a bill. The Parliamentarian was advised that the reading of an engrossed copy of the bill would be demanded.

My purpose was to call the attention of the leadership to the fact that individual Members of the House, under the rules of the House, had the right to that form of procedure—that the exercise of that right might act as a brake or restraint upon hurried procedure such as was followed during Thursday.

Those attempting to force a bill through on a Thursday, then adjourn over until a Monday or a Tuesday, might take counsel from Churchill's statement, "The more haste, ever the worst speed"; or from Friar Lawrence's statement that "They stumble that run fast." Why ride a willing horse to death?

That my thought that we had had undue haste in connection with the passage of this bill was shared by others is evident from the statement made by the ranking minority Member from Wisconsin [Mr. DAVIS]. He said:

Mr. DAVIS of Wisconsin. * * * I think some of the things we have heard here represent a rather shameful reflection upon the deliberations of this body. * * * Well, I submit that all these things that have been said of log rolling and pork barreling and other things are pretty true so far as what has occurred here on the floor of the House today. There ought to be a greater sense of responsibility than that among the Members. I submit that there is but one way that we can purge ourselves of the shame that has descended upon us here this afternoon, and that is to recommit this bill to the Committee on Appropriations.[17]

That statement but intensified my determination to demand the reading of an engrossed copy of the bill and so postpone the vote over to Friday or Monday so that Members might think over the situation.

I thought I understood the procedure but, to avoid a mistake, I again read rule XXI, House Manual, section 830, page 423, and found there these words:

Bills and joint resolutions on their passage shall be read the first time by title and the second time in full, when, if the previous question is ordered, the Speaker shall state the question to be: Shall the bill be engrossed and read a third time? And, if

---

"Mr. Talbert then proposed to read the paper himself.

"The Chair (Charles H. Grosvenor, of Ohio, Chairman) held that this would not be in order.

"Mr. Talbert having appealed, the decision of the Chair was sustained, ayes 52, noes 8.

"Later, the bill (H. R. 1419) relating to the pension of Annie B. Goodrich, being under consideration, Mr. Talbert asked for the reading of the report.

"The Chairman (Charles H. Grosvenor, of Ohio, Chairman) said:

" 'The gentleman from South Carolina, as the Chair understands it, can ask that this report be read in his time, he having now taken the floor upon this bill; but if objection is made to the reading of the report, it is a question for the House to say whether it shall be read or not.'

"The Committee then decided—ayes 1, nays 55—that the report should not be read.

"Mr. Talbert then proposed to read the report in his own time.

"The Chairman (Charles H. Grosvenor, of Ohio, Chairman) ruled that this was not in order, reading the rule (Jefferson's Manual, p. 147, provides: 'It is equally an error to suppose that any Member has a right, without a question put, to lay a book or paper on the table, and have it read, on suggesting that it contains matter infringing upon the privileges of the House. For the same reason, a Member has not a right to read a paper in his place, if it be objected to, without leave of the House. But this rigor is never exercised but where there is an intentional or gross abuse of the time and patience of the House. A Member has not a right even to read his own speech, committed to writing, without leave. This also is to prevent an abuse of time, and therefore is not refused but where that is intended' (2 Grey, 227))."

[14] CONGRESSIONAL RECORD, p. 8476.

[15] Jefferson's Manual, sec. 831.

[16] CONGRESSIONAL RECORD, p. 8469.

[17] CONGRESSIONAL RECORD, p. 8538.

decided in the affirmative, it shall be read the third time by title, unless the reading in full is demanded by a Member, and the question shall then be put upon its passage.

The Parliamentarian was consulted. The precedents were examined. Some will be quoted.

When the bill came up for final consideration, I walked down the aisle to the microphone, where the gentleman from Wisconsin [Mr. DAVIS] was waiting with a motion to recommit.

Having the words of the rule in mind, I was on my feet, waiting, listening carefully, to hear the Speaker but the question, "Shall the bill be engrossed and read a third time?" as required by Rule XXI, or to announce, "The question is on the engrossment and third reading of the bill," and then to call for a vote.

Although I was within hearing distance; although I was listening attentively, I did not hear those words or their substance used, and in my opinion they were not used.

I find that the RECORD—page 8542—carries this statement:

The bill was ordered to be engrossed and read a third time and was read the third time.

Who ordered the bill to be engrossed? Certainly not the House, for there was no vote on that issue.

Nowhere, according to the RECORD, was I given an opportunity to demand a reading of an engrossed copy of the bill.

That the rule was not complied with, that the question was not put in the words required by the rule, seems to be borne out by the official printed RECORD, from which I again quote: [18]

Mr. CANNON. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time and was read the third time.

Then the Speaker stated that the question was on the passage of the bill. The gentleman from Wisconsin offered his motion to recommit. The ayes and nays were refused, the motion to recommit was rejected, and the bill was then passed on a voice vote.

It is my contention:

That rule XXI was not complied with by the statement that "The bill was ordered to be engrossed and read a third time and was read the third time."

That the intent of the rule was not complied with by the statement, "The bill was ordered to be engrossed and read a third time and was read the third time."

That the Representative of the Fourth Michigan District was not given an opportunity to demand the reading of an engrossed copy in accordance with the provisions of rule XXI.

If it be said that, after the amendments were agreed to, the statement of the Speaker that the bill was ordered to be engrossed and read a third time was equivalent to the question, "Shall the bill be engrossed and read a third time?" I call attention to the fact that, on many previous occasions, that has not been the practice.

For example, in the CONGRESSIONAL RECORD of June 1, 1955—page 7391—when another bill was up for consideration and passage, you will find the following:

Mr. ANDREWS. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Note the word "question" in this statement.

Before taking my place to demand the engrossment of the bill, I had, as stated, checked the rule, and I was listening carefully. Since Thursday, I have checked back and find that the House has passed a number of major bills.

On February 8, 1955—CONGRESSIONAL RECORD, page 1328—on the passage of a bill, I find that the Speaker stated the question before the House. After amendments were agreed to, the RECORD shows the following:

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

That was the statement I was waiting to hear on the occasion to which reference is made.

Again, on February 18, the words of the rule were followed. The RECORD shows the following—CONGRESSIONAL RECORD, page 1794:

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

On February 25, on the passage of another bill, I find the following—the rule again complied with—CONGRESSIONAL RECORD, page 2180:

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

On May 5, while the Speaker did not follow the words of the rule, he did announce that the question was on the engrossment and third reading of the bill. CONGRESSIONAL RECORD, page 5805—reads:

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

On January 13, the procedure was as follows—CONGRESSIONAL RECORD, page 283:

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

On March 15, the procedure was as follows—CONGRESSIONAL RECORD, page 2965:

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

On March 18, the substance of the rule was followed, the procedure being—CONGRESSIONAL RECORD, page 3210:

The amendment was agreed to.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Again, on March 21, the substance of the rule was followed, the RECORD stating—CONGRESSIONAL RECORD, page 3284:

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

On March 24, the substance of the rule again was followed. I quote—CONGRESSIONAL RECORD, page 3685:

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

On March 28, the RECORD shows that again we seemed to be in a hurry. It reads—CONGRESSIONAL RECORD, page 3881:

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

However, on March 30, the rule—in substance at least—was again complied with, for the RECORD shows—CONGRESSIONAL RECORD, page 4083:

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

On Thursday, April 14, when the House seemed to be anxious to follow the Thursday-to-Tuesday procedure, and adjourned until Monday, April 18, the procedure was that used last Thursday, for I find—CONGRESSIONAL RECORD, page 4504:

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

However, on another Thursday—May 12—the substance of the rule was followed—CONGRESSIONAL RECORD, page 6248:

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

However, on another Thursday—May 19—the rule, in substance at least, was complied with—CONGRESSIONAL RECORD, page 6679:

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

[18] CONGRESSIONAL RECORD, p. 8542.

On May 24 the intent of the rule seems to have been followed, for the Speaker said—CONGRESSIONAL RECORD, page 6929:

The SPEAKER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

But, on Thursday last, the RECORD does not show that the Speaker asked "Shall the bill be engrossed and read a third time?" Nor does it show that he put the question as to the engrossment and third reading of the bill. The RECORD shows—and this is all it shows—"The bill was engrossed and ordered to be read a third time and was read a third time."

Now, while there is no insistence that technicalities be complied with, the assertion is made that, when a Member desires an opportunity to make a request to which, under the rules, he is entitled, he should be given that opportunity.

The fact, if it be a fact, that a number of the Members desire to follow the practice of adjourning over from Thursday to Monday, with little business usually to be transacted on Monday, the House, in its discretion, can follow.

But at least those Members who might be classed as full-time Members are entitled to exercise their rights under the rules and precedents of the House. In my judgment, it might be more helpful to a larger number of the Members if we stayed here over the weekend, attended to our business, then came to an early adjournment in July.

There is another rule of the House which is disregarded. That is the rule or practice of the House which requires Members who are not present when the roll is called to qualify before voting. The practice has been for a Member to come into the Chamber after the second rollcall, if his vote be challenged, to state that he was present, listening, and did not hear his named called. That practice, to the minds of those who, sitting in the gallery, witness the procedure, brings discredit not only upon Members, but upon the House itself.

So far as I have been able to learn, that rule serves no useful purpose, except possibly to prevent a third, fourth, or other calling by the Clerk of the names of absent Members. The rule should be repealed or at least modified.

It is my hope that my colleagues will, with charity and patience, bear with me if at times I appear aggressive in attempting to obtain for myself or my colleagues privileges and rights granted by the rules.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mrs. KEE in two instances.

Mr. HESELTON in two instances, in each to include extraneous matter.

Mr. PRIEST in explanation of a bill he introduced at the request of the Department of Health, Education, and Welfare, and include a letter from former Secretary of Welfare Hobby and an explanation of the bill.

Mr. PRIEST in explanation of two bills he has introduced.

Mr. GENTRY.

Mr. DOYLE, notwithstanding the cost is estimated by the Public Printer to be $380.

Mr. DODD.

Mr. MILLER of California in two instances, in each to include extraneous matter.

Mr. HORAN.

Mr. MILLER of Nebraska in two instances.

Mr. TEAGUE of Texas to revise and extend his remarks made in committee on the highway bill and to include extraneous matter.

Mr. YOUNG.

Mr. HAYS of Arkansas to revise and extend his remarks made in committee and to include extraneous matter.

Mr. ASHLEY (at the request of Mr. ALBERT).

Mr. HOFFMAN of Michigan.

Mr. GWINN.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. AVERY (at the request of Mr. TEAGUE), for Monday, July 25, 1955, on account of official business for the Committee on Veterans' Affairs.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 463. An act to authorize the issuance of commemorative medals to certain societies of which Benjamin Franklin was a member, founder, or sponsor in observance of the 250th anniversary of his birth; to the Committee on Banking and Currency.

S. 730. An act granting the consent of Congress to the States of Kansas and Oklahoma, to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Arkansas River and its tributaries as they affect such States; to the Committee on Public Works.

S. 926. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Ventura River reclamation project, California; to the Committee on Interior and Insular Affairs.

S. 1194. An act to provide for construction by the Secretary of the Interior of Red Willow Dam and Reservoir, Nebraska, and construction by the Secretary of the Army of the Wilson Dam and Reservoir, Kansas, as units of the Missouri River Basin project; to the Committee on Interior and Insular Affairs.

S. 1261. An act to authorize the conveyance of certain lands within Caven Point Terminal and Ammunition Loading Pier, New Jersey, to the New Jersey Turnpike Authority; to the Committee on Armed Services.

S. 1683. An act to amend the act of June 13, 1949 (63 Stat. 172), and for other purposes; to the Committee on Interior and Insular Affairs.

S. 1689. An act to authorize the Secretary of the Interior to execute a repayment contract with the Yuma Mesa Irrigation and Drainage District, Gila project, Arizona, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 1834. An act to authorize certain retired commissioned officers of the Coast Guard to use the commissioned grade authorized them by the law under which they retired, in the computation of their retired pay under the provisions of the Career Compensation Act of 1949, as amended; to the Committee on Armed Services.

S. 2432. An act to permit the use in the coastwise trade of the barge *Irrigon*; to the Committee on Merchant Marine and Fisheries.

S. 2513. An act to authorize the sale of Welles Village war housing project in Glastonbury, Conn., to the Housing Authority of the town of Glastonbury; to the Committee on Banking and Currency.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2150. An act to further amend section 106 of the Army-Navy Nurses Act of 1947 so as to provide for certain adjustments in the dates of rank of nurses and women medical specialists of the Regular Army and Regular Air Force in the permanent grade of captain, and for other purposes;

H. R. 2755. An act for the relief of Benjamin Johnson;

H. R. 2783. An act for the relief of Andrew Wing-Huen Tsang;

H. R. 2944. An act for the relief of Franziska Lindauer Ball;

H. R. 2947. An act for the relief of Emelda Ann Schallmo;

H. R. 2949. An act for the relief of Jose Armando Quaresma;

H. R. 2972. An act to require the recordation of scrip, lieu selection, and similar rights.

H. R. 3048. An act for the relief of Assuntino Del Gobbo;

H. R. 3270. An act for the relief of Giuseppa Arsena;

H. R. 3354. An act for the relief of Julius G. Watson;

H. R. 3504. An act for the relief of Eveline Wenk Neal;

H. R. 3624. An act for the relief of Olga I. Papadopoulou;

H. R. 3625. An act for the relief of George Vourderis;

H. R. 3629. An act for the relief of Mrs. Nika Kirihara;

H. R. 3630. An act for the relief of Mrs. Uto Ginoza;

H. R. 3726. An act for the relief of Mr. Gino Evangelista;

H. R. 3786. An act to incorporate the Army and Navy Legion of Valor of the United States of America;

H. R. 3864. An act for the relief of Mrs. Elizabeth A. Traufield;

H. R. 3871. An act for the relief of Orville Ennis;

H. R. 4044. An act for the relief of Burgal Lyden and others;

H. R. 4106. An act to authorize the crediting, for certain purposes, of prior active Federal commissioned service performed by a person appointed as a commissioned officer under section 101 or 102 of the Army-Navy Nurses Act of 1947, as amended, and for other purposes;

H. R. 4146. An act for the relief of Adelheid (Heidi) Giessner (nee Schega);

H. R. 4198. An act for the relief of Howard L. Gray;

H. R. 4218. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment, and to provide certain services to the Girl Scouts of the United States of America for use at the Girl Scout Senior Roundup Encampment, and for other purposes;

H. R. 4280. An act to direct the Secretary of Agriculture to release on behalf of the United States conditions in two deeds conveying certain submarginal lands to Clemson Agricultural College of South Carolina so as to permit such college, subject to certain conditions, to sell, lease, or otherwise dispose of such lands;

H. R. 4284. An act for the relief of Mrs. Mariannina Monaco;

H. R. 4289. An act for the relief of Vladislav Bevc;

H. R. 4362. An act to amend the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes," approved September 3, 1954;

H. R. 4455. An act for the relief of Christa Harkrader;

H. R. 4707. An act for the relief of Duncan McQuagge;

H. R. 4717. An act to provide for the release of the express condition and limitation on certain land heretofore conveyed to the trustees of the village of Sag Harbor, N. Y.;

H. R. 4727. An act to permit the issuance of a flag to a friend or associate of the deceased veteran where it is not claimed by the next of kin;

H. R. 4747. An act to provide that reversionary interests of the United States in certain lands formerly conveyed to the city of Chandler, Okla., shall be quitclaimed to such city;

H. R. 4886. An act to provide that active service in the Army and Air Force shall be included in determining the eligibility for retirement of certain commissioned officers of the Navy, Marine Corps, and Coast Guard;

H. R. 5283. An act for the relief of Artur Swislocki or Arthur Svislotzki;

H. R. 5875. An act to amend title 14, United States Code, entitled "Coast Guard", for the purpose of providing involuntary retirement of certain officers, and for other purposes;

H. R. 5893. An act to amend paragraph I (a), part I of Veterans Regulation No. 1 (a), as amended, to make its provisions applicable to active service on and after June 27, 1950, and prior to February 1, 1955, and for other purposes;

H. R. 6277. An act to amend subsection 303 (c) of the Career Compensation Act of 1949 relating to transportation and storage of household goods of military personnel on permanent change of station;

H. R. 6396. An act for the relief of Valerie Anne Peterson;

H. R. 6613. An act for the relief of Yuji Doi and Mrs. Matsuyo Yamaoka Doi;

H. R. 6980. An act providing for the conveyance of the Old Colony project to the Boston Housing Authority;

H. R. 7000. An act to provide for strengthening of the Reserve Forces, and for other purposes;

H. R. 7194. An act to authorize subsistence allowances to enlisted personnel;

H. J. Res. 251. Joint resolution to authorize the President to issue posthumously to the late Seymour Richard Belinky, a flight officer in the United States Army, a commission as second lieutenant, United States Army, and for other purposes;

H. J. Res. 359. Joint resolution to authorize the designation of October 22, 1955, as National Olympic Day; and

H. J. Res. 385. Joint resolution authorizing the printing and binding of a revised edition of Cannon's Procedure in the House of Representatives and providing that the same shall be subject to copyright by the author.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 473. An act to authorize an investigation and report on the advisability of a national monument in Brooklyn, N. Y.;

H. R. 605. An act to provide for the abolition of the 80-rod reserved spaces between claims on shore waters in Alaska, and for other purposes;

H. R. 914. An act for the relief of Erika Marie Dietl and her two children, Caroline Dietl and Robert Dietl;

H. R. 932. An act for the relief of Ludwika Hedy Hancock (nee Nikolajewicz);

H. R. 1180. An act for the relief of Kimiko Sueta Thompson;

H. R. 1185. An act for the relief of Jose Domingo Quintanar;

H. R. 1302. An act for the relief of Adelheid Walla Spring;

H. R. 1304. An act for the relief of Mother Amata (Marie Cartiglia), Sister Ottavia (Concetta Zisa), Sister Giovina (Rosina Vitale), and Sister Olga (Calogera Zeffro);

H. R. 1435. An act for the relief of Paul Compagnino;

H. R. 1436. An act for the relief of Ervin Benedikt;

H. R. 1439. An act for the relief of Menachem Hersz Kalisz;

H. R. 1458. An act for the relief of Rosa Edith Manns Monroe;

H. R. 1486. An act for the relief of Anna Anita Hildegard Sparwasser;

H. R. 1508. An act for the relief of Mrs. Mary Perouz Derderian Donaldson;

H. R. 1537. An act for the relief of Rogerio Santana de Franca;

H. R. 1668. An act for the relief of Frank Budman;

H. R. 1698. An act for the relief of Anne Cheng;

H. R. 1911. An act for the relief of Charlotte Schwaim;

H. R. 1927. An act for the relief of Ralph Michael Owens;

H. R. 1987. An act for the relief of Kimie Hayashi Crandall;

H. R. 1997. An act for the relief of Linda Beryl San Filippo;

H. R. 2059. An act for the relief of Edward Patrick Cloonan;

H. R. 2070. An act for the relief of Dr. Carlos Recio and his wife, Francisca Marco Palomero de Recio;

H. R. 2078. An act for the relief of Salvatore Cannizzo;

H. R. 2241. An act for the relief of Amalia Bertolino Querio;

H. R. 2242. An act for the relief of Kim Joong Yoon;

H. R. 2259. An act for the relief of Alessandra Barile Altobelli;

H. R. 2306. An act for the relief of Maria de Rehbinder;

H. R. 2307. An act for the relief of Julius, Ilona, and Henry Flehner;

H. R. 2313. An act for the relief of Mrs. Agnethe Gundhil Sundby;

H. R. 2315. An act for the relief of Antonio (Orejel) Cardenas;

H. R. 2735. An act for the relief of Inako Yokoo and her minor child;

H. R. 2738. An act for the relief of Teresa Jurjevic; and

H. R. 2749. An act for the relief of George Risto Divitkos.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 52 minutes p. m.) the House adjourned until tomorrow, Wednesday, July 27, 1955, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1031. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Alaska Railroad, Department of the Interior, for the fiscal years ended June 30, 1953 and 1954, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67); to the Committee on Government Operations.

1032. A letter from the Chairman, Federal Power Commission, relative to the following publications: Typical Electric Bills, 1955, and Statistics of Electric Utilities in the United States, Publicly Owned, 1953; to the Committee on Interstate and Foreign Commerce.

1033. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of proposed legislation entitled "A bill to authorize the appointment in civilian position in the White House Office of Maj. Gen. John Stewart Bragdon, United States Army, retired, and for other purposes"; to the Committee on Armed Services.

1034. A letter from the Deputy for Legislative Affairs, Office of the Assistant Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to authorize the Secretaries of the military departments and the Secretary of the Treasury with respect to the Coast Guard, to incur expenses incident to the representation of their personnel before judicial tribunals and administrative agencies of any foreign nation"; to the Committee on Armed Services.

1035. A letter from the Assistant Secretary of the Interior, transmitting a proposed award of a concession permit to Mr. Benjamin Buchanan for the purposes of operating a marina in the Kettle Falls area of Coulee Dam National Recreation Park, Washington, for a period of 8 months, from May 1, 1955, to December 1955, pursuant to the act of July 31, 1953 (67 Stat. 271); to the Committee on Interior and Insular Affairs.

1036. A letter from the Assistant Secretary of the Interior, transmitting a proposed concession permit with Drs. Alfred M. Lueck and John A. Pearson, which will, when executed by the Superintendent, Yellowstone National Park, on behalf of the Government, authorize them to provide a medical, hospital, and dental service for the public in Yellowstone National Park during the term of 1 year from January 1, 1955, pursuant to the act of July 31, 1953 (67 Stat. 271); to the Committee on Interior and Insular Affairs.

1037. A letter from the Director, United States Information Agency, transmitting a report on Federal Tort Claims paid for the fiscal year 1955, pursuant to 28 United States Code 2673; to the Committee on the Judiciary.

1038. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting a supplemental report on the operations of Bureau of the Budget Circular No. A–45 upon departments, agencies, and corporations of the Government for the year prior to November 1, 1954; to the Committee on Appropriations.

1039. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Rural Electrification Administration, Department of Agriculture, for the fiscal years ended June 30, 1953 and 1954, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67); to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. WALTER: Committee on Un-American Activities. Report on contempt proceeding against John J. Gojack; without amendment (Rept. No. 1406). Ordered to be printed.

Mr. CELLER: Committee of conference. House Joint Resolution 157. Joint resolution to establish a Commission on Government Security (Rept. No. 1407). Ordered to be printed.

Mr. RODINO: Committee on the Judiciary. H. R. 5948. A bill to amend the Clayton Act by prohibiting the acquisition of assets of other banks by banks, banking associations, or trust companies when the effect may be substantially to lessen competition, or to tend to create a monopoly; with amendment (Rept. No. 1417). Referred to the House Calendar.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 5055. A bill to provide that service of cadets and midshipmen at the service Academies during specified periods shall be considered active military or naval wartime service for the purposes of laws administered by the Veterans' Administration; without amendment (Rept. No. 1418). Referred to the Committee of the Whole House on the State of the Union.

Mr. VINSON: Committee on Armed Services. H. R. 5516. A bill to amend section 306 of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 to provide that service as an Army field clerk or as a field clerk, Quartermaster Corps, shall be counted for purposes of retirement under title III of that act; with amendment (Rept. No. 1419). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of New York: Committee on the Judiciary. H. R. 6622. A bill for the relief of certain rural carriers; without amendment (Rept. No. 1420). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H. R. 6634. A bill to provide for the conveyance of 1.8 acres of land, more or less, within the Grapevine Dam and Reservoir project to the city of Grapevine, Tex., for sewage-disposal purposes; without amendment (Rept. No. 1421). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. H. R. 7121. A bill to validate payments of mileage made to United States Army and Air Force personnel pursuant to permanent change of station orders authorizing travel by commercial aircraft, and for other purposes; without amendment (Rept. No. 1422). Referred to the Committee of the Whole House on the State of the Union.

Mr. PATMAN: Select Committee on Small Business. Interim report pursuant to House Resolution 114, 84th Congress, 1st session, on alleged coercive and discriminatory practices against retail gasoline operators by oil-company suppliers; without amendment (Rept. No. 1423). Referred to the Committee of the Whole House on the State of the Union.

Mr. BURLESON: Committee on House Administration. H. R. 3084. A bill to amend certain provisions of the laws relating to the prevention of political activities to make them inapplicable to State officers and employees; without amendment (Rept. No. 1424). Referred to the House Calendar.

Mr. COOLEY: Committee on Agriculture. S. 1051. An act to amend section 8a (4) of the Commodity Exchange Act, as amended; without amendment (Rept. No. 1425). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. S. 2253. An act to reemphasize trade development as the primary purpose of title I of the Agricultural Trade Development and Assistance Act of 1954; without amendment (Rept. No. 1426). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. H. R. 2383. A bill to authorize the establishment of an Inventive Contributions Awards Board within the Department of Defense, and for other purposes; with amendment (Rept. No. 1432). Referred to the Committee of the Whole House on the State of the Union.

Mr. RIVERS: Committee on Armed Services. H. R. 2430. A bill to release certain restrictions on certain real property heretofore granted to the city of Charleston, S. C., by the United States of America; with amendment (Rept. No. 1435). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS of Louisiana: Committee on Armed Services. H. R. 6725. A bill to provide a lump-sum readjustment payment for Reserve officers who are involuntarily released from active duty; with amendment (Rept. No. 1436). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLATNIK: Committee on Public Works. H. R. 6309. A bill to authorize construction of the Mississippi River-Gulf outlet; with amendment (Rept. No. 1437). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOPER: Committee on Ways and Means. H. R. 2619. A bill to amend section 345 of the Revenue Act of 1951; without amendment (Rept. No. 1438). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORAND: Committee on Ways and Means. H. R. 4668. A bill to amend section 4021 of the Internal Revenue Code of 1954; with amendment (Rept. No. 1439). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOGGS: Committee on Ways and Means. H. R. 5647. A bill to repeal the manufacturers excise tax on motorcycles; without amendment (Rept. No. 1440). Referred to the Committee of the Whole House on the State of the Union.

Mr. BARDEN: Committee on Education and Labor. H. R. 7245. A bill to amend Public Laws 815 and 874, 81st Congress, which provide for assistance to local educational agencies in areas affected by Federal activities, and for other purposes; with amendments (Rept. No. 1441). Referred to the Committee of the Whole House on the State of the Union.

Mr. CHATHAM: Committee on Foreign Affairs. H. R. 2097. A bill to make certain increases in the annuities of annuitants under the Foreign Service retirement and disability system; with amendment (Rept. No. 1442). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6808. A bill to amend section 73 (1) of the Hawaiian Organic Act; with amendment (Rept. No. 1443). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. S. 2260. An act granting the consent of Congress to the States of Arkansas, Louisiana, Oklahoma, and Texas to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Red River and its tributaries; with amendment (Rept. No. 1444). Referred to the Committee of the Whole House on the State of the Union.

Mr. COLMER: Committee on Rules. House Resolution 317. Resolution for consideration of H. R. 6645, a bill to amend the Natural Gas Act, as amended; without amendment (Rept. No. 1445). Referred to the House Calendar.

Mr. BLATNIK: Committee on Public Works. S. 890. An act to extend and strengthen the Water Pollution Control Act; with amendments (Rept. No. 1446). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. REED of Illinois: Committee on the Judiciary. H. R. 2728. A bill for the relief of Dr. Frederic S. Schleger; with amendment (Rept. No. 1404). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 7114. A bill for the relief of Frank G. Gerlock; without amendment (Rept. No. 1405). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1097. A bill for the relief of John Meredith McFarlane; with amendment (Rept. No. 1408). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 4326. A bill for the relief of Regina Dippold; without amendment (Rept. No. 1409). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 5913. A bill for the relief of Mock Jung Shee (Mock Jung Liu); without amendment (Rept. No. 1410). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 6363. A bill for the relief of Edward Barnett; without amendment (Rept. No. 1411). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 7221. A bill for the relief of Mrs. Gertrud Hildegard Nichols; without amendment (Rept. No. 1412). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 6741. A bill for the relief of Elfriede Rosa (Kup) Kraft; without amendment (Rept. No. 1413). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 5866. A bill for the relief of Giovanni Lazarich; with amendment (Rept. No. 1414). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 3276. A bill for the relief of George E. Bergos (formerly Athanasios Kritselis); with amendment (Rept. No. 1415). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1353. An act for the relief of Mrs. Jeannette S. Hamilton; without amendment (Rept. No. 1416). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4602. A bill for the relief of Edward Neal Fisher; without amendment (Rept. No. 1427). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4872. A bill for the relief of Mrs. Helen Barsa; without amendment (Rept. No. 1428). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5285. A bill for the relief of the Imperial Agricultural Corp.; without amendment (Rept. No. 1429). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5533. A bill for the relief of John C. Walsh; with amendment (Rept. No. 1430).

Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 6452. A bill for the relief of William H. Foley; with amendment (Rept. No. 1431). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 4039. A bill for the relief of Julian, Dolores, Jaime, Dennis, Roldan, and Julian, Jr., Lizardo; with amendment (Rept. No. 1433). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 42. Concurrent resolution favoring the suspension of deportation in the case of certain aliens; with amendment (Rept. No. 1434). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HERLONG:

H. R. 7595. A bill to amend title II of the Social Security Act to provide that a widow who loses her widow's benefit by remarriage may again become entitled to such benefit if her husband dies within 1 year after such remarriage; to the Committee on Ways and Means.

By Mr. BLATNIK:

H. R. 7596. A bill to provide for the disposal of federally owned property at obsolescent canalized waterways and for other purposes; to the Committee on Public Works.

By Mr. BYRNE of Pennsylvania:

H. R. 7597. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon certain claims of employees of the United States Government for gratuity, holiday, or overtime compensation during the period covered by World War II; to the Committee on the Judiciary.

By Mr. CRAMER:

H. R. 7598. A bill to provide for the conveyance of certain lands of the United States to the Board of Public Instruction of Pinellas County, Fla.; to the Committee on Government Operations.

By Mr. DENTON:

H. R. 7599. A bill to amend the Natural Gas Act, with respect to jurisdiction over sales of natural gas by independent producers; to the Committee on Interstate and Foreign Commerce.

By Mr. PRIEST:

H. R. 7600. A bill to amend the Public Health Service Act to authorize the President to make the commissioned corps a military service in time of emergency involving the national defense and to authorize payment of uniform allowances to officers of the corps in certain grades when required to wear the uniform, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GRANT:

H. R. 7601. A bill to restore to the rolls certain emergency officers heretofore granted retirement pay; to the Committee on Veterans' Affairs.

By Mr. KEOGH:

H. R. 7602. A bill to provide deductions for gifts to nonprofit voluntary health insurance plans; to the Committee on Ways and Means.

By Mr. O'HARA of Illinois:

H. R. 7603. A bill to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. PRICE:

H. R. 7604. A bill amending section 21 of the Atomic Energy Act of 1954, relating to the privilege of the members of the Commission on Atomic Energy; to the Joint Committee on Atomic Energy.

By Mr. PRIEST (by request):

H. R. 7605. A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food of new food additives which have not been adequately tested to establish their safety; to the Committee on Interstate and Foreign Commerce.

By Mr. O'HARA of Minnesota:

H. R. 7606. A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food of new food additives which have not been adequately tested to establish their safety; to the Committee on Interstate and Foreign Commerce.

By Mr. PRIEST (by request):

H. R. 7607. A bill to amend the Federal Food, Drug, and Cosmetic Act for the protection of the public health, by prohibiting new food additives which have not been adequately pretested to establish their safe use under the conditions of their intended use; to the Committee on Interstate and Foreign Commerce.

H. R. 7608. A bill to improve the health of the people by encouraging the financing of construction of licensed nursing homes; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMPSON of New Jersey:

H. R. 7609. A bill to exempt fine-arts programs from the admissions tax; to the Committee on Ways and Means.

By Mr. TUMULTY:

H. R. 7610. A bill to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. VINSON:

H. R. 7611. A bill to establish a date of rank for pay purposes for certain Naval Reserve officers promoted to the grades of lieutenant and lieutenant commander; to the Committee on Armed Services.

By Mr. CEDERBERG:

H. R. 7612. A bill to provide for the conveyance of certain lands of the United States to the Harrisville Consolidated School District, Alcona County, Mich.; to the Committee on Government Operations.

By Mr. COON:

H. R. 7613. A bill to authorize construction by the Secretary of the Interior of the upper division of the Baker project, Oregon; to the Committee on Interior and Insular Affairs.

By Mr. DEVEREUX:

H. R. 7614. A bill to provide that the Secretary of the military department concerned shall employ and provide counsel qualified to practice in such foreign court, to aid in the defense of any member of the Armed Forces of the United States who is accused of a crime and is to be tried in a foreign court; to the Committee on Armed Services.

By Mr. FRELINGHUYSEN:

H. R. 7615. A bill to facilitate and expedite the making of minimum-wage determinations and other determinations and interpretations by the Secretary of Labor under the Walsh-Healey Act; to the Committee on the Judiciary.

By Mr. HAGEN:

H. R. 7616. A bill to extend the authority contained in the act of September 3, 1954, for the admission of certain skilled alien sheepherders; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 7617. A bill to amend the Administrative Procedure Act, as amended, and for other purposes; to the Committee on the Judiciary.

By Mr. MURRAY of Tennessee:

H. R. 7618. A bill to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

H. R. 7619. A bill to adjust the rates of compensation of the heads of the executive departments and of certain other officials of the Federal Government, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. REES of Kansas:

H. R. 7620. A bill to adjust the rates of compensation of the heads of the executive departments and of certain other officials of the Federal Government, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. RAINS:

H. R. 7621. A bill to amend the Public Health Service Act so as to provide for grants to State health agencies to assist Hill-Burton hospitals in providing food for their patients; to the Committee on Interstate and Foreign Commerce.

By Mr. VAN ZANDT:

H. R. 7622. A bill to provide for a suitable and distinctive lapel button which may be worn by veterans of the Korean hostilities; to the Committee on Armed Services.

By Mr. YOUNG:

H. R. 7623. A bill to amend section 1, section 6, section 7, and the title of Public Law 463, 81st Congress (ch. 72, 2d sess.), and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KING of California:

H. J. Res. 400. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. MACHROWICZ:

H. J. Res. 401. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. METCALF:

H. J. Res. 402. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. SISK:

H. J. Res. 403. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. THOMPSON of New Jersey:

H. J. Res. 404. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. TUMULTY:

H. J. Res. 405. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. McDOWELL:

H. J. Res. 406. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. ADDONIZIO:

H. J. Res. 407. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. ASHLEY:

H. J. Res. 408. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. RODINO:

H. J. Res. 409. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H. J. Res. 410. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. UDALL:

H. J. Res. 411. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. WIDNALL:

H. J. Res. 412. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. GWINN:

H. Con. Res. 194. Concurrent resolution requesting the President to issue a proclamation designating the week of January 29, 1956, through February 4, 1956, as National Junior Achievement Week; to the Committee on the Judiciary.

By Mr. BARDEN:

H. Res. 316. Resolution to authorize the Committee on Education and Labor to conduct studies and investigations in the United States, its Territories and possessions, and the Commonwealth of Puerto Rico; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts memorializing the President and the Congress of the United States relative to favoring the amending of the Refugee Relief Act along the lines recommended by the President to the present session of the Congress; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. FRANCES P. BOLTON:

H. R. 7624. A bill for the relief of Cynthia W. Y. Wu; to the Committee on the Judiciary.

By Mr. DEROUNIAN:

H. R. 7625. A bill for the relief of Ursula Gerlinde Reinhardt Meinz; to the Committee on the Judiciary.

By Mr. LECOMPTE:

H. R. 7626. A bill for the relief of Viola Grace Smith; to the Committee on the Judiciary.

By Mr. PRICE:

H. R. 7627. A bill for the relief of Mrs. Alice Halbrook; to the Committee on the Judiciary.

By Mr. VINSON:

H. R. 7628. A bill to authorize the appointment in a civilian position in the White House Office of Maj. Gen. John Stewart Bragdon, United States Army, retired, and for other purposes; to the Committee on Armed Services.

PETITIONS, ETC.

Under clause 1 of XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

358. By Mr. GROSS: Petition of 30 residents of Mason City, Iowa, and vicinity favoring legislation to finance the costs of public highway construction on a pay-as-you-go basis; also favoring limiting the size and weight of motor vehicles; to the Committee on Public Works.

359. By the SPEAKER: Petition of Francisco Valle and others, Hatillo, P. R., petitioning consideration of their resolution with reference to endorsing the bill providing for increasing to $100 the pension to be received by each one of us—being veterans of World War I; to the Committee on Veterans' Affairs.

EXTENSIONS OF REMARKS

Invitation to Sponsors of North Atlantic Treaty To Name Delegates to a Convention

EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Tuesday, July 26, 1955

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a brief statement made by me yesterday before the Senate Foreign Relations Committee, in support of Senate Concurrent Resolution 12.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ESTES KEFAUVER BEFORE THE FOREIGN RELATIONS COMMITTEE ON SENATE CONCURRENT RESOLUTION 12, JULY 25, 1955

Mr. Chairman and members of the committee, I want to express my appreciation to this committee for your consideration in scheduling hearings today on Senate Concurrent Resolution 12. If adopted in its present form this resolution would provide for the President to invite the other democracies which sponsored the North Atlantic Treaty to name delegates to a convention for the purpose of exploring means of further unity among the democracies.

As the committee knows, I was joined in offering this resolution by Senators FLANDERS, HUMPHREY, JACKSON, LEHMAN, LONG, MANSFIELD, MCNAMARA, MURRAY, NEELY, NEUBERGER, O'MAHONEY, PAYNE, SCOTT, and SPARKMAN. I believe that my fellow sponsors would also join me in urging the committee to make any changes in the language in the resolution which you deem necessary in order to better define or make more precise its purposes. For instance, it is my understanding that the executive departments concerned may propose that the language be changed to have the invitation of the President issued on behalf of the Congress. Such a change would certainly be satisfactory with me and is in fact in keeping with our own constitutional history. The important thing is that we take a step now which the times demand and make such a convention possible.

The President's meeting at the summit emphasizes, in my opinion, the desirability of the step here proposed. In line with our own history of freedom in the United States and the comparable histories of freedom among our fellow democracies, these meetings of the heads of state serve to emphasize the desirability of meetings also among representatives of the people themselves.

We need now a meeting after the summit—a meeting of the sovereigns—a meeting of the people themselves from whom, under the democratic theory of government, all power derives.

I believe it to be significant that during the past few months an increasing number of the world's leaders have endorsed the plan here proposed. I have here the statement of Gen. George C. Marshall, former Secretary of State, former Secretary of Defense, and former Chief of Staff which I think is of sufficient importance to read in its entirety:

"A few days before the death of Justice Owen J. Roberts, I accepted his invitation of May 5 to become a member of the Council of the Atlantic Union Committee which he has headed since its foundation in 1949. In accepting, I wrote him May 12:

" 'I am honored to be counted among those who support the unity of free nations.'

"Justice Roberts' services to defense as well as to the judiciary were manifold, but perhaps the finest thing he did was the sacrifice he made in resigning from the Supreme Court to devote himself to the cause of Atlantic Union.

"The subject today is vitally important and the period fateful. All probably agree to the importance of Atlantic unity but few act.

"Recently a resolution calling for action was introduced in Congress by a distinguished bipartisan group from both Houses. It proposes that delegates from the United States and other NATO democracies meet in a convention 'to explore and report to what extent their peoples might further unite within the framework of the United Nations, and agree to form, federally or otherwise, a defense, economic, and political union.' This prudent proposal, which commits us only to exploration, deserves support.

"Thinking back on the development of our own Federal Union—on the doubts and difficulties which preceded the final union of the colonies, on the remarkable advance in freedom, invention, production, and living standards which followed on the solution of the early difficulties, and on the high degree to which the States have continued to maintain their individual personality and institutions—Americans should have a sympathetic understanding of this effort to overcome the limitations of national barriers in the approach to a solution for common problems.

"What I said when I addressed the conference of governors on July 14, 1947, I would repeat today: 'There is no blinking the fact that this country now stands at a turning point in its relations to its traditional friends among the nations of the Old World.'

"Either it must finish the task of assisting these countries to adjust themselves politically to the changed demands of a new age, or it must reconcile itself to seeing them move in directions which are consistent neither with their own traditions nor with those of this country. Whatever course is adopted will affect the lives and fortunes of people in every State of the Union."

This from the author of the Marshall plan.

I have here another statement from Mr. Robert Schuman, Minister of Justice in the present French Cabinet, former Premier of France, which I should like to read:

"The setting up of an Exploratory Committee (Comité d'Etude) regarding Atlantic Union which is advocated at present in the United States Congress by so many distinguished Senators and Representatives, is of the highest importance to all nations belonging to NATO.

"I have long been an ardent partisan of a European federation to be integrated itself in the Atlantic community. But certain European nations have hesitated to advance far in this direction so long as the United States, Canada, and Great Britain were not disposed to explore in common with them an eventual political, economic, and military union.

"If the American Congress accepts the Atlantic proposal of Senator KEFAUVER, all the democratic European nations should be happy to accept the invitation to send delegates to such a study commission. Should there result from the work of this conference and from later proposals the outline of an acceptable plan of union, in which each of the member nations would be attributed an equitable voting right protecting it from any eventual domination by a single nation—which should be contrary to the democratic ideal of the Union—we would then certainly have made a great step toward world peace and general prosperity."

This from the author of the Schuman plan.

Paul-Henri Spaak, Foreign Minister of Belgium said, in endorsing this proposal:

"The Atlantic exploratory convention resolution proposed in the American Congress by Senator KEFAUVER, Senator FLANDERS, and other leading Americans seems to me a most praiseworthy effort to obtain at least a preliminary examination of the advantages and disadvantages of closer cooperation among western democracies. I personally hope that such discussion will take place between the citizens of the Atlantic nations very soon."

Former Prime Minister of Belgium Paul Van Zeeland said:

"Any step leading to the acceptance or the support by the United States of the creation of a truly well-balanced and equitable Atlantic community would, in my opinion, be a great support and a strong inducement for those who are doing their best to create a European union.

"To sum up, it would be a major step towards peace and prosperity throughout the world."

Foreign Minister of Italy Gaetano Martino said of the resolution:

"I agree with Senator KEFAUVER that the peace of the world cannot be assured by methods of formal diplomacy alone; and I feel that any efforts on the part of leading citizens in different democratic countries to explore and carefully discuss the probable advantages, obstacles, and problems connected with some possible form of eventual democratic federation are very desirable, because the more discussion we have of these problems the closer is the likelihood of eventual solution."

Now just exactly what is this plan, why do I think it is necessary, and how would it work?

NATO is now the most integrated and developed international organization of the free world as well as the principal bulwark of its security. But NATO is still fundmentally a military alliance. In the military field it has created an Atlantic defense force under a unified command exercised by a supreme commander. But in the political field, power of decision still rests with 14 separate national governments which must agree unanimously before action can be taken—and NATO action is strictly limited to making recommendations. NATO has as yet no adequate machinery for the exercise of civil control over its military forces, despite the fact that civil control over military force is a basic principle of every democratic people.

The purpose of the resolution for an Atlantic Exploratory Convention is to bring about a meeting of the most competent citizens of the Atlantic democracies to determine what steps might be taken outside the military field to bring about unity of action. On behalf of the other sponsors of this resolution, I wish briefly to explain certain provisions in its enacting clause.

It requests the President to invite the other democracies which sponsored the North Atlantic Treaty—Canada, Britain, France, Belgium, the Netherlands, and Luxembourg—to name delegates to meet in a convention with similarly appointed delegates of the United States. There is no reason why the President should not, if he deemed it desirable, undertake this initiative jointly with the Prime Minister of Canada or Britain or of any other of these nations. Because these seven nations have already joined in sponsoring the North Atlantic Treaty, this exploratory convention can most appropriately be initiated by them.

But the resolution provides that the convention may invite other democracies to participate.

The delegates to the convention proposed in this resolution would be appointed by their governments, thereby insuring that men of the highest competence and experience would devote their full time to this high mission for as long a period as might be required. The delegates from the United States could appropriately be appointed by the President with the advice and consent of the Senate. They would include members of the principal political parties, a provision which clearly envisages the participation of Members of both Houses of the Congress. They would, however, as the last paragraph in the Preamble makes clear, act as individuals, in accordance with their individual convictions, just as the delegates did in Philadelphia in 1787. Under this procedure, division of the convention into national delegations, which would be instructed by their governments and would negotiate and bargain with each other as in a diplomatic conference, would be avoided.

The purpose of the convention is delineated clearly in the resolution. It is to explore and to report to what extent their delegates believe their people might further unite within the framework of the United Nations and to what extent they might agree to form, federally or otherwise, a defense, economic, and political union. After comprehensive exploration of possible courses of action within this broad framework, the delegates would draw up a public report of their joint findings and recommendations.

There is no commitment in this resolution other than to call for such exploration and recommendations by a body selected from the peoples of our democracies. There is certainly no commitment to any action which would decrease the powers of the Government of the United States. Any such action which the American people might consider wise at some future date in the light of the recommendations of the convention would necessarily be undertaken by the Congress of the United States in accordance with our constitutional processes.

Anyone who believes in our political system and ackowledges the sovereignty of the people should favor the convocation of a convention of this nature, limited in its function to exploration and recommendation. To oppose it is to say "No; we will not give the American people and other Atlantic peoples a chance to explore possible solutions of their common problems. We insist that the task of seeking solutions of these problems, even though they involve the lives of tens of millions of Americans and the future of our country, shall be entrusted solely to diplomatic officials."

This concurrent resolution opens to the democracies a new and broad road toward the attainment of our objective of peace with freedom. It provides the free nations with a means of taking the initiative in the war of ideas. We cannot win the war of ideas if we remain on the defensive. To move forward toward ultimate victory in this ideological struggle, to make possible an expansion of the frontiers of freedom which have receded so far in the last decade, we must take the offensive.

The passage of this concurrent resolution by the Congress of the United States would electrify free men everywhere, providing them with a new and tremendously dynamic idea. It would generate hope and confidence wherever people are permitted to read the news and listen freely to the radio, and some of that hope would seep through the cracks in the Iron Curtain.

The initiative depends solely upon us. In seeking closer union between free peoples, there is no limitation upon our capabilities except ourselves.

Keenotes

EXTENSION OF REMARKS
OF

HON. ELIZABETH KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 26, 1955

Mrs. KEE. Mr. Speaker, under leave to extend my remarks in the RECORD, I should like to include my newspaper column, Keenotes, on the subject of the adjournment rush. The column follows:

KEENOTES

(By Representative ELIZABETH KEE)

Did you ever stand and marvel at the way a circus is put together from what appears to be the most fantastic jumble of confusion ever created? Out of it finally comes a planned community of tents, of Big Top and side shows and rides and refreshment stands and everything is perfect down to the last detail.

Congress in the homestretch—in the midst of an adjournment rush—reflects a little bit of the fantastic confusion of the circus grounds early in the morning hours as the tents are just going up. There seems to be no order, no rhyme or reason, no plan, no recognizable pattern of activity—just confusion. And yet, it is remarkable how, out of all of this, comes a flood of carefully drawn, intelligent legislation under which our country can then operate during the 5 months, or so, of congressional recess.

Of course, if Congress let everything go to the last minute, this kind of record could never be accomplished. The "last-minute decisions" which seem to be made in the closing days of a session are instead a final recognition by both sides of important issues that neither side will surrender on basic principles and so a compromise long under consideration will have to be agreed to. Legislation is almost always a case of compromise—but when you feel you might carry your point all the way, you are reluctant to

compromise. In the final days of a congressional session, however, you face the choice of compromise or no legislation at all. So compromises are made.

And usually they are good compromises and good law.

The session now coming to an end has been a particularly productive one, and well run. The adjournment rush is a comparatively quiet one. Usually, at this point in a session of Congress, both the House and Senate are meeting almost continually, often in round-the-clock marathons, in an effort to get everything done which has to be done before adjournment.

Yet so current have we been on our work this year that the two Houses still can dispose of the business on the calendar in normal working days, and even take an occasional Friday off, as was done last Friday.

Of course, the intensive work—the long hours and the hard grinding—takes place primarily within the committees, where the bills are whipped into final shape for House or Senate consideration. The compromises are hammered out there, and consequently when a bill comes to the floor—generally with support from both Democratic and Republican leaders of the committee—the chances are 10 to 1 that it will go through as written in committee.

If we proceed at the pace we have been following in recent weeks, adjournment will come upon us almost by surprise. In past years, adjournment usually came simultaneously with mass exhaustion by all Members—they just seemed to wear themselves out and then quit in utter weariness.

It may yet happen that way this year, too; but it doesn't seem likely.

Chemicals in Food

EXTENSION OF REMARKS
OF
HON. J. PERCY PRIEST
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 26, 1955

Mr. PRIEST. Mr. Speaker, I have today introduced, by request, two bills designed to amend the Federal Food, Drug, and Cosmetic Act prohibiting the use in food of new food additives which have not been adequately tested with respect to their safety.

The first of the two bills, entitled "A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food of new food additives which have not been adequately tested to establish their safety," has been prepared by several organizations representing the food industries of the Nation. This bill supersedes a bill—H. R. 4099—which I introduced on February 16, 1955. The gentleman from Minnesota [Mr. O'HARA] introduced a similar bill.

The second bill, entitled "A bill to amend the Federal Food, Drug, and Cosmetic Act for the protection of the public health, by prohibiting new food additives which have not been adequately pretested to establish their safe use under the conditions of their intended use," has been prepared by the Manufacturing Chemists Association, Inc.

I have introduced these 2 bills in the hope that these bills, as well as 2 other bills dealing with the same subject now pending before the Committee on Interstate and Foreign Commerce—H. R. 4475, introduced on February 28, 1955, by Mr. DELANEY, and H. R. 5927 introduced on April 28, 1955, by Mr. MILLER of Nebraska—will receive the careful study and consideration of all interested Government departments, groups, and individuals.

The Armed Forces Medical Library

EXTENSION OF REMARKS
OF
HON. GEORGE P. MILLER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 26, 1955

Mr. MILLER of California. Mr. Speaker, on the south side of the Mall at the corner of 7th Street and Independence Avenue stands the old red brick building which houses the Armed Forces Medical Library, the greatest medical library in the world, now in its 120th year. The library was instituted in 1836 by Joseph Lovell, Surgeon-General of the United States Army, as the Library of the Surgeon-General's Office. Known variously under that name and as the Army Medical Library, and since 1952 as the Armed Forces Medical Library, it serves for all intents and purposes as the National Medical Library of the United States. Its collection of the world's medical literature, numbering almost a million items, ranges in date from a manuscript of A. D. 1094 to the latest printed book of 1955. Besides its outstanding collections of historical works, medical theses, portraits of physicians, and its unique section of American and foreign government and statistical documents, the completeness of its holdings of medical periodicals makes it a fountainhead of information surpassed by few other libraries.

The phenomenal growth and development of this great collection was predominantly the result of the vision and efforts of the great American physician John Shaw Billings, who administered the library for 30 years between 1865 and 1895, and during his term of office the present library structure was built—in 1887. The library is world-renowned, and we can believe that Sir William Osler spoke for the entire medical profession when he said:

> For the teacher and the worker, a great library such as this is indispensable. They must know the world's best work and know it at once. They mint and make current coin the ore so widely scattered in journals, transactions, and monographs. * * * The unique opportunities of the Surgeon General's library have done much to give American medicine a thoroughly eclectic character.

The Armed Forces Medical Library carries on an active service program. Material of clinical importance flows into the library from nearly every country in the world. Russian publications, Chinese periodicals, Icelandic, Turkish, Hungarian, Portuguese, Dutch, Swedish, and Spanish monographs and journals all make their contribution to the library's collection. Over 10,000 serial titles are regularly recorded. Each year it acquires 15,000 monographs and 100,000 journal pieces, the housing of which requires over half a mile of linear shelf footage. Each year its unrivaled interlibrary loan service places 133,000 volumes in the hands of medical research workers throughout this country. Over 1,000 reference questions are answered by the library staff each month, in the course of which many long medical bibliographies are prepared. The library is carefully cataloging all of its acquisitions, and issues each year a printed record of this work for all to see and use. The library publishes a monthly index to the current periodical literature of medicine in which over 100,000 articles a year are listed by author and subject. Interlibrary loans, bibliographical and photoduplication services make it possible for the doctor, wherever he may be, to have at his beck and call all of the library's resources. It is difficult to exaggerate the important influence this library has had on the advances in the medical sciences throughout the world. Indeed, Osler once remarked that this library and its publications constituted the outstanding American contribution in the field of medicine.

The Library has long since outgrown its present quarters. As early as 1917 a lengthy report to the 65th Congress proposed a new building for the institution. The quantities of literature which the Library has amassed have become so great that since 1942 over 30,000 of its most outstanding old and rare volumes have had to be shelved in rented space in Cleveland, Ohio, at the cost of more difficult and less efficient operation, due to the divided collection. While some temporary relief has resulted from the removal of the Library's sister institution, the Armed Forces Institute of Pathology, to its recently completed new building, within 2 years the available stack space in Washington will again be full to bursting, and the collection will still be divided between Washington and Cleveland. Under such circumstances, a new building to house this irreplaceable national treasure is an absolute necessity, as a survey committee of the American Library Association declared in no uncertain terms in 1944. Since then the pressure of the Library's space problems has grown enormously until at the present time a really desperate situation is being faced which can be solved only by the provision of a new building.

In the military construction bills presently being considered by conferees of the House and Senate, the Armed Forces are presently concerned with an item for $350,000 for architects' services for a new Armed Forces Medical Library building. Eventually some $6 million additional will be required for the construction of this building. Surely no money appropriated could better serve the needs of all citizens of this country. When a recent report of the National Science Foundation tells us that during the current fiscal year the Federal Government is spending $94 million on research and development in the medical sciences, it is difficult to reach any other conclusion than that the expenditure of a relatively modest sum for proper housing of the national medical

library, the services of which are absolutely fundamental and essential to the progress of these other, vaster, enterprises, is completely justified and extremely desirable.

For over a century the Armed Forces have operated this library in the public interest, and they have operated it well. How otherwise has it become the greatest medical library in the world? It is true that the library has had many setbacks, notably during the early thirties when, along with many other institutions, it suffered from a lack of funds. But since 1940, at least, the Armed Forces have directed a program of rehabilitation and reorganization of the library's collections which has in large part overcome the deficiencies of the previous decade. The Armed Forces have, in fact, developed a forward-looking service program, widely hailed as a sound one by both the library and the medical professions. Perhaps on no other issue, indeed, is medical thought so unanimous as on this: That the Armed Forces Medical Library ought to be adequately supported in the national interest, and that the outstanding item of current adequate support must be the provision of a new building for this monumental storehouse and nerve center of medical knowledge.

Today's demands for greater medical knowledge have placed heavy responsibilities on the Armed Forces Medical Library. To meet these responsibilities and to provide proper housing for its ever-expanding collection, a new and larger building must be secured. This great medical research library must continue to build and interpret its collection in support of medicine and its dedicated workers who seek the betterment of mankind through the prevention of disease and the alleviation of human suffering.

Election Day in Israel

EXTENSION OF REMARKS
OF
HON. THOMAS L. ASHLEY
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 26, 1955

Mr. ASHLEY. Mr. Speaker, because free elections are the symbol of a genuine democracy, I believe that all Members of this body rejoice in the fact that in one of the youngest democracies in the world, Israel, today is election day. Every citizen of Israel, over the age of 18, regardless of race, color, creed, or previous nationality, has the right to vote and it is estimated that 85 percent of the citizens of Israel will today make use of that right. The voters will go to the polls to determine the composition of the Knesset, or Parliament of Israel, the most important governmental body in the country. The current election will produce the third Knesset in the 7 years of Israel's history as a modern republic.

Mr. Speaker, here in the United States many millions of Americans have followed with pride and hope the struggle of this new nation to build a free land. It is encouraging indeed to see this vigorous people strengthening the cause of freedom and democracy in the Middle East.

Meeting With Red China To Discuss Formosa and Asia

EXTENSION OF REMARKS
OF
HON. THOMAS J. DODD
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 26, 1955

Mr. DODD. Mr. Speaker, last Sunday a distinguished and experienced Member of the other body of this Congress publicly suggested over certain television facilities that the Secretary of State of the United States meet soon with the so-called Foreign Minister of Red China to discuss Formosa and other questions in Asia.

Because of the prestige which this distinguished Member of the other body enjoys in this land, and because it appears that this suggestion is part of a calculated and well-planned effort to bring about recognition of the Red Chinese Government by the United States, and because the distinguished Member of the other body is a member of the Democratic Party, in which I also have membership, I am compelled to publicly state as a matter of record that this suggestion does not represent my views or the views of many other Members of Congress and that it is contrary to the best interests of the United States and of the free world.

Besides, it is opposed to the expressed will of Congress; and moreover, in conflict, I believe, with the will of a majority of the American people.

Curiously, this suggestion with respect to Red China comes from one who appears to be close to the foreign-policy makers of this administration.

Interestingly, the suggestion was made the day that the President arrived home from Geneva, and only a day before the State Department announced that the American Ambassador to Czechoslovakia would meet with Red Chinese delegates in Switzerland next week to discuss American prisoners presently confined in Communist China.

Remarkably, a similar suggestion was made by this same distinguished Member of the other body over the same facilities on the same program some months ago, and no spokesman for the administration criticized or repudiated the proposal made at that time.

In addition, and in the course of making this suggestion, it was intimated that the proposed meeting take place while Congress was not in session to avoid possible "trouble" with Congress.

Further, when it is recalled that this same distinguished Member of the other body with increasing frequency has been hailed as the congressional bipartisan spokesman on foreign policy, I feel compelled to warn the Members of this House and the public at large that there is ample evidence of a plan to rig de facto recognition of Red China now, and ultimately to obtain de jure recognition as an easy consequence of these now suggested diplomatic negotiations.

Those who would bring about the recognition of the lawless warmaking Red Chinese Government must be aware of the fact that in order to accomplish their aims, a back-door route, and devious methods and devices must be utilized.

To enter into these suggested conversations on a foreign minister level would alienate our friends in the Far East, would weaken our influence in the world, and debase our honor.

Because I fear that this suggestion will be carried into effect while the Congress is in recess, I record these words of warning and of exception today.

We Need Wheat Legislation

EXTENSION OF REMARKS
OF
HON. WALT HORAN
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 26, 1955

Mr. HORAN. Mr. Speaker, I feel it my duty to call the attention of the Congress to the urgent need for immediate consideration by the Committee on Agriculture of H. R. 1834 and other bills to exempt certain wheat producers from marketing-quota penalties under the Agricultural Act of 1938 in cases where all of the wheat crop is fed or used for seed on the farm.

As you know, the Senate on March 28 passed S. 46, which is identical with H. R. 1834. It is my understanding that these measures, together with several other bills which seek to accomplish similar ends, have been referred to a subcommittee of the House Committee on Agriculture.

An intolerable situation is developing with respect to assessment of wheat-marketing-quota penalties. With certain exceptions, the farmers who market wheat in excess of their quotas are subject to marketing penalties currently set at $1.13 per bushel. Requests for suits to collect such penalties from wheatgrowers who exceeded their quotas on the 1954 wheat crop are being filed at an increasing rate. The Department of Agriculture estimates that there may be as many as 1,500 such cases this year, involving production of wheat in 1954. Unless action is taken to collect these penalties, it appears certain that there will be many more violations in 1956, which would normally come up for legal action a year hence.

In many cases farmers who seek to avoid penalties plead that their wheat was not sold in interstate commerce, that they did not want price support, and that all of the wheat was used for feed or seed on the farm. Under the holding in *Wickard* v. *Filburn* (317 U. S. 111 (1942)), the farmer is liable whether the wheat is fed or sold if he exceeds his acreage allotment unless the planted acreage of wheat does not exceed 15

acres or an acreage from which the normal production does not exceed 200 bushels.

Another unusual example which has come to our attention involves a monastery in Georgia. The monastery has followed the policy of producing the wheat necessary for food at the monastery. None of the wheat is sold. The amount required for 1954 was in excess of the marketing quota. The monastery now finds itself liable to the Government for a penalty of $1.13 per bushel on the excess.

Congress did not contemplate situations such as this arising under the penalty provisions of the Agricultural Act of 1938.

What Is Ahead for the Members of the House on the Natural Gas Bill

EXTENSION OF REMARKS
OF
HON. JOHN W. HESELTON
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 26, 1955

Mr. HESELTON. Mr. Speaker, I suppose that every member of the House Committee on Interstate and Foreign Commerce is confronted, as I am, dozens of times each day with the entirely legitimate question, "What is going to happen on the gas bill?"

I doubt if any member of that committee has been or is able to answer that question with any certainty.

We do know that when the amended bill was before the committee back in June, the first vote was 14 to 14 and that then after reconsideration was moved and carried, H. R. 6645 was reported out by a vote of 16 to 15.

These facts are of particular significance for the following reasons:

First. The subject matter of exempting producers and gatherers of natural gas from regulation by the Federal Power Commission has been before that committee for several years but up to date the proponents of exemption have not been successful in their efforts.

Second. One of the most significant votes with reference to such exemption occurred on March 31, 1950, upon the adoption of a rule which would have taken such an exemption bill from the Speaker's table "to the end that the Senate amendment be, and the same is hereby, agreed to."

Third. Those who are still members of the House will probably recall that the rule was called up and considered at approximately 6 p. m. on Friday, March 31, 1950. The rollcall vote was 176 for the rule, 174 against it and 2 present. Thereafter this bill was vetoed by the President and there was no further consideration of the matter for obvious reasons.

Fourth. The committee held extensive hearings on H. R. 4560—the predecessor bill to H. R. 6645—during March, April, and May of this year. The printed record of the hearings includes nearly 2,000 pages.

H. R. 6645, which was reported by a majority of 1, with the full membership of the committee present and voting, was reported on June 28, 1955.

There followed a period of considerable uncertainty, even more confusion, and extensive polling of the House Members as to the possibility of passing the bill. In the interim, statements were published in the press and made over the radio and television to the effect that only President Eisenhower could bring about the passage of this bill by his active support of it.

Although this did not result in any such action by the President, a hearing was scheduled before the Rules Committee for Tuesday, July 26, 1955, at 10:30 a. m.

Fifth. If anything was demonstrated at that hearing, it was that this bill is a highly controversial one, technical in the extreme and one that cannot be considered adequately by Members of the House at this late date even though a most liberal rule for debate should be granted.

During this public hearing before the Rules Committee, the point was repeatedly brought up and emphasized that it would be most unfortunate if such a bill should be sent to the floor of the House during these closing days and hours of the current session. It was also pointed out that the morning press had quoted the acting leader of the other body as stating, after a 2-hour conference with the Democratic policy committee of that body, that this bill with one other bill was informally shelved for the session.

The question naturally arises as to why such an extraordinary effort should be made at this time to force this particular bill to a fruitless vote by the House. The answer to this question must be determined by each Member of the House who may be called upon to take any action with reference to H. R. 6645 during the next few days.

The Las Vegas High School Rhythmettes

EXTENSION OF REMARKS
OF
HON. CLIFTON (CLIFF) YOUNG
OF NEVADA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 26, 1955

Mr. YOUNG. Mr. Speaker, it is my pleasure today to pay tribute to an outstanding group of Nevada young people upon the occasion of their arrival in Washington.

The 22 lovely and talented ladies of the Las Vegas High School Rhythmettes are on a nationwide tour sponsored by the Nevada State Elks. The only group of this kind in the United States, the Rhythmettes set extremely high standards of behavior and character for young people throughout the State of Nevada.

Their repertoire includes brilliant military numbers, contemporay dance production numbers, precision dance routines, and novelty production numbers.

Since leaving Nevada on July 3 the Rhythmettes have appeared on the Toast of the Town television show in New York, the national convention of the Elks in Philadelphia, and at Brooklyn's Ebbets Field. Not only have they appeared before record-breaking audiences of the general public, but they have taken the time from their crowded schedules to do special shows in service and veterans' hospitals.

The founder and director of the Rhythmettes is Miss Evelyn Stuckey and the motto of the group is "Perfection in performance reflects perfection in living."

It is my feeling that the qualifications of the Rhythmettes are particularly noteworthy:

First. Moral and behavior standards of the highest character.

Second. Maintenance of good grades.

Third. Perfect sense of rhythm and timing.

Fourth. Ability to accept responsibility.

Fifth. A highly cooperative and friendly nature.

Sixth. Excellent general appearance.

Seventh. Keen interest in school and all school activities.

Eighth. Enthusiasm—sincere desire to attain perfection.

Ninth. Excellent health.

Tenth. Creativeness.

Mr. Speaker, one of the pleasures and privileges of being a Member of the House of Representatives is being able to welcome such a fine group of young ladies to the Nation's Capital.

Address by Clarence A. Davis, Under Secretary of the Interior, Before the National Rivers and Harbors Congress, Washington, D. C., May 31, 1955

EXTENSION OF REMARKS
OF
HON. A. L. MILLER
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 26, 1955

Mr. MILLER of Nebraska. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by Hon. Clarence A. Davis, Under Secretary of the Interior, before the National Rivers and Harbors Congress:

Mr. Chairman, I feel honored indeed to be invited to participate in the very distinguished program which you have assembled for the 42d national convention of the National Rivers and Harbors Congress.

The subject of this address, however, as printed in your program is the occasion of some little embarrassment.

The President used his address to your convention last year as the occasion for announcing the appointment of a committee to study national water resources and policies. That committee consisted of the Secretaries of the Departments of Defense, Agriculture, and Interior, with several other Departments and Agencies also participating.

I am sure it is proper for me to say to you that that committee has been meeting consistently during the last 12 months, exploring not only the numerous Federal ac-

tivities relating to water resources, but also the entire problem of water.

The committee has not yet presented its report, and I am sure you will understand, therefore, that I shall not discuss it. However, I am sure it will not be amiss if I discuss with you for a few moments some of the various problems which arise in a survey of the water resources of the United States.

The thing I should like to most impress upon your minds is the fact that there is no single water problem in the United States; that there are a multitude of problems; that they are nationwide in scope; but they are not necessarily national.

I suspect that all of our minds tend to emphasize different aspects of the water problem according to our various backgrounds and our various local interests. This organization in its very nature has been primarily interested in rivers and harbors, in navigation and flood control. These are important segments of the water problem, but they are only segments.

Those of us from the West envisage the water problem as primarily one of the storage of water and its application to land—irrigation, the reclamation of arid lands, and the building of the agricultural economy of the Western States.

But that, too, is only another segment of the water problem.

In other and older parts of the country water and stream pollution are beginning to loom as major segments of the water problem.

Throughout the country there is a growing and insistent demand that more consideration be given to the preservation or enlargement of the fish and wildlife opportunities and the opportunities for public recreation.

In many places water supplies heretofore thought inexhaustible have begun to show signs of depletion, and the problem of adequate supply confronts areas and individual communities.

Let us bear in mind that we have pretty much taken water for granted in most of the United States. We have not looked upon it as a really vital matter. We have never been under the necessity of paying very much, if anything, for water, and consequently, we have neglected to find many of the facts about water, its availability, and its necessary uses.

The consumption of water in the United States has increased so tremendously even in the last 25 years, that it staggers the imagination. The industrial uses of water are almost beyond our comprehension, and as new industrial processes develop and new uses, such as air conditioning, increase and supplemental irrigation is expanded into new areas where heretofore it was not thought necessary, we are intensifying the burden that we put upon the Nation's water supply.

There is sufficient water to meet these tremendous needs, but the task of husbanding our resources will require the best efforts of us all.

Many of the things we do not know are fully as important as the things we do know. In some areas of the United States water is being withdrawn from the ground at a rate of thirty times the rate of water replenishment. In some coastal areas we have drawn down the water table to the point where the salt water of the sea has intruded under the land surface. I assume we have all noted that in the areas of both Virginia and Maryland adjacent to the District serious water problems are developing.

It is not too difficult to foresee in many regions that in the course of time water may be more valuable and more of an asset than any of the other natural resources.

I think I can foresee some future conflicts of a very basic nature.

It is obvious that domestic supplies and uses of water must be maintained in the first priority of use, and yet it is not difficult to visualize developments where providing an adequate domestic supply will cut into and curtail the industrial or agricultural use of water.

We have areas in the United States already in which the supply of water may become a limiting factor in the population growth of the area and present tremendous conflict of interest between vested uses of water and the growing demands of an expanding population.

The amounts of money involved in these problems are tremendous, and even in this day of budgets computed in billions, they are still of a magnitude worthy of careful attention. For instance, it is estimated by one of our departments that an annual expenditure of $750 million a year is necessary to merely keep abreast of the problem of stream pollution. Most of this, if not all of it, will be borne by municipalities and the industries contributing to that pollution.

It is estimated by both the public and private agencies that the capital requirements necessary to keep abreast of the hydroelectric and irrigation developments in the Pacific Northwest will require consistently some $300 million a year. I believe the last report of the Tennessee Valley Authority indicated an investment need there of some $150 million a year. And, yet, these are only small areas compared to the total national requirements.

These amounts are not only approximately double the amounts of the average appropriations to these areas during the last 10 years, but if anything like that proportion of appropriations were maintained for other sections of the country, we reach almost astronomical figures.

It seems to me we may, therefore, appropriately ask, Whose water problem? And it seems to me the necessary answer is that it is everybody's problem—Federal, State, local, and individual.

For that reason there must be the closest cooperation and coordination of the various Federal agencies entrusted with particular programs and with the States and the local interests working in this field.

The Corps of Engineers' program of work with rivers, flood control, and navigation must be coordinated with the Bureau of Reclamation's program of water storage for reclamation and irrigation, and the program of agriculture, now nationwide, with its multitude of developments of small watershed controls, including water storage, which is just in its infancy, must be coordinated with both if we are to avoid conflicts in policies and interagency rivalries, not to mention inadequate participation of States and local interests, many of which are fully able to carry a substantial proportion of the burden.

There are conflicts of interest in the very nature of the program. It is not always possible to serve the conflicting interests in water resources development. It is not possible to build a dam across a canyon and impound large amounts of water for the irrigation of land, the improvement of the economy of a region, the enhancement of the fish and wildlife resources, and the improvement of recreational facilities without at the same time altering the natural beauties of nature and the isolated, solitary aspects which many people wish to see preserved.

As our population increases and our economy develops, I suspect these conflicts will become more apparent. What will happen when increasing domestic uses of available water supplies begin to curtail agricultural development and perhaps curtail industrial uses? How will we solve the great problems that arise with relation to the diversion of water from its natural courses to other uses?

We are in the midst of serious conflicts involving profound constitutional questions of the legal rights of the Federal Government and the States and individuals with reference to the ownership and control of inland waters.

We have inherent conflicts between the water appropriation laws of the West by which the right to use water has long been considered a property right under the laws of the States where all our property rights originate and the powers of the Congress under the commerce and defense clauses.

In some areas of the country there appear to be vast reservoirs of underground water, adequate for all foreseeable uses of the overlying land, and possibly providing surpluses. In other areas limited underground waters are available, but in some of these areas we are pulling water out of the ground much faster than nature is replenishing it. This means, of course, that sooner or later such areas are not only headed toward a water shortage, but perhaps such a failure of supply as will render agriculture in the areas impossible and may seriously handicap the region.

We need much more intelligent study and much more intelligent regulation by the States with reference to the use of underground waters, yet most of the States have been reluctant to invade this field, and in many cases there is not adequate information available by which it can be intelligently invaded.

A second potentiality in which Interior is engaged is a study of the problem of saline-water conversion. The Congress has made approximately $400,000 a year available for that purpose, and the method of handling has been to make research grants to colleges, scientific and industrial organizations to attract to this problem the finest minds of the country to discover, if possible, a cheap and practical process.

I am glad to report to you that a great deal of progress has been made. While the costs are still much in excess of the amounts which you and I would like to pay and are still too high for uses in a competitive industry, they are at a point where the burden of cost could be borne for strictly limited domestic uses. All of the processes involve the use of energy, however it may be obtained. The amounts required are great. But the scientists are continuing on their way. Perhaps solar energy in areas where sunshine can be depended upon, perhaps windpower and geothermal energy offer possiblities. All these sources are being explored.

If any cheap process for desalting water could be devised, the benefits can only be measured by the scope of our imagination. There are millions of acres of land in the world, readily irrigable with only slight lifts from the oceans, if that water could be made available. Fresh water would produce the food supplies, improve the living conditions and alter the economy of large regions of the world. Such a process might work almost as great a change in the economic conditions and the standards of living of a large part of the world as will the development of atomic energy.

A third fascinating possibility is that of weather control, where exploration is still in its infancy, and our scientists are most reluctant to express opinions.

This is a thumbnail sketch of some of the water problems as I see them. It is apparent that they go far beyond any possibility of exclusive Federal action. They must be met by unified effort in a spirit of cooperation between all of the Federal agencies, the States and local interests.

While they have an effect upon the national economy, the direct benefits of most of these resource development projects are primarily local. For that reason, it would seem there should be substantial contributions by the beneficiaries, regardless of the agency constructing the project, whether it be Federal or non-Federal.

Just as all must assume some share of the responsibility, so it would seem to me that all should share the costs.

There are many auspicious signs of a general awakening of States and local interests, public and private, toward assuming responsibility in the resource field. The deauthorization of some Federal projects to permit local interests to proceed and the large number of projects in the planning and financing stages by States, public agencies, municipalities, public power districts, irrigation districts, drainage districts, and private interests are evidence of a general public awareness of their responsibilities for large parts of the program.

To many of them capital is readily available, as are the skills and technicians that are necessary. The task is great enough for all. The needs are pressing. May we all be given the vision to view these problems in their nationwide aspect, free from any personal or sectional views. May we do our part and help others to do theirs that this great and necessary program can go forward.

Emergency Military Service by Commissioned Corps of Public Health Service

EXTENSION OF REMARKS
OF
HON. J. PERCY PRIEST
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 26, 1955

Mr. PRIEST. Mr. Speaker, I have today introduced a bill "to amend the Public Health Service Act to authorize the President to make the commissioned corps a military service in time of emergency involving the national defense, and to authorize payment of uniform allowances to officers of the corps in certain grades when required to wear the uniform, and for other purposes."

In order to give the Members of Congress adequate information as to the background and purposes of this bill, I would like to make public Secretary Hobby's letter, addressed to the Speaker, requesting introduction of this legislation, and a summary of the bill prepared by the Department of Health, Education, and Welfare. The letter and the summary are as follows:

DEPARTMENT OF
HEALTH, EDUCATION, AND WELFARE,
July 18, 1955.

Hon. SAM RAYBURN,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: We are enclosing for your consideration a draft of a bill "to amend the Public Health Service Act to authorize the President to make the commissioned corps a military service in time of emergency involving the national defense, and to authorize payment of uniform allowances to officers of the corps in certain grades when required to wear the uniform, and for other purposes."

This bill is designed to strengthen the personnel system governing the commissioned corps of the Public Health Service by providing certain authorities which are required for the effective performance of the responsibilities of the service during war and emergency periods, by authorizing the payment of uniform allowances, and by alleviating certain problems pertaining to personnel management.

A major purpose of the bill is to carry out the proposal in the President's health message of January 31, 1955 (H. Doc. No. 81), that the Congress take steps to "Strengthen the Public Health Service commissioned corps by improving its status * * *." The mission of the Public Health Service, as a major health arm of the Federal Government, is one of considerable scope and diversity. Although normally its functions are civilian in character and vital to the maintenance of the health and welfare of the civilian population, the Public Health Service through special use of its commissioned corps is available, as a standby service of the Armed Forces, to perform in time of war or national emergency, at the discretion of the President, functions and duties relating to the responsibilities of the Armed Forces and such other defense functions as may be assigned to it. Legislation, however, is necessary in order to enable the Public Health Service to perform these functions and duties more effectively during periods of national defense emergencies.

Under present law the President is authorized to convert the commissioned corps to military status in time of war only. The same considerations which underlie conversion to military status during such periods obviously may prevail during periods of emergency related to the national defense. It is therefore desirable to authorize the President to convert the commissioned corps to military status in time of national-defense emergency as well as in time of war. Authority for conversion of the commissioned corps to military status during such periods would constitute a firm basis for the full utilization of the Public Health Service, including the Inactive Reserve, in mobilization planning.

The personnel system of the Commissioned Corps needs to be strengthened in certain other respects. In the first place, as recognized by the President in his above-mentioned health message, legislation is urgently needed to provide an adequate system of survivor benefits for the dependents of deceased members of the Corps, which is now lacking. A specific proposal to accomplish this has been omitted from the enclosed draft bill only because such legislation has been reported favorably by the House Select Committee on Survivor Benefits as part of a broader proposal (H. R. 7089) covering all the uniformed services.

Another needed improvement—which is covered by the enclosed draft bill—relates to uniform allowances for members of the Corps. Existing law authorizes an allowance of $250 to commissioned officers of the Public Health Service in the lower three grades entering on active duty in time of war or so serving at the commencement of a war. No such uniform allowance is at present payable despite the fact that approximately 40 percent of such officers are now required to wear uniforms during duty hours. We recommend an amendment to section 213 of the Public Health Service Act which would authorize a one-time uniform allowance for these officers regardless of the existence or nonexistence of a state of war, but which would limit payment to those who are required by directive of the Surgeon General to wear uniforms.

The bill also contains certain other proposed amendments (more fully described in the enclosed summary) designed to simplify administration and result in better personnel management, which would extend the term of Reserve commissions; equalize the provisions for crediting prior noncommissioned service of Public Health Service officers toward retirement for age or length of service with the provisions for crediting such prior service for disability retirement purposes; and extend the present authority for extramural training assignments of Regular officers to Reserve officers and round out and otherwise amend such training provisions.

In addition, the bill contains purely technical amendments, which would clarify existing authority to make reappointments to the Regular Corps without examination, delete obsolete provisions and references, etc.

The enactment of the bill would result in increased costs to this Department, with respect to the payment of the uniform allowance, in an estimated amount of $110,000 for fiscal year 1956 and $60,000 for each fiscal year thereafter. Other potential costs, such as those arising out of the proposed authority for conversion of the Commissioned Corps to military status during defense emergencies, are not susceptible to an estimate at this time.

We should appreciate it if you would be good enough to refer the bill to the appropriate committee for consideration.

The Bureau of the Budget advises that it perceives no objection to the submission of this proposed legislation to the Congress for its consideration.

Sincerely yours,

OVETA CULP HOBBY,
Secretary.

SUMMARY OF BILL, PUBLIC HEALTH SERVICE COMMISSIONED CORPS

SECTION 1

Section 216 of the Public Health Service Act at present authorizes the President, in time of war, or of emergency proclaimed by the President, to utilize the Public Health Service to such extent and in such manner as shall in his judgment promote the public interest. It further authorizes the President, in time of war only, to declare the Commissioned Corps of the Public Health Service to be a military service and a branch of the land and naval forces of the United States. And it provides that while in such military status, the Commissioned Corps shall, to the extent prescribed by regulations of the President, be subject to the Articles of War and to the Articles for the Government of the Navy. The proposed amendment, the need for which is explained in the letter of transmittal to the Congress, would authorize the President to declare the Commissioned Corps to be a military service in time of emergency involving the national defense, as well as in time of war. Furthermore, reference to the Uniform Code of Military Justice would be substituted for the now-obsolete references to the Articles of War and the Articles for the Government of the Navy.

SECTION 2

Subsection (a) would amend section 213 of the Public Health Service Act to authorize the payment of a one-time $250 uniform allowance to those Regular and Reserve officers of the Service who (i) are on active duty on, or enter on active duty after, the effective date of the amendment, (ii) are receiving the pay of the junior assistant, assistant, or senior assistant grade, and (iii) have not at any time received a uniform allowance from the Service. The general effect of this amendment would be to delete from existing law the limitations of the uniform allowance to war periods. The need for this amendment is explained in the letter of transmittal to the Congress.

Subsection (b) would repeal, as no longer necessary, section 707 of the act of July 1, 1944, as amended, which authorized the retroactive payment of uniform allowances to officers who were appointed to the Regular Corps or called to active duty in the Reserve Corps after December 7, 1941, and prior to July 1, 1944, and who would have been eligible for the uniform allowance under section 213 of the Public Health Service Act but for the fact that their appointment or call to active duty occurred prior to July 1, 1944, the effective date of such act. Eligibility under section 707 is limited to officers who

were on active duty on or after November 11, 1943. After a lapse of 11 years it can be assumed that this section has been executed.

SECTION 3

Subsections (a) and (b) would amend section 207 of the Public Health Service Act by adding a new subsection thereto which would authorize the reappointment of former officers of the Regular Corps within 2 years after the termination of their prior commission in the Regular Corps without a new examination, except as the Surgeon General may otherwise prescribe, and without regard to the numerical limitations with respect to the appointment of officers in the full grade and above. For purposes of pay, promotion, and seniority in grade, such a reappointed officer would receive the same credits for service to which he would be entitled if such reappointment were an original appointment, but in no event less than the amount of credits he held at the time his prior commission was terminated. These amendments parallel existing authority contained in Public Health Service Regulations. However, we believe that it would be desirable to make explicit in the act the basis for the existing regulation.

From time to time officers of the Regular Corps who have resigned from the Service find it desirable to return to the Service within a relatively short period of time following the termination of their commissions. These candidates are well qualified professional persons who because of former association with the Service, are familiar with the responsibilities and the mission of the Service. The amendments made by these subsections would facilitate the reappointment of these candidates.

Subsection (c) would amend section 207 (a) (2) of the Public Health Service Act so as to extend the term of Reserve commissions from 5 years to an indefinite period. This amendment would parallel the practice of the Armed Forces to grant Reserve commissions for indefinite periods. Reserve commissions in effect on the date of enactment of this subsection would not, however, be affected unless the officer consents in writing to such extension.

SECTION 4

This section would amend section 210 (d) (2) of the Public Health Service Act by striking out the words "pay period and for purposes of." The words to be deleted had reference to the Pay Adjustment Act of 1942, as amended, which provided for longevity increases in pay every 3 years. This law was superseded by the Career Compensation Act of 1949. The language to be deleted no longer has any meaning.

SECTION 5

Subsections (a) and (b) would amend subsections (a) and (b) (1) of section 211 of the Public Health Service Act to authorize the crediting of all noncommissioned service with the Public Health Service for purposes of age and length-of-service retirements without regard to the date of appointment of an officer to the Regular Corps. The term "noncommissioned service" is used to describe any employment with the Public Health Service other than in a commissioned status.

Under existing law (sec. 706 of the act of July 1, 1944, as amended), the crediting of prior noncommissioned service with the Service for the purposes of age and length-of-service retirements is limited solely to those Regular officers who were appointed prior to July 1, 1944. An officer who has been appointed since that date may not receive credit for any noncommissioned service for purposes of retirement for age or length of service, notwithstanding the fact that from the date of his appointment to the Regular Corps he is excluded from the Civil Service Retirement System and his rights thereunder terminated. While such an officer receives a return of all contributions paid into the retirement fund, he loses all credits toward retirement for his prior noncommissioned service which he had accumulated under the Civil Service Retirement Act.

These amendments would equalize the computation of service for nondisability retirement purposes with the computation of service for disability retirement purposes at present authorized under the Career Compensation Act of 1949. Under that act, Public Health Service officers may be credited for physical disability retirement purposes with their noncommissioned service with the Public Health Service regardless of the date of their appointment.

Although these amendments would grant in some few cases, a number of years of civil service credit for staff-retirement purposes, the number of officers involved would not exceed more than a small percentage of the total strength of the Regular Corps.

Subsection (c) would amend section 211 (c) of the Public Health Service Act to authorize the recall to active duty of a retired officer of the Regular Corps without his consent while the Corps has military status. Existing law authorizes such recall only in time of war. The amendment is necessary to complement the amendment to section 216 of the Public Health Service Act proposed by section 1 of the bill which would permit conversion of the corps to military status in times of national defense emergency as well as in time of war. This subsection would also incorporate into section 211 (c) of the Public Health Service Act substantive legislation contained in the Department of Health, Education, and Welfare Appropriation Act, 1954 (67 Stat. 254, 42 U. S. C. 212b) which authorizes the recall to active duty of an officer of either the Regular or Reserve Corps with his consent at any time.

Subsection (d) would repeal the provision of the Department of Health, Education, and Welfare Appropriation Act, 1954, referred to above, which would be incorporated into section 211 (c) of the Public Health Service Act by section 5 (c) of the bill.

Subsection (e) would repeal section 706 of the act of July 1, 1944, as amended. See discussion under subsections (a) and (b) above.

SECTION 6

Subsection (a) would amend section 218 (a) of the Public Health Service Act which at present authorizes the training of Regular officers at educational institutions.

The amendment would extend this training authority to include Reserve officers. Within the Commissioned Corps very little distinction exists between Regular and Reserve officers, both of whom have already obtained their professional degrees. They work side by side on the same projects which may require advanced professional training in order that they may keep abreast of changing times and new professional techniques. Authority to train Reserve officers on the same basis as Regular officers would be in the best interests of the Service.

The scope of subsection (a) of section 218 is somewhat ambiguous with respect to training courses and programs, both within and outside the Federal Government, which may not technically be described as training at educational institutions. Non-Federal training programs are given from time to time under the auspices of various professional associations such as the American Medical Association, the American Trudeau Association, and the American Psychoanalytic Association. Within the Federal Government, Public Health Service officers have need for training given by various Federal agencies, such as the Foreign Service Institute conducted by the Department of State and the biological warfare defense course conducted by the Department of the Army. Although such programs are normally short-term courses, they are, nonetheless, essential to the training activities of the Public Health Service. The amendment made by this subsection would, therefore, clarify the authority of the Service to train officers at educational institutions or training programs, both within and outside the Federal Government.

Subsection (b) would amend section 218 (b) of the Public Health Service Act which now provides that an officer whose tuition and fees have been paid by the service while attending an educational institution shall reimburse the service for such costs if he voluntarily leaves the service within 2 years after the cessation of such attendance. In view of the fact that 62 percent of such training is for periods of less than 3 months, and that such training assignments are, in many instances, for a period of no more than 1 week, the requirement of 2 years of subsequent service is unduly harsh on the officer and is unnecessary from the point of view of the Government.

This amendment would require an officer who receives training in excess of 30 days for which tuition and fees are paid by the service to reimburse the service for such tuition and fees if thereafter he voluntarily leaves the service within a period of time which is equal to twice the period of such training, with a minimum period of 6 months of service and a maximum of 2 years. Such period of subsequent service would commence upon the cessation of the officer's prescribed training program which may also include other training for which no tuition and fees are paid, regardless of whether such other training is in a Service facility or otherwise. The amendment would also authorize the Surgeon General to waive, in whole or in part, the recovery of tuition and fees when such recovery would be inequitable or not in the public interest.

The amendment would provide a more reasonable and equitable basis for determining the conditions under which the recovery provision would be applicable. For example, it would exclude from such provision an officer who is assigned to a training course of 30 days or less, as a training course of such short duration is mainly for the benefit of the Government and may provide only a small degree, if any, of personal benefit to the officer. Likewise, it would permit a remission, in whole or in part, of the required reimbursement when such reimbursement would be inequitable or not in the public interest.

The proposed "two for one" formula with respect to service to be performed subsequent to a prescribed training period relates to the period of training for which tuition and fees have been paid, as compared to the fixed period of 2 years of service required under existing law. This formula is more equitable from the officer's point of view and yet would sufficiently safeguard the interests of the Government.

H. R. 7474, Utility Reimbursement

EXTENSION OF REMARKS
OF
HON. BRADY GENTRY
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 26, 1955

Mr. GENTRY. Mr. Speaker, H. R. 7474 contains a provision that 50 percent of the cost of relocating utility facilities necessitated by the construction of projects on the interstate, Federal primary, secondary and urban highway system may be paid from Federal funds

whenever, under the laws of the States where the project is being constructed, the entire relocation cost is to be borne by the utilities.

Stated rather baldly, this means that even though a utility has made a solemn, written, legal contract with a State that it will relocate its facilities in consideration of being given the use of highway rights-of-way, or even though it has requested and accepted a franchise to enter upon highway rights-of-way as a result of a statute enacted by a State legislature by which it specifically obligated itself to relocate its facilities to permit highway improvement—this reimbursement provision nevertheless would induce a vitiation of the legal contract, a violation of the valid State law and shatter every principle of State sovereignty.

This provision in the bill might have been stated another way in complete truthfulness and frankness. It might have said that if a State has passed a law which is sound in morals and in equity; a law that is solely and completely within the police power of the States, and completely without the powers and jurisdiction of the Government; and if, under such law, solemn, written contracts have been made between the utilities and the States at the specific request of the utilities by which the utilities gained valuable rights that saved them great expense—all in consideration of their one contractual promise to relocate their facilities when necessary to permit highway improvement—then, in that event, will not you, Mr. Sovereign State, vitiate your solemn contracts, violate your valid State laws, and destroy your sovereign rights by giving the poor utilities—such as the American Telephone & Telegraph Co., Western Union, and the great electric-power companies—50 percent of their relocation costs out of this money that we have collected from your citizens, presumably to build highways, but which we now send back to you only in part.

Before considering other aspects of a provision which can result in $970 million of these road funds being given to the utilities, let us treat for a moment some of its legal aspects.

State legislatures have sovereign control over highways—a control that is ordinarily delegated to its State highway department and lesser agencies of State government. The primary use of highways is for the traveling public, but other uses that serve the public interest are generally allowed. Thus, it is generally accepted that utilities may be permitted to place their facilities on highway rights-of-way under certain considerations and restrictions—always provided, of course, that their use does not inconvenience the traveling public in its primary use. Even though a utility is allowed to do this, its rights are secondary and subordinate to the interest of the traveling public, and always remain so.

No utility ever acquires a vested right to remain in any specific location on the highway. That is true because neither the State nor its delegated agency can make any contract which impairs its police power. It is universally held that highways is a proper subject for the exercise of police power.

Every decision in courts of last resort, without exception, has held that the State, acting through its legislature, its highway department, or its local governmental units has every legal right and reason to require a utility, at its own expense, to relocate any facilities on the public rights-of-way in order to permit highway improvement. Nothing in the nature of a Federal program of highway aid alters the fact that the State, in the exercise of its police power, has every right to request the readjustment of utility facilities in order to properly serve the highway user. Federal aid to highways consists merely in the appropriation of money derived in taxes on citizens of the States, to be matched in some amount by the States, and spent on a designated system of highways, provided certain standards are met. The Federal Government does not initiate these highway projects. The States have the sole discretion of determining whether highway projects are undertaken, the nature of the project, and whether it will be financed from State funds or from both Federal and State funds.

Thus Federal participation does not prevent the State from exercising its solemn police power in connection with a highway project. And, the Federal Government exercises no such control over these projects that would make highway departments merely agents of the Government. The Federal grants recognize only that the Federal Government has legitimate national interest in the improvement of highways.

Recognizing that the police power of the States, exercised through delegated agents, is supreme in the matter of rights-of-way as against everyone, let us revert to the present situation with reference to the utility provision in the highway bill.

Why should the Congress think of doing this? What is causing all the deep solicitude for the poor utilities? Just what is the reason for this effort not only to break State laws and vitiate solemn, legal contracts which the utilities requested and signed, but also to destroy the sovereign police power of the States, even though the States are now pleading with us that they want and need no intervention in this matter by Congress?

Just what would this provision do? In cases where valid State laws have given a franchise to a utility for use of rights-of-way, conditioned on their removal to permit highway improvement, it would authorize the States, regardless of such condition under their law, to pay 50 percent of removal costs out of Federal funds. Secondly, it would authorize the States to pay 50 percent of removal costs even though the States have made, and there are in existence, valid written contracts with the utilities, entered into at the utilities' own request, whereby the utilities gain the valuable right to occupy rights-of-way, free of any charge, as a result of their contractual promise to pay their costs of removal to permit highway improvement. Thirdly, it would authorize the payment of these removal costs with Federal funds even though the State has both a legal enactment and a valid, written contract with the utilities which pledged the utilities to pay its own removal costs in return for use of rights-of-way.

Stated quite bluntly, this is no business of the Congress. A powerful lobby, over a course of 2 or 3 years, has attempted to exert a pressure which would make the Congress do something which is wrong legally, equitably, and morally. It is something which should not be legislated in this body. Its effect, under the circumstances and in the manner it is being attempted, would destroy every remaining vestige of state sovereignty. This is made no less true because of the subtle approach and the seemingly benign language of the provision in question. The language is permissive in the House bill but it is mandatory in the provision passed by the other body and it likely will be mandatory in the conference report provided we pass it in any manner here. The result sought to be attained, that of getting the money for the utilities, is the same in both measures and there is little doubt that it would bring about that result.

If Congress has determined to wipe out State capitols in their entirety and make Washington a completely all-powerful, centralized bureaucracy regardless of the laws of the States, regardless of existing legal, written contracts made by the States, and regardless of the States' sovereign police power, it has picked a perfect issue on which to do so.

What are some of the facts of this case which show the extent, the import, and the viciousness of this provision? Forty-three States either have legally enacted laws providing for the issuance of franchises permitting utilities to use highway rights-of-way under the condition that their facilities must be moved by them when highway improvement is needed or have entered into legal written contracts with the utilities, at the utilities' specific request, in which the utilities solemnly contracted to readjust and relocate their facilities in order to secure rights-of-way.

These laws were passed and these contracts were made under their sovereign State police power. Were these laws enacted by the States and the contracts entered into by the States at the request of the utilities, fair laws and fair contracts? Are they equitably and morally just? Were they entered into to protect the primary use of the traveling public on the highways? Were they a proper and just exercise of the police power of the States through their delegated agencies, the State highway departments? They would seem to be all of these. Then why should we even consider doing something which would subvert the laws passed by the States, which would vitiate contracts legally made by the States for the protection of its citizens, and, worst of all, why an effort which would effectively destroy the sovereignty of the States in the exercise of their police power?

The laws permitting utilities to use rights-of-way, under certain conditions and restrictions, were enacted because the utilities asked for them. The contracts they have made with the States

were at their own insistence. They have saved great sums of money as a result of these laws and contracts. Rights-of-way have been maintained for them at the expense and inconvenience of highway users and without expense to them. The new rights-of-way required for the interstate system will cost the highway users billions of dollars. The utilities will not pay 1 cent of it, but they expect to occupy it free of any charge. They expect it to be maintained for them, also free of charge. But the spokesmen of the utilities now demand, in this legislation, that the highway users not only build new rights-of-way for them, and maintain it for them, forever, but that they also move the facilities on to any new location and pay the removal bill, all without legal sanction, and, in most cases, in direct contravention of solemn contracts which the utilities asked the States to make with them by which they acquired the valuable right to enter upon the highways in the first instance. This would completely and permanently change the historic and legal relationship between the parties. It would destroy the States police power in regard to highway rights-of-way and would make the States completely subordinate to the utilities, instead of the reverse, as it is at present under the sovereign power of the States.

But possibly there are some who feel that the utilities are in such desperate financial straits that any action, however extreme and however destructive of State sovereignty, is justified. That could be the only possible reason by which anyone might seek to justify what is being attempted here. Let us see what the facts are in that regard.

Moody's Manual of Investments gives figures which show that the utilities will make for their owners during the 13-year period of the proposed road program clear net profits, after all taxes and expenses, of considerably more than $25 billion. Now let us say that removal costs will be $2 billion in those 13 years, a figure higher than I have heard estimated. Two billion dollars in removal expenses would cost the utilities less than $1 billion, since 52 percent of the $2 billion would otherwise be paid in taxes. Are not the removal costs, then, almost insignificant when compared with the lush guaranteed profits of the utility owners?

Now, under the facts, who actually would get the almost $1 billion handout, provided the highly benevolent and philanthropic spirit of Congress toward the utilities is expressed through the passage of this provision of the highway bill?

American Telephone & Telegraph Co., by its own statement, owns 90 percent of all telephone lines. That means it will get more than 90 percent of all reimbursements paid to telephone utilities, one of the largest of our utility groups Since it has no legal right to any payment whatever the only question that remains is whether it has any moral claim to reimbursement. That seems to be conclusively answered by the fact that it has made a great number of contracts throughout the years with the States, many of them recently, in which, in order to secure free rights-of-way for its facilities, it pledged itself in writing to remove such facilities to permit highway improvement. Every one of these agreements is a legal contract and is in full force and effect today. They have saved American Telephone & Telegraph Co. great sums of money. Does it need the money it will get under this provision? In addition to the cash yearly dividend of $9 paid for many years on each of the 50 million shares of stock owned by its stockholders, it recently reported retained earnings of almost $800 million. Does not such prosperity, practically guaranteed under present laws, give a conclusive answer as to whether it needs the approximately $200 million which could be paid to it under section 7 of the highway bill? Should we pass a law which says to the States that we are willing to have them pay A. T. & T. approximately $200 million of any highway funds we provide them? I am not willing for the States to have congressional authority to do that because A. T. & T. is not entitled to it. Certainly it does not need the benefits of this beneficient provision nearly as much as does our Treasury and our highways.

Then we have our telegraph utilities. Really it is now only one utility since Western Union, with Government approval, became a complete telegraph monopoly a few years back. Does Western Union, contrary to State laws and contrary to its legal contracts with the States by which it is obligated to pay its removal costs, need a handout? Within the last 3 years—and since it became a monopoly—its common stock has increased in value more than 800 percent. I do not believe we should suggest to the States that our Treasury be raided to give Western Union a considerable sum of taxpayers' money. In fact, I don't believe we should even say to the States that we would pay one cent to Western Union, the circumstances being what they are.

Then we come to the electric power companies. There is little need for comment as to their solvency or even as to the state of their financial prosperity. Their prosperity is guaranteed as much as anything can be guaranteed in this country of ours. The class A and B utilities alone—the biggest ones, of course—in recent reports show retained earnings of $2,200,000,000 over and above dividend payments through the years. What a nice, fat, backlog that is. Just $2,200,000,000. A conservative estimate would seem to be that the electric power companies will receive a cut of some $250 million of the bounty provided in section 7 of the highway bill. Do you want to give the States the permission to hand them all this money when you know it would not only be a violation of State laws but a vitiation of legal contracts these companies have themselves made with the States by which they secured valuable rights enabling them to save great sums of money, part of it at the expense of the highway user? I can hardly believe that you want to do that, but that is exactly what this bill does.

But there are those who say that they know of a small utility which may need a little help. It is being reported that the representatives of the major utilities, which will get at least 90 percent of the benefits from this reimbursement provision, are saying in the corridors of the Capitol and the House Office Buildings that their great interest is in some small utilities which they feel might be unduly burdened if it is not passed. Their great concern for some little man, imaginary or otherwise, is, I am sure, responsible for their tremendous effort, sustained for some time now, to pass this legislation.

It might be well to remember in this connection that employees of the State Highway Departments live and work in every section of every State of the Union. There are few counties in our country which do not have residents who are employees of the State highway department. These employees take their place in the life of their communities and they know its problems. They mix, mingle, and go to churches and clubs with the people among whom they live. Should there happen to be a small utility for which road improvement would create a burden, would not the highway department know about it? If the State felt it a highly meritorious case it would require no act of Congress for it to be helped. Certainly it would not require the payment of hundreds of millions of dollars of taxpayers' funds to the major utilities of our country in order to move a few poles for some little fellow in Podunk, Pa.

What do the State agencies exercising the State police power in the matter of States rights-of-way have to say of this reimbursement provision? They have come to Washington from great distances twice in recent months and even though they welcome the opportunity to build the great highway system which they feel the country needs, they had the courage to state their very strong opposition on each occasion to the inclusion of this provision.

The president of the American highway officials characterized it as an effort on the part of the utilities to avoid contractual obligations by Federal legislation. Could anything be stronger, or a more correct appraisal, than that?

We should remember that by this provision the Congress is saying to the States that they may do something which the States have been insisting, and are still insisting, that they do not want to do and which they feel would be very unjust for them or anbody else to do. In that position, the States seem to be on eminently sound ground.

Keenotes

EXTENSION OF REMARKS

OF

HON. ELIZABETH KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 26, 1955

Mrs. KEE. Mr. Speaker, under leave to extend my remarks in the RECORD,

I should like to include my newspaper column, Keenotes, which follows:

KEENOTES

(By Representative ELIZABETH KEE)

Few really large American cities could survive a month-long strike of public mass transportation as well as Washington has done it. It has been a remarkable demonstration of a city going about its business almost as usual—but, of course, with a lot of personal inconvenience for many people.

From the very start of the transit stoppage on July 1, business and Government proceeded without any real hitch. Many were late at first getting to work or home, but they did get to work and they did get home. Traffic at peak hours was frightful, but thinned out fast, even though just about everything on wheels that was in shape to drive seemed to be on the downtown streets.

Washington was able to coexist so well with a transit strike only because of a number of distinctive features about the city and those who live and work in the Nation's Capital. (Just imagine New York without subways, buses, or street cars.)

For instance, for years Washington had more taxicabs than any city in the country, including New York City. It still has an unusually large number compared to other cities, and rates are comparatively low—particularly for group riding.

Group riding—not only in cabs but in private passenger car pools—has been an accepted and very popular thing in Washington since early in World War II. Every large Government agency has its car pools of workers living in the same part of town and taking turns driving a full car to work each day. When the strike began, car pool notices—rides needed or rides available—began going up on corner drug store bulletin boards (another Washington neighborhood phenomenon).

Many Washington workers commute by train to within walking distance of both home and work and never use the transit system.

Washington's main traffic arteries are unusually wide, accommodating greater traffic flow and providing lots more room for parking than most cities. With the start of the strike, cars were permitted to park on the trolley tracks in the middle of such wide thoroughfares as Pennsylvania and Connecticut Avenues, and parking meter restrictions were lifted to permit all-day parking in 1-hour zones. This was a bonanza for motorists who usually parked in lots or garages; if they got into town early enough, they could park free all day. So garage and lot space they used to fill then became available for shoppers and others.

Although hours in Government agencies are staggered to some extent, the city is used to a concentrated, heavy influx of private cars each morning and an equally heavy outflow each evening—usually on turn-about 1-way streets with fast-paced traffic lights and few bottlenecks. The strike merely intensified the flow.

With most traffic headed in one direction, it was customary to be offered a ride if you were waiting at the curb for a taxi. Motorists went blocks and even miles out of their way to be helpful.

But for those who traveled at other than rush hours, or were headed away from the direction of traffic, the only answer for those who did not have their own cars was the ubiquitous taxi—and that can be expensive even in a city where taxi rates are low.

One group above all others made it possible for Washington to get along so well during the strike—the city's magnificent police force. The men worked 12-hour shifts each day—in 95 and 100-degree temperatures—keeping traffic moving and streets fairly clear. The police became the city's heroes overnight.

A Move in the Right Direction

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 26, 1955

Mr. HOFFMAN of Michigan. Mr. Speaker, before Uncle Sam gets a dollar someone has to earn it and then turn it over to the tax collector.

Without those tax payments, Uncle Sam could not stir a foot nor lift a hand. Cf that fact, everyone is aware.

Nevertheless, there are those who have been able to entice some agency or department of the Federal Government to go into business in competition with taxpayers. Always the result has been to deprive some taxpayer of his opportunity to establish and continue a business, give employment, and meet tax levies.

Usually the Government has gone into competition with private business because some Congressman or some group of Congressmen, at the request of their constituents, insisted that Uncle Sam engage in a specific business so as to benefit the local community.

The 83d Congress last year passed a bill which died in the Senate, which it was my privilege to introduce, the purpose of which was to have the Government discontinue the activities of its departments which were in direct competition with individuals, or private corporations, and which could be carried on by those private interests, without injury to the national defense.

A similar bill was introduced this year, is now pending before the Committee on Government Operations, and it was hoped that it would go through Congress before adjournment.

Not waiting for the enactment of this proposed legislation, but acting on its own initiative, as is proper and commendable, the administration—and here I mean the President—has instructed the Department of Defense, wherever it can be done without impairing our national security, to discontinue its competition with the taxpayers.

The Department of Defense, notwithstanding bitter and vicious criticism from some Members of Congress, has already discontinued 143 establishments operated by the Army, Navy, Marine Corps, and Air Force, including tire retreading activities, cobbler shops, sawmills, bakeries, office equipment, furniture and automotive repair shops, laundries and dry-cleaning establishments, ice and cement-mixing plants, tree and garden nurseries.

The Department recently ordered the discontinuance of some 37 additional facilities, including scrap-metal baling, coffee-roasting plants, rope and paint manufacturing.

Recently, when Congress inserted in the $31 billion defense appropriations bill a provision which, if enforced, hampered the President in his effort to minimize this ruinous competition, the President asserted that under the Constitution the Congress could not prevent the use of the order which he had made, and that unless the courts ruled otherwise, he would continue to get the Government out of competition with private enterprise.

A statement of the facts shows that the President is on sound ground, both from a legal and economic standpoint.

The administration is to be commended for this forthright, effective, courageous action.

What Are the Facts About the Independent Producers Who Would Be Exempted From Regulation by the Federal Power Commission Under H. R. 6645?

EXTENSION OF REMARKS

OF

HON. JOHN W. HESELTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 26, 1955

Mr. HESELTON. Mr. Speaker, among the other confusing aspects of the testimony before the House Interstate and Foreign Commerce Committee with reference to the exemption of producers of natural gas from regulation is the lack of anything like exact or adequate information with reference to those producers.

This cannot be attributed to any lack of interest or effort on the part of members of that committee. Rather, despite the reported $1½ million educational campaign on the part of those seeking exemption, any careful reading of the printed hearings will disclose a noticeable inadequacy of factual information from those producers themselves as to the essential facts of their activities.

However, fortunately, Members of the House who may be called upon to vote upon this bill during the last few days or even hours of this session can have certain information of considerable significance.

From data compiled by the Federal Power Commission, it appears that in 1953 there were 4,365 independent producers who sold natural gas to natural-gas companies.

Of this number, 174 such producers, with sales exceeding 2 million thousand-cubic feet per year, sold 90.74 percent of the total volume of such gas.

Conversely, 3,736 such producers sold only 2.1 percent of such gas.

The balance was devoted to other purposes.

Next, any examination of the available statistics makes it crystal clear that there is an enormous concentration in a few producers so far as natural-gas production and ownership of reserves are concerned.

According to these statistics in 1953, something over 4¼ billion thousand-cubic feet was so sold.

Twenty-nine producers accounted for sales in excess of 2¼ billion thousand cubic feet.

Turning to the sales of individual producers, it appears that Phillips Petroleum Co. was by far the leader, accounting for 457,445,147 thousand cubic feet.

The next company, Stanolind Oil & Gas Co., a subsidiary of the Standard Oil Company of Indiana, sold 202,562,446 thousand cubic feet.

The third company, Humble Oil & Refining Co., a subsidiary of the Standard Oil Company of New Jersey, sold 175,975,859 thousand cubic feet.

The fourth company, Magnolia Petroleum Co., a subsidiary of Socony-Vacuum Oil Co., sold 157,553,211 thousand cubic feet.

The fifth company was the Shell Oil Co., with sales of 156,356,923 thousand cubic feet.

In short, these 5 companies alone sold in this period 27.07 percent of all the natural gas sold by nontransporting producers to the interstate pipeline companies.

There then appear such extensive and prosperous activities as those undertaken by the Gulf Oil Co., the Atlantic Refining Co., Skelly Oil Co., the Texas Co., Sun Ray Oil Corp., Union Oil Company of California, Continental Oil Co., Pure Oil Co., Tidewater Associated Oil Co., and Sinclair Oil & Gas Co.

The conclusion has not been disputed and cannot be disputed that in this period 29 producers, mostly large oil companies, sold 63.24 percent of such natural gas.

It was because of facts such as these and because of the complaints arising as to hardships which might be placed upon small producers under Federal regulation that I introduced H. R. 4924, which would exempt approximately 96 percent of the natural-gas producers who sell less than 2 billion cubic feet a year.

It is clearly established that such a classification is entirely legal.

I wish to cite the following cases in support of that legal proposal: *Wilson* v. *New* (243 U. S. 332), and *Chicago, Rock Island & Pacific Railway Co.* v. *United States* (284 U. S. 80, 93).

Moreover, I do not think it will be disputed that the elimination of this large body of the very small independent producers would remove a most substantial administrative burden from the Federal Power Commission. Incidentally, this has been and undoubtedly will be used as an argument in favor of the overall exemption provided by H. R. 6645.

Furthermore, I do not think anyone can study these statistics without coming to the positive conclusion that these thousands of small producers could not, under any stretch of the imagination, affect or control the price of natural gas in interstate commerce.

It is my intention to offer the substance of this bill as an amendment at the proper point in the consideration of H. R. 6645 if the bill is brought up for consideration on the floor.

I hope that this brief explanation of the reasons justifying such an amendment will result in the support of all those who are interested in a realistic and effective regulation of the flow of natural gas in interstate commerce, which is clearly a congressional responsibility.

The Outrage on General Taxpayers of Federal Reclamation

EXTENSION OF REMARKS
OF

HON. RALPH W. GWINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 26, 1955

Mr. GWINN. Mr. Speaker, I dare say that the great majority of the Members of this House has no idea of the scandalous operations of the Bureau of Reclamation. They have been going on for 50 years. What is more, it appears that the Members from the central West and the East and South and some from the far West have been dead asleep. We hope this is not true of the present Members. While they slept in the past the Government took, mostly from their States, over $2,175,000,000 as of June 30, 1952. And they are now committed to at least $1,588,000,000 more, a total of at least $3,745,000,000, and maybe double that. No one can tell.

For example, a vast new project before Congress is called the upper Colorado storage project. Just to get started the Bureau wants an authorization of $1,093,000,000. To complete it will take 25 years or more. Goodness knows what the figure will be for our grandchildren to pay. No one can even guess that. The Bureau itself does not know and says so. Of course, Congress does not know. Yet by the logrolling, back-scratching game of politics the taxpayers have been committed for years and years to come.

The Hoover Commission task force pointed out that "the Federal Government has used water resources and power development projects, which should be undertaken exclusively for economic purposes, to accomplish indirect social and political ends. Instead of being undertaken and operated for the purposes stated, Federal water resource development projects have been used in some instances to promote collateral objectives." The Hoover task force "found that project costs are frequently underestimated, that benefits advanced by various Federal agencies as justification for projects are often exaggerated, that unsupported and unsupportable claims are made for indirect benefits. In some instances projects have been recommended and authorized without economic justification of any kind. Overestimation of irrigation benefits has reached a point where the Bureau of Reclamation has claimed justification for the expenditure of $1,000 to $2,000 an acre for the development of irrigated land which, on the basis of information available to the task force, would not be worth more than $200 an acre."

According to the Bureau of Reclamation reports, out of 34 irrigation projects, 31 would produce more hay and grass to produce more dairy products, viz, butter, cheese, and dried milk. Then more tax dollars will be required to buy them up and put them in storage. They may mold and waste away. Twenty-seven out of thirty-four projects would grow more grass and hay to grow more sheep to produce more surplus wool to put in storage at more taxpayer expense. The cost to the Nation's taxpayers will be as high as $5,000 an acre to bring water to the hay and grass fields. The land reclaimed would not be worth $200 per acre. No hay and grass fields are worth more than that. Yet, W. A. Dexheimer, Commissioner of the Bureau of Reclamation, represents to Congress and the taxpayers that these reclamation projects will not add to surplus agricultural products in his press release of May 13, 1955, when he says "most products of western irrigated farms are not under price support or acreage control and are not surplus."

This illustrates how characteristic and common misrepresentation is when bureaucrats engage in improper functions of government. And all this is an improper function of limited constitutional government. It becomes even ridiculous. For example, the Department of Agriculture calls for lower price supports for certain agricultural products we cannot use. It orders a decrease in acreage allotments so as to reduce unneeded production and the burden on taxpayers. Another bureau of Government, the Bureau of Reclamation, under Mr. Dexheimer, calls for spending billions of the same taxpayers' dollars for more Western mountainous desert acres which will grow more farm surplus products, viz, butter, milk, and wool, to buy up and put in storage. None of it makes any sense to taxpayers. But the taxpayers are unorganized. Besides they do not know about these things. Only those who get the benefits are organized and they trade their votes for these benefits. It is as bad as a shell game. It is worse because it is all so vast even Congressmen on the ground cannot fathom it.

When politicians support a project like the upper Colorado River boondoggle, they must be thinking of votes. Such a project means enormous gifts of money to a few persons; it means brief boom times for a few desert towns; it means that craftsmen and laborers must be transported at great public expense to remote areas of the mountain west; it means some wild spending; and most of all it means a successful raid on the Treasury of the United States. There is an unbroken record of "no returns" to the Federal taxpayers. The payments made by the few projects that have nearly paid out or are now paying on account are not paid back to reduce the advances by taxpayers but are paid out again for new projects. A Government that will wrongly take private property to do special favors for a group of voters in return for their votes will, of course, resort to misrepresentations and deceit to develop some more of the same. Not one of these irrigation projects started since 1902 has paid for itself.

The Bureau of Reclamation recently issued to the House Interior Committee a table purporting to show how much each State would receive back for services, materials, and equipment for the construction of the upper Colorado River project. For instance, my own State of New York, according to the Bureau,

would benefit to the extent of $77,398,000 for possibly some machinery orders. How the Bureau guesses the amount of benefits does not appear. The phony part, the deceitful part, is the careful omission of the cost to my State and to all taxpayers in each State for the whole project. For instance, New York taxpayers in order to get back $77,398,000 in business orders would be assessed $493 million as their share of the $4 billion subsidy necessary to complete the project, according to the Council of State Chambers of Commerce bulletin No. 134, June 1955. Its net contribution to Rocky Mountain farmlands would be $416,202,000. How the other States would fare is as follows:

State	Amount Bureau says it will receive	Cost to taxpayers
Arizona	$37,036,000	$20,400,000
Alabama	7,025,000	46,000,000
Arkansas	2,145,000	27,200,000
California	125,248,000	372,800,000
Colorado	47,981,000	36,400,000
Connecticut	15,181,000	69,600,000
Delaware	1,429,000	14,800,000
District of Columbia	774,000	
Florida	2,797,000	67,600,000
Georgia	8,157,000	61,200,000
Idaho	5,963,000	13,600,000
Illinois	53,463,000	276,000,000
Indiana	23,815,000	102,400,000
Iowa	5,357,000	62,000,000
Kansas	10,270,000	52,400,000
Kentucky	5,953,000	50,800,000
Louisiana	5,536,000	53,600,000
Maine	3,452,000	18,800,000
Maryland	9,108,000	102,400,000
Massachusetts	26,970,000	127,600,000
Michigan	41,556,000	196,400,000
Minnesota	8,157,000	69,600,000
Mississippi	2,382,000	26,000,000
Missouri	12,980,000	100,000,000
Montana	4,275,000	16,000,000
Nebraska	6,547,000	34,000,000
Nevada	4,667,000	6,800,000
New Hampshire	2,441,000	12,000,000
New Jersey	33,400,000	144,000,000
New Mexico	17,006,000	15,200,000
New York	77,398,000	433,600,000
North Carolina	13,158,000	66,800,000
North Dakota	1,403,000	12,000,000
Ohio	50,844,000	236,000,000
Oklahoma	7,809,000	44,800,000
Oregon	9,847,000	44,000,000
Pennsylvania	55,549,000	277,600,000
Rhode Island	5,240,000	20,800,000
South Carolina	6,370,000	34,400,000
South Dakota	2,056,000	13,200,000
Tennessee	7,681,000	55,600,000
Texas	34,575,000	194,400,000
Utah	61,716,000	16,000,000
Vermont	1,191,000	7,600,000
Virginia	8,395,000	67,600,000
Washington	14,631,000	68,400,000
West Virginia	5,299,000	35,600,000
Wisconsin	18,100,000	88,000,000
Wyoming	10,719,000	8,000,000

When the Bureau gets through with this upper Colorado River project it has a list of 269 additional projects it hopes to build in the future. The Bureau regards itself as permanently in the business of "the investigation of water resources of the West is (as) a continuous process." It has no intention that the taxpayers will ever get their money back.

If the taxpayers are going to remain so dumb as to let their Government stay in this kind of business we must expect a repetition of the past. For example, the Bureau of Reclamation admitted that on the Colorado-Big Thompson project after they got the water canals all built the water froze up and would not run. The project had to be scrapped or else cement covers had to be put on miles of canals in the frozen mountains to keep the water from freezing. Congress could not be made to look ridiculous so it appropriated $4,150,000 to try to salvage the whole project from the ice. The additional cost not now contemplated for the Frying Pan-Arkansas project will be more than $64 million when this has to be done, according to engineers' testimony before the House Interior Committee. No one can expect the taxpayers to get back a cent from such crazy schemes. They have not done so in the last 50 years. There is less reason to expect it in the next 50.

To make the picture complete a maximum of only 6 million acres could possibly be irrigated and reclaimed in the desert country by the year 1975, according to the Bureau's program. According to the Department of Agriculture that would be a little over one-half of 1 percent of the present total land in farms now in use. To reclaim western arid lands costs from 20 to 50 times that of draining and clearing ordinary farmlands in the humid areas with plenty of annual water fall. There are 20 million acres of fine crop land available when needed. Besides that, they are located much nearer the big city markets.

Congress may commit a great asset—water for four States—to grow forage crops for dairy cows and wool on sheep's backs in the mountainous uplands of the Rockies. Former Governor Miller, of Wyoming, Chairman, Natural Resources Task Force, First Hoover Commission, stated that every thousand gallons of water in this area would grow 10 cents' worth of such crops:

It could be used to produce $5 worth of industrial products.

And of course it should be preserved for that if not necessary for human consumption. Adm. Ben Moreel, Chairman of the Task Force on Water Resources and Power, said that our precious water resource "should be committed sparingly in order to retain the maximum degree of flexibility in our rapidly changing future economy."

The answer to the reclamation business is too obvious. Yet a governor of a State and the Congressmen in that State may not be reelected unless they continue to whoop it up for more and more of the same old reclamation and electric power dam projects. The Governor of Wyoming wrote asking me and other Congressmen to support the upper Colorado River project. My reply follows:

JULY 8, 1955.

HON. MILWARD L. SIMPSON,
Governor of Wyoming,
Executive Department,
Cheyenne, Wyo.

DEAR GOVERNOR SIMPSON: Your letter of June 10 to me indicates that the enclosed Denver Post editorial of May 10 adequately states the feelings of the majority of the people in Wyoming favoring the Colorado River storage project and participating projects. It may take more presently unascertainable billions from the taxpayers. But, Governor, the majority, whoever they are, now turn out to be dead wrong on nearly all reclamation projects for the last 50 years. Of the earlier irrigation projects a very few were economically feasible. The cost per acre was low, the land was fertile, the growing season long, and high-value crops such as melons, grapes, beans, celery, tomatoes, asparagus, etc., have been grown as in the Central Valley project of California.

But in this Colorado project the Congress is being asked to provide funds to irrigate lands in the mountainous uplands, at altitudes between 5,000 and 7,500 feet. At these altitudes, as you well know, the winters are long and cold and the summer growing season short. The crops are mostly grass and hay which is of very low value, and it frosts nearly the year round.

Upper Colorado project construction costs for the hydroelectric projects per kilowatt capacity are almost 5 times higher than Hoover Dam and 6 times that of the Grand Coulee. In terms of cost per kilowatt-hour, it ranges from 4 to 6 times that of the existing hydro-electric dams. It would be cheaper to generate the power from the greatest coal deposits in the world, located in the upper Colorado region including your own State. Surely the upper Colorado is the worst possible project for the development of hydroelectric power.

The Government estimates of cost for reclamation projects has been so uniformly wrong as to indicate a deliberate intent to deceive the Congress in these undertakings. According to their own testimony before the Subcommittee To Study Civil Works, 82d Congress, 2d session, House Committee print No. 21, page 17, the Bureau of Reclamation admitted that on the basis of its present authorized construction program, actual construction costs run about 106 percent above the estimated costs prepared.

The bills call for an expenditure of $1,658,460,000. The total interest charges that will have to be absorbed by the United States taxpayer will amount to $1,153 million according to Mr. C. W. Crosthwait, acting Commissioner of the Bureau of Reclamation. Isn't it true, then, that the actual estimated cost at the moment is $2,811,460,000? But on the record of performance for the Federal agencies for over 50 years we must assume that estimates are deceptive and that the actual cost of the upper Colorado project will be 106 percent higher, making an ultimate cost of at least twice $2,811,460,000 or $5,622,920,000. That is $140 for every American family plus the deficits in operation plus the exemption of taxes on that capital which would otherwise be in private business which amounts to more billions the general taxpayers must pay because the upper Colorado projects are made tax exempt.

In the larger projects like this the deceptions are the most shocking. For example, the total estimated cost for the Missouri Basin project as originally proposed was $1,257,645,700. Some 10 years later, as set forth in the hearings before the House Appropriations Subcommittee, 83d Congress, 2d session, "Interior Department Appropriations for 1955" the estimate of cost had risen to $5,449,827,000 which was an increase of $4,192,181,300 or 333 percent. Federal agencies repeat such mistakes so regularly that lack of plain honesty is the only conclusion possible. They fool one Congress, then a new project comes before a new Congress and the same type of deception is worked over and over again.

Such is the evidence of political irresponsibility, logrolling, and buying of votes is common to all Government projects that go beyond the legitimate functioning of government. Proper government must always be defensive or protective in character. Then it can be and generally is honest. When it goes beyond that it is always dishonest and corrupt in its purposes and its means of carrying it out. To illustrate, the Hoover Commission task force on water resources and power in its report, June 15, 1955, stated that it "has been forced to the rather depressing conclusion in view of the general competence and quality of performance of the Federal agencies, that most of the weaknesses revealed by its studies are inherent in bureaucracy."

The cost of the three projects in your State on a new lands basis, including the interest on the bonds, paid not by the people to be benefited but by the general taxpayers in far distant States, is as follows: Costs of irrigation for the LaBarge project is estimated at $472 per acre. Costs of irrigation for the Seedskadee and Lyman projects, respectively, is estimated at $861 and $1,755 per acre. Since the Department's record for deliberately underestimating costs is 106 percent for 50 years, you must more than double the estimates. So on the basis of experience the costs for irrigating the 3 projects will be nearer $944, $1,722, and $3,510 per acre, respectively. In view of this record, how can you logically ask me to support these projects for new land when our most valuable farmlands for hay, grass, and silage do not exceed $250 per acre?

Stack all this alongside of the mountains of surplus agricultural products we already have: the $8 billion taken from the people to pay growers of butter, milk, wool, corn, wheat, cotton, peanuts, tobacco, etc., because there are too many acres under cultivation.

The ridiculous consequences of our own socialistic management of our economy now requires the Secretary of Agriculture to propose cuts of acreage of various crops by possibly 20 million acres. Wheat acreage has been cut from 78 to 55 million acres.

So when and if our needs for additional crop acreage increases in future years, this acreage and many other millions of unused acres can be brought into cultivation. Besides, according to the Department of Agriculture and the American Society of Agricultural Engineers, there are over 20 million acres of fertile wet or swampland nearer the markets that can be drained at less than $100 an acre without continuing annual charges for irrigation.

Surely the time has come to stop this uneconomic and immoral game of groups organizing to get theirs from the public feed trough because others are getting theirs. To do that the States legislatures must reassert the constitutional limitations on the Congress and limit its taxing and spending powers. Government must be reconfined to its true function of defending American life and property instead of managing them.

Sincerely yours,

RALPH W. GWINN.

Description of 23 Relief Portraits and 2 Paintings in the Redecorated Chamber of the United States House of Representatives

EXTENSION OF REMARKS

OF

HON. CLYDE DOYLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 26, 1955

Mr. DOYLE. Mr. Speaker, having been heretofore granted unanimous consent so to do, I am pleased to present for the information and identification of all of my colleagues and any others who read the same, the instructive information about the 23 relief portraits of historical characters in the history of legislation and lawgiving, which relief portraits occupy valuable space upon the walls above the gallery of the House of Representatives.

I also include similar information as to the two large paintings of George Washington and General Lafayette.

Some of the reasons which caused me to make the necessary inquiry and study to obtain the information and data about these relief portraits on which we look each day, and the only two paintings which occupy our working Chamber, are as follows:

First. The lettering underneath each relief portrait giving the name of the historical legislator or lawgiver is so small and indistinct that as we sit on the floor of the House, many Members cannot readily read the name of each relief portrait because they are so far away from us.

Second. I have had many inquiries about said relief portraits and have been asked many times as to who each of these historical persons are as relates to the legislative processes. I frankly state that I have not heretofore been able to satisfactorily answer such inquiries. Furthermore, I know that many Members have been similarly situated in being asked that same question.

Third. For myself, I have been sure that it would add to my information and inspiration as a Member of this great legislative body if I did know at whom I was looking when I daily sit in this great legislative body and look at these 23 portraits which appear in the marble high over the gallery doors and surrounding gallery walls of the Chamber of our House of Representatives, wherein I recognize the great privilege and honor I have of now serving my ninth year.

Fourth. I felt it would be of considerable interest to a great many American citizens and students of Congress to have this necessarily brief word picture of what is carried upon the walls of the House of Representatives.

These relief portraits were placed in the Chamber of the House of Representatives during congressional recess of the years 1949–50. You will remember, Mr. Speaker, that when we returned to our daily duties in January 1951, there were many interesting questions and many queries raised by some Members of the House in their speaking about it as to why these particular relief portraits occupied the valuable and significant space on the walls of the House of Representatives of the United States of America. Furthermore, and not least of all, queries were made by some Members of the House as to why so many of these relief portraits were those of historical characters of ancient times and from foreign nations. Well, Mr. Speaker, the text of the information I herein set forth, which was furnished me upon request by the Library of Congress, will give you some data on these relief portraits. I hope this data will not only prove of interest but of real value and assistance to Members and to their many friends who make inquiry on the subject. But before I do that, Mr. Speaker, I am sure we are all interested in that magnificent, large painting of George Washington which honors the wall of the Chamber at floor level just to your right as you stand in the Speaker's rostrum facing the membership of the House. It was painted by John Vanderlyn and was acquired by the House of Representatives in 1834 for the total sum of $2,500, by virtue of House resolutions in 1832 and 1834. The magnificent, large painting of General Lafayette was painted by the distinguished artist, Ary Scheffer, which honors the walls of the Chamber just to your left as you stand in the rostrum and was made a gift to the House of Representatives by the artist. These two paintings are the only paintings gracing the walls of the Chamber of the House of Representatives. Neither are there photographs or other paintings within the Chamber itself but in the private entrance hallway to the Chamber, which is largely limited to use by Members, are the large paintings of each of the distinguished Speakers in the history of the House of Representatives.

Mr. Speaker, behind your chair rests the flag of the United States of America, which is so beautifully draped. It is a daily inspiration to us Members as we sit in our respective places and listen to your scholarly, able, and fair parliamentary rulings and decision.

Mr. Speaker, because I am herewith endeavoring to make at least a simple word picture of the decorations of what is on the walls of the House and in the Chamber of the House itself, in addition to our seats and the 4 large mahogany tables, 2 of which are on each side of the political aisle, I herewith include a part of the text describing the mace, which rests to your right as you sit or stand facing the Members which you so ably govern in their parliamentary and legislative problems and procedures.

The mace of the House of Representatives is, aside from the flag, the only visible symbol of Federal Government authority. It has no counterpart in the United States Senate, none in the Supreme Court. It is as old as the Government itself, having been provided for in a resolution adopted by the House during the First Congress in 1789. Ever since it has served as the active symbol of authority of the Sergeant at Arms, who is charged with the duty of preserving order on the floor of the House.

The first mace used by the House was destroyed by fire when a British Army burned the Capitol in 1814. Thereafter a mace of painted wood did service until 1841, when the present mace—a fine example of the silversmith's art—was made by William Adams of New York in reproduction of the original. It is 46 inches in height and consists of a bundle of 13 ebony rods, representing the Original Thirteen States of the Union, bound together with a band of silver in imitation of the fasces originally carried by the lictors in ancient Rome. From the center of this bundle of rods protrudes the stem of a silver globe which is 4½ inches in diameter. The globe is surmounted by an eagle of solid silver with outspread wings.

When the House is called to order each day a Deputy Sergeant at Arms places the mace on a cylindrical pedestal of polished green marble at the right of the Speaker's desk. From the moment the Speaker raps for order it begins to play a silent but important part in the day's proceedings. While the House itself remains in session the mace is kept in position at the Speaker's right, but is removed to a lower pedestal by the desk of the Sergeant at Arms when the House

resolves itself into Committee of the Whole. Members can thus tell by a glance at the position of the mace whether the House is in session or in Committee. This is significant because it requires 218 Members to constitute a quorum for business in the House and only 100 when the House is sitting as a Committee of the Whole.

The cost of the mace was very small, considering its intrinsic and historic value. An interesting item in the statement of the expenditure of the contingent fund of the House of Representatives from December 1, 1841, to December 1, 1842, reads, "William Adams, a mace for hall, H. R., $400." Today its value, real and sentimental, far exceeds that figure.

It was originally proposed, following English parliamentary usage, that the mace should be placed on the Clerk's table during sittings of the House and under it when the House should be in Committee of the Whole. The proposal however, was rejected by the House, which adopted the present far more impressive practice, under which the great symbol is kept always in view of Members on the floor of the Chamber and of the ever-changing groups of visitors in the galleries.

OF ANCIENT ORIGIN

The mace is of ancient origin, deriving from the fasces of Roman antiquity. When the First Empire was overthrown and the Roman Republic was established, the fasces assumed a new civic dignity.

MACE OF THE HOUSE OF COMMONS

The mace now borne before the Speaker in the House of Commons was made in 1649 by Thomas Maundy for the Commonwealth Government of Oliver Cromwell, altered, however, in insignia. What became of the mace used prior to the Cromwell period is not recorded.

In 1880 the Speaker undertook to quell an incipient fight between two Representatives, William A. J. Sparks, of Illinois, and J. B. Weaver, of Iowa, when they used such menacing words and threatening actions toward each other that many Members rose to separate them. Whereupon the Sergeant at Arms moved about the House with his mace of office and order was restored.

HISTORIC MACES

There are two historic maces in America which antedate the mace of the House of Representatives, indeed antedate the organization of the Federal Government. The older of these, an ornate specimen, was presented to the Corporation of Norfolk, Va., in 1753. The other is still in honorable service in the House of Representatives of South Carolina and was made in London in 1756 at a cost of 90 guineas.

Mr. Speaker, while I do not herein name or identify or place each of the great seals of each of the States of the United States which surround the lower ceiling of the House, I do state that the great seal of the United States of America is in position almost directly above you as you stand facing the Members, while to the left and right thereof are the seals of the Territories of Hawaii and Alaska, and then extending further to the left and the right respectfully the beautiful seals of the States themselves.

Following is the identification of the relief portraits referred to: To the east of the Speaker's rostrum as the Speaker faces the membership: First, Jefferson; second, Napoleon; third, Blackstone; fourth, Grotius; fifth, Simon de Montfort; sixth, Innocent III; seventh, Suleiman; eighth, Maimonides; ninth, Gaius; tenth, Papinian; and eleventh, Solon.

To the west of the Speaker's rostrum as the Speaker faces the membership of the House: First, Mason; second, Pothier; third, Colbert; fourth, Edward I; fifth, Alphonso I; sixth, Gregory IX; seventh, St. Louis; eighth, Justinian; ninth; Tribonian; tenth, Lycurgus; and eleventh, Hammurabi. In the center of the north wall is Moses.

A brief biographical sketch of each of the relief portraits is as follows:

RELIEF PORTRAITS IN THE REDECORATED CHAMBER OF THE UNITED STATES HOUSE OF REPRESENTATIVES

The redecorated Chamber of the United States House of Representatives features a series of medallions portraying 23 historic characters. These individuals were chosen as representative of the great lawgivers of the world who contributed to the American law system. An inscription that accompanies them, appearing high above and behind the Speaker's desk, reads:

"Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests and see whether we also in our day may not accomplish something worthy to be remembered."—Daniel Webster.

This is the only quotation or verse or saying on the walls of the House.

The subjects of these relief portraits were selected by the Architect of the Capitol, after consultation with many authorities and approval by the Special House Roof and Chamber Committee. A biographic sketch of each of these great men is attached hereto.

The statements given above and the list of subjects have been provided by the office of the Architect of the Capitol. The sketches summarize salient—and apropos—material found in the Encyclopedia Britannica (1942 edition) and the first and second editions of the Columbia Encyclopedia. Articles in these sources were found to complement one another and material from both sources was used in every sketch, with the exception of that of Pothier, who is not listed in the Columbia Encyclopedia.

The Architect of the Capitol has released a statement that serves to explain why each man was chosen for inclusion in this group. It is attached as an appendix to this report. Some of the material therein does not appear in the following biographical sketches because it does not appear in the sources used in their preparation.

HAMMURABI—FLOURISHED CIRCA 2100 B. C.

Hammurabi was a great king of Babylonia. His military and political achievement of establishing a central and efficient Government at Babylon is regarded as one of the most far-reaching events in ancient history. Henceforth Babylon was to be the political and intellectual center of West Asiatic history right down to the Christian era.

Hammurabi's name is particularly associated with the great law code which he was declared to have received from the sun god, Shamash. This is one of the greatest of ancient codes. Promulgated for the use of the courts throughout the empire, it is particularly strong in its prohibition of defrauding the helpless. It is genuinely humanitarian, although one savage feature is the retributive nature of punishment, which follows "an eye for an eye" literally.

MOSES—FLOURISHED CIRCA 1400 B. C.

The lawgiver of Israel and the founder of her nationality and religion, Moses stands out as one of the greatest figures in history.

From his infancy, according to Exodus, there were constant signs of God's selection of Moses to lead His people. His leadership in the Exodus and his prominence in the great covenant at Sinai are well known and documented. It was he who welded into one people the various kindred tribes under his leadership. But further details must be a matter of conjecture.

Not only the Ten Commandments, but the whole Mosaic Law as found in Leviticus, Exodus, and Deuteronomy are ascribed to Moses. However, close study of the Bible makes it difficult if not impossible to accept the tradition which accredits to him every detail of Israel's legal and cultural institutions. Even the earliest code of laws in the Bible (Ex. xxi–xxiii) is simply a local and national form of the civil law common to Babylonia, Assyria and the Hittites and was probably adopted by Israel after the settlement in Canaan.

LYCURGUS—FLOURISHED 7TH-9TH CENTURY B. C.

Lycurgus is the reputed founder of the Spartan Constitution. According to a standard hypothesis he lived in the seventh century B. C. He may be a mythical figure.

Tradition represents Lycurgus as finding Sparta the prey of disunion, weakness and lawlessness, and leaving her united, strong and subject to the most stable government which the Greek world had ever seen. To him we may attribute the unification of the several component parts of the State, the strict military organization and training which soon made the Spartan hoplite the best soldier in Greece, and above all the elaborate and rigid system of education.

His subordination of the individual citizen to the all-powerful state has been the model of subsequent police states, but it has yet no parallel in the history of the world.

SOLON—CIRCA 635–559 B. C.

Solon was an Athenian statesman and lawgiver. His amatory poems and patriotic and didactic verse won him inclusion among the Seven Sages. He led the Athenians in a victorious military campaign. But his enduring renown rests on his economic and constitutional reforms.

Solon was elected archon at a time when the nobles held unchecked all the governing power of Athens and the new capitalists virtually owned the entire peasant class. Receiving the unlimited powers of a dictator, he annulled all mortgages and debts, put narrow limits on the amount of land anyone could add to his holdings, outlawed contracts in which a person's liberty was pledged, and put limits on the amount one might spend on various functions, such as funerals. Other state controls included those over exports, education, the use and sinking of wells, bee-farming, the planting of olives and figs, and the cutting down of olive trees.

Solon's new constitution laid the foundations of the Athenian democracy and paved the way for its later developments. The assembly was thrown open to all freemen. He erected a whole new law code that tends toward democratization. His reforms were characterized everywhere by a moderation that made him the model of Greek statesmen.

GAIUS—CIRCA 110–180 A. D.

Gaius was a celebrated Roman jurist of the second century A. D. Of his personal history very little is known. Indeed, it is impossible to discover even his full name, Gaius being merely the given name.

Gaius is remembered for his institutes, which contributed materially to our knowledge of early Roman law, and on which much

of Justinian's work is based. The Emperor Valentinian named him, along with Papinian, Ulpian, Modestinus, and Paulus, as one of the five jurists whose opinions were to be followed by judicial officers in deciding cases.

Besides the institutes, which are a complete exposition of the elements of Roman law, Gaius was the author of several other works. His interest in the antiquities of Roman law makes his work valuable to the historian of early institutions.

PAPINIAN—DIED A. D. 212

Papinian (Aemilius Papinianus) is generally considered to be the greatest of Roman jurists. He was magister libellorum and afterwards Praetorian perfect under the emperor Septimius Severus. An intimate friend of the emperor, Papinian accompanied him to Britain and became the guardian of his two sons. In 212, one of these brothers, after committing fratricide, had Papinian put to death.

Papinian was noted not only as a jurist of wide learning and great comprehension, but as a stern moralist. His works are known to us through the numerous quotations of them in the Theodosian Code and in the Digest of the Corpus Juris Civilis (see Justinian). The constitution of Theodosius II and Valentinian named him the principal of 5 jurists set up as authorities to be cited in future decisions of the courts (see Gaius).

JUSTINIAN—A. D. 483–565

Justinian I (Flavius Anicius Justinianus), surnamed The Great, is the most famous of all emperors of the Eastern Roman (Byzantine) Empire. He recovered Africa from the Vandals and Italy from the Ostrogoths, but met with less success in fighting Persia. He insisted upon the supremacy of the emperor over the Church, not only in matters of organization, but also in matters of dogma. He engaged in various important controversies about dogma, but never succeeded in creating unity.

It is as a legislator and organizer of the law that Justinian's name is most familiar to the modern world. His greatest accomplishment was the compilation of the Corpus Juris Civilis, which has influenced all subsequent legal history. Finding the law of the Roman empire in great confusion, he ordered the preparation of this work—consisting of the Codex Constitutionum (a collection and revision of the imperial constitutions from the time of Hadrian), the Digesta or Pandectae (a revision, abridgment and rearrangement of the classical jurists), the Institutiones (a handbook for students), and the Novellae (the new laws instituted by Justinian). The Corpus was not a codification but a consolidation. Thus regarded, Justinian's work may appear to entitle him and Tribonian to much less credit than they have received.

TRIBONIAN—DIED A. D. 545

Tribonian (Tribonianus) was a famous jurist and chief legal minister to the emperor Justinian. Under the command of Justinian, he directed the compilation of the Corpus Juris Civilis, the most important collection of Roman law and the basic document of modern civil law.

It is not possible to determine exactly what Tribonian himself contributed to the Corpus Juris Civilis. In all likelihood he wrote a large part out of his encyclopedic knowledge of Roman law. Of the four parts of the Corpus, he was the most important editor of the Digest, Institutes, and Codex. Of the Novels (the new laws) he must have been a principal author, as chief legal minister. Tribonian was probably not a juridical thinker, like the great five jurists (see Gaius), but his knowledge of Roman law and his somewhat pedantic erudition was absolutely essential to the great project that he directed.

MAIMONIDES—A. D. 1135–1204

Maimonides (Rabbi Moses Ben Maimon, or Rambam) was born in Spain and migrated to Cairo, Egypt, where he became the greatest of all medieval Jewish scholars. He produced a great commentary on the six orders of Mishna[1] (where he was the first to enumerate the fundamental dogmas of Judaism), a collection of discourses, a work on logic, a treatise on the calendar, several medical books—including an important work on hygiene—and the great philosophical work, Moreh Nebukim (Guide for the Perplexed). In the latter work he explains the esoteric ideas in the Bible, formulates a proof of the existence of God, expounds the principle of creation, and elucidates baffling metaphysical and religious problems. The work has dominated Jewish thought and exerted a profound influence upon Christian and Arabian thinkers.

The greatest scholastic work of this savant-physician-philosopher was the Mishna Torah, a classified compendium of the Jewish law. This attempt to organize and systematize the vast mass of Jewish oral law became a reference book for laymen as well as rabbis and judges.

GREGORY IX—A. D. 1145–1241

The papacy of Gregory IX (Ungolino Conti de Segni) was largely devoted to hostilities against Frederick II, Emperor of the Holy Roman Empire. Gregory systematized the Medieval Inquisition. His zeal for the extirpation of heresy made him generally disliked. The people of Rome, disapproving his temporal power, exiled him for a part of his reign. He died as Frederick was invading the Papal States.

Gregory ordered the condensing of five compilations of decretals[2] into a single collection. The editor, Raymond of Pennaforte, did not attempt any original work and the Pope had no idea of codifying the whole of canon law. However, the collection was an important step toward codifying canon law.

INNOCENT III—CIRCA A. D. 1161–1216

Innocent III (Lotario de' Conti de Segni) was elected Pope at the age of 37. The effective assertion of world power is the characteristic feature of his pontificate. Working from a theory that since things of the spirit take preeminence over things of the body, and since the church rules the spirit and earthly monarchs rule the body, earthly monarchs must be in all things in subjection to the church. Innocent effectively exercised his ideal that the Pope is the political ruler of the world.

Innocent's exalted ambitions were eventually their own undoing, and had the effect of setting almost every resolute Christian prince automatically against the church. The triumph of his pontificate was the fourth Lateran council (1215), a great assembly of States that did little more than listen to and endorse the decretals read by the Pope.

The Pope's interest in law was active: he constantly held court, with a good name for impartiality. He instituted ecclesiastical reforms, centralizing the administration at Rome and his authority within the church exceeded that of his predecessors. Innocent is remembered for his abrogation of the Magna Carta. Supporting King John, against the barons who demanded the great document, Innocent declared it null as a forcibly exacted promise.

SIMON DE MONTFORT—CIRCA A. D. 1200–1265

Simon de Montfort, Earl of Leicester, spent the most active part of his life giving skillful and ruthless support to, then leading revolts against, Henry III of England. At the "Mad Parliament" of Oxford he headed the opposition. In civil war he became master of England, which was placed under a constitutional government. De Montfort was practically dictator after his victory on the battlefield at Lewes, in May 1264. However, he promulgated a scheme for establishing a thorough parliamentary control over the executive. He was killed in a resurgence of civil war.

Simon is an important figure in the history of legislative bodies because the great Parliament which he summoned in 1265 was a revolutionary assembly that established an important precedent—it contained not only knights from each shire to represent the rural nobility, but also representatives from the towns and boroughs. He left a heritage in the precedent he had established in championing the cause of the nobles and the people against the king and in calling the Parliament of 1265. For years after his death he was revered by the commons as a martyr.

LOUIS IX—A. D. 1214–1270

Saint Louis, or Louis IX, king of France, was an accomplished knight, physically strong, fearless in battle, heroic in adversity, of imperious temperament, unyielding when convinced of the justness of his cause, energetic and firm. He stands in history as the ideal king of the middle ages. Here was an ascetic who gave charity to over a hundred beggars daily, yet safeguarded the royal dignity by bringing them in at the back door—and by a courtly display greater than ever before in France. He made presents of haircloth shirts to his friends and went on two crusades. He was canonized in 1297. His reign was comparatively uneventful.

Louis was active in arbitration, adjusting territorial claims, imposing peace upon warring factions of his nobility, and setting succession disputes in neighboring countries. He simplified administration, improved the distribution of taxes, abolished the judicial duel, and sought to introduce uniform Roman law. The English barons (see Simon de Montfort) submitted their quarrels with Henry III to him, but his judgment in favor of the king led to civil war and the victory of Simon at Lewes. This judgment, known as the Mise of Amiens, was a flat denial of the parliamentary reforms known as the Provisions of Oxford. However, it expressly declared that the decision was not to invalidate the privileges and liberties of the realm of England, which had existed before the time of these provisions.

ALPHONSO X—A. D. 1221–1284

Alphonso the Wise, or Alfonso X, king of Castile and Leon, ruled from 1252 until he was deposed by the Cortes in 1282. He is perhaps the most interesting—though he was far from being the most capable—of the Spanish kings of the middle ages. As a ruler he was weak, unstable and obstinate and he ruined the economy of his lands while endeavoring to secure his election as emperor of the Holy Roman empire.

El Sabio (the Sage) is called the father of Castilian prose. Under his patronage and editorship a number of vast works were undertaken, including Las Siete partidas, the earliest known Spanish-vernacular chronicle, valuable compilations from Arabic sources such as the Alfonsine Tables in astronomy, an illustrated book of games, and one of the greatest collections of mediaeval poetry and music. Under his patronage the flow of Oriental culture into Western Europe was greatly accelerated.

Alphonso showed legislative capacity and a very commendable wish to provide his kingdoms with a code of laws and a consistent judicial system. He was largely responsible for the Siete partidas, a compilation of Roman and canon law which was promulgated by his grandson, and other

[1] The Mishna is the text of the oral law, in contradistinction to the scriptural, or written, law of the Jews.

[2] The decretals are papal decisions and decrees to be considered authoritative and binding in future decisions.

codes: The Fuero de las leyes or Fuero Real and an Espejo de Fueros.

EDWARD I—A. D. 1239–1307

Edward I, King of England, failed in the chief ambition of his life, the conquest of Scotland. (He did humiliate Scotland by removing the coronation stone of Scone to Westminster.) Yet, his conquest of Wales, his legislation, and his triumph over his barons, his ecclesiastics, and the greatest of French medieval kings indicates the strength and permanence of his work.

Edward is remembered for the developments in law and constitution that have caused him to be called the English Justinian. Before he became king he appropriated some of Simon de Montfort's ideals. The general effect of his work was to eliminate feudalism from public life. The Statutes of Westminster I and II formulated much unwritten law. The Statute of Mortmain was a landmark in his struggle with the church, resulting from his dislike of authority not emanating from himself. The Statute of Winchester established police and militia regulations. Westminster III, also called Quia emptores, prohibited subinfeudation.

Thus Edward brought within the formulated law the gains of a century of common law, supplementing them. He gave a tremendous impetus to the development of law and courts, and built up the central administration.

Some important developments were wrung from Edward against his will. The parliamentary constitution of England was established as the result of his convocation of the Model Parliament of 1295. "What touches all," ran Edward's writ of summons, "should be approved by all, and it is also clear that common dangers should be met by measures agreed upon in common." This action marks a tremendous forward step in the development of a powerful representative body. Two years later, the rising hostility of his subjects, barons, merchants, and clergy forced Edward to issue the confirmation of the charters granted by John and Henry III, including the Magna Charta.

SULEIMAN—A. D. 1494–1566

Suleiman, the Magnificent, was the most fortunate of Ottoman sultans. He lived during the most glorious period in the history of Islam and ruled without a worthy rival. He inherited a well-organized country, a disciplined army, and a full treasury. Although his campaigns were not always wisely and prudently planned, they added great territories to his realm. In his days Turkey became a first-rate seapower and attained the culminating point of her glory. Suleiman is remembered for his encouragement of learning and the arts. He wrote verses and it is from his time that historians date the rise of the occult influence of the harem on Turkish political development.

In Turkey, Suleiman is known as the Lawgiver. His claims to renown as a legislator rest mainly on his organization of the Ulema, or clerical (religious) class, in its hierarchical order. The judges belonged to this class, but all executive and administrative power remained outside it, in the hands of the military. Suleiman's administration was, relatively, one of the best of his time. His amelioration of the lot of his Christian subjects is not his least title to fame. However, his record of magnanimity was marred by the murder of his two sons, at the insistence of his favorite wife.

GROTIUS—A. D. 1583–1645

Hugo Grotius, or Huig van Groot, was a Dutch jurist and humanist. He strove vainly to reunite the Christian sects and the European countries. He wrote valuable works in theology, history and classical study, but his fame rests chiefly on the De jure belli et pacis, which he prepared in Paris after fleeing life imprisonment in his native country.

Concerning the law of war and peace, the De jure belli et pacis, is a systematic study of the bases and principles of positive natural law. Though not the first attempt in modern times to ascertain the principles of jurisprudence, it went far more fundamentally into the discussion than any one had done before. The work is startling in its originality and in the scope of its consideration of international law and international ethics. One of the great masterpieces of legal literature, it is usually considered to be the first definitive text on international law.

COLBERT—A. D. 1619–1683

Jean Baptiste Colbert was a statesman who did much for France. Nevertheless, his rule was a very bad example of overgovernment. He did not believe in popular liberty. The parlements and states-general received no support from him. The technicalities of justice he never allowed to interfere with his plans. He trafficked in public offices for profit.

Colbert became the chief power in the administration of Louis XIV, where he cleansed the financial administration ruthlessly. His ambitious scheme of encouragement of industry and trade involved subsidies, state planning and rigid control of every detail of production, including quality and price. Similar policies were applied to agriculture. His greatest and most lasting achievement was the establishment of the French Marine. (To supply oarsmen for his galleys, he required judges to sentence as many persons as possible; the convict, once chained to the bench, was seldom released at the expiration of his sentence. Colbert never thought of the long agony of those who filled his needs.) Colbert extended his scheme of paternalism to the arts and literature. His industry was colossal; he even found time for the improvement of the breed of horses.

Colbert reformed certain aspects of the legal administration and codified ordinances.

POTHIER—A. D. 1699–1772

Robert Joseph Pothier was a French judge and professor of law. He paid particular attention to the text of the Pandects, or Digests, of the Corpus Juris Civilis (see Justinian, Tribonium, etc.). His Pandectae Justinianae in novum ordinem digestae is a classic in the study of Roman law. He wrote many learned monographs on French law and much of his work was incorporated almost verbatim in the French Civil Code.

BLACKSTONE—A. D. 1723–80

The fame of Sir William Blackstone rests on his Commentaries on the Law of England. His career in Parliament, to which he was elected first in 1761, was somewhat inglorious, as he disliked attendance there. In the 10 years of his judgeship he administered the law satisfactorily but attained no special distinction. He inaugurated courses in English law at the British universities, which had previously confined themselves to Roman law.

The commentaries of Blackstone have been regarded as the most thorough treatment of the whole of English law ever produced by one man. Whether it is owing to its literary graces, or to its success in flattering the prejudices of the public to which it was addressed, the influence of the work has been extraordinary. It may be more correct to regard it as a handbook for laymen than as a legal treatise. Yet, it has been used as the standard textbook in English law for generations.

The fame of Blackstone is greatest in the United States, where the commentaries was, for many years, almost the only source of knowledge of English law.

MASON—A. D. 1725–92

George Mason exercised great influence in local and Virginia legislative bodies. As a member of the Virginia Convention, he drafted the Virginia constitution and the famous Bill of Rights, a radically democratic document which had great influence on American political institutions. This great work was extensively copied by other American States and had some influence on the French Declaration of the Rights of Man.

Mason was a member of the Federal Constitutional Convention at Philadelphia in 1787 and took an active part in drafting the Constitution. However, he objected to the large and indefinite powers given to Congress, the compromises on the tariff and slave-trade issues, and failure to include a bill of rights. He refused to sign the Constitution, and, with Patrick Henry, he led the fight in Virginia against its ratification. Failing in this, he suggested amendments, the substance of several of which was afterward embodied in the first 10 amendments—the Bill of Rights—to the American Constitution.

Mason believed that local government should be kept strong and central government weak; his democratic theories have had much influence in Southern and Western States.

NAPOLEON—A. D. 1769–1821

Napoleon I, Emperor of the French, was a spectacular military genius of unlimited ambition. One of the greatest conquerors history has ever known, he made France paramount in Europe, rearranged its map, and set his relatives upon its thrones.

In France, Napoleon consolidated the results of the Revolution and sought a new conservative balance by his reforms. He centralized the administration, established the Bank of France, inaugurated financial reforms, made peace with the church, and instituted legal reforms to pave the way for the Code Napoleon. His excessive centralization made the state supreme over the entire people—a system singularly favorable to statism.

The Code Napoleon, sometimes called the Code Civil, was the first code of French civil law. It embodies the private substantive law of France, fusing the preexisting Germanic and Roman civil law applied in France with additions resulting from the French Revolution. The code has been in force, as changed by legislative amendment, since it was first promulgated. Still in force in Belgium and Holland, it has served as a model for—and has exercised the greatest influence in—many other countries. The Spanish Civil Code was largely based on the Code Civil, as were the civil codes of most of the South American States, Quebec, and Louisiana.

JEFFERSON—A. D. 1743–1826

Thomas Jefferson is the outstanding apostle of American democracy and one of the greatest liberals of all time. He held a great range of public offices; he was prominent in many, and foremost member of several, of the most important deliberative and legislative bodies in American history. He is famous for many contributions to the American democratic system, as Governor of Virginia, member of the Continental Congresses, Minister to France, Secretary of State, Vice President, and President.

Jefferson was the chief inspirer and most ardent worker for reforms embodied in a revision of the laws of Virginia. These included the statute for religious freedom—the first law of its kind in Christendom—abolition of primogeniture, and the repeal of laws of entail. Here, he was the first American statesman to make education by the State a fundamental article of democratic faith. He gained his greatest fame as author of the Declaration of Independence. As Vice President and Presiding Officer of the Senate, he wrote the influential Manual of

Parliamentary Practice, which is still used in both Houses of Congress.

In Jefferson the Nation had a great scholar and philosopher, who was at the same time one of her most competent political managers—a leader with unlimited faith in the people. The ideas he advocated have become the very foundations of our Government. His importance as a maker of modern America is unequaled; it can hardly be overstated.

APPENDIX

RELIEF PORTRAITS IN MARBLE OVER HOUSE GALLERY DOORS

The relief portraits on the upper walls of the House Chamber are of men noted in history for the part they have played in the evolution of what has become American law. There has grown a great body of judicial tradition and a mass of legislation embodying the rules and standards by which the American people, regardless of State lines, are content to guide their lives.

The Colonists brought to this country the common law of England, its concepts of property, liberty, and justice, but they took pains to make themselves free of governmental tyranny. But though our law is mainly derived from the British system it also owes something to French law, and both of these great systems derive from Roman law, and the laws of earlier peoples.

These great lawgivers, in chronological order, are:

Hammurabi, the first King of Babylonia, reigned about 2067–2025 B. C.

The great law code bearing his name is recognized in legal literature as, perhaps, the earliest surviving, naturally characterized by its primitiveness.

Moses—circa 1571–1451 B. C.: Hebrew prophet and lawgiver. Amongst all lawgivers, founders of states, and teachers of mankind, none has excelled Moses, who transformed a horde of slaves and wanderers into a nation, disciplined a race, and breathed into it its character. To him is attributed the delivery of the Ten Commandments.

Lycurgus—circa 900 B. C.: Legislator, traditional author of laws and institutions of Sparta (by present standards a harsh code).

Solon—circa 594 B. C.: The great Athenian lawgiver, author of constitutional and legal reforms.

Gaius—circa A. D. 110–180: A celebrated Roman jurist, probably a native of the eastern empire. He was the author of numerous works on the civil law, the most noted being The Institutes.

Papinian—circa A. D. 200: A Roman, remarkable not only for his juridical genius, for his independence of judgment, lucidity, and firmness, but for his sense of right and morality by which he frequently rose above the barriers of national prejudices, and merited the highest veneration of succeeding centuries.

Justinian—A. D. 483–565: One of the most important events of the reign of this Byzantine Emperor was the publication of the Justinian Code, the body of the Roman law compiled and annotated, the most important of all monuments of jurisprudence.

Tribonian—circa A. D. 500–547: A Byzantine jurist, he was head of the commission which codified the laws under Justinian.

Maimonides—A. D. 1135–1204: Jewish philosopher of Cordova; he compiled a systematic exposition of the whole of Jewish law as contained in the Pentateuch and in Talmudic literature.

Gregory IX—circa A. D. 1147–1241: Author of a compilation of decretals on canon law; during a critical period he accomplished much in maintaining the remnants of Roman law.

Innocent III—A. D. 1161–1216: A profound student of canon and civil law, his accomplishments during a dark and critical period of human history were much the same as those of Gregory IX, preservation of the remnants of Roman law.

Simon de Montfort—A. D. 1200–1265: Celebrated English statesman, he originated the first appearance of the House of Commons of England.

St. Louis—A. D. 1214–1270: King of France, author of the Mise of Amiens.

Alphonso X, the Wise—A. D. 1221–1284: King of Leon and Castile, he was the author of the code Las Siete Partidas, the basis of Spanish jurisprudence.

Edward I—A. D. 1239–1307: King of England, founder of the parliamentary constitution of England and eliminator of feudalism from political life. "What touches all should be approved by all, and common dangers should be met by measures agreed upon in common."

Suleiman—A. D. 1494–1566: "The lawgiver," Sultan of Turkey, reformer and improver of civil and military codes. His amelioration of the lot of his Christian subjects is not his least title to fame.

Grotius—A. D. 1583–1645: Dutch statesman, advocate general of Holland and Zealand. Author of De Jure Belli et Pacis, first treatise on international law.

Colbert—A. D. 1619–1683: French statesman, codifier of the ordinances, reformer of the French legal system.

Pothier—A. D. 1699–1772: French jurist, author of Digest of the Pandects. He assembled and codified the remnants of Roman law and the prevalent French law.

Blackstone—A. D. 1723–1780: A celebrated English jurist, professor of common law at Oxford, his Commentaries on the Laws of England had considerable influence on the importation and adaptation of English common law in this country.

George Mason—A. D. 1726–1792: He drafted the Virginia Declaration of Rights, 1776, was a member of the Constitutional Convention in 1787, but led opposition to the ratification of the Constitution until the Bill of Rights was inserted in it.

Napoleon—A. D. 1769–1821: He appointed a commission which produced the Code Napoleon and saw that it was enforced. It is prevailing law even now in Louisiana, quite influential in Florida, New Mexico, and California.

Thomas Jefferson—A. D. 1743–1826: Third President of the United States, he was author of the Declaration of Independence and of the Statute of Virginia for religious freedom.

A Bill To Authorize Additional War Damage Payments in the Philippines

EXTENSION OF REMARKS

OF

HON. GEORGE P. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 26, 1955

Mr. MILLER of California. Mr. Speaker, in introducing this bill today, I am only concerned with what I believe to be the best interest of the United States. I believe that a strong Philippines is of vital importance to the United States in the Far East. Incontrovertibly this legislation will help greatly to strengthen Philippine economy.

Having been a member of the Insular Affairs Committee since the 79th Congress, it has always been my honor and privilege to have taken an active part on all legislation concerning the Philippines. I participated in the preparation and passage of the Philippine Rehabilitation Act of 1946. Indeed, in 1950, I introduced H. R. 7600 to implement the Philippine Rehabilitation Act of 1946. Hence my continued deep interest in legislation affecting the relationship of the United States and the Philippines. And I may add that it is my earnest belief, which I am sure will be shared by my colleagues who participated in that legislation, that the Philippine Rehabilitation Act and the Bell Trade Act constituted a compact between the United States and the Philippines as soon as the latter accepted the conditions therein required. So that when the Philippine Rehabilitation Act provided that the claims approved in excess of $500 should be paid up to a maximum of 75 percent, it is my best judgment that this is a commitment to the Philippine people which they took into account when they approved the amendment to their constitution and therefore the same must be met by us now.

Many have asked "why should the United States continue to assist the Philippines?" The Philippine Rehabilitation Act was enacted by Congress to fulfill promises made to the Philippine people during the dark days of the occupation. It represented a generous gesture by the people of the United States to assist their ally in the rehabilitation of their war-torn economy. Over and above all these it represented the recognition by the United States of the aid and assistance it had rendered us in the allied cause. Again, we must not forget the special and peculiar relations between our two countries during the last half century. We have labored with the Philippine people to assist in their education and self-government so that they might realize one day their own self-democratic government. Our prestige in the Far East is inescapably bound to the success of the Philippine experiment. Equally important and significant is the fact that the cause of democracy in southeast Asia is directly involved in the Philippine success, for southeast Asia today, in a fluid state, has its attention focused on the Philippines and how democracy functions there. Needless to say that with the recent development in China, militarily speaking, the Philippines has assumed an increased strategic importance. Moreover, the Philippines has been a significant factor in the foreign trade of the United States. We have there a major market for American products and a source of essential commodities, sugar, copra, Manila hemp and hardwoods. For all these reasons, in my opinion, the United States must keep its commitments to the Philippine people.

HISTORICAL BACKGROUND

The Philippine Republic is one of our most dependable allies in that area of the world where the international situation is presently so very delicate. She has made wonderful progress in combating communism, principally by demonstrating that the democratic system can provide a higher standard of living to the working class than any totalitarian method. This she has been able to do notwithstanding the still unsatisfactory condition of her economy resulting from

her loyalty to the cause of freedom in the last war.

The Philippines are, indeed, the showcase of democracy in Asia. If the Filipinos succeed in proving to the great masses of the people of Asia that under democratic practices they are able to establish, and maintain, a higher standard of living than the people of the Communist and neutralist countries, the free world will have won a battle that will be more effective than the gains effected by divisions of soldiers or billions in handouts.

PRESIDENT'S MESSAGE

In this connection, I should like to recall that on April 11 the President of the United States in a message to Congress stressed the need for intensifying our cooperation with the free nations of southeast Asia in their efforts to achieve economic development and a rising standard of living. I quote from his message:

> The motivation behind this cooperation is twofold; Our fixed belief in the worth and dignity of the human individual whatever his race or flag may be, and our dedication to the principle that the fruits of national growth must be widely shared in every society.
>
> As a people we insist that the dignity of the individual and his manifold rights require for their preservation a constantly expanding economic base. We are convinced that our continued economic, cultural, and spiritual progress are furthered by similar progress everywhere. * * *
>
> We seek to evolve a consistent and stable economic policy which will assist free nations in their efforts to achieve a sound growth for their economies.

General Eisenhower stated, upon first seeing postwar Manila, that it was the worst war torn city that he had seen, with the possible exception of Warsaw. The damage was not limited to Manila, but extended as devastatingly throughout the Archipelago.

PHILIPPINE ECONOMY: IT IS STILL FAR FROM COMPLETE RECOVERY

The Philippine Islands, which always had a favorable balance of trade with us and with the world before the war, have piled up a tremendous trade deficit during the years of reconstruction and rehabilitation. It is significant to note in this connection that, in the 8-year period before the war, 1934–41, the Philippines had a total favorable trade balance with the United States of $257 million—imports, $621 million; exports, $878 million—in the 8-year period after the war, 1946–53, the Philippines had a total negative trade balance with the United States of $1,268 million—imports, $2,861 million; exports, $1,593 million.

The country is still plagued by inflation and unemployment, and has had to adopt strict currency and import controls. These conditions prevail, even though there have been pronounced strides toward full recovery.

It is indeed fortunate that there is one nation in Asia bound to us by strong ties on which we can depend. The Republic of the Philippines has been tested in war. The blood of her heroes has mingled freely with that of our own sons on many a battlefield of World War II and in Korea.

We must preserve and protect that friendship.

Mr. Speaker, what happens to this champion of democracy in the Orient is of the greatest interest to us.

We must keep the Republic of the Philippines strong morally, militarily, and economically so she can stand side by side with us in the world conflict against communism.

The election and acceptance of President Magsaysay to lead the Republic of the Philippines is evidence of the direction in which that country lays its course.

This bill which I have introduced in the House today would authorize the appropriation of $100 million for additional war-damage payments in the Philippines. In this connection, I deem it expedient at this time to briefly relate the facts and thus refresh our memory with regard to war damage and the Philippines.

Throughout the half-century when the Philippines was a possession of the United States, there were frequent declarations by our policymakers that the Philippines would be created a free and independent nation at such time as its people were able to govern themselves—the only Christian nation in that part of the world. The Philippines had been under foreign rule for several centuries. Chinese, Dutch, British, and Spanish were among those who conquered parts or all of the 7,000-island archipelago from time to time, despite the resistance of the Filipinos and their desire for independence. In the 50 years of American control, there was no lessening of the wish for freedom which was promised at such time as the people demonstrated their ability to sustain it. Meanwhile, American teachers sought to improve the education of the youth; agricultural experts endeavored to demonstrate improved methods of crop production; technicians introduced new procedures for industries and business; and efforts were made to instruct in the sound administration of public and private enterprises.

World War II interrupted the preparation for independence by the Philippines. History records the grim events that occurred in what was then the Commonwealth between December 7, 1941, and the time of liberation in 1945. Despite the propaganda of the Japanese, the vast majority of the Philippine people remained loyal to the United States because of the bonds of friendship that had been developed in the years of American jurisdiction. They fought side by side with the forces of the United States and, during the Japanese occupation, gave aid and comfort to those nationals of the United States who were imprisoned or who waged guerrilla warfare against the invaders. Their loyalty and assistance continued, notwithstanding the havoc that was wreaked on their homes, farms, industries, and businesses, or the torture and even death to which many were subjected. When the military forces of the United States returned to the Philippines, the people again fought to overcome the Japanese.

With the conclusion of the war, the United States made ready to grant the long-awaited independence to the Philippine people. The ravages of the conflict, including the destruction caused in the battle of liberation and the tragic events of the occupation, however, had seriously disrupted the life and economy of the Philippines. Its financial condition prevented the people from embarking on a career as a free nation without assistance. The relationship between the United States and the Philippines had been unique and, during the occupation, the highest American officials had given assurances that the damage of war would be repaired and the people repaid. With the granting of independence, the time for the fulfillment of these assurances had come.

In the Senate and the House of Representatives there was overwhelming sentiment to restore damaged and destroyed public and private property in the Philippines. One of the difficulties, however, was the question of cost. Various surveys had been made, but it was a practical impossibility to obtain a detailed accounting of all destruction. On the basis of the statistics then available, it was agreed in April 1946 that the United States Government would authorize the appropriation of $400 million for the payment of claims for damage to private property. In addition, the Congress authorized the appropriation of $120 million for the restoration and improvement of public property and essential public services.

The legislation which contained these authorizations was entitled the Philippine Rehabilitation Act of 1946, and provided for the creation of the United States Philippine War Damage Commission to expend the $400 million for private claim payments. In addition, the Commission was allotted $57 million of the $120 million authorized for the restoration of public property. The balance of the latter fund was allocated as follows:

Public Roads Administration, for rehabilitation of roads and bridges, $40 million; Corps of Engineers, for restoration of ports and harbors, $18 million; and the Public Health Service, for the restoration and improvement of health services, $5 million.

THE PHILIPPINE REHABILITATION ACT OF 1946

The Philippine Rehabilitation Act of 1946 was an early implementation of the expressed purposes of Members of our Congress to take care of immediate Philippine rehabilitation problems in rough outline as quickly as possible. It was obviously not intended as blanket legislation to cover all of the vexatious challenges implicit in these problems.

The act was administered by the Honorable Frank A. Waring, of California; the Honorable John A. O'Donnell, of Pennsylvania; and the then judge, now senator, Francisco A. Delgado, of Bulacan, Philippine Islands. Senator Delgado is now chairman of the committee on foreign affairs of the Filipino Senate. In this connection, he is not unknown to the older Members of this body, who remember him as a former Resident Commissioner from the Philippines in the House of Representatives during the 74th Congress.

The Commission was to receive, investigate, approve, or disapprove, claims covering damage to property during and as a consequence of World War II in the Philippines.

Claims up to $500 were to be paid in full as quickly as allowed. Further, the successful claimants were to be paid on the basis of 1941 market prices, less depreciation of amount per year from the date of acquisition of the lost or damaged properties.

Payments made by the Philippine War Damage Commission, prorated according to law among all claimants, totaled 52.5 percent of the amount allowed on each claim in excess of $500. In contemplation of exorbitant postwar cost, of substantial disallowances on the claim as filed, and the partial payment of slightly more than half of the amount approved, it is estimated by the War Damage Commission that successful claimants probably received no more than 20 percent of the cost of the reproduction of their homes, businesses, and other property.

Finally, when all the claims had been adjudicated and it was adjudged that with the funds available the combined total would be 52.5 percent of the approved balance of any claim adjudicated for more than $500, or 22.5 percent less than the statutory maximum of 75 percent fixed by the act.

The War Damage Act aforesaid was reported by the old Committee on Insular Affairs. I had the honor to serve on this committee under the chairmanship of Judge Jasper Bell, of Missouri, affectionately known to all who were here through the 79th Congress. The committee had no precedent to guide it. In its wisdom, however, the committee wrote the following language into Report No. 1921, page 32, Committee on Insular Affairs, House of Representatives, 79th Congress, 2d session:

> While the committee feels it is urgently necessary to provide through this legislation (S. 1610) for the rebuilding and restoration of the physical plant of the Philippines, it is generally realized that additional legislation will probably be necessary in the future to augment and supplement the benefits which will be accomplished through S. 1610. * * * It is expected that proposals for additional legislation will be made from time to time by the agencies of the United States Government, by the Government of the Philippines, and the Filipino Rehabilitation Commission to meet needs for legislation as they arise.

It is fair to state that the foregoing paragraph of the report certainly was not placed in there by accident and cannot be discarded. The Philippine War Damage Commission, as the record will attest, did a most efficient and exemplary job. It not only concluded its work a month ahead of the statutory deadline, but it returned a substantial part of the money authorized for its administrative expenses to the United States Treasury.

We have a moral responsibility to the people of the Philippines. They were our wards and we their tutors in democracy for nearly half a century. We encouraged them to fight, and they responded to our request. They paid in blood and sweat and the raw red wounds and, yes, in the lives of their people for their resistance to an enemy drunk with power intent on establishing the doctrine "coprosperity sphere of Asia," another way of saying "Asia for the Asians."

The valiant resistance of our then political ward shortened the war in the Pacific by many months, if not by many years.

The Philippines are the anchor of our defense in the Pacific.

Then, too, the Philippine Republic will consume both our soft and durable goods. They have a great capacity to absorb them. Our nationally known brand names are familiar to them. Our trade with the Philippines is not a one-way street. They produce much that is essential in our economy. We use their hemp, their sugar, their hardwoods, and their pineapple. Any money we spend in the Philippines encourages the solid type of trade we so badly need.

I repeat that the Philippines present the showcase of democracy in that area, and that other countries of that region are closely watching the Philippines and everything that happens there.

Let me mention just a few more items in the structure of our connecting bridge with the Philippines:

Under our mutual defense pact with the Philippines, we have established important military, naval, and aerial bases in their country.

Under our trade agreement with them our investments are guaranteed the same protection and privileges as those of their own nationals.

Under the dynamic leadership of President Magsaysay, the Philippines is undergoing a program of development and strengthening their economy, so that they may better cope with the threat of communism.

Report on Foreign Aid to Reclamation and Power Projects in 22 Foreign Countries

EXTENSION OF REMARKS

OF

HON. A. L. MILLER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 26, 1955

Mr. MILLER of Nebraska. Mr. Speaker, in the past weeks, the CONGRESSIONAL RECORD has carried a number of articles under the catch line, "Bananas on Pikes Peak." The newspapers, magazines, and other advertising media have also brought to our attention the belief of certain organizations, and even Members of this Congress, that it is sheer folly to appropriate tax money to build the upper Colorado storage project.

We must assume that some of these Members recognize the benefits that follow from the irrigation and reclamation of arid land, and from using the water resources to produce power, because many of them have consistently voted for large appropriations to build such projects in foreign lands. During the life of the Marshall plan, the Foreign Operations Administration, and their successor, the International Cooperation Administration, the Congress has given more than $277 million to countries in Europe, the Far East, Near East, and Africa for irrigation, reclamation, and hydroelectric power projects. Some of the countries to receive these gifts are: Denmark, France, Greece, Iceland, Italy, the Netherlands, Portugal, Spain, Turkey, Austro-Germany, French Morocco, Korea, Formosa, Indochina, the Philippines, Thailand, Iran, Iraq, Israel, Jordan, Lebanon, Saudi Arabia, Egypt, Ethiopia, Liberia, Afghanistan, India, Nepal, and Pakistan.

We have given Italy more than $62 million to install steam plants and turbo generators.

We have given Formosa $24,474,000 for irrigation and hydro-power generators.

We have given Thailand more than $5.5 million for irrigation and reclamation, thermal power generation, rural power and surveys.

We have given Iran $3.4 million for dams, tunnels, wells, power, irrigation, and surveys.

We have given Lebanon $1,486,000 for water investigation in the Litani River Basin, wherever that is.

We have given Pakistan nearly $8.5 million for ground-water exploration and wells.

We have given India, who has both hands out, more than $57 million to build irrigation and power dams, and to conduct water surveys.

We have given Egypt over $2.5 million to investigate its underground water and to develop a desert range program.

There are, in all, 122 projects in foreign countries which owe their existence to appropriations from our Treasury.

We have given these countries, and many more, a blank check on the United States Treasury, with instructions to build what they need and write a check for it, assuring them that the United States Treasury will make it good. This single phase of the foreign giveaway program has cost the people of the State of New York over $25 million, the people of Pennsylvania have been clipped to the tune of $19.5 million, and Californians have added about $20 million to the pile. It is only a small part of the $55 billion foreign-aid program we have been asked to support for the last 10 years.

Now when Egypt wishes to build a dam or install a generating plant, the Congress simply opens the Treasury and makes the funds available. No extensive survey is necessary, no plan report is required, and no congressional review is needed. We do not even demand a repayment contract, because repayment is not asked; and very little opposition is heard.

But, when a project that will develop the land and conserve the resources of America is brought to the Congress, the cry begins; and we have difficulty in getting even small appropriations for investigating and developing our own ground water supply, power facilities, and underground water wealth. As a result, our domestic stability is often sacrificed on the foreign altar.

There are certain facts about reclamation that are unassailable.

Domestic reclamation project costs are repaid to the Treasury; foreign project costs are not.

Domestic reclamation projects increase Treasury income; foreign projects do not.

Domestic reclamation projects create new United States wealth; foreign projects do not.

But, in spite of these facts, the Government has spent and given away more money to build irrigation, reclamation, power, and related projects in the far-off countries within the foreign-aid sphere than it has invested in reclamation projects within our own continental boundaries. And many Members of Congress continue to vote for these foreign projects and then vote against the projects in our own United States. It is nearly impossible to reconcile these two votes.

You might as well try to grow corn on the Sphinx.

SENATE

WEDNESDAY, JULY 27, 1955

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of our fathers, facing tasks that tower above our power to achieve, with a sense of our utter inadequacy when left with our own devices, we bow for the strengthening benediction of our morning prayer. Keep our goals clear, our hearts pure, our spirits courageous, in all the tangled tragedy of our ailing world. By Thy kindly light, as we follow it patiently and obediently, lead us and all men to a realm where peace and good will shall reign, to a kingdom of human rights where mouths shall not cry for bread, where hands and feet shall not be shackled, where speech shall not be silenced, where eyes shall not be bandaged nor minds darkened by distorting lies which hide the light of truth. We ask it in the name of that One who is the truth and the way and the life. Amen.

THE JOURNAL

On request of Mr. BIBLE, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 26, 1955, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on July 26, 1955, the President had approved and signed the following acts:

S. 26. An act for the relief of Donald Hector Taylor;

S. 36. An act for the relief of Lupe M. Gonzalez;

S. 244. An act for the relief of Anna C. Giese;

S. 467. An act for the relief of Dr. Luciano A. Legiardi-Laura;

S. 758. An act for the relief of Marion S. Quirk;

S. 1139. An act to extend the existing authority for the loan of a small aircraft carrier to the Government of France;

S. 1250. An act to declare Pike Creek above the easterly side of the highway bridge at Sixth Avenue in the city of Kenosha, Wis., a nonnavigable stream; and

S. 1464. An act to authorize the Secretary of the Interior to acquire certain rights-of-way and timber-access roads.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had insisted upon its amendments to the bill (S. 1093) to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ABERNETHY, Mr. DAVIS of Georgia, Mr. JONES of North Carolina, Mr. MILLER of Nebraska, and Mr. HYDE were appointed managers on the part of the House at the conference.

The message also announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 2107. An act to amend the National Defense Facilities Act of 1950 to provide for additional facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes;

H. R. 6259. An act to amend section 8 of the act entitled "An act to establish a District of Columbia Armory Board and for other purposes," approved June 4, 1948; and

H. R. 7029. An act to establish a Permanent Committee for the Oliver Wendell Holmes Devise, and for other purposes.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 5512) to provide for the conveyance of certain property under the jurisdiction of the Housing and Home Finance Administrator to the State of Louisiana.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 53) to make a change in the enrollment of S. 2428, to increase the salaries of officers and members of the Metropolitan Police force, etc.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 593. An act to convey by quitclaim deed certain land to the State of Texas;

H. R. 7244. An act to provide for the striking of medals in commemoration of the 120th anniversary of the signing of the Texas declaration of independence and the Battles of the Alamo, Goliad, and San Jacinto in the year 1836;

H. R. 7289. An act to authorize the States to organize and maintain State defense forces, and for other purposes; and

H. J. Res. 278. Joint resolution to provide that a gold medal be coined and presented to Dr. Jonas E. Salk in honor of his achievements in the field of medicine.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

H. R. 5875. An act to amend title 14, United States Code, entitled "Coast Guard," for the purpose of providing involuntary retirement of certain officers, and for other purposes;

H. R. 7000. An act to provide for strengthening of the Reserve Forces, and for other purposes;

H. J. Res. 251. Joint resolution to authorize the President to issue posthumously to the late Seymour Richard Belinky, a flight officer in the United States Army, a commission as second lieutenant, United States Army, and for other purposes; and

H. J. Res. 385. Joint resolution authorizing the printing and binding of a revised edition of Cannon's Procedure in the House of Representatives and providing that the same shall be subject to copyright by the author.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated:

H. R. 593. An act to convey by quitclaim deed certain land to the State of Texas; to the Committee on Public Works.

H. R. 7244. An act to provide for the striking of medals in commemoration of the 120th anniversary of the signing of the Texas declaration of independence and the Battles of the Alamo, Goliad, and San Jacinto in the year 1836; and

H. J. Res. 278. Joint resolution to provide that a gold medal be coined and presented to Dr. Jonas E. Salk in honor of his achievements in the field of medicine; to the Committee on Banking and Currency.

H. R. 7289. An act to authorize the States to organize and maintain State defense forces, and for other purposes; to the Committee on Armed Services.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. CLEMENTS, and by unanimous consent, the Committee on the Judiciary was authorized to meet this afternoon during the session of the Senate.

On request of Mr. CLEMENTS, and by unanimous consent, the Antimonopoly Subcommittee of the Committee on the Judiciary was authorized to meet this afternoon during the session of the Senate.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the Committee on Interstate and Foreign Commerce be authorized to meet this afternoon during the session of the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MAGNUSON. I announce to Senators, and particularly Senators from the agricultural States who may be interested, that the hearing relates to the so-called boxcar shortage for the trans-

portation of our bumper crops. I hope all Senators who are interested will be present. I see my good friend from North Dakota [Mr. LANGER] coming down the aisle. I know he is interested.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. BIBLE. Mr. President, under the rule, there is a regular morning hour today for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine matters. I ask unanimous consent that statements made in connection therewith be limited to 2 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

SUPPLEMENTAL REPORT OF BUREAU OF THE BUDGET

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, a supplemental report on the operations of Bureau of the Budget Circular No. A–45, upon departments, agencies, and corporations of the Government for the year prior to November 1, 1954 (with an accompanying report); to the Committee on Appropriations.

EXPENSES BEFORE JUDICIAL TRIBUNALS AND ADMINISTRATIVE AGENCIES OF FOREIGN COUNTRIES OF PERSONNEL OF MILITARY DEPARTMENTS AND COAST GUARD

A letter from the Deputy for Legislative Affairs, Office of the Assistant Secretary of Defense, transmitting a draft of proposed legislation to authorize the Secretaries of the Military Departments and the Secretary of the Treasury with respect to the Coast Guard, to incur expenses incident to their representation of their personnel before judicial tribunals and administrative agencies of any foreign nation (with an accompanying paper); to the Committee on Armed Services.

REPEAL OF REQUIREMENT FOR DEPARTMENT OF THE NAVY TO PAY FOR TRANSFER OF CERTAIN REAL PROPERTY, COLUMBUS, OHIO

A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to provide that the Department of the Navy shall not be required to reimburse the Reconstruction Finance Corporation for the transfer of certain real property at Columbus, Ohio (with an accompanying paper); to the Committee on Government Operations.

AUDIT REPORT ON RURAL ELECTRIFICATION ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Rural Electrification Administration, Department of Agriculture, for the fiscal years ended June 30, 1953 and 1954 (with an accompanying report); to the Committee on Government Operations.

PROPOSED CONCESSION PERMIT, YELLOWSTONE NATIONAL PARK

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed concession permit in Yellowstone National Park (with accompanying papers); to the Committee on Interior and Insular Affairs.

APPOINTMENT IN CIVILIAN POSITION IN THE WHITE HOUSE OF MAJ. GEN. JOHN STEWART BRAGDON, UNITED STATES ARMY, RETIRED

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of proposed legislation to authorize the appointment in a civilian position in the White House Office of Maj. Gen. John Stewart Bragdon, United States Army, retired, and for other purposes (with an accompanying paper); to the Committee on Public Works.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented and referred as indicated:

By the VICE PRESIDENT:

Resolutions of the House of Representatives of the Commonwealth of Massachusetts; to the Committee on Armed Services:

"Resolutions memorializing Congress to prevent the reduction in force of the United States Marine Corps

"Whereas the Secretary of Defense has proposed a reduction in the force of the United States Marine Corps; and

"Whereas the United States Marine Corps has established an outstanding record as part of the Armed Forces of the United States; and

"Whereas any reduction in force of the Marine Corps at this time would be detrimental to the best interests of the United States of America: Therefore be it

"Resolved, That the House of Representatives of the General Court of Massachusetts urgently requests that the Congress of the United States take such action as may be necessary to prevent a reduction in force of the United States Marine Corps; and be it further

"Resolved, That a copy of these resolutions be sent by the secretary of the Commonwealth to the President of the United States, to the Secretary of Defense, to the Presiding Officer of each branch of Congress, and to each of the Members thereof from this Commonwealth."

A resolution adopted by a convention of the Missouri State Federation of Labor, at Jefferson City, Mo., relating to the eradication of antilabor influence; to the Committee on Labor and Public Welfare.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, without amendment:

S. 1965. A bill to repeal a particular contractual requirement with respect to the Arch Hurley Conservancy District in New Mexico (Rept. No. 1156); and

H. R. 4663. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Trinity River division, Central Valley project, California, under Federal reclamation laws; with individual views of Mr. NEUBERGER (Rept. No. 1154).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, with amendment:

S. 1818. A bill to limit the amount of land on Federal irrigation projects which may be exchanged under the act of August 13, 1953 (Rept. No. 1155).

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, without amendment:

S. 2556. A bill to provide assistance for certain landless Indians in the State of Montana (Rept. No. 1167); and

S. J. Res. 82. Joint resolution to authorize the Secretary of the Interior to execute a certain contract with the Toston Irrigation District, Mont. (Rept. No. 1153).

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, with amendments:

H. R. 6373. A bill to amend the Domestic Minerals Program Extension Act of 1953 in order to extend the programs to encourage the discovery, development, and production of certain domestic minerals (Rept. No. 1161).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, without amendment:

H. R. 898. A bill to provide for the approval of deeds executed by the heirs of Anna Hollywood Fickz (Rept. No. 1157);

H. R. 910. A bill to authorize and direct the sale of certain land in Alaska to John Ekonomos, of the Fairbanks precinct, Alaska (Rept. No. 1158); and

H. R. 4718. A bill to authorize and direct the issuance of patent to Robert W. Retherford, of Anchorage, Alaska, to certain land in Alaska (Rept. No. 1159).

By Mr. NEUBERGER, from the Committee on Interior and Insular Affairs:

H. R. 3587. A bill granting the consent of the Congress to the negotiation of a compact relating to the waters of the Klamath River by the States of Oregon and California; without amendment (Rept. No. 1166).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs, with an amendment:

S. 2087. A bill to amend the act of May 19, 1947 (ch. 80, 61 Stat. 102), as amended, so as to permit per capita payments to the individual members of the Shoshone Tribe and the Arapahoe Tribe of the Wind River Reservation in Wyoming, to be made quarterly (Rept. No. 1168); and

S. 2197. A bill to authorize the Secretary of the Interior to distribute equally to members of the Kaw Tribe of Indians certain moneys to the credit of the tribe in the United States Treasury (Rept. No. 1169).

By Mr. BYRD, from the Committee on Finance, with an amendment:

H. R. 6232. A bill to include as Spanish-American War service under laws administered by the Veterans' Administration certain service rendered by Stephen Swan Ogletree during the Spanish-American War (Rept. No. 1160).

By Mr. BYRD, from the Committee on Finance, with amendments:

H. R. 7024. A bill to remove the manufacturers' excise tax from the sales of certain component parts for use in other manufactured articles, and to confine to entertainment-type equipment the tax on radio and television apparatus (Rept. No. 1162).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, without amendment:

S. 2286. A bill to amend the Merchant Marine Act of 1936 so as to provide for the utilization of privately owned shipping services in connection with the transportation of privately owned motor vehicles of certain personnel of the Department of Defense (Rept. No. 1163).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, with an amendment:

S. J. Res. 91. Joint resolution to authorize the Secretary of Commerce to sell the steamship *La Guardia* (Rept. No. 1164); and

S. J. Res. 92. Joint resolution to authorize the Secretary of Commerce to sell the steamship *Monterey* (Rept. No. 1165).

By Mr. PAYNE, from the Committee on Interstate and Foreign Commerce:

S. 2060. A bill to amend the act of March 3, 1901 (31 Stat. 1449), as amended, to incorporate in the Organic Act of the National Bureau of Standards the authority to use the working capital fund, and to permit certain improvements in fiscal practices; with an amendment (Rept. No. 1171).

By Mr. MORSE, from the Committee on the District of Columbia:

H. R. 6585. A bill to amend the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, and for other purposes; without amendment (Rept. No. 1170).

By Mr. GEORGE, from the Committee on Foreign Relations:

S. 2569. A bill to provide certain basic authority for the Department of State; with amendments (Rept. No. 1175);

S. Res. 71. Resolution favoring a reduction of armaments with a view to improving world living standards; without amendments (Rept. No. 1173); and

S. Res. 139. Resolution paying tribute to Sir Winston Churchill for his contributions in behalf of freedom and world peace; without amendments (Rept. No. 1174).

AMENDMENT OF CERTAIN LAWS PROVIDING MEMBERSHIP AND PARTICIPATION BY THE UNITED STATES IN CERTAIN UNITED NATIONS ORGANIZATIONS—REPORT OF A COMMITTEE

Mr. GEORGE, from the Committee on Foreign Relations, reported favorably an original joint resolution (S. J. Res. 97) to amend certain laws providing for membership and participation by the United States in the Food and Agriculture Organization and the International Labor Organization and authorizing appropriations therefor, and submitted a report (No. 1172) thereon, which was read twice by its title, and placed on the calendar.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. POTTER (for himself and Mr. PASTORE):

S. 2643. A bill to promote the common defense and the general welfare of the people of the United States by encouraging maximum development of low-cost electric energy from all sources of power, including atomic energy, coal, oil, natural gas, and water, and for other purposes; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. POTTER when he introduced the above bill, which appear under a separate heading.)

By Mr. WELKER (for himself and Mr. JENNER):

S. 2644. A bill for the relief of Hasan Muhammad Tiro; to the Committee on the Judiciary.

By Mr. MARTIN of Pennsylvania:

S. 2645. A bill to abate taxes on distilled spirits stolen from customs bonded warehouse; to the Committee on Finance.

By Mr. ERVIN (for himself and Mr. SCOTT):

S. 2646. A bill to authorize the extension of the old-age and survivors insurance system to policemen, sheriffs, and other State or local law-enforcement officers in North Carolina; to the Committee on Finance.

By Mr. ALLOTT:

S. 2647. A bill for the relief of Martha A. McDermott Stothard; to the Committee on Labor and Public Welfare.

By Mr. SCOTT:

S. 2648. A bill to encourage the discovery, development, and production of tin in the United States, its Territories, and possessions; to the Committee on Interior and Insular Affairs.

By Mr. DWORSHAK:

S. 2649. A bill to amend the act entitled "An act to authorize the Palisades Dam and Reservoir project, to authorize the north side pumping division and related works, to provide for the disposition of reserved space in American Falls Reservoir, and for other purposes," approved September 30, 1950; to the Committee on Interior and Insular Affairs.

By Mr. CAPEHART:

S. 2650. A bill for the relief of Antonio Rubi Mendiola; to the Committee on the Judiciary.

By Mr. LEHMAN:

S. 2651. A bill relating to the status of hotels under the National Labor Relations Act, as amended; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. LEHMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. IVES:

S. 2652. A bill for the relief of Robert Geoffrey Hunt; to the Committee on the Judiciary.

By Mr. BENDER:

S. 2653. A bill for the relief of the Grossman Music Corp.; to the Committee on the Judiciary.

By Mr. O'MAHONEY (for himself and Mr. BARRETT):

S. 2654. A bill to authorize the Administrator of General Services to convey certain lands in the State of Wyoming to the city of Cheyenne, Wyo.; to the Committee on Government Operations.

By Mr. NEUBERGER (for himself, Mr. MCNAMARA, Mr. MANSFIELD, Mr. MORSE, Mr. GORE, Mr. MONRONEY, Mr. LANGER, Mr. JOHNSTON of South Carolina, Mr. KEFAUVER, and Mr. SYMINGTON):

S. 2655. A bill to provide free postage for members of the Armed Forces of the United States on active duty outside the continental United States; to the Committee on Post Office and Civil Service.

By Mr. KEFAUVER:

S. 2656. A bill for the relief of Elfriede Rosa (Kup) Kraft; to the Committee on the Judiciary.

By Mr. CASE of New Jersey (for himself, Mr. MCNAMARA, Mr. MORSE, Mr. BEALL, Mr. ALLOTT, and Mr. BIBLE):

S. 2657. A bill to provide that the compensation of the Commissioners of the District of Columbia shall be at the rate of $20,000 each per annum; to the Committee on the District of Columbia.

By Mr. MCNAMARA:

S. 2658. A bill for the relief of Abdul Aziz Jaber; to the Committee on the Judiciary.

By Mr. BENDER:

S. 2659. A bill to provide for a suitable and distinctive lapel button which may be worn by veterans of the Korean hostilities; to the Committee on Armed Services.

By Mr. LEHMAN:

S. 2660. A bill to amend the Social Security Act to increase the maximum permissible Federal financial participation in the plan for aid to dependent children of the Virgin Islands and to permit payments under such plan to relatives with whom dependent children are living; to the Committee on Finance.

(See the remarks of Mr. LEHMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. HICKENLOOPER (for himself and Mr. MARTIN of Iowa):

S. 2661. A bill for the relief of Viola Grace Smith; to the Committee on the Judiciary.

By Mr. WELKER:

S. J. Res. 96. Joint resolution providing for the revision of the Status of Forces Agreement and certain other treaties and international agreements, or the withdrawal of the United States from such treaties and agreements, so that foreign countries will not have criminal jurisdiction over American Armed Forces personnel stationed within their boundaries; to the Committee on Foreign Relations.

(See the remarks of Mr. WELKER when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. GEORGE:

S. J. Res. 97. Joint resolution to amend certain laws providing for membership and participation by the United States in the Food and Agriculture Organization and the International Labor Organization and authorizing appropriations therefor; (a reported original joint resolution) placed on the calendar.

ENCOURAGEMENT OF DEVELOPMENT OF LOW-COST ELECTRIC ENERGY

Mr. POTTER. Mr. President, on behalf of the distinguished Senator from Rhode Island [Mr. PASTORE] and myself, I introduce, for appropriate reference, a bill to promote the common defense and the general welfare of the people of the United States by encouraging maximum development of low-cost electric energy from all sources of power, including atomic energy, coal, oil, natural gas, and water, and for other purposes.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2643) to promote the common defense and the general welfare of the people of the United States by encouraging maximum development of low-cost electric energy from all sources of power, including atomic energy, coal, oil, natural gas, and water, and for other purposes, introduced by Mr. POTTER (for Mr. PASTORE and himself), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

Mr. POTTER. Mr. President, the bill will provide encouragement for commercial groups which are giving their support to the research of atomic energy to the end that low-cost electric power may be facilitated.

I know we are all mindful of the very real possibility that our present sources of energy may some day be depleted and that such research must be encouraged.

In this bill there is no possibility that any of its provisions shall remove from State or Federal agencies the regulatory powers they now exercise.

It is rather the danger of impediment to groups not in the utility business which must be removed so that their support for this work may be continued without subjecting them to the provisions of the Holding Company Act designed specifically for such utilities.

The Senator from Rhode Island [Mr. PASTORE] has joined me in sponsoring the bill because he feels as I do that the objectives are in the interest of users of electric power which must be available at the lowest possible cost now and in the future.

FREE MAILING PRIVILEGES FOR CERTAIN MEMBERS OF THE ARMED FORCES

Mr. NEUBERGER. Mr. President, it is extremely unfortunate that the administration has allowed to let die the free mailing privileges which were so important to so many persons in the armed services.

On behalf of myself, the Senator from Michigan [Mr. McNAMARA], my colleague, the senior Senator from Oregon [Mr. MORSE], the Senator from Montana [Mr. MANSFIELD], the junior Senator from Tennessee [Mr. GORE], the Senator from Oklahoma [Mr. MONRONEY], the Senator from North Dakota [Mr. LANGER], the Senator from South Carolina [Mr. JOHNSTON], the senior Senator from Tennessee [Mr. KEFAUVER], and the Senator from Missouri [Mr. SYMINGTON], I introduce, for appropriate reference, a bill to provide free postage for members of the Armed Forces of the United States on active duty outside the continental United States.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2655) to provide free postage for members of the Armed Forces of the United States on active duty outside the continental United States, introduced by Mr. NEUBERGER (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

AMENDMENT OF SOCIAL SECURITY ACT, RELATING TO THE VIRGIN ISLANDS

Mr. LEHMAN. Mr. President, I introduce, for appropriate reference, a bill to amend the Social Security Act to increase the maximum permissible Federal financial participation in the plan for aid to dependent children of the Virgin Islands and to permit payments under such plan to relatives with whom dependent children are living, which is now pending before the Senate Finance Committee.

The amendment is a relatively minor one. It would merely modify certain limitations in the public assistance titles establishing a new top limit on the amount of Federal matching funds that can be made available for public-assistance payments in the Virgin Islands.

This proposed amendment is urgently proposed and requested by the officials of the Virgin Islands and I hope the Senate Finance Committee will see fit to adopt it. In effect, it merely raises the present limit of $160,000 to $300,000. There is no such limit—no limit of any kind—on the amount of Federal matching funds that can be made available for public-assistance grants in any State of the Union, in Hawaii, Alaska, or the District of Columbia.

When Congress passed the original Social Security Act in 1935, the Virgin Islands were not included under that act. Subsequently, however, the Virgin Islands were included in a number of the public-assistance titles, providing for aid to the aged, the blind, the disabled, and dependent children.

The amount of Federal grants, however—and they are matching funds—was limited to $160,000.

This limit has placed a great burden on the Virgin Islands, a relatively poor Territory in which much needs to be done to raise the standard of living of the inhabitants. All this amendment provides, in this portion of it, is to raise the ceiling for Federal matching funds for Virgin Islands public assistance by $140,000.

The present level of individual grants for public assistance in the Virgin Islands is very low, indeed. The average grant per month per adult is $18.50 and $10 for each child. Just think of it—about $4 a week for each adult and $2 a week for each child.

I think, Mr. President, that we owe these fellow citizens of ours a little more generosity. I do not know whether the proposed amendment would permit an increase in the allotment for each individual but it certainly will permit the government of the Virgin Islands to take care of more people than they now are able to care for.

That is one provision in the pending amendment. One other provision—and the only other provision—would permit matching funds to be used to assist the needy parent or other relative caring for needy children on the island. This is now permitted in all the States and Territories of the United States.

The arguments for including the Virgin Islands under this provision are obvious. It will help keep families together. It will help place children with their relatives if they have no parents. It would be a humanitarian thing. It seems to me to be an essential thing.

Mr. President, I ask unanimous consent that a memorandum prepared by the Commissioner of Social Welfare for the Virgin Islands, Mr. Ray Bornn, be inserted in the RECORD at this point in my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the memorandum will be printed in the RECORD.

The bill (S. 2660) to amend the Social Security Act to increase the maximum permissible Federal financial participation in the plan for aid to dependent children of the Virgin Islands and to permit payments under such plan to relatives with whom dependent children are living, introduced by Mr. LEHMAN, was received, read twice by its title, and referred to the Committee on Finance.

The memorandum presented by Mr. LEHMAN is as follows:

REPRESENTATIONS OF THE VIRGIN ISLANDS REGARDING NEEDED REVISIONS IN PROVISIONS OF THE FEDERAL PUBLIC-ASSISTANCE PROGRAM AFFECTING THE VIRGIN ISLANDS

When, in 1935, Congress passed the Federal Social Security Act, the Virgin Islands were overlooked and no provision was made to extend the benefits of this important social legislation to the people of this Territory. As Congress finally became alive to our crying needs in this respect, it passed amendments to the act extending to the Virgin Islands various portions thereof. Title V, providing for child health and welfare services, became effective in the Virgin Islands January 1, 1947; titles I, IV, X, and XIV, providing for aid to the aged, the blind, the disabled, and dependent children (commonly known as the public-assistance titles), became effective in the Virgin Islands October 1, 1950; and title II, old-age and survivors insurance, became effective in the Virgin Islands January 1, 1951.

Title V, child health and welfare services, and title II, old-age and survivors insurance, were extended to the islands on the same conditions as for continental United States. But, in extending the public-assistance titles, several special unfavorable provisions were included with regard to the Virgin Islands which have kept assistance standards at deplorable levels and have worked untold hardship upon the needy of our islands.

UNFAVORABLE PROVISIONS IN THE FEDERAL ACT

Briefly, these unfavorable provisions may be described as follows:

1. The Federal Government participates in assistance payments in all four Federal categories up to certain specified maximums for monthly assistance to each individual. For the States, the District of Columbia, Hawaii, and Alaska, these monthly maximums are $55 for aged, blind, or disabled individuals; and, in the case of aid to dependent children, $30 for the first child, $21 for each additional child, and $30 for a needy parent or other relative caring for the children.

For the Virgin Islands, the special maximums set are $30 for aged, blind, and disabled individuals; and, in the case of aid to dependent children, $18 for the first child, $12 for each additional child, and nothing for the needy parent or other relative caring for the children.

2. Federal participation for the States, the District of Columbia, Hawaii, and Alaska, for the aged, blind, and disabled, consists of 80 percent of the first $25 of the average monthly payment per person plus 50 percent of the balance of the expenditures within the specified maximum monthly payments per individual; and for aid to dependent children, 80 percent of the first $15 of the average monthly payment per person plus 50 percent of the balance of the expenditures within the specified maximums.

For the Virgin Islands, Federal participation has been set at 50 percent of all assistance expenditures within the special maximums set for the islands.

3. For the States, the District of Columbia, Hawaii, and Alaska, no ceiling is set as to the total Federal participation in their programs, either by months or years or otherwise. All assistance properly given to needy individuals within the individual maximums set forth above is matchable by the Federal Government.

For the Virgin Islands, section 1108 of the Federal act limits the total Federal participation in the Virgin Islands program to $160,000 with respect to any 1 fiscal year, no matter how much Federal matching in excess thereof the Virgin Islands may have properly earned. Despite the reduced maximums imposed on individual monthly assistance payments in the Virgin Islands, and despite the low rate for Federal participation prescribed, as above, this further ceiling was imposed.

THE PRESENT PROGRAM IN THE VIRGIN ISLANDS

Despite the unfavorable provisions imposed as above, the Virgin Islands, during the past 4½ years, have developed a sound, well-rounded program of public assistance. The assistance caseload in all categories has been kept to a minimum. Only unemployables (the aged and the otherwise disabled) receive aid. Recipient rates in the Virgin Islands (the ratio of OAA and OASI recipients to population) are lower than the national averages (for adults, only 71 percent of the average in the United States, and for children, 83 percent of the mainland rates). The caseload in the Virgin Islands reduced from 1,734 persons in June 1952 to 1,464 persons in June 1954, a period during which Federal funds were available in our program (the highest monthly total since June 1954 was 1,595). General assistance clients (aided entirely from local funds) receive assistance on the identical standards as the cases aided with Federal matching.

For lack of local funds and Federal matching, the standards of assistance have been distressingly low. Beginning in 1950 at less than half the barest minimum needs, gradually increased local appropriations and the decrease in caseloads together made possible

a gradual improvement in standards. As a result of a new appropriation increase just enacted, new standards are now going into effect. But even these new standards are inadequate and will sound futile in mainland ears. The maximum allowance for food for an adult is $12 per month (40 cents a day or about 13 cents a meal); for clothing it is $3.50 per month; the maximum rental allowance is $6 per month for 2 persons. Any contributions from relatives or other income received by the client are deducted from the allowances mentioned. Our average grants on the new standards are $18.50 per month for an adult and $10 per month for a child.

RECOMMENDATIONS

But, even at these low standards the special restrictions imposed upon our program will result in loss of Federal matching to the Virgin Islands and impose upon our slim treasuries an increased burden that they cannot afford to carry. As a result of the low individual maximums and the overall ceiling, we shall be losing appropriately $25,000 in Federal matching in the first year's operations at the new rates. It is probable that we shall not be able to continue even these low standards unless the Congress acts promptly to remove at least two of the provisions which create the most serious difficulty.

We urge most respectfully and most earnestly:

(1) First, and of most importance, that Congress remove the overall ceiling of $160,000 for Federal matching to the Virgin Islands for any one fiscal year (imposed by sec. 1108 of the act), or raise this ceiling to $300,000.

To accomplish this, we suggest deletion from section 1108 of the words "and the total amount certified by the Administrator under such titles for payment to the Virgin Islands with respect to any fiscal year shall not exceed $160,000." Or, if it is desired instead to raise the ceiling, we suggest changing "$160,000" in the above clause to read "$300,000."

(2) Next, that, in the program for aid to dependent children, Congress include matching for assistance to the needy parent or other relative caring for children in the Virgin Islands, as it does for parents or relatives caring for children in the States and other Territories.

To accomplish this, we suggest that, in section 403 of the Social Security Act, add at the end of the clause (a) (2) therein, the words "and, in the case of the Virgin Islands, not counting so much of such expenditure for any month with respect to a relative with whom any dependent child is living as exceeds $18."

JUSTIFICATIONS

Removal of the ceiling of $160,000 or increase thereof to $300,000

Such a ceiling has never been imposed upon any State or Territory other than Puerto Rico and the Virgin Islands. It is the universal desire of Virgin Islanders that these islands shall remain permanently a part of the United States of America and that our people shall forever not only enjoy the privileges but also shoulder the burdens of United States citizenship.

We do not now make objection to the fact (although we do not consider them fully justified) that lower maximums are placed upon monthly assistance grants in the Virgin Islands than in the States. We recognize that there are some savings here in living costs, such as winter heating and clothing. But the ceiling upon the total annual expenditures for the program produces an arbitrary limitation that has no justification and no relationship to the varying but very real need for assistance which may exist in these islands from year to year.

This arbitrary limitation is imposing a real hardship upon the Virgin Islands right now. We are at this moment face to face with the fact that, with the improvement in standards, without changing our low recipient rates, without any appreciable increase in caseload, with administrative costs still running below the average for the Nation, with grants averaging only $18.50 per month for an adult (compared to the $30 maximum), and only $10 per month for a child (compared to the $18 and $12 maximums), we shall be earning next fiscal year approximately $20,000 in Federal matching above the present $160,000 ceiling—$20,000 we shall earn that our islands will lose if this ceiling is not removed at this session of Congress.

When this ceiling was first imposed, Congress had no experience as to how the Virgin Islands would run an assistance program. Its desire then to create some overall limitation, some safeguard, could be understood. Now, after 4½ years of operation, the record of public assistance in the Virgin Islands is sound and makes it clear that there need be no fear of the program running out of bounds. The United States Department of Health, Education, and Welfare, which supervises our program very carefully, can, and I believe will, attest to that record. Surely Congress can be, and should be, persuaded now to remove this unscientific and unfair limitation upon aid to the needy of our islands.

If Congress insists upon maintaining some limitation, undoubtedly it will recognize the wisdom and justice of raising this ceiling substantially. In this event, I propose a ceiling of $300,000. Such a ceiling is fully justified, I believe, by the figures shown on the attachment in which a fair ceiling is worked out on the basis of comparable figures for the assistance program of the whole Nation. Taking the average assistance payments in the United States per inhabitant, and multiplying these by the total Virgin Islands population according to the United States census of 1950, we find that the comparable assistance payments in Federal categories in the Virgin Islands in a year would be approximately $400,000. Even at the low matching rate of 50 percent provided for the Virgin Islands, the Federal matching earned thereon would be $200,000. Actual administrative costs forecast for the Virgin Islands for next fiscal year, and these compare favorably with mainland figures, would earn another $46,000 or more of Federal matching. Thus, at present average mainland payments, any area of our population size would be earning approximately $250,000 of Federal matching. Since this is based only on current averages in a time of normal caseloads and of relatively stable prices, and we are dealing with an overall ceiling which would apply as well in times of adversity with increased caseloads and in times of inflation with relatively high prices, it is surely necessary to up the ceiling to at least $300,000, as proposed.

Inclusion of matching for the parent or relative caring for ADC children

The omission in the current act, in the aid-to-dependent-children program, of Federal matching for assistance to a needy parent or other relative caring for ADC children in the Virgin Islands imposes an unwarranted hardship. It is recognized that Federal matching for assistance to meet the needs of such parents or other caretakers in the United States is seriously needed and is fully justified. The same is completely true for such matching for assistance to parents and other caretakers in the Virgin Islands. The lack of this provision is causing new excesses over the Federal maximums in the large majority of ADC cases with one child, and in many of the cases with a small number of children. The resulting loss in Federal matching will be approximately $5,000 despite arbitrary maximums we have been forced to impose on our ADC grants.

Our ADC program is a sound one. Our ADC recipient rate dropped from 57 per thousand in June 1952 to 35 per thousand in June 1954. We have strong support laws for illegitimate as well as legitimate children. We use the courts vigorously to enforce support where it is available. Our proportion of absent parents, 46 percent, is less than the national average, 59 percent. Our cases in which need arises from death of a parent, 39 percent, is more than twice the national average, 17 percent. This furnishes additional evidence of the care with which our policies are established. This should be one other cause for assurance on the part of Congress that justice done in this program to the people of the Virgin Islands will not result in pauperization of the people but in help to aged, blind, disabled, and children in serious need of aid.

I do hope that your committee will urge upon Congress that it is just and fair to accord the Virgin Islands and their people the same treatment in the laws governing public assistance as is accorded other citizens of the United States, and that it is necessary, in the spirit of justice, to remove the special clauses which tend to set them aside as second-class citizens. Willingly, without hesitation, and with patriotic fervor, our youth have undertaken the highest responsibility of citizenship, have fought and died for our country, like American youth all over the Nation. Likewise, our aged and our children are entitled to the fruits of that citizenship—and in their hour of need deserve the same consideration as the aged and children on the mainland.

Respectfully submitted.

ROY W. BORNN,
Commissioner of Social Welfare for the Virgin Islands.

PROPOSALS FOR DETERMINATION OF A FAIR CEILING ON THE ANNUAL TOTAL OF FEDERAL PARTICIPATION IN THE VIRGIN ISLANDS PUBLIC ASSISTANCE PROGRAM

A ceiling on Federal participation in the assistance program of the Virgin Islands cannot be soundly based on existing expenditures in the islands, since the standards of assistance are now seriously inadequate (for instance, 13 cents allowance per meal for food), since prices are relatively stable now but may not always nor long be so, and since caseloads are at a low figure which might be seriously increased in a time of adversity. Accordingly, it is believed to be more sound, and it is proposed, that the determination of the ceiling for Federal participation in the Virgin Islands program be based on the average amount presently being expended per inhabitant for assistance in the Nation as a whole, with some cushion provided for possible fluctuations in cost of living and caseloads.

Based on public assistance payments throughout the United States and its territories, and based on the entire population thereof, the United States Department of Health, Education and Welfare, has issued data showing that the average amount expended per inhabitant for assistance payments for the calendar year ended December 31, 1953, was $9.90 for old-age assistance, $3.46 for aid to dependent children, 41 cents for aid to the blind, and 97 cents for aid to the disabled. The highest rate in OAA was in Colorado, $35.30 per inhabitant, and the lowest was Virginia $1.58 per inhabitant.

Based on the foregoing, Federal matching earned in the public assistance program in the Virgin Islands in a given year, in the four Federal categories, might well total $300,000 (even at the low 50 percent Federal

matching now applicable in the Virgin Islands program), as follows:

Assistance:	
In old-age assistance, 27,000 Virgin Islands population at $9.90	$267,300
In aid to dependent children, 27,000 Virgin Islands population at $3.46	93,420
In aid to the blind, 27,000 Virgin Islands population at $0.41	11,070
In aid to the disabled, 27,000 Virgin Islands population at $0.97	26,190
Total assistance	397,980
Administration:	
Based on actual administrative costs anticipated in appropriations passed for fiscal year 1955–56 (proportion chargeable to Federal categories)	92,508
Grand total	490,488
Federal matching:	
At 50 percent of both assistance and administration	245,244
25 percent increase to provide for fluctuations in caseload and cost of living	61,311
Total probable matching earned	306,555
Suggested ceiling	300,000

In the foregoing, there has not been taken into account a factor which should result at this time in a higher average of assistance payments per inhabitant in the Virgin Islands than in comparable areas in continental United States. This is the fact that the OASI program is so new in the Virgin Islands that it does not cover in the islands any appreciable portion of the aged and of orphaned children, as it does in the United States. Our OASI recipient rate in the Virgin Islands for persons 65 years and over, in June 1954, was 67 per thousand, as compared with 362 per thousand in the United States. For children, the Virgin Islands rate was 4.3 per thousand as compared with 19.9 in the United States. This tends to make our assistance recipient rate higher than in continental United States, which in turn operates to make our assistance payments per inhabitant high compared to those in the United States. Virgin Islands assistance standards may be considerably lower than in a given State, yet our average assistance payment per inhabitant may be higher than in that State.

Respectfully submitted.

ROY W. BORNN,
Commissioner of Social Welfare for the Virgin Islands.

REVISION OF THE STATUS OF FORCES TREATY

Mr. WELKER. Mr. President, I have consistently objected vigorously—I have not regretted doing so—to the Armed Forces treaty now in effect; and I have repeatedly stated that if the junior Senator from Idaho will vote to send American boys overseas, then in good faith he cannot vote to deny to them the right of trial by jury, the presumption of innocence, the right to have counsel, the right of consultation with someone who speaks their own language, and the constitutional guaranties against cruel and unusual punishment.

Mr. President, the Status of Forces Treaty will, in my opinion, forever be a black mark on the history of our Nation, until that treaty is abrogated. I shall continue to fight for the protection of our young men who carry the burden of our defense. If they follow the Constitution and the flag of the United States, then most certainly the Constitution and flag must follow them wherever they may be. If there ever comes a time when I fail to stand up and be counted in their defense, then it will be time for the State of Idaho to have a new junior Senator.

Mr. President, following these remarks, I introduce and send to the desk a Senate joint resolution, for which I request appropriate reference.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 96) providing for the revision of the Status of Forces Agreement and certain other treaties and international agreements, or the withdrawal of the United States from such treaties and agreements, so that foreign countries will not have criminal jurisdiction over American Armed Forces personnel stationed within their boundaries, introduced by Mr. WELKER, was received, read twice by its title, and referred to the Committee on Foreign Relations.

INCREASED RATES OF COMPENSATION OF MEMBERS OF CERTAIN INDEPENDENT BOARDS AND COMMISSIONS—AMENDMENT

Mr. LANGER submitted an amendment, intended to be proposed by him, to the bill (S. 2639) to increase the rates of compensation of members of certain independent boards and commissions, which was referred to the Committee on Post Office and Civil Service, and ordered to be printed.

PUBLICATION OF HISTORICAL DOCUMENTS

Mr. BENNETT submitted the following concurrent resolution (S. Con. Res. 54), which was referred to the Committee on Rules and Administration:

Whereas the National Historical Publications Commission is charged by the Congress with responsibility for cooperating with and encouraging "Federal, State, and local agencies and nongovernmental institutions, societies, and individuals" in collecting, preserving, and publishing documents that are important for understanding the history of the United States; and

Whereas the said Commission in the discharge of these responsibilities has recommended a national program to encourage the publication of the basic source materials of American history through the cooperative efforts of both public and private organizations; and

Whereas the President of the United States has approved the national program for the publication of historical documents, as set forth in the Commission's published report to him; and

Whereas it is important that the people of the United States understand the history of their country and of its relationship to the rest of the world; and

Whereas the publication of such source material as letters, diaries, journals, sermons, speeches, reports, and other documents—the firsthand evidence of the initiative, courage, and spiritual qualities of the men and women who have helped to shape our country's destiny—would contribute to a better understanding of the history of the United States in all of its manifold aspects, and would thereby strengthen the defense of our country against its enemies: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress of the United States that the fulfillment of the program recommended by the National Historical Publications Commission in its report entitled "A National Program for the Publication of Historical Documents" would be of lasting benefit to the Government and citizens of the United States; and be it further

Resolved, That the Congress of the United States respectfully urges the governors and legislatures of the several States and the State historical commissions and archival agencies, as well as appropriate libraries, historical societies, colleges and universities, business corporations, foundations, civic and other nonprofit organizations, and individuals to cooperate with the National Historical Publications Commission in the fulfillment of the said program.

ESTABLISHMENT OF UNIFORM FEES AND CHARGES FOR WORK, ETC., BY GOVERNMENT AGENCIES

Mr. MAGNUSON. Mr. President, on behalf of myself, as chairman of the Senate Committee on Interstate and Foreign Commerce, and the Senator from Ohio [Mr. BRICKER], the ranking Republican of that committee, I submit, for appropriate reference, a resolution relative to the establishment of uniform fees and charges by Government agencies for work or other things of value performed by them.

The resolution would authorize the Committee on Government Operations to direct a full and complete study and investigation of the feasibility and practicability of establishing uniform fees and charges for any work, service, franchise, license, permit, or similar thing of value furnished or granted by any Federal Agency.

When the Congress enacted the Independent Offices Appropriation Act of 1952, a rider was attached—title 5, United States Code, section 140—indicating that it was the sense of the Congress that any work, service, license, permit, certificate, or similar thing of value issued to or for any person by any Federal agency should be self-sustaining to the fullest extent possible, and authorized the head of each Federal agency to prescribe fees and charges accordingly.

Pursuant to this provision, the Bureau of the Budget, acting on behalf of the President, made a study of this matter and issued a circular dated November 5, 1953, Circular A–25, directing the various agencies to establish a schedule of fees "which, taking account of the value to the recipient and the public policy of interest served, shall recover to the fullest extent possible the aggregate costs incurred in the conduct of these activities."

A number of the agencies acting pursuant to this directive issued schedules of fees and charges which would reimburse the agencies for the costs incurred by the agencies both directly and indirectly in rendering the services or in issuing the licenses.

Recently, the American Bar Association through its section of administrative law appeared before the Subcommittee on Appropriations and urged that title 5 of the Independent Offices Appropriation Act of 1952, as it applied to fees and charges, be repealed, and in the meantime, that a resolution be adopted which would suspend any agencies action that was planned or undertaken under title 5 until Congress had an opportunity to examine the entire problem of fees and charges. The bar association's testimony is set out in detail in the appropriations hearings.

The committee in considering this problem in a recent session concluded that a uniform system of uniform fees and charges for all agencies as described in title 5 of the Appropriations Act of 1952 would appear to be an appropriate subject for study and consideration by a proper committee of the Senate. In this instance it is obvious that the Committee on Government Operations which, under the Legislative Reorganization Act of 1946—Public Law 601, 79th Congress, August 2, 1946—has the responsibility of "studying the operation of Government activities at all levels with the view of determining its economy and efficiency" is the proper committee to make the study because all Government departments and agencies come within its jurisdiction for such purposes.

I want to emphasize at this point that the committee is not hostile to the idea of assessing fees and charges but the committee members are of the opinion that such fees and charges, if feasible and practicable, should be based on uniform standards and should be fair and equitable.

The VICE PRESIDENT. The resolution will be received and appropriately referred.

The resolution (S. Res. 140) was referred to the Committee on Government Operations, as follows:

Whereas the Congress in enacting the Independent Offices Appropriation Act, 1952, declared, in title V of such act, that it was the sense of the Congress that any work, service, publication, report, document, benefit, privilege, authority, use, franchise, license, permit, certificate, registration, or similar thing of value or utility performed, furnished, provided, granted, prepared, or issued to or for any person by any Federal agency should be self-sustaining to the full extent possible, and authorized the head of each Federal agency to prescribe, by regulation, fees and charges therefor (which in the case of agencies in the executive branch are to be as uniform as practicable and subject to such policies as the President may prescribe); and

Whereas pursuant to such title, the Bureau of the Budget acting on behalf of the President made a study of this matter and issued a circular with respect thereto setting out uniform standards to be applied by the agencies in the executive branch in implementing such title; and

Whereas the agencies of the Government are preparing regulations to establish fees and charges as authorized by such title; and

Whereas the establishment of such fees and charges by agencies of the Government may adversely affect the administration and fundamental concept of the basic laws with respect to which such fees and charges are imposed; and

Whereas the American Bar Association has recommended the repeal of title V of the Independent Offices Appropriation Act of 1952, and a review of the necessity and desirability of the establishment of fees and charges by Federal agencies as authorized by such title: Now, therefore, be it

Resolved, That the Committee on Government Operations, or any duly authorized subcommittee thereof, is hereby authorized and directed to conduct a full and complete study and investigation of the feasibility and practicability of establishing uniform fees and charges for those works, services, and other actions of agencies of the Government described in title V of the Independent Offices Appropriation Act, 1952. The committee shall report the results of such study and investigation, together with such recommendations as it may deem advisable, to the Senate at the earliest practicable date, but not later than January 31, 1957.

SEC. 2. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable. The expenses of the committee under this resolution, which shall not exceed $30,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SEC. 3. The head of each agency of the Government is hereby requested—

(1) not to issue any regulations imposing fees and charges under the authority of title V of the Independent Offices Appropriation Act, 1952; and

(2) to suspend the application of any regulations imposing fees and charges which he may heretofore have issued under the authority of such title

until such time as the Committee on Government Operations makes its report to the Senate pursuant to this resolution.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. BARKLEY:

Addresses delivered by Senators CLEMENTS and DOUGLAS upon the occasion of the conferring of the Berea College centennial award upon Senator CLEMENTS.

By Mr. MANSFIELD:

Address delivered by Senator JACKSON before the annual fellowship dinner of the Grand Lodge of Masons of the State of Washington, at Olympia, Wash., on Tuesday, June 21, 1955.

By Mr. POTTER:

Address by Under Secretary of Labor Arthur Larson, delivered at Eighth Annual Conference on Aging, University of Michigan, Michigan Union, Ann Arbor, Mich., on June 28, 1955.

THE GENEVA CONFERENCE AND PRESIDENT EISENHOWER'S EFFORTS FOR PEACE

Mr. THYE. Mr. President, on Monday, July 25, there appeared on the editorial page of the St. Paul Pioneer Press an editorial under the headline "Progress for Peace." In this morning's Washington Post and Times Herald there appeared an editorial entitled "New Climate of Peace."

Both editorials, though they were written by different editorial writers, one in Minnesota and the other in Washington, refer to the progress the United States has made, and the excellent achievement of President Eisenhower at the Conference at Geneva. The subject matter of the editorials is peace.

There also appeared in Newsweek of August 1 an article entitled "Filling the Vacuum," written by Ernest K. Lindley.

All the writings to which I have referred give us good, sound information on the question of peace, and I ask unanimous consent that they be printed in the body of the RECORD as a part of my remarks.

There being no objection, the editorials and article were ordered to be printed in the RECORD, as follows:

[From the St. Paul Pioneer Press of July 25, 1955]

PROGRESS FOR PEACE

The Conference at Geneva has marked the beginning of a new and better phase of postwar history. It is to be a period of less tension and less danger of war, and one in which the chances of getting the outstanding problems of the world settled without use of force will be better than at any time since the Second Great War ended.

But these hopeful signs apply to Europe, and only indirectly to Asia. It is probable that the effects of the accord which has been struck up at Geneva will be felt in the Far East as well, for no other reason than that the new tactics of Red Russia must affect those of its ally, Red China. The Chinese Communists will be less inclined to risk involvement in major war if they know that their Russian friends are out for peaceful coexistence and therefore unlikely to come to their support. When aggression goes out of fashion in Europe it becomes less attractive in China.

President Eisenhower has won an immense diplomatic victory; not in the usual cynical sense, but one that will enhance very greatly the prestige of America and of himself as a world leader.

By his open and sincere appeal to the hearts and minds of all mankind, he has made it impossible for the Communists, even if they wished, to return to their attempts to create in the eyes of the world an image of America as a threat to the peace of the world. He has thereby brought closer to reality the ideals of peace and security for the world.

In the professional game of diplomacy the score is figured in terms of power gained or power lost. President Eisenhower's achievement is not to be scored that way. The gain is universal. There are no losers when the prize is on the side of peace.

It would be folly to assume that the Soviet Government has changed its fundamental purposes and objectives. But the new leaders of communism do not appear to have the fanatic drive for world revolution that their predecessors had. They appear less ready to run the risks of precipitating war. The strength of the Western alliance has certainly been chiefly responsible for this conversion. This strength has come about because of the economic, military, and political programs which have put Western Europe back on its feet. This success represents a triumph for America's postwar leadership.

If now it can be reasonably thought, as the Geneva Conference indicates, that the statesmen of the world have come to see that modern war has become too destructive to be contemplated, then, in fact, a new era is to be had for the taking.

[From the Washington Post and Times Herald of July 27, 1955]

NEW CLIMATE OF PEACE

President Eisenhower's reports to the people and to the leaders of Congress on the Geneva Conference were essential parts of his effort to produce a new climate in which

peace can flourish. It is everywhere agreed that the chief significance of the Big Four gathering last week was the increased tolerance and understanding that it produced. The question now is whether this change in attitude will be reflected in the broad relations between the American and Russian peoples.

If the conciliation and good will that were generated at Geneva are to be lasting, they will be reflected in the diplomatic notes exchanged between the two Governments. They will be reflected also in official speeches, in future negotiations, and in national policies. But undertakings of this sort cannot be kept wholly within the realm of governmental operations. Their outcome will depend in considerable measure upon the attitudes of people, and that is particularly true in the United States where freedom of expression prevails. In the last analysis, an international climate can change only to the extent that the people wish to change it.

The President recognized also that many factors enter into the pursuit of peace. It is not an isolated condition that can be attained by statesmen regardless of how people think and live. Among the important ingredients in any crusade for peace, as the President noted, are freedom and security for all nations, prosperity and a rising standard of living, and "an opportunity for all of us to live in peace and in security." If the people are genuinely interested in ending the cold war, they should also be interested in promoting these aids to peace in other nations as well as in our own.

The hope that the President holds out is not of a sudden emergence from cold war to utopia. Rather, it is for a gradual transition from hostility and fear to a sort of cold peace—a willingness on the part of two diametrically opposite systems to live side by side without war and with a semblance of balance between their security forces. The President seems hopeful that such a status can be attained, and his optimism appears to be shared in some measure by a vast majority of his countrymen. In any event, there is general agreement that the objective is worth struggling for. What the people ought to realize is that success for the venture will require tremendous effort, patience and restraint on their part no less than on the part of the Government.

[From Newsweek of August 1, 1955]

FILLING THE VACUUM

(By Ernest K. Lindley)

It is reasonably evident that both Moscow and Peking want a period of relative international quiet while they build their strength. No one can be sure what such a period may lead to—whether to a gradual adjustment of difficulties between the Communist and free worlds or to a devasting explosion. But it is surely essential that the free nations continue to build their own strength.

It should go without saying that our own military strength should be maintained and that we should do everything possible to make sure that we do not fall behind in the race for new weapons. There should be no overall reductions or slowdowns except under international agreements applying to the Reds.

Local defensive forces should be built up as rapidly as possible in those areas in which they are manifestly inadequate. For example, the free nations of southeast Asia need forces unquestionably capable of coping defensively with the Viet Minh. The possibility of more "brush fires" cannot be ruled out until the Viet Minh is firmly contained—unless we are willing to give clear warning that any military thrust in that area will mean war with us. Then, there is the much larger problem of offsetting the military power of Red China, which doubtless will continue to grow. We are the main curb on a new Communist Chinese aggression.

The underdeveloped countries of Asia cannot support their fair shares of the total defense burden without outside help. We must continue to provide them not only with weapons but with financial support for their defense programs.

If we are to have a period of "peaceful" competition, the free world must show its superiority by outdoing the Communist nations in economic development. It is not enough for us and a few Western European nations to produce more and maintain higher standards of living than the Russians. It is not enough for, let us say, Japan and the Philippines to keep ahead of Red China by the same tests. All the free nations must at least keep pace with their respective Communist neighbors in economic development.

If the underdeveloped free nations are to outdo, or hold their own with, the Communist nations in economic development during the next few years, they must have technical aid and capital from the outside in substantial amounts. Much of both must come from the United States. Part must be in the form of gifts and very easy loans. More of a foundation must be laid in many of these countries before they will become sound risks for hard loans or attractive for direct private investment on a substantial scale.

A year ago some congressional leaders were talking as if the foreign-aid money which they were then appropriating would be the last. But this year, most Members appear to realize that foreign aid should be continued, perhaps for some years to come. The House Foreign Affairs Committee approved the administration's request for this year without debating the basic need. The House shortsightedly went along with a large cut made by its Appropriations Committee but the Senate Appropriations Committee restored all but about $60 million of the $3,266,000,000 asked by the President.

Even before the cuts, the administration's program provides less economic aid than free Asia needs to develop as it should—and must if it is to keep ahead of Communist competition. Our allies deserve priority but we should not neglect the other independent Asian nations. Since a backlog of military requirements is being whittled down, the overall bill for foreign aid may safely be allowed to shrink a little more during the next few years. But if free Asia is to be made secure, foreign aid must continue to be an important item in our Federal budget.

An end to the struggle between communism and freedom is not in sight. If we are to have a period of relaxed international tension, we must see to it that we make better use of it than the Communists do. We should take full advantage of the opportunity to fill the vacuums, military and economic, in the free world.

TRIBUTE TO AMERICA'S AND THE UNITED NATIONS' KOREAN WAR DEAD

Mr. WILEY. Mr. President, 2 years ago today, on July 27, 1953, occurred a memorable event in American and world history—one which should not be forgotten. On that day, the long and cruel fighting in Korea ended with the agreement on cessation of hostilities. Thus the first collective resistance to an armed aggression resistance organized under the banner of an international agency, was concluded, and an inspiring turning point in man's age-old quest for just and lasting peace was reached.

We are all familiar with the serious losses of men and, less important, but very sizable, the loss of materiel, in this bloody conflict. We are familiar with the indomitable sacrifices of the Republic of Korea, which stood up manfully to this aggression, with a courage which won the admiration of freemen everywhere.

Today, 2 years after the guns became silent, we pay tribute to the ROK war dead and war injured, including the heavy civilian casualties.

As Americans, we pay tribute in particular to our own valiant boys who bore the heaviest brunt, aside from ROK troops, in this long struggle. And we pay tribute to the other forces of the United Nations, which contributed vitally to the throwing back of the forces of aggression.

It is an unhappy fact that Korea remains divided. It is a further unhappy fact that the truce agreement has been violated to a degree which has shocked even a world which has realistically come to anticipate Communist abuses and violations. The massive buildup of Chinese Red and North Korean forces, their point-by-point ignoring of all their other obligations under the truce, have once more confirmed to the world the callous Communist view of written agreements.

But we pause now, nonetheless, in tribute to the U. N. war dead and war-disabled of the Korean conflict.

I have in my hand the text of the resolution of August 31, 1953, adopted by the U. N. General Assembly in special tribute to the U. N.'s armed forces. In memory of the unexcelled courage and bravery of all those who fought under the banner of international law and order, and in a reminder of eternal vigilance against possible more brush fire or big wars, I ask unanimous consent that the text of the U. N. resolution be printed in the body of the RECORD at this point.

Following it, as examples of the bravery to which I refer, I ask unanimous consent that the texts of the citations of 3 American boys who fought—and 2 of whom died—in the Korean war and who won our highest military honor, be printed likewise in the RECORD at this point.

These happen to be Wisconsin boys, but they are symbolic, I believe, of Americans from all the other States of the Union who fought so bravely on this far-distant battlefield.

There being no objection, the resolution and citations were ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY AT ITS 431ST PLENARY MEETING ON AUGUST 28, 1953

TRIBUTE TO THE ARMED FORCES WHO HAVE FOUGHT IN KOREA TO RESIST AGGRESSION AND UPHOLD THE CAUSE OF FREEDOM AND PEACE

The General Assembly

Recalling the resolutions of the Security Council of June 25, June 27, and July 7, 1950, and the resolutions of the General Assembly of October 7, 1950, December 1, 1950, February 1, 1951, May 18, 1951, and December 3, 1952,

Having received the report of the Unified Command dated August 7, 1953,

Noting with profound satisfaction that fighting has now ceased in Korea on the basis of an honorable armistice,

1. Salutes the heroic soldiers of the Republic of Korea and of all those countries which sent armed forces to its assistance;

2. Pays tribute to all those who died in resisting aggression and thus in upholding the cause of freedom and peace;

3. Expresses its satisfaction that the first efforts pursuant to the call of the United Nations to repel armed aggression by collective military measures have been successful, and expresses its firm conviction that this proof of the effectiveness of collective security under the United Nations Charter will contribute to the maintenance of international peace and security.

CITATIONS OF THREE OF WISCONSIN'S MEDAL OF HONOR WINNERS IN KOREAN CONFLICT[1]

MEDAL OF HONOR (POSTHUMOUS)

"M. Sgt. Melvin O. Handrich, Company C, 5th Infantry Regiment, distinguished himself by conspicuous gallantry and intrepidity above and beyond the call of duty in action on August 25 and 26, 1950, near Sobuk San Mountain, Korea. His company was engaged in repulsing an estimated 150 enemy who were threatening to overrun its position. Near midnight on August 25, a hostile group over 100 strong attempted to infiltrate the company perimeter. Sergeant Handrich, despite the heavy enemy fire, voluntarily left the comparative safety of the defensive area and moved to a forward position where he could direct mortar and artillery fire upon the advancing enemy. He remained at this post for 8 hours directing fire against the enemy who often approached to within 50 feet of his position. Again, on the morning of August 26, another strong hostile force made an attempt to overrun the company's position. With complete disregard for his own safety, Sergeant Handrich rose to his feet and from this exposed position fired his rifle and directed mortar and artillery fire on the attackers. At the peak of this action he observed elements of his company preparing to withdraw. He perilously made his way across fire swept terrain to the defense area where, by example and forceful leadership, he reorganized the men to continue the fight. During the action Sergeant Handrich was severely wounded. Refusing to take cover or be evacuated, he returned to his forward position and continued to direct the company's fire. Later a determined enemy attack overran Sergeant Handrich's position and he was mortally wounded. When the position was retaken over 70 enemy dead were counted in the area he had so intrepidly defended. Sergeant Handrich's sustained personal bravery, consummate courage, and gallant self-sacrifice reflect untold glory upon himself and the heroic traditions of the military service."

Published in Department of the Army General Order No. 60, August 2, 1951.

Date of award: June 21, 1951.

Place of birth: Manawa, Wis.

Entered military service from Manawa, Wis.

Killed in action: August 26, 1950.

Next of kin: Mr. Walter W. Handrich, father, route No. 1, Manawa, Wis.

MEDAL OF HONOR (POSTHUMOUS)

"Second Lieut. Jerome A. Sudut, 02263203, infantry, United States Army, Company B, 27th Infantry Regiment, 25th Infantry Division, distinguished himself by conspicuous gallantry above and beyond the call of duty in action against the enemy near Kumhwa, Korea, on September 12, 1951. His platoon, attacking heavily fortified and strategically located hostile emplacements, had been stopped by intense fire from a large bunker containing several firing posts. Armed with submachinegun, pistol, and grenades, Lieutenant Sudut charged the emplacement alone through vicious hostile fire, killing three of the occupants and dispersing the remainder. Painfully wounded, he returned to reorganize his platoon, refused evacuation and led his men in a renewed attack. The enemy had returned to the bunker by means of connecting trenches from other emplacements and the platoon was again halted by devastating fire. Accompanied by an automatic rifleman, Lieutenant Sudut again charged into close-range fire to eliminate the position. When the rifleman was wounded, Lieutenant Sudut seized his weapon and continued alone, killing 3 of the 4 remaining occupants. Though mortally wounded and his ammunition exhausted, he jumped into the emplacement and killed the remaining enemy soldier with his trench knife. His singlehanded assaults so inspired his comrades that they continued the attack and drove the enemy from the hill, securing the objective. Lieutenant Sudut's consummate fighting spirit, outstanding leadership, and gallant self-sacrifice are in keeping with the finest traditions of the infantry and the United States Army."

Published in Department of the Army General Order No. 31, March 21, 1952.

Date of award: February 6, 1952.

Place of birth: Wausau, Wis.

Entered military service from: Wisconsin.

Killed in action: September 12, 1951.

Next of kin: Mr. Joseph Sudut, father, route No. 3, Wausau, Wis.

MEDAL OF HONOR

"Sgt. Einar H. Ingman (then corporal), 16301508, a member of Company E. 17th Infantry Regiment, 7th Infantry Division, distinguished himself by conspicuous gallantry and intrepidity above and beyond the call of duty in action against the enemy near Maltari, Korea, on February 26, 1951. The two leading squads of the assault platoon of his company, while attacking a strongly fortified ridge held by the enemy, were pinned down by withering fire and both squad leaders and several men were wounded. Sergeant Ingman assumed command, reorganized, and combined the two squads, then moved from one position to another, designating fields of fire and giving advice and encouragement to the men. Locating an enemy machinegun position that was raking his men with devastating fire he charged it alone, threw a grenade into the position, and killed the remaining crew with rifle fire. Another enemy machinegun opened fire approximately 15 yards away and inflicted additional casualties to the group and stopped the attack. When Sergeant Ingman charged the second position he was hit by grenade fragments and a hail of fire which seriously wounded him about the face and neck and knocked him to the ground. With incredible courage and stamina, he arose instantly and, using only his rifle, killed the entire gun crew before falling unconscious from his wounds. As a result of the singular action by Sergeant Ingman the defense of the enemy was broken, his squad secured its objective, and more than 100 hostile troops abandoned their weapons and fled in disorganized retreat. Sergeant Ingman's indomitable courage, extraordinary heroism and superb leadership reflect the highest credit on himself and are in keeping with the esteemed traditions of the infantry and the United States Army."

Published in Department of the Army General Order No. 68, August 2, 1951.

Date of award: July 5, 1951.

Place of birth: Milwaukee, Wis.

Entered military service from Wisconsin.

Next of kin: Mr. Einar Ingman, father, Star Route No. 2, Tomahawk, Wis.

[1] NOTE.—The citation of Wisconsin's fourth Medal of Honor winner, Cpl. Mitchell Red Cloud, Jr., also a posthumous decoration, was printed in CONGRESSIONAL RECORD of March 22, 1955.

SHORTAGE OF AMERICAN SCIENTISTS AND ENGINEERS

Mr. WILEY. Mr. President, on many occasions, I have commented on the critical shortage of scientists and engineers for American research. This shortage is not only impeding the growth of our civilian economy, but in my judgment, is preventing the optimum functioning of our military defense effort.

During the past weekend, Dr. Alan T. Waterman, Director of the National Science Foundation, released a report prepared for the Foundation by the Bureau of Labor Statistics of the United States Department of Labor. The report, based on interviews with officials of approximately 200 large companies, confirmed the serious effects of this shortage.

In order to meet this problem, it will be necessary to have comprehensive cooperation and planning by educational, business, labor, governmental and other sources. One need only look at the "Help Wanted" pages of the Nation's daily and Sunday newspapers to note the stiff competition among companies all over America for scientists and engineers.

The fact, moreover, that the Soviet Union is apparently outracing us in graduating new engineers and technicians, should serve as further warning to us.

What we need, however, is not a wringing of hands and an outpouring of moans, but active steps—now—to cope with this shortage.

I send to the desk the text of the report as released by Dr. Waterman, and ask unanimous consent that it be printed in the body of the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

SHORTAGES OF SCIENTISTS AND ENGINEERS IN INDUSTRIAL RESEARCH

Shortages of scientists and engineers impede the research and development programs of many companies whose activities represent a large and critically important segment of the Nation's scientific-research effort. In interviews with officials of approximately 200 large companies, conducted by the United States Department of Labor's Bureau of Labor Statistics for the National Science Foundation during the last 3 months of 1954, at least half of these companies reported that they were unable to hire enough research scientists and engineers[1] to meet their needs, and 1 out of every 3 said they had major or substantial shortages of such personnel. The remaining companies interviewed did not report numerical shortages of research personnel, but many emphasized their need for better-qualified scientists and engineers. The 200 companies interviewed together employ well over half of all scientists and engineers in industrial research and development.

The need for additional personnel in the research and development activities of the reporting companies covered a wide range of fields—chemical, electrical, mechanical, and aeronautical engineering, chemistry,

[1] Research and development scientists and engineers include those engaged in basic and applied research in the sciences (including medicine) and engineering, and in design and development of prototypes and processes. They do not include those enaged in activities such as quality control, routine product testing, market research, sales promotion, sales service, geological or geophysical exploration, or research in the social sciences or psychology.

physics, metallurgy, mathematics, and a number of others. The demand for additional scientists and engineers also extended to all levels of training and to new graduates, as well as to experienced men, although most company officials said they had a greater need for personnel with experience or advanced degrees than for new graduates with only the bachelor's degree.

Industries where the proportion of companies reporting shortages of research scientists and engineers was largest were aircraft, electrical equipment, petroleum, paper, food, and primary metals. Every aircraft company in the survey indicated a shortage of research and development personnel. In all other industries some companies—in several cases the majority of those interviewed—said their research programs were not impeded by a numerical shortage of scientists or engineers. However, the survey findings clearly indicate that, on a nationwide basis, the supply of qualified personnel is insufficient to meet the demand for research and development scientists and engineers in many fields.

THE SURVEY

The survey on which these findings are based is part of a broad study of research and development resources in all types of research organizations, undertaken by the National Science Foundation to provide the information needed in developing and recommending to the President policies to strengthen the country's research effort. In addition to the survey of private industry's research resources, the National Science Foundation is conducting or sponsoring coordinated studies of the research activities of colleges and universities, Federal and State government agencies, trade associations, commercial laboratories, and nonprofit research institutes and foundations.

The survey of industrial research has two phases—an extensive survey of a sample of about 11,600 companies carefully chosen to be representative of all nonagricultural industries in the Nation, and intensive interviews with officials of approximately 200 of the largest of these companies. The findings of the questionnaire survey, to be released in a later report, will provide detailed information on the volume of research expenditures, research manpower, and related topics, for each major industry. In the interviews with officials of 200 major companies (many of which are parent companies of corporate families), information was obtained on such subjects as the factors influencing companies' research expenditures, the extent of personnel shortages, and other obstacles to the effective conduct and expansion of industrial research.

This bulletin summarizes the information with regard to shortages of research and development scientists and engineers obtained through the interviews with large companies. To introduce the discussion of manpower problems company officials were asked the following questions: (1) "To what extent is your research program now affected by shortages of scientists and engineers?" (2) "In what specialties are there significant shortages and at what educational and experience levels?" (3) "Have you encountered a special shortage of personnel qualified to become project leaders. If so, how have you attempted to meet this problem?" Direct replies to these questions were sought. In addition, the questions were used as a springboard for obtaining as full a discussion as possible of company needs for scientists and engineers in research and development programs.

The 200 companies supplying information represent, in general, the largest firms in industries with significant research and development programs.[2] Together, these companies employ a substantial majority of all scientists and engineers engaged in industrial research. It should be borne in mind, however, that the findings apply only to big companies. No evidence is yet available from the survey with regard to the personnel situation in the many small firms conducting research and development activities.

It should be emphasized also that information supplied by company officials applied to research and development personnel only. It does not cover the personnel situation in other types of scientific and engineering work—such as production, sales, or exploration activities—which together employ a much larger number of scientists and engineers than those engaged in research and development.

Another important point about the information presented is that it is in terms of relative numbers of companies, rather than numbers of personnel affected. Some companies in the survey are, of course, much larger than others, but each has the same weight in the findings.

EXTENT OF SHORTAGES

The shortages of scientific and engineering personnel reported by many companies represented, in most cases, a demand for additional staff for current research programs; in others, a need for additional personnel to permit a planned expansion in research activities. Approximately one-third of the companies interviewed reported major or substantial numerical shortages of research scientists and engineers. About one-sixth of the companies reported shortages of a less extensive character. The remaining half of the firms said they did not have numerical shortages of personnel, but many companies in this group emphasized their need for scientists and engineers with more advanced training or better professional qualifications. Officials of several of these firms said they would expand their research and development activities if well qualified or better trained persons could be found.

Lack of sufficient scientific and engineering personnel was reported, in many instances, to have hindered companies in carrying out going research programs. A sizable though smaller number of firms said they had been forced to curtail projected increases in their research and development activities. An example of an extreme situation is provided by an electrical equipment company—a large one, though not among the largest—which reported that its professional research and development staff would have been increased by 50 percent during 1954 if qualified personnel had been available. The company's top management had approved a still larger increase of the research and development staff during 1955 and 1956, but the official in charge of the research program expressed grave doubts that sufficient personnel would be available to permit this increase.

The need for "quality" in hiring research personnel was repeatedly emphasized. Officials of many companies reiterated that requirements for research scientists and engineers cannot be met because well-qualified, well-trained people are difficult to find. Several said that, owing to the scientific complexity of their company's research activities and the high costs involved therein, only the most capable new graduates—in general, those in the top 10 or 25 percent of present graduating classes—are considered as potential research employees. The research director of a major petroleum company, for example, pointed out that it was better policy to let positions go unfilled than to drop hiring standards below the high level necessary to obtain effective research workers. The need for personnel of high caliber was emphasized equally in connection with the hiring of experienced scientists and engineers.

Several companies indicated that their recruiting problems were intensified by a high rate of turnover among their research scientists and engineers. A few firms said they had, not infrequently, lost such personnel to other companies after spending considerable time training them.

INDUSTRY DIFFERENCES WITH RESPECT TO PERSONNEL SHORTAGES

The proportion of companies reporting shortages of research and development scientists and engineers was largest, as previously noted, in the aircraft, electrical equipment, petroleum, paper, food, and primary metals industries.

The majority of the aircraft manufacturers interviewed said they had acute shortages of research and development personnel, and all reported some shortage. The situation described by practically all company officials in this industry is summed up by the comment of one vice president of engineering: "Our organization has been literally limited in its development work by the unavailability of qualified personnel."

In the electrical equipment industry, three-fifths of the surveyed companies reported shortages of scientists and engineers. All the firms with shortages said that these were impeding their research and development programs. Several manufacturers of electronic equipment stressed that their shortage of research engineers and scientists was extremely acute; one of these companies had been able to fill only half the budgeted positions for its current research program.

Companies with insufficient numbers of research engineers and scientists in the petroleum, paper, and food industries likewise represented about three-fifths of those interviewed. An official of a leading petroleum company stated that lack of technical personnel, particularly scientists with advanced degrees or 5 to 10 years of industrial experience, was a very serious problem in his company's research and development organization. Similarly, the director of research of a major food company stated that the firm's research programs were markedly affected by personnel shortages; the company was having great difficulty in securing adequate numbers of trained people for work in fundamental and applied research on problems relating to food. However, in each of these industries some of the firms reporting a lack of scientists and engineers said this had not interfered significantly with their research programs.

In the primary metals industries also, a majority of the companies said they did not have sufficient numbers of research scientists and engineers. One corporation indicated that its lack of research personnel was of major dimensions. In other primary metals companies, the personnel shortages were described as less extensive. An official of one of these companies said: "In general, we have encountered no major obstacles in the expansion of our research and development program due to manpower shortages.

---

[2] The numbers of companies interviewed in different industries were as follows: 33 in chemicals and allied products; 21 in machinery; 20 in electrical equipment; 14 in petroleum; 13 in professional and scientific instruments; 11 in food and kindred products; 9 in aircraft; 9 in fabricated metal products; 9 in primary metals; 8 in motor vehicles and equipment; 8 in paper and allied products; 7 in mining; 7 in rubber products; and smaller numbers in coal products, leather, lumber, printing and publishing, railroad equipment, shipbuilding, stone, clay and glass products, textile mill products, tobacco, miscellaneous manufacturing, motion pictures, radio broadcasting and television, telecommunications, transportation, and utilities.

We are, however, having considerable difficulty in obtaining qualified research men, particularly those with advanced degrees in certain desired fields."

Of the professional and scientific instruments companies interviewed, approximately one-half reported shortages of research personnel. In all instances, the shortage either hindered the firm in its research activities or prevented a desired expansion in program. Several other instrument manufacturers, which had been able to obtain sufficient numbers of scientists and engineers, emphasized their need for better-qualified personnel or for personnel with training in specific fields.

Approximately half the companies in the chemicals and allied products industries reported shortages of scientists and engineers, but only one-fifth of them said that such shortages were significantly impeding or retarding their research and development programs. Officials of most of the largest chemical manufacturers indicated that their current research activities were not affected by a lack of scientists and engineers. They stressed, however, the intense recruitment programs they were forced to undertake and the strong competition for the best-qualified personnel.

Industries in which less than half of the companies in the study reported numerical shortages of research personnel included machinery, rubber, fabricated metals, and motor vehicles. In the machinery industry, 9 out of 21 companies indicated a need for additional research engineers and scientists, saying in most cases that the scarcity of personnel was impeding their research activities. At one leading machinery company, where lack of qualified personnel had made it impossible to expand the research program at the planned and budgeted rate, the official interviewed emphasized the inadequate supply of personnel with the technical training and professional qualifications needed by his research organization. He stated that out of 250 candidates for employment recently interviewed, the company was able to hire only 3 or 4 with the required technical and professional qualifications. In contrast, the president of another major firm in the same industry stated that, since the company is a very well-known, well-established organization and has a fine recruiting system, they do not have manpower shortages; he said they pay well and are able to develop the talent they have at a normal and healthy rate.

In the rubber industry, several companies reported that they were unable to obtain well-qualified research and development personnel. One leading manufacturer, who was rapidly expanding his research activities, stated that he had been unable to staff his organization at the rate desired.

Only a few of the firms in the fabricated metal products industry reported that they had encountered difficulty in obtaining qualified scientists and engineers to fill vacant budgeted positions in their research programs. The official in charge of research at one major concern indicated that, although the company has found sufficient numbers of scientists and engineers available for employment, many applicants fail to meet its hiring standards.

Of the 8 companies interviewed in the motor vehicle and equipment industry, only one reported difficulties in recruiting needed engineering personnel. Most of the other companies expressed the belief that their good reputations and well-organized personnel programs were responsible for their success in obtaining sufficient numbers of scientists and engineers for research and development activities.

In other industries, the numbers of firms interviewed were too small, either in absolute terms or relative to the total number of companies in the industry, to warrant separate analysis. The personnel situations reported by these companies were extremely diverse—ranging from a major shortage to an adequate supply of research scientists and engineers.

Altogether, the interviews with company officials indicated a considerable disparity in the personnel situation even within individual industries (with one notable exception—the aircraft industry). Within the limits of the present survey, it was not possible to develop detailed information on the reasons for these differences. Factors which contribute to variations in the personnel situation among companies include differences in the kinds of personnel needed (both with respect to scientific specialty and with respect to level of training or other qualifications), varying rates of personnel turnover, whether or not the company's research program has been expanding rapidly, and differential salary levels. Of importance also are differences in the effectiveness of recruitment programs and in the opportunities for advancement and degree of long-term economic security offered by employment in the given company (as appraised by the individual scientist).

TYPES OF PERSONNEL NEEDED

In interpreting the following information with regard to the engineering and scientific fields in which companies reported a need for additional personnel, the kinds of activity in which these companies were engaged should be borne in mind. The findings do not indicate the types of personnel needed in fields of employment outside the scope of the study, such as independent medical or other research laboratories, colleges and universities, and Government agencies. Furthermore, the information here presented applies only to personnel for research and development programs; it does not indicate employment needs in other types of scientific and technical work, such as exploration for or extraction of petroleum and minerals, construction, or activities related to production or sales.

Engineering fields in which sizable numbers of companies reported personnel shortages include chemical, electrical (especially electronic), mechanical, and aeronautical engineering. Chemical engineers were needed not only by companies in the chemical and petroleum industries, the largest industrial employers of engineers in this specialty, but also by a number of companies in the food industry and by some in most other industries represented in the survey. A particular need for chemical engineers with 1 to 5 years of industrial experience was indicated in many cases, but there was extensive demand also for new graduates in this field. Shortages of electrical engineers were reported mainly by companies in the aircraft, electrical equipment, machinery, and professional and scientific instruments industries. In this branch of engineering, the most acute need was usually stated to be for new graduates or for men with more than 5 years' experience. In the case of mechanical engineers, personnel needs were concentrated at these same experience levels and in the same list of industries, with the exception of professional and scientific instruments. Other, narrower specialties in which some companies had an acute need for engineers with advanced degrees or considerable experience included hydraulics, stress analysis, systems analysis, ceramics, and engineering physics.

The scientific fields in which personnel shortages were reported by many companies include chemistry, physics, metallurgy, and mathematics. In addition, some companies said they needed additional pharmacists and pharmacologists, pathologists, microscopists, and geophysicists.

The demand for chemists came mainly from companies in the chemical, petroleum, and food industries, as would be expected, and, to a lesser extent, from those in the paper industry. Physical and organic chemists with the doctor of philosophy degree were in great demand. Also widely needed were physical and organic chemists at all degree levels with 2 to 10 years of experience. A number of companies, chiefly in the food industries, reported a shortage of biochemists, particularly those with experience or advanced degrees.

Shortages of physicists, especially those with the doctor of philosophy degree or equivalent experience, were reported by many companies in the electrical equipment, aircraft, and professional and scientific instrument industries. Some firms in the chemical, machinery, and paper industries were also seeking physicists for their research programs.

Metallurgists at all degree levels were needed by many companies in the primary metals and electrical equipment industries. A few firms in the aircraft and fabricated metal products industries also reported a shortage of this type of scientist.

A need for mathematicians at all degree levels was reported by numerous companies in the aircraft industry.

SHORTAGES OF PROJECT LEADERS

A scarcity of personnel qualified for positions as project or group leaders for research and development activities was reported by slightly more than one-third of the companies. This was a smaller proportion than indicated shortages of scientists and engineers for research and development activities in general—no doubt owing to the general practice of filling project leaders positions by promotions from within. One out of every five companies said they had a marked shortage of well-qualified personnel for such positions; in other companies, the lack of supervisory personnel did not constitute a major problem.

Companies indicating difficulty in obtaining qualified personnel for positions of leadership were concentrated, to a considerable extent, in the industries where shortages of research personnel were most generally reported. Thus, aircraft manufacturers were virtually unanimous in reporting an insufficient supply of qualified supervisory personnel for their research and development programs, and many of them said the scarcity of such personnel was a critical problem in their organizations. A considerable number of companies in the electrical equipment, professional and scientific instruments, machinery, and paper industries also indicated that they had not been able to find sufficient, qualified scientists and engineers to serve as project leaders. A smaller proportion of the firms in the chemical and food industries and a few in other industries reported similar difficulties in obtaining competent research supervisors.

Many companies had instituted in-company training programs to prevent or alleviate a shortage of group leaders. In some cases, formal training programs had been undertaken; in others various types of informal techniques were utilized. A number of firms reported that they were using psychological testing and evaluation techniques as helpful tools in their programs.

The director of research and development of a well-known company in the field of transportation equipment summed up his firm's approach as follows: "We have attempted to meet this shortage by training those with good ability who are already on the job and giving them added responsibilities which would enable them to take on leadership jobs." The more formal program of a major aircraft manufacturer was briefly outlined by the company's engineering vice president. He said that in their developmental engineering activities they have endeavored "to evaluate the individual

at the lower supervisory level to see if such a person is capable of taking over at the management level. Persons who are thought qualified are brought into a wide training program for management and personnel relations in order to enable them to take on supervisory posts at a higher level."

Several companies had set up training programs in conjunction with nearby universities, either utilizing the facilities and staffs of these schools or bringing instructors into the plant itself. Other concerns were providing on-the-job training by assigning their research personnel to work with experienced men having expert knowledge of their fields. Provision was frequently made also for rotating selected personnel among the different areas of the organization in order to acquaint them with the company's various projects and problems.

In some cases companies using training techniques were also recruiting intensively for experienced personnel. A few companies had such urgent, immediate needs for project leaders that they were forced to use all available means of recruiting engineers and scientists already qualified for such positions. The research director of one firm stated frankly that "in such a case we try to secure men from other companies." One company mentioned that they ask their employees to "sell" the company to friends who might be qualified as project or group leaders.

Firms without specific training programs have attempted to meet their need for supervisory personnel in other ways. Several companies have gone so far as to divert some of their experienced scientists and engineers from other areas to research and development. In other companies, where the leadership in key research jobs is considered inadequate, supervision by higher level staff or by committees has been superimposed and an effort has been made to supply as strong supporting personnel as possible. In order to secure better supervision a few companies have tried to reduce their project leaders' workload—in some cases by relieving them of all nonsupervisory work, in others by eliminating their nontechnical responsibilities.

Lastly, several firms with a shortage of personnel for project-leader positions said they had been unable to relieve the situation. They had been forced to slow down their research activities or, in some cases, to bring projects to a complete standstill.

FUNDS FOR FOREIGN AID—PROPOSED PLASTICS PLANT IN KOREA

Mr. SYMINGTON. Mr. President, I favor foreign aid for both military and economic purposes, provided these purposes are found to be essential in the struggle against communism, and provided the funds, when made available, are used for such purposes. I so voted last week.

In general, I believe funds spent for military purposes abroad can result in less burden for the United States taxpayer at home—because the stronger our friends become, the less this country must bear of the military burden of the free world. I believe it is sound to give economic assistance to our friends, on the principle that increasing standards of living are vital in repelling the infiltration of the Communist disease.

Being in favor of financial assistance to our friends and allies, however, does not serve as justification for unsound and uneconomical expenditures of our funds abroad.

In this respect there has been brought to my attention an instance which would appear to be an illustration of wasteful and uneconomical expenditure abroad.

In March, the Monsanto Chemical Co., of St. Louis, sent me a copy of a letter which that company had sent to the FOA.

From this correspondence it appears that Monsanto had been asked, on three separate occasions, by the FOA to bid on a project to construct a plastics plant in Formosa. Monsanto turned down the bid invitation, on the ground it was not economically sound, not only because of the absence of basic raw materials and a trained labor supply in Formosa, but also because of the fact that Japan currently has idle capacity of this nature, ready and willing to export plastic products to Formosa and other countries.

It looked as if we planned to use the taxpayer's money to build an unnecessary facility in Formosa, thereby hurting the United States taxpayer directly, and also hampering the economic recovery of Japan.

As a consequence, on March 24, 1955, I wrote Mr. Stassen, Director of FOA, and asked him for the facts regarding Monsanto's conclusions about this project. On April 4, I received from Mr. Stassen a note, transmitting a copy of an FOA staff report regarding the proposed plant in Formosa. Since neither the note nor the staff report answered the question raised regarding the adverse effect of such a plan upon the Japanese economy, I again wrote Mr. Stassen on April 6, asking for his views as to the economic soundness of such proposal, both for Formosa and for Japan.

On April 20, Mr. Stassen replied that FOA was reviewing the subject, and would communicate with me as soon as such review had been completed. Since that date, last April, I have heard no more about this matter.

Several days ago—and this is now July—I received from Monsanto an oral report that FOA had decided to build the plastics plant in Formosa.

With no information from FOA on this matter, and in view of the position taken by an outstanding American company, I trust that this administration will use no money to build such a plant in Formosa.

Mr. President, if there is adequate capacity in Japan for the production of articles of this particular kind, then, inasmuch as the Japanese economy depends to a degree upon the Formosan economy, and vice versa, I think it incredible that the FOA would proceed with the building of a plastics plant, with United States taxpayers' money, in Formosa. This is particularly true since such a project would adversely affect the economic well-being of Japan—a matter of considerable importance to us at this time.

I also trust that the Senate will watch this matter, and will take into consideration what has been done the next time a request for foreign aid comes before the Senate.

DEBATE BETWEEN THE SECRETARY OF THE INTERIOR AND SENATOR NEUBERGER ON DEVELOPMENT OF PACIFIC NORTHWEST WATER RESOURCES

Mr. NEUBERGER. Mr. President, in the Northwest magazine of the Sunday Oregonian for July 24, 1955, a debate was published on the partnership hydroelectric power issue between the Honorable Douglas McKay, Secretary of the Interior, and myself. The debate largely involved the differences of opinion between Secretary McKay and me over how the vast power resources of the Pacific Northwest should be developed.

It seems to me that the Oregonian has rendered a public service to its many readers by providing equal opportunity for both sides of this vital issue to be presented, so that the public can decide between the two points of view.

I ask unanimous consent that the opposing presentations by Secretary McKay and myself, along with an accompanying editorial from the Oregonian editorial page of July 24, be printed in the body of the RECORD.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

POWER DEBATE

We call attention to the clear presentation of facts and opinions on development of the Columbia River system in the Oregonian's Northwest Roto magazine of this edition. The participants in the debate are Secretary of the Interior McKay and Senator NEUBERGER. The question: "Why Partnership Power?"

Readers of this page are aware that the editors are not advocates exclusively of either partnership or all-Federal development of the multiple-purpose projects. We think some of both are needed. We doubt that either side in the political struggle will win a clear-cut victory. And if either did, we doubt that enough power would be provided soon enough to prevent a serious shortage in the 1960's.

The debate should have a third leg. The best way to resolve the deadlock, which stems from congressional reluctance to provide enough Federal funds, is to get public power dams out of the Federal budget. This can be done by a system of Government capital financing, or by establishing a regional Federal corporation to take care of its own financing. But we recommend reading of the McKay-Neuberger statements for clearer understanding of the bind the Northwest is in.

DEBATING THE PARTNERSHIP PROBLEM

Water tumbling over a spillway and the tower of a high-tension transmission line—these are two potent symbols of an issue which has been incandescent in the Northwest for at least two decades. The issue, of course, is power, and this week the magazine presents a debate on its most recent phase, the partnership program announced by President Eisenhower and his Secretary of the Interior, Douglas McKay, who as ex-Governor of Oregon needs no introduction.

Ranged on opposite sides in the debate, which begins on page 4, are Secretary McKay and Oregon's junior Senator, RICHARD L. NEUBERGER. Although this is Senator NEUBERGER'S first appearance in the magazine since he began representing his home State on Capitol Hill, he has been a frequent contributor through the years. Now his byline has a more official ring to it.

WHY PARTNERSHIP POWER?—A DEBATE BY THE TWO OREGONIANS MOST CLOSELY IDENTIFIED WITH OPPOSING SIDES IN EISENHOWER'S PROGRAM FOR POWER

PRO

(By Douglas McKay, United States Secretary of Interior)

I favor the greatest development for the West. That is why I favor the partnership plan for developing the hydroelectric possibilities of the Pacific Northwest. I feel that it offers, under present circumstances, the soundest and most expeditious means of providing power for an area which otherwise will be seriously short in the next 5 to 10 years.

In the Columbia River system the Pacific Northwest has perhaps its greatest natural asset. One needs to travel over these United States and look at the water-short areas to see what this mighty river means. The region's industrial growth is inevitably tied to it.

My record, both personal and official, will show that I have devoted my best efforts to encouraging development of this vast resource.

Because the public interest in many of these projects has been so large and the capital involved so considerable, it has appeared the Federal Government is the proper agency to undertake them. In others it has appeared that municipal power plants, public utility districts, and private utilities might each have an appropriate and important part.

It has been my opinion that to obtain the maximum benefits, the Pacific Northwest should utilize the best enterprise, brains, and resources of all these interests.

The Northwest has been extremely fortunate in the Federal investment that has been made in its power development. Depression, World War II, and the Korean war—each in its own way—have stimulated appropriations for projects believed to be in the national interest under those emergency situations.

But now, the national debt load has increased to fantastic levels and Congress has properly resisted its further growth. With some 70 cents out of every dollar in the national budget now earmarked for national defense—past, present, and future—large appropriations from Congress for any purpose are hard to obtain.

Furthermore, there has been a growing resistance on the part of Members of Congress from other sections of the country—Members from both parties—to additional huge appropriations for the development of the Pacific Northwest.

It has been pointed out that 30 percent of the public works dollars have been spent in this area, an area with 4 percent of the population. It also has been observed that projects in the Northwest have been financed with eastern and southern tax money to lure industries away from those areas.

So it may be seen that the region may not expect Federal appropriations for power development to continue on the same scale, as in the recent past. This is a circumstance likely to obtain whatever party is in power.

Therefore, the problem is how to get projects underway which will be needed in the next several years. It takes some 5 years to build a large dam. Meanwhile, the Northwest might wait many years for appropriations for these projects. Remember, Hells Canyon twice has been turned down by Congress—and a Democratic Congress, too.

Senator WARREN MAGNUSON, of Washington, has been clamoring for the Ice Harbor Dam on the Snake, yet he could never get his Democratic-controlled Congress to help him.

The Northwest faces a reality. The money will not be so easy to get. New power projects mean more jobs. So, the more power the more jobs. The more interested people—State, Federal, city, and public utilities district leaders—get back of all types of projects, the better for the Northwest.

The partnership concept was designed to make possible this development now, when it is needed, by utilizing the enterprise and resources of our own people—all of the agencies which develop power—the PUD's, the REA's, the commercial utilities, any and all of them.

Partnership is not hostile to all the Federal appropriations that can be obtained, but development of the area should not await the improbable or uncertain.

The history of the West is basically a story of partnerships of varying sorts between the Federal Government and local interests; the sale, grant, or licensing of natural resources to local governmental or private agencies to be developed in the public interest.

We see this exemplified in the sale of timber today from national forests to private loggers. This is partnership in a very real sense, with the Government growing trees and the private loggers and lumbermen processing them for public use. The sale of federally generated power to an industry or utility is also a partnership in its own way.

Take the giant Priest Rapids Dam on the Columbia River in Washington. Here a public utility district, owned and controlled by local people, will build a project to generate more than 1 million kilowatts. It recently applied for its license from the Federal Power Commission and will sell to preference customers first, then to private utilities.

It is a partnership all the way. And yet, it was supported in Congress by the same people who cry out against partnership. The people at home wanted that project. And Congress listened to those people.

The partnership plan has been evolving and may be varied to meet exact situations. In its broad aspects, the partnership plan contemplates that:

1. All projects would be built in accord with the over-all plan developed for the great river by the Army engineers, and would be operated as a part of the integrated system of flood control and power generation.

2. The Federal Government would pay the nonreimbursable costs (those assigned to flood control, navigation, fishways, irrigation, etc.). The partners would pay the costs assigned to power, and would be entitled to the power for a fixed period, but not over 50 years.

3. The Government would retain the right to condemn the entire project and preempt the power supply in case of a dominant national need. At the end of the payout period, the project would be the property of the Federal Government.

In simplest terms, Federal power and partnership power (as now conceived) would work out much as follows:

Federal power: The Government plans, finances, builds, and operates a project. It pays the nonreimbursable costs out of the Federal Treasury. The cost assigned to power is paid by the sale of power to public and private utilities or to industry. At the end of 50 years the project is federally owned, free and clear.

Partnership power: The Government plans, builds, and operates a project. It pays the nonreimbursable costs out of the Federal Treasury. The costs assigned to power are paid from the presale of power output to partners, private and public utilities or industry. At the end of 50 years the Government may, if it wishes, take over the project, free and clear.

The end result is much the same.

In the proposed partnership for the John Day Dam the Federal Government would put up 10 percent of the cost for navigation benefits and fishways. The partners would put up 90 percent. The partners would be commercial companies and public utility districts, if the latter wish to join. They would be paid back in power over 50 years.

Now, there have appeared opponents of this program who insist on federally generated power or nothing. They have argued that the partnership plan is similar to partners building a store with one partner owning the escalators and the other the sales counters where the money is taken in.

The analogy is a complete distortion. The important thing to remember is that the part of the project financed by Government is in the public interest. It would be written off as nonreimbursable even if the dam were constructed alone by the Government.

It was so written off at Bonneville, Grand Coulee and McNary. Many millions have been written off in the same way for harbor and river development over the years in every part of the Nation.

Ever since the first dams were built on rivers of the Nation the taxpayer has been footing the bill for flood control, navigation, recreation, etc. Anyone who suggests otherwise is simply kidding himself and the public.

Fundamental difference between those who approve what the administration is trying to do and those who oppose us is the issue of "Federal power or no power at all." In that there is a wide gulf between the thinking of those who want a sound program of power development and those who want merely a political issue.

That division crosses party lines.

Stevenson quoted on partners

In May 1952, Adlai Stevenson, in a speech at the Jefferson-Jackson Day dinner, in Portland, said:

"As for power development, where private enterprise can and is willing to do the job, I think it should be left free to do so. But where private initiative is incapable of, or for any reason fails to meet the legitimate needs of the people, whether for electric power or anything else, then I believe the Government will and should step in."

Stevenson repeated these sentiments in a speech at Pendleton in October, after his nomination.

In August 1953 I announced the power policy of this administration: "To actively encourage the development of the natural resources of the country. This will involve a partnership of the States and local communities, private citizens, and the Federal Government, all working together.

"It is not a policy of monopoly by any one of these parties. In fact, the job to be done is so tremendous that it will require the very active efforts of all of the parties if the Nation is to be kept abreast of its needs."

For water resource development, the Federal Government would finance large multiple-purpose projects not within the capacity of participating partners.

There are now four partnership projects ready to proceed—if they are not blocked by those who are putting their ideas of Federal power empire above the development of the region. These are the Cougar, Green Peter, John Day, and Priest Rapids dams. The latter has been authorized and is now in preliminary stages. Installed capacity of the four dams will be 2,192,500 kilowatts.

We need those kilowatts. They should not be turned into a political football. The true friends of the Northwest will support any reasonable plan which will result in expediting their construction. We need the kilowatts, the jobs, the power, and the industry which they represent. I hope our eyes will not be blinded by any political mirage.

CON

(By RICHARD L. NEUBERGER, United States Senator from Oregon)

Last year Secertary of the Interior Douglas McKay told Oregon's people that more Federal power projects like Bonneville are unlikely because of the huge national debt. There just isn't the money available, he added. Thus, said McKay, it becomes necessary to form a "partnership" with so-called local interests, meaning mainly private utility corporations.

Yet this same Secretary McKay now is urging Congress to authorize $1,815,000,000 worth of Federal power projects in the upper Colorado area.

What lurks behind the fact that Mr. McKay seems to think there is no money for new Federal "starts" in the Columbia River basin but plenty for the upper Colorado?

The explanation is simple.

The power sites on the upper Colorado are low in flow, far from transportation routes and probably can't pay out. No private-power executive sound of mind would think of developing them. But the sites in our own Northwest are the finest on the continent—ample water, lots of drop in height, innumerable low-cost kilowatts. These sites are craved by many utility corporations. So, in the Northwest, the Republican administration promotes "partnership."

"Partnership" takes two separate forms: (1) The complete surrender of a magnificent site to a power company which will develop only a part of its potential, as at Hells Canyon; or (2) a "partnership" between the Government and private companies for erection of a dam, as at John Day.

Let's examine the John Day "partnership."

In 1954 the administration supported the Cordon-Coon bill which would have given Portland General Electric Co. the power output of John Day Dam for 50 years in return for a payment of $164 million by the company toward building the dam. Senator MORSE and I opposed that bill.

Now the new Coon bill for John Day would let PGE and other companies acquire John Day's power by paying $273 million. Isn't this a confession that the administration was willing to bargain away the dam's production in 1954 for $109 million too low a price?

What do the utilities receive in return for $273 million? They get a monopoly on John Day kilowatts for half a century. The Army engineers estimate the annual power benefits at John Day to be worth $25,538,000. This means that the utility syndicate harvests approximately $1,276,900,000 worth of wholesale power, to sell at a profit to its customers.

No preference clause safeguards the rights of farmers' rural electric co-ops in this Columbia River energy, although Oregon's illustrious Senator Charles L. McNary sponsored such a safeguard as early as 1935.

Both the State grange and Oregon REA's have condemned this "partnership" in unqualified terms, despite the fact that Mr. McKay once tried to infer that the grange was favorably in the scheme.

Backers of the Coon bill stress that the government retains title to the dam. So what? The utilities get the power—and the revenue. I don't care who owns General Motors, if I can get all the automobiles and all the receipts.

"Partnership" is for the benefit of the power companies but not for the general public. The Christian Science Monitor of May 12 disclosed, in a front-page article, that some of the basic policies of Secretary McKay's interior department have been adopted "following consultation with private-utility representatives."

Needless to add, if the McKay policies had been in effect in 1935, there would be no Bonneville or Grand Coulee or McNary dams today.

Furthermore, "partnership" power would be high-cost power. On the day that "partnership" first was proposed last year, the Oregonian admitted that the resulting energy probably would be somewhat higher than the present Bonneville rate. Power alone is not enough to assure prosperity for the Northwest. It must be cheap power. The operating head of one of the continent's biggest manufacturing operations said to me:

"The Northwest is over 2,000 miles from major markets. Your power rate must be low enough to absorb the freight tolls to ship goods eastward. You have a shortage of power in the Northwest today only because there has been such a great demand for Bonneville energy. This demand stems from the fact that Bonneville's rate has been the lowest in the land. For the Northwest to stay competitive in the realm of manufacturing, that superiority in rates has to be maintained."

Private utilities pay more interest for their money than does the Federal Government. In addition, partnership power would not be pooled as to costs with the extremely cheap energy now obtained from Bonneville and Grand Coulee Dams.

On top of all this, piecemeal use of the rivers of the region would replace orderly comprehensive development. These three factors by themselves will make partnership power infinitely more expensive than the present Bonneville rate.

Mr. McKay and others complain that Senator MORSE and I are blocking partnership. If it were not for our opposition, they contend partnership could be adopted.

Let's set the record straight.

Partnership is nebulous and vague. In its present form it is untried, although our history books are crammed with examples of what has happened to the taxpayers when special interests infiltrate government operations as so-called partners.

Partnership has never generated a single kilowatt in our Northwest. The Federal program at Bonneville, on the other hand, has brought unparalleled benefits. It helped increase farm electrification from 27 percent to 98 percent. I have heard my wife's rural dairying family talk about what this has meant in terms of a better standard of living.

The Bonneville program made possible the Northwest's greatest boom in industrial payrolls. As auxiliary gains, it increased navigation on the Columbia River by nearly 20 times and it created thousands of new irrigated homesteads for ex-GI's in the vicinity of Grand Coulee.

Why has McKay announced there are no further Federal funds for expanding this program?

Today, for example, John Day, Cougar, and Green Peter Dams are authorized by Congress as Federal projects. Legislation must be enacted deauthorizing them before partnership even can be tried. Why does not McKay join Senator MORSE and me in seeking Federal funds for John Day, Cougar, and Green Peter Dams rather than trying to convince Congress that Federal projects ought to be abandoned to private power companies?

If only McKay will stop obstructing the Federal program so he can promote partnership, we'll have projects in the works instead of monkey wrenches. Again, I ask why McKay's Interior Department tries to encourage the spending of so much Federal money for the upper Colorado but virtually none for new products in our own Columbia River Basin?

We are told that one virtue of the partnership at John Day is that PGE and its partners get the powerhouse for only 50 years. But at Green Peter the Pacific Power & Light Co. gets the powerhouse indefinitely. And in the Cougar partnership, the Eugene Water Board will pay substantially more to generate Cougar kilowatts than it now pays for kilowatts delivered by Bonneville. Of what possible advantage is such a scheme, other than to block or fatally delay an existing and successful Government program which has been of immense advantage to the Northwest?

If I felt that partnership were for the best interests of Oregon, where both my wife, Maurine, and I were born and raised, I would back partnership unhesitatingly.

But partnership, in my opinion, would substitute high-cost power and reckless use of our priceless rivers in place of Bonneville's low-cost kilowatts and comprehensive development.

Only the private power companies will gain through partnership. The rest of our region will suffer. For example, the Interior Department under Secretary McKay has suggested the construction of dams across the Salmon and Clearwater Rivers as alternatives to Hells Canyon. In fact, the Clearwater Dams have been proposed as partnership projects by the utilities.

Salmon valued for spawning

Yet the Clearwater and the Salmon are two of the principal spawning streams in the Northwest. Between 30 and 50 percent of the precious spring Chinook Run migrates into the Salmon River. Dr. Ira N. Gabrielson, exhead of the United States Fish and Wildlife Service, has said the Salmon must be protected as a spawning area if our Columbia Basin fisheries are to survive.

Did Secretary McKay indicate any awareness of this acute problem when his Department blithely suggested the blockading of both the Salmon and the Clearwater at the time his power scheme was proposed in May of 1953?

Furthermore, how many people remember the speeches delivered by Secretary McKay last year heralding the marvelous Libby project in Montana? This was to be the answer to the giving away of Hells Canyon and John Day. Libby was to furnish sufficient energy to answer all the critics of "partnership." Republican campaigners began to stress Libby in all their speeches. It became a kind of rallying cry—"Libby! Libby! Libby!"

The cry is heard no more. A few weeks ago the ex-Governor of Idaho, Len Jordan, a political crony of Mr. McKay, announced sadly that Libby Dam was out the window because the stubborn Canadians demand too great a portion of the benefits in return for the flooding of their land by the Libby Reservoir.

Mr. Jordan is an Eisenhower appointee who heads the Commission which must negotiate with Canada for the Libby project. Yet the international obstacle to Libby was cited by Senator WAYNE MORSE and by the writer of this article when Secretary McKay first commenced touting Libby as an answer to opponents of the "partnership" program.

Libby now seems to be as dead as the dodo bird, and the damming of the Salmon and the Clearwater would wreck our commercial and sports fisheries—but Secretary McKay continues to plug for "partnership."

I take my stand with the late Senator Charles L. McNary. He never suggested relinquishing the great site at tidewater on the Columbia River to private utilities because the struggle to secure Bonneville Dam took 12 long years. He believed in comprehensive Federal development of our matchless Pacific Northwest hydroelectric resources.

Today, as a result of his persistence, Bonneville is a monument to public power. I

don't want John Day and Green Peter to be public power's tombstone. That is why I am opposed to "partnership."

DENMARK'S HANDLING OF THE SALK VACCINE PROBLEM

Mr. NEUBERGER. Mr. President, a number of countries which share our devotion to freedom and democracy, but which are nevertheless not afraid of effective public action in matters of great public interest, have successfully adopted programs of inoculating their children with the Salk vaccine against polio. I have previously had occasion to describe to the Senate the exceptionally well-prepared and effective operation of the polio vaccine program in Canada. The Parade section of the Washington Post and Times Herald of July 24, 1955, carried an interesting story about an equally well-prepared program carried out by the Government of Denmark, entitled "The Country That Licked Polio."

The article reports that—

In contract to the fuss, delay, and debate that characterized the use of Salk vaccine in the United States, the Danish vaccinations were executed with precision, simplicity, and quiet efficiency.

It goes on:

When a rash of United States polio cases followed use of the American-manufactured vaccine, Denmark's medical specialists naturally were shocked.

"At first," one reports, "we couldn't figure it out. Why should the American people have had several failures when we've had such outstanding success? Then we discovered that our method of preparing and testing the polio vaccine was slightly different from that used in America. We had taken more safety precautions."

The article later mentions that in this country, higher standards, some conforming to Denmark's, were laid down late in May by the United States Public Health Service.

What was the secret of Denmark's success? This is the conclusion of the article in the Post and Times Herald:

The Danish polio vaccination plan is working smoothly because, as one government executive says, "there is one central authority behind it. The government speaks out clearly and forcefully to both doctors and public. We are told what has been worked out by Dr. Jeppe Oerskov, director of the Serum Institute, in collaboration with his staff and our government. In this way, everyone knows what to expect next.

"In your country things are different. The polio program has been started, stalled, revised, and bogged down because there is no overall plan. * * *"

Once in a while it is advantageous to be a small country like Denmark. Not very often, mind you, but once in a while.

I ask unanimous consent to have printed in the RECORD at this point, the article to which I have referred.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE COUNTRY THAT LICKED POLIO

COPENHAGEN.—Denmark, the country of Hans Christian Andersen, cheese, and Victor Borge, is rejoicing. And with good reason.

Danish doctors, using America's new Salk vaccine, are convinced that they have licked polio, which in 1952 and 1953 ran rampant over this little nation (population 4½ million), causing more than 7,200 cases.

Since last April 400,000 Danish children between the ages of 6 and 11 have been inoculated. Each received a second Salk shot 6 weeks later. What makes the Danes so happy is that, as of this writing, not one case of infantile paralysis has developed in the inoculated youngsters. (Canada has had similar good results with its vaccine program.) Thus, doctors here are willing to assure Americans—and anyone else concerned—that the vaccine is safe and effective.

In contrast to the fuss, delay, and debate that characterized the use of the Salk vaccine in the United States, the Danish vaccinations were executed with precision, simplicity, and quiet efficiency.

One reason lies in the fact that Denmark is a compact nation, with a small population. In contrast to Denmark's 400,000 inoculations, the United States total stood at more than 6 million by mid-June. Another reason is that the Danes were prepared. They proceeded, and are proceeding, with a single inoculation plan that was worked out in some detail last year.

STOCKPILED IN 1954

Like the United States, Canada, and several other countries vitally interested in the course of polio research, Denmark was certain that the Salk polio vaccine would work. In 1954 its State-owned Serum Institute began manufacturing and stockpiling the vaccine. A few months ago, when a rash of United States polio cases followed use of the American-manufactured vaccine, Denmark's medical specialists naturally were shocked.

"At first," one reports, "we couldn't figure it out. Why should the American people have had several failures when we've had such outstanding success? Then we discovered that our method of preparing and testing the polio vaccine was slightly different from that used in America. We had taken more safety precautions."

The Danish doctor who insisted on these precautions and helped work them out is attractive, blue-eyed Herdis von Magnus. At 44, Dr. von Magnus is chief of the virus section, Denmark Serum Institute, and one of Europe's outstanding virologists. Recently she was flown to Washington to explain to United States Public Health officials the special testing and safety procedures she evolved in the Danish manufacture of the polio vaccine.

Interview shy and extremely modest, Dr. von Magnus refuses to discuss the details of this overseas mission. All she will say is, "The polio serum now manufactured in America is just as good as ours."

THE NEEDED CHANGES

The key word in Dr. von Magnus' statement is "now." Formerly United States-manufactured polio vaccine was not as safe as Denmark's, nor, experts here claim, were testing standards as high.

United States doctors, for example, have strong evidence that some live virus slipped through in the early preparation of one batch of vaccine. So, at least, claims Dr. Louis Gebhardt, director of the polio-research lab at the University of Utah. He tested the vaccine and found live virus in it.

We know, too, that following the inoculation of almost 6 million United States children 142 of the vaccinated youngsters contracted polio by June 3—72 after having been injected with vaccine manufactured by Cutter Laboratories, 42 by Lilly, 12 by Wyeth, 12 by Parke-Davis, and 4 by Pitman-Moore.

Most important, United States authorities themselves said American methods of producing Salk vaccine could stand improvement. Higher standards, some conforming to Denmark's, were laid down late in May by the United States Public Health Service. American manufacturers now must (1) conduct more tests of larger amounts of vaccine taken from each batch produced, (2) run additional tests during the "bottling" process, and (3) discard any vaccine which contains "live" virus instead of continuing to "recook" it over and over again in an effort to kill the disease-producing virus.

In Denmark the vaccine is not injected intra-muscularly into the arms of children as in the United States. Each inoculation consists of two intra-dermal (between layers of the skin) injections on the forearm; these are little more than pinpricks, similar to a smallpox vaccination.

This method, admittedly slower than that used in the United States, was considered by American experts, but ruled out because it would have been too time-consuming. However, it is practical for little Denmark.

Last April 15 the first series of mass inoculations was begun in Copenhagen by school doctors. All children from 6 to 11 who had been granted parental permission—and fewer than 50 parents in Denmark refused consent—were given vaccination cards bearing their name, the date and place of vaccination. Then they were "shot." Practically no harmful side effects were reported. And no cases of polio developed.

Eventually, the rest of Denmark's inhabitants are to be vaccinated in this order: Children from 6 months to 6 years, children from 12 to 18, all pregnant women, all soldiers, all other adults. Expenses are to be paid by the government.

IT PAYS TO BE LITTLE

The Danish polio vaccination plan is working smoothly because, as one government executive says, "there is one central authority behind it. The Government speaks out clearly and forcefully to both doctors and public. We are told what has been worked out by Dr. Jeppe Oerskov, director of the Serum Institute, in collaboration with his staff and our Government. In this way, everyone knows what to expect next.

"In your country things are different. The polio program has been started, stalled, revised and bogged down because there is no over-all plan. * * *

"Once in a while it is advantageous to be a small country like Denmark. Not very often, mind you. But once in a while.

COMPARISON OF PROPOSALS TO INCREASE THE PRODUCTIVITY AND EARNINGS OF LOW INCOME FARM FAMILIES

Mr. SPARKMAN. Mr. President, yesterday there was considerable discussion on the floor of the Senate about the plight of the small farmer. On February 19 of this year I introduced Senate bill 1199. Later, on April 27, President Eisenhower sent a message to Congress in behalf of the small farmer.

I requested the Legislative Reference Service of the Congressional Library to make a comparative study of the President's program; the program provided under the bill which I introduced, or the program provided by a companion bill introduced in the House of Representatives by Representative PATMAN, of Texas; and the recommendations made in

the study of the Joint Economic Committee, entitled "Underemployment of Rural Families in 1951."

I ask that this comparison be printed in the RECORD at this point as a part of my remarks.

There being no objection, the comparison was ordered to be printed in the RECORD, as follows:

COMPARISON OF PROPOSALS WITH RESPECT TO INCREASING THE PRODUCTIVITY AND EARNINGS OF LOW-INCOME FARM FAMILIES AS EMBODIED IN—

THE PRESIDENT'S MESSAGE OF APRIL 27 (AND SPECIFIC PROPOSALS AS LISTED IN SECRETARY BENSON'S LETTER)	SENATOR SPARKMAN'S BILL S. 1199 AND MR. PATMAN'S H. R. 4300	UNDEREMPLOYMENT OF RURAL FAMILIES, JOINT ECONOMIC COMMITTEE STAFF REPORT, 1951
	I. Proposed base of operations	
Launch pilot operations in not less than 50 of the 1,000 low-income counties during the coming fiscal year. In addition, community development programs can be undertaken. The one-fourth of the families on American farms who still have cash incomes of less than $1,000 per year would be the ultimate group included in the program.	SEC. 3. The President is authorized to determine from time to time from the latest official statistics available to him the counties or areas of the United States, not exceeding 500 in number at any one time, having the largest low-income farm population and to inaugurate and maintain in such counties a program to effectuate the purposes and policy of this act.	Special private and public programs are needed specifically to stimulate the 1 million families where the operator is able-bodied and of working age but produces only one-third as much as similar families on medium-sized commercial family farms.
	II. Expansion in research, training, and technical assistance	
1. Expand and adapt agricultural extension work to meet the needs of low-income farmers and part-time farmers. 8. Call upon the State agricultural colleges to make substantial research and extension contributions to a cooperative venture, employing in part the increased Federal funds already included in the 1956 budget request.	Existing agencies would be called on to render special assistance to low-income families or single persons living in rural areas.	Programs must differ from other educational and technical assistance programs primarily (1) in emphasis on items which stimulate these people to acquire an interest in improving their practices, (2) in adaptation of educational materials to reach people with little formal school training, and (3) in integration of educational programs with credit programs to finance adoption of improved practices. Creating an awareness and desire on the part of these families for higher levels of production and family living.
2. Develop needed research in farm and home management, human nutrition, population marketing, and in evaluating experience gained by pilot program.	Further research not specifically mentioned but the applicant, with assistance, would develop a farm and home management or family employment plan for increasing productivity and income.	
4. Increase technical assistance, such as provided by Soil Conservation Service, to low-income farmers.	Advice of technicians in such fields as soil conservation and supervised agricultural credit for agricultural production and farm enlargement and development would be provided by local and State offices of the agencies of the Department of Agriculture.	Providing technical assistance in the adoption of improved farm and home practices.
	III. Expansion of credit	
3. Provide additional credit for low-income farmers, and extend Farmers' Home Administration services to part-time farmers.	(c) To effectuate the purpose of this act the Secretary of Agriculture is authorized, upon such conditions as he shall prescribe, to insure and make loans of up to 25 years at not more than 4 percent interest for the purpose of financing the enlargement and development of owner-operated family-type farms by acquisition of additional land, establishment of improved pastures and sustained-yield woodlots, construction of adequate farm buildings and structures (including drainage facilities, irrigation facilities, and other facilities for the use, conservation, and improvement of soil and water), and such other related farm improvements as will increase the income-producing ability of the farm unit to a more nearly fully adequate family farm; and (d) To make or to insure 3- to 10-year loans at not more than 4 percent interest advanced by production credit associations and by private lenders for non-real-estate capital investment purposes; to make loans up to 50 years at not more than 3 percent interest to eligible applicants to acquire and manage on a sustained-yield basis additional forest or cutover land; to make loans for periods up to 10 years at not more than 4 percent interest to enable an eligible applicant to acquire needed logging equipment; to make loans of not more than 5 years at not more than 4 percent interest to eligible applicants to purchase capital stock of and pay membership fees to existing or new supply, service, or marketing cooperatives, including timber marketing and processing cooperatives; and to make loans to refinance existing indebtedness incurred for any of the above purposes on terms and conditions applicable to loans for such purposes: *Provided*, That creditors will enter into volun-	Coordinated effort should include making available adequate credit on long-term loans at reasonable interest rates for both land purchase (for farm enlargement) and increased working capital. After private credit agencies have been assisted in developing as large and aggressive a program in this field as is possible, there will be large numbers of families on inadequate farming units who have no adequate basis for private loans. These should be given a larger place in the Government's farm-credit program. Much larger funds are needed for farm-enlargement loans.

COMPARISON OF PROPOSALS WITH RESPECT TO INCREASING THE PRODUCTIVITY AND EARNINGS OF LOW-INCOME FARM FAMILIES AS EMBODIED IN—Continued

THE PRESIDENT'S MESSAGE OF APRIL 27 (AND SPECIFIC PROPOSALS AS LISTED IN SECRETARY BENSON'S LETTER)—continued	SENATOR SPARKMAN'S BILL S. 1199 AND MR. PATMAN'S H. R. 4300—continued	UNDEREMPLOYMENT OF RURAL FAMILIES, JOINT ECONOMIC COMMITTEE STAFF REPORT, 1951—continued
	tary agreements to make needed adjustments of outstanding indebtedness to realistic income possibilities of the collateral for the existing mortgage or mortgages: *Provided further,* That the Secretary of Agriculture shall establish a variable repayment schedule for all of the foregoing types of loans such that the repayment of interest and principal in any single year shall bear a reasonable relationship to the income of the participating family in that year.	
IV. The special place of the Farmers Home Administration		
10. Farmers Home Administration should be authorized to make loans to part-time farmers.	SEC. 5. After completion of a farm and home plan (available to eligible applicants whether full-time or part-time farmers), the Secretary through the county farmer committee will render every assistance possible to the applicant and his family in putting the new program into effect, including * * * assistance in obtaining credit needed from private cooperative, or governmental sources.	The making of farm enlargement loans and providing the technical assistance necessary to assure success of farm enlargement ventures might well be the major activity of the Farmers Home Administration in the years immediately ahead.
13. Lending authority of about $30 million should be provided for the Farmers' Home Administration.		
V. Coordination with and assistance from other departments		
5. Request the Department of Health, Education, and Welfare to encourage States to expand vocational training in rural areas of low income, instituting as many as 12 pilot operations during the school term starting in the fall of 1955 in order to gain experience needed for broad expansion of this extremely vital part of the total program.	SEC. 7. The Secretary of Health, Education, and Welfare is authorized to provide a program of adult vocational training in the designated counties both in farm and home management and in such other farm activities as the family plans of eligible applicants indicate as needed to maximize family income and productivity of family labor within the area.	Special technical assistance should be provided to help the people in these communities of widespread underemployment to determine their alternative employment opportunities and to acquire the necessary skills to secure employment in the field of their greatest interest.
6. Request the Department of Labor to strengthen the Employment Service in rural areas and further adapt it to the needs of rural people. Areas of rural underemployment should be identified and included as part of the labor market services to make occupational adjustments easier.	SEC. 6. Whenever the family determines to seek part-time or full-time farm or nonfarm employment off the farm, the problem shall be presented to the nearest farm labor placement center of the State employment service cooperating with the Department of Labor. Information concerning farm-labor opportunities also shall be made available to the family by State and county farm committees.	Informational programs on job opportunities in surrounding communities, job-training programs, and programs for assisting families who wish to move to new locations should be broad enough to reach and assist the parttime farm families and rural nonfarm families.
7. Undertake to get more effective programs developed to induce the expansion of industry in rural low-income areas, using facilities of the Departments of Labor and Commerce and the Office of Defense Mobilization.	SEC. 8. It is the policy of the Congress to encourage and stimulate the establishment of new or expanded private industrial, commercial, or service enterprises in widely dispersed rural areas as required to reduce vulnerability to modern war risks and in which, over an extended period of time, because of the number of underemployed rural persons with excessively low incomes, the number of existing industrial, commercial, or service enterprises, and the available markets and resources there are reasonable prospects for successful operation of additional private enterprises which would more fully utilize available manpower in rural areas. To effectuate this policy of industry dispersal, the departments and establishments in the executive branch of the Government shall be utilized and coordinated to— (a) provide technical aid and assistance to, and consult and cooperate with, farmers, businessmen, workers, cooperatives, civic organizations, clubs, and committees, community study and planning groups, and local and State governmental agencies; (b) prepare and distribute technical, defense, and economic information on opportunities in and necessities of private enterprise in various industries and areas in order to aid individuals, business firms, civic organizations, and local units of government in developing new or expanded industries best suited to local conditions, and the requirement of civil defense; (c) assist new or expanding industries in finding adequate private financing through local capital or otherwise and where such financing is found to be unavailable, extend Government loans or guaranties under existing authority; and	Private and public activities to bring new industries into these areas should be stepped up. Existing small-business programs of the Department of Commerce and lending agencies, as well as official decentralization plans should be integrated with other programs to provide fuller employment for workers in low-income rural communities.

COMPARISON OF PROPOSALS WITH RESPECT TO INCREASING THE PRODUCTIVITY AND EARNINGS OF LOW-INCOME FARM FAMILIES AS EMBODIED IN—Continued

THE PRESIDENT'S MESSAGE OF APRIL 27 (AND SPECIFIC PROPOSALS AS LISTED IN SECRETARY BENSON'S LETTER)—continued	SENATOR SPARKMAN'S BILL S. 1199 AND MR. PATMAN'S H. R. 4300—continued	UNDEREMPLOYMENT OF RURAL FAMILIES, JOINT ECONOMIC COMMITTEE STAFF REPORT, 1951—continued
	(d) use all appropriate means and authority to encourage and stimulate the maximum expansion in private enterprises consistent with the needs for national defense, with a sound, growing national economy, and with the necessities of civilian defense.	
	VI. Local initiative	
9. Aggressively encourage farm, business, and other leadership to assume local responsibility and to unite in efforts to aid in the development of agriculture's human resources, using trade area and community development programs to increase incomes of farmers and raise living standards. Expansion of these self-help programs should be assisted by the various governmental agencies concerned.	Assistance would be made available to low-income rural families who desire to increase their productivity and incomes and who apply for such assistance.	Much of the credit needed for the adoption of improved farm practices must come from private sources administered by local people who know the borrowers intimately. Bringing new industries into these areas is a most worthy project for local and State chambers of commerce and bankers' associations.
	VII. Provisions for administrative machinery	
14. The Secretary of Agriculture should coordinate the administration of the total program. A principal official of the Department should be designated to assume the direct administration of the program. Two coordinating committees will be needed: An interdepartmental committee and a committee within the Department of Agriculture to coordinate the work of its participating agencies. The Secretary of Agriculture should be required, in September of each year, beginning in 1956, to submit a comprehensive report to the President on the progress of activities directed toward alleviating the problems of low-income farmers and on plans for advancing the program, thus regularly focusing attention on the program and fixing responsibility for its administration.	Section 4 provides for use of the county farmer committees established under section 8 (b) of the Soil Conservation and Domestic Allotment Act. For certain purposes the Secretary shall make available the services of the local and State offices of the Department and the advice and assistance of other Federal agencies shall be made available. Section 5 (a) authorizes and directs the Secretary of Agriculture to employ such full-time employees as may be required to carry out the purpose of the act.	A cooperative State and Federal program of special assistance to counties having high proportions of underemployed rural families should be developed without the creation of any additional agencies and as a part of a program of integrating and adapting the activities of existing agricultural agencies at the county level to meet more efficiently their local problems. The making of farm enlargement loans and providing technical assistance necessary to assure the success of farm-enlargement ventures might well be the major activity of the Farmers' Home Administration. The program would require that personnel be assigned to work specifically with small-scale farmers.
	VIII. Appropriations, etc.	
12. Appropriation requests are being recommended in addition to those in the regular budget for fiscal 1956.	SEC. 9. There is hereby authorized to be appropriated such sums as may be necessary for carrying out the provisions of this act.	Additional funds or personnel should not be required but should be available by transfer and reassignment.
11. Legislation should be enacted which would concentrate special funds outside the present agricultural extension formula for the purpose of conducting pilot programs and extending assistance to low-income farmers.		

FRENCH HAIL IKE AS WORLD'S FOREMOST STATESMAN

Mr. CARLSON. Mr. President, during the past 15 years, Presidents of the United States, Members of the Senate, and people living in the leading cities of the Nation have seen the distinguished articles and editorial presentations of Mr. A. N. Spanel, chairman of International Latex Corp., of Dover, Del.

I have before me an historic article which appeared on July 25 in the Washington Post and Times Herald, reprinted as a public service by the International Latex Corp. It describes President Eisenhower's dramatic and challenging Geneva appeal to the Russians to trade arms secrets as proof of mutual desire for peace.

It is significant and heartening to learn that Premier Edgar Faure, of France, was the first to arise, after Mr. Eisenhower finished his speech, to say: "If all the peoples of the world could have heard this great voice, they would have understood that July 21 marked the first great victory over skepticism."

The French felt that President Eisenhower had inherited the mantle of Sir Winston Churchill as the world's foremost statesman.

Mr. Spanel and the International Latex Corp. deserve great credit and recognition for helping to inform the American people of the importance of strong Franco-American relations to the free world.

Mr. President, I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FRENCH HAIL IKE AS WORLD'S FOREMOST STATESMAN

GENEVA.—President Eisenhower's dramatic appeal to the Russians to trade arms secrets, as proof of a mutual desire for peace, made him today the unrivaled dominating figure of the Geneva summit conference.

One high French delegation spokesman said the French feel he has inherited the mantle of Sir Winston Churchill as the world's foremost statesman.

This new assertion of world leadership has been built surely and rapidly at the conference by his obvious sincerity, and the earnest and convincing way he has made his points—both inside and outside the conference chamber.

French Premier Edgar Faure, deeply moved by the President's daring proposal to the Russians, yesterday put it this way:

"President Eisenhower, by his bold stroke, has scored the first great victory over skepticism."

CAPTIVATED BY WARMTH

Geneva and much of the world's press have been similarly captivated by his personal warmth, sincerity, and great humanity.

The President is no maker of great and resounding phrases.

In fact, his bold proposal of yesterday was made in rough, looping, and gasping language—typical of his presentation of an idea that is expressed his own way, without the aid of ghost writers.

But even the British, whose concept of diplomacy is more orthodox, agreed today that General Eisenhower's personal diplomacy had done more than any other single thing to ease the 10-year-old suspicions and distrust of the cold war and to generate a new mood of confidence.

And his arms secrets exchange plan was a very personal stroke.

TIMING IS HIS OWN

It became known today that an intensive study had been begun March 18 on the project the President proposed. And the timing, the basic idea, and the language were his own.

The key paragraphs of the proposal, it became known, were delivered on the spur of close timing and without a prepared text.

Conference sources said it was Soviet Premier Nikolai Bulganin's outline of Russia's disarmament proposals that convinced General Eisenhower the time was ripe for his dramatic strike.

He read the smoothly phrased, carefully prepared text down to its docile center portion.

Then he removed his glasses. He turned directly toward Marshal Bulganin.

Pounding the table repeatedly for emphasis at several points, he outlined the plan which he said had come from deeply "searching heart and mind" for an expression of America's great sincerity in the search for disarmament and peace.

NO DOUBT OF MEANING

Haltingly, at points, awkwardly at others, he laid his plan before the conference. He reiterated for emphasis and explained his meaning in almost the terms of a teacher to an inattentive child.

There could be no mistaking the sweeping scope of his proposal, the depth of his sincerity or the meaning of his words.

The high-ceilinged conference room was hushed. All eyes were riveted on the speaker.

Near the end a thunderstorm broke over Geneva. A short circuit snuffed out the lights almost on General Eisenhower's closing words:

Silence and emotional tension followed.

"I didn't expect to blow out the lights," the President commented, as much to himself as to the delegations.

A French spokesman said the tension in the chamber was so great that few if any noticed that the lights had gone out.

EDGAR FAURE IN REPLY

When the lights came back on Premier Faure was the first to arise and reply.

"The chief enemy of disarmament," he said, "is lack of confidence and skepticism."

"If all the peoples of the world could have heard this great voice, they would have understood that July 21 marked the first great victory over skepticism."

Today that all-absorbing topic of conversation among delegates was this great voice in which the President spoke. And press comments indicated the people of the world had indeed heard and were impressed.

The President relaxed last night at the first social function protocol has permitted him to attend with the other members of the Big Four. It was a reception given by Swiss President Max Petitpierre.

His arrival was marked by the biggest, loudest, and warmest cheer given by a crowd of some 2,000 Swiss lined up outside the Eynard Palace, where the dinner was held.

There was no doubt today that a new mood and a new atmosphere are in the making in international diplomacy. And if French Premier Faure is a judge, it is President Eisenhower who has led the way in the fight against skepticism and distrust.

Presented as a public service by—

INTERNATIONAL LATEX CORP.

DOVER, DEL.

The VICE PRESIDENT. Is there further morning business?

Mr. BIBLE. Mr. President, if there is no further morning business, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BIBLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SCOTT in the chair). Without objection, it is so ordered.

VISIT TO THE SENATE BY THE RHYTHMETTES

Mr. BIBLE. Mr. President, let me call the attention of the Members of the Senate to the fact that today we are particularly honored by having with us a group of fine young Las Vegas High-School students, the Rhythmettes. They are a precision drill team without equal anywhere in the United States. They have appeared throughout the entire east coast. A week ago Sunday evening, they appeared on Ed Sullivan's special television show, The Toast of the Town.

With the indulgence of the Chair, I should like to direct the attention of all my colleagues to the section of the gallery to my left, where the Rhythmettes are seated; and I ask that they stand and take a bow from the Senate of the United States.

[The designated guests of the Senate in the gallery rose, and were greeted with applause by the Members of the Senate.]

PROPOSED AMENDMENT OF NATIONAL LABOR RELATIONS ACT, DEALING WITH HOTELS

Mr. LEHMAN. Mr. President, I introduce, for appropriate reference, a bill to amend the National Labor Relations Act to clarify the jurisdiction of the board over disputes involving hotels. The introduction of this bill is frankly a direct outgrowth of the 3½ month old strike involving the major hotels in Miami and Miami Beach, Fla.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2651) relating to the status of hotels under the National Labor Relations Act, as amended, introduced by Mr. LEHMAN was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. LEHMAN. The National Labor Relations Board presently has before it an appeal from the ruling of the regional director of its Atlanta office declining to exercise jurisdiction in this very serious labor dispute. Evidently this ruling was based upon certain board precedents in which, under the National Labor Relations Act, the NLRB has refused to assert jurisdiction over disputes involving hotels, no matter how serious the dispute or how widespread its repercussions.

This ruling by the Regional Director of the NLRB was made in the face of the fact that there is no adequate State machinery or facilities in Florida for handling this dispute. The workers are without any safeguards or protection whatsoever. This is an unjust discrimination which Congress never intended. It is an intolerable situation.

On July 20, I wrote to Mr. Guy Farmer, Chairman of the NLRB, asking that the Board act to take jurisdiction in this dispute. I ask unanimous consent that a copy of my letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 20, 1955.

Hon. GUY FARMER,
Chairman, National Labor Relations Board, Washington, D. C.

DEAR MR. FARMER: I am writing in regard to the current hotel strike in Miami Beach, Fla., a strike which, according to my information, has been in progress since April 13.

My interest in this dispute stems not only from my membership on the Labor Committee, but also from the great concern shown over this strike by organized labor in my own State of New York. In recent days, the New York State Federation of Labor, in convention assembled, heard a report on this strike from AFL president, George Meany, and passed a resolution urging and insisting that the NLRB assume jurisdiction over this strike. Representatives of the New York State Federation of Labor have been in touch with me and have expressed the deep and abiding interest of the organized-labor movement of New York in a prompt intervention in this situation by the NLRB. I have been advised that the regional director of the NLRB has rejected the request of local No. 255 of the Hotel and Restaurant Employees and Bartenders International Union that the Board take jurisdiction and extend to the employees of the various Miami Beach hotels the Board's services and assistance.

I am aware, of course, of the general policies of the current Board—and of past Boards—in regard to assuming jurisdiction over hotel strikes. There is, however, a rule of reason in those matters. In the case of the Miami Beach strike, there is no State labor board and no local services or safeguards comparable with those afforded by the National Labor Relations Act—however inadequate that act is, in my judgment. For the NLRB to fail to take jurisdiction in this case is to leave the workers employed by the Miami Beach hotels at the mercy of their employers without any of the safeguards Congress has provided for the workers of the Nation.

There is no question in my mind that the employees of the Miami Beach hotels are, in the broad construction, engaged in an industry involved in interstate commerce. The Miami Beach hotels are maintained for transients, tourists, and vacationists from other parts of the country, and scarcely at all for local residents.

This strike, I am informed, involved 2,000 hotel workers. Organized labor in every part of the country, in every craft and industry, are interested in the successful settlement of this strike, and have expressed, through their representatives, their urgent hope that the Board will proceed immediately to take jurisdiction in the strike.

I would very much appreciate having your earliest reaction to my request that the Board do, in fact, take action in this strike. I shall await eagerly hearing from you.

I am considering a request to the Labor Committee to look into this situation, with special reference to the statutory basis for the position taken by the regional director of the Board. Should it prove necessary to enact legislation requiring the Board to take jurisdiction in such cases, I shall be inclined to introduce such legislation. It seems to me, however, that whatever the glaring faults in the National Labor Relations Act—and there are many—it certainly gives the Board adequate authority to take jurisdiction in this matter.

Yours very sincerely,

HERBERT H. LEHMAN,
United States Senate.

Mr. LEHMAN. In addition to introducing this bill, which will make clear the authority of the Board to exercise jurisdiction in disputes involving hotels,

I intend, at the earliest practicable moment, to move in the Senate Labor and Public Welfare Committee for an investigation of the jurisdictional policies of the Board.

Particularly during the past 2 years, the National Labor Relations Board has, either through positive declarations or through failures to act, so narrowed its jurisdiction as to call into serious question the effectiveness of Federal statutes attempting to promote harmonious labor-management relations. Therefore I hope that the Senate Committee on Labor and Public Welfare, of which I am a member, will act to investigate this matter of the Board's jurisdiction in labor disputes which are of concern not only to their participants but to all Americans interested in equitable and constantly improving labor relations.

I now ask unanimous consent that the text of my bill be printed at this point in the RECORD.

There being no objection, the bill (S. 2651) was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 14 of the National Labor Relations Act, as amended, is amended by adding at the end thereof a new subsection as follows:

"(c) Nothing in this act shall be construed to authorize the Board to decline to exercise jurisdiction over any labor dispute solely by reason of the fact that the employer in such dispute is the operator, or agent of the operator, of one or more hotels."

Mr. IVES. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield to my colleague.

Mr. IVES. Is it not a fact that the National Labor Relations Board has never asserted jurisdiction over any dispute in which hotels were involved?

Mr. LEHMAN. It is a fact that many of the rulings and precedents of the National Labor Relations Board have been in the direction of not asserting jurisdiction——

Mr. IVES. At any time; is not that correct?

Mr. LEHMAN. Let me conclude my statement. Unquestionably — and I think my colleague will agree with me— the intention of the Congress in passing the National Labor Relations Act was to give jurisdiction in matters affecting labor relations to the National Labor Relations Board, unless there was adequate machinery within the State to handle the situation. There is no adequate machinery in the State of Florida, so far as I know, in this instance.

Mr. IVES. Mr. President, will the Senator yield in order that I may comment on that point?

Mr. LEHMAN. I yield.

Mr. IVES. I have checked the situation rather carefully, and I learn that, so far as the Senate is concerned, any debate on this subject which may have occurred in the past never showed that it was the intent of the Senate to have the National Labor Relations Board intervene in hotel cases. I do not think there was ever much debate on that particular subject in the Senate.

I have in mind a St. Louis case. The only debate on the particular point raised occurred in the course of the debate in the Senate in 1949. There was some discussion of the subject at that time. Senator Taft, who happened to be the sponsor of the bill with which I did not agree, made a statement to the effect that it was never the intention of the Congress to have the Labor Relations Board assert jurisdiction over hotel cases. I quote from what he had to say:

The Taft-Hartley law did not change in any way the language providing for the jurisdiction of the Board, or the general definition of interstate commerce * * * It was not my intention in 1947, nor do I believe it was the intention of members of the Committee on Labor and Public Welfare, to broaden or extend the jurisdiction of the Board in that respect. In fact, I feel very strongly that it should not be done * * * A hotel performs its service within four walls. It ships nothing into commerce. It produces no goods for commerce. In my opinion the act was never intended to cover the hotel industry.

In its decision in the St. Louis case, which was rendered at that time by a majority of the Board, the following statement appears:

This expression of Senate views coincides exactly with the views set forth by those Members of the House of Representatives who recently had occasion to inquire into and comment officially upon the same subject.

So far as I am aware, that is the only debate in the Senate which has ever occurred on this question. I will stand corrected if I am mistaken. It is the only debate that has come to the attention of the Board, in any event.

Mr. LEHMAN. I do not know the history of the enactment of the original Taft-Hartley Act, as I was not in the Senate at that time. I became a Member of the Senate in 1949. I believe that the intent of Congress was to deal with matters which affect interstate interests, unless machinery had been setup within a State to deal with problems which ordinarily would be within the jurisdiction of the National Labor Relations Board. Certainly the hotels in Florida in which the strike is now occurring affect interstate relationships. The guests in those hotels do not come from Miami Beach or from Miami, or other places in Florida. They come from outside the State of Florida.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. LEHMAN. Mr. President, I ask unanimous consent that we be permitted to debate the matter for 15 minutes, and so that the Senator who introduced the bill may be interrogated.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

Mr. POTTER. Mr. President, I do not like to object, but I wonder whether the distinguished Senator from New York would allow some of us who have bills to introduce to do so. After the transaction of such routine business the distinguished Senator from New York may continue his debate. As I understand, the Senate is still in the morning hour.

Mr. CLEMENTS. Mr. President, will the Senator from New York yield to me?

Mr. LEHMAN. I yield.

Mr. CLEMENTS. I should like to suggest to the Senator from New York that he include in his unanimous-consent request that he will yield for the purpose stated by the Senator from Michigan.

Mr. LEHMAN. I certainly shall be glad to include such a provision. I thought the morning hour had been completed. I have spoken many times on the floor of the Senate in criticism of Senators taking up the time when other Senators wished to submit routine matters or make insertions in the RECORD. I shall be glad to include in my request the statement suggested by the Senator from Kentucky. I should like to ask one more question of my distinguished colleague.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. CLEMENTS. My suggestion is that in the Senator's unanimous-consent request for an additional 15 minutes, he give assurance that he will yield to any Senator who wishes to submit routine business or to make an insertion in the RECORD.

Mr. LEHMAN. Mr. President, I include such a provision in my unanimous-consent request.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from New York? The Chair hears none, and it is so ordered.

Mr. LEHMAN. I should like to ask a question of my distinguished colleague from New York. Does he oppose the amendment I propose to the law? Does he oppose giving to the National Labor Relations Board jurisdiction of this question, which is of great national interest?

The PRESIDING OFFICER. Debate is out of order at this time. The Senator from Michigan [Mr. POTTER] has the floor.

Mr. IVES. Mr. President, may I be permitted to answer that question?

Mr. POTTER. Mr. President, first, I wish to take care of my own business; then I shall be glad to yield the floor.

(At this point Mr. POTTER introduced a bill, which appears elsewhere in the RECORD under the appropriate heading.)

Mr. POTTER. I wish to thank the distinguished Senator from New York [Mr. LEHMAN] for his usual courtesy.

Mr. IVES. Mr. President, does my colleague the junior Senator from New York wish to have me answer his question now?

Mr. LEHMAN. Yes; I shall be glad to yield time to the Senator for that purpose.

Mr. IVES. Mr. President, I wonder whether we could have unlimited time for this debate because this question cannot be explored in 15 minutes. May we have 30 minutes?

Mr. CLEMENTS. Mr. President, reserving the right to object, I advise my friend that there is on the Executive Calendar a treaty of some importance. The Members of the Senate who are responsible for handling the treaty in the Senate are on the floor and they are ready to take up that treaty. My suggestion to my friend from New York is that there will be ample time during the day for lengthy discussions.

I do not like to object. I wonder whether the Senator would be willing to withdraw his request?

Mr. IVES. I withdraw it, if I may be permitted to continue within the time which has already been allotted.

Mr. CLEMENTS. Does the Senator mean within the 15 minutes?

Mr. IVES. That is correct.

Mr. LEHMAN. I may say that there are other Senators who desire to ask questions of me. I do not wish to yield my entire 15 minutes to my colleague from New York.

Mr. IVES. I had no thought of taking the entire 15 minutes.

Mr. LEHMAN. I yield 5 minutes to my colleague.

Mr. IVES. I wish it distinctly understood that I am in no way opposing the bill which has been introduced by my colleague from New York. It would be a very salutary thing to have the whole matter cleared up once and for all.

However, we should not condemn the National Labor Relations Board as it exists today or as it has existed at any time in the past.

Ever since 1935, when the Wagner Labor Relations Act was enacted, the Board has held that the hotel industry does not come within the purview of the act, and the board has so ruled in every case considered by it. Furthermore, it should be definitely understood that opposition to having the National Labor Relations Board assert jurisdiction over disputes of this character has not come exclusively from one side or the other in a dispute. Both the hotel employers and the major labor organizations representing hotel employees—and this is true of the latest case decided by the Board, namely, the one from which I quoted, which is the St. Louis case—have opposed the assertion of jurisdiction by the National Labor Relations Board in such cases. That has been true throughout the years.

The time has come when this policy should be fully reviewed. I have always had grave doubt as to whether the question should be left strictly to the determination of the locality which may be affected.

In many areas it is a local question. In other areas—and I believe presumably Florida is one of such other areas—where so many of the hotel guests are from outside the State, presumably the question should be handled by the National Labor Relations Board.

However, it should be understood that in the past when questions of this kind arose in New York State, the board or State agency which first took jurisdiction retained jurisdiction, under an understanding between the State agency and the National Labor Relations Board. If Florida had such a State agency, presumably the same procedure would have been followed in that State.

Furthermore, I should like to point out that I, too, and as early as my colleague, got in touch with the National Labor Relations Board and urged it to review the whole matter and to reconsider the action which it had taken in the past, with the idea perhaps of reversing itself in the present instance.

I am not a great believer in precedent when precedent is not sound. I think the time has come when probably a board should reverse itself, but, in the first instance, the board must review the decision of the regional director. It is on appeal to them at the present moment. They have had it less than 2 weeks. I understand on the best authority of which I know that they will render a decision within the next few days. So we shall know where we stand and shall know better where we stand with respect to the bill which my colleague has introduced.

Mr. DOUGLAS. Mr. President, will the Senator from New York yield?

Mr. LEHMAN. I yield.

Mr. DOUGLAS. Is it not true that the hotels at Miami Beach draw the major portion of their guests from outside the State of Florida?

Mr. LEHMAN. That is quite true. People go there to enjoy the pleasant climate and sunshine of Florida. They go there from many States.

Mr. DOUGLAS. When I read the New York newspapers on Sundays I generally notice the large volume of advertising from Miami Beach hotels, describing the beauties of Miami Beach. Knowing something about advertising rates of New York newspapers, is it not probable that the Miami Beach hotels spend hundreds of thousands of dollars in New York City, and to a lesser degree in Chicago, in advertising the beauties of Miami Beach and the attractiveness of their particular hotels?

Mr. LEHMAN. The Senator is eminently correct.

Mr. DOUGLAS. Is it not true that when people from the North and the East—I do not suppose many people from California go to Miami Beach—they, of necessity, cross State lines?

Mr. LEHMAN. Of course they do, in every case.

Mr. DOUGLAS. Is it not also true that the hotels in Miami Beach in large part recruit their help from across State lines?

Mr. LEHMAN. I believe that to be a fact.

Mr. DOUGLAS. In view of the interstate character of the business, may I ask if Florida has a satisfactory labor law to determine authorized agencies for collective bargaining? I believe the union regulation law of Florida does require an employer to bargain in good faith with the union which represents the majority of the employees; but is it not true that this law provides no method whereby a union may demonstrate whether or not it represents the majority?

Mr. LEHMAN. I have been informed that there is no labor relations board in the State of Florida, or locally, which has comparable powers with those of the National Labor Relations Board.

Mr. DOUGLAS. So that in a sense the hotels in Florida feel that it is a no-man's land, so far as collective bargaining is concerned.

Mr. LEHMAN. I believe so. I have no doubt there has been a desire on the part of the community to settle the strike which has been going on for 3½ months, but there is no adequate machinery with which to accomplish it.

Mr. DOUGLAS. So, what the Senator from New York is trying to do is to provide a remedy designed for interstate commerce and industries affecting interstate commerce in a particular field where interstate commerce with reference to patrons of hotels already exists?

Mr. LEHMAN. That is quite so.

Mr. NEUBERGER. Mr. President, will the Senator from New York yield?

Mr. LEHMAN. I yield.

Mr. NEUBERGER. I have been very much interested in the discussion by the junior Senator from New York regarding the hotel strike now occurring in Miami Beach, Fla. Is it not correct that Florida is one of the States having a so-called right-to-work act?

Mr. LEHMAN. I am not certain from my own knowledge, but I believe that to be a fact.

Mr. NEUBERGER. The reason why I ask that question is that having come relatively recently into this body from a State legislature which debated a so-called right-to-work bill for many months. As a matter of fact, the Oregon Legislature mistakenly adopted such a statute; at least, I believe it was a mistake. The governor of the State of Oregon signed that bill. But does it not show that a so-called right-to-work statute neither terminates a bitter, festering labor dispute, nor brings about justice and equity to the workers involved?

Mr. LEHMAN. I would say that the Senator from Oregon is entirely correct. Such a law not only does not accomplish the things about which the Senator speaks, but it certainly has never brought about an improvement in working standards or standards of living in a community.

Mr. NEUBERGER. Commenting further on what the Senator from New York has said, the situation in Florida would serve to demonstrate to other States that perhaps the 18 States of the Union which have adopted so-called right-to-work laws should review the wisdom of their decision.

Mr. LEHMAN. I hope they will do so.

Mr. NEUBERGER. As a journalist, I have been especially concerned and alarmed because of reports that certain newspapers in the country have declined to take advertisements which were offered, with payment promised, of course, by the union which represents the workers involved in the strike at Miami Beach. Are such reports correct?

Mr. LEHMAN. I am informed that they are correct.

Mr. NEUBERGER. Naturally, I do not have the actual evidence as to whether the reports are correct, so I shall not make a final and definite statement concerning them, but it would seem to me that if any newspaper has refused a legitimate advertisement for which adequate payment was promised, and the refusal came about because of pressure, it is most unfortunate in a great, free nation which prides itself on a free press, because that is one of the cornerstones and one of the fundamental props of our American democracy.

Mr. LEHMAN. I fully agree with the Senator.

Mr. NEUBERGER. I certainly commend the Senator from New York for the humanitarian interest which he has shown in the situation at Miami Beach, Fla. It is further evidence of the liberal and humane viewpoint he takes of all the social questions of our time.

Mr. LEHMAN. I thank the Senator.

Mr. McNAMARA. Mr. President, will the Senator from New York yield?

Mr. LEHMAN. I yield.

Mr. McNAMARA. Mr. President, as one of those who contacted the National Labor Relations Board and expressed the opinion that they should intervene and take jurisdiction of the strike situation at Miami Beach, I am certainly encouraged to hear the remarks which have been made today, and I am glad to hear that the senior Senator from New York [Mr. IVES] has said we will have a definite report from the Board within the next few days.

I wish to associate myself with the position which has been taken by the junior Senator from New York [Mr. LEHMAN] and to tell him that I hope I shall be able to help.

Mr. LEHMAN. I thank the Senator.

I have no disposition whatsoever to attempt to influence decisions of the National Labor Relations Board. I think that would be against every concept I have of good government. What I wish to provide for is that the National Labor Relations Board or some board with similar and equal powers may be able to intervene in the matter and settle the strike, because I believe that would be in the national public interest.

Mr. HUMPHREY. Mr. President, I join with the junior Senator from New York [Mr. LEHMAN] in his expressed interest in the situation which relates not only to the hotels in one particular city, but also in any other area where there seems to be inadequate machinery for the equitable settlement of labor disputes, or where there is a factor of interstate commerce involved, as there generally is at a point of transition, such as at a hotel having an itinerant population.

I especially commend the Senator's suggestion, as I have read it, that the Senate Committee on Labor and Public Welfare inquire into the jurisdictional policies of the National Labor Relations Board.

The Senator may recall that we served together on the Subcommittee on Labor and Labor-Management Relations of the Committee on Labor and Public Welfare. He may further recall that during that period of service we inquired into the jurisdictional policies of the Board.

I think it is fair to say that any labor law which Congress enacts, whether we agree with it or not, is to a large degree dependent upon the exercise of authority and jurisdiction on the part of the Board which is established. The National Labor Relations Board, in this instance, is the heart and core of the administration of the Labor-Management Relations Act. The members of that Board are very important individuals. Their attitudes and the policies they announce are of the utmost importance to the economic stability and progress of the country.

There has been comment in certain circles of both industry and labor in recent months to the effect that the board is tending to narrow its jurisdiction to such a point that the protections which are written into the labor-management law will no longer be afforded, and that the labor-management policies of the country are being allowed to remain in a no-man's land, with no agency and no service available to be of any particular help. We have observed the board taking an ever more restrictive attitude with respect to what they call local establishments, even though the local establishments may be fully integrated into the stream of interstate commerce.

Without passing any value judgment on the question, it seems to me to be the responsibility and the duty of the Senate Committee on Labor and Public Welfare and its excellent staff to conduct this kind of inquiry.

The PRESIDING OFFICER. The time which had been allowed for this discussion has expired.

Mr. LEHMAN. Mr. President, I ask unanimous consent that I may yield an additional minute to the junior Senator from Minnesota.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. As one who has taken an interest in the work of the committee in an effort to improve labor-management relations, I associate myself with the expressed desire of the junior Senator from New York, namely, to enter upon this inquiry into the jurisdiction of the Labor Relations Board.

Mr. LEHMAN. I thank the Senator from Minnesota.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

EXECUTIVE SESSION

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting several nominations, and withdrawing the nomination of John P. Ivers, to be postmaster at Oceanlake, Oregon; which nominating messages were referred to the Committee on Foreign Relations.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. DANIEL, from the Committee on the Judiciary:

Joe Ewing Estes, of Texas, to be United States district judge for the northern district of Texas, vice William Hawley Atwell, retired.

By Mr. ROBERTSON, from the Committee on Banking and Currency:

Harold C. Patterson, of Virginia, to be a member of the Securities and Exchange Commission.

By Mr. GEORGE, from the Committee on Foreign Relations:

Francis O. Wilcox, of Iowa, to be an Assistant Secretary of State.

Mr. GREEN, from the Committee on Foreign Relations:

Henry Cabot Lodge, Jr., of Massachusetts, Brooks Hays, of Arkansas, Chester E. Merrow, of New Hampshire, Dennis Joseph Roberts, of Rhode Island, and Colgate Whitehead Darden, Jr., of Virginia, to be representatives at the 10th session of the General Assembly of the United Nations; and

Robert Lee Brokenburr, of Indiana, Laird Bell, of Illinois, Jacob Blaustein, of Maryland, James J. Wadsworth, of New York, and Mrs. Oswald B. Lord, of New York, to be alternate representatives at the 10th session of the General Assembly of the United Nations.

TREATY OF FRIENDSHIP, COMMERCE, AND NAVIGATION WITH THE FEDERAL REPUBLIC OF GERMANY

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Executive E, a treaty of friendship, commerce, and navigation between the United States of America and the Federal Republic of Germany.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the treaty (Ex. E, 84th Cong., 1st sess.), a treaty of friendship, commerce, and navigation between the United States of America and the Federal Republic of Germany, together with a protocol and two exchanges of notes relating thereto, signed at Washington on October 29, 1954, which was read the second time, as follows:

TREATY OF FRIENDSHIP, COMMERCE, AND NAVIGATION BETWEEN THE UNITED STATES OF AMERICA AND THE FEDERAL REPUBLIC OF GERMANY

The United States of America and the Federal Republic of Germany desirous of strengthening the bonds of friendship existing between them and of encouraging closer economic and cultural relations between their peoples, and being cognizant of the contributions which may be made toward these ends by arrangements promoting mutually advantageous commercial intercourse, encouraging mutually beneficial investments, and establishing mutual rights and privileges, have resolved to conclude a Treaty of Friendship, Commerce, and Navigation, based in general upon the principles of national and of unconditional most-favored-nation treatment reciprocally accorded, and for that purpose have appointed as their Plenipotentiaries:

The President of the United States of America; Mr. John Foster Dulles, Secretary of State of the United States of America, and the President of the Federal Republic of Germany; Dr. Konrad Adenauer, Federal Chancellor and Federal Minister of Foreign Affairs, who, having communicated to each other their full powers found to be in due form, have agreed as follows:

ARTICLE I

1. Each party shall at all times accord fair and equitable treatment to the nationals and companies of the other party, and to their property, enterprises, and other interests.

2. Between the territories of the two parties there shall be, in accordance with

the provisions of the present treaty, freedom of commerce and navigation.

ARTICLE II

1. Nationals of either party shall, subject to the laws relating to the entry and sojourn of aliens, be permitted to enter the territories of the other party, to travel therein freely, and to reside at places of their choice. Nationals of either party shall in particular be permitted to enter the territories of the other party and to remain therein: (a) for the purpose of carrying on trade between the territories of the two parties and engaging in related commercial activities; (b) for the purpose of developing and directing the operations of an enterprise in which they have invested, or in which they are actively in the process of investing, a substantial amount of capital.

2. Each party undertakes to make available the best facilities practicable for travel by tourists and other visitors with respect to their entry, sojourn and departure, and for the distribution of information for tourists.

3. Nationals of either party, within the territories of the other party, shall enjoy freedom of conscience; and they shall be at liberty to hold religious services, both private and public, at suitable places of their choice.

4. Nationals of either party shall be permitted, within the territories of the other party, to gather information material for dissemination to the public, and shall enjoy freedom of transmission of such material to be used abroad for publication by the press, radio, television, motion pictures, and other means; and they shall be permitted to communicate freely with other persons inside and outside such territories by mail, telegraph, and other means open to general public use.

5. The provisions of the present article shall be subject to the right of either party to apply measures that are necessary to maintain public order and protect the public health, morals, and safety.

ARTICLE III

1. Nationals of either party within the territories of the other party shall be free from molestations of every kind, and shall receive the most constant protection and security. They shall be accorded in like circumstances treatment no less favorable than that accorded nationals of such other party for the protection and security of their persons and their rights. The treatment accorded in this respect shall in no case be less favorable than that accorded nationals of any third country or that required by international law.

2. If, within the territories of either party, a national of the other party is taken into custody, the nearest consular representative of his country shall on the demand of such national be immediately notified and shall have the right to visit and communicate with such national. Such national shall: (a) receive reasonable and humane treatment; (b) be formally and immediately informed of the accusations against him; (c) be brought to trial as promptly as is consistent with the proper preparation of his defense; and (d) enjoy all means reasonably necessary to his defense, including the services of competent counsel of his choice.

ARTICLE IV

1. Nationals of either party shall be accorded national treatment in the application of laws and regulations within the territories of the other party that establish a pecuniary compensation or other benefit or service, on account of disease, injury, or death arising out of and in the course of employment or due to the nature of employment.

2. Nationals of either party shall furthermore be accorded national treatment with regard to the application of social-security laws and regulations within the territories of the other party under which benefits are provided without examination of financial need in the following cases: (a) sickness, including temporary disability for work, and maternity; (b) old age, invalidity, or occupational disability; (c) death of the father, spouse, or any other person liable for maintenance; (d) unemployment.

ARTICLE V

1. Property of nationals and companies of either party shall receive the most constant protection and security within the territories of the other party.

2. The dwellings, offices, warehouses, factories, and other premises of nationals and companies of either party located within the territories of the other party shall not be subject to molestation or to entry without just cause. Official searches and examinations of such premises and their contents, when necessary, shall be made only according to law and with careful regard for the convenience of the occupants and the conduct of business.

3. Neither party shall take unreasonable or discriminatory measures that would impair the legally acquired rights or interests within its territories of nationals and companies of the other party in the enterprises which they have established, in their capital, or in the skills, arts, or technology which they have supplied.

4. Property of nationals and companies of either party shall not be taken within the territories of the other party, except for the public benefit and in accordance with due process of law, nor shall it be taken without just compensation. Such compensation shall represent the equivalent of the property taken and shall be made in an effectively realizable form and without unnecessary delay. Adequate provision shall have been made at latest by the time of the taking for the determination and the giving of the compensation.

5. Nationals and companies of either party shall in no case be accorded, within the territories of the other party, less than national treatment and most-favored-nation treatment with respect to the matters set forth in paragraphs 2 and 4 of the present article. Moreover, enterprises in which nationals or companies of either party have a substantial interest shall be accorded, within the territories of the other party, not less than national treatment and most-favored-nation treatment in all matters relating to the taking of privately owned enterprises into public ownership and to the placing of such enterprises under public control.

ARTICLE VI

1. Nationals and companies of either party shall be accorded national treatment with respect to access to the courts of justice and to administrative tribunals and agencies within the territories of the other party, in all degrees of jurisdiction, both in pursuit and in defense of their rights. It is understood that companies of either party not engaged in activities within the territories of the other party shall enjoy such access therein without any requirement of registration or domestication.

2. Contracts entered into between nationals or companies of either party and nationals or companies of the other party, that provide for the settlement by arbitration of controversies, shall not be deemed unenforcible within the territories of such other party merely on the grounds that the place designated for the arbitration proceedings is outside such territories or that the nationality of one or more of the arbitrators is not that of such other party. Awards duly rendered pursuant to any such contracts, which are final and enforcible under the laws of the place where rendered, shall be deemed conclusive in enforcement proceedings brought before the courts of competent jurisdiction of either party, and shall be entitled to be declared, enforcible by such courts, except where found contrary to public policy. When so declared, such awards shall be entitled to privileges and measures of enforcement appertaining to awards rendered locally. It is understood, however, that awards rendered outside the United States of America shall be entitled in any court in any State thereof only to the same measure of recognition as awards rendered in other States thereof.

ARTICLE VII

1. Nationals and companies of either party shall be accorded, within the territories of the other party, national treatment with respect to engaging in all types of commercial, industrial, financial, and other activity for gain, whether in a dependent or an independent capacity, and whether directly or by agent or through the medium of any form of lawful juridical entity. Accordingly, such nationals and companies shall be permitted within such territories: (a) to establish and maintain branches, agencies, offices, factories and other establishments appropriate to the conduct of their business; (b) to organize companies under the general company laws of such other party, and to acquire majority interests in companies of such other party; and (c) to control and manage enterprises which they have established or acquired. Moreover, enterprises which they control, whether in the form of individual proprietorships, companies or otherwise, shall in all that relates to the conduct of the activities thereof, be accorded treatment no less favorable than that accorded like enterprises controlled by nationals or companies of such other party.

2. Each party reserves the right to limit the extent to which aliens may establish, acquire interests in, or carry on enterprises engaged within its territories in communications, air or water transport, taking and administering trusts, banking involving depository functions, or the exploitation of land or other natural resources. However, new limitations imposed by either party upon the extent to which aliens are accorded national treatment, with respect to carrying on such activities within its territories, shall not be applied as against enterprises which are engaged in such activities therein at the time such new limitations are adopted and which are owned or controlled by nationals or companies of the other party. Moreover, neither party shall deny to transportation, communications and banking companies of the other party the right to maintain branches and agencies, in conformity with the applicable laws and regulations, to perform functions necessary for essentially international operations in which they engage.

3. The provisions of paragraph 1 of the present article shall not prevent either party from prescribing special formalities in connection with the establishment of alien-controlled enterprises within its territories; but such formalities may not impair the substance of the rights set forth in said paragraph.

4. Nationals and companies of either party, as well as enterprises controlled by such nationals or companies, shall in any event be accorded most-favored-nation treatment with reference to the matters treated in the present article.

ARTICLE VIII

1. Nationals and companies of either party shall be permitted to engage, within the territories of the other party, accountants and other technical experts, executive personnel, attorneys, agents, and other specialists of their choice. Moreover, such nationals and companies shall be permitted to engage accountants and other technical experts regardless of the extent to which they may have qualified for the practice of these professions within the territories of such other party, for the particular purpose of making for internal purposes examinations, audits, and technical investigations for, and rendering reports to, such nationals and

companies in connection with the planning and operation of their enterprises, and enterprises in which they have a financial interest, within such territories.

2. Nationals and companies of either party shall be accorded, within the territories of the other party, national treatment and most-favored-nation treatment with respect to engaging in scientific, educational, religious, and philanthropic activities, and shall be accorded the right to form associations for that purpose under the laws of the country. Nothing in the present treaty shall be deemed to grant or imply any right to engage in political activities.

ARTICLE IX

1. Nationals and companies of either party shall be accorded within the territories of the other party: (a) national treatment with respect to leasing land, buildings, and other real property appropriate to the conduct of activities in which they are permitted to engage pursuant to articles VII and VIII and for residential purposes, and with respect to occupying and using such property; and (b) other rights in real property permitted by the applicable laws of such other party.

Nationals and companies of either party shall be accorded, within the territories of the other party, national treatment and most-favored-nation treatment with respect to acquiring by purchase, lease, or otherwise, and with respect to owning and processing, personal property of all kinds, both tangible and intangible. However, either party may impose restrictions on alien ownership of materials dangerous from the standpoint of public safety and alien ownership of interests in enterprises carrying on the activities listed in the first sentence of paragraph 2 of article VII, but only to the extent that this can be done without impairing the rights and privileges secured by article VII or by other provisions of the present treaty.

3. Nationals and companies of either party shall be accorded national treatment, within the territories of the other party, with respect to acquiring property of all kinds by testate or intestate succession or under judicial sale to satisfy valid claims. Should they because of their alienage be ineligible to continue to own any such property, they shall be allowed a period of at least 5 years in which to dispose of it.

4. Nationals and companies of either party shall be accorded, within the territories of the other party, national treatment and most-favored-nation treatment with respect to disposing of property of all kinds.

ARTICLE X

1. Nationals and companies of either party shall be accorded, within the territories of the other party, national treatment with respect to obtaining and maintaining patents of invention, and with respect to rights in trademarks, trade names, trade-labels, and industrial property of every kind.

2. The parties undertake to cooperate in furthering the interchange and use of scientific and technical knowledge, particularly in the interests of increasing productivity and improving standards of living within their respective territories.

ARTICLE XI

1. Nationals of either party residing within the territories of the other party, and nationals and companies of either party engaged in trade or other gainful pursuit or in scientific, educational, religious, or philanthropic activities within the territories of the other party, shall not be subject to the payment of taxes, fees, or charges imposed upon or applied to income, capital, transactions, activities, or any other object, or to requirements with respect to the levy and collection thereof, within the territories of such other party, more burdensome than those borne in like situations by nationals and companies of such other party.

2. With respect to nationals of either party who are neither resident nor engaged in trade or other gainful pursuit within the territories of the other party, and with respect to companies of either party which are not engaged in trade or other gainful pursuit within the territories of the other party, it shall be the aim of such other party to apply in general the principle set forth in paragraph 1 of the present article.

3. Nationals and companies of either party shall in no case be subject, within the territories of the other party, to the payment of taxes, fees, or charges imposed upon or applied to income, capital, transactions, activities, or any other object, or to requirements with respect to the levy and collection thereof, more burdensome than those borne in like situations by nationals, residents, and companies of any third country.

4. In the case of companies and of nonresident nationals of either party engaged in trade or other gainful pursuit, within the territories of the other party, such other party shall not impose or apply any tax, fee, or charge upon any income, capital, or other basis in excess of that reasonably allocable or apportionable to its territories, nor grant deductions and exemptions less than those reasonably allocable or apportionable to its territories. A comparable rule shall apply also in the case of companies organized and operated exclusively for scientific, educational, religious, or philanthropic purposes.

5. Each party reserves the right to: (a) Extend specific tax advantages on the basis of reciprocity; (b) accord special tax advantages by virtue of agreements for the avoidance of double taxation or the mutual protection of revenue; and (c) apply special provisions in allowing, to nonresidents, exemptions of a personal nature in connection with income and inheritance taxes.

ARTICLE XII

1. Nationals and companies of either party shall be accorded national treatment and most-favored-nation treatment by the other party with respect to the assumption of undertakings for, and the making of payments, remittances, and transfers of moneys and financial instruments.

2. It is agreed that no provision of the present treaty shall be applied in such a manner as to alter arrangements applicable to either party by virtue of its membership in the International Monetary Fund.

3. Neither party may, with respect to the other party, in any manner impose exchange restrictions which are unnecessarily detrimental to or arbitrarily discriminate against the claims, investments, transportation, trade, or other interests of nationals and companies of such other party or their competitive position. Should either party impose exchange restrictions with respect to the other party, it will remove them as rapidly as it is able to do so considering its economic condition.

4. The two parties, recognizing that the international movement of investment capital and the returns thereon would be conducive to the full realization of the objectives of the present treaty, are agreed that such movements shall not be unnecessarily hampered. In accordance with this mutually agreed principle, each party undertakes to afford to nationals and companies of the other party reasonable facilities for the withdrawal of funds earned by them as a result of making or maintaining capital investments as well as for the transfer of capital investments. The same principle applies with respect to the compensation refererd to in article V, paragraph 4.

5. The term "exchange restrictions" as used in the present article includes all restrictions, regulations, charges, taxes, fees, and other requirements imposed by either party, which burden or interfere with the assumption of undertakings for, or the making of, payments remittances, or transfers of moneys and financial instruments.

6. All questions arising under the present treaty concerning foreign exchange restrictions will be governed by the provisions of the present article.

ARTICLE XIII

Nationals and companies of either party engaged in business within the territories thereof may operate as commercial travelers either directly or by means of agents or employees within the territories of the other party, in conformity with the applicable laws and regulations. Such commercial travelers shall, upon their entry into and departure from the territories of such other party and during their sojourn therein, be accorded most-favored-nation treatment in respect of the customs and other matters, including, subject to the exceptions in article XI, paragraph 5, taxes and charges applicable to them, their samples, their advertising material and the taking of orders, and regulations governing the exercise of their functions.

ARTICLE XIV

1. Each party shall accord most-favored-nation treatment to products of the other party, from whatever place and by whatever type of carrier arriving, and to products destined for exportation to the territories of such other party, by whatever route and by whatever type of carrier, with respect to customs duties and charges of any kind imposed on or in connection with importation or exportation or imposed on the international transfer of payments for imports or exports, and with respect to the method of levying such duties and charges, and with respect to all rules and formalities in connection with importation and exportation.

2. Neither party shall impose restrictions or prohibitions on the importation of any product of the other party, or on the exportation of any product to the territories of the other party, unless the importation of the like product of, or the exportation of the like product to, all third countries is similarly restricted or prohibited.

3. Either party may impose prohibitions or restrictions on sanitary or other customary grounds of a noncommercial nature, or in the interest of preventing deceptive or unfair practices, provided such prohibitions or restrictions do not arbitrarily discriminate against the commerce of the other party.

4. Nationals and companies of either party shall be accorded national treatment and most-favored-nation treatment by the other party with respect to all matters relating to importation and exportation.

5. If at any time a question should arise concerning the application of paragraph 2 of the present article, the two parties shall consult with a view to determining the application thereof. If such consultation, or consultation pursuant to article XXIV, paragraph 5, does not lead to a mutually satisfactory conclusion, either party may give written notice of termination of the present article; and, notwithstanding the provisions of article XXIX, the present article shall terminate 3 months following receipt of such notice by the other party.

6. The provisions of the present article shall not apply to advantages accorded by either party by virtue of a customs union or free-trade area of which it may become a member, so long as it informs the other party of its plans and affords such other party adequate opportunity for consultation.

ARTICLE XV

1. Each party shall promptly publish laws, regulations, and administrative rulings of general application pertaining to rates of duty, taxes, or other charges, to the classification of articles for customs purposes, and to requirements or restrictions on imports and exports or the transfers of payments

therefor, or affecting their sale, distribution, or use; and shall administer such laws, regulations, and rulings in a uniform, impartial, and reasonable manner. As a general practice, new or more burdensome administrative requirements affecting imports shall not be enforced until after public notice thereof.

2. Each party shall maintain an appeals procedure under which nationals and companies of the other party, and importers of products of such other party, shall be able to obtain prompt and impartial review, and correction when warranted, of administrative action relating to customs matters, including the imposition of fines and penalties, confiscations, and rulings on questions of customs classification and valuation by the administrative authorities. Penalties imposed for infractions of the customs and shipping laws and regulations concerning documentation shall be merely nominal in cases resulting from clerical errors or when good faith can be demonstrated.

3. With reference to marking requirements applicable to imported products, each party shall as a general practice: (a) allow required marks of origin to be affixed after importation; (b) not permit markings that result in misrepresenting the true origin of the products; and (c) not apply requirements that entail an expense which is economically prohibitive or that result in seriously damaging the product.

ARTICLE XVI

1. Products of either party shall be accorded, within the territories of the other party, national treatment and most-favored-nation treatment in all matters affecting internal taxation, sale, distribution, storage, and use.

2. Articles produced by nationals and companies of either party within the territories of the other party or by companies of the latter party controlled by such nationals and companies, shall be accorded therein treatment no less favorable than that accorded to like articles of national origin by whatever person or company produced, in all matters affecting exportation, taxation, sale, distribution, storage, and use.

ARTICLE XVII

1. Each party undertakes (a) that enterprises owned or controlled by its Government and that monopolies or agencies granted exclusive or special privileges within its territories, shall make their purchases and sales involving either imports or exports affecting the commerce of the other party solely in accordance with commercial considerations, including price, quality, availability, marketability, transportation, and other conditions of purchase or sale; and (b) that the nationals, companies, and commerce of such other party shall be afforded adequate opportunity, in accordance with customary business practice, to compete for participation in such purchases and sales.

2. Each party shall accord to the nationals, companies, and commerce of the other party fair and equitable treatment, as compared with that accorded to the nationals, companies, and commerce of any third country, with respect to: (a) the governmental purchase of supplies; (b) the awarding of concessions and other government contracts; and (c) the sale of any service sold by the Government or by any monopoly or agency granted exclusive or special privileges.

3. Neither party shall impose any measure of a discriminatory nature that hinders or prevents the importer or exporter of products of either country from obtaining marine insurance on such products in companies of either party.

ARTICLE XVIII

1. The two parties agree that business practices which restrain competition, limit access to markets or foster monopolistic control, and which are engaged in or made effective by one or more private or public commercial enterprises or by combination, agreement, or other arrangement among such enterprises, may have harmful effects upon commerce between their respective territories. Accordingly, each Government agrees upon the request of the other Government to consult with respect to any such practices and to take such measures, not precluded by its legislation, as it deems appropriate with a view to eliminating such harmful effect.

2. No enterprise of either party, including corporations, associations, and government agencies and instrumentalities, which is publicly owned or controlled shall, if it engages in commercial, industrial, shipping, or other business activities within the territories of the other party, claim or enjoy, either for itself or for its property, immunity therein from taxation, suit, execution of judgment, or other liability to which privately owned and controlled enterprises are subject therein.

ARTICLE XIX

1. Vessels under the flag of either party, and carrying the papers required by its law in proof of nationality, shall be deemed to be vessels of that party.

2. So long as both parties follow systems of tonnage measurement which are substantially similar, tonnage certificates issued by either party shall be accepted by the other party, and vessels shall not be subject to new measurements in the ports of such other party.

3. The term "vessels," as used in the present treaty, means all types of vessels, whether privately owned or operated, or publicly owned or operated; but this term does not include vessels of war.

ARTICLE XX

1. Vessels of either party shall have liberty, on equal terms with vessels of the other party and on equal terms with vessels of any third country, to come with their cargoes to all ports, places and waters of such other party open to foreign commerce and navigation. Such vessels and cargoes shall in the ports, places and waters of such other party be accorded in all respects national treatment and most-favored-nation treatment.

2. Vessels of either party shall be accorded national treatment and most-favored-nation treatment with respect to the right to carry all cargo that may be carried by vessel to or from the territories of the other party.

3. Goods carried by vessels under the flag of either party to or from the territories of the other party shall enjoy the same favors as when transported in vessels sailing under the flag of such other party. This applies especially with regard to customs duties and all other fees and charges, to bounties, drawbacks and other privileges of this nature, as well as to the administration of the customs and to transport to and from port by rail and other means of transportation.

4. The coasting trade and inland navigation are excepted from the provisions of the present article. However, the vessels of each party shall be accorded by the other party most-favored-nation treatment with respect to the coasting trade and inland navigation. Moreover, it is understood that vessels of either party shall be permitted to discharge portions of cargoes at any ports, places or waters of the other party open to foreign commerce and navigation, and to proceed with the remaining portions of such cargoes to any other such ports, places or waters, and they shall be permitted to load in like manner in the same voyage outward, at the various ports, places and waters open to foreign commerce and navigation; but a right to engage in the coasting trade or inland navigation may not thereby be claimed.

5. The provisions of the present article shall not apply to fishing vessels.

ARTICLE XXI

If a vessel of either party runs aground or is wrecked on the coasts of the other party, or if it is in distress and must put into a port of the other party, the latter party shall extend to the vessel as well as to the crew, the passengers, the personal property of crew and passengers, and to the cargo of the vessel, the same protection and assistance as would have been extended to a vessel under its own flag in like circumstances; and shall permit the vessel after repairs to proceed with its voyage upon conformity with the laws applicable alike to vessels under its own flag. Articles salvaged from the vessel shall be exempt from all customs duties unless they pass into internal consumption; but articles not entered for consumption may be subject to measures for the protection of the revenue pending their exit from the country.

ARTICLE XXII

1. In all ports of either party the masters of all vessels under the flag of the other party, whose crews have ceased to be fully constituted on account of illness or for any other cause, shall be permitted to engage such seamen as may be necessary for the continuation of the voyage.

2. Nationals of either party who are seamen may be sent to ports of the other party to join national vessels, in care of consular officers, either individually or in groups on the basis of seamen's papers issued in lieu of passports. Likewise, nationals of either party shall be permitted to travel through the territory of the other party on their way to join vessels or to be repatriated on the basis of seamen's papers used in lieu of passports.

ARTICLE XXIII

1. There shall be freedom of transit through the territories of each party by the routes most convenient for international transit:

(a) for nationals of the other party, together with their baggage;

(b) for other persons, together with their baggage, en route to or from the territories of such other party; and

(c) for products of any origin en route to or from the territories of such other party, with or without transshipment, warehousing, breaking bulk or change in the mode of transport.

2. The persons and things referred to in paragraph 1 of the present article shall be exempt from customs duties, from duties imposed by reason of transit, and from unreasonable charges and requirements; and shall be free from unnecessary delays and restrictions.

3. The provisions of the present article shall be subject to the right of either party to apply measures referred to in article II, paragraph 5, and nondiscriminatory regulations necessary to prevent abuse of the transit privilege.

ARTICLE XXIV

1. The present treaty shall not preclude the application by either party of measures:

(a) regulating the importation or exportation of gold, silver, platinum, and the alloys thereof;

(b) relating to fissionable materials, to radioactive byproducts of the utilization or processing thereof, or to materials that are the source of fissionable materials;

(c) regulating the production of or traffic in arms, ammunition, and implements of war, or traffic in other materials carried on directly or indirectly for the purpose of supplying a military establishment;

(d) necessary to fulfill its obligations for the maintenance or restoration of international peace and security, or necessary to protect its essential security interests;

(e) denying to any company in the ownership or direction of which nationals of any third country or countries have directly or indirectly the controlling interest, the advantages of the present treaty, except with respect to recognition of juridical status and with respect to access to courts; and

(f) reserving rights and privileges with respect to its national fisheries and marine hunting, and the landing in its ports of fish or fish products or the catch or products of marine hunting taken on board the transporting vessel at sea.

2. The most-favored-nation provisions of the present treaty relating to the treatment of goods shall not apply to advantages accorded by the United States of America or its Territories and possessions to one another, to the Republic of Cuba, to the Republic of the Philippines, to the Trust Territory of the Pacific Islands, or to the Panama Canal Zone.

3. The most-favored-nation treatment provisions of the present treaty shall not apply to advantages accorded by either party to adjacent countries in order to facilitate frontier traffic.

4. The provisions of the present treaty relating to the treatment of goods shall not preclude action by either party which is required or permitted by the General Agreements on Tariffs and Trade during such time as such party is a contracting party to the general agreement. Similarly, the most-favored-nation provisions of the present treaty shall not apply to special advantages accorded by virtue of the aforesaid agreement.

5. If at any time the arrangements provided in the first sentence of paragraph 4 of the present article should cease to be applicable, the provisions of article XIV, paragraph 2, shall not apply for a period of 12 months to restrictions in effect at that time. During this period the two parties will, upon the request of either of them, consult with a view to determining whether, in the light of circumstances then prevailing, any further adjustment may be necessary.

6. The present treaty does not affect provisions of statute under which aliens may be permitted entry into the territories of a party subject to express conditions regarding their engaging in gainful occupations therein.

ARTICLE XXV

1. The term "national treatment" means treatment accorded within the territories of a party upon terms no less favorable than the treatment accorded therein, in like situations, to nationals, companies, products, vessels or other objects, as the case may be, of such party.

2. National treatment is accorded by the Federal Republic of Germany in the provisions of the present treaty in consideration of the national treatment accorded by the United States of America to the nationals, companies, products, vessels, or other objects, of the Federal Republic of Germany, with respect to the same subject matter.

3. National treatment accorded under the provisions of the present treaty to companies of the Federal Republic of Germany shall, in any State, Territory, or possession of the United States of America, be the treatment accorded therein to companies created or organized in other States, Territories, and possessions of the United States of America.

4. The term "most-favored-nation treatment" means treatment accorded within the territories of a party upon terms no less favorable than the treatment accorded therein, in like situations, to nationals, companies, products, vessels, or other objects, as the case may be, of any third country.

5. As used in the present treaty, the term "companies" means corporations, partnerships, companies, and other associations, whether or not with limited liability and whether or not for pecuniary profit. Companies constituted under the applicable laws and regulations within the territories of either party shall be deemed companies thereof and shall have their juridical status recognized within the territories of the other party.

6. Without prejudice to other methods of establishing nationality, a person in possession of a valid passport issued by the competent authorities of either party, or a valid identity document named in the protocol, shall be considered a national of that party.

ARTICLE XXVI

1. The territories to which the present treaty extends shall comprise all areas of land and water under the sovereignty or authority of each party, other than the Panama Canal Zone and the Trust Territory of the Pacific Islands.

2. The present treaty shall also apply from the date specified in article XXIX, paragraph 2, to Land Berlin which for the purposes of the present treaty comprises those areas over which the Berlin senate exercises jurisdiction.

3. It is a condition to the application of the present treaty to Land Berlin, in accordance with the preceding paragraph, that the Government of the Federal Republic of Germany shall previously have furnished to the Government of the United States of America a notification that all legal procedures in Berlin necessary for the application of the present treaty therein have been complied with.

ARTICLE XXVII

1. Each party shall accord sympathetic consideration to, and shall afford adequate opportunity for consultation regarding, such representations as the other party may make with respect to any matter affecting the operation of the present treaty.

2. Any dispute between the parties as to the interpretation or the application of the present treaty which the parties do not satisfactorily adjust by diplomacy or some other agreed means shall be submitted to arbitration or, upon agreement of the parties, to the International Court of Justice.

ARTICLE XXVIII

The present treaty shall replace and terminate provisions in force in articles I through V, VII through XVI, and XXIX through XXXII, of the treaty of friendship, commerce, and consular rights between the United States of America and Germany, signed at Washington December 8, 1923, as amended by an exchange of notes dated March 19 and May 21, 1925, and the agreement signed at Washington June 3, 1935, and as applied by the agreement of June 3, 1953, article VI having terminated on June 2, 1954. Articles XVII through XXVIII of the said treaty, as amended by article II of the agreement of June 3, 1953, shall continue in force between the United States of America and the Federal Republic of Germany, with territorial application to the same extent as that provided in article XXVI of the present treaty, until replaced by a consular convention between the two parties or until 6 months after either party shall have given to the other party a written notice of termination of the said articles.

ARTICLE XXIX

1. The present treaty shall be ratified, and the ratifications thereof shall be exchanged at Bonn as soon as possible.

2. The present treaty shall enter into force 1 month after the day of exchange of ratifications. It shall remain in force for 10 years and shall continue in force thereafter until terminated as provided herein.

3. Either party may, by giving 1 year's written notice to the other party, terminate the present treaty at the end of the initial 10-year period or at any time thereafter.

In witness whereof the respective Plenipotentiaries have signed the present treaty and have affixed hereunto their seals.

Done in duplicate, in the English and German languages, both equally authentic, at Washington this 29th day of October 1954.

For the United States of America:

[SEAL] JOHN FOSTER DULLES.

For the Federal Republic of Germany:

[SEAL] ADENAUER.

PROTOCOL

At the time of the signing of the Treaty of Friendship, Commerce, and Navigation between the United States of America and the Federal Republic of Germany, the undersigned Plenipotentiaries, duly authorized, have further agreed on the following provisions, which shall be considered integral parts of the aforesaid treaty:

1. The spouse and unmarried minor children of a person permitted entry under the provisions of the second sentence of article II, paragraph 1, shall also be permitted entry if accompanying him or following to join him.

2. The provisions of article II, paragraph 1 (b), shall be construed as extending to nationals of either party seeking to enter the territories of the other party solely for the purpose of developing and directing the operations of an enterprise in the territories of such other party in which their employer has invested or is actively in the process of investing a substantial amount of capital: *Provided,* That such employer is a national or company of the same nationality as the applicant and that the applicant is employed by such national or company in a responsible capacity.

3. The term "public health" in article II, paragraph 5, and the term "sanitary grounds" in article XIV, paragraph 3, comprise the protection of human, animal, and plant life and health.

4. The provisions of article IV, paragraph 2, refer only to laws or regulations which either are national laws or regulations or are based in whole or in part on requirements of national laws or regulations.

5. The provisions of article V, paragraph 4, shall apply to the property taken in the territories of either party in which nationals or companies of the other party have a direct or indirect interest.

6. With reference to article VI, paragraph 1, nationals and companies of either party appearing as plaintiff or intervening party before the courts of the other party shall be exempt from obligation to post security for costs in such instances as nationals or companies of the other party would be exempt; exemption, however, is only granted if:

(a) the nationals have their permanent residence or the companies their establishment (main or branch), or

(b) the nationals or the companies have sufficient real property to cover costs,

in the territory of that party before the courts of which the suit is pending.

7. With reference to article VI, paragraph 1, nationals of either party shall be accorded national treatment within the territories of the other party:

(a) With respect to suits in forma pauperis, in proceedings in the Federal courts of the United States of America;

(b) With respect to the pauper's right (Armenrecht) in proceedings before the courts of the Federal Republic of Germany, in types of cases which in the United States of America would fall within the Federal jurisdiction or could be brought before Federal courts.

8. With reference to article VII, paragraph 1, a party may apply regulations under which alien employees within its territories are required to have employment permits; but,

in keeping with the objectives of that paragraph, such regulations shall be administered in a liberal fashion as to nationals of the other Party. Furthermore, it is understood that legal provisions which reserve to nationals of the country the practice of state licensed professions or require state examinations and licenses and local residence are not precluded by the terms of that paragraph.

9. The provisions of article VII do not obligate either party to permit nationals and companies of the other party to carry on businesses in its territories without fulfilling the requirements which are generally applicable by law.

10. The provisions of article VII, paragraph 1, do not affect the right of either party, in accordance with the agreements and objectives of the present treaty, to apply special regulations to foreign insurance companies in order to insure that such companies maintain the degree of responsibility and solvency required of similar domestic companies, but these regulations may not in their effect result in discrimination in substance against such foreign companies.

11. The term "communications" in article VII, paragraph 2, includes radio and television, among other means of communication.

12. With reference to article VII, paragraph 4, either party may require that the granting of rights to engage in mining on the public domain shall be dependent on reciprocity.

13. The provisions of articles VII, paragraph 1, and XIII shall not extend to the activity of peddlers and itinerant artisans in the exercise of their occupations as such.

14. Article XII, paragraph 1, is not concerned with rules regarding currencies as such and therefore does not preclude differential treatment of different currencies. It is only concerned with the rights of nationals and companies under whatever foreign exchange regulations may be in effect and is only designed to preclude discriminations against nationals and companies on a nationality basis in the application of the foreign exchange regulations.

15. The term "reasonable" in article XII, paragraph 4, allows each party to apply such measures as are required to fulfill its legal obligations, to secure goods and services essential to the health and welfare of its people, and to give consideration to special needs for other exchange transactions.

16. Either party may, for the protection of its currency and in the interest of servicing investments and providing for their repatriation, make the importation of capital dependent on a license.

17. If more than one rate of exchange exists, the rate applicable to withdrawals under article XII, paragraph 4, shall be a rate which is specifically approved by the International Monetary Fund for such transactions or, in the absence of a rate so approved, an effective rate which, inclusive of any taxes or charges on exchange transfers, is just and reasonable.

18. In matters affecting internal taxation the national treatment provision of article XVI, paragraph 1, shall not apply within the territories of either party to special treatment of products made in whole or in part of materials grown or produced within the territories of such party. However, this provision shall apply only where such special treatment exists on the date of entry into force of the present treaty. Any enactment or amendment made subsequent to that date shall not alter such special treatment in a manner detrimental to the interests of the other party.

19. The provisions of article XVII, paragraph 2 (b) and (c), and of article XX, paragraph 2, shall not apply to postal services of either party.

20. With reference to article XX, the term "cargoes" in the meaning of the present treaty includes both goods and passengers.

21. The provisions of article XXIV, paragraph 2, shall apply in the case of Puerto Rico regardless of any change that may take place in its political status.

22. Identity documents within the meaning of article XXV, paragraph 6, shall include, inter alia,

(a) for the Federal Republic of Germany: The certificate of residence (Heimatschein) and the seaman's book (Seefahrtsbuch) issued by the authorities of the Federal Republic of Germany, if the bearer is designated therein as a German national;

(b) for the United States of America: A card or certificate of identity and registration, or a United States merchant mariner's document, if the bearer is designated therein as a national of the United States.

23. Territories under the authority of a party solely as a military base or by reason of temporary military occupation shall not be considered territories of that party within the meaning of article XXVI, paragraph 1.

24. It is agreed that after the Federal Republic of Germany becomes a member of the United Nations or a party to the Statute of the International Court of Justice, disputes to which article XXVII, paragraph 2, refers, and which are not resolved by diplomacy or some other agreed means, shall be submitted to the International Court of Justice.

In witness whereof the respective Plenipotentiaries have signed this Protocol and have affixed hereunto their seals.

Done in duplicate, in the English and German languages, both equally authentic, at Washington this 29th day of October 1954.

For the United States of America:

[SEAL] JOHN FOSTER DULLES.

For the Federal Republic of Germany:

[SEAL] ADENAUER.

DEPARTMENT OF STATE,
Washington, October 29, 1954.

His Excellency Dr. KONRAD ADENAUER,
Chancellor of the Federal Republic of Germany.

EXCELLENCY: I have the honor to refer to the treaty of friendship, commerce and navigation between the United States of America and the Federal Republic of Germany, signed today, and to set forth the further agreement as follows:

The present special position of the United States of America and its personnel in Germany shall not be affected by the aforesaid treaty.

The aforesaid treaty shall not modify or derogate from the provisions of the conventions signed at Bonn on May 26, 1952 or such agreement or agreements as may modify or replace them.

Accept, Excellency, the renewed assurances of my highest consideration.

JOHN FOSTER DULLES,
Secretary of State of the United States of America.

[Translation]

THE FEDERAL CHANCELLOR AND FEDERAL MINISTER OF FOREIGN AFFAIRS,
Washington, October 29, 1954.

His Excellency JOHN FOSTER DULLES,
Secretary of State of the United States of America.

MR. SECRETARY: I have the honor to refer to the treaty of friendship, commerce and navigation between the United States of America and the Federal Republic of Germany, signed today, and to set forth the further agreement as follows:

The present special position of the United States of America and its personnel in Germany shall not be affected by the aforesaid treaty.

The aforesaid treaty shall not modify or derogate from the provisions of the conventions signed at Bonn on May 26, 1952 or such agreement or agreements as may modify or replace them.

Accept, Mr. Secretary of State, the renewed assurance of my most distinguished consideration.

ADENAUER.

DEPARTMENT OF STATE,
Washington, October 29, 1954.

His Excellency Dr. KONRAD ADENAUER,
Chancellor of the Federal Republic of Germany.

EXCELLENCY: During the discussion of article XV, paragraph 1, of the treaty of friendship, commerce, and navigation between the United States of America and the Federal Republic of Germany, signed today, the representatives of the two governments exchanged views as to possible means available for affording protection to traders against sudden imposition of administrative measures adversely affecting their ability to plan and conduct their international business with reasonable assurance.

The representatives of the United States of America pointed out that under United States procedure new administrative measures affecting imports become effective, as a general practice, only upon the expiration of a transitory period of not less than 30 days after publication thereof. Types of administrative measures falling under this procedure include, for example, the imposition or reduction of quotas, the increase of duties as a consequence of escape clause action or of a change in a uniform and established classification, and the withdrawal of trade agreement concessions. They also explained that under section 16.10a of the customs regulations a procedure exists whereby importers and foreign exporters may apply to the Commissioner of Customs for decisions of a binding character regarding the customs classification of particular articles intended for importation.

The German representatives stated that under German law and procedure importers and foreign exporters may, in advance of shipment, obtain binding customs information about tariff rates and expressly specified commodities valid as against any modification or cancellation, subject to the regulations of the Allgemeine Zollordnung, paragraph 86, subparagraph 3, for a period of 3 months. Moreover, paragraph 131 of the Reichsabgabenordnung affords the possibility for importers to apply for suspension or reduction of the customs duties payable by them, if a customs tariff modification affects them unfairly in individual cases. They further stated that upon promulgating new import restrictions or intensifying existing import restrictions the competent German Government agencies will take into account in their administrative practices, as far as possible, the recommendations accepted by the contracting parties to the General Agreement on Tariffs and Trade, that is, the Standard Practices for Import and Export Restrictions and Exchange Controls.

The two governments are agreed that neither has the intention of changing existing administrative procedures so as to provide less favorable facilities and treatment; and that, moreover, further progress should be sought on a broad international basis in the development of measures designed to increase the certainty with which traders can plan their international business as against administrative actions affecting the international movement of products.

Accept, Excellency, the renewed assurances of my highest consideration.

JOHN FOSTER DULLES,
Secretary of State of the United States of America.

[Translation]

THE FEDERAL CHANCELLOR AND FEDERAL MINISTER OF FOREIGN AFFAIRS,
Washington, October 29, 1954.

His Excellency JOHN FOSTER DULLES,
Secretary of State of the United States of America.

MR. SECRETARY: During the discussion of article XV, paragraph 1, of the treaty of friendship, commerce and navigation between the United States of America and the Federal Republic of Germany, signed today, the representatives of the two Governments exchanged views as to the possible means available for affording protection to traders against sudden imposition of administrative measures adversely affecting their ability to plan and conduct their international business with reasonable assurance.

The representatives of the United States of America pointed out that under United States procedure new administrative measures affecting imports become effective, as a general practice, only upon the expiration of a transitory period of not less than 30 days after publication thereof. Types of administrative measures falling under this procedure include, for example, the imposition or reduction of quotas, the increase of duties as a consequence of "escape clause" action or of a change in a uniform and established classification, and the withdrawal of trade agreement concessions. They also explained that under section 16.10a of the Customs Regulations a procedure exists whereby importers and foreign exporters may apply to the Commissioner of Customs for decisions of a binding character regarding the customs classification of particular articles intended for importation.

The German representatives stated that under German law and procedure importers and foreign exporters may, in advance of shipment, obtain binding customs information about tariff rates and expressly specified commodities valid as against any modification or cancellation, subject to the regulations of the Allgemeine Zollordnung, paragraph 86, subparagraph 3, for a period of 3 months. Moreover, paragraph 131 of the Reichsabgabenordnung affords the possibility for importers to apply for suspension or reduction of the customs duties payable by them, if a customs tariff modification affects them unfairly in individual cases. They further stated that upon promulgating new import restrictions or intensifying existing import restrictions the competent German Government agencies will take into account in their administrative practices, as far as possible, the recommendations accepted by the contracting parties to the General Agreement on Tariffs and Trade, that is, the standard practices for import and export restrictions and exchange controls.

The two Governments are agreed that neither has the intention of changing existing administrative procedures so as to provide less favorable facilities and treatment; and that, moreover, further progress should be sought on a broad international basis in the development of measures designed to increase the certainty with which traders can plan their international business as against administrative actions affecting the international movement of products.

Accept, Mr. Secretary of State, the renewed assurance of my most distinguished consideration.

ADENAUER.

Mr. GREEN. Mr. President, on July 19, the Committee on Foreign Relations favorably reported to the Senate the Treaty of Friendship, Commerce, and Navigation with the Federal Republic of Germany. This is the 11th such postwar treaty that has been negotiated. Each of the preceding treaties has been approved by the Senate.

The treaty with Germany now before the Senate is substantially similar to a commercial treaty with Japan which was discussed and approved in 1953. The few respects in which this treaty differs from the earlier one with Japan are set forth in the committee report, which I submitted last July 21.

As Members of the Senate know, treaties of this type have been negotiated by the United States since the beginning of its history. They are designed to assure fair and reasonable treatment for Americans who travel abroad for personal or business reasons. The treaties impose mutual obligations on the parties to give citizens of each country, while in the country of the other party, national and most-favored-nation treatment. They serve to prevent discriminatory treatment with respect to trade and shipping and the protection of persons and their property.

Congress has on numerous occasions encouraged the Department of State to conclude treaties of this type to the end that opportunities for American investment abroad may be promoted and the legitimate interests of American nationals properly protected.

Mr. President, it is especially appropriate at this time that we should approve this treaty with the Federal Republic of Germany. It will be recalled that promptly after the conclusion of peace treaties with Italy and Japan, we approved commercial treaties with those countries. Now that Germany has been restored to a full and free status in the community of nations, this treaty has special political and economic significance. It is another step in the reestablishment of normal relationships with Germany. It will help weld Western Germany firmly into the society of free nations which must remain politically and economically strong.

It is also appropriate that we should look with special approval on the pending treaty with the Federal Republic because the first of the modern series of commercial treaties was negotiated with Germany in 1923. That treaty served as the model for many which came thereafter. The operations of the German treaty of 1923 were interrupted by the war but, with a few exceptions, they were reinstated in 1953, to remain effective until the treaty now before us could be concluded.

During consideration of the pending treaty special consideration was given to several matters which have concerned the Senate in the past. I refer first to provisions in past treaties to which the Senate has taken exception, namely, language regarding the practice of certain professions which might have required changes in some State laws. There is no such provision in this treaty.

Second, I refer to the questions which have arisen from time to time as to whether treaties of this type may operate to impair the constitutional rights of American citizens or to alter established Federal-State relations or enlarge Federal powers at the expense of the States. The committee was assured that the pending treaty does not impair such rights, alter established Federal-State relationships, or enlarge Federal powers at the expense of the States.

Having received no objections to the pending treaty and in light of the rapid and healthy economic and political developments that are taking place in the Federal Republic, I hope that the Senate will give its unanimous approval to the treaty.

The PRESIDING OFFICER. Without objection, the pending treaty will be considered as having passed through its various parliamentary stages up to the point of consideration of the resolution of ratification, which will be read for the information of the Senate.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive E, 84th Congress, 1st session, a Treaty of Friendship, Commerce, and Navigation Between the United States of America and the Federal Republic of Germany, together with a protocol and two exchanges of notes relating thereto, signed at Washington on October 29, 1954.

Mr. AIKEN. Mr. President, the Senate Committee on Foreign Relations considered the treaty very carefully and unanimously agreed that it would be to the interest of both the United States and of the Federal Republic of Germany as well to have it ratified at an early date. We believe it will be very helpful in improving commerce between the two nations and in initiating nondiscriminatory treatment for persons and property of their respective nationals. I wholeheartedly endorse approval of the treaty at this time.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification?

Mr. CLEMENTS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is, Will the Senate advise and consent to the resolution of ratification?

Mr. HUMPHREY and Mr. KNOWLAND asked for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Delaware [Mr. FREAR], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

I further announce that if present and voting, the Senator from Delaware [Mr. FREAR], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Texas [Mr. JOHNSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Wyoming [Mr. BARRETT] is absent because of illness in his family.

The Senator from Indiana [Mr. JENNER] and the Senator from Kansas [Mr. SCHOEPPEL] are necessarily absent.

The Senator from South Dakota [Mr. MUNDT] is detained in the Senate Office Building on official business due to the fact that by order of the Senate Committee on Investigations he and the Senator from Arkansas [Mr. MCCLELLAN] are on an appointment long distance telephone call taking testimony from officials of the Douglas Aircraft Co. of California. If the Senator from South Dakota [Mr. MUNDT] were able to be present he would vote "yea" in favor of the ratification of the German Treaty.

The Senator from Wisconsin [Mr. MCCARTHY] is detained on official committee business.

The Senator from Connecticut [Mr. BUSH] is detained on official business. If present and voting the Senator from Connecticut [Mr. BUSH], the Senator from Wyoming [Mr. BARRETT], and the Senator from Kansas [Mr. SCHOEPPEL] would each vote "yea".

The yeas and nays resulted—yeas 83, nays 0, as follows:

YEAS—83

Aiken	Flanders	Millikin
Allott	George	Monroney
Anderson	Goldwater	Morse
Barkley	Green	Murray
Beall	Hayden	Neely
Bender	Hennings	Neuberger
Bennett	Hickenlooper	Pastore
Bible	Hill	Payne
Bricker	Holland	Potter
Bridges	Hruska	Purtell
Butler	Humphrey	Robertson
Byrd	Ives	Russell
Capehart	Jackson	Saltonstall
Carlson	Johnston, S. C.	Scott
Case, N. J.	Kefauver	Smathers
Case, S. Dak.	Kerr	Smith, Maine
Chavez	Kilgore	Smith, N. J.
Clements	Knowland	Sparkman
Cotton	Kuchel	Stennis
Curtis	Langer	Symington
Daniel	Lehman	Thurmond
Dirksen	Long	Thye
Douglas	Magnuson	Watkins
Duff	Malone	Welker
Dworshak	Mansfield	Wiley
Eastland	Martin, Iowa	Williams
Ellender	Martin, Pa.	Young
Ervin	McNamara	

NAYS—0

NOT VOTING—13

Barrett	Jenner	Mundt
Bush	Johnson, Tex.	O'Mahoney
Frear	Kennedy	Schoeppel
Fulbright	McCarthy	
Gore	McClellan	

The PRESIDING OFFICER (Mr. SCOTT in the chair). Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to.

Mr. CLEMENTS. Mr. President, I ask that the Senate now proceed to the consideration of nominations on the Executive Calendar, beginning with the Diplomatic Service.

The PRESIDING OFFICER. The clerk will proceed to state the nominations on the Executive Calendar.

DIPLOMATIC SERVICE

The legislative clerk read the nomination of Julian F. Harrington to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Panama.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Charles W. Yost to be Ambassador Extraordinary and Plenipotentiary of the United States to the Kingdom of Laos.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

MINT OF UNITED STATES AT SAN FRANCISCO, CALIF.

The legislative clerk read the nomination of Arthur C. Carmichael to be Superintendent of the Mint of the United States at San Francisco, Calif.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

TAX COURT OF THE UNITED STATES

The legislative clerk read the nomination of Craig S. Atkins to be judge of the Tax Court of the United States.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. CLEMENTS. I ask that the President be immediately notified of all executive action taken by the Senate today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. CLEMENTS. I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

ORDER FOR CALL OF THE CALENDAR ON THURSDAY

Mr. CLEMENTS. Mr. President, I ask unanimous consent that at the conclusion of routine business tomorrow, there be a call of the calendar from the beginning, for the consideration of measures to which there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION TO FILE REPORTS AND RECEIVE MESSAGES

Mr. CLEMENTS. Mr. President, I ask unanimous consent that during the adjournment of the Senate following today's session, the several standing committees be authorized to file reports, and that the Secretary of the Senate be authorized to receive messages from the House.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR COMMODITY CREDIT CORPORATION TO PROCESS FOOD COMMODITIES FOR DONATION UNDER CERTAIN ACTS—CONFERENCE REPORT

Mr. HOLLAND. Mr. President, I submit a report of the committee of conference on disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2851) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2851) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

ALLEN J. ELLENDER,
SPESSARD L. HOLLAND,
CLINTON P. ANDERSON,
GEORGE D. AIKEN,
JOHN J. WILLIAMS,
Managers on the Part of the Senate.

HAROLD D. COOLEY,
GEORGE M. GRANT,
W. PAT JENNINGS,
CLIFFORD R. HOPE,
AUGUST H. ANDRESEN,
WILLIAM S. HILL,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. CLEMENTS. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. CLEMENTS. May I inquire from the Senator if this is the measure dealing with surplus commodities?

Mr. HOLLAND. It is. It is the measure to make flour and meal available in certain distress areas. I assure the Senator that the conference report can be disposed of in a few moments.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. KNOWLAND. Will the Senator make a brief explanation as to what changes were made in conference in the bill as it passed the Senate?

Mr. HOLLAND. I am glad to advise the Senate that the conference report is only a formality because the House agreed to recede from its position and to accept the bill as passed by the Senate. The report so shows.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. CLEMENTS. Mr. President, I should like to commend the Senator from Florida [Mr. HOLLAND], who was chairman of the conference, and also chairman of the subcommittee which handled this measure in the Committee on Agriculture and Forestry. He has produced a fine bill. The proof of that fact is the readiness with which the House accepted it when it went to conference.

The Senator from Florida deserves high commendation for the understanding way in which he approached the problem of making corn and wheat, in the processed form of meal and flour, available to those in distressed areas where the distribution will be made and to whom they mean so much.

THE 96TH INFANTRY RESERVE DIVISION

Mr. MANSFIELD. Mr. President, I have just received a letter from C. J. Hauck, Jr., brigadier general, Chief of Legislative Liaison, to the effect that the 96th Reserve Division, composed of personnel from the States of Montana, Idaho, Utah, and Arizona, is being given an opportunity once again to be considered for retention in the Active Reserve.

I hold in my hand a letter from General Hauck, to which is attached a copy of a letter written to the Senator from Massachusetts [Mr. SALTONSTALL] by Franklin L. Orth, Deputy Assistant Secretary of the Army, in which the announcement is made that the Department of the Army has decided to hold in abeyance action redesignating and reorganizing the 96th Infantry Division, USAR.

The pertinent paragraph of the letter reads as follows:

It has been decided to hold in abeyance action to redesignate and reorganize the 96th Infantry Division as a Maneuver Area Command pending a thorough study and evaluation of the effects of the legislation upon the USAR divisions in the Sixth Army Area, and a reexamination by the Sixth Army commander of his decision based upon this evaluation. Until these studies have been accomplished, the 96th Infantry Division will retain its current organizational structure.

Mr. President, that is good news indeed for the 3,000 members of the 96th Division. I am sure it will serve to boost their morale. I know I speak in behalf of the Senators from the States of Arizona, Idaho, Utah, and Montana, when I say to General Hauck and to Assistant Secretary Orth that we are happy and delighted that the decision which would have broken up the 96th Infantry Division is being held in abeyance, and that we have confidence that, on the basis of a reevaluation, this outstanding infantry division will retain its component units.

Mr. President, I ask unanimous consent that the two letters be made a part of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY,
OFFICE OF THE SECRETARY OF THE ARMY,
Washington, D. C., July 27, 1955.

Hon. MICHAEL J. MANSFIELD,
United States Senate.

DEAR SENATOR MANSFIELD: Attached for your information is a copy of a letter from Mr. Franklin L. Orth, Deputy Assistant Secretary of the Army for Manpower and Reserve Forces, which announces the decision of the Department of the Army to hold in abeyance action to redesignate and reorganize the 96th Infantry Division, USAR.

Sincerely,

HARRY J. WHEATON,
Colonel, GS,
Deputy Chief of Legislative Liaison.
C. J. HAUCK, Jr.,
Brigadier General, GS,
Chief of Legislative Liaison.

JULY 27, 1955.

Hon. LEVERETT SALTONSTALL,
United States Senate.

DEAR SENATOR SALTONSTALL: On July 15 I wrote to you in accordance with your request and furnished information pertaining to the proposed change in status of the 96th Infantry Division, USAR. Since writing to you, further consideration has been given to the status of the USAR divisions in the Sixth Army area.

It has been decided to hold in abeyance action to redesignate and reorganize the 96th Infantry Division as a maneuver area command pending a thorough study and evaluation of the effects of the legislation upon the USAR divisions in the Sixth Army area and a reexamination by the Sixth Army commander of his decision based upon this evaluation. Until these studies have been accomplished, the 96th Infantry Division will retain its current organizational structure.

May I again express the appreciation of the Department of the Army for your interest in the Reserve program.

Most sincerely yours,

FRANKLIN L. ORTH,
Deputy Assistant Secretary of the Army.

VISIT TO THE SENATE BY DISTINGUISHED VISITORS FROM AUSTRALIA

Mr. ANDERSON. Mr. President, approximately a year ago a delegation from the Joint Committee on Atomic Energy visited various parts of the world, and particularly Australia. The able Senator from Ohio [Mr. BRICKER] was a member of that group and enjoyed the hospitality of the Australian people. Today at a luncheon we tried to express our joy that some distinguished visitors from Australia are now in the United States.

I should like to present to the Senate Mr. Howard Beale, a Member of Parliament and the Minister of Supply for the Government of Australia; our old friend, Sir Percy Spender, the Australian Ambassador to the United States; and Sir John Stevens, Chairman of the Australian Atomic Energy Commission.

[Great applause, Senators rising.]

Mr. President, I desire to say that the relationship between our Joint Committee on Atomic Energy and the Minister of Supply for the Government of Australia, under whom the Atomic Commission of Australia operates, has been cordial at all times, and we are very happy to welcome these gentlemen and to express our appreciation of the courtesies which were shown to the members of our committee when they visited Australia. I am glad to have the opportunity to present them to the Senate.

Mr. BRICKER. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I am happy to yield to the Senator from Ohio.

Mr. BRICKER. Mr. President, I wish to join with the Senator from New Mexico in a word of welcome and of appreciation to the three distinguished representatives of Australia who have come into our midst. When we visited Australia they were most hospitable. We appreciate the fine work they are doing in the field of atomic energy. We hope they will enjoy their stay in Washington, and will come here again.

Mr. MANSFIELD. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. MANSFIELD. Mr. President, I should like to join with the senior Senator from New Mexico, chairman of the Joint Committee on Atomic Energy, and the Senator from Ohio [Mr. BRICKER] in welcoming to this body this afternoon these distinguished men from "down under." We, of course, know the Ambassador quite well. He is quite a popular fellow in this city. We are happy to have an opportunity to meet these visitors from Australia with whom members of our own Joint Committee on Atomic Energy have had contact.

POLICY AND PROCEDURE IN CONNECTION WITH CONSTRUCTION CONTRACTS

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 622, S. 1644.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1644) to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KILGORE. Mr. President, on April 1, 1955, for myself and 16 colleagues from both sides of the aisle, I introduced the Federal construction contract bill, S. 1644. Joining with me as cosponsors of this measure were the Senator from Ohio [Mr. BENDER], the Senator from Maryland [Mr. BUTLER], the Senator from Idaho [Mr. DWORSHAK], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Washington [Mr. JACKSON], the Senator from North Dakota [Mr. LANGER], the Senator from New York [Mr. LEHMAN], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Michigan [Mr. MCNAMARA], the Senator from Washington

[Mr. MAGNUSON], the Senator from Oregon [Mr. MORSE], the Senator from Alabama [Mr. SPARKMAN], the Senator from North Dakota [Mr. YOUNG], the Senator from California [Mr. KUCHEL], and the Senator from Oregon [Mr. NEUBERGER].

Mr. President, in the drafting of this proposed legislation we took into consideration the extensive studies on the subject of Federal construction-contract procedures made by the Senate Judiciary Committee during the 82d and 83d Congresses. Every effort was made to profit by the previous studies and to keep the bill simple, clear, and concise, and, at the same time, properly protect both the Federal Government and the contracting industry from the effect of abuses which have crept into Federal construction contracting in past years.

A subcommittee of the Committee on the Judiciary held hearings on this bill on May 12 and 18, 1955. Witnesses expressing all points of view were heard, including representatives of the National Electrical Contractors' Association, the National Association of Plumbing Contractors, the Associated General Contractors of America, the National Contractors' Association, and witnesses from interested Government departments. The bill was reported favorably to the Senate by unanimous vote of the Committee on the Judiciary on June 21, 1955.

This bill, as amended by the committee, would prescribe policy, improve existing procedure and practices in connection with the letting of lump-sum Federal construction contracts, and place the awarding of such contracts on a more efficient basis.

This would be accomplished by establishing procedures for Federal agencies to follow in awarding construction contracts in line with the practices followed by prudent private owners. Prudent private owners require their prime contractors to submit the names of their mechanical specialty contractors, if any, as a part of the prime bid in order to assure themselves that there is active competition for the mechanical subcontracts and that the price to them reflects the final low price for the mechanical specialty work which makes up a large part of the total cost.

The bill is also designed to eliminate the unfair trade practices of bid shopping and bid peddling in connection with Federal construction contracts. This will provide assurance to the mechanical specialty contractors that their bids will not be misused and, accordingly, give the Government the benefit of a full range of mechanical specialty bids and of greater competition in this field.

The bill simply provides that the prime contractor on Federal lump-sum construction shall state in his bid the names of the mechanical-specialty contractors, if any, that he intends to engage to accomplish the mechanical-specialty work.

In the event of default of the mechanical-specialty contractor named, the prime contractor may have the work done by a substitute or different mechanical-specialty contractor. There are no restrictions, in such event, on whom he may engage as a substitute.

Regardless of default by the mechanical-specialty contractor originally named, the prime contractor may engage a substitute or different mechanical-specialty contractor, providing the Government, in writing, permits such substitution.

Provisions of the bill are not applicable to contracts to be performed outside of the United States and those of $100,000 or less or in cases where the head of the contracting executive agency determines that public exigency warrants waiver.

The bill expressly provides that it shall create no cause of action by a mechanical-specialty contractor against the Government; that acceptance by the Government of a bid with a mechanical-specialty contractor named therein or permitting or denying the substitution of any mechanical-specialty contractor, shall not be deemed approval of such mechanical-specialty contractor named or substituted or relieve the prime contractor of any responsibility for performance of the contract; and that executive agencies are not thereby prevented from making any other conditions with respect to any subcontractors to be engaged by the prime contractor.

The committee was advised during public hearings that a large percentage of mechanical-specialty subcontractors do not submit subbids on Federal construction, due to the prevalence of bid shopping on such projects. Thus, under present bidding procedures, the price the Government gets is not only too high, because it does not reflect the final price for mechanical-specialty work, but also because of the thinness of competition.

Failure of the Government, the largest single purchaser of construction in the United States, to adopt procedures to secure active competition and the lowest possible price for the construction it purchases is in marked contrast with procedures followed by prudent private industry.

In order to obtain the benefit of the experience of large buyers of private construction, the committee queried a number of the largest private purchasers of construction in the United States, asking what procedures each follows in letting lump-sum construction contracts. The replies received disclosed that none of these major private companies used the system of construction contracting that the Federal Government continues to use under existing statutes. The largest number of these companies use the system prescribed by S. 1644. In fact, most use either this system or a parallel system to accomplish the same result, namely, lower construction cost for the owner.

It is significant that major private industrial concerns such as Ford, du Pont, General Electric, Dow Chemical, Republic Aviation, Budd, Westinghouse, and Monsanto, and many others, in their own self-interests, follow a subcontracting listing procedure substantially the same as the system prescribed in this bill.

The hearings also disclosed that a number of States require separate contracts for mechanical specialty work and that others follow a subcontractor listing procedure substantially similar to that provided in the proposed legislation. Such States as North Carolina, Arkansas, Wisconsin, Kansas, and Ohio require mandatory separation of construction contracts into separate electrical, plumbing, heating, and general contracts. The State of Massachusetts awards one contract on the basis of separate direct bids. Statutes of the States of California and Idaho require prime contractors to list their mechanical specialty contractors in their general bids. These statutes appear to be operating effectively, to the economic benefit of each State and to the satisfaction of substantially all of the construction industry in each State.

The committee is of the opinion that the procedures prescribed by the proposed legislation will be equally as effective as separate contract bidding in procuring construction services economically, and will be more elastic and retain for the Government all benefits of centralized control and responsibility of one prime contractor and will not involve the administrative difficulties inherent in separate contract bidding. The committee further believes that the proposed legislation will improve the contracting procedures of the Federal Government in letting lump-sum construction and hence enable the Federal Government to obtain superior workmanship and better materials for each tax dollar expended and obtain these benefits for less tax dollars. Accordingly, the committee recommends favorable consideration of S. 1644, as amended.

Mr. President, the committee learned from its studies that in Massachusetts and other States there was on the books legislation with reference to their State construction contracts similar to or even more stringent than the bill now under consideration. In each case we discovered that compliance with such laws resulted in better work for the State.

Here in the bill under consideration; if the prime contractor changes subcontractors, he must notify the Government, and the Government must permit the new contractor substituted. But there are no strings attached. The contractor is not asked to submit figures, or to do anything else than keep the department aware of what is going on.

The bill, as I have said, is less stringent than the practice followed by private companies in private contracting, and is less stringent than the laws of the States having listing statutes.

Some of the States break a general contract down and accept direct bids from the subcontractors.

The committee amended the bill as it was originally introduced, so that the approval of a subcontractor does not in any way relieve the general contractor of his responsibility, because both the general contractor and the subcontractor have to be approved, and the general contractor is still bound by his contract to perform the work.

Furthermore, subcontractors will be encouraged to bid, thereby affording the Government a higher degree of competition, and, incidentally, not only better workmanship, but also lower costs on Government contracts.

The bill is in no sense of the word designed to interfere with business; but

Congress is in effect a board of directors of the United States, which is one of the largest contractors in the world. We certainly have the right to establish the rules under which the Government agencies shall operate. For that reason, the committee urges the passage of the bill.

One of the main purposes of the bill is to obtain better prices, better workmanship, and greater protection for honest contractors.

Mr. President, it has been discovered that the bill as it came from the Printing Office contains one typographical error. I offer an amendment on page 3, line 8, to strike out "refused" and insert in lieu thereof "refuse." Evidently the "d" was added to the word when the type was being set.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from West Virginia.

The CHIEF CLERK. On page 3, line 8, it is proposed to strike out "refused" and insert in lieu thereof "refuse."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. MORSE. Mr. President, I wish to commend the Senator from West Virginia [Mr. KILGORE] for the very able work he has done on the bill, of which I am very proud to be a cosponsor.

The bill really is the result of 3 years of work. It has been in preparation that length of time. We bring to final fruition today what I think is a good demonstration of committee work in the Senate on bills which are not glamorous, bills which do not have great public attention directed toward them, but bills which spell the difference between efficient and inefficient Government operations.

I wish to call the attention of the Senate, for the purpose of emphasis, to two paragraphs which are found on pages 7 and 8 of the committee report, because I think those paragraphs go to the heart of the problem. I read near the bottom of page 7:

> Present statutes require competitive bidding on the prime contract. This procedure enables the Government to obtain competitive prices on 60 percent of the cost of construction which is in the nonmechanical trades.
>
> The committee is of the opinion that similar pricewise protection to the Government is needed insofar as the remaining 40 percent of the cost of construction is concerned, and such protection would be afforded under this proposed legislation.

I digress from the committee report a moment to point out that the 40 percent is represented by the so-called subcontracts. I became interested in the bill when I heard from a number of small-business firms in the mechanical field in my State, who said they thought, as one of them put it, they were being shaken down by the prime contractors.

The prime contractors had to approach them in the first instance to get figures which the prime contractors could use in the bids they submitted to the Government in order to get a prime contract in the first place.

Then the prime contractor would go to the potential subcontractor, who had cooperated with him in supplying price figures, as the businessmen in my State said, and proceed with a shakedown operation to get the subcontractor to lower his prices. Upon his failure to do that, the prime contractor would, as the Senator from West Virginia has said, shop around and get some other potential subcontractor to offer a lower price.

Of course, that leads to many sharp practices. It leads to unfairness to the small-business man. I think the committee was very wise, indeed, in pointing out, as it does in the paragraph I have just read, the importance of protecting the Government with respect to the other 40 percent of the construction costs. The committee report continues:

> Under present bidding procedures the price the Government gets is not only too high because of the thinness of competition but because it does not reflect the final price for the mechanical specialty work. As the Tax Court of the United States stated in the case of Ring Construction Corp. (8 T. C. 1070), present bidding procedures cause the subcontractor submitting a bid "to bid so high that he, the subcontractor, can still come down and get the job."

There is a two-pronged evil. There is the evil of the prime contractor, in some instances, following a very sharp practice. Of course, that is not true of many prime contractors, and I do not want what I am saying to be a reflection on prime contractors as a class. I simply say that the record shows that there are some bad actors among them. There are many who follow a very sharp practice which I think Congress owes it to the American people to stop.

But in some instances the subcontractor, as the Tax Court has pointed out, would make a very high bid, realizing it was too high, but knowing from past experience that the prime contractor would come along and chisel him down. So he would put the bid up higher than it should have been in the first instance.

Mr. KILGORE. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield.

Mr. KILGORE. I wonder whether the Senator from Oregon heard the testimony of some general contractors who oppose the bill, and who complained that the subcontractors would not submit their bids until 15 minutes before the bids were to be opened. The reply was made by some subcontractors, "We do not dare do otherwise, because then we shall have two bidding jobs on our hands. If we submit our bids 2 or 3 days earlier, the prime contractors will start haggling us down; and after that has been done, we shall have to submit bids all over again."

Mr. MORSE. I think it is clear that under the proposed legislation the Government will have a pretty good chance of getting honest bids from the subcontractors. I wish to read one final paragraph from the report:

> The committee is of the opinion that active competition for mechanical subcontracts on Federal work will not produce the right price to the Government unless the low subcontract prices are negotiated prior to the submission of the prime bid and fully reflected in such prime bid. As long as subcontractors will not submit their final price prior to the award of the prime contract because of bid shopping after the award, the Government cannot get the full benefit of the low competitive price.

I think the committee deserves the thanks of the Senate for having done a very fine, workman-like job in plugging what, in my opinion, is one of the gaps in Government contract letting, which has cost the taxpayers of the United States for many years past prices which they never should have been required to pay. I think the evil will be successfully checked by the enactment of the bill.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from North Dakota.

Mr. LANGER. I am sure the Senator is aware of the fact that when I was chairman of the Committee on the Judiciary last year extended hearings were held on measures substantially like the pending bill. Some were reported favorably, but Congress adjourned before action could be taken on them.

I am sure the Senator is also aware of the fact that many small-business men will no longer bid because they have been forced to lower their bids by some of the prime contractors, with the result that they have lost faith. I might add that in my State the feeling is the same as it is among the small-business men in Oregon, as evidenced by telegrams and letters I have received.

Does the Senator feel that if the bill is enacted it will result in saving the Government millions of dollars?

Mr. MORSE. In my judgment, it will save the Government huge sums of money, amounting to many millions of dollars.

I wish to say that I make this statement as chairman of the Small Business Subcommittee of the Committee on Banking and Currency, and as a member of the Select Committee of the Senate on Small Business. In my capacity as a member of those committees, I have listened by the hour to the complaints of small-business men in regard to the bidding policies which are followed by prime contractors. I think we are taking a step today which is really a move toward protecting the legitimate rights of small business, and which in no way does injury to prime contractors.

Mr. BENDER. Mr. President, I wish to join the senior Senator from Oregon in commending the Senator from West Virginia [Mr. KILGORE] for the fine work he has done in connection with the pending proposed legislation. I know how difficult it is sometimes to take a technical measure and guide it through committee and to the Senate floor, as the Senator from West Virginia has done so well and with such skill.

I wish to speak briefly in behalf of the pending bill, S. 1644, of which I am a cosponsor.

My experience as chairman of the House Subcommittee on Procurement during the 80th Congress, and as chairman of the House Subcommittee on Accounts of the Government Operations Committee during the 83d Congress, has taught me that we in the Congress must keep a close eye on purchasing procedures used by the Government, and that reform in such procedures and practices

is seldom brought about except at the direction of the Congress.

Each year this Government of ours spends from three to four billion dollars in purchasing construction. This sum represents a very sizable part of the Federal budget.

As a purchaser of construction, the Government occupies the position of an owner, and, as such, it is up to the Government to establish policy and procedure to govern the letting of Federal construction contracts. This is precisely what S. 1644 does.

Prior to the submission of the prime bid the parties are free to negotiate at will. After submission of the prime bid it is in the interest of the Government to provide procedure whereby any reduction in cost resulting from further negotiation, except in hardship cases, will accrue to the benefit of the Government. This is precisely what the bill does.

The mechanical specialty trades today represent one of the few remaining industries that are predominantly independent small establishments. These small-business men can ill afford to expend the sizable sums required to estimate the cost of mechanical specialty work on Federal construction and have no assurance that they will receive the contract if they are the lowest responsible bidders. Because of bid shopping now indulged in after award of the prime contract, the specialty contractor has no assurance that he will get to do the work if his is the lowest responsible bid. Accordingly, relatively few of these independent small-business men are now bidding on Government work. The result is to encourage monopoly, to discourage the small-business man, and to incur higher construction costs.

Today, prudent private owners realize that it is to their own advantage to require prime contractors to identify their mechanical specialty contractors. This becomes more and more important as the percentage and cost of construction involved in mechanical specialty work steadily increases.

Existing Federal statutes prescribe in considerable detail the bidding procedures on construction work. However, they fail to take into consideration the present economic realities which induce prudent private owners to require their prime contractors to name their mechanical specialty contractors. Without legislation, Federal agencies are unable, or at least unwilling, to establish any requirements with respect to subcontractor listing. Hence, the Federal Government as an owner must establish such policy and procedures by legislation. The Government has the duty to revise and to modernize the archaic procedures which govern its employees in the letting of construction contracts. By so doing, not just the Government but the entire construction industry will benefit.

The procedure established by the pending bill is very simple. It purposely was made so in order not to create additional administrative duties.

It merely requires the prime contractor to state in his bid the names of the mechanical specialty contractors, if any, that he intends to use to accomplish the mechanical specialty work. This information will not only benefit the Government by enabling it better to evaluate the bids, but it also will induce many mechanical specialty contractors, the vast majority of whom are independent small-business men, to enter into the field of Federal construction. These small-business men, by and large, are now unable to participate in Federal work because of the evil of bidshopping that is so prevalent in Federal construction. Under this bill, that evil will be eliminated, or at least drastically reduced.

We, as Senators, are directors of the largest single purchaser of construction in the United States. As such, we have a duty to see that the money we appropriate for construction purposes is wisely and profitably spent. Moreover, we have an interest in fostering open competition by independent small-business men, and in preventing unfair trade practices on Federal works.

In my opinion, the pending bill, while it may not provide all the answers, will go a long way toward accomplishing these objectives. Accordingly, I urge my colleagues to join with me in voting for passage of this much needed legislation.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. BENDER. I yield.

Mr. FLANDERS. I should like to say, first, that while I had not taken particular interest in the pending bill at the start, I have received a number of letters in regard to it from citizens of my State, and the letters were more or less divided, some of the correspondents being for the bill and some against it, which required me to do a little questioning myself. I should like to pass my questions on to the Senator from Ohio, who is one of the sponsors of the bill.

First of all, am I correct in what seems to me an obvious assumption, that the bid shopping practices produce in themselves no decrease in expense to the Government, but result in increased profit to the prime contractors?

Mr. BENDER. Not necessarily. The bill will result in an honest job being done, by all parties concerned, and it will eliminate discrimination.

Mr. FLANDERS. What I am asking is, if a contractor's bid is accepted by the Government, and the contractor whose bid has been accepted goes back to subcontractors and renegotiates bids on the subcontracts, and successfully renegotiates at a lower price, then he makes a larger profit, but the Government gets no advantage from the lower bids of the subcontractors. Is that correct?

Mr. BENDER. I might say to the senior Senator from Vermont——

Mr. FLANDERS. Excuse me for a moment. I do not want to claim that classification. I am senior in age, but junior in service.

Mr. BENDER. In answer to the inquiry of the Senator from Vermont, I should like to say that because of bid shopping, which is now indulged in, after the prime contractor is awarded a contract, the specialty contractor has no assurance he will be able to do the work even if his is the lowest responsible bid. That is true of the independent small-business man bidding on a contract. The result, of course, is to encourage monopoly, discourage the small-business man, and cause higher construction costs. I think the enactment of the bill into law will go a long way toward eliminating those results. The senior Senator from Oregon [Mr. MORSE] and the senior Senator from West Virginia [Mr. KILGORE] have explained the situation very well.

Mr. MORSE. Mr. President, will the Senator from Ohio yield to me?

Mr. BENDER. I yield now to the Senator from Oregon.

Mr. MORSE. As one of the cosponsors of the bill, I wish to thank the Senator from Ohio for the cooperation we received from him. As the Senator pointed out to the Senator from Vermont, he is quite right that under the practices now prevailing in industry with regard to prime contractors, when they get a contract with the Government, they renegotiate with a subcontractor in order to get a lower price from the subcontractor. The subcontractor gets no gain from that, and the Government does not.

There is another evil involved in the so-called renegotiation by the prime contractor. It does not mean the final contract will be with the subcontractor who was mentioned by the prime contractor in his bid data submitted to the Federal Government.

So we have the situation, as I think there was plenty of evidence to prove, that the Government really suffers, in the sense that sometimes the subcontractor will render service inferior to that which would have been rendered by the subcontractor mentioned in the bid data submitted by the prime contractor to the Federal Government.

Mr. FLANDERS. I find that the Senator from Oregon has answered the first question I had in mind, and the Senator from Ohio has answered the second question I had in mind. So that I think my questions have been answered, though not in the order in which I had propounded them.

I wish to make sure that it is clear from the testimony and the committee's investigation that this measure would not merely result in sound practices and fairness, but also would tend to result in lower bid prices and lower ultimate costs.

Mr. BENDER. I may say to the Senator from Vermont that is really the purpose of the bill.

Mr. CURTIS. Mr. President, will the Senator from Ohio yield to me?

Mr. BENDER. I yield.

Mr. CURTIS. What is the position of the various Government agencies toward the bill?

Mr. FLANDERS. That is question No. 3. I shall be glad to have the Senator from Nebraska pursue that question.

Mr. BENDER. I may say to the junior Senator from Nebraska that the chairman of the committee, the senior Senator from West Virginia [Mr. KILGORE] will answer the question.

The question is, What is the position of the Government agencies on this measure?

Mr. KILGORE. I may say that I was ashamed and shocked to find that some Government agencies are opposed to the bill because it will require of them a little more administrative detail.

Mr. CURTIS. In the report of the Atomic Energy Commission, the report of the General Services Administration, the report of the Department of the Army, and the reports of other agencies which enter into such contracts, do they support this measure?

Mr. KILGORE. They do not support the bill in their written reports submitted to the committee before the commencement of the public hearings on S. 1644.

Mr. CURTIS. The Atomic Energy Commission is not recommending the enactment of this measure; is it?

Mr. KILGORE. The Atomic Energy Commission did not recommend enactment of the bill. But if the Senator from Nebraska will read hearings, he will find that the Commission wound up by agreeing that they did not have too much objection to the bill.

Mr. CURTIS. What is the position of the Army?

Mr. KILGORE. The Army had very little to say, except that the provisions of the bill would add some administrative work. Let me say that I was shocked and ashamed to find that in some cases the Department made the complaint that enactment of the bill would require them to do a little more work.

Mr. BENDER. Mr. President, I am sure the Senator will agree that enactment of the bill will not create additional administrative duties, as a matter of fact.

Mr. CURTIS. Mr. President, I read now from the letter from the former Secretary of the Army, Mr. Stevens:

> The fiscal effects of the bill cannot be estimated by the Department of Defense; however, enactment of the bill would increase the Government construction costs through increased administrative expenses.

Mr. KILGORE. That is the original letter, let me say. But the Department of the Army receded vastly from that position, when witnesses from the Department finally got on the witness stand and testified before the subcommittee.

Mr. BENDER. We now have a new Secretary of the Army, and I am sure his position is not comparable to that of the former Secretary of the Army.

Mr. KILGORE. When the witnesses for the Department of the Army were questioned about the bill, they somewhat changed their former attitude, because the bill introduced in the 82d Congress and the bill introduced in the 83d Congress would have required a number of additional administrative expenses, and also applied, I believe, to negotiated contracts. But any such provision has been completely eliminated from the pending bill.

Mr. CURTIS. The letter from Secretary Stevens is dated May 11, 1955, and in the letter he says:

> Reference is made to your request to the Secretary of Defense for the views of the Department of Defense with respect to S. 1644, 84th Congress.

Mr. KILGORE. But when he sent his witnesses to the committee, they began to testify in a somewhat different vein from their original report on the bill.

Mr. BENDER. Furthermore, the letter to which the Senator from Nebraska has referred is comparable to a letter which was sent to the last Congress.

Mr. KILGORE. Yes; it is certainly comparable to the report they submitted on a similar bill of the 83d Congress.

AMENDMENT OF TITLE V OF AGRICULTURAL ACT OF 1949, RELATING TO MEXICAN FARM LABOR—CONFERENCE REPORT

Mr. ELLENDER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3822) to amend title V of the Agricultural Act of 1949, as amended. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3822) to amend title V of the Agricultural Act of 1949, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:
>
> That the Senate recede from its amendment.
>
> ALLEN J. ELLENDER,
> OLIN D. JOHNSTON,
> SPESSARD L. HOLLAND,
> GEORGE D. AIKEN,
> MILTON R. YOUNG,
> *Managers on the Part of the Senate.*
>
> HAROLD D. COOLEY,
> W. R. POAGE,
> G. M. GRANT,
> E. C. GATHINGS,
> C. R. HOPE,
> A. H. ANDRESEN,
> W. S. HILL,
> *Managers on the Part of the House.*

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. CLEMENTS. Mr. President, I should like to ask the Senator from Louisiana about the report.

Mr. ELLENDER. It is the conference report on the Mexican labor bill.

Mr. CLEMENTS. I should like to ask what difference there is between the conference report and the bill as it was passed by the Senate.

Mr. ELLENDER. The only amendment made by the Senate was to shorten the period from 3 years and 6 months to 1 year and 6 months. After a discussion of the matter, the Senate conferees receded; that action was unanimous on their part.

The reason for shortening the period, I may say to my good friend from Kentucky, was that we had been informed that during the administration of the act, including last year there were quite a number of violations of the act. However, we now have received a later report showing that after the Mexican Government and our Government got together, the violations became less in number, until at this time the situation is more satisfactory.

The report was agreed to by the conferees with the understanding that the Department of Labor, as well as the Immigration and Naturalization Service, shall make a report to the 2 committees every 6 months, so as to keep the Congress informed about any additional violations. If we should find that the violations continue, then we can take up the matter in Congress in due time.

Mr. CLEMENTS. I am glad the Senator from Louisiana, the chairman of the Committee on Agriculture, has brought out that point, because it was one which the Committee on Agriculture and Forestry discussed, and I believe it to be of considerable importance.

Mr. ELLENDER. In fuller explanation, Mr. President, let me say that when H. R. 3822 passed the Senate, the Senate adopted a committee amendment limiting the duration of the Mexican farm-labor program to the period ending June 30, 1957, instead of June 30, 1959, as provided in the House bill. This amendment had been recommended by the committee after hearing testimony from Gen. J. M. Swing, Commissioner of the Immigration and Naturalization Service, concerning employer violations of their wage agreements. In the light of his testimony, the committee felt that Congress should review this program again before June 30, 1957, to determine what progress had been made in obtaining the compliance of employers with their agreements.

At the time when the conference on the bill was held the conferees had before them a report from the Department of Labor showing that while a number of cases of noncompliance had been encountered in the beginning of the program, great progress had been made, and the number of new cases of noncompliance had been greatly reduced. Furthermore, the conferees had before them a complete discussion by the Department of Labor of the problems and procedures involved in enforcement in accordance with the law and the agreements with Mexico and with employers. In particular, the Department pointed out that failure to act in accordance with these agreements might result in releasing employers from their wage guaranties—which should, of course, be avoided. In view of the progress made in obtaining compliance in accordance with the law and the pertinent agreements and the evident desire of the agencies involved to cooperate in enforcement of the law, the conferees felt that the program might safely be extended to June 30, 1959, as provided in the House version of the bill.

The conferees felt, further, that the agencies involved should advise the chairmen of the Senate and House committees in charge of this legislation at 6-month intervals of the progress made in obtaining compliance; and that those committees would be most diligent in recommending any action by Congress

which might appear necessary in the light of those reports. The conference report therefore recommends that the Senate recede from its amendment.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the statement to be made by the managers on the part of the House, when they present the conference report to the House of Representatives.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT

The only amendment made by the Senate was to change the period of extension of the act from the 3½ years provided in the House bill to 1½ years. The Senate committee did not hold hearings on the bill but indicated in its report that its action in reducing the period of extension was taken as the result of a statement made to the committee by the Commissioner of Immigration and Naturalization and for the purpose of providing congressional review of the legislation at an earlier date. It was the Commissioner's contention that some employers have not been paying the full wage required under the contract of employment and that the Immigration and Naturalization Service should have authority to check on contract compliance.

Although the Department of Justice was invited by the House committee to appear on this legislation and a spokesman for the Immigration and Naturalization Service did, in fact, testify at the hearings, no evidence of the type described in the Senate report was presented to the House committee. On the contrary, the representative of the Immigration and Naturalization Service strongly endorsed the present program and apparently favored indefinite extension of the act.

The matter of compliance with the work contract is fully covered by the International Agreement entered into by the United States and Mexico, and a specific procedure is provided to assure that the worker will be paid in accordance with the contract of employment. The Mexican Consulate and representatives of the United States Department of Labor are given full authority to see that the contract provisions are carried out. To give the Immigration and Naturalization Service similar authority would necessitate a revision in the International Agreement, create dual jurisdiction among Federal agencies and confusion of administration, and would necessarily increase the cost of the program without any corresponding benefits.

Both the Immigration and Naturalization Service and the Department of Labor have duties and responsibilities in connection with the entry of Mexican nationals into the United States in connection with farm employment. The duty of the Immigration and Naturalization Service is to see that entry into the United States is in compliance with our laws and that aliens illegally in this country are apprehended and deported. The duty of and responsibility of the Department of Labor is to administer and enforce the laws relating to the employment of Mexican nationals as farmworkers in the United States pursuant to an agreement with the Government of Mexico and a work contract with the Mexican national.

While these responsibilities relate to the same general subject, they are by no means identical or overlapping. Each has its own duties to perform in its own field and from evidence presented to the House committee, which went exhaustively into this subject, it appears that both the Department of Labor and the Immigration and Naturalization Service have, particularly in the past year, been doing a very effective job.

It was the sense of the committee of conference that there has been substantial improvement in the situation in the past few months as the result of the effective administration and the cooperation of these two agencies of Government. It was the further sense of the committee that there should continue to be a high degree of cooperation. If the Immigration Service, in the performance of its duties, has information which would indicate a violation of the work agreement it should furnish that information to the Department of Labor in order that the agency to which Congress has delegated the responsibility of administering the program may take appropriate action under the procedures authorized by the act and written into the international agreement.

It is in anticipation of this type of cooperation that the committee of conference has agreed to the 3½ years extension of the act as provided in the House bill. It is the view of the committee, however, that the respective legislative committees of the House and Senate should maintain a close oversight of this program and that the agencies referred to should keep the chairmen of the respective committees informed of their operations in this field not less frequently than once each 6 months.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the following bills of the Senate:

S. 2171. An act to amend the Subversive Activities Control Act so as to provide that upon the expiration of his term of office a member of the Board shall continue to serve until his successor shall have been appointed and shall have qualified; and

S. 2375. An act to provide for 5-year terms of office for members of the Subversive Activities Control Board with one of such terms expiring in each calendar year.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 157) to establish a Commission on Government Security.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7278) making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON, Mr. TABER, Mr. WHITTEN, Mr. MARSHALL, and Mr. H. CARL ANDERSEN, on chapter I; Mr. CANNON, Mr. TABER, Mr. PRESTON, Mr. THOMAS, and Mr. BOW, on chapter II; Mr. CANNON, Mr. TABER, Mr. MAHON, Mr. SHEPPARD, Mr. SIKES, Mr. WIGGLESWORTH, Mr. SCRIVNER, and Mr. FORD, on chapter III; Mr. CANNON, Mr. TABER, Mr. PASSMAN, Mr. GARY, and Mr. WIGGLESWORTH, on chapter IV; Mr. CANNON, Mr. TABER, Mr. ANDREWS, Mr. MAHON, and Mr. FENTON, on chapter V; Mr. CANNON, Mr. TABER, Mr. THOMAS, Mr. YATES, and Mr. PHILLIPS, on chapter VI; Mr. CANNON, Mr. TABER, Mr. KIRWAN, Mr. NORRELL, and Mr. JENSEN, on chapter VII; Mr. CANNON, Mr. TABER, Mr. FOGARTY, Mr. FERNANDEZ, and Mr. HAND, on chapter VIII; Mr. CANNON, Mr. TABER, Mr. RABAUT, Mr. KIRWAN, and Mr. DAVIS of Wisconsin, on chapter IX; Mr. CANNON, Mr. TABER, Mr. ROONEY, Mr. PRESTON, and Mr. COUDERT, on chapter X; Mr. CANNON, Mr. TABER, Mr. GARY, Mr. PASSMAN, and Mr. CANFIELD, on chapter XI; Mr. CANNON, Mr. TABER, Mr. RABAUT, Mr. NORRELL, and Mr. HORAN, on chapters XII, XIII, XIV, and XV, were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 7301) to amend the Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, so as to permit the disposal thereunder of Plancor No. 980 at Institute, W. Va.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 2107. An act to amend the National Defense Facilities Act of 1950 to provide for additional facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes;

H. R. 2109. An act to authorize permanent appointments in the United States Navy and in the United States Marine Corps;

H. R. 5512. An act to provide for the conveyance of certain property under the jurisdiction of the Housing and Home Administrator to the State of Louisiana;

H. R. 6259. An act to amend section 8 of the act entitled "An act to establish a District of Columbia Armory Board and for other purposes," approved June 4, 1948; and

H. R. 7029. An act to establish a permanent committee for the Oliver Wendell Holmes devise, and for other purposes.

POLICY AND PROCEDURE IN CONNECTION WITH CONSTRUCTION CONTRACTS

The Senate resumed the consideration of the bill (S. 1644) to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes.

Mr. MURRAY. Mr. President, I wish to make a few remarks on the Federal construction contract bill, S. 1644.

The able chairman of the Judiciary Committee [Mr. KILGORE] has explained how this bill would place Federal bidding procedures in line with those used by prudent private owners in their own self-interest to make Federal procurement of construction more efficient and lower in cost.

Other Senators have discussed the bill in detail, demonstrating its importance. I am happy, of course, to agree with these expressions. It is highly important that Federal procurement procedures be placed on an efficient basis to reduce the cost of construction. However, I particularly wish to emphasize the need for this legislation in order to preserve the independence of a vital industry composed almost entirely of independent small-business men.

There is an ever-increasing tendency today toward merger of business enterprises, with the unfortunate result that the bulk of most industries is becoming consolidated in the hands of a few companies. The problem of monopoly involved in the tendency of industry to become concentrated in the hands of a few, is not easy of solution. Continued enforcement of the antitrust laws is, of course, important. But the Government sometimes finds itself in the unhappy position of prosecuting restraints of trade and monopolies on the one hand and, on the other, using procurement policies which cause the big to become bigger and the small to be eliminated.

The construction industry does an annual gross business of something over $40 billion each year. Of this amount, Federal construction in ordinary times accounts for about one-tenth. In times of emergency, most construction is Federal construction.

Further integration of the construction industry may be inevitable. I feel, nevertheless, that the Government has a duty to see that the independent small businessman has a fair and equal chance to compete on Federal construction. This is one of the prime purposes of the bill under consideration.

Under present procedures, Federal Agencies do not require prime contractors to specify their mechanical specialty subcontractors on construction projects as do many private owners, State governments, municipalities, school boards and other large purchasers of construction. This failure has led an increasingly large number of prime contractors on Government projects to engage in the practice of shopping their mechanical specialty bids, that is, soliciting new mechanical specialty bids after they have been awarded a contract on the basis of a subbid which they used in preparing their own bid to the Government.

The result of this bid-shopping has been to reduce competition and hence cause higher Government construction costs. It also has caused mechanical specialty contractors either to become dominated by or financially dependent upon general contractors or to refuse to submit specialty bids on Government work and thus be deprived of an opportunity of participating in the tremendous volume of Federal construction.

The independent small-business man certainly is entitled to a fair share of the work on vast Federal projects. Yet under present procedures he is not participating fully, and cannot be expected to participate as long as there are no procedures giving him reasonable assurance that his specialty bid will not be misused. He is personally willing to take his chance at being the low responsible bidder. However, he is unwilling to expend the substantial sums required to estimate the cost of mechanical specialty work and yet have no assurance that he will receive the contract if his bid is used by the prime contractor who gets the award.

I believe that S. 1644 is admirably designed to prevent the unfair trade practice of bid shopping and to encourage the small mechanical specialty contractor to bid on Federal projects.

The bill would injure no one. Benefits would accrue to prime contractors, mechanical specialty contractors, the employees of each, and to the public, in the form of reduced construction costs on Federal construction.

I firmly believe that the bill merits the support of Senators.

The PRESIDING OFFICER. The committee amendments will be stated.

The amendments of the Committee on the Judiciary were, on page 2, line 3, after the word "contractor", to strike out "who will perform" and insert "with whom the prime contractor will contract for the performance of"; in line 6, after the word "involved", to strike out "in the performance thereof"; on page 4, line 3, after the word "is", to strike out "approved" and insert "permitted"; on page 6, line 5, after the letter "(a)", to strike out "This Act shall not" and insert "Neither this Act nor compliance with the provisions thereof shall"; in line 10, after the word "contract", to strike out "and shall not" and insert "or"; and after line 13, to strike out:

(b) Neither acceptance by an executive agency of a bid or statement of a prime contractor setting forth the name of a proposed contractor or awarding a contract to such prime contractor after such acceptance shall be construed to be approval or acceptance by the executive agency of the United States Government of any contractor named.

And in lieu thereof, to insert:

(b) Acceptance by an executive agency of a bid or statement of a prime contractor setting forth the name of a proposed contractor, or awarding a contract to such prime contractor after such acceptance, or permitting or denying the substitution of a contractor in accordance with the provisions of section 2 (g), shall not be construed to be approval or acceptance by the executive agency of the United States Government of any contractor named or substituted, or to relieve the prime contractor of any responsibility for performance of the contract.

So as to make the bill read:

Be it enacted, etc., That this act may be cited as the "Federal Construction Contract Act of 1955."

SEC. 2. (a) Each executive agency shall list in the bidding or contract documents relating to each lump-sum construction contract before accepting bids or proposals with respect thereto, each major category of mechanical specialty work involved in the performance thereof.

(b) No executive agency shall award to, or enter into a lump-sum construction contract with, any prime contractor unless the name of the contractor with whom the prime contractor will contract for the performance of each major category of mechanical specialty work involved which may have been listed by the contracting executive agency in the bidding or contract documents has been specified by the prime contractor in the bid or proposal upon which the contract is awarded or made.

(c) This section shall not prevent any prime contractor from himself performing any major category of mechanical specialty work under a lump-sum construction contract awarded to or undertaken by him if the bid or proposal referred to in subsection (b) of this section specifies that the prime contractor will himself perform such category of the mechanical specialty work.

(d) This section shall not be construed to forbid or prevent any executive agency from awarding separate or several prime or direct lump-sum construction contracts for any one construction project.

(e) No prime contractor under a lump-sum construction contract shall have any major category of mechanical specialty work involved in the performance of such construction contract as listed by the contracting executive agency in the bidding or contract documents, performed by any person other than the person named for the performance of such work in accordance with subsection (b) or (c) of this section, except in accordance with the provisions of subsection (f) or (g) of this section.

(f) If a contractor named by the prime contractor under a lump-sum construction contract in accordance with subsection (b) of this section shall fail or refuse to perform or complete the work to be performed by him in accordance with the terms of his subbid or subcontract therefor, the prime contractor may engage a substitute or different contractor to perform such work: *Provided*, That he first submits in writing to the contracting executive agency the name of the substitute contractor.

(g) If, for any reason not specified in subsection (f), a prime contractor under a lump-sum construction contract prefers to have any major category of mechanical specialty work on the project covered by such construction contract as to which he has named a contractor under subsection (b) hereof performed by a contractor other than the one named in accordance with said subsection (b), the prime contractor may engage such substitute contractor if (1) the prime contractor submits to the contracting executive agency in writing the name of the substitute contractor and such information as the contracting executive agency may request as to any change in cost to the prime contractor involved in the proposed change in contractors; and (2) the use of such substitute contractor is permitted in writing by the contracting executive agency.

(h) This act shall not apply to the following construction contracts:

(1) Contracts to be performed outside the continental limits of the United States, which limits shall be deemed to include Alaska.

(2) Contracts in which the aggregate bid or proposal accepted by the contracting executive agency does not exceed $100,000.

(3) Any contract with specific reference to which the head of the contracting executive agency determines that the procedure prescribed herein would result in undue delay and that the public exigency will not admit of such delay.

SEC. 3. For the purposes of this act—

(1) The term "executive agency" means any executive department or independent establishment in the executive branch of the Government, including any wholly owned Government corporation.

(2) The term "construction contract" means any contract entered into by any executive agency for the erection, repair, moving, remodeling, modification, or alteration of any building or structure upon real estate intended for shelter or comfort, or for production, processing, or travel, including without being limited to, buildings, bridges, tunnels and highways, but not including aqueducts, reservoirs, dams, irrigation and regional water-supply projects, flood-control projects, waterpower-development projects, jetties and breakwaters or the buildings or structures incident to or included in the contract for such excluded projects.

(3) The term "mechanical specialty work" in connection with a construction contract means all plumbing, heating, piping, air conditioning, refrigerating, ventilating, and electrical work, including but not being limited to the furnishing and installation of sewer, drainage and water supply piping and plumbing, heating, piping, air conditioning, refrigerating, ventilating and electrical materials, equipment and fixtures.

(4) The term "prime contractor" means a person having a direct contractual relationship with an executive agency for the performance of a construction contract.

(5) The term "person" means an individual, corporation, partnership, association, or other organized group of persons. All references to contractor or prime contractor shall include individuals, corporations, partnerships, associations, or other organized groups of persons who are contractors or prime contractors.

(6) The terms "lump-sum contract" and "lump-sum construction contract" mean a construction contract, whether awarded after bid or negotiated, under which the price is fixed or to be fixed by any method other than the cost-plus-a-fixed-fee method.

SEC. 4. (a) Neither this Act nor compliance with the provisions thereof shall be construed to create any privity of contract between the United States Government, or any agency thereof, and any contractor, contracting with the prime contractor under any construction contract, or give any such contractor any cause of action against the United States or any agency thereof arising out of the failure of any person to comply with the provisions of this act.

(b) Acceptance by an executive agency of a bid or statement of a prime contractor setting forth the name of a proposed contractor, or awarding a contract to such prime contractor after such acceptance, or permitting or denying the substitution of a contractor in accordance with the provisions of section 2 (g), shall not be construed to be approved or acceptance by the executive agency of the United States Government of any contractor named or substituted, or to relieve the prime contractor of any responsibility for performance of the contract.

(c) Nothing in this act contained shall be construed to prevent any executive agency from requiring, in its discretion, approval or acceptance by it of contractors engaged or to be engaged by any prime contractor on a construction contract or from making any other requirements it deems advisable in its discretion with respect to contractors engaged or to be engaged by prime contractors on any construction contract or from requiring any information it deems advisable in its discretion as to the cost of performance of any construction contract.

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. GORE. Mr. President, I should like to inquire of the author of the bill if he can give us an estimate of the additional cost to the taxpayers as a result of the passage of the bill. I have previously opposed the kind of legislative proposals contained in the bill. I have examined the report. I could find no estimate of the additional cost to the United States Government as a result of its enactment. Surely if we are to pass such a contractors' bill, the country should be advised of the additional burden which the taxpayers will be called upon to bear.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. MORSE. I am not a member of the committee, but I am satisfied that the bill would save the taxpayers of the country a great many millions of dollars which are now being lost to the taxpayers because of the inferior work which results from the shakedown practices engaged in by prime contractors with respect to subcontractors, after the prime contract has been let.

I believe, as the debate earlier this afternoon brought out, that testimony of small business contractors shows that they are the victims of some very bad practices on the part of some prime contractors. Fortunately they do not represent the general run of prime contractors, but there are enough of them to justify this course of action.

I judge from what the chairman of the committee has said that any additional administrative cost to the Federal Government because of this procedure would be nominal.

Mr. SPARKMAN. Mr. President, may I be permitted to answer the question of the Senator from Tennessee?

Mr. GORE. I yield. However, I must say at the outset that I do not concur in either the sentiments or the conclusions stated by the senior Senator from Oregon.

Mr. SPARKMAN. Let me say to the Senator from Tennessee that I concur in what the Senator from Oregon has said, and I think there is proof to substantiate his statement. As a matter of fact, in the report from the Department of the Army the only additional cost claimed was additional administrative cost.

In reality, the proposed practice was followed during World War II. This practice was recommended by the House Military Affairs Committee at the beginning of the defense program in World War II. The War Department voluntarily followed this practice for some time after the conclusion of the war. Certainly there would be no additional expense so far as the cost of the work is concerned. It may be that there would be some additional administrative cost to the Department. It should be nominal. Certainly the economy of the country would be strengthened by this measure.

Mr. GORE. How would the Senator say such a result would be brought about?

Mr. SPARKMAN. This is a measure to give to small independent contractors the kind of protection which the War Department, during World War II, stated they were entitled to, and the kind of protection which the codes of ethics of the Associated General Contractors of America, Inc., and the American Association of Architects say they are entitled to.

Mr. GORE. Will the Senator point out in the bill where the words "small contractor" are used?

Mr. SPARKMAN. Those exact words are not used, but we know that they are the type of contractors who are affected by the bill. There is not a single provision in the bill of which regular contractors need be afraid if they are already equipped to do this specialty work. The bill does not prohibit them from continuing to do it. However, it does provide that they shall not set up subordinate organizations merely for the purpose of doing it, and shall not engage in shopping around after the prime contract has been awarded. The bill is directed at the practice of shopping around among small independent contractors in order to get them to cut one another's throats.

Mr. GORE. The junior Senator from Tennessee knows of nothing wrong with shopping around. The junior Senator from Tennessee knows no reason why one who is submitting a bid to the United States Government should be placed in a straitjacket and denied the opportunity of shopping around, thereby giving to the taxpayers of the country a lower bid.

Mr. SPARKMAN. Mr. President, I cannot believe that the Senator from Tennessee is using the term "shopping around" in the sense in which it is usually used, because I know that the Senator from Tennessee would frown upon the practice, as the term is usually used, just as the Associated General Contractors, in its code of ethics, proclaims against it, and just as the American Association of Architects, in its code, proclaims against it.

Mr. KILGORE. Mr. President, will the Senator permit me to answer the question?

Mr. GORE. I yield.

Mr. KILGORE. When an undesirable type of general contractor bids on a job he obtains bids from subcontractors. After those bids are in, if the prime contract as awarded to him, he shops around for his own profit. He does not care what type of subcontractor he may then get. All he is anxious about is to make an extra $50,000, $60,000, or $70,000 to stick in his own pocket. The Government does not benefit by such practice.

The time when the general contractor should try to obtain the lowest subcontractors' bids is before the letting of the prime contract. However, according to the testimony of practically all the specialty contractors—at least the lending ones—at the present time they are refusing to bid on Government contracts because after the contract is let, bid shopping goes on. In an effort to get lower bids the prime contractors take their bids to every Tom, Dick, and Harry who holds himself forth as a contractor. The bill guards against such a practice.

In the first place, the contractor will be required to list his subcontractors. That will cause a contractor to submit legitimate bids, and will increase competition in from 40 percent to 60 percent of the cases.

For instance, on the Senate Office Building, 80 percent of the prime contract is let out to subcontractors. The bill would protect the subcontractors. If a subcontractor fails to perform properly, or if the contractor gets another subcontractor, the prime contractor must get a subcontractor who is acceptable to the Government.

At the present time the Government does not know who the subcontractors are. In the first place, when a prime contractor obtains a contract, we do not know whether he has the equipment with which to do the work. In the second place, a contractor can shop around for subcontractors.

I know something about the contracting business, having been engaged in it at one time in my life. I know that no reputable contractor will deal with a bid shopper. He would rather not have the work.

The bill would require the Federal Government to do what private industry does. When letting a contract, the Government would require a contractor

to submit with his bid the names of his subcontractors. If the contractor is awarded the contract and if the contractor decides to make a change, he must submit the names of the new subcontractors. If that is done, the Federal Government can check on them.

Mr. GORE. Mr. President, I submit that the explanation, however ably given by the senior Senator from West Virginia, demonstrates that the bill should not be passed. True, as the Senator has stated, if enacted, the bill will provide protection to the subcontractors who are listed by the prime contractor.

I am addressing my remarks to the protection of the United States Government and the taxpayers. The bill, if enacted, will inevitably result in greater cost to the taxpayers of the United States. I believe I can demonstrate that to be true by the answer given by the distinguished Senator from West Virginia.

In the first place, the bill provides a competitive-bidding rigidity which will result in higher bids being submitted to the Government. That follows because the prime contractor must not only list the subcontractors to whom he in turn will award subcontracts, if the prime contract is awarded to him, but, as the Senator has stated, the bill provides protection for them, in that the prime contractor must award the contracts to those listed concerns.

Mr. KILGORE. Mr. President, may I interrupt at that point?

Mr. GORE. I yield.

Mr. KILGORE. The bill does not so provide. He may substitute other subcontractors provided they are acceptable to the Government agency with which he is dealing.

Mr. GORE. That would put the Government of the United States in the odd position of having to referee a contest between subcontractors. What is the proper procedure in awarding contracts by the United States Government? It seems to me it is to award a contract to the lowest responsible bidder, and then hold that successful bidder responsible for the performance of his contract. If the Government must go into the business of refereeing or of approving or of disapproving subcontractors for specialty types of work, to whom is it to look for responsible performance? Suppose the Government approves a subcontractor, and that subcontractor does faulty work. The prime contractor can hold up his hands, if the bill is passed, and say to the Government, "You approved this subcontract."

I submit the bill is an unwise piece of proposed legislation.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. McNAMARA. I am very much impressed with the remark of the Senator from Tennessee that he is concerned with a general contractor who is the responsible low bidder. Why should not the Senator be as much concerned with the responsible low bidder who is a subcontractor?

The general or prime contractor decides that the subcontractor he lists in his proposal is responsible and the lowest bidder obtainable. So the subcontractor is treated in exactly the same way in which the general contractor is treated.

In the construction business today there are many people who are, in effect, brokers. They take subcontracts on everything. They are not general contractors in the accepted sense of the term. I am sure the Senator from Tennessee knows of many such instances. They are the ones who make necessary this type of legislation. They treat everyone as subcontractors, although they themselves, as I have said, are not usually considered to be general contractors in the accepted meaning of that term. They are merely brokers.

I believe the bill will go a long way toward correcting a patent evil. I believe the Senator would agree with me if he had heard the debate up to this time and if he had sat through the hearings and heard the testimony. I am sure he would be impressed by the testimony.

Mr. GORE. I am impressed by what the able junior Senator from Michigan has stated. He knows that I hold him in high personal affection and that I entertain a very high regard for his opinion.

From reading the bill I do not find in it any requirement that the prime contractor shall list the subcontractor submitting the lowest bid.

Mr. KILGORE. No. The bill provides that he shall list the subcontractors of his choice.

Mr. McNAMARA. That is correct.

Mr. GORE. There is no provision in the bill which requires the listing of the lowest responsible subcontractor.

Mr. KILGORE. We are trying to remove any restrictions. I should like to ask a question of the Senator from Tennessee. Does he consider General Motors a fairly ably managed organization?

Mr. GORE. I would say yes.

Mr. KILGORE. How about United States Steel?

Mr. GORE. Their financial statements would so indicate.

Mr. KILGORE. How about E. I. du Pont?

Mr. GORE. The Senator is naming industrial giants. Evidently they are efficiently operated.

Mr. KILGORE. How about Ford?

Mr. GORE. Yes.

Mr. KILGORE. General Electric?

Mr. GORE. Yes.

Mr. KILGORE. The pending bill follows substantially their contract letting policies. The Senator from Tennessee certainly does not believe that those corporations are throwing money out the window.

Mr. GORE. Is the Senator saying that the prime contractor can list any subcontractor he desires to list?

Mr. KILGORE. Yes. He describes his own bid and lists the names of the subcontractors he will employ, or intends to use to get the job completed.

Mr. GORE. Then all the prime contractor has to do if he wishes to substitute another subcontractor for the one listed is to obtain the approval of the contracting agency of the Government?

Mr. KILGORE. Yes; to make sure that he also is a responsible subcontractor.

Mr. GORE. What provision is there in the bill to prevent the prime contractor from shopping around, so to speak, to find a subcontractor who will submit a lower bid, if he can obtain approval of the contracting agency of the Government?

Mr. KILGORE. There is nothing in the bill to that effect. That was the principal objection to the other bill. It required too much policing. In the construction business, as I know from experience, the reputation of the prime contractor is the biggest asset he has. If a subcontractor who does not have a record of good performance makes a bid, the prime contractor will not risk his reputation by giving him a subcontract, for his reputation means too much to him. But some fellow who simply wants to make a quick dollar will do almost anything. I remember that on one occasion it became necessary to tear out 9 miles of highway because the work was done by an irresponsible subcontractor on a big contract. We have never had a fixed policy. The best policy to follow is that adopted by some of the big corporations.

Mr. GORE. Then the Senator has confirmed that the bill will, if enacted, place the Government in the position of refereeing between subcontractors, and thereby place the Government in a compromising position.

Mr. KILGORE. The Senator is completely wrong in that statement. The bill does not provide that the Government act as a referee. The only thing the Government has the right to do is to veto a contract if an irresponsible subcontractor is brought in.

Mr. GORE. The approval or disapproval of subcontractors would inevitably compromise the Government's position of insisting upon performance.

Mr. KILGORE. I think I know who gave the Senator that idea. I heard the same statement made in the hearing.

Mr. GORE. No one gave it to me. It seems to me to be an inevitable conclusion.

Mr. KILGORE. No. It is plainly written into the bill that the Government is in nowise waiving any right when an irresponsible subcontractor is brought into the contract.

Mr. GORE. Why should the United States Government, with its hands full of the problems of the people, be placed in the position of having to decide upon the competency of a subcontractor to install a switchboard in the Senate Office Building, for example?

Mr. KILGORE. Do we not have a Capitol Architect? Contracting companies have what they call A and E contractors. It is much easier to let a job ramble along, but it is not good business. The biggest construction organization in the world is the United States Government. In the bill we adopted the easiest and best system to follow, which is that used by all the large corporations.

Mr. GORE. Has the Senator given consideration to how many thousands of subcontractors there are in the United States?

Mr. KILGORE. Yes. There are plastering subcontractors, bricklayer subcontractors, carpenter subcontractors, and innumerable others. This bill applies to specialty subcontractors, doing work which involves engineering skills. A man can get a bricklayer contractor anywhere he wants to.

Mr. GORE. Suppose the prime contractor in connection with the New Senate Office Building has a subcontractor to install an electrical switchboard in that office building. I dare submit to the Senator that there are a minimum of 25,000 subcontracting concerns in the United States which might be competent or might not be competent, but who would undertake that subcontract.

Mr. KILGORE. Let us not exaggerate, and let us not talk about one switchboard. Let us talk about the entire electrical contract work on that building.

Mr. GORE. The Senator has answered me in part. He has said we have a Capitol Architect to look after that. Suppose a subcontractor in the State of California or in the State of Louisiana or in the State of West Virginia were submitted to the Government as a substitute subcontractor. How would the Architect of the Capitol go about determining the competency or incompetency of that subcontractor in Louisiana or in California or in West Virginia? I am saying to the able Senator from West Virginia that the bill places a burden upon the United States Government to referee, catalog, and make decisions on competency or incompetency in thousands and thousands of cases, and that will cost money. What the Government should do is to continue its practice of awarding contracts to the lowest responsible bidder, leaving him with the privilege of selecting his subcontractors, and leaving him free to submit to the Government the lowest bid which he thinks he can make.

Mr. KILGORE. I should like to ask the Senator if he has ever done any construction work.

Mr. GORE. I have built a barn or two.

Mr. KILGORE. Was there any concealed wiring or plumbing or heating involved?

Mr. GORE. There may have been some.

Mr. KILGORE. Does the Senator realize that defects may not show up for 4 or 5 years, and then the whole side of the building must be torn out?

The Senator raised this question, and I have here a letter from William Stanley Parker, of the American Institute of Architects. He completely and absolutely endorses the procedures contained in S. 1644.

I shall not continue the argument longer, because we have already held up a committee meeting long enough.

I would ask the Senator to go to a cattle sale somewhere and buy a thoroughbred bull, knowing where it came from, what its record was, and what its name was, and then allow the fellow who sold it to substitute blindly another bull.

Mr. GORE. I do not think I would do that.

Mr. KILGORE. I do not think so, either.

Mr. McNAMARA. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. McNAMARA. The condition which the Senator from Tennessee has mentioned does not exist with regard to the proposed legislation. The installing of an electrical switchboard would be a part of the general electrical contract which includes the components parts that make up the contract. So the Government is not put into the position of being a referee to the degree which the Senator has mentioned. Ordinarily the contracts are divided into three categories: Electrical work, masonry work, and the mechanical work, which includes plumbing, heating, and such things. Two of those categories are generally covered by subcontracts, and the other is covered by a general contract.

The bill does not break down the subcontractors under the various headings, and handle the situation in that manner. It does not envision any of the problems which the Senator visualizes. I am certain that if the Senator will read the hearings, he would find that to be true. I think it is a misinterpretation of the word "subcontractor," which brings about the confusion at this point.

Mr. GORE. I appreciate the Senator's statement. It is entirely possible that I am utterly wrong about my understanding of the bill and my attitude toward it.

I do not understand, though, that the bill contains any provisions which undertake to define the extent of a subcontract.

The junior Senator from Michigan has said, again using the Senate Office Building Annex as an example, that the subcontract for the electrical wiring and other electrical installations would include the installation of a switchboard. Is it not possible that if the subcontractor who had the subcontract for the electrical installation might himself, in turn, let subcontracts? And is not that also an accepted practice?

Mr. McNAMARA. Yes; except that the bill does not go down that far in the treatment of subcontractors. We could visualize breaking up the subcontract for the switchboard into 5 or 6 more subcontracts. The company which nickelplated the switches might be a subcontractor. The one who furnished the clips to attach the switchboard to the floor might be considered a subcontractor. We could go on and on. But the bill does not go that far. The bill deals with contractors and subcontractors in the sense accepted in the construction industry, in which the architects divide the construction industry, in which the architects divide the work into three categories: The general contractor, the mechanical contractor, and the electrical contractor.

It is the term "subcontractor" which brings about all the confusion.

Mr. GORE. The Senator from Michigan, it appears to me, has demonstrated the inadvisability of this kind of legislation. He has said it goes only so far. I do not think it should go even that far. But certainly if it should go so far as to protect one category of subcontractor, then there is some question whether it should not go far enough to protect the other subcontractors.

I do not know why the Government should go beyond the acceptance of a bid and the award of a contract to the lowest responsible bidder, and then hold the successful bidder responsible for the performance of the contract.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. SPARKMAN. I call the attention of the Senator to the language of the bill, on page 2, line 1, as follows:

> (b) No executive agency shall award to, or enter into a lump-sum construction contract with, any prime contractor unless the name of the contractor with whom the prime contractor will contract for the performance of each major category of mechanical specialty work involved which may have been listed by the contracting executive agency in the bidding or contract documents, has been specified by the prime contractor in the bid or proposal upon which the contract is awarded or made.

I think that is the language which the Senator from Michigan had in mind when he gave a breakdown. In other words, there is language in the bill to that effect. It is in accord with the practices of the construction industry.

The Department of the Army, in its letter, even though it objected to approval of the bill, began by saying that the purpose of the bill was to do away with a bad practice—bid shopping. Their only reason for opposing the bill, apparently, was administrative difficulties. But that is an old story in the Government. Throughout the period of World War II, and during the time we were getting ready for the war, the Army, of its own accord, carried out this very kind of program.

Mr. GORE. Does not the Senator think the administrative difficulties would be great if the Government must approve or disapprove every subcontract which might be submitted?

Mr. SPARKMAN. The Senator from Tennessee speaks as if there would be a great host of subcontractors to be considered. As I read the bill, only those who are doing major specialty contracting are to be considered. As the able junior Senator from Michigan [Mr. McNAMARA] has pointed out—and certainly he knows whereof he speaks—those are divided into only three categories.

My understanding of the procedure is that even today the Department of Defense, in awarding contracts, requires the main contractor to submit the names of his principal subcontractors. In other words, that practice is being followed.

What is happening—and this is the bad practice which the Department of the Army speaks about—is that often some unethical contractors violate their own code of ethics by submitting dummy names. Then after the bidding has been concluded, they shop around for still lower bids from other subcontractors. They do not call upon the smaller contractors to give them the best possible bids so as to save the Government money. The price which the Government must pay is set, even though the subcontractor may be nothing but a dummy. When the Government's responsibility has been

set, the prime contractor begins to prey upon the small, individual contractors in the community, in an effort to beat them down in the prices they will charge, and even below what they estimated to the Government, all this being to the profit of the principal contractor.

Such a practice is against the code of ethics of the construction industry.

All we are attempting to say is that the United States Government shall insist, in connection with the contracts it awards for the Government's work, that the code of ethics shall be adhered to.

Mr. GORE. Will the Senator from Alabama read the provision of the bill which would prevent a prime contractor from shopping around for a lower bidding subcontractor, after the prime contractor has been awarded the prime contract?

Mr. SPARKMAN. The bill contains such language; I do not know at the moment where it is found.

Mr. GORE. The junior Senator from Michigan said the bill did not so provide.

Mr. SPARKMAN. My understanding is that the effect of the bill is to accomplish that purpose, because the prime contractor is required to give the name of a real, flesh and blood subcontractor, instead of a name of a dummy. If the real subcontractor does not perform his obligation, the prime contractor is required to get someone else who is real and who will be acceptable by the Department of Defense.

Mr. GORE. The junior Senator from Alabama has said one thing; the junior Senator from West Virginia has said another.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. McNAMARA. Actually, the bill does not prohibit changing a subcontractor, but it must be done with the permission of the Government agency involved, because there might be a valid reason for making a change. The theory is that the lowest responsible bid on the part of the subcontractor was already in the bid of the prime contractor; and to make a change in the subcontractor, the prime contractor must get permission. That is all that is necessary. Furthermore, under the bill, the prime contractor can assume the job himself, if he wishes to go into that phase of the business. I do not think the bill would injure the general contractor in any way. I think the provisions which the Senator from Tennessee finds objectionable were placed in the bill because the general contractors wanted the right which they give. I think the framers of the bill properly took those desires into consideration.

Mr. GORE. The junior Senator from Michigan says there is no provision in the bill which will prevent a prime contractor from doing the very thing of which the Senator from Michigan and the other advocates of the bill have complained, to wit, shopping around.

Mr. McNAMARA. The Senator from Tennessee is overstating what I said. I said the bill would not prevent the prime contractor from substituting for a certain subcontractor one who is accepted as a legitimate contractor; but it would put the onus on him to use only legitimate subcontractors in seeking the bids, rather than to go into the field and get so-called fly-by-night contractors, who might do the work cheaper, but who were not capable of doing an acceptable job because of their history in the business, which indicated they did not have the proper experience to do the work required. The prime contractor would be prevented from using such a subcontractor if, in the judgment of the Government agency concerned, the subcontractor was not a reliable substitute. An acceptable substitute is all that is required. In fact, the general contractor assumes the obligation of getting all possible bidders in that category to bid on the job, and to accept the lowest possible bid in the first instance.

Mr. GORE. Mr. President, that confirms exactly what the junior Senator from Tennessee has said. It places upon the Government the onus of cataloging and determining the competence of subcontractors. It places upon the Government the responsibility of approving or disapproving the substitution of a subcontractor. Is not that what the Senator from Michigan said?

Mr. McNAMARA. I said what the Senator said in the last part of his statement, not what he said in the first part.

Mr. MORSE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. (Mr. CURTIS in the chair). Does the Senator from Tennessee yield to the Senator from Oregon?

Mr. GORE. I wish to speak for a moment, and then I shall yield to the Senator from Oregon.

The junior Senator from Michigan has referred to fly-by-night subcontractors. There must be some opportunity for young men in the construction field, be they fly-by-night subcontractors or not, to enter into the subcontracting business. Does the Senator mean by his statement that only an established contractor will be accepted? Is the Government to be placed in the position of saying that it is not going to accept a subcontractor's bid to install a switchboard, for example, merely because that subcontractor has not been a dues-paying member of the contractors' organization? I say that would place the United States Government in an improper position. It would take away from the prime contractor the full responsibility for performance of the contract, and would place the Government in the compromising attitude of having to approve subcontractors who may be substituted for others.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. GORE. I yield to the Senator from Oregon.

Mr. MORSE. I should like to call the attention of the Senator from Tennessee to three sections of the bill, and then make brief comments thereon.

I first call attention to section 2 (b), which appears on page 2, and reads as follows:

(b) No executive agency shall award to, or enter into a lump-sum construction contract with, any prime contractor unless the name of the contractor who will perform each major category of mechanical specialty work involved in the performance thereof which may have been listed by the contracting executive agency in the bidding or contract documents, has been specified by the prime contractor in the bid or proposal upon which the contract is awarded or made.

I should like to make a brief statement in order that the Senator from Tennessee may understand the theory of the bill. The committee found that much of the testimony presented to it disclosed abuses on the part of some contractors—not all of them; in fact, not even a majority of them, but on the part of some prime contractors—in that they seek contracts with the Federal Government on the assumption that they are going to employ very honorable subcontractors. After the bids of the prime contractors are accepted, sometimes they follow what was described in the hearings as a sort of shakedown practice with respect to subcontractors.

In the Select Committee on Small Business, as well as in the Subcommittee on Small Business of the Committee on Banking and Currency, of which subcommittee I happen to have the honor of being chairman, we have received many complaints from small contractors and small-business men whose only hope of participating in Government contracts is by way of subcontract. They point out that certain groups of prime contractors are taking advantage of them.

Mr. GORE. Will the Senator point out any provision in the bill which covers that matter?

Mr. MORSE. I am coming to that, if the Senator will bear with me while I discuss the theory of the bill and recite abuses which occur.

It is stated on page 8 of the committee report that the procedure sought to be established by this bill is a procedure already followed by many of the major private industrial concerns, such as Ford Motor Co., International Harvester Co., Socony Mobil Oil Co., Inc., General Electric Co., Dow Chemical Co., Sunshine Biscuits, Inc., and a great many other companies I could list.

The highly reliable prime contractors recognize that the Government is entitled to know in advance to whom they proposed to let subcontracts for the performance of the work. Why should the Government know in advance? Because that has a great deal to do with the quality of work which is done. So far as the taxpayers are concerned, they would probably save more money as a result of high quality work than possibly could be saved by the Government's obtaining a lower bid, let us say, through the employment of an inferior subcontractor or subcontractors.

Section 2 (b) seeks to require that the prime contractor, when he makes a bid, or seeks to negotiate a contract—and many of these contracts are negotiated and not bid contracts—shall submit to the Government the names of the subcontractors who are to do a large percentage of the work.

As I said earlier in my speech on the bill, we have this protection on 60 percent of the work involved in the contracts which the Federal Government

lets, which is the prime contract work, but we do not have the protection on the remaining 40 percent of the work.

When the Government lets a prime contract it ought to know who is to do the subcontract work, and ought to have some assurance that the work will be done by a company which does first quality work. Also it should know that it will not have to anticipate that inferior work is likely to result. At present the prime contractor, who, in the first place submitted his figures together with the figures of the subcontractors can go to a small subcontractor and get him to lower the original price arrived at, with the threat that if he does not accept a lower price, the prime contractor will go to X, Y, or Z instead of having the original subcontractor do the work.

Mr. GORE. I should like to make a comment, at that point. Speaking of the period before the awarding of a contract, if there is denied to a prime bidder the opportunity of lowering his costs by thus shopping around, the bid which he must submit will be increased, because he will be deprived of the opportunity of accomplishing the work at lower prices.

Moreover, if the contractor bidding for the prime contract is to be frozen into a mold, so to speak, and required to use specifically named subcontractors, then the law, if the bill becomes a law, will inevitably result in greater cost to the taxpayers.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. GORE. I yield to the Senator from West Virginia.

Mr. KILGORE. I do not know where the Senator got that idea.

The bill simply provides that the prime contractor may hunt for and select subcontractors, and then must list those who are to do the work. If the subcontractors are to be changed, their names are to be submitted so the Government will know who they are, and what they are to do. Also, in a section of the bill there is a provision that the amount by which the price has been cut is to be made known if there is any change in cost.

Mr. GORE. The Senator asked me where I got the idea. I should like to reply that I got the idea from the bill, on page 2, line 4, wherein appears the following language: "with whom the prime contractor will contract for the performance of each major category."

If the Government undertakes to force the prime contractor to contract and specify the subcontractors, there will be removed from the contractor the opportunity to submit a bid on the contract at a lower price. If the contractor thinks he can perform the contract at a lower price, he is apt to submit a lower bid.

The Senator says, however, that the bill does not freeze it, but that it requires the prime contractor to list the names of the subcontractors "with whom the prime contractor will contract for the performance of each major category of mechanical specialty work."

Going further, all four Senators who advocate the passage of the bill have said on the floor that all that the prime contractor must do in order to substitute another subcontractor than the one listed is to obtain the approval of the Government. That is the second fault, it appears to me, in the bill, because it puts the Government in the position of approving or disapproving subcontractors for mechanical specialty work.

Mr. MORSE. Mr. President, when I can obtain recognition, I shall refer to that point.

Mr. GORE. Mr. President, why should we place the United States Government in the position of having to approve or disapprove of thousands of subcontractors who are qualified to do mechanical specialty work?

Mr. KILGORE. Mr. President——

Mr. MORSE. Mr. President——

Mr. GORE. Mr. President, I yield first to the chairman of the committee.

Mr. KILGORE. Mr. President, the only point I wish to make is that the statement the Senator from Tennessee has made is somewhat misleading. In that connection, I wish to quote from the bill, beginning on page 3:

> If the prime contractor submits—

That is to say, in case a change is necessary—

> to the contracting executive agency in writing the name of the substitute contractor and such information as the contracting executive agency may require as to any change in cost—

It is done only on request of the executive agency—

> to the prime contractor involved in the proposed change in contractors; and (2) the use of such substitute contractor is permitted in writing by the contracting executive agency.

Mr. GORE. By reading from the bill, the Senator from West Virginia confirms what I said.

Mr. KILGORE. No, I do not. The prime contractors furnish the information only. The use of the word "will" is bad. The word is not "shall"; it is "will".

Let me say a few words about the contracting business: The prime contractor or general contractor makes his bid. If things are operating on a normal schedule and if the subcontractor is trustworthy and responsible, he submits his bid. If and when his bid is accepted, the prime contractor makes his contract with the subcontractor.

So the use of the word "will" does not mean that the Government will select the subcontractor. It means that the contractor will tell the Government agency with which subcontractor he will, if awarded the contract, make the subcontract. In other words, the subcontractor will not be selected from a list by the Government, or anything of the sort.

Mr. GORE. Does the bill in the first instance give the Government the right of approval or disapproval of the subcontractors listed by the prime contractor?

Mr. KILGORE. In all Government contracts there is always a provision for the right to reject any general contractor who is not responsible.

Mr. GORE. Does the Senator from West Virginia mean that in one instance the Government would require that the subcontractor be of recognized competency, whereas in the other instant there would not be such a requirement?

Mr. KILGORE. Oh, no.

Mr. GORE. Did not the Senator from West Virginia say——

Mr. KILGORE. I ask the Senator from Tennessee to wait a minute, please. He will not let me finish my statement, and I object to having my words taken out of context.

Mr. GORE. Very well.

Mr. KILGORE. It may seem funny to the Senator from Tennessee, but it is not funny to me, because I do know a little about the contracting business, whereas apparently the Senator from Tennessee does not.

Mr. GORE. I acknowledge my incompetency in that field. But I have pointed to the language of the bill, and I have quoted the Senator's own words. I now yield to him, to explain them.

Mr. KILGORE. I should like to have the Senator from Tennessee yield to me for a minute or two, without interruption.

Mr. GORE. Very well, I will.

Mr. KILGORE. I think the whole situation is being completely and utterly misinterpreted. Apparently the Senator from Tennessee thinks the Government would approve a list of subcontractors submitted by the general contractor, and would say to the general contractor, "You are to select your subcontractors from this list." However, such an understanding of the bill is utterly incorrect.

Under the provisions of the bill, the prime contractors may select any subcontractors they wish, whereas the Senator from Tennessee assumes that the subcontractors would have to be selected from a special list.

However, the prime contractors should use responsible and capable subcontractors, since the taxpayers pay for the buildings and really own them. The executive agencies do not own the buildings. So the taxpayers are the ones I am trying to protect. The taxpayers—the constituents of the Senator from Tennessee and my constituents—are the ones who pay for the buildings and own them; and I want the taxpayers to receive some protection, in the way of honest work.

Furthermore, I wish the subcontractors to be encouraged to make responsible bids with which they can comply. I wish them to be encouraged by being protected against unfair practices.

I have seen some of the practices which are engaged in by general contractors; and all those in the business admit that abuses do develop. There are rules against it, but some contractors do not obey the rules. For instance, the Institute of Architects has rules against it; and their principal consultant, who is one of the leading architects in the United States, admits that such practices exist, and says the enactment of the bill is badly needed.

The provision of the bill follow the rule that is followed by the Department of Defense in the case of all negotiated contracts on cost-plus-fixed-fee contracts. Therefore, why should we make fish of one and fowl of the other?

Of course possibly—and I do not say generally; please do not misunderstand or misinterpret me—there are general contractors who are "gyppers," as that expression is used in the trade, so that every once in a while the Government will get a "gyp" job. When the Government gets one, it costs the taxpayers a great deal of money, as, for instance, when the prime contractor selects a subcontractor who does not have the necessary equipment. Of course, some of the jobs require a great deal of equipment. Or perhaps the prime contractor will select a subcontractor who does have the necessary engineering skill or ability or the personnel who have the required skills. After all, contracts for technical construction—I am not referring to the others—require trained personnel with a great deal of skill and ability and experience.

However, if a subcontractor who does not have trained personnel is used for a large job, his work will not be satisfactory—although he will perform satisfactorily in the case of a smaller contract for instance, one involving a switchboard, such as the Senator from Tennessee has mentioned. That would be different, and no one would object to the use of such a subcontractor for work of that sort.

But the situation is different in the case of a general electrical contract for a building or a general heating and plumbing contract, or a general air-conditioning contract.

The general contractor has the responsibility of selecting competent subcontractors. Competent subcontractors are necessary, in the interest of the Government; for if incompetent subcontractors are used and if the job "goes bad," the Government is confronted with a considerable loss. For instance, if defective material is used, a considerable loss to the Government may result. I remember one job on which, instead of using cast-iron hangers for the water lines and the sewers in a certain public building, the subcontractor used straps. The Senator from Michigan [Mr. McNAMARA], who now is the Presiding Officer of the Senate, knows how much a subcontractor would save by using such straps, in place of cast-iron hangers. Since the straps were used, the result was that all the ceilings in the building had to be taken down, and every strap had to be replaced by a cast-iron hanger; but that did not happen until about 10 years after the building was constructed, and by that time the general contractor had gone out of the picture, and could not be held responsible. The result was that the Government had to foot the bill, which came to a considerable amount of money.

Mr. GORE. Mr. President, will the Senator from West Virginia consider page 2, section 2 (b) of the bill, and tell me whether the Government will or will not approve the subcontractors listed by the prime contractor? I refer to the subcontractors "with whom the prime contractor will contract for the performance of each major category of mechanical specialty work."

Mr. KILGORE. But that is not the way it is done.

Mr. GORE. I am asking whether it will be done that way under the bill.

Mr. KILGORE. That is not the way it would be done in the contracting game.

Mr. GORE. I am referring to the provisions of the bill, not to the contracting game.

Mr. KILGORE. I am referring to the bill in general and to the contracting practice in the field with which the bill deals. In such a case, the contracting Government agency would not reject the subcontractor. Instead, the Government agency would simply say to the prime contractor, "You are not the lowest responsible bidder; therefore we are going to give the contract to the lowest responsible bidder who employs responsible subcontractors."

Mr. GORE. Is the Senator's answer "No" to the question as to whether the subcontractor listed by the prime contractor is neither approved nor disapproved in the first instance?

Mr. KILGORE. They are merely listed. If they are not satisfactory, of course, the prime contractor's bid can be rejected on the ground that he is not a responsible contractor.

Mr. GORE. I return to the statement which I made a few moments earlier, to which the junior Senator from Minnesota [Mr. HUMPHREY] objected. I stated that in the first instance the Government does not approve or disapprove the listed subcontractor. Then suddenly we talk about protection. The Government must have protection from these wily subcontractors. Then the Government must approve the substitution of a subcontractor for a subcontractor who was not approved in the first place.

Mr. KILGORE. The Senator is again very materially misstating what is provided by the bill.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. McNAMARA. The justification for the proposed legislation lies in the point just mentioned. Suppose a subcontractor for electrical work goes to the expense of figuring for the United States Government a job which he expects to obtain through a general contractor. In some cases this operation involves a considerable expense, because it is necessary to employ engineers and estimators, and pay for the travel and subsistence of those engaged in making the estimate for the United States Government. Such a subcontractor is entitled to the kind of protection provided in the bill, because he has invested his money, and I think the Government owes him some consideration at that point.

Under the terms of the bill, the general contractor would not be entitled to use the price obtained at a considerable expense and accepted as the lowest responsible bid available for that portion of the work, and then have the right, as under the existing system, of peddling that contract, regardless of the fact that the original subcontractor has been accepted as the lowest bidder and a substantially qualified contractor. If such a subcontractor has been accepted as a qualified bidder, submitting the lowest bid among many bidders, and having invested his money into the project in order to attain this position, I submit that it should not be easy to remove him from that position. In a sense, he has a vested right, for which he has paid.

That is all there is to it. I think the Senator will agree that a subcontractor who has invested his money to get into this position should not be recklessly thrown out. That is all that is involved.

COMMISSION ON GOVERNMENT SECURITY—CONFERENCE REPORT

Mr. HUMPHREY. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 157) establishing a Commission on Government Security. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. HUMPHREY. Mr. President, for the information of the Senate, let me state that the only change made in the conference was with respect to the date of the final submission of the report. The House conferees receded from all their positions except that with respect to the date for final submission of the report. It was set at December 31, 1956.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

POLICY AND PROCEDURE IN CONNECTION WITH CONSTRUCTION CONTRACTS

The Senate resumed the consideration of the bill (S. 1644) to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes.

Mr. GORE. Mr. President, I now yield to the senior Senator from Oregon [Mr. MORSE], who had not completed his statement a few moments ago.

Mr. MORSE. Mr. President, I think I will take the floor in my own right, to answer the arguments of the Senator from Tennessee.

Mr. GORE. Mr. President, this, of course, is not a major bill, and I shall not press my opposition to the point of suggesting the absence of a quorum or demanding a yea-and-nay vote. I have expressed my doubts about the proposed legislation and my opposition to it. If Senators who are present can receive any benefit from the discussion, they are welcome to it. Each one can take his own position.

I believe that the proposed legislation would be unwise. If it were effective it would cost the taxpayers a great deal of money. If it were effective it would place the Government in the unwise position of dissipating the responsibility of the contractor. In my opinion it would place an intolerable administrative burden upon the agencies of Government. Moreover, it would place them in the unenviable position of having to approve or disapprove, and to choose among the thousands of contractors who are qualified to perform specialty mechanical work.

Furthermore, if this is a wise and just provision, I do not know why we should limit its benefits to mechanical specialty work. It is special legislation, which I think it would be unwise for the Senate to approve.

Mr. MORSE. Mr. President, I shall speak very briefly on the bill, because it seems to me that the speeches made earlier by the Senator from West Virginia [Mr. KILGORE], the Senator from Alabama [Mr. SPARKMAN], the Senator from North Dakota [Mr. LANGER], and other Senators in support of the bill really answer the objections raised by my friend from Tennessee [Mr. GORE].

Again, I point out that the bill is the result of approximately 3 years' work on the part of the Judiciary Committee.

The bill is the result of very extensive hearings conducted by the Senator from West Virginia [Mr. KILGORE], at which all segments of the construction industry had an opportunity to testify and present evidence on this subject.

We find from the record that the great construction and industrial companies of the United States are already following the procedure which we advocate in the proposed legislation. We highly commend that procedure as a check against practices on the part of a very small group of prime contractors who tend to follow "gyp" and unethical practices in their dealings with subcontractors.

In addition to the paragraphs from the report upon which I commented earlier in the day, I invite attention to the following paragraphs from page 9 of the committee report:

> The committee believes that the proposed legislation will improve the contracting procedures of the Federal Government in letting lump-sum construction and hence to enable the Federal Government to obtain superior workmanship and better materials for each tax dollar expended and to obtain these benefits for less tax dollars.
>
> Incidental benefits, of course, will accrue to the general contractors and to the mechanical specialty contractors and to their employees. No one conceivably can be injured by the legislation except possibly the unethical contractor, be he a general or a mechanical specialty contractor. Accordingly, the overall effect of the bill clearly is in the public interest.
>
> The proposed legislation should eliminate altogether or at least materially ameliorate the chaotic condition resulting from last minute submission of sub-bids which exists under present procedure. When he knows there will be no shopping by himself or his competitors the prime contractor can secure for himself the benefit of having firm mechanical sub-bids a reasonable time in advance of his submission of the general bid. The Government, of course, will receive the benefit of active open competition for the mechanical subcontracts and the low competitive final price for such work as reflected in the prime bid.
>
> Moreover, the proposed legislation will eliminate the present condition under which the ethical general contractor who refuses to indulge in bid-shopping is at a competitive disadvantage with his competitors who do engage in this practice.

Those are the objectives of the bill.

I believe that much of the argument of the Senator from Tennessee [Mr. GORE] is to the effect that, if those are the objectives, the bill would not accomplish the objectives. To that conclusion of the Senator from Tennessee I take exception, and I now invite attention to the pertinent language of the bill. I shall seek to take the Senate through the operation contemplated by the language of the bill, with respect to the letting of contracts in the future, if the bill should become a law.

Again I refer to subsection (b) of section 2, on page 2 of the bill:

> (b) No executive agency shall award to, or enter into a lump-sum construction contract with, any prime contractor unless the name of the contractor with whom the prime contractor will contract for the performance of each major category of mechanical specialty work involved which may have been listed by the contracting executive agency in the bidding or contract documents, has been specified by the prime contractor in the bid or proposal upon which the contract is awarded or made.

Let us take the operative features involved in letting a contract, either by negotiation or by bid. Let us take three general contractors, A, B, and C. Let us assume by way of hypothesis that two of them are very reliable contractors, who believe in being fair to subcontractors, and that 1 of the 3 is a contractor who follows "gyp" practices.

Under existing procedures, A, B, and C must find out from subcontractors what the cost will be to them so far as the subcontract features of a project are concerned. They go to the subcontractors, or small-business men, in their respective communities, and get their prices. They submit a figure to the Federal Government, on the basis of the prices offered to them by the small-business men in their communities. On the basis of the respective figures submitted, the Government agency concerned negotiates a contract with one of the prime or general contractors.

Let us assume in this hypothetical case that the contract is let to A, A being a business firm which adheres to the kind of subcontracting practices followed by the recognized firms listed on page 8 of the report. They are the practices which we seek to have established by the proposed legislation. The firms are such companies as Ford Motor Co., International Harvester Co., Socony Mobil Oil Co., General Electric, Dow Chemical, Sunshine Biscuits, and so forth.

A is the type of prime contractor who keeps faith with subcontractors, and he lets the subcontracts on the basis of the figures the subcontractors offered when he was in the process of negotiating with the Government in the first instance.

Small-business men who appear before committees point out that when they can rely upon that kind of procedure, the subcontractors do not become guilty of what the Tax Court referred to in the Ring Construction Corp. case. The court said that present bidding procedures cause the subcontractor submitting a bid "to bid so high that he, the subcontractor, can still come down in his prices and get the job."

In other words, under the present procedure, a subcontractor puts himself in such a position that, when he is dealing, not with a prime contractor like A or B in my hypothetical case, but a "gyp" operator, such as C in my hypothetical case, he makes his figures high, knowing full well that unless he does so he will not get the contract finally, because C will come around and shake him down for a lower figure, on the threat that if he does not lower his figure C will go somewhere else and try to get a lower figure.

Let us not forget that when a contract is let to a prime contractor like C, the taxpayers do not save anything. Anything C is able to get by a shakedown goes into his pocket, not into the Treasury of the United States. It is not a saving to the taxpayers of the United States.

I am not a member of the committee, but I am proud to commend the Judiciary Committee for long and arduous and very efficient work in the preparation of the bill. What the committee is seeking is the enactment of legislation which will provide some inhibitions and checks upon the kind of contractor I have described as Contractor C in my hypothetical case.

Let us go back to the contract which has been let to A. A will keep faith with the subcontractors, because he has obtained from them in the first instance good-faith bids, and he has obtained his contract from the Federal Government on the basis of the prices given to him by the subcontractors. He proceeds to make his profit on the basis of the figures he took into account when he submitted his bid or negotiated his contract with the Government in the first instance.

The section of the bill I have read will require that, before a contract is let by the Federal Government under the law, the prime contractor must submit the names of the firms which will do the subcontracting for him.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. GORE. The Senator has referred to protection. If it is protection for the Government to be required to approve the substitution of a subcontractor for the listed subcontractor, then why would it not be protection for the Government to approve or disapprove the subcontractor in the first instance?

Mr. MORSE. I shall be very glad to discuss subsections (f) and (g) a little later. For the present I shall hold attention to the provision in section 2 (b). I wish to explain to the Senate what section 2 (b) seeks to accomplish, and, in my opinion, does accomplish.

Section 2 (b) requires the listing of the subcontractors with whom the prime

contractor proposes to enter into subcontracts. That is not the present procedure. Under the bill, that will be a requirement of law. If the bill shall be enacted into law, no more will the prime contractor conceal from the Federal Government who the subcontractors will be. He must submit, at the time the Government comes to pass upon his bid or upon his proposal for a negotiated contract, the names of those to whom he proposes to let subcontracts.

That is a substantial improvement in the situation from the standpoint of the small-business men. That is a substantial improvement for the subcontractors. The names of the subcontractors will become a matter of record, and the prime contractor obviously will undertake an obligation to go forward with the work on the assumption that the subcontractors listed by him will be the men who will perform the subcontracts.

Subsection 2 (b) of the bill makes it a requirement on the part of the prime contractor to list the subcontractors on whose estimates or on whose bids he, in turn, is making his proposal to the Federal Government for the prime contract.

The Government agency has an opportunity to pass judgment on whether the subcontractors are subcontractors which the agency believes will give the taxpayers of the country high-quality work under the subcontracts. That will result in saving a great deal of money to the taxpayers.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. GORE. I have no objection whatever to listing the subcontractors. That might result in an advantage, if the Senator or the author of the bill will change the language on page 2, lines 3 and 4, by striking out the words "with whom the prime contractor will contract for the performance of each major category," substituting therefor the words, "from whom he has received the lowest responsible bid for the performance of each major category."

Mr. MORSE. Speaking for myself—I cannot speak for other members of the committee—I would rather tear up the bill than to accept the language suggested by the Senator, because it would destroy the very protection we are trying to give to the small-business man. What we are saying to the prime contractor is, "If you get the contract, you will have to proceed to enter into agreements with the subcontractors whereby you commit yourself to do business with them. You have no right to go to them and say, 'If I get this contract, I will let you do the electrical work, or the heating work, or the plumbing work, if you will lower your prices.' "

He uses their figures as an aid to him in getting a contract from the Federal Government. When he gets the contract, he may say, "I really did not mean I was going to give the subcontract to you, I will give it to you if I can get it at 30 percent or 50 percent off."

Such practices as that are resulting in great injury to small-business firms in various communities in America where prime contracts are let. We are seeking to prevent that situation by this proposed legislation. We are saying, "It is fair to require you to enter into contract agreements with your subcontractors sufficiently firm so that you are willing to abide by them if we let you have the contract. You are going to let subcontracts to the following business firms."

We cannot give the small-business men the protection they deserve until we provide such a requirement in the law. The Senator from Tennessee would require only the listing of names of subcontractors. That would not give any protection to the small-business man.

Mr. GORE. Mr. President, will the Senator from Oregon yield further?

Mr. MORSE. I yield.

Mr. GORE. I understood the Senator to be referring to the protection afforded by the bill to the Government.

Mr. MORSE. Both to the Government and to the small-business man.

Mr. GORE. If the Senator thinks there is protection to the Government by the listing of subcontractors, then the amendment which I have suggested would accomplish that result. If, however, the Senator insists that the bill is going to bring about the rigidity which, apparently, he desires, in connection with bidding on Government contracts, then it will cost the taxpayers a great deal of money.

Mr. MORSE. No; it will not cost the taxpayers any more money than it now costs them. They will get higher quality work, because now contracts are let to the prime contractor on the basis of the figures he submits. All we are saying to the prime contractor is, "When you make your estimates of cost you will of course take into account your profits, but you are not going to increase them subsequently by shaking down the small-business men who are at your mercy if you get the contract."

The difficulty is that we are giving prime contractors an economic life and death control over many small subcontractors in their home communities. We are seeking to prevent that by saying, "If you obtain this contract we must know the subcontractors to whom you are giving subcontracts, and the contract must be so firm that the subcontractors cannot be 'shaken down.' "

That will not do any injury to the prime contractor, because he has made his price offer, and it is to be assumed that he has made it on the basis of the estimates of the subcontractors and of making a profit for himself.

Mr. GORE. It does one thing to the prospective prime contractor as a bidder. If the bill is enacted into law and operates as the Senator has just described its operation, it will require rigidity in the submission of bids, and it will limit the possibility of performing the contract at a lower price, and, thereby force all contractors, for all would be affected by the law, to submit to the Government higher bids than would be the case if the bill should not become law.

Mr. MORSE. I have two replies to make to that statement. In the first place, the bill would not work that way at all. Reliable prime contractors and the corporations to whom I have referred and who are listed in the committee report are following, as a matter of business practice, the procedure we seek now to require of all prime contractors.

In the second place, the Senator says it will add rigidity to the law. It will protect the small contractors from the abuses to which they are often subjected. I am all for such rigidity. I think we owe it to the small contractors to require prime contractors to give assurance at the time they enter into a negotiated contract that they will do the so-called specialty work through certain firms. We should know who those firms are in passing judgment on whether they should be allowed to bid, because I think it is important that the subcontractor be known in advance and considered by the contracting agency to be a good subcontractor.

Mr. BENDER. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield to the Senator from Ohio.

Mr. BENDER. Mr. President, I commend the Senator from Oregon for his clear statement.

The Senator from Tennessee, I am sure, recognizes the fact that the establishments engaged in mechanical trades constitute a substantial segment of the few remaining small independent businesses, and are therefore not in position to underwrite a bid as their larger competitors can do. For that reason when they bid they are not being protected by legislation such as that which we are considering today.

I commend the senior Senator from Oregon for his clear statement of the facts concerning the basic purposes of the bill.

Mr. MORSE. I thank the Senator from Ohio.

Mr. GORE. Mr. President, will the Senator from Oregon yield further?

Mr. MORSE. I yield to the Senator from Tennessee.

Mr. GORE. If this proposed legislation be desirable to afford subcontractors this kind of protection, why should its benefits be limited to mechanical-specialty work?

Mr. MORSE. Because it is in purely mechanical-specialty work that we find most of the abuses which we seek to correct.

Mr. GORE. They are certainly not confined to that field.

Mr. MORSE. If we divide this proposed legislation and cover only mechanical-specialty work we shall have eliminated the abuses about which the small-business men have been complaining with reference to Government contracts.

Mr. GORE. When the Senator has finished his remarks, I propose to offer the amendment which I suggested to him and to the author of the bill a few moments ago. I concede that there may be advantages to the Government in the listing of subcontractors from whom the prime contractor has obtained responsible estimates and bids, but I do not at all think it is in the public interest to freeze into the law the special privileges of a particular subcontractor who has been listed by the prime contractor. He may not list the lowest responsible subcontractor. He may list the subcontractor of his choice. What protection would

this bill provide for the competing subcontractor who may have submitted an equally low or lower bid and who may, in fact, be just as competent?

Mr. MORSE. The bill does not have for its objective the requirement that the prime contractor must contract with whatever subcontractor offers the lowest price. The bill covers the situation in which the prime contractor gets the contract. But we seek to protect the subcontractor from the shakedown practices which are engaged in by a small minority of unreliable prime contractors, as the testimony shows.

Now I wish to discuss section 2 (f) of the bill, because I think it must be read in the light of section 2 (b), which I have just discussed. I read from page 3, beginning on line 6:

(f) If a contractor named by the prime contractor under a lump-sum construction contract in accordance with subsection (b) of this section shall fail or refused to perform or complete the work to be performed by him in accordance with the terms of his subbid or subcontract therefor, the prime contractor may engage a substitute or different contractor to perform such work: *Provided*, That he first submits in writing to the contracting executive agency the name of the substitute contractor.

It should be understood that this is the next step. It provides that after the prime contractor has submitted the list of his subcontractors, and has, in effect, certified that the work will be performed by those subcontractors under the contract, he may, under section 2 (f) of the bill, change a subcontractor only if he fails or refuses "to perform or complete the work to be performed by him in accordance with the terms of his sub-bid, or subcontract."

At that point the prime contractor is protected. He can obtain a new subcontractor. He is required, however, to submit his request to substitute a new subcontractor to the contracting agency, which must approve the substitution.

What is sought to be done there? Again, the intention is to protect the quality of work which is to be performed both by the prime contractor and the subcontractor. I think that is a pretty effective check. I do not think many prime contractors will be found who will want to place themselves under the spotlight of public attention under which they will be placed if, in the first place, under section 2 (b), they say to the Federal Government, "We are going to do this work with subcontractor X," and then at a subsequent date say, "We want to substitute Y for X," if they cannot submit to the agency concerned proof that X has refused to perform the contract, or that X cannot perform the contract on the basis of necessary quality.

If X really is a reliable subcontractor, I do not think any prime contractor will be found who under section 2 (f), will try to substitute Y for X.

I think this is a very effective change in practice in protecting small-business men.

Did the Senator from Colorado wish me to yield to him?

Mr. ALLOTT. Mr. President, I wish to address a question to the Senator from Oregon in a few moments, but first I desire to make a few remarks, if he will yield for that purpose.

Mr. MORSE. Yes; I yield.

Mr. ALLOTT. I realize that the bill has been considered carefully by the very able and capable members of the Committee on the Judiciary, and it has also been debated effectively on both sides of the aisle. However, the bill contains, in my opinion, one flaw which renders it, for all substantial purposes, absolutely ineffective.

On page 3, paragraph (f), the bill provides that in the event a subcontractor named by the prime contractor shall fail or refuse to perform his contract, a new subcontractor may be substituted, provided, first, that the prime contractor obtains the consent of the contracting agency, or rather submits in writing to the contracting executive agency the name of the substitute contractor. The prime contractor does not have to have the consent of the executive agency, and I think that is an important point to remember.

Paragraph (g) provides:

If, for any reason—

In that connection, I wish to suggest a way in which the law if the bill becomes law, could be subverted. I assume it is the intent of Congress to prevent laws from being subverted and avoided.

If a contractor not coming within the purview of section 2 (f) should decide for any reason—the bill does not say "any reason of the Government agency"; it says "for any reason"—that he wants to enter into a contract with a subcontractor other than one listed then, by submitting his request in writing to the contracting agency, under subproviso (2), and securing the permission of the agency, he could change the subcontractor at will.

The bill does not specify any standard as to what the reason may be; it simply provides, "if, for any reason."

I call the attention of the Senate to paragraph (b) on page 2, which places this matter on an executory rather than an executed basis. In other words, it provides that "any prime contractor, unless the name of the contractor with whom the prime contractor will contract." It does not provide that at the time the prime contractor contracts or enters his bid, he shall have made a firm contract with the subcontractor. Therefore, he may still be in an executory position so far as the subcontractor is concerned. If the provisions of paragraph (f) do not prevail, he may simply have submitted a bid and have said that X will be the subcontractor on the electrical equipment.

Under the provisions of the bill as it is now written, under paragraph (g), "if, for any reason"—and that "any reason" applies to any reason of anybody; it is not required to be a sufficient reason or a necessary reason, and no provision is made as to who is to decide what is a good reason—the prime contractor could completely subvert, I submit, the purpose of the proposed law.

Therefore, at the proper time, when the Senator from Oregon yields for the purpose, because I do not think I can submit my proposal until the Senator from Oregon has yielded the floor, I propose to offer an amendment to paragraph (g), which I think will strengthen the bill to the point where it will be workable.

Mr. MORSE. I was about to discuss paragraph (g), and I shall be very brief in doing so. The comments by the Senator from Colorado cause me to make a comment on paragraph (g).

I think it is perfectly clear, under section 2 (b), that a contractor is required to submit the names of subcontractors whom he represents are the subcontractors with whom he is making subcontracts. The Government will award him the contract on that representation. That will give the protection to the subcontractors which we seek to accomplish.

In section 2 (f) we protect the prime contractor. If he has a subcontractor who will not perform, or who proposes to do shoddy work, or who lays down on the job, so to speak, the prime contractor can get rid of the subcontractor under the procedure outlined in section 2 (f).

There is no possibility under the bill of the prime contractor being wronged by the bill itself, by reason of failure on the part of a subcontractor.

Now let us go to section 2 (g), which reads:

If, for any reason not specified in subsection (f), a prime contractor under a lump-sum construction contract prefers to have any major category of mechanical specialty work on the project covered by such construction contract as to which he has named a contractor under subsection (b) hereof performed by a contractor other than the one named in accordance with said subsection (b), the prime contractor may engage such substitute contractor if (1) the prime contractor submits to the contracting executive agency in writing the name of the substitute contractor and such information as the contracting executive agency may request—

And I respectfully submit the Senator from Colorado is not giving sufficient weight to that language—

and such information as a contracting executive agency may request as to any change in cost to the prime contractor involved in the proposed change in contractors; and (2) the use of such substitute contractor is permitted in writing by the contracting executive agency.

The provision does not give to the prime contractor the right to engage a substitute subcontractor without any check being placed on him by the contracting agency. The name of the new subcontractor has to be submitted in order to get permission. On the basis of the information required under subsection (g), line 25, the contractor must be able to show he has a good reason for wanting a new subcontractor; certainly not the reason that, by resort to a shakedown practice, he can get a subcontract more cheaply. He would never get the contracting agency to agree to that. The contracting agency would say, "Listen, under the obligations of section 2 (b), you made certain representations. We are not going to let you substitute a subcontractor in order that you may get around the commitments you made under section 2 (b), by using shakedown

practices on subcontractors; but if you have good reason why you should substitute subcontractors, we will let you do so."

That veto power is given to the agency. That is what is needed to protect the small contractors.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. ALLOTT. I should like to call the Senator's attention to the fact that under paragraph (b) on page 2, the main contractor, or prime contractor, need not have a contract with his subcontractor. My purpose in bringing this matter up at this late hour on this occasion is not a frivolous one, I assure the Senate. The prime contractor need not have a contract with his subcontractor. He has only to state that he will contract with Mr. X, a subcontractor. He does not have to declare that he has a contract with the subcontractor at that time. If he declares his intention to contract, he will fulfill the requirements of subsection (b).

In comparing that situation with the provisions of subsection (g), I feel very definitely that there is a gap in the bill. I am not trying to throttle the bill. I am not trying to whittle it to pieces. I simply see a big gap now existing which is available to persons if they wish to take advantage of it.

While the bill provides that the contractor must submit his reasons in writing, there is no criterion set up as to who is to determine what those reasons shall be. As the bill is written, it says for any reason. I would interpret that as meaning not a spurious reason. But the bill states it can be for any reason. Under that language a contractor could say, "I was going to contract with Mr. X, but Mr. X and I had a fuss over the job on the turnpike. I do not want anything more to do with him. Therefore, I do not want to work with him." That would be a good reason. He could make that statement; it would be a good reason, under the bill as it is written; and I should think the Government agency would be required to change the commitment relating to a subcontractor.

I therefore suggest and offer an amendment, that on page 3, line 15, after the word "reason," the following words be inserted: "as determined necessary by the respective contracting agencies and."

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ALLOTT. I am very happy to yield.

Mr. MORSE. I think that is a very sound amendment. I cannot speak for the committee, but I think that language should be added.

Mr. GORE. Mr. President, will the Senator from Colorado yield?

Mr. ALLOTT. I yield.

Mr. GORE. Will the Senator from Colorado read lines 15 and 16 as they would read if the amendment offered by him were agreed to?

Mr. ALLOTT. I shall be very happy to:

(g) If, for any reason as determined necessary by the respective contracting agencies and not specified in subsection (f), a prime contractor under a lump-sum construction contract.

And so forth.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. ALLOTT. I yield.

Mr. GORE. Does the Senator refer to the governmental agency with which a contract is made as the contracting agency?

Mr. ALLOTT. Yes.

Mr. GORE. Would not the enactment of the bill, with the amendment which the Senator has offered, be more restrictive on the part of the Government, bring about greater rigidity in the bidding process, place a further limitation on competitive bidding, and to that extent also place upon the Government a still greater administrative burden by having to pass judgment upon the reasons for which the prime contractor desired to substitute a different subcontractor?

Mr. ALLOTT. The Senator from Tennessee has asked several questions, and I shall answer them if I can remember them all. First of all, I assume that if the Senate is going to pass a bill, it desires to pass one which will not be subverted. The intention of the amendment is really to avoid such subversion. Subparagraph (f) within itself gives only one reason for the substitution of a contractor. Subsection (g), in my opinion, leaves the bill wide open so that its purposes can be subverted, and the Government really be taken advantage of in many respects, as I look at it.

Mr. KILGORE. Mr. President, will the Senator from Colorado yield?

Mr. ALLOTT. I am very happy to yield.

Mr. KILGORE. The committee tried to take care of that in the bill itself by having reference to subparagraph (b) (1) in subsection (g), requiring contractors to furnish the information to the agency in writing. However, I may say to the Senator from Colorado I think his suggested amendment does not add to the rigidity of the bill, but it does certainly clarify matters in advance. For that reason I feel it is a very wise amendment.

Mr. ALLOTT. I thank the Senator from West Virginia.

Did I answer the question of the Senator from Tennessee before I yielded to the Senator from West Virginia?

Mr. GORE. No, the Senator did not.

Mr. ALLOTT. The Senator from Tennessee had asked me one question which I had not answered. He had asked me whether the amendment would not require greater effort on the part of a contracting department or agency. I will say frankly that the language would require greater effort. The answer is "yes." It would mean that if a chief or prime contractor wishes to change a subcontractor named in a list he had submitted with his bid, it would be up to him to give a valid and necessary reason for making the change, if the amendment which I have offered were to be adopted.

Mr. President, I offer my amendment and ask to have it stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Colorado.

The CHIEF CLERK. It is proposed on page 3, line 15, after the word "reason", to insert the words "as determined necessary by the respective contracting agencies and", so that line 15 would read:

(g) If, for any reason as determined necessary by the respective contracting agencies and not specified in subsection (f).

Mr. KILGORE. Mr. President, I think the committee would like to accept the amendment and let it go with the bill, because I think it is a clarifying amendment. I do not think it makes the bill more restrictive, but would merely clarify the situation in advance, and would give the contracting agency more advanced notice.

Mr. GORE. Mr. President, adoption of the amendment would, in my opinion, make the bill worse, not better. The amendment would aggravate the faults of the bill about which I have already expressed myself at some length. The amendment certainly would place—as has been admitted by the author of the amendment—more administrative burdens upon the contracting agencies of the Government. The amendment would give more special privilege to the particular subcontractor who, for reasons entirely personal to the prime contractor, had been listed. The amendment would make it more difficult for subcontractors to bid and to seek work on a competitive basis. In my opinion, the amendment would make the bids submitted to the Government for prime contracts larger in amount. The bill already has that basic fault and the amendment would to a small degree increase it. Therefore, I oppose the amendment.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. ALLOTT].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. GORE. Mr. President, to the committee amendment on page 2, in line 3, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Tennessee to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 2, in line 3, it is proposed to strike out the words "with whom the prime contractor will contract" and to insert "from which the prime contractor has received the lowest responsible bid."

Mr. GORE. Mr. President, this amendment to the committee amendment would provide the Government with all the protection which the advocates of the bill have claimed would flow to the Government from enactment of the bill as it now stands. If there is advantage to the Government in the listing by a prime contractor of the subcontractors from whom he has received responsible bids—and I concede there is some advantage in that—then this amendment to

the committee amendment would clearly bring those benefits to the Government. But in the absence of the adoption of this amendment or of another amendment with similar effect, section 2 (b), particularly with the adoption of the amendment offered by the junior Senator from Colorado [Mr. ALLOTT] would place upon competitive bidding, restrictions which would result in the submission of higher bids to the Government.

The only arguments which I have thought valid in behalf of the bill are those that protection to the Government will be provided by the listing of subcontractors. I acknowledge and concede that, and I offer the amendment to the committee amendment in order to bring the bill within that intent, and to limit its effect and application to that exent.

Mr. KILGORE. Mr. President, will the Senator from Tennessee yield for a question?

Mr. GORE. Yes; I yield.

Mr. KILGORE. Again, I say I was once a contractor, although that was a long time ago.

Mr. GORE. I recognize the Senator's competence in that field.

Mr. KILGORE. Does the Senator from Tennessee realize that the contractor's very existence in business depends upon his being able to underbid his competitors and to perform satisfactory work?

For the moment let us forget any talk about adding to the amount of the bids. What I have just said applies both to the prime contractor and to the subcontractors. Until a prime contractor or a subcontractor reaches a situation in which he is sure he has the contract "sewed up," so to speak, he is going to bid the lowest that he can. That situation has existed in the coal industry and in other industries.

So I am not very much worried about prime contractors and subcontractors making artificially high bids to the United States Government. On the other hand, I am anxious to protect a subcontractor who is utterly helpless, but who makes a bona fide, honestly figured bid for a job. That is one of the reasons why I, along with many other Senators, have sponsored this bill.

So let us not forget the facts of life. When contractors or subcontractors bid, they are after jobs. If they feel that they are going to be fairly dealt with and that they are not going to be "bid-shopped," they will make honest bids, bids by means of which they can live up completely to the specifications, and still make a reasonable proft. When we provide for less than that, I feel that the contractors will have to "gyp" either the workmanship or the materials.

In the 82d Congress, a very voluminous bill was introduced. Frankly, some lobbyists have been using that bill ever since, as a weapon. But when we got them on the witness stand in the last session, to have them testify on this bill, we finally forced them to admit that they were talking about another bill, because this bill is based upon what is considered by all the responsible contracting agencies in private industry to be good business practice, and the practice they follow. In fact, some of them even call for a stricter practice.

The bill will permit the "little fellow" to operate. When I say "little fellow," I refer to contractors or subcontractors who are just beginning in the business. Of course, those who are just beginning will not be able to take $400,000 or $500,000 contracts, if they do not have sufficient personnel. But they begin with a small organization, and finally develop into a larger organization.

I well remember when, once, I was compelled to turn down a bid on a Government contract. The matter was thoroughly investigated by the United States Senate. The job was too big for one of the contractors; at that time he did not have sufficient experience or a staff of sufficient size or training. But he began to operate in the business, and finally he proceeded to do larger work, and today he is one of the big contractors in the Southwest. That situation exists all over the country.

If a general contractor is pinned down and questioned in detail about this matter, he will admit, frankly, that a majority of the general contractors have tried their best, through their association, to enforce a code of ethics similar to the one which would be enforced by this bill. Such a code is enforced by the private companies, but cannot now be enforced by the Government.

Witness after witness came upon the stand and said, "We will not bid on Government contracts because of these practices. If a bill like this is enacted, we will go ahead and give honest bids, and do our best."

What is involved may not seem important. But let us consider, for example, a $150,000 plumbing contract on a piece of Government construction. An honest estimate will cost the subcontractor at least $8,000, and perhaps as much as $12,000. If his bid is to be shopped, he will not make an estimate. He will merely make some cubical content guesses and submit them in the hope of obtaining the contract and later shopping around. The purpose of the bill is to prevent such practices. That is why I so gladly accepted the amendment of the Senator from Colorado [Mr. ALLOTT], because, while his amendment did not tighten the bill in any respect, the amendment provides for plenty of notice, so that no general contractor or subcontractor will be misled.

The PRESIDING OFFICER. The amendment offered by the Senator from Tennessee [Mr. GORE] is an amendment to a committee amendment which has already been agreed to. It is not in order under the rule, unless the committee amendment is reconsidered.

Is there objection to the reconsideration of the committee amendment on page 2, beginning in line 3? The Chair hears none; and the vote by which the committee amendment was agreed to is reconsidered.

The question now is on agreeing to the amendment offered by the Senator from Tennessee [Mr. GORE] to the committee amendment on page 2, beginning in line 3.

Mr. GORE. Mr. President, in response to the able junior Senator from West Virginia, let me say that I am aware that this kind of proposal has been before the Congress for 5 or 6 years. To my knowledge, it has not passed the Senate. It is my hope that it will not pass at this time.

I acknowledge that there is some justified complaint on the part of a subcontractor who has spent his money to arrive at an estimate for the performance of a certain part of a contract, whose estimate has been used by the prime contractor in making his bid and obtaining the award of the contract, and who then finds himself, as a subcontractor, in the position of being denied the opportunity to participate in the contract.

Let me say to the Senator from West Virginia that many prudent prime contractors ask more than one subcontractor to submit estimates. The bill does not require the prime contractor to list the names of the subcontractors who submitted the lowest responsible bids. In fact, the prime contractor may have asked more than two subcontractors to submit estimates.

It is then within the privilege of the prime contractor, under the terms of the bill, to list not only any one of the three, but any other subcontractor, whether the prime contractor has received a bid from such subcontractor or not.

The junior Senator from Tennessee is willing to vote for bills to provide all needed and legitimate protection for American citizens, but I submit that this is special interest legislation. This bill would provide special protection to the subcontractor who has been listed by the prime contractor, if the subcontractor is a subcontractor in the mechanical specialty field. If this be a good principle, then I see no justification for limiting it to mechanical specialty work. I think it is basically a bad principle.

As I have said, I acknowledge that there is some benefit from the listing of subcontractors from whom the prime contractor has received the lowest responsible bids. The bill does not provide for that. The amendment to the committee amendment which I have offered would provide such protection. It would not give to the listed subcontractor a vested interest, which, in the opinion of the junior Senator from Tennessee, the committee amendment would give to such listed subcontractor.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. KILGORE. There is no vested interest involved, because the later sections of the bill give the prime contractor the right, for good reason, to throw out the bid of the subcontractor. The prime contractor risks his bid on the basis of the total of the other bids; and if he is willing to assume such risk, the Government should also be willing to assume it. But the prime contractor should not be able to substitute a third-rate bidder for a first-rate bidder, by a later substitution, which he now can make, in the absence of legislation such as is proposed here. Under the present practice, the prime contractor does not list anyone. He merely says, "I will do the job." He

submits a bid, and then he "guesses" the other fellow out.

Mr. President, I shall not argue any further. I wish to have the record clear.

Mr. GORE. I join the Senator in that desire.

The Senator from West Virginia has said that the prime contractor may later substitute a different subcontractor from the one he has listed, but he has at least made a statement to the Government, if it is not a covenant, that he will contract with the listed subcontractor.

Mr. KILGORE. He has not made a covenant with the subcontractor. He has stated to the Government, "If I do this job, this subcontractor will be my subcontractor."

Mr. GORE. That is correct.

Mr. KILGORE. The Government relies upon that statement in accepting his bid as a responsible prime contractor. If he changes the subcontractor, certainly the agency which accepted the definition in the first instance should be able to have some control over who may be substituted.

Mr. GORE. Mr. President, that brings up another question. Section 2 (b) does not give to the Government any special right or power to approve or disapprove the listed subcontractor. Nor does it place any requirement whatsoever upon the prime contractor with respect to the selection of a subcontractor. Later, although the prime contractor may have said to the Government that he will contract with the specified subcontractor, he may wish to change. The Senator treats that question as though he could do it lightly.

With the amendment of the junior Senator from Colorado, the Government must not only approve the substitution, but it must approve the reasons for the substitution. I say that that would place an undue burden upon the Government. The Government would have to inquire into the validity of the reasons. The Government would also have to inquire into the competency or incompetency of the subcontractor who may be suggested.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. GORE. I shall be glad to yield in a moment.

Let me say to the Senator from West Virginia that there are thousands of subcontractors in the country who are qualified to do mechanical specialty work. So far as I know, the Government of the United States maintains no selected list of such subcontractors, and there is no blacklisting of the incompetents or the "gyps." There is no preferred list of the good ones. I do not know how the Government could pass upon the competency or incompetency of a subcontractor without acquiring some knowledge about him, or how it could pass upon the validity of the reasons submitted by the prime contractor for changing a subcontractor without making some inquiry along that line. I think that would involve an administrative burden which would be costly to the taxpayers.

Mr. KILGORE. I should like to bring the Senator back on the track for a moment. With respect to this point, the Senator stated that I suggested lightly a contractor could do something. Is it lightly, when a person must give a reason? I do not wish the Senator to misquote me.

Mr. GORE. I apologize to the Senator if I misquoted him.

Mr. KILGORE. I merely wish to explain my position. I do not want to be misquoted. I yield the floor.

Mr. GORE. I certainly had no intention of misquoting the Senator. I did not quote him as saying it lightly. I believe I said that the Senator treated it lightly. For whatever incorrectness there may have been, I apologize to the Senator.

I say the contractor could not make a substitution without the approval of the Government, both as to reasons and as to competency of the subcontractor. I make the point that that would be a costly burden upon the Government. Perhaps even more seriously, it would place the Government in a compromised position, when later it insisted upon performance of the contract by the prime contractor. If the work of the subcontractor who had been approved by the Government was faulty, the prime contractor, upon complaint to him by the Government, could very well say, and probably would say, "The Government must share this responsibility, because I submitted the name of this subcontractor to the Government, and the Government approved the selection and substitution of this subcontractor."

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. GORE. I yield.

Mr. HOLLAND. I had hoped that the Senators taking part in the debate would get down to a consideration of subsection (b) of section 4.

Mr. GORE. At what page in the bill is that section found?

Mr. HOLLAND. It is on page 6 of the bill.

It appears to me that the addition of subsection (b) of section 4 is in the nature of an afterthought and constitutes a sort of bear trap for a responsible prime contractor, in that it specifically provides that the acceptance of the bid or the awarding of the contract "shall not be construed to be approval or acceptance by the executive agency of the United States Government of any contractor named."

It appears to me that that means that if a prime contractor goes forth to get several bids on contract for, let us say, electrical work or for plumbing work or for air conditioning, and he takes the lowest of those bids and inserts the name of that lowest bidder in his bid as the one to whom he would award that particular subcontract, if his bid is accepted, without any reason required by the bill, the executive agency may say, "Yes; we have accepted your contract. It is the lowest contract, and we are glad to accept it. However, we are not going to permit you to use that particular subcontractor." No reason is required to be given. The bill merely provides that the acceptance of a bid or the awarding of a contract "shall not be construed to be approval or acceptance by the executive agency of the United States Government of any contractor named."

It seems to me that provision constitutes a very grave objection to the measure, because it leaves to the discretion—or perhaps the indiscretion—of the head of any executive agency to just about wreck the successful bidder for the prime contract, for any reason, whether substantial or imagined, which is acceptable to the head of that executive agency. That head of the agency need merely say, "We have not approved the subcontractor. Just because you inserted his name, does not mean that we have approved him. Just because you have relied upon his low bid, which may be materially lower than the bid submitted by others you have invited to bid, does not mean we have accepted him, and we are not going to accept him."

If for some reason, real or imagined, that subcontractor is not acceptable to the Government agency, the prime contractor, who accepted the low bid of that successful applicant for the subcontract finds himself suddenly without a subcontractor and with the necessity of getting another subcontractor, possibly at a much higher price, and almost certainly one at a higher price if in the first instance he selected the lowest bidder from among the applicants whom he had asked to bid on the subcontract.

Therefore, it seems to the Senator from Florida—and he is not trying to be captious about it, but is merely inquiring about the wording of the proposed act—that there is an invitation contained in that provision to wreck the large contractors by heads of agencies who, for one reason or another, may not like the large contractors who are successful, or may not like the subcontractor who, after having been successful, is assigned as the one who would handle a particular subcontract in the event the prime contractor gets the award.

I should like to ask the distinguished Senator from Tennessee his reaction to that portion of the measure to which I have referred. I may say that I shall be very glad to accede to be interrogated by the Senator from West Virginia——

Mr. KILGORE. The Senator has evidently not read the entire bill.

Mr. HOLLAND. The Senator from West Virginia is not the only Senator on the floor who is capable of reading. Neither is he the only one who tries conscientiously to get to the bottom of proposed legislation. It is very evident that this particular provision was added as an afterthought, and that it was not added by the introducers or the drafters of the bill. The Senator from Florida believes he is entirely within his rights to ask a very respectful question. He will gladly accede to be interrogated by the distinguished Senator from West Virginia if it is possible under the rules. The Senator from Florida has asked a question of the distinguished Senator from Tennesse in good humor, because in his opinion this provision is a major defect in the bill.

I should like to invite an answer from the distinguished Senator from Tennessee.

Mr. GORE. Mr. President, section 4 (b) of the bill, to which the Senator from

Florida has referred, and about which he inquiries, is a provision to which the junior Senator from Tennessee expects later to address some remarks and perhaps offer an amentment.

I agree with the interpretation of the senior Senator from Florida. I will go further and say that I believe the construction the Senator from Florida has placed on that subsection would apply equally to the substitution of a contractor, if for reason of inability, death, or other reason, a subcontractor listed by the prime contractor could not perform the subcontract. The prime contractor would be responsible to the Government because of the acceptance of the bid which he had submitted.

Mr. HOLLAND. To advert to the original question addressed to subsection (b) of section 4, does not the Senator from Tennessee believe that the portion of subsection (b) mentioned by the Senator from Florida in his question constitutes a fatal defect in the bill if it continues in the bill in its present form?

Mr. GORE. I do indeed. I shall gladly yield to the Senator from West Virginia now, if he desires me to do so.

Mr. HOLLAND. Mr. President, I ask unanimous consent that the Senator from Tennessee be allowed to yield to the Senator from West Virginia, in order that the Senator from West Virginia may address questions to the Senator from Florida, and that the Senator from Florida may be allowed to answer the questions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KILGORE. Mr. President, I think section 2 (b), page 2, clarifies the whole situation. The only thing a prime contractor has to do is to list his subcontractors on specialty work. He must list in connection with his bid the subcontractors who are going to do the electrical work, plumbing work, and so forth.

It is provided that if the subcontractor, after having bid and being notified of acceptance, finds that he cannot proceed with the work, the prime contractor can get another subcontractor. All he has to do is to submit in writing to the contracting agency the name of the substitute.

If, for any reason, the prime contractor changes his subcontractor, he must submit the matter, not for approval, but for permission for the change. Here is a subcontractor ready, willing, and able to perform. He has been checked by the Government agency. All of a sudden, without any fault of his own, he finds he cannot go forward with the contract. The contracting agency must be notified.

Mr. HOLLAND. Before the Senator goes further, I wish to say that I fully and completely agree with him in his analysis of the earlier section of the bill.

Mr. KILGORE. Because of the fact that it does not in any way include a guaranty by the Government of performance of a subcontractor, section 2 (b) was put into the bill. It is merely permissive, and it does not in any way put the Government in any privity of contract with the prime contractor or with subcontractors. It merely says, "If you want to change, we have no objection."

Mr. HOLLAND. Replying to the distinguished Senator from West Virginia, I can go with him part of the way, and I can go with him entirely in his construction of the early section of the bill; but in his construction of section 4 of the bill, I do not agree with him.

In the first place, section 4 does not say that the acceptance of the bid and the giving of the award to the prime contractor do not create a privity between the Government and the prime contractor. On the contrary, it would be like saying the Government was joking all the time and did not intend to let any contract.

Mr. KILGORE. I think the Senator has misquoted me. I said "privity between the Government and the subcontractor." There is no question about the privity of contract between the Government and the prime contractor.

Mr. HOLLAND. The Senator probably used the word inadvertently in his first statement.

If I am correct in my reading and analysis of the bill, section 4 refers entirely to relations between the Government and the subcontractor.

Subsection (a) of section 4 specifically provides, and properly so, that there is no privity of contract between the United States and the subcontractor; meaning that the subcontractor has no direct claim against the United States and has to look to the prime contractor. That is both good law and good commonsense.

Subsection (b) provides—and this is what I think is highly undesirable and unfair:

> Acceptance by an executive agency of a bid or statement of a prime contractor setting forth the name of a proposed contractor, or awarding a contract to such prime contractor after such acceptance shall not be construed to be approval or acceptance by the executive agency of the United States Government of any contractor named.

And so forth.

I have confined myself to the words which I have read because that is the matter to which I wish to address myself. It seems completely unfair that the Government should have the right to rely in every way upon the identity of the subcontractor and on the fact that he has bid on a reasonable basis, or he could not have been included in the bid of the prime contractor which has been selected as the lowest reasonable bid, and at the same time, or in the next breath, for the Government to say, "We are not bound at all. We do not have to accept this subcontractor who was listed in good faith, though we are accepting the principal bid and making the principal award upon the figures submitted, among others, by the subcontractor whose name is given."

To me, it seems to be an utterly unfair thing for the Government to be able to say, "Yes, we award the prime contract," and in the next breath to say that the Government is not bound to accept the subcontractors, or any of them, whose names were submitted by the prime contractor in his bid as being the ones with whom the prime contractor expected to deal.

That, to me, is simply a lack of reason, a lack of good, sound law, a lack of equity. The biggest objection I have to it is that it puts every person bidding with a Government agency to the knowledge before he bids that he is submitting himself to the whim and caprice of the head of the particular governmental agency, because that head may say, "I do not like this prime contractor. I am going to cut his throat by making him deal with more expensive subcontractors"; or, on the other hand, "I do not like this subcontractor or that one or that one," for one reason or another, not mentioned, but acceptable to the head of the agency. "Therefore, I am going to require that a substitution be made, regardless of the fact that the prime contractor now holding the award may not be at all able to duplicate the price upon which he has agreed to give the subcontract to the person whose name has been submitted."

That is not fair.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. MORSE. I find the argument made by the Senator from Florida to be very persuasive. Unless the committee can reconcile section 4 (b) with section 2 (b), I think section 4 (b) should be stricken from the bill. I should like to have the Senator from Florida follow my statement in this connection, to see if we are speaking from the same premises.

Section 2 (b), as I have defended section 2 (b) earlier in the debate this afternoon, is a section which requires a prime contractor to submit to the contracting agency; that is, the Government department, the names of the subcontractors with whom he proposes to contract. He says, in effect, to the Government agency: "I have X, Y, and Z as subcontractors with whom I intend to contract, if you allow me to make the contract based on the figure I now offer."

It seems to me it is at that point that the Government should raise any objection it might have to X, Y, or Z. The Government should not say to the prime contractor, "All right. We will accept your offer of a contract," and lull the prime contractor into an acceptance of that contract with the Government, thus binding him to all the legal implications which go along with the acceptance of the contract, and then later say to him, under section 4 (b), "But now we are not going to accept subcontractor X. We are not going to let you do this work through X."

The prime contractor could then say, "I told you about X the day I offered the contract, and you did not then raise any objection to X. You accepted my offer on the basis of my promise that I intended to enter into a contract with X."

What we shall be doing for the prime contractor in that situation is to buy a lawsuit for him with X, because I can well imagine that X will try to enter into contractual arrangements with the prime contractor which will be binding if he gets a contract from the contracting agency of the Government.

For the life of me, in the present status of the debate, I do not see what section 4

(b) adds to the bill. It was not in the bill which the original authors submitted. I do not see what it adds to the bill. I think it should be stricken in its entirety, because I do not believe it is at all necessary for the protection of the Government. Certainly it does not protect the subcontractors whom we seek to protect under section 2 (b).

As the Senator from Florida has said, I think section 4 (b) is some kind of boobytrap for the prime contractors, although I hasten to add that it was not intended as such by the committee. But in the present status of the debate, I submit that section 4 (b) is not at all necessary and should be stricken.

Mr. HOLLAND. I thoroughly agree with the conclusions of the Senator from Oregon as to the meaning of subsection (b), and likewise with his recital of what he understands to be the meaning of the earlier section to which he adverted.

It seems to me that this section, if it is allowed to remain in the bill, will submit the whole relationship to the caprice, the bad motive, the indiscretion, or the lack of judgment on the part of the head of a contracting agency to do either of two things, and maybe both of them: Either to crucify a subcontractor or a group of subcontractors; or, by so doing, to crucify a prime contractor. The result, of course, will be to deprive the Government of reasonable bids made by fair men who can do a good job. There simply is no doubt about that.

Mr. GORE. Mr. President, the remarks of the able senior Senator from Florida lead me again to assert my serious doubt that the Government should inject itself into relationships between a prime contractor and the subcontractors thereof. If the Government will confine itself to the awarding of contracts to the lowest responsible bidders, and will then hold the successful bidders rigidly to the performance of the contracts, the public interest will be protected.

I repeat: This is specialty legislation and should not be passed; but if it is to be passed, I ask the Senate to adopt my amendment, which is at the desk.

The PRESIDING OFFICER (Mr. THURMOND in the chair). The question is upon agreeing to the amendment offered by the junior Senator from Tennessee [Mr. GORE] to the committee amendment.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. THURMOND in the chair). Without objection, it is so ordered.

The question is on agreeing to the amendment of the junior Senator from Tennessee to the committee amendment.

Mr. MONRONEY. Mr. President, I ask that the amendment be stated again.

The PRESIDING OFFICER. The amendment to the committee amendment will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 2, beginning on line 3, to strike out the words "with whom the prime contractor will contract" and insert in lieu thereof the words "from which the prime contractor has received the lowest responsible bid."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment on page 2, beginning on line 2.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The question now is, Shall the bill pass?

Mr. MORSE. Mr. President, I call attention to section 4 (b) on page 6 of the bill. I should like to ask the chairman of the committee to explain to me his reconciliation of section 4 (b) with section 2 (b) of the bill.

It seems to me, unless I am missing some point in the history of the bill, that section 4 (b) in part defeats what is sought to be accomplished by section 2 (b). Under section 2 (b), we seek to require the prime contractor to offer his price to the contracting agency on the basis of his statement that the work that is to be subcontracted will be performed by certain subcontractors. In other words, he promises in effect that he is going to contract with them.

And in section 4 (b) we place the Government in a position where it can say, "but you can't use those subcontractors" after the contract has already been let on the basis of the representation that there would be certain subcontractors.

Mr. KILGORE. As the Senator well knows, the original language of section 4 (b) was:

> Neither acceptance by an executive agency of a bid or statement of a prime contractor setting forth the name of a proposed contractor or awarding a contract to such prime contractor after such acceptance shall be construed to be approval or acceptance by the executive agency of the United States Government of any contractor named.

At the urgent insistence of government agencies, new language was put in the bill by the committee, which it was stated would clarify the provision in accord with their view. That language was:

> (b) Acceptance by an executive agency of a bid or statement of a prime contractor setting forth the name of a proposed contractor, or awarding a contract to such prime contractor after such acceptance, or permitting or denying the substitution of a contractor in accordance with the provisions of section 2 (g), shall not be construed to be approval or acceptance by the executive agency of the United States Government of any contractor named or substituted, or to relieve the prime contractor of any responsibility for performance of the contract.

Even though the Government could approve a substitute contractor proposed by the prime, it was desired that there be no privity of contract between the subcontractor and the United States Government. The contract would be only between the prime contractor and the subcontractor. That was the sole purpose of the provision, and to further protect the interest of the Government from any possible suits by anyone claiming that the Government should be liable because it permitted a substitution. That is the purpose of this section, to give greater protection to the Government.

Mr. MORSE. I respectfully submit that unless I am missing the point that purpose is covered in section 4 (a), and section 4 (b) is not needed.

Section 4 (a) reads:

> Neither this act nor compliance with the provisions thereof shall be construed to create any privity of contract between the United States Government, or any agency thereof, and any contractor, contracting with the prime contractor under any construction contract, or give any such contractor any cause of action against the United States or any agency thereof arising out of the failure of any person to comply with the provisions of this act.

What more is needed?

Mr. KILGORE. I may say that the committee felt, as did the legal departments of all the agencies, that this additional language was needed. Additional elements were involved, in which the word "acceptance" had been used, such as "acceptance of a subcontractor," and matters of that kind. It was felt that the language in section 4 (b) would cure all the problems anticipated. That was the real purpose of the language.

Mr. MORSE. Mr. President, is the bill still open to amendment? I desire to offer an amendment.

The PRESIDING OFFICER. The Chair announced that the bill has been read the third time. Therefore, unanimous consent will be required, in order to submit an amendment at this time.

Mr. MORSE. Mr. President, I request unanimous consent for that purpose.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

Mr. KNOWLAND. Mr. President, will the Senator from Oregon state what amendment he intends to submit?

Mr. MORSE. Yes; I desire to move to strike out section 4 (b) of the bill, as now amended.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

Mr. KILGORE. Mr. President, I should like to ask a question.

Mr. MORSE. Certainly.

Mr. KILGORE. Would the Senator's amendment strike out the part of the bill which was stricken by the committee amendment, and also the committee amendment itself?

Mr. MORSE. Yes; for I do not think either part is needed. I think the Government is protected by section 4 (a) of the bill; I believe that is all that is needed to protect the Government.

I repeat that the difficulty with section 4 (b) is that it cannot be reconciled,

in my opinion, with the theory and purpose of the bill, namely, to protect subcontractors from the few prime contractors who "shop around."

However, having that purpose, the bill as it now stands would require the prime contractors to submit their bids on the basis of bids from certain subcontractors. I think what I propose will require a little more administrative work, but certainly it is proper to require that to be done. I do not think we should require a prime contractor to go to all the work of negotiating with subcontractors and to submit his bid on the basis of the bids of the subcontractors, and then, under section 4 (b), put the Government in such a position that it could say, "But, after all, we will not recognize these subcontractors."

The PRESIDING OFFICER. Is there objection to the amendment of the Senator from Oregon?

Mr. KNOWLAND. Mr. President, first, the question should be whether there is objection to the request of the Senator from Oregon for unanimous consent to submit an amendment at this time, in view of the fact that the bill has already been read the third time.

I am perfectly willing to extend the Senator from Oregon the courtesy of not raising a point of order against the amendment because of the fact that the bill has been read the third time. After all, it perhaps may be that, because of the confusion which then existed in the Chamber, the Senator from Oregon did not hear the announcement regarding the third reading of the bill.

Mr. MORSE. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. MORSE. I should like to state how I got into this parliamentary situation. A while ago the Senator from Florida submitted an argument regarding section 4 (b). I believed his point of view to be correct. After all, I am always willing to change an opinion I have previously held, when I believe that in the previous instance I was wrong. I do not believe that the proponents of the bill have answered the argument of the Senator from Florida. I do not believe that section 4 (b) is necessary as a part of the bill, and I think it will create an irreconcilability with the purposes of section 2 (b).

For that reason, I was waiting for the Senator from Florida to offer an amendment. I asked him—as he will say, I am sure—"Are you going to offer the amendment?"

I think he will permit me to state that he advised me that he was opposed to the bill in other respects, and was going to vote against the bill.

At that time the third reading of the bill was announced, and I then found myself in the position of being unable to offer an amendment without obtaining unanimous consent for that purpose.

I still think the Senator from Florida is correct, and I think we should amend the bill by striking out section 4 (b).

Mr. KNOWLAND. Mr. President, I shall not object to the request of the Senator from Oregon for permission to offer an amendment; I merely made the point that first it will be necessary for unanimous consent to be obtained for that purpose, after which the question will be on agreeing to the amendment of the Senator from Oregon.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Oregon?

Mr. GORE. Mr. President, reserving the right to object, let me say I shall not object to the request of the Senator from Oregon for unanimous consent to submit his amendment, for I wish the Senate to have full opportunity to work its will on the bill. But I submit that this situation is further evidence of inadequate consideration of the bill, and is, I submit, further evidence that the Senate should not at this time pass the bill.

Having made that statement, Mr. President, I withdraw any opposition to the request of the Senator from Oregon.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Oregon that he be permitted to submit an amendment at this time? The Chair hears none, and it is so ordered.

Mr. MORSE. Then, Mr. President, I submit my amendment, namely, on page 6, to strike out all the language of section 4 (b), beginning in line 20, and extending down to and through line 3 on page 7; and also, on page 7, in line 4, to strike out "(c)", and to insert in lieu thereof "(b)."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

The amendment was agreed to.

Mr. KILGORE subsequently said: Mr. President, I ask unanimous consent to have printed in the body of the RECORD, just before the vote on the bill, a letter on this measure from William Stanley Parker.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BOSTON, MASS., *July 7, 1955.*

Hon. HARLEY M. KILGORE,
United States Senate,
Washington, D. C.

DEAR SENATOR KILGORE: I am glad to learn that the Senate Judiciary Committee has reported S. 1644, about which I have previously written you.

I enclose some comments on the statements from the Atomic Energy Commission, the General Services Administration, and the Department of the Army, which seem to me extremely weak and beside the point.

The real trouble lies in the unsound legalistic attitude taken by the Government in refusing to consider the importance of the subcontractors doing the actual work on the plea that they look to the prime contractor and no one else for performance.

Until this attitude is changed the Federal Government will continue to be the principal factor tending to foster unsound and unethical practices in the construction industry.

Very truly yours,
WILLIAM STANLEY PARKER.

COMMENTS ON S. 1644 BY WILLIAM STANLEY PARKER, F. A. I. A., CONSULTANT ON CONTRACT PROCEDURE TO THE AMERICAN INSTITUTE OF ARCHITECTS, JULY 7, 1955

THE AMERICAN INSTITUTE OF ARCHITECTS,
Washington, D. C.

The Senate Judiciary Committee has reported, with a few very minor amendments, S. 1644, to prescribe policy and procedure in connection with construction contracts made by executive agencies and for other purposes. With the bill it filed a report to which it appended copies of statements in opposition from the Atomic Energy Commission, the General Services Administration, and the Department of the Army.

I desire to comment as follows on the various specific arguments cited in those three statements:

(1) May increase the duties involved in the administration of construction contracts. The Atomic Energy Commission does not assert that it will; if the anticipated benefits to the Government accrue, a speculative possible increase in administration is unimportant.

(2) If mechanical specialty subcontractors are so treated, other trades may request similar treatment. No evidence of such action is known to exist in States where similar listing is used. In Massachusetts, which goes much further in its bidding procedure, requiring naming of the amounts as well as the subbidders, a 1954 amendment extended the list to include other major subtrades.

(3) The Government would seem to be assuming responsibility for performance by a subcontractor it approved. It is clearly stated in section 4 (b) that no such responsibility is being assumed. It is a commonplace in the construction industry that no responsibility for performance is created by approval or acceptance of a subbidder by the architect or owner.

These appear to be the only reasons given by the Atomic Energy Commission for opposing the bill and seem to be of no importance.

(4) The General Services Administration states it has not encountered positive evidence of bid shopping in connection with its contracts. The basic policy of the Government is to refuse to consider the existence of anyone but the prime general contractor. Since it refuses to recognize subcontractors as important elements in the industry, doubtless it is not in a position to encounter positive evidence of how they handle their relations with general contractors. However, it further states that the bill fails to provide any procedure to eliminate the practice of bid shopping as between subcontractors and their subsubcontractors, materialmen, and suppliers. The General Services Administration, therefore, does indicate it is not wholly unaware of the problem the bill is dealing with.

(5) The Secretary of the Army states that the prime contractor should be solely responsible for selection of his subcontractors and cites as a reason the trouble that has been experienced where specialty phases have been let under separate contracts. There is no parallel in such situations. Single top control by the prime contractor is in no way violated by proper selection and approval of his subcontractors. Thousands of architects know this as a fact in the daily practice of their profession.

The Secretary also cites the objections noted by the Atomic Energy Commission, already referred to as of no importance.

(6) The Secretary of the Army finally states that bid-shopping is a matter to be cleaned up by the construction industry. The industry is, with agriculture, one of the two largest industries in the country. It is impossible for such a farflung industry, with no element possible of complete organization, to control all its members without the cooperation of the Federal Government. It is evidence of the constructive desire of the industry to eliminate abuses that the specialty contractors have for years been recommending action in this matter by the Congress.

The Federal Government is the single most important factor in the development of bid-shopping and the practice, in the field of public works, cannot possibly be stopped without the participation of Congress which alone can create sound policies in the han-

dling of contracts on its public works. It is naive buck-passing for a Government department to say the industry should correct this problem.

The Secretary of the Army states the root of the trouble when he states "The Government has always taken the position that it should look only to the general contractor for performance." That is true, and that is the cause of the whole difficulty S. 1644 is dealing with. To say the Government is interested in "performance" but is not interested in the subcontractors that provide 75 to 80 percent of the work seems to me absurd. It is based upon a legalistic attitude toward responsibility rather than upon sound engineering and architectural knowledge of the only valid basis for judging responsibility in a complex industry, the technical know-how and the financial soundness of the contractors and their mechanics who do the actual work.

The PRESIDING OFFICER. The bill previously having been read the third time, the question now is, Shall the bill pass?

The bill was passed.

Senate bill 1644, as passed, is as follows:

Be it enacted, etc., That this act may be cited as the "Federal Construction Contract Act of 1955."

SEC. 2. (a) Each executive agency shall list in the bidding or contract documents relating to each lump-sum construction contract before accepting bids or proposals with respect thereto, each major category of mechanical specialty work involved in the performance thereof.

(b) No executive agency shall award to, or enter into a lump-sum construction contract with, any prime contractor unless the name of the contractor with whom the prime contractor will contract for the performance of each major category of mechanical specialty work involved which may have been listed by the contracting executive agency in the bidding or contract documents, has been specified by the prime contractor in the bid or proposal upon which the contract is awarded or made.

(c) This section shall not prevent any prime contractor from himself performing any major category of mechanical specialty work under a lump-sum construction contract awarded to or undertaken by him if the bid or proposal referred to in subsection (b) of this section specifies that the prime contractor will himself perform such category of the mechanical specialty work.

(d) This section shall not be construed to forbid or prevent any executive agency from awarding separate or several prime or direct lump-sum construction contracts for any one construction project.

(e) No prime contractor under a lump-sum construction contract shall have any major category of mechanical specialty work involved in the performance of such construction contract as listed by the contracting executive agency in the bidding or contract documents, performed by any person other than the person named for the performance of such work in accordance with subsection (b) or (c) of this section, except in accordance with the provisions of subsection (f) or (g) of this section.

(f) If a contractor named by the prime contractor under a lump-sum construction contract in accordance with subsection (b) of this section shall fail or refuse to perform or complete the work to be performed by him in accordance with the terms of his subbid or subcontract therefor, the prime contractor may engage a substitute or different contractor to perform such work: *Provided*, That he first submits in writing to the contracting executive agency the name of the substitute contractor.

(g) If, for any reason as determined necessary by the respective contracting agencies and not specified in subsection (f), a prime contractor under a lump-sum construction contract prefers to have any major category of mechanical specialty work on the project covered by such construction contract as to which he has named a contractor under subsection (b) hereof performed by a contractor other than the one named in accordance with said subsection (b), the prime contractor may engage such substitute contractor if (1) the prime contractor submits to the contracting executive agency in writing the name of the substitute contractor and such information as the contracting executive agency may request as to any change in cost to the prime contractor involved in the proposed change in contractors; and (2) the use of such substitute contractor is permitted in writing by the contracting executive agency.

(h) This act shall not apply to the following construction contracts:

(1) Contracts to be performed outside the continental limits of the United States, which limits shall be deemed to include Alaska.

(2) Contracts in which the aggregate bid or proposal accepted by the contracting executive agency does not exceed $100,000.

(3) Any contract with specific reference to which the head of the contracting executive agency determines that the procedure prescribed herein would result in undue delay and that the public exigency will not admit of such delay.

SEC. 3. For the purposes of this act—

(1) The term "executive agency" means any executive department or independent establishment in the executive branch of the Government, including any wholly owned Government corporation.

(2) The term "construction contract" means any contract entered into by any executive agency for the erection, repair, moving, remodeling, modification, or alteration of any building or structure upon real estate intended for shelter or comfort, or for production, processing or travel, including without being limited to, buildings, bridges, tunnels, and highways, but not including aqueducts, reservoirs, dams, irrigation, and regional water supply projects, flood control projects, water power development projects, jetties and breakwaters or the buildings or structures incident to or included in the contract for such excluded projects.

(3) The term "mechanical specialty work" in connection with a construction contract means all plumbing, heating, piping, air-conditioning, refrigerating, ventilating, and electrical work, including but not being limited to the furnishing and installation of sewer, drainage and water supply piping and plumbing, heating, piping, air-conditioning, refrigerating, ventilating, and electrical materials, equipment, and fixtures.

(4) The term "prime contractor" means a person having a direct contractual relationship with an executive agency for the performance of a construction contract.

(5) The term "person" means an individual, corporation, partnership, association, or other organized group of persons. All references to contractor or prime contractor shall include individuals, corporations, partnerships, associations, or other organized groups of persons who are contractors or prime contractors.

(6) The terms "lump-sum contract" and "lump-sum construction contract" mean a construction contract, whether awarded after bid or negotiated, under which the price is fixed or to be fixed by any method other than the cost-plus-a-fixed-fee method.

SEC. 4. (a) Neither this act nor compliance with the provisions thereof shall be construed to create any privity of contract between the United States Government, or any agency thereof, and any contractor, contracting with the prime contractor under any construction contract, or give any such contractor any cause of action against the United States or any agency thereof arising out of the failure of any person to comply with the provisions of this act.

(b) Nothing in this act contained shall be construed to prevent any executive agency from requiring, in its discretion, approval or acceptance by it of contractors engaged or to be engaged by any prime contractor on a construction contract or from making any other requirements it deems advisable in its discretion with respect to contractors engaged or to be engaged by prime contractors on any construction contract or from requiring any information it deems advisable in its discretion as to the cost of performance of any construction contract.

LEAVE OF ABSENCE

Mr. MILLIKIN. Mr. President, I ask unanimous consent that I may be excused from further attendance on the Senate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 667. An act to exempt meetings of associations of professional hairdressers or cosmetologists from certain provisions of the acts of June 7, 1938 (52 Stat. 611), and July 1, 1902 (32 Stat. 622), as amended;

S. 1741. An act to exempt from taxation certain property of the Jewish War Veterans, U. S. A. National Memorial, Inc., in the District of Columbia;

S. 2176. An act to repeal the requirement that public utilities engaged in the manufacture and sale of electricity in the District of Columbia must submit annual reports to Congress;

S. 2177. An act to repeal the prohibition against the declaration of stock dividends by public utilities operating in the District of Columbia;

S. 2427. An act to provide for the payment of compensation to officers and members of the Metropolitan Police force, the United States Park Police force, the White House Police force, and the Fire Department of the District of Columbia, for duty performed on their days off, when such days off are suspended during an emergency;

S. 2428. An act to increase the salaries of officers and members of the Metropolitan Police force, and the Fire Department of the District of Columbia, the United States Park Police, and the White House Police, and for other purposes; and

S. 2592. An act to increase the mileage allowance of United States marshals and their deputies from 7 cents per mile to 10 cents per mile.

CHINESE STUDENTS AND SCHOLARS IN THE UNITED STATES

Mr. SPARKMAN. Mr. President, almost 2 months ago, on June 3, there appeared in the New York Times an article entitled "United States Is Criticized on China Students." The article was written by the distinguished former Times correspondent, Harrison Salisbury.

His was a disturbing report. Asserting that "a number of Chinese students and scholars are being returned to

their homeland from the United States under conditions that are said to threaten to impair their pro-American sympathy," Mr. Salisbury cited several cases of alleged injustices which had been brought to his attention.

Believing, as I do, that except for selective detention during time of war, the prevention of personal movement, or the compulsion of such movement under harsh conditions, is contrary to our American practices, I wrote to the Secretary of State about the issues raised in the article.

Recently, I had a reply from the Commissioner of the Immigration and Naturalization Service, to whom the matter had been referred by the Department of State. Although I am not satisfied, on the basis of his letter, that the Immigration Service has, in the past, altogether tempered justice with mercy in its handling of the Chinese students and educators, or even that it has correctly interpreted its mandate under the law, I am pleased to learn from Commissioner Swing that efforts are finally being made to avoid making enemies of those who need the sustaining strength of our friendship, and who may very well prove to be friends to our cause.

I ask unanimous consent, Mr. President, that the Salisbury article and my subsequent correspondence may be inserted in the RECORD at the conclusion of my remarks.

There being no objection, the article and correspondence were ordered to be printed in the RECORD, as follows:

UNITED STATES IS CRITICIZED ON CHINA STUDENTS—EDUCATORS SAY STEPS IN CASES INVOLVING RETURNS MAKE FRIENDS INTO ENEMIES

(By Harrison E. Salisbury)

A number of Chinese students and scholars are being returned to their homeland from the United States under conditions that are said to threaten to impair their pro-American sympathy.

The number of Chinese involved is believed to be 125 to 150. Among them are 70 or more Chinese whose departure for mainland China was long prevented by orders of the United States Immigration Service.

The detainers on the 70 were lifted in April, a move that coincided with efforts to obtain the release of United States personnel from Communist China.

Facts about the situation are hard to obtain.

The Chinese themselves are reluctant to talk. Many will talk only under a pledge of secrecy. Many are afraid of what may happen when they get to Communist China.

Some are afraid of reprisals from sympathizers of Generalissimo Chiang Kai-shek, leader of Nationalist China, in this country. And not a few are worried about what they term coercive treatment by United States Immigration authorities.

A spokesman for Edward I. Shaughnessy, New York Director of Immigration, denied most of the contentions of the Chinese, educators and others familiar with their cases.

The spokesman said the Immigration Service had "no knowledge" of any hardship cases among the Chinese and said there had been "no trouble" over their return to mainland China. He conceded that the Chinese had been informed that they faced arrest and deportation if they did not leave the country, but said "they are treated just like we treat any other students—no better, no worse, no different."

A number of educators, including foreign student advisers in several large universities, however, are concerned by the treatment of the Chinese. They report that in some cases Chinese students, scholars and scientists have been turned from sympathizers of the United States to harsh critics by the procedures of immigration authorities.

J. M. Swing, a former lieutenant general and commander of the Sixth Army who now heads the Immigration Service, said in Washington yesterday that immigration authorities had no intention of working any hardship on the Chinese.

Mr. Swing promised to look into the situation immediately and correct any injustices that might have occurred. He said that considerable latitude had been given to regional immigration offices in handling the return of the Chinese.

One person familiar with a number of the cases, who did not want to be identified, said: "We are driving highly qualified, intelligent people straight into the arms of communism. I have had Chinese tell me 'If this is democracy we don't want any part of it'."

Most of the Chinese who are now being returned to their homeland came to this country about 1948. They were mostly numbered among the 3,636 Chinese who were financed and aided under the State Department's special China students' aid program.

SOME SOUGHT TO STAY

As of this spring, about 2,900 of these students remained in this country, according to the estimate of Francis J. Colligan, Director of the State Department's International Educational Exchange Service.

About 750 students were estimated to have returned to the Far East, some to Formosa, some to mainland China, and a few to other lands.

Of the remaining students, some were still working for advanced degrees. Many had completed their educational work. Substantial numbers applied for permission to stay in the United States permanently.

Some, however, desired to return to China. A handful actually did return, but most were barred by detainer orders that the Immigration Service issued after the entry of Communist Chinese forces in the Korean war in 1950. This prevented most Chinese in the scientific, engineering, or technical fields from going back to China.

Exactly how many Chinese were placed under detainers is not known. Immigration officials in Washington said yesterday that the State Department had barred disclosure of the number detained, the number of detainers lifted, and the number thus far returned to mainland China. A State Department spokesman, however, said he had no knowledge of such instructions.

The procedure followed after the detainers were lifted against such Chinese last April is the target of the educators' criticism.

An example is cited by Prof. Francis Ryan of the Columbia University department of zoology. It concerns a Chinese student who came to the United States in 1947 and obtained his doctor of philosophy degree in biology in 1951. He then sought to return to China, being the only son of an aged mother to whom he felt he owed assistance.

He was detained, however, until April 5, 1955, when he was advised by the Immigration Service that he might now leave if he desired.

With the passage of years the student was less eager to return to Communist China and decided to seek a visa for Israel. However, on April 13 he received a second letter from the Immigration Service instructing him that if he had not left the United States by April 28 he would be deported.

He found that it would take at least 4 weeks to get a visa for Israel or a transit visa through Hong Kong and at least as long to obtain steamer passage. Despite representations of university authorities he was arrested on a deportation warrant on the grounds that his student visa had expired in 1951 when he obtained his doctor of philosophy degree, although it was the Immigration Service that had prevented him from leaving since 1951. He was held for hearing on $1,000 bond.

While he was awaiting a hearing a transit visa came through for Hong Kong and the student left for Communist China in a state of confusion, anger, and bewilderment. A letter from the university foreign student adviser to Mr. Swing, asking for consideration of the student's case, is still unacknowledged.

Columbia authorities said that the Immigration Service had hinted that there was some suspicion of subversion about the student, but offered no explanation of any connection between such suspicions and the seemingly arbitrary manner in which the case had been handled.

Another case involves a Chinese who obtained an engineering degree several years ago from a Midwestern university and since has worked in a large city near New York. He had wanted to return to China for family reasons for several years.

In April he got word that his detainer had been removed and that he must be out of the country within 4 weeks or face arrest and deportation.

In his first disturbed reaction he told friends he hoped "I get back to China in time to help take over Hong Kong."

Another Chinese has been studying aeronautical engineering at an eastern college. He is to receive his doctor of philosophy degree in September. But in April the Immigration Service advised him that the detainer on his departure had been lifted and he had to leave by May 12.

Despite the efforts of university authorities, the Service refused a stay and he was brought in on a deportation order and released on a $1,000 bond.

Immigration representatives hinted to university authorities that there was derogatory information in the student's record. But, as the faculty adviser told the Immigration Service:

"This man has been permitted to stay in the United States for more than 4 years. Even if he is an out-and-out Communist, wouldn't it be better to let him stay another 4 months and go home feeling grateful and friendly to us than to deliberately drive him into bitterness and anger?"

Mr. Swing said that the Immigration Service had not enforced any uniform time limit for the departure of Chinese and had given the regional immigration offices discretion on this point.

His statement was borne out by the experience of some other Chinese students in the New York City area. Several said they had had no difficulty in getting extensions and had not been threatened with deportation.

However, not all the Chinese currently in difficulty with the immigration authorities are students whose detainer has been lifted.

One academic adviser in the New York City area said it appeared that many Chinese students and scholars who had not applied for displaced-persons status or had not in some way indicated their desire to stay in the United States permanently were now being ordered by the Immigration Service to leave the country.

This adviser said action appeared to be concentrated against Chinese who at one time or another had made statements derogatory to General Chiang or that might be construed as noncommital toward the Chinese Communists.

POLITICAL FACTOR SEEN

A social worker who has been working for several years with the Chinese students said it was his impression that almost any Chinese student who had sometime in the past

indicated a liberal attitude was now being called in for questioning by the Immigration Service. He said the immigration authorities had told him "Congressmen are insisting on such action."

From another social worker comes, perhaps, the strangest case of all.

A young Chinese couple in New York have two children, a boy and a girl. The father is a history graduate and the wife a teacher. They have applied for permanent status, and it appears this will be granted.

But the Immigration Service has just notified them that their 7-year-old girl, born in Australia, is in the United States illegally and is subject to deportation. They have just posted $500 bond, pending a hearing, as warranty that the child will not attempt to violate the immigration statutes.

JUNE 17, 1955.

The Honorable JOHN FOSTER DULLES,
The Secretary of State,
Washington, D. C.

DEAR MR. SECRETARY: The New York Times of June 3, 1955, carried quite an article on the case of Chinese students in this country under the heading "United States Is Criticized on China Students."

I have tried to keep up with this matter, but in view of the article in the New York Times and the various statements made in it, I should like very much to be brought up to date. I am therefore asking the following questions:

1. How many, if any, Chinese students, educators, scholars, or scientists are currently being detained in the United States?

2. Were those who in April of this year were allowed to leave the United States permitted to do so as and when they saw fit?

3. Were any required to leave? If so, under what conditions?

4. Have any who have applied for permanent residence in the United States, or a visa to another country, been compelled to return to China under threat of deportation?

5. Have any Chinese students, teachers, scholars, or scientists been arrested on a deportation warrant? If so, what disposition has been made of their cases?

6. What are the criteria under which such persons as were detained are threatened with deportation?

7. Has any time limit been set on departure of Chinese who want to return to China, but who have been detained, until recently, from doing so?

8. Are Chinese who have not been detained, but who also have not applied for permanent residence in the United States, being compelled to leave this country under threat of deportation?

9. Is criticism of Chiang Kai-shek, a noncommittal attitude toward the Chinese Communists, or a liberal attitude considered grounds for deportation of Chinese?

10. Is the treatment being accorded these Chinese, no matter what their political philosophy may be, consonant with our beliefs about the freedom of the person?

Your advice on these matters will be appreciated.

With best wishes and kindest personal regards, I am

Sincerely,

JOHN SPARKMAN,
United States Senator.

UNITED STATES DEPARTMENT OF JUSTICE,
IMMIGRATION AND NATURALIZATION SERVICE,
July 14, 1955.

Hon. JOHN SPARKMAN,
United States Senate,
Washington, D. C.

DEAR SENATOR SPARKMAN: Your communication of June 17, 1955, addressed to the Secretary of State, concerning Chinese nonimmigrants has been referred to me for reply.

I am enclosing a copy of my response to the article which appeared in the New York Times on June 3, 1955, to which you referred in your letter under acknowledgment. You will note from the enclosed reply that no Chinese student who has expressed a desire to return to his home on the Chinese mainland is now prevented from departing from the United States and that no bona fide Chinese student in the United States will be prevented from completing his educational program.

I am equally anxious to avoid the impression being created that all Chinese in the United States will be permitted to remain here for permanent or indefinite residence, regardless of their violations of the immigration laws.

Public Law 535, 81st Congress, title 2, section 202, cited as the "China Area Aid Act of 1950," with which you are no doubt familiar, provides in part as follows:

"*Provided further,* That not more than $6 million of such funds (excluding the amounts mentioned in the foregoing provisos) shall be available for allocation to the Secretary of State, to remain available until expended, under such regulations as the Secretary of State may prescribe, using private agencies to the maximum extent practicable, for necessary expenses of tuition, subsistence, transportation, and emergency medical care for selected citizens of China for study or teaching in accredited colleges, universities, or other educational institutions in the United States approved by the Secretary of State for the purposes, or for research and related academic and technical activities in the United States, and the Attorney General is hereby authorized and directed to promulgate regulations providing that such selected citizens of China who have been admitted for the purpose of study in the United States, shall be granted permission to accept employment upon application filed with the Commissioner of Immigration and Naturalization."

This legislation has been given full effect by the Immigration and Naturalization Service and nonimmigrants admitted under its provisions and still engaged in study in accordance with its terms have been given blanket permission to accept employment in this country without the necessity of making individual applications. This blanket permission to accept employment, necessary for their maintenance while in the United States, has been extended administratively by this Service to cover all students of Chinese extraction and not merely those within the purview of the China Area Aid Act.

The Immigration and Nationality Act passed subsequent to the China Area Aid Act requires all students and other temporary visitors in this country to maintain a residence in a foreign country which they have no intention of abandoning and to evidence that fact in part by the possession of a passport, authorizing the bearer to return to his home country or some other country, valid for a period of 6 months beyond the expiration date of original admission or any extension thereof. Many Chinese aliens are presently unable to meet this requirement and others have established their intention to abandon their foreign residences by filing applications for permanent residence in the United States, thus placing them in a technically illegal status.

With respect to those Chinese aliens who are continuing in their original purposes of acquiring an education in this country, but who have fallen into the illegal status outlined above, formal administrative procedures looking to their expulsion from this country will not be initiated. Instead, they will be granted the privilege of voluntary departure for the period that they remain in school and 30 days after their termination of school enrollment.

The statutes do not give the Attorney General (or the Commissioner to whom the Attorney General's authority has been delegated by regulation) the power to withhold the institution of deportation proceedings indefinitely. It does give him the authority to stay deportation in section 243 (h), which reads as follows:

"The Attorney General is authorized to withhold deportation of any alien within the United States to any country in which in his opinion the alien would be subject to physical persecution and for such period of time as he deems to be necessary for such reason."

Additionally, the statute provides that a hearing before a special-inquiry officer of this Service shall be the sole and exclusive procedure for determining the deportability of an alien. Consequently, the stays of deportation on the ground of physical persecution can only be granted after the alien has been found to be deportable. To enable this finding to be made, it will be necessary for the Service to carry out its mandate under the general immigration laws and to serve notice on such aliens to show cause why they are not subject to deportation. Such notices will not be served on any student still maintaining his educational pursuits or upon any alien whose application for relief under the Refugee Relief Act has not been finally determined.

Before notice is served in the balance of these cases, an informal interview will be arranged with the individual Chinese concerned by local immigration officials and the reasons behind the action being taken and the possibility of adjustment or stays thoroughly canvassed.

The foregoing will bring you up to date on our handling of Chinese nonimmigrants generally. Your specific questions are answered as follows:

1. No Chinese student, educator, scholar, or scientist who is currently requesting permission to leave the United States is being prevented from departing.

2. Any alien maintaining a lawful student or other nonimmigrant status was permitted to depart as and when he saw fit. Aliens who were in an illegal status were given an initial period of 30 days within which to depart voluntarily, subject to reasonable extensions upon request.

3. A very small number whose continued presence in the United States was deemed prejudicial to the safety or security of the United States was required to leave.

4–8. The immigration law is applied with respect to Chinese aliens in precisely the same manner as it is applied to all other aliens. Those who have violated their immigration status in the United States are subject to the institution of deportation proceedings and each case is handled on an individual basis from a legal and factual standpoint. However, bona fide Chinese students, including those who have technically violated their status, are being permitted to complete their studies unless their presence in this country is harmful to the national security or safety. No alien is compelled to leave this country while he has pending an application for adjustment of status to that of a permanent resident.

9. No.

10. Yes, it is; students are permitted to complete their studies; aliens temporarily here are not required to depart if they have pending an application for adjustment of status to that of a permanent resident; no alien is deported to a country where, in the opinion of the Attorney General, the alien would be subject to physical persecution. All action is taken in accordance with law and regulation.

Sincerely,

J. M. SWING,
Commissioner.

DISPOSAL OF CERTAIN FEDERAL PROPERTY IN THE BOULDER CITY AREA

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1103, Senate bill 514.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The bill will be read by title, for the information of the Senate.

The LEGISLATIVE CLERK. Calendar No. 1103, Senate bill 514, to provide for the disposal of certain Federal property in the Boulder City area, to provide assistance in the establishment of a municipality incorporated under the laws of Nevada, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 514), which had been reported from the Committee on Interior and Insular Affairs with amendments on page 5, line 5, to strike out "Act" and insert "section"; in line 11, after the word "at", to strike out "the appraised value as" and insert "prices"; in line 12, after the word "established", to strike out "under" and insert "pursuant"; in line 22, after the word "area", to strike out "shall be offered the opportunity to bid upon and" and insert "may apply"; in line 25, after the word "section", to strike out "The Secretary shall sell such property to the highest responsible bidder at not less than the appraised value. But no person or his spouse shall be entitled to purchase more than one house under subsections (b) (1) and (b) (2) of this section; and" and insert "Applicants to purchase shall be placed in order of opportunity to choose pursuant to a public drawing, but spouses of such applicants shall not be entitled to apply. Sales shall be made at prices established pursuant to subsection (d) of this section, and selections and purchases by successful applicants shall be concluded within limits of time to be established by the Secretary. A purchase under subsections (b) (1) or (b) (2) of this section shall render the purchaser and any spouse of such purchaser ineligible thereafter to purchase under subsections (b) (1) or (b) (2); and"; on page 6, line 22, after the word "effected", to strike out "before July 1, 1957" and insert "within four years after the date of this Act"; in line 23, after the word "under", to strike out "subsections (b) (1) or (b) (2) of this section" and insert "this subsection"; on page 7, line 1, after the word "price", to insert "(or rebate as appropriate)"; in line 2, after the word "per centum", to strike out "of said appraised value"; after line 10, to strike out:

(d) The appraised value of property to be sold under subsection (b) (1) and (b) (2) of this section shall be determined from time to time by an appraiser or appraisers to be designated by the Administrator of Housing and Home Finance Agency at the request of the Secretary. Appraisals under this subsection and under section 4 of this act, shall be made by the aforesaid appraiser or appraisers only after representatives of the Boulder City community, as determined by the Secretary, have been granted an opportunity to offer advice.

And in lieu thereof to insert:

(d) The selling price to a purchaser under subsections (b) (1) and (b) (2) of this subsection shall be the lower of the following amounts:

(1) The appraised value of the property to be purchased, or

(2) The product of the aforesaid appraised value multiplied by the fraction of which the numerator shall be the total investment cost carried on the books of the project of all property to be sold pursuant to subsection (b) of this section, plus the total cost of maintenance performed by the United States in connection with such property, minus the total rentals received by the United States in connection with such property, and the denominator shall be the total appraised value of such property.

On page 8, after line 9, to strike out:

(c) In the sale of property to a tenant under subsection (b) (1) of this section the value of structural improvements made at such tenant's own expense, shall, to the extent the aforesaid appraiser or appraisers determine that such improvements actually enhance the value of the property, be deducted from the appraised value of the property to be sold or from the appraised value less 10 percent thereof as the case may be.

And in lieu thereof to insert:

(e) The appraised value of all property to be sold under subsections (b) (1) and (b) (2) of this section, and of all lots leased or to be leased by the United States for the purpose of maintaining, locating, or erecting permanent structures thereon, shall be determined by an appraiser or appraisers to be designated by the Administrator of Housing and Home Finance Agency at the request of the Secretary. Said appraisals shall be made promptly after the date of this act, or immediately prior to the granting of any new land lease, as the case may be. The representatives of the Boulder City community, as determined by the Secretary, shall be granted an opportunity to offer advice in connection with such appraisals.

On page 9, line 6, after the letter "(f)", to strike out "The" and insert "(1) Except as otherwise provided in this subsection, the"; after line 13, to insert:

(2) Of the property subject to disposal under this section, the Secretary is authorized to lease, to the corporation owning and operating the Boulder City hospital, for the purpose of providing living accommodations for employees of the hospital, not more than 2 dwelling houses, or not more than 1 dwelling house and 1 apartment-house building containing not more than 6 apartment units, together with furniture, and appurtenances, including, without being limited to, any appurtenant garage or garages. Upon incorporation of the municipality, the Secretary may transfer said property, together with the land on which it is situated, to the municipality without cost, subject to existing leases.

On page 11, line 10, after the numeral "4", to insert "(a)"; after line 20, to strike out *"Provided,* That the Secretary shall, at the request of the lessee thereof, amend any such lease to provide (a) that, in the event that the leased property shall be transferred to the municipality pursuant to this section, the holder of any such amended lease shall, for a period of 2 years after the date of incorporation of the municipality, be entitled to exercise an option to purchase the leased property at the appraised value, to be determined by the appraiser or appraisers designated under subsection (3) (d) of this act, and shall, after the end of the aforesaid 2-year period and until expiration of the lease, be entitled to exercise an option to purchase the leased property at its appraised value as determined by a qualified appraiser or appraisers to be appointed by the governing authority of the municipality; (b) that all determinations of appraised value with respect to the aforesaid property shall be made without reference to improvements on the leased property made or acquired at the expense of the current or any former lessee thereof; and (c) that, in the event that incorporation of the municipality shall be effected before July 1, 1957, the holder of the amended lease shall be entitled to a reduction in the price of any purchase under the aforesaid options of 10 percent of the appraised value." and in lieu thereof to insert *"Provided,* That any such lease shall provide, or, at the request of the holder of an existing lease, shall be amended to provide, (1) that in the event that the leased property shall be transferred to the municipality pursuant to this section, the holder of any such lease shall, for a period of 2 years after the date of incorporation of the municipality, be entitled to exercise an option to purchase the leased property at the original appraised value as determined pursuant to subsection 3 (e) of this act, and shall, after the end of the aforesaid 2-year period and until the expiration of the lease, be entitled to exercise an option to purchase the leased property at its appraised value as determined by a qualified appraiser or appraisers to be appointed by the governing authority of the municipality; (2) that all determinations of appraised value with respect to the aforesaid property shall be made without reference to improvements on the leased property made or acquired at the expense of the current or any former lessee thereof; and (3) that, in the event that incorporation of the municipality shall be effected within 4 years after the date of this act, the holder of the lease shall be entitled to a reduction in the price of any purchase under the aforesaid option of 10 percent of the purchase price.

"(b) The Secretary shall cause to be surveyed and subdivided into lots and blocks that part of Boulder City where federally owned lands not under lease are occupied by privately owned habitable structures and which is commonly referred to as Lakeview Addition. Such subdivision shall be made so as to conform, within limits of equity and feasibility, to the existing pattern of land occupancy. On submission of satisfactory proof of ownership, the Secretary may, in accordance with such subdivision and pursuant to the first proviso under the heading 'Boulder Canyon Project' in the Interior Department Appropriation Act, 1941 (54 Stat. 406, 437), lease to the owner the lot on which any such habitable structure is located, or, where, in the Secretary's judgment, equitable or practical considerations require, another lot within the subdivision on condition that the lessee agree to relocate or build a habitable structure on such other lot.

The Secretary may condition the continued validity of any such lease on the lessee's rehabilitation, replacement, or relocation of any or all structures occupying the land in order to bring about closer conformance with general standards prevailing in the community. The Secretary's determinations under this subsection shall be final and conclusive."

On page 15, after line 24, to insert "the cost of subdividing land and effecting the necessary removal or relocation of structures under subsection 4 (b) of this act and the payment of"; on page 16, after line 5, to strike out:

(2) There is hereby authorized to be appropriated from moneys in the Boulder City municipal fund an amount of $245,000 for payment to the municipality for replacement and rehabilitation of municipal facilities and utilities, such payment to be diminished by an amount, as estimated by the Secretary, equal to the revenues which would otherwise probably have accrued to the United States from municipal operations of the city between the date of incorporation of the municipality and the end of the fiscal year in which such date falls.

And in lieu thereof to insert:

(2) There are hereby authorized to be appropriated from moneys in the Boulder City municipal fund, or from general funds, (A) an amount not to exceed $245,000 for payment to the municipality for replacement and rehabilitation of municipal facilities and utilities, such payment to be diminished by an amount, as estimated by the Secretary, equal to the revenues which would otherwise probably have accrued to the United States from municipal operations of the city between the date of incorporation of the municipality and the end of the fiscal year in which such date falls; and (B) an amount not to exceed $150,000 for expenditure by the Secretary for such construction or improvement of, or additions to, street, water, electric, and sewerage systems for that part of Boulder City referred to in subsection 4 (b) of this act as Lakeview Addition as the Secretary may deem necessary toward conformance with general standards for such utilities and facilities prevailing in the community.

On page 20, line 6, after the word "supply", to insert "filtered, potable"; at the beginning of line 12, to strike out "$100,000" and insert "$150,000"; and in the same line, after the word "annually", to strike out "*Provided further,* That the cost of filtration and treatment of such water shall be assumed by the municipality."; on page 23, line 12, after the word "at", to insert "the end of the second year after"; in line 15, after the words "Boulder City", to insert a colon and "*Provided,* That if at any time prior to the end of such 2-year period the governing authority of the municipality shall, by resolution, express the desire that one or more of the aforesaid conditions be terminated, such condition or conditions shall thereupon be extinguished by operation of law"; on page 24, after line 4, to strike out "inserting after the words 'Tennessee Valley Authority' the words ', or of any permanent housing under the jurisdiction of the Department of the Interior constructed under the Boulder Canyon Project Act of December 21, 1928, as amended and supplemented, located within the Boulder City municipal area' " and in lieu thereof to insert "changing the final semicolon in the paragraph to a comma and adding at the end of the paragraph the following: 'of any permanent housing under the jurisdiction of the Department of the Interior constructed under the Boulder Canyon Project Act of December 21, 1928, as amended and supplemented, located within the Boulder City municipal area: *Provided,* That for purposes of the application of this title to sales by the Secretary of the Interior pursuant to subsections 3 (b) (1) and 3 (b) (2) of the Boulder City Act of 1955, the selling price of the property involved shall be deemed to be the appraised value, or' "; so as to make the bill read:

Be it enacted, etc., That it is the purpose of this act to authorize the disposal of certain Federal property in that area in Clark County in the State of Nevada commonly known as Boulder City, now a part of the Boulder Canyon project, in order that the people of that area may enjoy local self-government and to facilitate the establishment by them of a municipal corporation under the laws of the State of Nevada.

SEC. 2. Wherever the following terms are used in this act, they shall be interpreted as follows:

(a) "Adjustment Act" shall mean the Boulder Canyon Project Adjustment Act (54 Stat. 774);

(b) "Appraised value" shall be current fair market value;

(c) "Boulder City municipal area" shall consist of and include the tract of land particularly described as follows:

Lots 9, 10, 11, 12, south half north half, south half section 1, lots 8, 9, 10, 16, 17, southeast quarter northeast quarter, east half southeast quarter section 2, lots 1, 4, 5, 8, east half east half section 11, all sections 12 and 13, lots 1, 4, 5, 8, east half east half section 14, lots 1, 4, 5, northeast quarter northeast quarter section 23, lots 1, 2, 3, 4, north half north half section 24, township 23 south, range 63 east, lots 8, 9, 10, section 1, all fractional sections 12, 13, 24, township 23 south, range 63½ east, south half south half section 28, south half south half section 29, lot 12, southeast quarter southwest quarter, south half southeast quarter section 30, lots 5, 8, 9, 12, east half west half, east half section 31, all sections 32 and 33, south half section 34, south half section 35, township 22 south, range 64 east, all sections 2, 3, 4, 5, lots 8, 9, 10, 11, 14, 15, 17, south half northeast quarter, southeast quarter northwest quarter, east half southwest quarter, southeast quarter section 6, all sections 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, township 23 south, range 64 east, Mount Diablo base and meridian, State of Nevada, containing fourteen thousand six hundred ninety-four and twenty-one one-hundredths acres, more or less.

(d) "Boulder City Municipal Fund" shall mean the fund in the Treasury created by section 6 of this act;

(e) "City" shall mean Boulder City, Nev., prior to its incorporation as a municipality under the laws of the State of Nevada;

(f) "Colorado River Dam Fund" shall mean the special fund in the Treasury created by section 2 of the Project Act;

(g) "Department" shall mean the Department of the Interior;

(h) "Municipal operations" shall mean the financing, operation, maintenance, replacement, and expansion of municipal facilities and utilities and other operations of a municipal character;

(i) "Municipality" shall mean Boulder City, Nev., after its incorporation as a municipality under the laws of the State of Nevada;

(j) "Persons employed by the United States for purposes other than the construction, operation, and maintenance of the project" shall mean all persons who are so employed and who are resident in the municipality;

(k) "Persons employed in the construction, operation, and maintenance of the project" shall mean all persons who are so employed, whether by a Federal agency or by an agent designated pursuant to section 9 of the Adjustment Act, and who are resident in the municipality. This term shall not include persons employed in municipal operations of the municipality;

(l) "Project" shall mean the works authorized by the Project Act to be constructed and owned by the United States, exclusive of the diversion dam, main canal, and appurtenances mentioned therein, now known as the All-American Canal System;

(m) "Project Act" shall mean the Boulder Canyon Project Act (45 Stat. 1057);

(n) "Secretary" shall mean the Secretary of the Interior.

SEC. 3. (a) The Secretary is authorized to sell such dwelling houses, duplex houses or units thereof, and garages, with furniture, fixtures, and appurtenances, as are owned by the United States within the Boulder City municipal area and are not needed in connection with the administration, operation, and maintenance of Federal activities located within or near the Boulder City municipal area.

(b) Except in the case of property determined to be substandard under subsection (c) of this section, the following system of priority shall be established with respect to property authorized to be sold under subsection (a) of this section:

(1) Persons employed by the Federal Government within or near the Boulder City municipal area (and surviving spouses of such persons who have not remarried) who are tenants in Federal housing in Boulder City shall be offered the opportunity to purchase the property in which they are tenants at prices established pursuant to subsection (d) of this section. This right of priority shall expire unless notice of intent to purchase has been received by the Secretary before the expiration of 60 days after the date on which the property has been offered for sale, and shall be deemed abandoned unless before the expiration of 60 days after the Secretary's tender of the instrument of transfer the prospective purchaser concludes the sale;

(2) Persons employed by the Federal Government within or near the Boulder City municipal area may apply to purchase housing not purchased under subsection (b) (1) of this section. Applicants to purchase shall be placed in order of opportunity to choose pursuant to a public drawing, but spouses of such applicants shall not be entitled to apply. Sales shall be made at prices established pursuant to subsection (d) of this section, and selections and purchases by successful applicants shall be concluded within limits of time to be established by the Secretary. A purchase under subsections (b) (1) or (b) (2) of this section shall render the purchaser and any spouse of such purchaser ineligible thereafter to purchase under subsections (b) (1) or (b) (2); and

(3) Property subject to disposal under this section and not sold pursuant to subsections (b) (1) and (b) (2) of this section, shall be opened to bids from the general public, and shall be sold to the highest responsible bidder.

In the event that incorporation of the municipality shall be effected within 4 years after the date of this act, persons purchasing housing under this subsection or their successors, assigns, or legal representatives shall be entitled to a reduction in the purchase price (or rebate as appropriate) of

10 percent: *Provided*, That no person who has purchased a house under the act of May 25, 1948 (62 Stat. 268), shall be eligible for such reduction.

(c) Where the Secretary determines that property authorized to be sold under subsection (a) of this section is substandard, he shall sell such property only for off-site use, such property to be opened to bids from the general public for sale to the highest responsible bidder.

(d) The selling price to a purchaser under subsections (b) (1) and (b) (2) of this section shall be the lower of the following amounts:

(1) The appraised value of the property to be purchased, or

(2) The product of the aforesaid appraised value multiplied by the fraction of which the numerator shall be the total investment cost carried on the books of the project of all property to be sold pursuant to subsection (b) of this section, plus the total cost of maintenance performed by the United States in connection with such property, minus the total rentals received by the United States in connection with such property, and the denominator shall be the total appraised value of such property.

(e) The appraised value of all property to be sold under subsections (b) (1) and (b) (2) of this section, and of all lots leased or to be leased by the United States for the purpose of maintaining, locating, or erecting permanent structures thereon, shall be determined by an appraiser or appraisers to be designated by the Administrtor of Housing and Home Finance Agency at the request of the Secretary. Said appraisals shall be made promptly after the date of this act, or immediately prior to the granting of any new land lease, as the case may be. The representatives of the Boulder City community, as determined by the Secretary, shall be granted an opportunity to offer advice in connection with such appraisals.

(f) (1) Except as otherwise provided in this subsection, the Secretary is authorized to dispose of such multiple-unit garages, and such apartment houses together with furniture, fixtures, and appurtenances, including, without being limited to, any appurtenant garages, as are owned by the United States within the Boulder City municipal area. Such property shall be offered to the general public and sold to the highest responsible bidder.

(2) Of the property subject to disposal under this section, the Secretary is authorized to lease, to the corporation owning and operating the Boulder City hospital, for the purpose of providing living accommodations for employees of the hospital, not more than two dwelling houses, or not more than one dwelling house and one apartment-house building containing not more than six apartment units, together with furniture, and appurtenances, including, without being limited to, any appurtenant garage or garages. Upon incorporation of the municipality, the Secretary may transfer said property, together with the land on which it is situated, to the municipality without cost, subject to existing leases.

(g) (1) Except in the case of property determined to be substandard under subsection (c) of this section, the Secretary shall, pursuant to the first proviso under the heading "Boulder Canyon Project" in the Interior Department Appropriation Act, 1941 (54 Stat. 406, 437), lease to the purchasers thereof the lots on which structures sold under this section are situated. Any such lease shall be executed prior to transfer of title to the purchaser and shall incorporate the conditions enumerated in the proviso of section 4 of this act.

(2) At the expiration of fiscal year 1961, unless incorporation of the municipality shall previously have been achieved, the Secretary may (A) negotiate the sale to the lessees thereof all leased lands within the Boulder City municipal area, and (B) sell to the highest responsible bidder at not less than the appraised value as determined by the Secretary and other lands within the Boulder City municipal area not needed for Federal purposes, including the purposes of this act.

(h) Except in the case of property determined to be substandard under subsection (c) of this section, the Secretary may sell any structure authorized to be sold under this section which is unsold at the time of incorporation of the municipality together with the land on which it is situated. Such sales shall be made, as near as may be, in accordance with the procedures and the system of priority established under subsections (b) (1), (b) (2), (b) (3), and (f) of this section; and, where applicable, the appraised value shall be the combined appraised value of structure and land.

(i) In establishing rules and regulations governing sales of property under this section and in determining the terms and conditions of such sales, the Secretary shall consult with representatives of the Boulder City community, as determined by him.

SEC. 4. (a) Upon incorporation of the municipality, the Secretary shall be authorized to transfer to the municipality without cost, subject to any existing leases granted by the United States, all improved lands within the Boulder City municipal area the improvements to which are privately owned and such unimproved lands within that area as the Secretary determines are not required in connection with the administration, operation, and maintenance of Federal activities located within or near the Boulder City municipal area, and to assign to the municipality without cost any leases granted by the United States on such lands: *Provided*. That any such lease shall provide, or, at the request of the holder of an existing lease, shall be amended to provide, (1) that in the event that the leased property shall be transferred to the municipality pursuant to this section, the holder of any such lease shall, for a period of 2 years after the date of incorporation of the municipality, be entitled to exercise on option to purchase the leased property at the original appraised value as determined pursuant to subsection 3 (e) of this act, and shall, after the end of the aforesaid 2-year period and until the expiration of the lease, be entitled to exercise an option to purchase the leased property at its appraised value as determined by a qualified appraiser or appraisers to be appointed by the governing authority of the municipality; (2) that all determinations of appraised value with respect to the aforesaid property shall be made without reference to improvements on the leased property made or acquired at the expense of the current or any former lessee thereof; and (3) that, in the event that incorporation of the municipality shall be effected within 4 years after the date of this act, the holder of the lease shall be entitled to a reduction in the price of any purchase under the aforesaid option of 10 percent of the purchase price.

(b) The Secretary shall cause to be surveyed and subdivided into lots and blocks that part of Boulder City where federally owned lands not under lease are occupied by privately owned habitable structures and which is commonly referred to as Lakeview Addition. Such subdivision shall be made so as to conform, within limits of equity and feasibility, to the existing pattern of land occupancy. On submission of satisfactory proof of ownership, the Secretary may, in accordance with such subdivision and pursuant to the first proviso under the heading "Boulder Canyon Project" in the Interior Department Appropriation Act, 1941 (54 Stat. 406, 437), lease to the owner the lot on which any such habitable structure is located, or, where, in the Secretary's judgment, equitable or practical considerations require, another lot within the subdivision on condition that the lessee agree to relocate or build a habitable structure on such other lot. The Secretary may condition the continued validity of any such lease on the lessee's rehabilitation, replacement, or relocation of any or all structures occupying the land in order to bring about closer conformance with general standards prevailing in the community. The Secretary's determinations under this subsection shall be final and conclusive.

SEC. 5. (a) Subject to the provisions of subsection 9 (a) and section 11 of this act, the Secretary shall transfer all activities and functions of a municipal character to the municipality upon its incorporation.

(b) The Secretary is authorized to transfer to the appropriate school districts all right, title, and interest of the United States to all the school buildings and related equipment and facilities, and to lands upon which they are situated, owned by the United States in the Boulder City municipal area.

(c) Upon its incorporation, the Secretary shall transfer to the municipality, subject to the limitation contained in subsection (d) of this section, all real and personal property, including, but not limited to, buildings, lands, equipment, facilities, works, and utilities, owned by the United States and used primarily in the performance of activities and functions to be transferred under subsection (a) of this section.

(d) The Secretary shall determine which contracts to which the United States is now a party concern activities and functions to be transferred under subsection (a) of this section and are properly assignable to the municipality. The Secretary shall assign such contracts to the municipality upon its incorporation, and the acceptance of such assignment by the municipality shall be a condition precedent to the transfer of property under subsection (c) of this section.

SEC. 6. (a) There is hereby established in the Treasury a special fund to be known as the Boulder City Municipal Fund. All proceeds from the disposal under this act of Federal property lying within the Boulder City municipal area shall be deposited in such fund.

(b) (1) Moneys in the Boulder City Municipal Fund are hereby appropriated for expenditure at the direction of the Secretary for payment of the expenses of the disposal of property under sections 3, 4, and 5 of this act, including the cost of subdividing land and effecting the necessary removal or relocation of structures under subsection 4 (b) of this act and the payment of rebates, where appropriate, to vendees of the United States entitled to the special benefit provided under section 3 of this act for attainment of early incorporation of the municipality.

(2) There are hereby authorized to be appropriated from moneys in the Boulder City Municipal Fund, or from general funds, (A) an amount not to exceed $245,000 for payment to the municipality for replacement and rehabilitation of municipal facilities and utilities, such payment to be diminished by an amount, as estimated by the Secretary, equal to the revenues which would otherwise probably have accrued to the United States from municipal operations of the city between the date of incorporation of the municipality and the end of the fiscal year in which such date falls; and (B) an amount not to exceed $150,000 for expenditure by the Secretary for such construction or improvement of, or additions to, street, water, electric, and sewerage systems for that part of Boulder City referred to in subsection 4 (b) of this act as Lakeview Addition as the Secretary may deem necessary toward conformance with general standards for such utilities and facilities prevailing in the community.

(c) Except for such sums as may be required for expenditures under subsection (b) (1) of this section, all moneys remaining in and accruing to the Boulder City Municipal Fund either (1) after the date of incor-

poration of the municipality, or (2) after the expiration of fiscal year 1961, if such incorporation shall not then have been achieved, shall be divided into two parts, as determined by the Secretary, representing project and nonproject investments in the property yielding the moneys deposited in the Boulder City Municipal Fund. Said parts shall be covered into the general fund of the Treasury, but the first part shall constitute a payment to the Treasury diminishing the obligation under section 2 of the Adjustment Act to repay advances and readvances to the Colorado River Dam fund, and the rates computed pursuant to section 1 of said act shall reflect such diminution.

(d) The Secretary, if he deems it necessary, may arrange for the loan of moneys from the Colorado River Dam Fund to the Boulder City Municipal Fund in order that he may make expenditures pursuant to subsections (b) (1) and (b) (2) of this section prior to the receipt of sufficient revenue from the disposal of property under this act, the loans to be repaid out of such revenue.

(e) Upon its incorporation, the Secretary shall cause to be paid over to the municipality all unobligated balances from appropriations available for municipal operations of the city, less the estimated cost for the remainder of the fiscal year after incorporation of furnishing water to the municipality pursuant to section 9 of this act.

SEC. 7. Nothing in this act shall affect any component of the rates and charges for electrical energy generated at Hoover Dam for amortization of the cost of works and improvements on land, including the school buildings and related facilities and equipment, within the Boulder City municipal area, transferred to non-Federal ownership pursuant to this act less that part of such cost allocated by the Secretary to nonproject purposes pursuant to those portions of the Interior Department Appropriaitons Acts, 1949 and 1950 (62 Stat. 1112, 1130; 63 Stat. 765, 784), under the headings "Colorado River Dam Fund" which, in the case of each statute, follow the first sentence thereof. Effective at the beginning of the first full fiscal year after the date of incorporation of the municipality, if achieved before the expiration of fiscal year 1961, the aforesaid provisions of law are hereby repealed.

SEC. 8. From the electrical energy reserved to the United States under article 4 of the "General Regulations for Generation and Sale of Power in Accordance With the Boulder Canyon Project Adjustment Act," promulgated by the Secretary on May 20, 1941, the Secretary is authorized to deliver, at the Boulder City substation, at rates determined on the basis of (a) the Adjustment Act and (b) any other costs incurred in connection with such delivery, up to a maximum demand of 17,000 kilowatts to the municipality for its own use or for resale for use within the Boulder City municipal area less such capacity as is required by the United States for pumping water delivered to the municipality pursuant to section 9 of this act: *Provided*, That should the present electrical energy requirements of the Bureau of Mines in Boulder City be substantially curtailed or discontinued, the maximum demand for the use of the municipality may be increased at the discretion of the Secretary up to 19,500 kilowatts less such capacity as is required by the United States for pumping water delivered to the municipality pursuant to section 9 of this act.

SEC. 9. (a) Because of its climate and its location with respect to the only source of water, Boulder City faces extraordinary difficulties in connection with a domestic water supply. In recognition of this fact, the existing water supply system from Hoover Dam to, but not including, the Boulder City storage tanks shall be retained by the United States and shall be operated and maintained by the Secretary in order to supply filtered, potable water to the municipality at said storage tanks, for domestic, industrial, and municipal purposes, at a maximum rate of delivery of 3,650 gallons a minute: *Provided*, That the cost of supplying such water, to be borne as provided in subsection (c) of this section, shall in no event exceed $150,000 annually. Such water shall be supplied to the municipality without charge, but nothing herein shall be construed to affect the charge established for water under the contract for delivery of water between the United States and the State of Nevada, dated March 30, 1942, as amended. Such delivery shall be subject to the availability of water for use in the State of Nevada under the provisions of the Colorado River Compact and the Project Act and shall be in accordance with the terms of the aforesaid contract.

(b) As of the end of each year of project operation, or fraction thereof, after incorporation of the municipality, the Secretary shall determine the number of all persons employed in the construction, operation, and maintenance of the project and the number of all persons employed by the United States for purposes other than the construction, operation, and maintenance of the project.

(c) The Secretary shall divide the cost for each year of project operation, or fraction thereof, after the incorporation of the municipality, of supplying water under subsection (a) of this section into two parts. The first such part shall bear the same ratio to the second such part as the number of all persons employed in the construction, operation, and maintenance of the project, as determined by the Secretary under subsection (b) of this section, bears to the number of all persons employed by the United States for purposes other than construction, operation, and maintenance of the project, as determined by the Secretary under subsection (b) of this section. Notwithstanding the provisions of this subsection, the first part as aforesaid shall in no instance exceed 65 percent of the total cost of furnishing water under subsection (a) of this section. Such total cost, less a sum equal to part 1 as aforesaid, shall constitute an amount whereby the obligation under section 2 of the Adjustment Act to repay to the Treasury advances and readvances to the Colorado River dam fund shall be diminished annually; and the rates computed pursuant to section 1 of said Act shall reflect such diminution.

(d) If the requirements of the municipality shall at any time exceed 3,650 gallons a minute, the Secretary may furnish whatever additional water and whatever additional carrying capacity may be needed. The municipality shall bear the full cost of furnishing such additional water; and, before the commencement of any construction to provide additional carrying capacity, the municipality shall enter into a repayment contract for the return to the United States of the full cost of furnishing such additional carrying capacity over a period of not more than 40 years from the date when the facilities providing such additional carrying capacity are placed in service. Interest not exceeding the rate of 3 percent per annum of the unamortized construction costs shall be paid.

(e) At the end of each period of 5 years after the date of incorporation of the municipality, the Secretary shall investigate the need for continuation of all or part of the assistance to the municipality provided under this section and shall report his findings and recommendations to the Congress as soon thereafter as practicable.

SEC. 10. In all sales, transfers, and grants of Federal property situated within the Boulder City municipal area the Secretary shall attach such conditions of use as he may deem reasonable and necessary to preserve those community standards consistent with the national use and enjoyment of the project. Such conditions shall include, without being limited to, restrictions against use of the property for the manufacture, sale, storage, or distribution of intoxicating liquors, or narcotics, or habit-forming drugs, or for gambling, prostitution, lewd or immoral conduct, or for the conduct of any unlawful purpose or undertaking. Upon the breach of any such condition by the grantee, his successors, assigns, or legal representatives, the instrument of transfer shall become null and void, and all right, title, and interest in and to the premises conveyed shall revert to the United States. This section, as well as all conditions attached pursuant thereto, shall expire at the end of the second year after the date of incorporation of the municipality or at such time as the United States may otherwise cease its operation and supervision of Boulder City: *Provided*, That, if at any time prior to the end of such 2-year period the governing authority of the municipality shall, by resolution, express the desire that one or more of the aforesaid conditions be terminated, such condition or conditions shall thereupon be extinguished by operation of law.

SEC. 11. The Secretary is authorized to enter into contracts with the municipality whereby either party might undertake to render to the other such services in aid of the performance of activities and functions of the municipality and of the Department within or near Boulder City as will in the Secretary's judgment contribute substantially to the efficiency or economy of the operations of the Department.

SEC. 12. Paragraph (3) of subsection 223 (a) of the National Housing Act, as amended, is hereby amended by changing the final semicolon in the paragraph to a comma and adding at the end of the paragraph the following: "of any permanent housing under the jurisdiction of the Department of the Interior constructed under the Boulder Canyon Project Act of December 21, 1928, as amended and supplemented, located within the Boulder City municipal area: *Provided*, That for purposes of the application of this title to sales by the Secretary of the Interior pursuant to subsections 3 (b) (1) and 3 (b) (2) of the Boulder City Act of 1955, the selling price of the property involved shall be deemed to be the appraised value; or."

SEC. 13. The provisions of this act for the disposal of federally owned property are to be carried out notwithstanding any other provisions of law: *Provided*, That nothing in this act shall be deemed to affect any existing right-of-way heretofore granted under the provisions of the Project Act or otherwise, or any rights reserved to the United States in connection with grants of such rights-of-way.

SEC. 14. This act shall be a supplement to the Project Act and the Adjustment Act, and said acts shall govern the administration of this act, except as is otherwise herein provided.

SEC. 15. The Secretary is hereby authorized, subject only to the provisions of this act, to perform such acts, to delegate such authority, and to prescribe such rules and regulations and establish such terms and conditions as he may deem necessary and proper for the purpose of carrying the provisions of this act into full force and effect.

SEC. 16. Except as provided in this section and in subsection (g) (2) of section 3 and subsection (c) of section 6 of this act, all authority of the Secretary under this act shall terminate at the expiration of fiscal year 1961, unless incorporation of the municipality shall previously have been achieved.

SEC. 17. The second and third provisos of the penultimate paragraph under the heading "Office of Education" in the Departments of Labor and Health, Education, and Welfare Appropriation Act, 1954 (67 Stat. 245, 250), are hereby repealed.

SEC. 18. This act may be cited as the "Boulder City Act of 1955."

Mr. MALONE. Mr. President, the bill to transfer Boulder City, now in Government ownership, to the people of that city is Senate bill 514. It provides for the disposal of certain Federal property in the Boulder City area to citizens through a municipality to be organized and incorporated under the laws of Nevada, and for other purposes.

Boulder City was created by the Secretary of the Interior in 1928 in connection with the construction of Boulder Dam, now Hoover Dam.

It was for the proper housing of the workers on the dam. It was created for the Government employees. It has lasted longer than it should have, as a Government-owned city. The people in the city of Boulder are willing and anxious to take over the property under certain fair and reasonable conditions. The Secretary of the Interior is favorable to the transfer of the property.

The purpose for which it was created was for the construction of the dam and the objective has been reached long since.

There are about 4,000 people there, with approximately 750 employed both by the Government and the utilities which have installed the generators and transmitted the power from Hoover Dam to the place of use.

It is my opinion that it is a good thing at this time to transfer the property to the people of Boulder City under the conditions incorporated in the bill, so they can purchase the property which they have been renting and buy Government-owned land on which their houses are located. The people must, of course, finally own their own homes and the business property if they are to prosper as any other town or city in our State—all of the conditions are set down in detail in the bill.

We have held hearings in Boulder City and have continued such hearings in Washington. The people have been heard. A subcommittee of the Committee on Interior and Insular Affairs reported the bill unanimously—and the full committee has reported it to the floor of the Senate in the same manner. I think it is a very fair bill for both the people and the Government, and I hope it will pass.

Mr. BIBLE. Mr. President, Senate bill 514 was reached on the call of the calendar day before yesterday. I should like to direct my remarks at this time to the attention of the Senator from Oregon [Mr. MORSE], who at that time raised certain questions concerning the disposal features of this particular legislation. A few moments ago the distinguished senior Senator from Nevada [Mr. MALONE] made a statement concerning disposal of this property.

Mr. MORSE rose.

Mr. BIBLE. Mr. President, I am very happy to yield to the senior Senator from Oregon in an attempt to clear up any questions he may have concerning the disposal of the houses covered by the pending bill.

Mr. MORSE. Mr. President, I think we can save the Senate a great deal of time if the Senator from Nevada will follow me in an analysis of the pending bill. As he knows, he and I have worked hard on the bill, and I am satisfied that the bill should pass, and that the Federal Government would receive adequate compensation for the property concerned, because of what the Government would receive in return under this transaction. I should appreciate it if the Senator from Nevada will follow me and feel free to break in at any point if he finds that any of this analysis is erroneous in fact.

Mr. BIBLE. I should be glad to do so.

Mr. MORSE. The bill, to which I objected on the call of the calendar because I had not had time, when it came up on the call of the calendar, to clear up questions relating to the policy which I have consistently followed with regard to the disposal of Federal property, provides for the disposal of Federal property located in an area of approximately 20 to 25 square miles to be designated as "Boulder City Municipal Area."

The disposal covers the following real property transfers:

First. Approximately 205 dwellings now owned and maintained by the Federal Government as rental units.

It has been made very clear that the Government employees who have been living in these units, many of them for a number of years, have been unable to buy the units. They have sought to buy the units, but under Government policy the units could not be sold to them. They have been paying rent for them. If they had been allowed to buy the units at the time they moved in, what they have been paying as rent would have built up a substantial equity in the properties. I think we must keep that in mind when we take into account the formula provided in the bill for the transfer of these 205 dwellings.

Second. Land now leased on long-term basis—maximum, 53 years—to Federal employees who have constructed their own homes on the leased lands.

What happened was that in some parts of this area the Government gave long leases to some employees, and they proceeded to build their own homes on the leased land. Now we have the problem of transferring to the owners of the homes the land on which the employees built their homes.

Third. Lands upon which business properties have been established under similar long-term lease arrangements.

Fourth. Unoccupied Federal lands in the Boulder city municipal area.

Fifth. School lands, buildings, and facilities in the area now owned by the Federal Government.

With respect to the 205 housing units mentioned above, the Government will dispose of the same to various individuals on a priority basis. The priorities are as follows:

First. Bureau of Reclamation employees and other Federal Government employees now occupying the dwelling units.

Second. Federal Government employees who are not tenants of the dwelling units.

Third. The general public who will be entitled to acquire unpurchased homes on a bid basis.

The priority purchasers of the dwellings would pay a price described by Senator BIBLE as constituting the book value. This value would be determined upon the basis of a formula set forth in the bill consisting of net costs of construction, operation, and maintenance of the Government-owned housing, less rentals. This would result in payment of less than the fair appraised market value, but would compensate the Federal Government for its out-of-pocket costs. In other words the Government would not realize any increase in inherent value of the dwellings.

We need to bear in mind a fact which I wish the Senator from Nevada would verify for the RECORD, because I am satisfied that it is a fact, and a very important fact in this connection. If we did not establish this municipality, the Government would have to maintain the municipality anyway, at considerable expense, because these employees are necessary in the operation of the Federal project to which the city, in effect, is really attached. The Federal project could not be operated unless we had these dwellings, these schools, and these businesses. Therefore all the taxpayers of the United States have a real interest in maintaining this municipality.

Mr. BIBLE. Mr. President, I thoroughly subscribe to the statement of the senior Senator from Oregon. I should like to point out that at the present time there are 600 Federal employees of the Bureau of Reclamation at this site. At least until 1987, which is the date when the present contract for the sale of electric energy terminates, I believe there will be substantially the same number of people there, so this municipality is a very important adjunct of the operation of the Bureau of Reclamation in Boulder City.

Mr. MORSE. I think that point goes to the essence of the question. The proponents of the bill justified the sale at average book value upon the following grounds:

First. Most tenants in these homes have occupied them for 10 or 15 years; for many years they have desired to purchase them outright, but the Reclamation Bureau has had no authority to sell.

Second. If fair appraised market value were to be paid as the purchase price, the Government in fairness and equity would have to deduct the value of improvements such as additional rooms, remodeling areas, garages, and the like placed upon the houses by the tenants. A cost of placing a valuation upon such improvements would be prohibitive.

With reference to the land which has been leased on long term to Federal employees who have constructed homes thereon, the employees would pay the fair appraised market value, but such payment would be made to the newly established municipality rather than to the Federal Government. In cases wherein ground-rent tenants refuse to purchase, the rentals would be paid to the newly established municipality rather than to the Federal Government.

The proponents of the bill have this answer to the suggestions that this con-

stitutes a Federal giveaway of assets to the municipality:

First. Since 1941 the Federal Government has been administering the Boulder City Municipal Area and this has constituted a burden upon the Federal Treasury to the extent of deficits totaling annually approximately $100,000 per year. The transfer of the property last mentioned will enable the newly established municipality literally to "get on its feet" and relieve the Federal Government of the annual $100,000 average deficit. However, it should also be mentioned that water will be supplied without charge to the new municipal area. It is estimated that the Government's share of the water subsidy will be $75,000 per annum. The water has to be raised 1,400 feet to the Boulder City tanks. Without such water Boulder City will resemble a desert area. It is the feeling of the proponents of the bill that the Government, which established the dam, has a continuing obligation of seeing to it that facilities in the area of the dam receive an adequate water supply.

Federal lands now comprising the school districts and the buildings and equipment thereon will also be transferred to the districts free of charge.

The proponents of the bill point out that under Public Law 152 the Federal Property and Administrative Services Act, section 203K (1) (a), the General Services Administrator could provide for the transfer of the school properties to the school districts without compensation. Federal transfer of hospital properties was made by GSA to the hospital district of this area in 1954.

The proponents of the bill feel that there will be a substantial savings in the administrative costs of running the schools although they concede that it is practically impossible to set this in terms of dollars and cents.

By way of summary, under the formula involved in the bill in respect to the payment which the Federal Government will receive for this property, the Federal Government will receive a substantial payment, giving credit, however, to the Government employees for the various equities they have in the property, with respect to which I think they are entitled to receive credit.

The Government will continue to receive from this municipality a value for the property over and above the cash amount which it receives from the property, because if this property were not maintained by the new owners, if the city were not maintained by its residents, the Federal Government itself would have to pay a substantial sum of money each year, which it will now save, in supplying Boulder Dam with the employees and the services those employees need in order to operate the dam.

So I am satisfied not only that the so-called Morse formula is complied with, but also that an analysis of the financial arrangements under the terms of the bill would show that the Federal Government would save money by transfer of the property as called for by the bill.

Therefore, I withdraw any objection which I previously raised.

Mr. BIBLE. Mr. President, I express my appreciation to the Senator from Oregon for his careful analysis of the pending bill.

I concur in his statements. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement which I have prepared, which is in the nature of a repetition of the statement I made in support of the bill on the call of the calendar.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BIBLE

S. 514, as the title indicates, provides for the disposal of certain Federal property in the Boulder City area in the vicinity of Hoover Dam on the Colorado River. It also provides assistance in the establishment of a municipality to be incorporated under the laws of Nevada.

This measure had its origin in a virtual mandate from the Appropriations Committees of the Congress as far back as 1948 that the Federal Government should divest itself of strictly municipal functions under which deficits were mounting. Up to this year the total deficits on strictly municipal operations since 1941 amount to approximately $1,400,000.

The Secretary of the Interior in 1950 had Dr. Reining, of the University of Southern California, make an objective survey of Boulder City. In the main, his recommendations were modified by the Department, the Bureau of the Budget, and the Committee on Interior and Insular Affairs.

Public hearings were held at Boulder City in May of this year, when the local people were given full opportunity to express their opinions. Following these hearings, a special subcommittee, of the parent committee of the Senate reviewed the entire record and recommended certain amendments to S. 514 which are outlined in Report No. 1091.

It should be pointed out that the Federal Government has an investment of more than $150 million in Hoover Dam and powerplant, which is the vital source of electric energy for southern California, Arizona, and Nevada. In addition, it is the regional headquarters of the Bureau of Reclamation. The Bureau of Mines has an important installation there and the National Park Service operates the Lake Mead recreational area.

More than 2 million persons, from every State in the Union and many foreign countries visit Hoover Dam and the Lake Mead recreational area annually. While a charge is made for inspection of the dam and for the recreational facilities, none of the proceeds would go to defray municipal costs that are incident to handling this vast number of visitors, most of whom pass through Boulder City.

Under the provisions of the bill, the Government would recoup its investment of $1½ million in more than 200 homes that are owned by the Government and which it is now renting to its employees. The Federal Government owns all of the land in the city, on which approximately 800 private homes and commercial buildings have been built. This land is under long-term leases with a maximum term of 53 years. All of this land not needed for Federal activities would be transferred to the municipality, subject to existing leases. School property constructed by the Government at a cost of approximately $1,700,000 would be transferred to the local school district. A special fund made up of revenues from the disposal of Federal property would be set up. From this fund an appropriation of $395,000 would be authorized for the deferred maintenance of city facilities and utilities and for providing additional facilities and utilities in the Lake View addition area.

Up to 19,500 kilowatt-hours of power from Hoover Dam would be made available to the city for resale in the municipal area.

The Federal Government would deliver water to the municipality which is filtered and potable.

Every 5 years after the act goes into effect the Secretary of the Interior would be required to investigate the need for continuance of all or part of the water supply and make recommendations to the Congress. In all, the bill seeks to reduce the Federal supervision of strictly municipal operations and place responsibility on the local residents, of whom there are approximately 4,000. About half of this 4,000 include employees of the Federal Government and their families.

Mr. BIBLE. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc.

The PRESIDING OFFICER. Without objection, the committee amendments are considered and agreed to en bloc.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WOODROW WILSON CENTENNIAL CELEBRATION COMMISSION

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1108, H. R. 6454.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 6454) to amend the joint resolution approved August 13, 1954, relating to the establishment of the Woodrow Wilson Centennial Commission, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. CLEMENTS. Mr. President, the purpose of the proposed legislation is to authorize additional appropriations to assist the Woodrow Wilson Centennial Celebration Commission to carry out its plans for the celebration in 1956 of the 100th anniversary of Woodrow Wilson's birth in Staunton, Va.

Public Law 705 of the 83d Congress (68 Stat. 964, 965), approved August 30, 1954, established a Commission to be composed of 12 members to develop and execute plans for celebrating in 1956 the 100th anniversary of the birth of Woodrow Wilson in Staunton, Va.

The committee has been advised that the plans and programs that the Commission should undertake to carry out an effective program cannot be accomplished with the $10,000 previously appropriated in the 83d Congress.

The Commission, after careful study, has submitted to the committee a proposed budget calling for the appropriation of $41,500 in addition to the original $10,000 appropriated in the 83d Congress.

Mr. President, I ask unanimous consent that a statement prepared by the senior Senator from New Jersey [Mr.

SMITH] be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SMITH OF NEW JERSEY

I should like to express my thanks to the junior Senator from Wyoming and to the other members of the Committee on the Judiciary for favorably reporting H. R. 6454 authorizing additional appropriations to assist the Woodrow Wilson Centennial Celebration Commission in carrying out its plans for the 1956 celebration of the birth of our former great President.

As a Senator from the State of New Jersey, where Woodrow Wilson served as Governor and also as president of Princeton University, I have the honor of being Vice Chairman of the Commission. My distinguished colleague, the junior Senator from Virginia, is the other Member of the Senate who serves on the Commission.

I am confident that the funds authorized today will be used to assure that the celebration next year will be successful and will do great honor to a famous President who gave so much to his country and to the world.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

THE CAPITAL TRANSIT STRIKE

Mr. MORSE. Mr. President, I wonder whether the Senator from Kentucky can advise us as to what plans, if any, he has for bringing before the Senate by motion the bill reported by the Committee on the District of Columbia relative to the transit situation in the District of Columbia. As he can well imagine, members of the committee are being subjected to inquiries almost every hour as to whether the bill will be scheduled for action before adjournment. We believe that the District of Columbia Commissioners are entitled to action on the bill. I believe that the Senate at least ought to absolve itself of any responsibility of not taking any action on the request of the District of Columbia Commissioners.

I wonder whether the acting majority leader could advise the Senate as to when the bill may be brought up in the Senate.

Mr. CLEMENTS. I am glad to state to my friend from Oregon that I too am interested in getting some action on that measure. It has been in the Senate a very short time, and there has been very little opportunity up to now to follow the normal procedure in programing it for consideration. I can assure the Senator that procedures will be put in motion and that sometime on tomorrow I shall be pleased to further discuss the matter with the Senator, and perhaps we can then set a date for the consideration of the bill.

Mr. MORSE. I appreciate the Senator's courteous reply.

PROCEEDINGS AGAINST JOSEPH STAROBIN FOR CONTEMPT OF THE SENATE

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 830, Senate Resolution 129.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 129) to certify the report of the Committee on the Judiciary to the United States attorney for the District of Columbia to the end that Joseph Starobin may be proceeded against in the manner and form provided by law.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. EASTLAND. Mr. President, Mr. Starobin was contemptuous of the Senate Internal Security Subcommittee. I ask unanimous consent to have printed in the RECORD at this point a statement of the grounds on which he was guilty of contempt.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

BASIS FOR CONTEMPT CITATION

JOSEPH STAROBIN (S. RES. 129, ORDER NO. 830)

Claimed privilege improperly by refusing to answer, where—

1. No disclosure was involved.

2. Purpose was to protect others.

Refused to answer a question about certain friends from whom he had borrowed money, and stated: "I consider that the Constitution protects me and the confidence that other people have shown in me."

Refused to answer a question about money received from Cameron & Kahn, and stated: "I simply declined on the grounds that I did not think it was the proper area of questioning."

Refused to answer on ground question improper and irrelevant, after committee had overruled his objection on that ground.

Starobin refused to answer questions with respect to:

1. His Communist record.

2. Persons from whom he borrowed money which was paid over to Cameron & Kahn, Matusow's publishers.

3. Certain of his financial transactions with money which he received from Cameron & Kahn.

4. His travels abroad.

5. His acquaintanceship with known Communist leaders.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to, as follows:

Resolved, That the President of the Senate certify the report of the Committee on the Judiciary of the United States Senate as to the refusal of Joseph Starobin to answer questions before the Senate Subcommittee To Investigate the Administration of the Internal Security Act and Other Internal Security Laws of the Committee on the Judiciary of the United States Senate, said refusal to answer being pertinent to the subject matter under inquiry together with all the facts in connection therewith, under the seal of the United States Senate to the United States attorney for the District of Columbia, to the end that the said Joseph Starobin may be proceeded against in the manner and form provided by law.

PROCEEDINGS AGAINST HARRY SACHER FOR CONTEMPT OF THE SENATE

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 831, Senate Resolution 130.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 130) to certify the report of the Committee on the Judiciary to the United States attorney for the District of Columbia to the end that Harry Sacher may be proceeded against in the manner and form provided by law.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. EASTLAND. Mr. President, Mr. Sacher deliberately defied the committee, and did not invoke the fifth amendment. He specifically disavowed any claim of the fifth amendment privilege, and challenged the committee's jurisdiction and the propriety of the questions asked him.

Asked whether he was a member of the Communist Party of the United States of America, Sacher replied:

I refuse, I refuse categorically, Mr. Chairman, to discuss my beliefs, religious, political, economic, or social. I do not do so on the ground of the fifth amendment. I do so because it is inconsistent with the dignity of any man to be compelled to disclose his political, religious, economic, social, or any other views.

The Senator from Arkansas [Mr. MCCLELLAN], who was presiding, stated:

Senator MCCLELLAN. Well, the Chair does not think that it is beneath the dignity of a good citizen of the United States to answer a question as to whether he is a member of an organization that seeks the overthrow of this Government by force and violence, and therefore, the Chair propounds to you now the question, Are you now a member of the Communist Party of the United States?

Mr. SACHER. Mr. Chairman, medieval inquisitors also thought there was no impropriety in asking those whom they regarded as heretics to answer the question.

Senator MCCLELLAN. The Chair does not care for a lecture. The Chair asked you a question.

Mr. SACHER. And I decline to answer that question, Mr. Chairman.

Senator MCCLELLAN. The Chair orders you to answer the question.

Mr. SACHER. I decline to answer that question on the grounds I have already stated.

Sacher declined to answer questions as to whether, first, he was a member of the Communist Party; second, whether he had ever been a member of the Communist Party; and, third, whether he was or is a member of the Lawyers Section of the Communist Party, United States of America.

Sacher was not being questioned about his representation of clients He was being questioned about his own part in the Communist conspiracy. He was also questioned about his part in the Matusow case. However, the committee was under no compulsion to limit itself to questions on that case alone.

The record shows it did not so limit itself.

There was a valid legislative purpose for the questions asked of Sacher. He had no right to defy the subcommittee.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

Mr. CLEMENTS. Mr. President, the senior Senator from North Dakota [Mr. LANGER] has left word that he would like an opportunity to be heard on this particular resolution. I hope that my friend from Mississippi will be in agreement with a request which I am about to make, that the Senate temporarily lay aside the resolution and proceed with another measure, with the understanding that we will return to the consideration of this resolution upon the return to the floor of the senior Senator from North Dakota.

Mr. EASTLAND. That is agreeable.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that Senate Resolution 130 be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF ACT OF APRIL 23, 1930, RELATING TO A UNIFORM RETIREMENT DATE FOR AUTHORIZED RETIREMENTS OF FEDERAL PERSONNEL

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 520, Senate bill 912.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 912) to amend the act of April 23, 1930, relating to a uniform retirement date for authorized retirements of Federal personnel.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Post Office and Civil Service with an amendment.

Mr. WILLIAMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that Senate bill 912 be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLEMENTS. That does not mean, Mr. President, that the measure will not be taken up. It will probably be considered tomorrow.

TRANSMISSION THROUGH THE MAILS OF CERTAIN KEYS, IDENTIFICATION DEVICES, AND SMALL ARTICLES

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 864, House bill 4808.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 4808) to authorize the transmission through the mails of certain keys, identification devices, and small articles, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Post Office and Civil Service with amendments on page 2, line 11, after the number "3", to strike out "This" and insert "The foregoing provisions of this", and after line 13, to insert:

SEC. 4. (a) Subsection (e) of section 202 of the Legislative Reorganization Act of 1946, as amended, is amended to read as follows:

"(e) The professional staff members of the standing committees of each House, and the clerical staff members of standing committees of the House of Representatives, shall receive annual basic compensation in amounts to be fixed by the respective chairmen thereof. The annual basic compensation of each professional staff member shall not be less than $5,000 or more than the highest amount which, together with additional compensation authorized by law will not exceed the maximum rate authorized by section 2 (b) of the act of October 24, 1951 (Public Law 201, 82d Congress), as amended. The annual basic compensation of each such clerical staff member shall not exceed the highest amount which, together with additional compensation authorized by law, will not exceed the maximum rate authorized by section 2 (b) of the act of October 24, 1951 (Public Law 201, 82d Congress), as amended."

(b) The joint resolution entitled "Joint resolution providing for a more effective staff organization for standing committees of the Senate," approved February 19, 1947, as amended, is amended by striking out "$8,000" wherever it appears therein and inserting in lieu thereof "the highest amount which, together with additional compensation authorized by law will not exceed the maximum rate authorized by section 2 (b) of the act of October 24, 1951 (Public Law 201, 82d Cong.), as amended."

(c) (1) This subsection is enacted as an exercise of the rulemaking power of the House of Representatives with full recognition of the constitutional right of the House of Representatives to change the rule amended by this subsection at any time, in the same manner, and to the same extent as in the case of any other rule of the House of Representatives.

(2) Clause 27 (c) of rule XI of the Rules of the House of Representatives is amended to read as follows:

"(c) The professional staff members and the clerical staff members of the standing committees shall receive annual basic compensation in amounts to be fixed by the respective chairmen thereof. The annual basic compensation of each professional staff member shall not be less than $5,000 or more than the highest amount which, together with additional compensation authorized by law, will not exceed the maximum rate authorized by section 2 (b) of the act of October 24, 1951 (Public Law 201, 82d Cong.), as amended. The annual basic compensation of each clerical staff member shall not exceed the highest amount which, together with additional compensation authorized by law, will not exceed the maximum rate authorized by section 2 (b) of the act of October 14, 1951 (Public Law 201, 82d Cong.), as amended."

(d) The amendments made by this section shall take effect as of July 1, 1955.

(e) Notwithstanding the third proviso in the paragraph relating to the authority of chairmen of standing committees of the Senate to rearrange the basic salaries of employees of such committees, which appears in the Legislative Branch Appropriation Act, 1947, as amended (2 U. S. C., 60f), any increase in the compensation of an employee of a standing committee of the Senate shall take effect on July 1, 1955, if (1) the certification filed by such committee chairman under such proviso so provides, and (2) such certification is filed in the disbursing office of the Senate not later than 5 days following the date of enactment of this act.

Mr. JOHNSTON of South Carolina obtained the floor.

Mr. KNOWLAND. Mr. President, will the Senator from South Carolina yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. KNOWLAND. Do I correctly understand that the Senator from South Carolina proposes that the amendments made by the committee be stricken, and thus leave the bill in its original form as passed by the House?

Mr. JOHNSTON of South Carolina. It is my intention to do that, and to leave the bill as it was originally passed by the House.

Mr. KNOWLAND. I understand. So the bill will relate only to the original subject matter shown in the title of the bill.

Mr. JOHNSTON of South Carolina. Yes. That was requested by the Department. It is said that it will cost practically nothing.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. CLEMENTS. Under the Senator's proposal will the bill be left in the same form as it passed the House?

Mr. JOHNSTON of South Carolina. The committee, of which I am a member, asked that the committee amendments be rejected, and I have authority to make such a request. The bill will then be in the form in which it came from the House.

Mr. KNOWLAND. Do I understand correctly that all the committee amendments will be stricken?

Mr. JOHNSTON of South Carolina. All the committee amendments will be stricken.

The PRESIDING OFFICER. Does the Chair correctly understand the request of the Senator from South Carolina to be that the committee amendments be rejected?

Mr. JOHNSTON of South Carolina. I ask that the committee amendments be rejected.

The PRESIDING OFFICER. Does the Senator from South Carolina ask that the committee amendments be rejected en bloc?

Mr. JOHNSTON of South Carolina. En bloc.

The PRESIDING OFFICER. Without objection, the committee amendments are rejected en bloc.

The question is on the third reading and passage of the bill.

The bill was read the third time and passed.

AMENDMENT OF RAILROAD RETIREMENT ACT OF 1937 AND THE RAILROAD UNEMPLOYMENT INSURANCE ACT

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1053, H. R. 4744. I wish it to be understood that it is not proposed to have this measure debated today; it is merely to be made the unfinished business.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 4744) to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

ORDER FOR ADJOURNMENT TO 11 A. M. TOMORROW

Mr. CLEMENTS. Mr. President, I ask unanimous consent that when the Senate completes its work today, it stand adjourned until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM FOR TOMORROW

Mr. CLEMENTS. On tomorrow, it is proposed to have the Senate consider the treaty with Panama, which is on the Executive Calendar.

Besides H. R. 4744, relating to the amendment of the Railroad Retirement Act, which has been made the unfinished business, it is proposed to have the Senate consider the following bills:

Calendar No. 1085, S. 2442, to provide for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects, and for other purposes.

Calendar No. 1152, S. 2630, to facilitate the establishment of local self-government at the communities of Oak Ridge, Tenn., and Richland, Wash., and to provide for the disposal of federally owned properties of such communities.

These bills will be taken up tomorrow, following the call of the calendar of bills not objected to.

Mr. KNOWLAND. May I inquire of the distinguished acting majority leader if he has determined whether the nomination which was reported adversely will be considered tomorrow or on Friday?

Mr. CLEMENTS. If time permits tomorrow, I should like to have the nomination considered, and shall so move.

Mr. KNOWLAND. I thank the Senator.

Mr. CLEMENTS. Mr. President, I wish to announce that tomorrow, following the morning hour, the first order of business will be the consideration of H. R. 4774, the railroad-retirement bill, which will be followed by the call of the calendar to bills to which there is no objection.

The PRESIDING OFFICER. The request of the Senator from Kentucky requires a modification of the existing unanimous-consent agreement.

Mr. CLEMENTS. That is correct. I now ask unanimous consent that the modification be made.

The PRESIDING OFFICER. Without objection, the unanimous-consent agreement is so modified.

Mr. CLEMENTS. I wish to announce also that if time is available tomorrow, the measures which are not considered to be calendar business, and which do not pass on the call of the calendar, will be subject to consideration by the Senate, if they can be properly programed under the normal procedure.

ADJOURNMENT TO 11 A. M. TOMORROW

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. CLEMENTS. Mr. President, if there is no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand adjourned until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 5 o'clock and 54 minutes p. m.) the Senate adjourned, the adjournment being under the order previously entered, until tomorrow, Thursday, July 28, 1955, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 27, 1955:

DEPARTMENT OF STATE

Francis O. Wilcox, of Iowa, to be an Assistant Secretary of State.

INTERNATIONAL DEVELOPMENT ADVISORY BOARD

Eric A. Johnston, of Washington, to be Chairman of the International Development Advisory Board.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 27, 1955:

DIPLOMATIC SERVICE

Julian F. Harrington, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Panama.

Charles W. Yost, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Laos.

MINT OF THE UNITED STATES AT SAN FRANCISCO, CALIF.

Arthur C. Carmichael, of California, to be Superintendent of the Mint of the United States at San Francisco, Calif.

TAX COURT OF THE UNITED STATES

Craig S. Atkins, of Maryland, to be judge of the Tax Court of the United States for the unexpired term of 12 years from June 2, 1950.

WITHDRAWAL

Executive nomination withdrawn from the Senate July 27, 1955:

POSTMASTER

John P. Ivers to be postmaster at Oceanlake, in the State of Oregon.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 27, 1955

The House met at 12 o'clock noon.

Rev. W. E. Howard, First Baptist Church, Victoria, Tex., offered the following prayer:

Our Father which art in Heaven, hallowed be Thy name. Thy Kingdom come. Thy will be done on earth, as it is in Heaven.

We thank Thee that we have assurance today that our prayers are heard. We know that it is because of Thy Son and His atoning work.

Our hearts are filled with gratitude for Thy providence that has overshadowed our Nation through the years. We praise Thy name, O Lord, for the heritage that is ours, for those who have worked, suffered, and sacrificed to preserve our liberties. We ask Thy blessings to continue upon us according to Thy loving kindness and tender mercies.

We pray for his honor, the President of our United States. Sustain and guide him.

Continue Thy blessings upon the chairman of this assembly. Grant unto him Thy grace.

Bless this assembly. Give each one courage, conviction, and vision that will be pleasing in Thy sight. As they serve Thee and Thy people, grant to them peace and joy that comes because of your purpose and presence with us. Let Thy pleasure shine upon the people they represent.

Forgive our sins, we pray in the name of Jesus Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7301. An act to amend the Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, so as to permit the disposal thereunder of Plancor No. 980 at Institute, W. Va.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 56. An act authorizing construction of certain public works on the Mississippi River for the protection of St. Louis, Mo.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is

requested, a bill of the House of the following title:

H. R. 7278. An act making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. RUSSELL, Mr. CHAVEZ, Mr. ELLENDER, Mr. HILL, Mr. STENNIS, Mr. BRIDGES, Mr. SALTONSTALL, Mr. YOUNG, Mr. KNOWLAND, and Mr. THYE to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2851) entitled "An act to make agricultural commodities owned by the Commodity Credit Corporation available to persons in need in areas of acute distress."

JOHN THOMAS GOJACK

The SPEAKER. The Chair desires to announce that pursuant to House Resolution 315, 84th Congress, he did, on today, July 27, 1955, certify to the United States attorney, District of Columbia, the refusal of John Thomas Gojack to answer questions before the Committee on Un-American Activities.

COMMITTEE ON BANKING AND CURRENCY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have permission to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDING SECTION 112 (N) (8) OF THE INTERNAL REVENUE CODE OF 1939

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means I ask unanimous consent for the immediate consideration of the bill (H. R. 257) to amend section 112 (n) (8) of the Internal Revenue Code of 1939 to provide that in certain cases of a sale or exchange of a taxpayer's residence, certain periods of limitation shall not run against the taxpayer while he is on extended active duty in the Armed Forces, which was favorably reported unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. COOPER]?

Mr. JENKINS. Mr. Speaker, reserving the right to object, and I am not going to object, I want to take this time to make a short statement. The Ways and Means Committee has recommended unanimously several bills that the distinguished gentleman from Tennessee will present for consideration. Naturally he will not have time to discuss or to explain them; neither will I, but may I say that all of them have been thoroughly considered by the Committee on Ways and Means and this committee has unanimously agreed to and recommended the passage of all these bills to the House of Representatives.

With that, Mr. Speaker, I shall ask that I may be permitted to extend my remarks at the conclusion of the consideration of each of these bills as they are taken up.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. JENKINS. I yield to the distinguished gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, I want to congratulate the chairman of the Committee on Ways and Means and all of the members of that committee for the profound consideration they have given various bills introduced by the Members. I want the chairman and the members of the Committee on Ways and Means to know that the membership appreciates this very much.

Mr. JENKINS. On behalf of myself and all the members of the Ways and Means Committee, I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. COOPER]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 112 (n) (8) of the Internal Revenue Code of 1939 (relating to the suspension of certain periods of limitation while the taxpayer is on extended active duty with the Armed Forces) is hereby amended by striking out "and before January 1, 1954, except that any such period" and inserting in lieu thereof the following: "and during an induction period (as defined in section 112 (c) (5) of the Internal Revenue Code of 1954), except that any such period of time."

SEC. 2. The amendment made by this act shall take effect as of December 31, 1953.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and I also ask unanimous consent that following the consideration of each bill I may be permitted to extend my remarks in the RECORD at that point giving a brief explanation of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, under existing law recognition of capital gains resulting from the sale of a taxpayer's principal residence is postponed if the proceeds are used to acquire a new residence within 1 year of the date of the sale or if a new residence is constructed within 18 months of such sale. However, with respect to members of the Armed Forces of the United States who are on extended active duty after the date of such a sale, existing law provides that the time limitations just mentioned will not apply if the taxpayer purchases or constructs a new residence within 4 years from the date of selling his old residence. But the tax treatment is restricted to sales of residences occurring after December 31, 1953, by the 1954 code, while the 1939 code, which applies to cases where the sale of such residences occurred prior to January 1, 1954, imposes a January 1, 1954, cutoff date. The resulting hiatus operates to deny the privilege of postponing the running of the replacement period beyond December 31, 1953, for those who, while on extended active duty, sold their residences prior to January 1, 1954.

H. R. 257 removes the resulting discrimination against those who sold their residences prior to January 1, 1954, by amending the 1939 Internal Revenue Code to conform with the changes made in the 1954 code.

This bill was unanimously reported by the Committee on Ways and Means. I urge its adoption by the House of Representatives.

Mr. JENKINS. Mr. Speaker, H. R. 257 amends section 112 (n) (8) of the Internal Revenue Code of 1939 to provide that in certain cases of a sale or exchange of a taxpayer's residence, certain periods of limitation shall not run against the taxpayer while he is on extended active duty in the Armed Forces. The purpose of the bill is to remove an unintentional discrimination against those in the Armed Forces of the United States who have sold or exchanged their residences prior to January 1, 1954. The bill was reported unanimously. It was introduced by the distinguished gentleman from Wisconsin [Mr. BYRNES], who is to be congratulated for bringing this matter to the attention of our committee.

USE OF CORPORATION PROPERTY BY SHAREHOLDER

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 2553) to amend section 502 (f) of the Internal Revenue Code of 1939, as amended by section 223 of the Revenue Act of 1950, relating to the use of corporation property by a shareholder, which was reported favorably unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 502 (f) of the Internal Revenue Code of 1939, as amended by section 223 of the Revenue Act of 1950 (relating to use of corporation property by a shareholder), is hereby amended as follows:

"Section 502 (f) of the Internal Revenue Code of 1939 (relating to use of corporation property by a shareholder) shall not apply with respect to rents received during taxable years ending after December 31, 1945, and before January 1, 1954, if such rents were received for the use by the lessee, in the operation of a bona fide commercial, industrial, or mining enterprise, of property of the taxpayer."

With the following committee amendment:

Strike out all after the enacting clause and insert "That section 223 of the Revenue Act of 1950 (relating to use of corporation property by a shareholder) is hereby amended by striking out 'January 1, 1950' and inserting in lieu thereof 'January 1, 1954'.

"SEC. 2. No interest shall be allowed or paid on any overpayment resulting from the amendment made by the first section of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "A bill to amend section 223 of the Revenue Act of 1950, relating to the use of corporation property by a shareholder."

A motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, H. R. 2553 qualifies the application of section 502 (f) of the Internal Revenue Code of 1939 to provide that personal holding company income is not to include rents received during taxable years ended after December 31, 1945, and before January 1, 1954, if the rents are paid for the use of property of a corporation which is used in the operation of a bona fide commercial, industrial or mining enterprise. The steps taken by this bill are necessary to relieve the anomalous situation existing under present law whereby the rental of property by a corporation to its principal stockholders in these cases is simple income, with respect to the years 1946 through 1949 and for 1954 and subsequent years, but is classified as personal holding company income subject to the penalty surtax of 75 or 85 percent for the years 1950 through 1953.

The Committee on Ways and Means voted unanimously to remove this anomaly and reported H. R. 2553 unanimously. I urge its adoption by the House.

Mr. JENKINS. Mr. Speaker, H. R. 2553 amends section 502 (f) of the Internal Revenue Code of 1939, as amended by section 223 of the Revenue Act of 1950, relating to the use of corporation property by a shareholder. The bill was reported unanimously by the Committee on Ways and Means.

AMENDING SECTION 3401 OF THE INTERNAL REVENUE CODE OF 1954

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 4394) to amend section 3401 of the Internal Revenue Code of 1954, which was reported favorably unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That subdivision (a) of section 3401 of the Internal Revenue Code of 1954 is amended to real as follows:

"SEC. 3401. Definitions.

"(a) Wages: For purposes of this chapter, the term 'wages' means all remuneration (other than fees paid to a public official) for services performed by an employee for his employer, including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include remuneration paid—

"(1) for active service as a member of the Armed Forces of the United States performed in a month for which such member is entitled to the benefits of section 112; or

"(2) for agricultural labor (as defined in sec. 3121 (g)); or

"(3) for domestic service in a private home, local college club, or local chapter of a college fraternity or sorority; or

"(4) for service not in the course of the employer's trade or business performed in any calendar quarter by an employee, unless the cash remuneration paid for such service is $50 or more and such service is performed by an individual who is regularly employed by such employer to perform such service. For purposes of this paragraph, an individual shall be deemed to be regularly employed by an employer during a calendar quarter only if—

"(A) on each of some 24 days during such quarter such individual performs for such employer for some portion of the day service not in the course of the employer's trade or business; or

"(B) such individual was regularly employed (as determined under subparagraph (A)) by such employer in the performance of such service during the preceding calendar quarter; or

"(5) for services by a citizen or resident of the United States for a foreign government or an international organization; or

"(6) for services performed by a nonresident alien individual, other than—

"(A) a resident of a contiguous country who enters and leaves the United States at frequent intervals; or

"(B) a resident of Puerto Rico if such services are performed as an employee of the United States or any agency thereof; or

"(7) for such services, performed by a nonresident alien individual who is a resident of a contiguous country and who enters and leaves the United States at frequent intervals, as may be designated by regulations prescribed by the Secretary or his delegate; or

"(8) (A) for services for an employer (other than the United States or any agency thereof)—

"(i) performed by a citizen of the United States if, at the time of the payment of such remuneration, it is reasonable to believe that such remuneration will be excluded from gross income under section 911; or

"(ii) performed in a foreign country or in a possession of the United States by such a citizen if, at the time of the payment of such remuneration, the employer is required by the law of such foreign country or possession of the United States to withhold income tax upon such remuneration; or

"(B) for services for an employer (other than the United States or any agency thereof) performed by a citizen of the United States within a possession of the United States (other than Puerto Rico), if it is reasonable to believe that at least 80 percent of the remuneration to be paid to the employee by such employer during the calendar year will be for such services; or

"(C) for services for an employer (other than the United States or any agency thereof) performed by a citizen of the United States within Puerto Rico, if it is reasonable to believe that during the entire calendar year the employee will be a bona fide resident of Puerto Rico; or

"(9) for services performed by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order; or

"(10) (A) for services performed by an individual under the age of 18 in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution; or

"(B) for services performed by an individual in, and at the time of, the sale of newspapers or magazines to ultimate consumers, under an arrangement under which the newspapers or magazines are to be sold by him at a fixed price, his compensation being based on the retention of the excess of such price over the amount at which the newspapers or magazines are charged to him, whether or not he is guaranteed a minimum amount of compensation for such services, or is entitled to be credited with the unsold newspapers or magazines turned back; or

"(11) for services not in the course of the employer's trade or business, to the extent paid in any medium other than cash; or

"(12) to, or on behalf of, an employee or his beneficiary—

"(A) from or to a trust described in section 401 (a) which is exempt from tax under section 501 (a) at the time of such payment unless such payment is made to an employee of the trust as remuneration for services rendered as such employee and not as a beneficiary of the trust; or

"(B) under or to an annuity plan which, at the time of such payment, meets the requirements of section 401 (a) (3), (4), (5), and (6)."

With the following committee amendment:

Page 4, line 4, strike out "such" and insert "any."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, under present law the withholding provisions of the Internal Revenue Code operate to require an employer who is doing business in Puerto Rice or a possession of the United States to deduct not only the Federal income tax, but in addition the income tax of Puerto Rico or of the possession as well. Jobs in Puerto Rico or in the United States possessions are made unattractive to potential employees by this double withholding. The requirement is also unnecessary since the foreign-tax credit usually permitted to such employees eventually relieves the employee of all or most of the Federal income-tax liability.

To rectify this situation H. R. 4394 provides that an employer—other than the United States Government—need not withhold the Federal income tax from amounts paid as compensation for personal services performed in a possession of the United States or Puerto Rico if the law of the possession or Puerto Rico requires the withholding of income on amounts paid for such services.

This bill was unanimously reported by the Committee on Ways and Means. I urge its adoption.

Mr. JENKINS. Mr. Speaker, H. R. 4394 amends section 3401 of the Internal Revenue Code of 1954 to provide that there is to be no withholding of United States income tax on remuneration paid for services performed in a possession of the United States by a United States citizen if the employer is required by law of the possession to withhold income tax on the remuneration. In other words, this bill is intended to prevent

double withholding. It was reported unanimously by the Committee on Ways and Means.

AUTHORIZING SUBPENAS IN CONNECTION WITH ENFORCEMENT OF NARCOTIC LAWS

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 7018) to authorize subpenas in connection with the enforcement of the narcotic laws, and for other purposes, which was reported favorably unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, for the purpose of any investigation which, in the opinion of the Secretary of the Treasury, is necessary and proper to the enforcement of the laws of the United States relating to narcotic drugs and marihuana, the Secretary of the Treasury is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any records (including books, papers, documents, and tangible things which constitute or contain evidence) which the Secretary of the Treasury finds relevant or material to the investigation. The attendance of witnesses and the production of records may be required from any place in any State or in any Territory or other place subject to the jurisdiction of the United States at any designated place of hearing: *Provided*, That a witness shall not be required to appear at any hearing distant more than 100 miles from the place where he was served with subpena. Witnesses summoned by the Secretary of the Treasury shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

SEC. 2. A subpena of the Secretary of the Treasury may be served by any person designated in the subpena to serve it. Service upon a natural person may be made by personal delivery of the subpena to him. Service may be made upon a domestic or foreign corporation or upon a partnership or other unincorporated association which is subject to suit under a common name, by delivering the subpena to an officer, a managing or general agent, or to any other agent authorized by appointment or by law to receive service of process. The affidavit of the person serving the subpena entered on a true copy thereof by the person serving it shall be proof of service.

SEC. 3. In case of contumacy by, or refusal to obey a subpena issued to, any person, the Secretary of the Treasury may invoke the aid of any court of the United States within the jurisdiction of which the investigation is carried on or of which the subpenaed person is an inhabitant, carries on business or may be found, to compel compliance with the subpena of the Secretary of the Treasury. The court may issue an order requiring the subpenaed person to appear before the Secretary of the Treasury there to produce records, if so ordered, or to give testimony touching the matter under investigation. Any failure to obey the order of the court may be punished by the court as a contempt thereof. All process in any such case may be served in the judicial district whereof the subpenaed person is an inhabitant or wherever he may be found.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, present law provides no authority to the Secretary of the Treasury to subpena witnesses or to order the production of books and records with respect to the enforcement of the laws of the United States relating to narcotic drugs and marihuana. This lack of authority handicaps enforcement officers of the Treasury Department who can obtain subpenas through the Federal courts only upon a showing of sufficient evidence.

H. R. 7018 would grant the Secretary of the Treasury authority to summon persons, papers, and books and records to assist in the enforcement of the narcotic and marihuana laws of the United States. In addition, the bill will establish a contempt procedure as a means of compelling compliance with any summons issued pursuant to the authority granted.

The Treasury Department recommended this bill, and it was unanimously reported by the Committee on Ways and Means. I therefore urge its adoption by the House.

Mr. JENKINS. Mr. Speaker, H. R. 7018 authorizes the Secretary of the Treasury to administer oaths and affirmations, subpena witnesses and compel their attendance, take evidence, and require the production of any records which the Secretary finds necessary or relevant to an investigation in connection with the enforcement of laws pertaining to narcotic drugs and marihuana. The bill was reported unanimously by the Committee on Ways and Means.

EXTENDING PERIOD FOR EXERCISE OF RESTRICTED STOCK OPTIONS AFTER TERMINATION OF EMPLOYMENT

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 7064) to amend section 421 (a) of the Internal Revenue Code of 1954 to extend the period for exercise of restricted stock options after termination of employment, which was reported favorably unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the last sentence of section 421 (a) of the Internal Revenue Code of 1954 is amended by striking out "3 months" and inserting in lieu thereof "6 months."

SPECIAL RULE FOR PRIOR TERMINATIONS

SEC. 2. The period of 1 year referred to in the last sentence of section 421 (a) of the Internal Revenue Code of 1954 shall in no event be deemed to expire prior to 6 months after the date of enactment of this act.

EFFECTIVE DATE

SEC. 3. The provisions of sections 1 and 2 shall be effective only with respect to transfers of stock made after December 31, 1953.

With the following committee amendments:

Page 1, line 5, strike out "six" and insert "6."

Page 1, strike out line 6 down to and including line 4 on page 2 and insert:

"SEC. 2. The amendment made by the first section of this act shall apply with respect to taxable years after December 31, 1954, but only with respect to options exercised after such date."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, among the special rules provided in the Internal Revenue Code for employee restricted stock options there is a provision that requires an employee to exercise any option granted to him within 3 months of the time that the employee quits the service of the granting employer.

Frequently this rule works hardships upon employees who, upon being separated from the service of an employer, find it necessary to devote their attention to finding a new job, or to adjusting themselves to a new position. While so engaged they often overlook the necessity for exercising their stock option within the 3-month period presently permitted. In addition, the individual may find himself short of funds in the period immediately after separation from a job because of unusual expenses incurred in moving to a new location or adjusting himself to new circumstances. For these reasons, H. R. 7064 extends the time in which an employee may exercise a restricted stock option to within 6 months following separation from the service of the employer who grants the option.

This bill has been reported unanimously by the Committee on Ways and Means. I urge that it be passed.

Mr. JENKINS. Mr. Speaker, H. R. 7064 amends the stock option provision contained in section 421 of the Internal Revenue Code of 1954. It provides that an employee who has been separated from the service of an employer issuing a stock option is to have until 6 months after such separation, instead of 3 months as is provided by present law, to exercise such option if he is to obtain the tax deferment and capital gains treatment provided for restricted stock options. The change made by this bill is to be effective with respect to stock options exercised after December 31, 1954 in the case of years ending after that date. This bill was reported unanimously by the Committee on Ways and Means.

ALLOWANCE OF CREDITS FOR DIVIDENDS

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 7282) relating to the allowance of the credits for dividends received, for dividends paid, and for a Western Hemisphere trade corporation in computing the alternative tax of a corporation with

respect to its capital gains, which was reported favorably unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 117 (c) (1) (A) of the Internal Revenue Code of 1939 is hereby amended by inserting after the word "reduced" the following: "(except for the purposes of determining the credits allowable under subsections (b), (h), and (i) of section 26)."

SEC. 2. The amentment made by section 1 shall be applicable with respect to taxable years beginning after December 31, 1951, and before January 1, 1954.

With the following committee amendment:

Page 2, line 2, after the period insert "No interest shall be allowed or paid on any overpayment resulting from such amendment."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, the intercorporate dividends-received credit permitted under the 1939 Internal Revenue Code was 85 percent of the dividends received. However, a limitation was imposed providing that the credit should not exceed 85 percent of the adjusted net income of the taxpayer computed without regard to the deduction allowed for a net operating loss. A similar limitation was imposed in the case of dividends paid on certain preferred stock of public utility companies. There the credit was limited to a percentage of the amount of dividends paid or to the percentage applied to the adjusted net income of the taxpayer less the credits for dividends received. Also in the case of Western Hemisphere trade corporations the intercorporate dividends-received credit was limited to a percentage of the normal tax net income.

The limitations imposed upon the credit in these cases posed the question as to whether net income for purposes of computing the limitation is to include capital gains which, under the alternative computation provided by law, are taxed at a maximum effective rate of 25 percent regardless of the tax rate otherwise applied for purposes of computing the tax.

Until 1952 it was the generally accepted administrative practice of the Bureau of Internal Revenue to accept computations of the intercorporate dividends-received credit which included capital gains in net income for purposes of the credit. However, beginning in 1952 some doubt was cast upon this practice which was not settled by a definitive ruling until 1954. As a result of this situation, the Committee on Ways and Means believes that taxpayers may have been confused to their detriment. Therefore, H. R. 7282 provides that for taxable years beginning after December 31, 1951, and before January 1, 1954, qualifying corporations may compute the incorporate dividends-received credit, the credit for dividends paid on certain preferred stock of utility corporations, and the credit for Western Hemisphere trade corporations by including in the net income of the corporation the excess of net long term capital gains over short term capital losses.

This bill was unanimously reported by the Committee on Ways and Means. I urge its adoption by the House.

Mr. JENKINS. Mr. Speaker, H. R. 7282 provides that in the computation of the credits for corporate dividends received, for dividends paid on certain preferred stock and for Western Hemisphere trade corporations, a corporation's net income under the 1939 Code is to be determined without reduction for the excess of the long-term capital gain over the net short-term capital loss. This bill was reported unanimously by the Committee on Ways and Means.

TAX TREATMENT OF INCOME RECEIVED FROM PATENT INFRINGEMENT SUITS

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 7300) to amend the Internal Revenue Code of 1954 with respect to the tax treatment of income received from patent infringment suits, which was reported favorably unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 1302 (a) (3) of the Internal Revenue Code of 1954 (relating to income from an invention or artistic work) is hereby amended by adding at the end thereof the following new subsection: "and

"(4) in one taxable year, income is received or accrued after the commencement of court proceedings, by an owner of a patent or copyright or an undivided interest therein in respect of either an infringement of such patent or copyright or a use or manufacture of the thing patented or copyrighted by the United States without license, which infringement or which use or manufacture occurred over a period at least a part of which was prior to such taxable year,

then the tax attributable to the inclusion of such income in gross income for the taxable year shall not be greater than the aggregate of the increases in taxes which would have resulted if such income had been included in the gross income of such owner in equal increments over the months during which such infringement or such use or manufacture occurred."

With the following committee amendment:

Strike out all after the enacting clause and insert "That (a) part I of subchapter Q of chapter 1 of the Internal Revenue Code of 1954 is hereby amended by renumbering section 1304 as section 1305, and by inserting after section 1303 the following new section:

"SEC. 1304. Compensatory damages for patent infringement.

"'If an amount representing compensatory damages is received or accrued by a taxpayer during a taxable year as the result of an award in a civil action for infringement of a patent issued by the United States, then the tax attributable to the inclusion of such amount in gross income for the taxable year shall not be greater than the aggregate of the increases in taxes which would have resulted if such amount had been included in gross income in equal installments for each month during which such infringement occurred.'

"(b) The table of sections for such part I is hereby amended by striking out

"'Sec. 1304. Rules applicable to this part.'

and inserting in lieu thereof the following:

"'Sec. 1304. Compensatory damages for patent infringement.

"'Sec. 1305. Rules applicable to this part.'

"SEC. 2. The amendments made by the first section of this act shall apply with respect to taxable years ending after the date of the enactment of this act, but only with respect to amounts received or accrued after such date as the result of awards made after such date."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, the annual system of accounting presently required by our income tax laws operates to deprive a person receiving a judicial award for the infringement of a patent of the fruits of his judgment. This is so because the amount of compensatory damages awarded in such cases is lumped in a single year requiring a substantially greater tax than would have been applicable had the taxpayer received the income equivalent to the amount of the compensatory damages over the period in which the infringement occurred.

H. R. 7300 would permit a taxpayer receiving a judgment for the infringement of a United States patent to spread the amount of the judgment proportionately over the period in which the infringement occurred. This treatment is permitted only with respect to so much of the judgment as represents compensatory damages and is further limited to exclude amounts awarded as attorneys' fees, interest, or cost.

This bill was unanimously reported by the Committee on Ways and Means. I urge that the House pass it.

EXTENSION OF TREATMENT PROVIDED IN SECTION 345 OF REVENUE ACT OF 1951 TO CERTAIN CASES

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 2619) to amend section 345 of the Revenue Act of 1951, which was reported favorably unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That if refund or credit of an overpayment resulting from the application of section 345 of the Revenue Act of 1951 (relating to abatement of tax on certain

trusts for members of Armed Forces dying in service) is prevented on the date of the enactment of this act by the operation of any law or rule of law (other than sec. 3760 of the Internal Revenue Code of 1939 or sec. 7121 of the Internal Revenue Code of 1954, relating to closing agreements, and other than sec. 3761 of the Internal Revenue Code of 1939 or sec. 7122 of the Internal Revenue Code of 1954, relating to compromises), refund or credit of such overpayment may, nevertheless, be made or allowed if claim therefor is filed within 1 year after the date of the enactment of this act. No interest shall be allowed or paid on any overpayment if refund or credit of such overpayment would not be allowable but for this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, as you will recall, section 345 of the Revenue Act of 1951 provided for a credit or refund of the tax paid on the income of trusts where the income had been accumulated for a member of the Armed Forces of the United States or the United Nations, if the serviceman died or was killed in active service during the period, December 7, 1941, to January 1, 1948.

As a result of an oversight no relief was provided in the 1951 Revenue Act for cases where refunds or credits were barred by the expiration of the statute of limitations, by a prior court decision, or for other similar reasons. To cure this oversight, H. R. 2619 extends treatment equivalent to that provided in section 345 of the Revenue Act of 1951 to cases where refunds or credits were barred by operation of law or rule of law—other than closing agreements or compromises.

This bill was unanimously reported by the Committee on Ways and Means. I urge its adoption by the House of Representatives.

Mr. JENKINS. Mr. Speaker, H. R. 2619 provides that if a credit or refund under section 345 of the Revenue Act of 1951 of the tax on the income of certain trusts was barred by operation of law or rule of law—other than a closing agreement or compromise—credit or refund is nevertheless to be allowed if the claim is filed within 1 year of the date of enactment of this bill. No interest is to be allowed or paid on such refunds or credits. The trusts referred to are those where the income had been accumulated for the benefit of servicemen killed on active duty during the period December 7, 1941, to January 1, 1948. An identical bill passed this House unanimously in the last Congress. The favorable report of the Committee on Ways and Means on the bill is unanimous.

AMENDING SECTION 4021 OF INTERNAL REVENUE CODE OF 1954

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 4668) to amend section 4021 of the Internal Revenue Code of 1954, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 4021 of the Internal Revenue Code of 1954 be amended by striking out therefrom the words "aromatic cachous."

With the following committee amendment:

Page 1, strike out lines 4 and 5 and insert "is hereby amended by striking out 'aromatic cachous.'

"SEC. 2. The amendment made by the first section of this act shall apply only with respect to articles sold on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, this bill amends section 4021 of the Internal Revenue Code of 1954 to remove the present 10 percent excise tax levied on certain toilet preparations from application to aromatic cachous.

An aromatic cachou is an aromatic pellet made of licorice, cashew nuts, gum, and so forth, which is chewed for purposes of sweetening the breath. The article should not be taxed as a toilet preparation since its use identifies it more clearly with mouth washes or candied mints rather than the externally applied toilet preparations with which it is presently taxed. The present classification of this item places it at a competitive disadvantage with nontaxed articles which are purchased and used for identical purposes. In addition, aromatic cachous are sold in candy stores, confectionaries, and other shops which do not usually handle articles subject to the toilet preparation's tax. As a result of this fact, these stores are burdened by a tax collecting requirement because they handle aromatic cachous although the amount of revenue produced is negligible. This has discouraged many outlets from handling the product.

For these reasons, your committee believes this item should be removed from the burden of the tax.

This bill was reported unanimously by the Committee on Ways and Means. I, therefore, urge its adoption by the House.

Mr. JENKINS. Mr. Speaker, H. R. 4668 amends section 4021 of the Internal Revenue Code of 1954, which provides a 10 percent excise tax on certain toilet preparations, by striking out the words "aromatic cachous." The bill was reported unanimously by the Committee on Ways and Means.

REPEALING MANUFACTURERS EXCISE TAX ON MOTORCYCLES

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 5647) to repeal the manufacturers excise tax on motorcycles, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 4061 (a) (2) of the Internal Revenue Code of 1954 (relating to tax on certain motor vehicles) is hereby amended by striking out "Motorcycles.".

SEC. 2. The amendment made by the first section of this act shall apply only with respect to articles sold on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, this bill amends the Internal Revenue Code of 1954 to remove motorcycles from the 10 percent manufacturers' excise tax on passenger cars and other motor vehicles. The Committee on Ways and Means believes that this action is necessary because the motorcycle industry is depressed by reason of declining sales and diminishing profits.

Sales of the motorcycle industry have been declining since 1947 in which year the profits of the three largest producers amounted to approximately $3.5 million. Since that time they have declined rapidly to $2.3 million in 1948 and $1.4 million in 1950. In 1951 the profits of the three largest producers amounted to only $300,000, and since that time have generally declined until a loss of over $400,000 was experienced in 1954.

Sales of the 3 leading domestic producers have declined by 45 percent in the 7-year period since 1948. During the same period employment in the industry has decreased steadily for the 3 leading domestic producers from a level of about 3,800 workers in 1948 to slightly less than 1,900 in 1954.

In the light of the general and steady decline in this industry during the recent period of generally rising profits, it is believed by the Committee on Ways and Means to be undesirable to continue the special excise tax on motorcycles. The amount collected from the motorcycle industry is not large. The reduction in revenue resulting therefore is certainly not serious.

This bill was unanimously reported by the Committee on Ways and Means, I, therefore, urge its adoption by the House of Representatives.

Mr. JENKINS. Mr. Speaker, H. R. 5647 repeals the manufacturers' excise tax on motorcycles. The motorcycle industry is a depressed industry which has had declining sales in the past several years. Under these circumstances, it appears unreasonable to continue a substantial excise tax upon the product of the industry. The bill was reported unanimously by the Committee on Ways and Means.

AMENDING THE SUBVERSIVE ACTIVITIES CONTROL ACT

Mr. WALTER. Mr. Speaker, by direction of the Committee on Un-American Activities, I ask unanimous consent for the immediate consideration of the bill (S. 2171) to amend the Subversive Activities Control Act so as to provide that upon the expiration of his term of office a member of the Board shall continue to serve until his successor shall have been appointed and shall have qualified, which was reported unanimously by that committee.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That subsection 12 (a) of the Subversive Activities Control Act is amended by striking out the period immediately following the word "succeed" therein, and inserting in lieu thereof a colon and the following: "*Provided, however*, That upon the expiration of his term of office a member of the Board shall continue to serve until his successor shall have been appointed and shall have qualified."

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

PROVIDING 5-YEAR TERMS OF OFFICE FOR MEMBERS OF SUBVERSIVE ACTIVITIES CONTROL BOARD

Mr. WALTER. Mr. Speaker, by direction of the Committee on Un-American Activities, I ask unanimous consent for the immediate consideration of the bill (S. 2375) to provide for 5-year terms of office for members of the Subversive Activities Control Board with one of such terms expiring in each calendar year, which was reported unanimously by the Committee.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. DIES. Mr. Speaker, reserving the right to object, will the gentleman explain what the bill provides?

Mr. WALTER. The purpose of this bill is to stagger the terms of the members of the Board. There are two vacancies now. There will be 2 more vacancies occurring on the 9th of August when 2 more terms expire. What this does is to create 5-year terms of the newly appointed members staggered so that they will expire 1 each year instead of all at one time.

Mr. DIES. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 12 (a) of the Subversive Activities Control Act of 1950 is amended by striking out the third sentence and inserting in lieu thereof the following: "The terms of office of the members of the Board in office on the date of enactment of the Subversive Activities Control Board Tenure Act shall expire at the time they would have expired if such act had not been enacted. The term of office of each member of the Board appointed after the date of enactment of the Subversive Activities Control Board Tenure Act shall be for 5 years from the date of expiration of the term of his predecessor, except that (1) the term of office of that member of the Board who is designated by the President and is appointed to succeed 1 of the 2 members of the Board whose terms expire on August 9, 1955, shall be for 4 years from the date of expiration of the term of his predecessor, and (2) the term of office of any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be for the remainder of the term of his predecessor. Upon the expiration of his term of office a member of the Board shall continue to serve until his successor shall have been appointed and shall have qualified."

SEC. 2. This act may be cited as the "Subversive Activities Control Board Tenure Act."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RUBBER PRODUCING FACILITIES DISPOSAL ACT OF 1953

Mr. VINSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7301) to amend the Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, so as to permit the disposal thereunder of Plancor No. 980 at Institute, W. Va., with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 1, strike out "thirty-day" and insert "sixty-day."

Page 2, line 9, strike out "sixty" and insert "seventy-five."

Page 4, line 6, after "Notwithstanding" insert "the provisions of section 4 of Public Law 19, approved March 31, 1955, and notwithstanding."

(4) Page 4, line 8, strike out "that" and insert "the latter."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendments were concurred in; and a motion to reconsider was laid on the table.

SUPPLEMENTAL APPROPRIATIONS BILL, 1956

Mr. CANNON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7278) making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. CANNON and TABER; and on chapter I, Messrs. WHITTEN, MARSHALL, and H. CARL ANDERSEN; on chapter II, Messrs. PRESTON, THOMAS, and BOW; on chapter III, Messrs. MAHON, SHEPPARD, SIKES, WIGGLESWORTH, SCRIVNER, and FORD; on chapter IV, Messrs. PASSMAN, GARY, and WIGGLESWORTH; on chapter V, Messrs. ANDREWS, MAHON, and FENTON; on chapter VI, Messrs. THOMAS, YATES, and PHILLIPS; on chapter VII, Messrs. KIRWAN, NORRELL, and JENSEN; on chapter VIII, Messrs. FOGARTY, FERNANDEZ, and HAND; on chapter IX, Messrs. RABAUT, KIRWAN, and DAVIS of Wisconsin; on chapter X, Messrs. ROONEY, PRESTON, and COUDERT; on chapter XI, Messrs. GARY, PASSMAN, and CANFIELD; on chapters XII, XIII, XIV, and XV, Messrs. RABAUT, NORRELL, and HORAN.

MAJ. GEN. JOHN STEWART BRAGDON

Mr. VINSON. Mr. Speaker, by direction of the Committee on Armed Services, I ask unanimous consent for the immediate consideration of the bill (H. R. 7628) to authorize the appointment in a civilian position in the White House office of Maj. Gen. John Stewart Bragdon, United States Army, retired, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 2 of the act of July 31, 1894 (28 Stat. 205), as amended (5 U. S. C. 62), or any other provision of law, Maj. Gen. John Stewart Bragdon, United States Army, retired, may be appointed to and accept and hold a civilian position in the White House office.

SEC. 2. Major General Bragdon's appointment to, and acceptance and holding of, a civilian position in the White House office shall in no way affect any status, office, rank, or grade he may occupy or hold as a retired officer in the United States Army, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade: *Provided, however*, That during his incumbency in a civilian position in the White House office he shall receive the compensation appertaining to such position in lieu of the retired pay to which he is entitled as a retired officer of the Army: *Provided further*, That upon the termination of such civilian employment the payment of his retired pay shall be resumed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WATER RESOURCES OF ALASKA

Mr. ENGLE submitted a conference report and statement on the bill (H. R. 3990) to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development and utilization of the water resources of Alaska.

SOCIAL-SECURITY PROGRAM

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. STAGGERS. Mr. Speaker, in the almost 20 years of the existence of the social-security program we can be proud of the many security benefits we have extended to the citizens of our country. One group of deserving workers we have included is the State and municipal employees. No more loyal group of citizens can be found anywhere, yet for years they were without the benefit of this security. They were in an unfortunate position with no type of retirement provided and with a limited salary that did not permit a program of their own. It was my happy privilege to work with other Members of Congress in successfully including this category of workers under the social-security law in the 81st Congress.

During the 84th Congress we have amended the social-security law to continue benefits to permanently and totally disabled children after they have reached the age of 18; extended coverage to certain professional groups and others not heretofore covered; lowered the retirement age of women from 65 to 62, bringing immediate benefits to 800,000 additional women; provided disability insurance benefits to some 250,000 permanently and totally disabled workers aged 50 or over. I am very happy this has been done, but I feel this Congress still has unfinished business and has not extended benefits far enough to the American people who want this protection.

The social-security program has been accepted by both major political parties. It has been tried and proved to be an effective weapon against family insecurity. It is the cornerstone for security and happiness for the disabled and aged in our American society. This program covers a great percentage of wage earners and self-employed, but it has not gone far enough. We have the sad plight of many of our older citizens who want to work and supplement their social-security payments, but under the existing law their benefits are curtailed if they earn more than $1,200 a year. Such a provision has encouraged idleness and lowered the level of subsistence. It removes from our industrial field many able bodied and needed intelligent workers. It also discriminates against persons who do not have incomes other than from their source of earnings. Many persons 65 years of age and older whose income is limited do not receive payments sufficient to enable them to maintain an adequate standard of living. Many are destitute and badly in need of help.

We should extend the old-age and survivors benefits to permit beneficiaries to earn up to $2,400 a year without curtailment of payments. We should extend benefits under the old-age assistance program to permit recipients to earn a reasonable amount regularly to supplement the payments received so they can maintain themselves on a healthful living level.

Since coming to Congress I have advocated the lowering of the age limit of recipients to 60 years. My bill, H. R. 194, now pending in committee, reduces from 65 to 60 the age at which old-age and other monthly insurance benefits shall be payable. I also would like to see this law amended so that when a man retires, his wife automatically becomes eligible at the same time to draw her beneficiary benefits. Under the present law, when a family head suddenly finds his income stopped, it is necessary for the entire family to adjust its living standard downward to come within the amount of his retirement benefits. If the wife's benefits start at the same time as her husband's, it would permit them to continue living as a family and continue to meet their family obligations.

At the end of another history-making session of the United States Congress, we are reminded once again of the magnificent heritage bequeathed to each of us by the divinely inspired wisdom and courage of the forefathers of our country. The unity of the free world is built in a major way around whatever unity in mind, purpose and progress there exists in the hearts of men. Therefore, I state again, this Congress has unfinished business, a long way to go, and many improvements to make.

COMMITTEE ON PUBLIC WORKS

Mr. KARSTEN. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have until midnight tonight to file a report on the St. Louis project.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

ESTABLISHING A COMMISSION ON GOVERNMENT SECURITY

Mr. WALTER. Mr. Speaker, I call up the conference report on the joint resolutio (H. J. Res. 157) establishing a Commission on Government Security, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1407)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 157) establishing a Commission on Government Security, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"DECLARATION OF POLICY

"SECTION 1. It is vital to the welfare and safety of the United States that there be adequate protection of the national security, including the safeguarding of all national defense secrets and public and private defense installations, against loss or compromise arising from espionage, sabotage, disloyalty, subversive activities, or unauthorized disclosures.

"It is, therefore, the policy of the Congress that there shall exist a sound Government program—

"(a) establishing procedures for security investigation, evaluation, and, where necessary, adjudication of Government employees, and also appropriate security requirements with respect to persons privately employed or occupied on work requiring access to national defense secrets or work affording significant opportunity for injury to the national security;

"(b) for vigorous enforcement of effective and realistic security laws and regulations; and

"(c) for a careful, consistent, and efficient administration of this policy in a manner which will protect the national security and preserve basic American rights.

"ESTABLISHMENT OF THE COMMISSION ON GOVERNMENT SECURITY

"SEC. 2. (a) For the purpose of carrying out the policy set forth in the first section of this joint resolution, there is hereby established a commission to be known as the Commission on Government Security (hereinafter referred to as the 'Commission').

"(b) The Commission shall be composed of twelve members as follows:

"(1) Four appointed by the President of the United States, two from the executive branch of the Government and two from private life;

"(2) Four appointed by the President of the Senate, two from the Senate and two from private life; and

"(3) Four appointed by the Speaker of the House of Representatives, two from the House of Representatives and two from private life.

"(c) Of the members appointed to the Commission not more than two shall be appointed by the President of the United States, or the President of the Senate, or the Speaker of the House of Representatives from the same political party.

"(d) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

"(e) Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of section 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U. S. C. 99).

"(f) The Commission shall elect a Chairman and a Vice Chairman from among its members.

"(g) Seven members of the Commission shall constitute a quorum. Each subcommittee of the Commission shall consist of at least three members of the Commission.

"COMPENSATION OF MEMBERS OF THE COMMISSION

"SEC. 3. (a) Members of the Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

"(b) The members of the Commission who are in the executive branch of the Government shall serve without compensation in addition to that received for their services in the executive branch, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the

performance of the duties vested in the Commission.

"(c) The members of the Commission from private life shall each receive $50 per diem when engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

"STAFF OF THE COMMISSION

"SEC. 4. (a) (1) The Commission shall have the power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil-service laws and the Classification Act of 1949, as amended.

"(2) The Commission may procure, without regard to the civil-service laws and the Classification Act of 1949, as amended, temporary and intermittent services to the same extent as is authorized for the departments by section 15 of the act of August 2, 1946 (60 Stat. 810), but at rates not to exceed $50 per diem for individuals.

"(b) All employees of the Commission shall be investigated by the Federal Bureau of Investigation as to character, associations, and loyalty and a report of each such investigation shall be furnished to the Commission.

"EXPENSES OF THE COMMISSION

"SEC. 5. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this joint resolution.

"DUTIES OF THE COMMISSION

"SEC. 6. The Commission shall study and investigate the entire Government security program, including the various statutes, Presidential orders, and administrative regulations and directives under which the Government seeks to protect the national security, national defense secrets, and public and private defense installations, against loss or injury arising from espionage, disloyalty, subversive activity, sabotage, or unauthorized disclosures, together with the actual manner in which such statutes, Presidential orders, administrative regulations, and directives have been and are being administered and implemented, with a view to determining whether existing requirements, practices, and procedures are in accordance with the policies set forth in the first section of this joint resolution, and to recommending such changes as it may determine are necessary or desirable. The Commission shall also consider and submit reports and recommendations on the adequacy or deficiencies of existing statutes, Presidential orders, administrative regulations, and directives, and the administration of such statutes, orders, regulations, and directives, from the standpoints of internal consistency of the overall security program and effective protection and maintenance of the national security.

"POWERS OF THE COMMISSION

"SEC. 7. (a) The Commission or, on the authorization of the Commission, any subcommittee thereof, may, for the purpose of carrying out the provisions of this joint resolution, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as the Commission or such subcommittee may deem advisable. Subpenas may be issued under the signature of the Chairman of the Commission, or the chairman of any subcommittee with the approval of a majority of the members of such subcommittee and may be served by any person designated by such chairman. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (U. S. C., title 2, secs. 192–194), shall apply in the case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this section.

"(b) The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purposes of this joint resolution, and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or Vice Chairman.

"INTERFERENCE WITH CRIMINAL PROSECUTIONS AND INVESTIGATIVE AND INTELLIGENCE FUNCTIONS

"SEC. 8. Nothing contained in this joint resolution shall be construed to require any agency of the United States to release any information possessed by it when, in the opinion of the President, the disclosure of such information would jeopardize or interfere with a pending or prospective criminal prosecution, or with the carrying out of the intelligence or investigative responsibilities of such agency, or would jeopardize or interfere with the interests of national security.

"REPORTS

"SEC. 9. The Commission may submit interim reports to the Congress and the President at such time or times as it deems advisable, and shall submit its final report to the Congress and the President not later than December 31, 1956. The final report of the Commission may propose such legislative enactments and administrative actions as in its judgment are necessary to carry out its recommendations. The Commission shall cease to exist 90 days after submission of its final report."

And the Senate agree to the same.

EMANUEL CELLER,
FRANCIS E. WALTER,
KENNETH B. KEATING,
Managers on the Part of the House.

JOHN F. KENNEDY,
HUBERT H. HUMPHREY,
STUART SYMINGTON,
STROM THURMOND,
MARGARET CHASE SMITH,
NORRIS COTTON,
THOS. E. MARTIN,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 157) establishing a Commission on Government Security, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House and Senate versions with respect to section 1 (a) were substantially identical. The main difference was in the transposition of phrases. The Senate version also included reference to procedures for clearance of Government employees but the House version did not. The conference report adopted the language as it appeared in the Senate version but deleted reference to clearance of Government employees.

In section 2 (g) the Senate version provided that each subcommittee of the Commission should consist of at least three members. The House version made no reference to the composition of subcommittees. The conference report adopted the Senate language.

Section 8 of the joint resolution which relates to interference with criminal prosecutions and investigative and intelligence functions did not differ in substance in either the House or Senate version. The House version made no specific reference to either investigative responsibilities or to activities which would jeopardize or interfere with the interest of national security. In the Senate version, however, reference to those two matters was specifically spelled out. The conference report adopted the language of the Senate version.

Section 9, relating to the reports of the Commission, in the Senate version fixed the date of final report as March 31, 1956. In the House version the date was fixed at December 31, 1956. The conference report adopted the House language and fixed the date at December 31, 1956.

EMANUEL CELLER,
FRANCIS E. WALTER,
KENNETH B. KEATING,
Managers on the Part of the House.

The conference report was agreed to; and a motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. MARTIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 131]

Anfuso	Gwinn	Perkins
Boykin	Hardy	Powell
Buchanan	Hillings	Radwan
Celler	Kearney	Reese, Tenn.
Chiperfield	Kilburn	Reed, N. Y.
Dingell	Krueger	Rivers
Eberharter	Macdonald	Shelley
Gray	Mumma	

The SPEAKER. On this rollcall 414 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

TO AMEND TITLE V OF THE AGRICULTURAL ACT OF 1949, AS AMENDED

Mr. COOLEY submitted the following conference report and statement on the bill (H. R. 3822) to amend title V of the Agricultural Act of 1949, as amended:

MEAL AND FLOUR FOR RELIEF PURPOSES

Mr. COOLEY submitted a conference report and statement on the bill (H. R. 2851) to authorize the Commodity Credit Corporation to reprocess food commodities for donation under certain acts.

NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS ACT OF 1955

Mr. FALLON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 7474) to amend and supplement the Federal Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for con-

tinuing the construction of highways, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 7474, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday there was pending the amendment offered by the gentleman from Michigan [Mr. DONDERO] as amended by the amendment of the gentleman from Washington [Mr. MACK].

Are there further amendments?

Mrs. ST. GEORGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this opportunity to clear up some possible misunderstanding about something that took place on the floor of this House yesterday. I inserted in the RECORD a telegram signed by James A. Farley. This morning I received a message from Mr. James A. Farley, the former national chairman of the Democratic Committee, the former Postmaster General, and a very distinguished citizen of the State of New York. Mr. Farley authorized me to tell the House of Representatives that he had sent and signed the telegram that I placed yesterday in the RECORD.

Mr. BECKER. Mr. Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to the gentleman from New York.

Mr. BECKER. May I say to the gentlewoman that I corroborate what she has said, because I spoke to Jim Farley the other night, and he told me he sent me that telegram. I appreciate his sending it to me. I was not on the floor yesterday, but I want to corroborate what the gentlewoman has just said.

Mrs. ST. GEORGE. I put that telegram in the RECORD yesterday.

Mr. BUCKLEY. Mr. Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to the gentleman from New York.

Mr. BUCKLEY. I am not surprised that Mr. Farley sent to the Republican Members of this House a telegram asking them to vote against the Democratic bill. No doubt, his present views are influenced by his business association with the General Motors Truck Corp.

Mrs. ST. GEORGE. I might say to the gentleman that Mr. Farley said in his telegram to us that he had sent the same telegram to you. He may not consider you a member of the Democratic side of the House. That I do not know.

Mr. FULTON. Mr. Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield.

Mr. FULTON. I would like to comment, too, that I have received a telegram from the Democratic mayor of Pittsburgh, Mayor David Lawrence, interceding with me to try to prevent the coming up of the natural gas bill which he felt the Democratic leadership of the House and the Democratic side of the House was going to bring up and cost the consumers of this country millions of dollars in the closing hours of Congress when adequate consideration could not be given. And further I received another letter today from the Democratic mayor of Philadelphia, joined by the Democratic mayors of New York City and Pittsburgh, quoting former President Harry Truman, to prevent the passage of this bill, which they feel would cost the consumers of the East and West so much money.

Mrs. ST. GEORGE. I am sure the gentleman will agree with me that many of these questions transcend party politics.

The CHAIRMAN. The time of the gentlewoman from New York has expired.

Mr. McGREGOR. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Michigan [Mr. DONDERO].

The Clerk read as follows:

Amendment offered by Mr. MCGREGOR: On page 22, after line 20 and after the period insert "(d) and the following: 'All agreements between the Secretary and the State highway department for the construction of projects on the National System may contain a clause providing that the State will not add any points of access to, or exit from, the project in addition to those approved by the Secretary in the plans for such project, without the prior approval of the Secretary. Such agreements shall also contain such provisions as the Secretary feels necessary to insure that the users of the National System will receive the benefits of free competition in purchasing supplies and services at or adjacent to highways in such system, and such agreements shall also contain a clause providing that the State will not permit automotive service stations or other commercial establishments to be constructed or located on the right-of-way of the National System in such State'."

Mr. McGREGOR. Mr. Chairman, I have submitted this amendment to both the minority and the majority sides. It was accepted in our committee. It simply puts into the Dondero substitute the same wording as was accepted by our committee, I think, by unanimous vote when we were discussing the Fallon bill against monopoly. It simply assures the people protection. I ask for its adoption, Mr. Chairman.

Mr. FALLON. Mr. Chairman, I think it is a fine amendment, and we have no objection to it.

Mr. SMITH of Virginia. Mr. Chairman, may we have the amendment reread?

The CHAIRMAN. Without objection, the Clerk will reread the amendment offered by the gentleman from Ohio [Mr. MCGREGOR].

Mr. McGREGOR. Mr. Chairman, if I might be recognized for a moment, I might point out to my distinguished friend, the gentleman from Virginia, the language of the amendment is to be found on page 28 of the bill, H. R. 7474, or Mr. Fallon's bill. It is the exact wording as included in the Fallon bill.

Mr. SMITH of Virginia. What does the amendment do?

Mr. FALLON. Mr. Chairman, the President's Advisory Committee on the National Highway Program considered the type of marketing concessions along the interstate system to be a matter of great importance. In the report entitled, "Ten Year National Highway Program" the committee pointed out that in the constructing and the control of the highway system, care should be exercised to assure that traditional free enterprise is promoted and no monopolistic tendencies develop in the provision of needed facilities to service the highway users with food, lodging, vehicles, fuel and similar needs.

That was brought out because on some of the toll roads in the country, the right to do business along the right-of-way is sold to bidders to put up eating establishments and gasoline stations and one company may get all the stations along many miles of highway so that if a motorist needs gasoline on any particular section of the highway, he will have to pay whatever price the particular company may want to charge because there is no free competition on that highway.

Mr. SMITH of Virginia. Mr. Chairman, I withdraw my request.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was agreed to.

Mr. SCHERER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHERER to the amendment offered by Mr. DONDERO: On page 22, after line 20, insert a new section as follows:

"SEC. 209. (a) The Secretary of Commerce, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, is authorized to place 2 positions in the Bureau of Public Roads in grade 18 and a total of 20 positions in grades 16 and 17 of the General Schedule established by the Classification Act of 1949, as amended. Such positions shall be in lieu of any positions in the Bureau of Public Roads previously allocated under section 505 of such act.

"(b) The Bureau of Public Roads shall hereafter be known as the Public Roads Administration, and the Office of the Commissioner of Public Roads is hereby abolished. The head of the Public Roads Administration shall be an Administrator appointed by the President, by and with the advice and consent of the Senate. The Administrator shall receive basic compensation at the rate prescribed by law for assistant secretaries of executive departments, and shall perform such duties as may be imposed upon him by law, regulation, or orders of the Secretary of Commerce."

Mr. JONES of Alabama. Mr. Chairman, I reserve a point of order against the amendment on the ground that the Reclassification Act is not germane, and that the amendment is not germane to the bill.

Mr. SCHERER. Mr. Chairman, this amendment is section 14 (a) and section 14 (b) of the Fallon bill.

If the Dondero substitute should pass, it is felt that this amendment is necessary and proper insofar as the Dondero substitute is concerned.

It is my recollection that in voting out the Fallon bill the committee almost unanimously agreed that this amendment was a necessity. What is happening is this: As we all know, there is a tremendous lack of engineers in this country, and even at the present time with this accelerated road program which we hope will pass, the Bureau of

Public Roads is losing engineers daily. As an example, an engineer in the Bureau of Public Roads who is now receiving $11,000 has been offered $29,000 to go with a private concern. If this road legislation should become law, you can easily see the tremendous need for this type of engineer, and the Bureau of Public Roads will have further pressures put on its engineers, and you will find them leaving in greater numbers. So the committee, as I said, almost unanimously felt that this section was necessary whereby at least we have two positions in grade 18. There are no positions now in the Bureau of Public Roads in grade 18 which pay $14,800. That is a low salary in private enterprise for engineers of this caliber.

There are at present in the Bureau of Public Roads five positions in grade 16. This amendment, of course, asks that there be 20 positions. With this accelerated program, you can readily see that in order to carry it out, we are going to need additional engineers.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SCHERER. I yield.

Mr. GROSS. What is the total number of supergrade employees proposed by the gentleman's amendment?

Mr. SCHERER. The amendment proposes only 2 in grade 18 at a salary of $14,800 and asks for 20 positions in grades 16 and 17, whereas at the present time we have 5.

Mr. GROSS. That makes a total of how many?

Mr. SCHERER. Seventeen.

Mr. GROSS. A total increase of 17 in the supergrades.

Mr. SCHERER. Yes.

The CHAIRMAN. Does the gentleman from Alabama insist upon his point of order?

Mr. JONES of Alabama. Mr. Chairman, I insist upon my point of order against the amendment offered by the gentleman from Ohio.

Mr. DONDERO. Mr. Chairman, will the gentleman reserve the point of order?

Mr. JONES of Alabama. Mr. Chairman, I reserve the point of order.

Mr. DONDERO. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Ohio.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. We have not in the committee considered the matter of increasing the number of grades, as discussed by the gentleman from Ohio. There is sufficient time for the Bureau of Public Roads, Department of Commerce, to come before the Committee on the Post Office and Civil Service and make a request for these grades and to be heard in season and in an orderly fashion. It seems to me that this is a matter than can wait until such time as it is considered in the ordinary fashion.

Mr. DONDERO. May I say to my good friend from Alabama that if this amendment is placed in the bill and is left in the Fallon bill, if we should get to that, it certainly can do no harm. I think we should have the right to acquaint the House and the country as to the need of doing what we are about to do with this amendment.

Mr. JONES of Alabama. I regret that I have to raise a point of order, but here we have a bill that trespasses upon the sovereignty and the jurisdiction of almost every committee of the House. It seems to me that we in the Public Works Committee have a large enough task to follow without bringing up every issue to provoke every group in the House of Representatives. It seems to me that the matter can lie still without being dangerous.

Mr. DONDERO. Will the gentleman permit me to say that the Commissioner of Public Roads informed our committee that even now there is a lack of sufficient engineers to carry on the work he must do. Should this legislation become law it is apparent to every Member of the House the additional load that will be placed upon the Bureau of Roads by it. This is one of the greatest road programs in the history of the world. If you will remember, the Commissioner invited our attention to the fact he had only one engineer now receiving $12,000 a year. This engineer has been offered $29,000 a year to go into private enterprise. No doubt the Commissioner will have great difficulty in filling the positions that we ask for and getting sufficient personnel to carry on the work unless he gets additional help and these grades are raised sufficiently so he can pay a decent wage for engineers who are capable of doing the work which this vast program will require.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Ohio.

Mr. McGREGOR. Would this not be a correct statement, that we are here starting approximately a $25 billion road program, an accelerated program? We need help. When do we need that help? We need it as we start the construction program and that is at the very beginning, not next year or the year after. We need that now so that we can get our roadbuilding facilities organized. Certainly when we are asking for only 17 additional people for a $25 billion program we are not going beyond the limits of good business.

Mr. DONDERO. The gentleman is entirely correct. I may say to the committee in conclusion that the amendment that has been sent to the Clerk's desk was taken out of the Fallon bill, section 14 (a), pages 30 and 31, so it is nothing new.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. Under the Dondero bill when are the funds available for expenditure on the interstate system?

Mr. DONDERO. If it becomes law, I can say just as soon as the machinery is set up. There will be bonds sold in order to begin the work at the very earliest possible hour.

Mr. JONES of Alabama. At the beginning of the fiscal year 1956?

Mr. DONDERO. I think we have set that up to 1956 now.

Mr. JONES of Alabama. 1956?

Mr. DONDERO. The same as in the Fallon bill.

Mr. WILSON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. Certainly.

Mr. WILSON of Indiana. I thought the gentleman over there had the floor on his point of order against the amendment.

Mr. DONDERO. I think the gentleman in the well has the floor under the 5-minute rule.

Mr. WILSON of Indiana. All right. I will wait until he gets back on his point of order.

Mr. JONES of Alabama. Mr. Chairman, I insist on my point of order.

Mr. Chairman, I think I have stated the point of order that this is a matter coming within the jurisdiction of the Committee on Post Office and Civil Service. It is a reclassification section, and therefore it is not germane to the bill and the point of order should be sustained.

The CHAIRMAN (Mr. KEOGH). The gentleman from Ohio offered an amendment which was reported and which, in substance, provides authority to the Secretary of Commerce to put 2 positions in the Bureau of Public Roads in grade 18 and a total of 20 positions in grades 16 and 17, to which the gentleman from Alabama [Mr. JONES] has made a point of order.

It is the opinion of the Chair that the amendment offered by the gentleman from Ohio does, in fact, creates additional positions within the general schedules established by the Classification Act of 1949, which is within the jurisdiction and authority of another standing committee of the House.

The Chair therefore is constrained to sustain the point of order.

Mr. WILSON of Indiana. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think this move is just exactly typical of what this committee is trying to do to the House of Representatives of the United States Congress. They have usurped the power of the Committee on Ways and Means, they have usurped the power of the Committee on Appropriations, and now they are attempting to usurp the power granted to the Committee on Post Office and Civil Service.

I think it is time we were sitting up and taking notice of the far-reaching effect of this bill. We are just beginning to realize that we are going to run into some trouble. Are we going to abdicate all of the power and responsibility given to us of the various committees in the House to this one Committee on Public Works?

Let me tell you what is behind this move of the Committee on Public Works. And there is no question about it. I have heard these gentlemen get up on the floor and say, "If we do not get the Dondero bill, we will vote for the Fallon bill." Sure they will. If they cannot vote for daylight, they will vote for darkness. Both are bad bills, but they are willing to take either. Why do members of the Committee on Public

Works make such statements. Because they want to grab the power over, and the control over, the biggest public works program that has ever been submitted to this Congress. Now, is this Congress going to delegate to the Public Works Committee the authority to levy taxes, a power which belongs to the Committee on Ways and Means? Are they going to delegate to this committee the power to appropriate funds, which power belongs to the Committee on Appropriations, and such other powers as they will need to usurp from the other legislative committees in order to operate this program?

Folks, it is time you stopped, you looked, and you listened.

Mr. PATMAN. Mr. Chairman, I move to strike out the last word.

UNSOUND MONEY, INFLATION, CHEAPER DOLLARS, FISCAL IRRESPONSIBILITY, AND UNBALANCED BUDGET

Mr. Chairman, the question of sound money and unsound money in our economy and the effect upon our economy should be considered in connection with these bills. I was shocked yesterday—and I hope my good friend, the gentleman from Massachusetts [Mr. MARTIN], will listen to this—I was shocked yesterday when I heard my good, conservative friend from Massachusetts, the minority leader and a former Speaker of this House, make an impressive speech in favor of cheap dollars, unsound money, inflation, and fiscal irresponsibility, in addition to a continued unbalanced budget.

I never thought I would live to see the day when by good friend from Massachusetts [Mr. MARTIN] would make a speech for those four specific results in the advocacy of any bill. But that is exactly what will happen under this proposal if this amendment is enacted into law.

There will be $21 billion of additional bonds. Of course, it is said that through some kind of hocus-pocus arrangement it will not become a part of the national debt. You can call it anything you want to, it is still a part of the national debt. It is just like the case of the owner of the dog who said, "We will just suppose that the dog's tail is a leg; won't you say that he has five legs?" You can say that he has 5 legs, but he has 4 legs, and the tail is still a tail. It is just exactly like this bill. If you create $21 billion in obligations, backed by the credit of the entire Nation, a mortgage upon all the property of the people of the Nation and the income of all of the people of the Nation, that represents a part of the obligations of our country, whether you call it a part of the national debt or not. It is a part of the national debt of this country. You cannot get away from it. Whenever you put $21 billion of bonds out into the market, you are cheapening the dollar, you are making a springboard for inflation. It means an unbalancing of the budget, and it will probably be unbalanced to the extent where there is not a reasonable probability of balancing it within the next few years.

So I am surprised that the party and the leader of the party, that is always talking about fiscal responsibility, sound dollars, sound money, would come in here now and advocate things that are just exactly the reverse—an about face.

I know that the Clay committee recommended this, but the Clay committee was weighted down with investment bankers, commercial bankers, brokers of Government bonds. It seems as though every proposal that is offered for schools or roads, they begin first by finding out how many bonds are to be issued, for what period of years, and what the interest rate will be. It seems that the first consideration is the bankers and what they get out of it and not the roads, not the schools.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Michigan.

Mr. DONDERO. The gentleman would not say that General Clay is a banker?

Mr. PATMAN. I do not claim he is a professional banker. This statement shows he is on bankers board.

Mr. DONDERO. The gentleman would not say that David Beck, the head of the teamsters' union is a banker.

Mr. PATMAN. I know, but I cannot yield to the gentleman further. I know about the Commission. I know about their connections. You can look at every committee that is appointed that has to do with schools or roads or anything like that, and you will find that it is weighted down with bankers, who are looking for more debt paper; they want more debt paper, longer terms, higher interest rates. That is what they are looking for. That is what they want here. We should not be passing a bill which is for the bankers.

Now, I believe in the banks and want to help, not harm, them in their proper banking activities.

THE CLAY COMMITTEE

When the size of the administration's 10-year highway expansion program was determined it was found that existing revenue sources would provide but half of the estimated $100 billion outlay that would be required over the 10-year period.

The job of finding ways and means of executing and financing the remaining half of the proposed highway program was assigned to a Committee of five. A majority of the Committee turned out to be well respected and highly competent men in public and private life who also happened to be connected with banking and investment houses who had an interest in the type of financing that would be decided upon. The Chairman of the Committee was Gen. Lucius Clay, of the Marine Midland Trust Co. In addition there was Mr. S. Sloan Colt, president of Bankers Trust Co., one of the small group of recognized dealers in Government securities. The third banker representative was Stephen Bechtel, president of the Bechtel Corp., a large engineering and construction firm with headquarters in San Francisco, but also a director of the J. P. Morgan Co. banking house of New York City.

The other two members of the Committee included Mr. Dave Beck, head of the International Teamsters Union, and Mr. W. A. Roberts, president, Allis-Chalmers Manufacturing Co.

The majority of the members of the Committee had affiliations with banks who were vitally interested in the outcome of the financing decisions for the expanded highway program. These banks have large investments in Government securities as well as State and local bonds. A good part of their earnings are derived from the interest they earn on their holdings of Government securities. A good thing that might happen for these banks would be for the interest rate on Government securities to increase so that their earnings might increase. Bankers are not different from other businessmen. Their object is to maximize their earnings for the benefit of the stockholders in the enterprise.

The recommendation of the Clay committee that a new Government corporation be set up to issue bonds amounting to $20.2 billion to finance part of the extra cost of the expanded highway program meant that banks could look forward to an increase in the supply of riskless earning assets.

An increase in the supply of long-term bonds—the proposed bonds were 30-year bonds—would have the effect of reducing the price and raising the yields on all outstanding Government bonds including the 2½ percent Victory loan bonds that were issued to pay part of the costs of World War II. We made a solemn pledge to those people who invested their savings in the 2½ percent bonds that we would support them at their par value. That pledge was broken in 1951. The proposal to issue the $20 billion 30-year highway would have the effect of driving the 2½'s far down below their par value.

The Clay committee assumed that the 30-year bonds would be sold at an interest rate of 3 percent. But both Secretary of Commerce Weeks and Treasury Secretary Humphrey told the Senate Public Works Committee that the rate of interest on the highway bonds would be higher than the 3 percent which the Clay committee based its interest calculations on. Secretary Weeks indicated that it might be 3⅛ or 3¼ percent. Secretary Humphrey testified that it might be 3⅛ to 3½ percent.

The interest cost under the Clay Committee assumption of 3 percent would be $11.5 billion. Under the Humphrey estimate of 3½ percent, the interest cost would exceed $13 billion.

The proposal to set up a separate corporation to issue the bonds would on the one hand have the effect of justifying setting a higher rate on them than Treasury obligations but they would be just as much obligations of the Treasury as if they had been issued by the Treasury Department.

This was made clear by the statement of Comptroller General Joseph Campbell before the Senate Public Works Committee, March 28, 1955:

> Funds for paying off the obligations would come from the general fund of the United States Treasury. * * * The borrowings by the [Federal Highway Corporation] * * * would be borrowings of the United States Government, irrespective of the terminology involved. * * *. It is our opinion that the

Government should not enter into financing arrangements which might have the effect of obscuring financial facts of the Government's debt position.

The debt cost under the Clay Committee proposal would be more than $3 billion higher than if the Treasury issued 2½ percent bonds directly to finance the program.

At bottom the Clay Committee proposal was but another step in the bankers' campaign to obtain higher interest rate on their investments. The bankers simply wanted to erect a private toll gate on the President's highway program.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that I may proceed for 2 additional minutes.

Mr. MASON. Mr. Speaker, I will object to any additional time for the gentleman or for anyone else on either side until we finish this bill.

Mr. MARTIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is a sight to behold. In all my long period in Congress I never expected to see the time when the gentleman from Texas would rise on his feet and speak for any sound money policy.

I can remember in my early days when he wanted to pay the soldier bonus with printing-press money.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. No; I will not. The gentleman would not yield to me and I will not yield now.

Mr. PATMAN. I yielded to the gentleman.

Mr. MARTIN. The gentleman did not and I will not yield to him.

Mr. Chairman, I ask to be protected.

The CHAIRMAN. The Chair will endeavor to do that.

Mr. MARTIN. I repeat, when I first came to Congress, one of the great bills was under consideration. Up rose the persuasive gentleman from Texas. And what did he want to do? He wanted to pay the soldiers a bonus in phony money, not with dollars but bonds with nothing back of them. In the years that have elapsed since then I have never seen him rise on the floor of this House and speak for sound money.

Well, let's talk about the bill under consideration.

What are we doing today? We are not doing anything inflationary. Few businesses are going to progress in this country today unless they borrow money from the banks. That is the price we pay for the bigness which has come into this country. No city, no State government, nor the National Government, in the last 25 years would have been able to operate if they did not issue bonds. Highways, schools, municipal improvements are all thus provided.

There is nothing new or irresponsible about bonds. We need a highway bill. We need roads now. We need them to meet the expanding needs of a growing country. The cost to the Federal Government will be returned in benefits that will come from the better roads for the farmers and the people who work in the factories, the millions and millions of people who drive automobiles. They all save in tires, gasoline, and auto appreciation.

The way to get the roads and get them quickly and get them when we need them is to pass the Dondero bill and it will be less burdensome on the taxpayers of this country at a time when taxes are high and there is a universal demand for reductions. The President's bill is the way to do it. All who want good roads, who want them now, who want to avoid burdensome taxes will vote for the President's bill. I have no apologies to make for my position on this bill and I put my record for an honest, sound government and a sound fiscal policy against his any time.

Mr. SMITH of Mississippi. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I do not want to become involved in an argument about records with two of the senior Members of the House, like the distinguished gentleman from Massachusetts and the gentleman for Texas. However, I do want to point out some statements that were made to the House Committee on Public Works about the inflationary aspects of this program by two distinguished experts in this field.

First, I call the attention of the House to the statements made by the Secretary of the Treasury, Hon. George Humphrey, I believe his name is, in his testimony before the committee. In answer to questions asked by a member of the committee, Mr. Humphrey stated that the Fallon bill would be less inflationary than the Eisenhower plan. So I think that Mr. Humphrey's testimony in that regard is entitled to some credence and some attention by people who are interested in this inflationary question.

The question was elaborated on at greater length by another distinguished Republican, the Honorable Joseph Campbell, Comptroller General of the United States, appointed by President Eisenhower, who was confirmed by the Senate only over the opposition of several distinguished Democrats. Mr. Campbell appeared before our committee and made a very lengthy statement in opposition to the Clay plan or the Eisenhower plan financing. I would appreciate some of you who are interested in this inflationary situation listening to what he said:

> We think that the proposed method of financing—

This is talking about the Clay-Eisenhower plan—

> is inadvisable because the result would be that the borrowings would not be included in the public debt obligation of the United States.

Then he went into great detail to show how under the hokus pokus arrangements so set up, they would still be obligations of the United States Government, but they would not be included in the public debt.

Mr. Campbell said:

> It is our opinion that the Government should not enter into financing arrangements which have the effect of obscuring the financial facts of the Government's debt position.

And that is just exactly what the Dondero bill would do. It would obscure the Government's debt position, as stated by Mr. Campbell. He went on and spoke further as the fiscal adviser of the Congress, and he said the Dondero bill removes and eliminates any check that the Congress has on the operation of the program except in the most obscure and indefinite fashion. There was considerable discussion by the members of the committee about the inflationary effect and the cost of this program with Mr. Campbell and his representatives of the Comptroller General's Office. The statement further was made:

> To my knowledge, I do not believe it has been clearly shown as to why corporation bonds would be less inflationary. The way it looks to us I think you have to figure both methods as debts of the United States Government.
>
> It seems to me that the inflationary aspects of this legislation might come from the expenditure of $2½ billion a year on top of the present economy and that would be the same, whether the financing was by corporation bonds or by direct appropriation.

Mr. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield.

Mr. GEORGE. Can the gentleman tell me how many billions of dollars we have outside the national debt limit that have been passed in the last 20 years?

Mr. SMITH of Mississippi. We have a lot of billions of dollars outside the debt limit, but we do not have one dollar outside the debt limit, in the same manner as is proposed in the Dondero bill. Secretary Humphrey and all the other people who were questioned could not mention one of them. There is always some real estate or some other matter on which the Government can foreclose in connection with these other debts that are outside the debt limit, but the Government could not foreclose on this highway system. Also, in these other cases, there is some other direct type of revenue involved.

Mr. GEORGE. Will the gentleman tell me which program he is for?

Mr. SMITH of Mississippi. I have stated time and time again, I favor a highway plan properly financed. I think the Fallon bill is by far the lesser of the evils presented to us. Sometimes you have to act on measures in that way.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. BURNSIDE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this Dondero plan will cost the taxpayers of America 55 cents out of every tax dollar of money that is borrowed. In addition to that, they will pay a super, super interest by setting up the corporation. The members of the committee remembers very well that I asked Secretary Weeks: Would it not cost one-fourth to three-eights of 1 percent and maybe one-half of 1 percent additional under this plan? Said he realized it would, and that, in turn, would be about $1½ to $2 billion more under this program.

Also you know the Republican administration is talking in terms of a $101

billion overall program about which the President addressed the Nation. If you multiply the billion and a half to two and a half of these interstate roads the sums also that go to the primary road system in terms of the $101 billion program you would have a super, super interest of about $5 billion extra.

I asked these questions of the Secretary of the Treasury, Secretary Humphrey, in addition to Secretary Weeks, and he also admitted the same.

Anyone knows that $5 billion plus another $11½ billion would build a whole lot of roads.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. BURNSIDE. I yield to the gentleman from Ohio.

Mr. SCHERER. Is it not a fact that Secretary Humphrey testified that an approximately equivalent amount of interest would be lost to the people whether they paid this bill in taxes under the Fallon plan or with a bond issue under the Dondero bill? And I am not saying I am against the Fallon plan; I am for the Dondero bill as a lesser of two evils, as my friend said.

Mr. BURNSIDE. I would like to answer the gentleman's question. Under either plan we have to pay for the roads; we cannot reach up into the sky and pull the billions down from the heavens; there is no way to do that.

Mr. SCHERER. Of course the gentleman has not answered my question. Did not the Secretary of the Treasury claim that an equivalent amount of money to the $11.5 billion would be lost in interest by the people who paid for the roads even by taxes under the Fallon plan? For even under that plan they would have to pay interest.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. BURNSIDE. I yield.

Mr. CRAMER. While reaching into the heavens for an ethereal plan will the gentleman explain to the House what bill is before the House today calling for $101 billion? Is there any such bill before the House?

Mr. BURNSIDE. I call the gentleman's attention to the overall plan of the President of the United States. That is what it will finally amount to according to the President's release.

Mr. CRAMER. There is no such figure before the House in either of these bills, is there?

Mr. BURNSIDE. The President used the $101 billion figure; that is not my figure.

Mr. CRAMER. The gentleman does not answer my question. Is either the Fallon bill or the Dondero bill a $101-billion bill?

Mr. BURNSIDE. My good friend from Florida will remember that we argued this out with Secretary Weeks and Secretary Humphrey that just as sure as the Federal Government adds one-quarter to three-eighths or even one-half percent more in interest. This in turn would run up the interest rates for all State funds. The States will have to borrow money to pay this additional interest due to the President's $101-million plan. It will add an additional super interest for the States to their tremendous detriment.

Mr. CRAMER. I ask my friend to look at pages 16 and 17 of the Dondero bill and add those figures together for the 48 States and the District of Columbia and tell me how he can get $101 billion out of them? They add up to approximately $23 billion.

Mr. BURNSIDE. The gentleman will have to ask the President.

Mr. CRAMER. Is it not true that we are considering here a $23-billion bill in the Dondero plan?

Mr. BURNSIDE. $23 billion or $24 billion.

Mr. CRAMER. We are considering a $12-billion bill. The matter of $101 billion does not enter this discussion at all.

Mr. BURNSIDE. But when you add the figures up under this bill, the farmers and workmen will have to pay a super, super interest. This pattern of interest definitely affects the entire pattern of interest of our country.

Mr. CRAMER. Let me ask just 2 or 3 questions, if the gentleman will yield.

The Chairman. The time of the gentleman from West Virginia has expired.

Mr. MACK of Washington. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, Secretary Humphrey testified before the Committee on Public Works that whether we carried out this highway program with the Fallon bill's higher taxes or the Dondero substitute's bond-issue plan we are going to pay about the same amount of interest.

The Government does not pay this interest; the Congress does not pay this interest; the people of the country pay this interest. When a man buys a truck and finds it costs $200 to $400 more because of the Fallon bill he is going to borrow more money to pay for that truck. He will pay interest on his borrowings. When a trucker finds out he must pay on a truck $15 more per tire under this Fallon bill, when for 20 tires on his truck he pays $300 more, he must borrow money to pay the taxes in the Fallon bill. He will pay interest. Mr. Humphrey testified that under either plan the so-called interest charge would be just about the same.

Mr. Humphrey testified that in his opinion, the Dondero proposal, the President's proposal, is the best one for the country. He suggested also that if we adopted the Fallon proposal we would take away from the States $9 billion in gasoline taxes that the States may need in the future to finance their part of the highway program.

Consider that the President of the United States said that the Dondero plan is financially sound and workable, that the greatest authority in the Government of the United States on finances, Mr. Humphrey, and all his fiscal advisers say that the Dondero plan is sound and workable, and also that most of the Governors of the United States of America say that the Dondero plan, the President's plan, is the most sound and workable of the two proposals.

Mr. FALLON. Mr. Chairman, I ask unanimous consent that all debate on the Dondero substitute amendment close in 25 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Chairman, in my opinion, the Dondero bill has back of it the recommendations of those who have in the past advocated sound financing in this country. I am for the Dondero bill.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. GRAY].

Mr. GRAY. Mr. Chairman, as a member of the Committee on Public Works, I had hoped I would have more time to discuss this important legislation. As I sat intently listening to witness after witness coming before our committee and talking about the great need for expanding our highways and about the thousands of people being slaughtered on the highways today, I did not know as much about that subject then, as I do today, because I just received word from home that my uncle and my aunt started out on a Sunday school class picnic with a group of their friends, started down one of these proposed interstate highways, a two-lane highway, and a group of young kids in a car trying to pass a truck hit them head on and killed them both. So, I say, as we stand here today we should be thinking more about the need of having adequate highways than we do about how we are going to pay for them. The American people have never failed to uphold the obligations of this country, and I do not believe they will in this program, and I do not think you can compare the American dollar with the spilling of blood of the American people. So, I urge you here today to pass a bill that has a chance of passing. I would have supported the Dondero bill, but I do not believe it would go through conference because of the action of the other body. I am supporting the Fallon bill, because I think it has a chance of becoming law. So, I say let us support the Fallon bill, let us go to conference with the Gore bill and pass this highway legislation this year, and at the end of the 12-year period we can say to the American people, A job well done.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. BECKER].

Mr. BECKER. Mr. Chairman, I would just like to add one word. In all the weeks of hearings we had before the Committee on Public Works, the record was loaded with testimony of the governors of the States, and from all fiscal people of the country, that the President's plan, the Clay plan, encompassed in the Dondero bill, is a sound plan and will solve the problem of building highways. It will not cost the taxpayers more money in interest, because they will be able to keep their money in their own pockets and invest it wisely and well.

Mr. Chairman, I support the Dondero bill wholeheartedly.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, I think we all realize that regardless of how this program is financed, the public is going to pay the bill. If we finance this by a bond issue, it means we are going to be paying an extra $11.5 billion, which is not necessary to be spent by anyone. This Clay plan merely offers a vehicle for a group of New York bankers to enrich themselves at the expense of the taxpayers. On a pay-as-you-go basis we can raise sufficient funds to build all of the highways that could possibly be built during any period. There is some excuse for borrowing money to make an investment on which you expect a later return and when you can expend all of the money at that time, but if you will refer to all of the figures given here, you will see that the pay-as-you-go plan as proposed in the Fallon bill is the best solution. While I might not agree with all of the schedules in that bill, I think it is probably the best plan that could be worked out at this time, and above all, I think we should pay as we go and not waste $11.5 billion which would build many, many thousands of miles of highways, in order to satisfy the greed which is so typical of those who have come into this administration, through Dixon-Yates, and through other plans such as this. It is typical of the administration that it is trying to further enrich the wealthy people who have been financing this administration. I think it will be a tragedy to try to finance this program through a bond issue and have the taxpayers pay out $11.5 billion to some group of Wall Street bankers.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. GEORGE].

Mr. GEORGE. Mr. Chairman, I would like to call the attention of all the Members of the House to the fact that there is nothing in the Dondero bill that precludes the great Committee on Ways and Means from exercising their prerogatives on the 1st of January and levying the money or taxes on the American people to retire these bonds.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GEORGE. I yield to the gentleman.

Mr. JONES of Missouri. Will you not still have the interest on the bonds to pay?

Mr. GEORGE. Not if you retire them, and more are not issued.

Mr. JONES of Missouri. You are still issuing the bonds and there is the expense of issuing the bonds.

Mr. GEORGE. It is a staggered issue and will not amount to much. If you want fiscal responsibility, it is in your hands. I will help you to bring it back to the country. I would gladly help you do that.

Mr. McCARTHY. Mr. Chairman, will the gentleman yield?

Mr. GEORGE. I yield to the gentleman.

Mr. McCARTHY. If the gentleman is serious in that proposition, would it not be better to have them go ahead and finance these preliminary activities through regular Treasury operations and then have the Committee on Ways and Means do what they have to do? If they do not do that, if the Committee on Ways and Means fails to act, then the gentleman can propose this bonding operation.

Mr. GEORGE. I happen to be on the committee that passed out the Fallon bill. We have one substitute. I do not know what the procedure is going to be on the floor if those two bills are voted down. But I can guarantee one thing, that I will help any of the Members on that side who want fiscal responsibility. I will help them reduce the interest payment, if they are afraid of it. But they have never been afraid of it for 20 years; why should they be so concerned now?

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. SMITH].

Mr. SMITH of Mississippi. Mr. Chairman, again I want to call the attention of the House to the major defects in the Dondero plan.

First of all, it will cost the taxpayers actually more than the $11.5 billion we have been talking about here. That was the figure on the most favorable report on the interest rate, under the most favorable conditions. Actually it will cost somewhere between $12 and $13 billion, according to other reports.

Second, the Dondero plan would provide for a complete freeze in the primary and secondary roads which serve 86 percent of the population of the country. We will not be able to expand during the next 30 years any Federal activity in this field in order to pay this exorbitant interest for that period of time. If anyone does not believe that, just look at the testimony before the committee.

Third, we would give up all control in the Congress over the way to regulate this program, give it to outside corporations over which the Congress would have no power.

Fourth, and mighty important, I would rather stand on the side of fiscal responsibility with the Comptroller General and with Senator BYRD, than with people like some of the governors that my friend the gentleman from New York [Mr. BECKER] supports so strongly.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. BYRNES].

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. AYRES].

Mr. AYRES. Mr. Chairman, until this discriminatory Fallon bill was introduced, the trucking industry as a whole had been rather peaceful individuals. In fact, most of the executives in the trucking industry are former truck drivers. They came up the hard way. They started out with one truck and expanded as our economy expanded.

But in one respect this bill has been good for them. Mr. Chairman, the debate in the committee and the discussion of the proposal have alerted this industry to their problem.

There are 7½ million people in the United States who derive their income directly from the trucking industry. Up until now they thought that they could let the Congress alone. They never bothered us. True, about a year ago, they sent everybody a nice desk pad with a little slogan on it that said, "You got it, the truck brought it."

That is so true. If you got it, the truck brought it to you. But they have trusted the Congress to pass legislation that would not put them out of business. Now that this discriminatory tax has been proposed, you have alerted a sleeping giant and I can assure you that between now and next year you will hear from this industry; 7½ million people, who have been affected, are going to be heard from.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, I have never been prouder of my party than I am right now. I rise to oppose the Dondero amendment and to congratulate the Members on my side who have had the courage of their convictions to try to put this Nation back on the road to fiscal responsibility. You have heard time and again here of intimidations and threats, "You are going to hear from this person and you are going to hear from that person."

I want to tell you, Mr. Chairman, that my party here is going on record that it is a party of fiscal responsibility, and despite the legerdemain efforts of those who take the opposite view, and I respect them, I cannot see how if you have to pay $11.5 billion worth of interest that is in the interest of fiscal responsibility.

The Democratic proposition, if you please, which is opposed to the Dondero amendment, is the proposal of fiscal responsibility, pay as you go, call an ace an ace and a spade a spade. It is for that reason that I want to congratulate the leadership on my side of the aisle. I stand in opposition to the Dondero amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, it is remarkable this change that has taken place on the other side of the House. I listened attentively to my friend, the gentleman from Mississippi [Mr. SMITH] and listened to my good friends, the gentleman from Texas [Mr. PATMAN], and the gentleman from Florida [Mr. MATTHEWS] discussing fiscal responsibility. Where have you been for the last 20 years on your fiscal responsibility? Why, you did not know what fiscal responsibility was then nor do you now. When the agricultural program on flexible and rigid price support legislation was before the House I did not hear any talk about bringing in a companion bill to tax the American people to take care of the subsidy payments of several billions of dollars. Oh, no. Your fiscal responsibility ends when it comes to cotton, tobacco, peanuts, wheat, corn, soybeans, and all the other products on the subsidy program. Talking about fiscal re-

sponsibility, why did you not bring in a companion bill at the time to tax the people to pay for the subsidies on the things you are storing up to deteriorate and rot and go to waste? You well know that a companion tax bill to pay for the tremendous loss sustained would kill the program. The taxpayers would rebel, it would not be politically expedient, so let us hear no more about fiscal responsibility.

Most of you voted for the Mutual Security bill, for $3.5 billion even though there was $8,717,000,000 authorized but unexpended. You did not bring in a companion bill to tax the American people $3.5 billion to pay for the program. You did not dare to because it would not pass the House. It is all right to legislate to spend and put off the day of payment but this companion tax legislation never occurred to you until this highway legislation was introduced.

Now all of a sudden you have become very practical and realistic. What a change. It is amazing. And we are charged on our side with fiscal irresponsibility, after you have built up a debt of approximately $280 billion. There was not one of you for 20 years ever thought of bringing in a companion tax bill to pay for anything you have spent over a long period of years and now out of a clear sky you are assuming a grave attitude and you talk about fiscal responsibility. My, what a change.

You should have been thinking about fiscal responsibility back in the days when we had the NRA, the WPA, the PWA, the youth movements, the ballet dancers, and the goldfish swallowers. There was no talk about tax bills to accompany those programs or about fiscal responsibility.

You should have been thinking about fiscal responsibility back in the days when they were converting young hogs into fertilizer, distributing the fertilizer to the farmers to increase the yield and production, and then plowed it under. You did not introduce companion tax bills to pay for these programs. No talk about fiscal responsibility. So, it comes with poor grace for anyone to talk about fiscal responsibility or irresponsibility after these colossal programs were carried on with no thought of tomorrow and the placing of the burden of debt and taxation on the generations that are to follow us. What a legacy to bequeath them.

That was back in the days when everything was spending, and now, suddenly, we hear about fiscal responsibility. Well, there is one way to stop these colossal programs of spending such as foreign aid and agricultural subsidy spending, and that is to talk about taxes. When a companion tax bill is introduced along with a spending program, very few programs will get by this House, the spending will stop, the budget will be balanced, and relief afforded the long-suffering American taxpayer who has been carrying the load. So it is encouraging after all these years to see this changed attitude.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Chairman, we are going to start today to get America out of the traffic jam or we are going to bog down this road program in legislative mud. Today we start a program to reduce highway accidents or to accelerate them—a program to speed up or delay the entire economic progress of this country. We vote to adopt the President's program or for no program at all.

We all recognize, as has been pointed out, that the Dondero bill is not hocuspocus financing. I wonder if you gentlemen that use that term have ever heard of authorities, if you do not know that the bulk of the road and the bulk of the bridge programs in the more progressive States have been built and financed by authorities.

When you say this is financial irresponsibility, what you are saying in effect is that the Appropriations Committee and the Ways and Means Committee in the years to come cannot study the economic situation and the fiscal situation and determine how much of this bond issue can be liquidated year by year.

I submit to you again that if we are going to get America out of the traffic jam, we must have the Dondero plan passed. We have to have a commission operating. We have to have these road programs started. Any delay is going to be much costlier to the American economy than any interest charges which may accrue. Let us buy the roads we need on the installment plan and pay the bill as fast as we are financially able to pay.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. MACK].

Mr. MACK of Washington. In these closing moments of the debate, I plead with my colleagues, both Republicans and Democrats, to stand by the President of the United States and support the President's program, which is the Dondero substitute. This program the President holds is sound and workable. Let me plead with both Republicans and Democrats to stand by their governors, most of whom have said they fear the Fallon bill because it will impose an additional 1 cent a gallon tax on gasoline. This gas tax revenue will be taken away from the States and thus deprive the States of money they well need to build secondary roads to the farms and urban roads in the cities.

Now I am going to say something to the Democrats which I, as a Republican, perhaps should not say. That lovable character, JOE MARTIN, once said to me, "Don't take on everybody all at once and fight everybody at the same time." I want to say to you Democrats that if you pass the Fallon bill in preference to the President's proposal you are penalizing the trucking industry of this country and all the employees of that industry. You are penalizing all the people who are operating the trucks. There were 100 telegrams on my desk today and maybe as many on each of your desks protesting the 15 cents a pound tax imposed on truck tires. You are offending the truckers who are being taxed 4 cents a gallon on diesel fuel. The Fallon bill places a $300-a-year tire tax on the logging trucks and there are tens of thousands of them in the Western States. Those log truckers have been voting the Democratic not the Republican ticket.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, I cannot believe that 5 men who sat around the table for 4 months almost day and night and heard witnesses representing every interest in this country and the governors of the States, including such men as General Clay and David Beck, of the teamsters union, could make such a gross mistake and recommend to the American people a plan for the building of roads that is not sound. We will soon vote, in a few minutes, on whether we want to adopt this sound plan. In addition, the Secretary of the Treasury has been quoted here several times this morning. I heard all of his testimony and he told us whatever way we choose to do this job, the American people must pay the bill. If you take the bond plan, as provided in the bill before us, the job undoubtedly will be done sooner, in 10 years, even though we might pay interest, by spreading it over 30 years, more people and more car owners would help to bear the cost. If we do it under the Fallon plan, they must pay their money now and every year for the next 15 years in order to do the job. The Secretary said very frankly you could do it either way, but in the final analysis the people of the United States will pay for the roads. It is just a matter of commonsense. I think we ought to take the better way to do it and let the burden fall on more people and more car owners.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. FALLON] to close debate.

Mr. FALLON. Mr. Chairman, I am sure the taxpayers in the final analysis are willing to pay for this job that has to be done. But, under the provisions of H. R. 7474 they save $11,500,000,000.

Talk about taking this money from the States, when this money is collected it goes to the States for an interstate system of highways.

The gentleman from Washington complained about this heavy tax burden on so few people. He voted for this bill when it was reported out of committee.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. FALLON. In just a minute. I ask the gentleman if he is going to vote for H. R. 7474 if the Dondero bill is defeated.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield.

Mr. MACK of Washington. I stated yesterday and I state now that I propose to vote for the Dondero substitute because the President wants it and the Secretary of the Treasury says it is the best bill. I do insist that we must have a road bill even if we cannot get this one the President proposed.

Mr. FALLON. I may say to the gentleman and others who mentioned this morning the opposition from 7,850,000 truckers, that this is the greatest insurance policy that you can give a truck-driver, that when he leaves home in the

morning he will have more of a chance to arrive back safely at his home at night.

The CHAIRMAN. The time of the gentleman from Maryland has expired, all time has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. DONDERO], as amended by the Mack amendment.

Mr. DONDERO. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. FALLON and Mr. DONDERO.

The Committee divided; and the tellers reported that there were—ayes 178, noes 184.

So the amendment was rejected.

The Clerk read as follows:

SEC. 2. (a) For national defense and other purposes, it is considered essential to provide for the early completion of a National System of Interstate and Defense Highways, which system shall be understood to mean a system of highways of primary importance to the national defense and economy and welfare of the Nation, and shall be the system referred to as the National System of Interstate Highways, authorized in section 7 of the Federal-Aid Highway Act of 1944, which act is hereby amended to substitute the term "National System of Interstate and Defense Highways" for the term "National System of Interstate Highways" wherever that term appears in that act or any other acts. When used herein the term "National System" shall be understood to mean the National System of Interstate and Defense Highways described above.

(b) For the purpose of expediting the construction, reconstruction, and improvement of the National System, including extensions, spurs, and distributing connectors thereof through, within, and into urban areas, designated in accordance with the provisions of section 7 of the Federal-Aid Highway Act of 1944 (58 Stat. 838), there is hereby authorized to be appropriated the additional sum of $1,200,000,000 for the fiscal year ending June 30, 1957, the additional sum of $1,500,000,000 for the fiscal year ending June 30, 1958, the additional sum of $1,700,000,000 for the fiscal year ending June 30, 1959, the additional sum of $2 billion for the fiscal year ending June 30, 1960, the additional sum of $2 billion for the fiscal year ending June 30, 1961, the additional sum of $2,200,000,000 for the fiscal year ending June 30, 1962, the additional sum of $2,200,000,000 for the fiscal year ending June 30, 1963, the additional sum of $2,300,000,000 for the fiscal year ending June 30, 1964, the additional sum of $2,300,000,000 for the fiscal year ending June 30, 1965, the additional sum of $2,200,000,000 for the fiscal year ending June 30, 1966, the additional sum of $2 billion for the fiscal year ending June 30, 1967, the additional sum of $1,200,000,000 for the fiscal year ending June 30, 1968, and the additional sum of $1,200,000,000 for the fiscal year ending June 30, 1969. The sum herein authorized for each fiscal year shall be apportioned among the several States in the ratio which the estimated cost of completing the National System in each State bears to the estimated total cost of completing the National System in all of the States and the District of Columbia as set forth in the computations compiled by the Bureau of Public Roads on pages 6 and 7 of House Document No. 120, 84th Congress: *Provided further*, That the Federal share payable on account of any project on the National System provided for by funds made available under the provisions of this section shall be increased to 90 percent of the total cost thereof, plus a percentage of the remaining 10 percent of such cost in any State containing unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceeding 5 percent of the total area of all lands therein, equal to the percentage that the area of such lands in such State is of its total area: *And provided further*, That such Federal share payable on any project in any State shall not exceed 95 percent of the total cost of such project.

(c) Any sums apportioned to any State under the provisions of this section shall be available for expenditure in that State for 2 years after the close of the fiscal year for which such sums are authorized: *Provided*, That such funds for any fiscal year shall be deemed to be expended if a sum equal to the total of the sums apportioned to the State for such fiscal year and previous fiscal years is covered by formal agreements with the Secretary for the improvement of specific projects under this section.

(d) Any amount apportioned to the States under the provisions of this section unexpended at the end of the period during which it is available for expenditure under the terms of subsection (c) of this section shall lapse.

(e) No funds authorized to be appropriated for any fiscal year by this section shall be apportioned to any State within the boundaries of which the National System may lawfully be used by vehicles with any dimension or with weight in excess of the greater of (1) the maximum corresponding dimensions or maximum corresponding weight permitted for vehicles using the public highways of such State under laws in effect in such State or regulations established by appropriate State authority effective on March 1, 1956, or (2) the maximum corresponding dimensions or maximum corresponding weight recommended for vehicles operated over the highways of the United States by the American Association of State Highway Officials in a document published by such association entitled "Policy Concerning Maximum Dimension, Weights, and Speeds of Motor Vehicles To Be Operated Over the Highways of the United States" and incorporating recommendations adopted by such association on April 1, 1946. Any amount which is withheld from apportionment to any State pursuant to the foregoing provisions of this section shall be reapportioned, in the same manner as provided in paragraph (b) of this section, to the States which have not been denied apportionments pursuant to such provisions: *Provided, however*, That nothing herein shall be construed to deny apportionment to any State allowing the lawful operation over the public highways within such State of any vehicles or combinations thereof that could be operated lawfully over the public highways within such State on March 1, 1956.

(f) The Secretary is directed to take all action possible to expedite the conduct of a series of tests now planned or being conducted by the Highway Research Board of the National Academy of Sciences, in cooperation with the Bureau of Public Roads, the several States, and other persons and organizations, for the purpose of determining the maximum desirable dimensions and weights for vehicles operated on the Federal-aid highway systems and, after the conclusion of such tests, but not later than March 1, 1958, to make recommendations to the Congress with respect to such maximum desirable dimensions and weights.

Mr. WRIGHT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WRIGHT: Page 4, line 11, through page 6, line 4, strike out all of subsection (b) and insert in lieu thereof the following subsection:

"(b) For the purpose of expediting the construction, reconstruction, and improvement of the National System, including extensions, spurs, and distributing connecters thereof through, within, and into urban areas, designated in accordance with the provisions of section 7 of the Federal-Aid Highway Act of 1944 (58 Stat. 838), there is hereby authorized to be appropriated the additional sum of $600 million for the fiscal year ending June 30, 1957, the additional sum of $750 million for the fiscal year ending June 30, 1958, the additional sum of $850 million for the fiscal year ending June 30, 1959, the additional sum of $1 billion for the fiscal year ending June 30, 1960, the additional sum of $1 billion for the fiscal year ending June 30, 1961, the additional sum of $1,100,000,000 for the fiscal year ending June 30, 1962, the additional sum of $1,100,000,000 for the fiscal year ending June 30, 1963, the additional sum of $1,150,000,000 for the fiscal year ending June 30, 1964, the additional sum of $1,150,000,000 for the fiscal year ending June 30, 1965, the additional sum of $1,100,000,000 for the fiscal year ending June 30, 1966, the additional sum of $1 billion for the fiscal year ending June 30, 1967, the additional sum of $600 million for the fiscal year ending June 30, 1968, and the additional sum of $600 million for the fiscal year ending June 30, 1969. The sum herein authorized for each fiscal year shall be apportioned among the several States in the ratio which the estimated cost of completing the National System in each State bears to the estimated total cost of completing the National System in all of the States and the District of Columbia as set forth in the computations compiled by the Bureau of Public Roads on pages 6 and 7 of House Document No. 120, 84th Congress: *Provided further*, That the Federal share payable on account of any project on the National System provided for by funds made available under the provisions of this section shall be increased to 90 percent of the total cost thereof, plus a percentage of the remaining 10 percent of such cost in any State containing unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceeding 5 percent of the total area of all lands therein, equal to the percentage that the area of such lands in such State is of its total area: *And provided further*, That such Federal share payable on any project in any State shall not exceed 95 percent of the total cost of such project."

Mr. WRIGHT. Mr. Chairman, the amendment I have offered is an effort to restore a sense of responsibility, restraint, and moderation to this road-building program. I am fully aware that we do need improvements in this very limited system of interstate roads. Yet at the same time, Mr. Chairman, we need similar improvement in the other 99 percent of the roads all over this country.

The effect of this amendment would be to cut in half the very, very abrupt increase that is provided in H. R. 7474 for the very limited interstate system of highways. Where the bill appropriates an average of $2 billion annually for the interstate system, my amendment would reduce this to an average of $1 billion annually.

The purpose of this amendment is to scale down this very abrupt 8,000 percent increase and permit the conference committee to moderate the abrupt tax increases proportionately and still have a pay-as-we-go program.

Twenty-four billion dollars, Mr. Chairman, is a very appreciable amount of money. Let us see what it buys. It buys improvements on these roads, and

I wish every Member of the House would look at this map, which I hold in my hands, and see what a very, very small percentage of the overall road needs of our country would be supplied by this bill which sets two-thirds to three-fourths of all Federal highway funds on that extremely limited 1 percent of the roads.

It is true that these roads are some of the most important roads in the country and carry more traffic proportionately than the others. And yet, at the most, they carry only one-seventh of the motoring traffic of this Nation. This bill asks us to place two-thirds to three-fourths of all Federal highway funds upon that system. My amendment, I think, would bring the overall program into better balance.

It is obvious, Mr. Chairman, that we cannot spend the kind of money involved in the Fallon bill without very radically increasing taxes. I fully agree that those who profit most from the use of the roads should assume their full proportionate share of the cost. Let us make no mistake about it, however. Those excise tax increases, abrupt as they are, will find their way into the pocketbooks of the average American for whom we are not providing in this interstate system the kind of roads that he will find serviceable and frequently usable.

Approximately $650 per family will go under the Fallon bill to pay for this very little stretch of road. Therefore, I suggest in the interest of restraint and moderation that we trim it back to half that amount so that we can then trim back the very sudden increase in taxes; 50-percent increase in the Federal gasoline tax, 100-percent increase in the diesel tax, 200-percent increase in the tax on larger tires. These are not negligible increases, and I believe they should be more moderate.

My amendment would still permit the most dynamic and the most constructive highway building program that has ever been undertaken in the entire history of the United States or perhaps of any nation on the face of the earth.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Ohio.

Mr. SCHERER. Was not the uncontradicted evidence before the Committee on Public Works to the effect that the density of traffic on the interstate system is 14 times that of the average density on all the other systems?

Mr. WRIGHT. Obviously, since this 1 percent of the roads carries 14 percent of the traffic, I think that is true. Still, one-seventh of the traffic does not deserve three-fourths of the Federal funds. I am inclined to think we should build a road program of which we can all be proud, a program for all Americans, for all of the average Americans, the farm folks and the small town folks and the suburbanites who do most of their driving on city streets and all the rest. I think this amendment brings it better into balance.

In last year's appropriation we appropriated $25 million for the interstate highways. This bill as it comes out of committee would increase that by an average of 8,000 percent, and there are very serious questions as to whether that sudden an increase can be accomplished without serious inflationary dislocations.

Mr. THOMPSON of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. THOMPSON of Louisiana. I want to congratulate the gentleman on his statement and commend him for giving the House a real, practical solution for the situation in which we find ourselves. I want to say again that his amendment will still provide a 4,000-percent increase in the expenditures on this Interstate Highway System.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Florida.

Mr. CRAMER. Is it not obvious that the reason the gentleman from Louisiana [Mr. THOMPSON] is so much in favor of the gentleman's proposal is that it comes in by the back door and does what the House refused to do yesterday, that is, accept the Thompson bill?

Mr. WRIGHT. On the contrary. We did not have a fair chance yesterday, since those on the Republican side of the aisle were then obviously bound by caucus agreement. I hope that agreement will not apply against this amendment today.

Let me say that I offered this in committee and it was not accepted, although some of us went along with it. In fairness I must tell you that. But I took the position that the whole House should have an opportunity to vote for a highway bill carrying an increase but a less radical increase. I think we are going too far too fast, and that a nation no less than a family must learn to live within what it can afford to spend. I think this amendment provides a very constructive manner of solving this highway problem.

Moreover, I am convinced that a moderate bill of this type can be enacted and can give us a highway program. I predict that the Fallon bill, if not amended in this fashion, will not pass this body but will be rejected.

Mr. FALLON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment offered by the gentleman was considered in committee and defeated by the committee.

We are not jumping into this thing in a hurry. This has been studied by the governors and highway commissioners of all the States. It is their recommendation that this work be done. It is their recommendation and estimate of the cost. It is also the recommendation of the Clay committee, who studied this problem, along with the other groups. Our committee is not setting ourselves up as experts on how it should be done or how swiftly it should be done. We are taking the advice of these people, who have given this years of study. That is the reason we come out with this particular number of miles at an estimated amount of money. The gentleman's amendment will not do the job. It will do only half the job. To complete a job half done will cost twice as much as if you do the whole job at one time.

Mr. GEORGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am sure my good friend, the gentleman from Texas [Mr. WRIGHT], did not want to mislead the Congress when he made the 8,000-percent statement. It is true it is 8,000 percent above the $25 million we are now appropriating or have been appropriating on the Interregional System, but the record before our committee shows that some States are spending as much as 50 percent of their total road funds on this system at the present time. So when you say 8,000 percent, it is 8,000 percent of practically nothing, it is not 8,000 percent of what we are now doing throughout the United States on the principal highway system of the United States.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. GEORGE. I yield to the gentleman from Texas.

Mr. WRIGHT. I did not intend to lead anyone wrong. I said it would be an 8,000-percent increase in the amount federally appropriated for that system last year, $25 million. Two billion dollars is 80 times that, or 8,000 percent increase.

Mr. GEORGE. But the evidence before our committee showed that some States, in many instances, were spending as much as 50 percent of their total money in constructing this system now, and if this program now proposed in the Fallon bill goes through, those States will be relieved of that burden and only have 10 percent of the program to pay. So they will have the money they are now spending on this system to go out on the other roads in their States.

Mr. WRIGHT. The gentleman will agree, will he not, that that at best is a presumption?

Mr. GEORGE. No, I will not agree that that is a presumption.

Mr. WRIGHT. We are assuming that that is what might happen.

Mr. GEORGE. I am sure it will happen because local pressure will see that it does.

Mr. GROSS. Mr. Chairman, will the gentleman yield so that I may ask the gentleman from Texas a question?

Mr. GEORGE. I yield.

Mr. GROSS. Do I understand your amendment cuts out the tax increases in the Fallon bill?

Mr. WRIGHT. It is not possible to cut it out under the rule that was adopted, I will say to my friend, the gentleman from Iowa, but it does do this—by limiting, by cutting out half of this excessive, additional money set aside for the interstate system, it will permit the conference committee to trim down those taxes because this more abrupt tax increase will no longer be necessary.

Mr. GROSS. But that has to be left to the conference in order to do that?

Mr. WRIGHT. I agree with the gentleman that is the only recourse open to us at this moment; if we wish to trim down the abruptness and excessive increase going on overnight, this is the only means I see open to us at this moment.

Mr. GROSS. So that if we vote for the Fallon bill, we are still voting to increase the various taxes.

Mr. WRIGHT. There will surely be some increase, I think that is true. I am inclined to think that there should be—if we increase funds we should have the honesty to increase the taxes. But my position is, may I say to the gentleman, that I just do not think we want to increase it that abruptly.

Mr. GEORGE. I did not intend to give the gentleman an extra 5 minutes on his amendment.

Mr. JONES of Alabama. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Texas [Mr. WRIGHT]. I do so for this reason. The road bill is handled by the House biennially. Next year the Committee on Public Works in the performance of its duties will report a road bill. The funds of $1 billion made available will be sufficient for us to get the interstate program well underway. It will also reserve for the House an opportunity to observe the success of the program. There is no need for rushing into a program of the proportions that are asked for in the Fallon bill of some $24 billion. We must approach a road program with the hope of getting some uniformity of construction for if we are going to appropriate three-fourths of the total sum—if we appropriate $24 billion for 40,000 miles of roads, the next question which would normally come to our minds is—what is to be done for the other categories of roads amounting to 720,000 miles of roads that are eligible to be the beneficiary of Federal assistance? Through this method of reducing them to $1 billion, it means we can carry on concurrently a progressive road improvement program and see that the proper amounts are expended on the secondary, urban and primary roads.

What would happen if we construct these superhighways? It is going to place a tremendous burden on the States to provide access to those highways. Those of us who have been on the committee realize that the 20 percent that can be transferred from one category of roads to the other is not going to be sufficient for the States to carry out the matching program to the extent of bringing unity in the road-construction program.

The gentleman says this approach to the problem is entering by the back door. I do not think it is a back-door approach, but if it is, it is the proper entrance to the house, for $1 billion a year is exactly 4,000 percent more than we provided in the 1955 Highway Act.

I hope the Committee will see fit to accept this amendment. In subsequent years, if the program needs accelerating, certainly it can be the business of the Committee on Public Works to look into the situation and recommend remedial legislation.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Texas.

Mr. POAGE. I am going to vote for this amendment, but even if this amendment is adopted how are we going to increase our road construction 4,000 percent? In my hometown there is a cement mill, yet they are selling Mexican cement in Waco, Tex., today because they cannot get enough cement from American mills. How are we going to get the necessary cement and other materials necessary to carry out this tremendous program?

Mr. JONES of Alabama. The gentleman will remember the testimony before the committee in which we were given assurance that materials would be available to carry out such a program as well as the additional personnel required.

Mr. POAGE. It is true representatives from various industries concerned appeared, but in my opinion they did not show us how we could do it.

Mr. FALLON. I do not recall that there was firm assurance that all the material and personnel would be furnished.

Mr. POAGE. What was the gentleman's impression?

Mr. JONES of Alabama. If the Wright amendment prevails it will mean we will have a deficit above present excise taxes of approximately $400 million. If we insist on the full amount in the Fallon bill, it will mean that we will run deficits over a period of time of approximately $900 million annually.

Mr. Chairman, this is a good amendment, and I hope it will prevail.

The CHAIRMAN. The time of the gentleman from Alabama has expired, all time on this amendment has expired.

The question is on the amendment offered by the gentleman from Texas [Mr. WRIGHT].

The question was taken; and on a division (demanded by Mr. SMITH of Mississippi) there were—ayes 55, noes 115.

So the amendment was rejected.

Mr. FRELINGHUYSEN. Mr. Chairman, at this stage of the debate many of us in this Chamber, or at least the spectators in the gallery, are in a state of some confusion. Most of us will agree that this Nation is in real need of a greatly improved highway system. Sharp disagreement has developed regarding the best way to accomplish this goal. Now it seems possible that no legislation will be enacted because of a failure to reach a reasonable compromise between various points of view. If this should occur, it will be because of political maneuvering.

As a Representative from New Jersey, I should naturally like to see an acceleration in our present effort to build more modern highways. The roads of our State are very heavily traveled—seven times more heavily than the national average. We need more and better roads and we need them quickly.

Despite my convictions on this point, Mr. Chairman, I find myself today in a real quandary. How should one vote on the various problems represented by the various amendments offered here today? How should one vote on the final issues to be presented when these amendments have been approved or disapproved?

Perhaps we should look to others for advice. In some cases my colleagues can turn to officials and friends in their own States. Many of us have had a variety of suggestions from our constituents. Some of us have even heard from the governors of our States.

I would like to quote from a letter of July 25, written to me by Gov. Robert B. Meyner, of New Jersey. The Governor, I should point out, is a distinguished Democrat. His opinions on certain matters, nonetheless, appear of no great help to us here in Washington.

In his letter of July 25, Governor Meyner wrote:

> It is my understanding that the Fallon Highway Act will be brought before the House of Representatives July 26, 1955. I am taking this opportunity to impress upon you the extreme urgency that a highway bill, favorable to New Jersey, be enacted before Congress recesses.

The Governor then pointed out why New Jersey, as a corridor State, has serious traffic problems. Unless New Jersey receives maximum assistance in providing the funds for an adequate transportation system, he continued, "the continued economic well being of this State will be jeopardized by the loss of industrial and residential expansion within its borders."

The Fallon bill, he pointed out, will provide New Jersey with considerably more Federal money than its taxpayers will have to contribute.

Governor Meyner concluded as follows:

> I believe New Jersey will suffer greatly if Congress adjourns without enacting a highway bill. Your efforts on behalf of the Fallon bill, the Clay bill as expressed by the President or an amended version of existing bills so that New Jersey can receive aid for necessary and vital construction would be most appreciated by our 5 million citizens.

This astonishing advice, Mr. Chairman, if followed by three of us from New Jersey, would result in our voting for any proposal which may be made regardless of its specific provisions.

We should be in favor of any highway bill "favorable to New Jersey." The Governor attempts to straddle the issue by suggesting that any version of any bill would be favorable to New Jersey.

If no provision is made for bonds to insure reasonable financing, for example, we might still be expected to vote favorably. If unfair and iniquitous taxes are proposed to pay the cost of the highway program, we are nonetheless expected to vote favorably. So long as New Jersey gets Federal money regardless of how much it will receive or from where it comes, we would be for this legislation.

Despite his indiscriminate advocacy of any highway bill, Governor Meyner favors the Fallon bill. His advocacy of this bill seems all the more extraordinary because he outspokenly supported the President's highway program less than 3 months ago. On May 4 Governor Meyner was in Washington. He invited all the members of the New Jersey congressional delegation, including our two Senators to a conference. At that time he endorsed specifically the so-called Clay plan.

Later that same day Governor Meyner appeared before the Public Works

Committee. In his testimony, appearing on pages 372–375 of the committee hearings, he said that—

The Clay report offers us the best chance of solving this problem and I should like to urge upon you the consideration of the Clay report particularly that portion of it which provides for a greater recognition of financing the interstate roads.

We need good roads, and we must find some way to pay for them. It is doubtful, however, if we can accomplish these ends by blindly supporting any kind of a highway program. Advice of that kind would seem to be against the best interests of the citizens of the Nation as well as the residents of New Jersey.

I shall support the President in his efforts to secure a more adequate highway program for the Nation. Although I have serious reservations about the Fallon bill, I shall, if necessary, even support this approach so as to secure better roads.

Mr. FALLON. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The balance of the bill follows:

SEC. 3. Not more than 20 percent of the respective amounts apportioned to a State for any fiscal year from funds made available for expenditure under clause (a), clause (b), or clause (c) of the first section, or from funds authorized to be appropriated under section 2, may be transferred to the apportionment made to such State under any other of such clauses or under such section, except that no such apportionment may be increased by more than 20 percent by reason of transfers to it under this section: *Provided*, That such transfer is requested by the State highway department and is approved by the Governor of said State and the Secretary as being in the public interest: *Provided further*, That the Federal share payable on account of any project provided for by funds made available by transfer under the provisions of this section shall not exceed 50 percent of the costs thereof, including the costs of rights-of-way, except that in the case of any State containing unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceeding 5 percent of the total area of all lands therein, the Federal share shall be increased by a percentage of the remaining cost equal to the percentage that the area of all such lands in such State is of the total area: *Provided further*, That the transfers hereinabove permitted for funds authorized to be appropriated for the fiscal years ending June 30, 1957, through the fiscal year ending June 30, 1968, shall likewise be permitted on the same basis for funds which may be hereafter authorized to be appropriated for any subsequent fiscal year: *And provided further*, That nothing herein contained shall be deemed to alter or impair the authority contained in the last proviso to subparagraph (b) of section 3 of the Federal-Aid Highway Act of 1944.

SEC. 4 (a) As a partial means of providing an increase in general fund revenue to the Treasury with which to finance the program relating to highways and to realize the general benefits which will result from an adequately improved highway system as authorized by this act, the Internal Revenue Code of 1954 is amended as provided in the following subsections of this section, effective at the time and for the periods specified in such subsections. It is the intent of Congress that, in addition to revenues presently available for such purposes, such increased revenues provided for in this act shall be devoted to the highway program herein authorized.

(b) (1) Subsection (a) of section 4041 of such code (relating to tax on diesel fuel) is hereby amended by striking out "2 cents" and inserting in lieu thereof "4 cents."

(2) Subsection (b) of such section (relating to special motor fuels) is amended by striking out "2 cents" and inserting in lieu thereof "3 cents."

(3) Such section is hereby amended by striking out subsection (c) and inserting in lieu thereof the following new subsections:

"(c) Nonhighway use: Under regulations prescribed by the Secretary or his delegate, the tax on fuels described in subsections (a) and (b) sold for use or used other than as a fuel for the propulsion of a vehicle used on the public highways shall remain at the rate in effect on the day prior to the enactment of the National System of Interstate and Defense Highways Act of 1955.

"(d) Rate reduction: On and after July 1, 1971, the taxes imposed by this section shall be 1½ cents a gallon in lieu of the rates specified in subsections (a), (b), and (c)."

(c) Section 4061 (a) (1) of such code (relating to tax on trucks, truck trailers, buses, etc.) is amended by striking out "8 percent" and inserting in lieu thereof "10 percent" and by striking out "April 1, 1956" and inserting in lieu thereof "July 1, 1971."

(d) Section 4071 of such code (relating to tax on tires and tubes) is hereby amended to read as follows:

"SEC. 4071. Imposition of tax.

"(a) Tax on tires and tubes: There is hereby imposed upon the following articles, which are wholly or in part of rubber, sold by the manufacturer, producer, or importer a tax at the following rates:

"(1) Tires which are more than 8½ inches in cross section and more than 18 inches rim diameter and are of the type used on articles taxable under section 4061 (a) (1), 15 cents a pound; except that on and after July 1, 1971, the tax shall be 5 cents a pound.

"(2) Tires which are more than 7¼ inches in cross section and more than 18 inches rim diameter and are of the type used on articles taxable under section 4061 (a) (1), and are not taxable under paragraph (1), 8 cents a pound; except that on and after July 1, 1971, the tax shall be 5 cents a pound.

"(3) Other tires, 5 cents a pound.

"(4) Inner tubes for tires taxable under paragraph (1), 15 cents a pound; except that on and after July 1, 1971, the tax shall be 9 cents a pound.

"(5) Other inner tubes for tires, 9 cents a pound.

"(6) Under regulations prescribed by the Secretary or his delegate, the tax on tires described in paragraphs (1) and (2) sold for use on a vehicle which will not be used on the public highways shall be 5 cents a pound, and the tax on inner tubes described in paragraph (4) sold for such use shall be 9 cents a pound. The preceding sentence shall not apply to tires and inner tubes sold for use in the manufacture or production of, or as a component part of, a vehicle.

"(b) Tax on camelback: There is hereby imposed upon the sale before July 1, 1971, by the manufacturer, producer, or importer of camelback with a crown width of 6 inches or more, a tax of 15 cents a pound. For the purpose of this subsection, "camelback" means rubber of the type used in recapping or retreading tires.

"(c) Determination of weight: For purposes of this section weight shall be based on total weight, except that in the case of tires such total weight shall be exclusive of metal rims or rim bases. Total weight of the articles is to be determined under regulations prescribed by the Secretary or his delegate."

(e) Section 4081 of such code (relating to tax on gasoline) is hereby amended to read as follows:

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Chairman, I expected to offer the following amendment to H. R. 7474:

Insert on page 11, line 8, after the word "sold", "other than through its own retail store or outlet"; and

Insert on page 11, line 9, after the comma the following word "importer", "or delivered by the manufacturer, producer, or importer to a retail store or outlet of the manufacturer, producer, or importer for the purpose of being sold by him at retail."

Under the rule granted for the consideration of this bill the amendment is not in order.

Mr. Chairman, the purpose of my amendment is to rid the bill of a feature which gives preferential tax treatment to the manufacturer, producer, or importer of tire and inner tubes over the independent retail tire dealer when he is in competition with the large manufacturer at the retail level. This tax discrimination against the small-business man works in the following manner:

Since 1941 the Internal Revenue Code—section 4071 of the Internal Revenue Code of 1954—has imposed an excise tax upon tires and inner tubes sold by the manufacturer, producer, or importer.

The Treasury Department has collected this excise tax at the time of passage of title of the tire or tube. This has resulted in putting the independent tire dealer at a competitive disadvantage with the manufacturer's retail-owned outlet. With respect to the manufacturer's retail-owned outlet, the tax is not collected until the sale to the ultimate consumer. With respect to the independent outlet, however, the tax must be collected at the time of the independent's purchase of the tire and tube from the manufacturer. Accordingly, the independent dealer must carry the tax on his own or borrowed capital, pending the sale of the tire to the consumer, whereas the competing retail outlet of the manufacturer is not subject to the tax until he sells the tire to and collects the tax from the consumer.

Efforts have been made by the House Small Business Committee to rid the excise tax upon tires and tubes of this discriminatory feature.

On July 11, 1946, when I was chairman of the House Small Business Committee I wrote to Mr. John Snyder, Secretary of the Treasury, calling the Secretary's attention to this discrimination. My letter concluded:

Under the circumstances, Mr. Secretary, it does not seem just to me that competing dealers among independents should be forced to pay this excise on their stocks at time of purchase while company-owned stores are not required to pay until sales are consummated. There should be no distinction. It

appears to me, therefore, that tire manufacturers should be subjected to the same requirements as those demanded of independent tire dealers.

Although long due, no corrective action, however, has been taken. The present bill, H. R. 7474, introduced by the gentleman from Maryland [Mr. FALLON] would not only continue this discrimination but would also increase its burden because of the higher tax upon tires and tubes and because for the first time the tax is imposed upon recapped or retreaded large tires.

While the higher tax is justified upon the basis of our highway needs, there can be no justification for allowing such a tax to give a substantial competitive advantage to the large integrated rubber companies over the small independent retail-business man.

This discriminatory tax burden which has been imposed upon the independent dealer is not an insignificant burden to the small-business man. The tax on popular large size truck tires alone is approximately $12. With a monthly inventory of 100 tires, the small dealer would have to carry a tax of $1,200 from the time he purchased the tires from the manufacturer until he sold the tires to the consumer. This substantial burden upon a small-business man may well mean that he will have to curtail or restrict his volume, which in turn could be picked up by company stores and mass chains who have ample capital and who do not have to carry the tax since it is not imposed upon them until the sale has been made to the consumer.

"SEC. 4081. Imposition of tax.

"(a) In general: There is hereby imposed on gasoline sold by the producer or importer thereof, or by any producer of gasoline, a tax of 3 cents a gallon.

"(b) Nonhighway use: Under regulations prescribed by the Secretary or his delegate, the tax on gasoline sold for use other than as a fuel for the propulsion of a vehicle used on the public highways shall be 2 cents a gallon.

"(c) Rate reduction: On and after July 1, 1971, the taxes imposed by this section shall be 1½ cents a gallon in lieu of the rates specified in subsections (a) and (b)."

(f) (1) Subchapter F of chapter 32 of such code (relating to manufacturers' taxes) is hereby amended by renumbering section 4226 as 4227 and by inserting after section 4225 the following new section:

"SEC. 4226. Floor stocks taxes.

"(a) In general:

"(1) 1955 tax on trucks, truck trailers, buses, etc.: On any article subject to tax under section 4061 (a) (1) (relating to tax on trucks, truck trailers, buses, etc.) which, on the effective date of section 4 (c) of the National System of Interstate and Defense Highways Act of 1955, is held by a dealer for sale, there is hereby imposed a floor stocks tax at the rate of 2 percent of the price for which the article was sold by the manufacturer, producer, or importer.

"(2) 1955 tax on tires and inner tubes: On tires and inner tubes subject to tax under section 4071 (a) (1), (2), or (4) which, on the effective date of section 4 (d) of the National System of Interstate and Defense Highways Act of 1955, are held by a dealer for sale, there is hereby imposed a floor stocks tax at the rate of 10 cents a pound in the case of tires described in section 4071 (a) (1), 3 cents a pound in the case of tires described in section 4071 (a) (2), and 6 cents a pound in the case of inner tubes. The tax shall apply to tires and inner tubes held for sale on, or in connection with, other articles held by the manufacturer, producer, or importer of such other articles, and to tires and inner tubes held for use in the manufacture or production of other articles. The tax shall not apply to tires and inner tubes held for sale by the manufacturer, producer, or importer thereof, or to tires and inner tubes the sale of which will be subject under the provisions of section 4218 (a) (2) or 4219 to the manufacturers tax on tires and inner tubes.

"(3) 1955 tax on camelback: On camelback subject to tax under section 4071 (b) which, on the effective date of section 4 (d) of the National System of Interstate and Defense Highways Act of 1955, is held by a dealer, there is hereby imposed a floor stocks tax at the rate of 15 cents a pound.

"(4) 1955 tax on gasoline: On gasoline subject to tax under section 4081 which, on the effective date of section 4 (e) of the National System of Interstate and Defense Highways Act of 1955, is held by a dealer for sale, there is hereby imposed a floor stocks tax at the rate of 1 cent a gallon. The tax shall not apply to gasoline in retail stocks held at the place where intended to be sold at retail, nor to gasoline for sale by a producer or importer of gasoline.

"(b) Definitions: When used in subsection (a), the terms 'dealer' and 'held by a dealer' have the meaning given them by section 6412 (b).

"(c) Applicability of section 6416: The provisions of section 6416 shall be applicable to the floor stocks taxes imposed by this section, so as to entitle, subject to all provisions of section 6416, any person paying such floor stocks taxes to a refund or credit thereof for any of the reasons specified in section 6416."

(2) The table of sections for subchapter F of chapter 32 is hereby amended by striking out

"Sec. 4226. Cross references."

and inserting in lieu thereof

"Sec. 4226. Floor stocks taxes.

"Sec. 4227. Cross references."

(g) Section 6412 of such code (relating to floor stocks refunds) is hereby amended to read as follows:

"SEC. 6412. Floor Stocks refunds.

"(a) In general:

"(1) Passenger automobiles and parts: Where before April 1, 1956, any article subject to the tax imposed by section 4061 (a) (2) or 4061 (b) has been sold by the manufacturer, producer, or importer and on such date is held by a dealer and has not been used and is intended for sale, there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the difference between the tax paid by such manufacturer, producer, or importer on his sale of the article and the amount of tax made applicable to such article on and after April 1, 1956, if claim for such credit or refund is filed with the Secretary or his delegate prior to August 1, 1956, based upon a request submitted to the manufacturer, producer, or importer before July 1, 1956, by the dealer who held the article in respect of which the credit or refund is claimed, and, prior to August 1, 1956, reimbursement has been made to such dealer by such manufacturer, producer, or importer for the tax reduction on such article or written consent has been obtained from such dealer to allowance of such credit or refund.

"(2) Trucks and buses, tires, camelback, and gasoline. Where before July 1, 1971, any article subject to the tax imposed by section 4061 (a) (1), 4071 (a) (1), (2), or (4), 4071 (b), or 4081 has been sold by the manufacturer, producer, or importer and on such date is held by a dealer and has not been used and is intended for sale (or is held for use, in the case of camelback subject to tax under section 4071 (b)), there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the difference between the tax paid by such manufacturer, producer, or importer on his sale of the article and the amount of tax made applicable to such article on and after July 1, 1971, if claim for such credit or refund is filed with the Secretary or his delegate prior to November 1, 1971, based upon a request submitted to the manufacturer, producer, or importer before October 1, 1971, by the dealer who held the article in respect of which the credit or refund is claimed, and, prior to November 1, 1971, reimbursement has been made to such dealer by such manufacturer, producer, or importer for the tax reduction on such article or written consent has been obtained from such dealer to allowance of such credit or refund. No credit or refund shall be allowable under this paragraph with respect to gasoline in retail stocks held at the place where intended to be sold at retail nor with respect to gasoline held for sale by a producer or importer of gasoline.

"(b) Definitions: For purposes of this section—

"(1) The term 'dealer' includes a wholesaler, jobber, distributor, or retailer, or in the case of camelback subject to tax under section 4071 (b), includes any person who holds such camelback for sale or use other than the manufacturer, producer, or importer, thereof.

"(2) An article shall be considered as 'held by a dealer' if title thereto has passed to such dealer (whether or not delivery to him has been made), and if for purposes of consumption title to such article or possession thereof has not at any time been transferred to any person other than a dealer.

"(c) Reimbursement of dealers: When the credit or refund provided for in this section has been allowed to the manufacturer, producer, or importer, he shall remit the applicable amount of the credit or refund, within 30 days after the date of allowance of the refund or notice of approval of the credit, to the dealer who has given his consent to the allowance of such credit or refund.

"(d) Limitation on eligibility for credit or refund: No manufacturer, producer, or importer shall be entitled to credit or refund under subsection (a) unless he has in his possession such evidence of the inventories with respect to which the credit or refund is claimed as may be required by regulations prescribed under this subsection."

(h) Section 6416 (b) of such code (relating to special cases in which tax payments considered overpayments) is amended by adding at the end thereof the following new paragraphs:

"(4) Off-highway uses:

"(A) In general: The tax paid under section—

"(i) 4041 (a) or (b) (relating to tax on special fuels), to the extent such tax exceeds 2 cents a gallon,

"(ii) 4071 (a) (1) or (2) (relating to tax on tires), to the extent such tax exceeds 5 cents a pound,

"(iii) 4071 (a) (4) relating to tax on inner tubes), to the extent such tax exceeds 9 cents a pound,

"(iv) 4081 (a) (relating to tax on gasoline), to the extent such tax exceeds 2 cents a gallon, and

"(v) 4226 (a) (2) or (4) (relating to floor stocks tax on tires, inner tubes, and gasoline)

shall be deemed to be an overpayment if the article in respect of which such tax was paid was, by any person, used or resold for use on or as fuel for the propulsion of a vehicle which will not be used on the public highways. This paragraph shall not apply in the case of tires or inner tubes sold or resold for use in the manufacture or production of, or as a component part of, a vehicle.

"(B) Camelback: The tax paid under section 4071 (b) (relating to tax on camelback)

and section 4226 (a) (3) (relating to floor stocks tax on camelback) shall be deemed to be an overpayment if the camelback in respect of which such tax was paid was, by any person, used in recapping or retreading a tire for a vehicle which will not be used on the public highways.

"(5) Use by municipal transit systems:

"(A) In general: The tax paid under section—

"(i) 4041 (a) or (b) (relating to tax on special fuels), to the extent such tax exceeds 2 cents a gallon,

"(ii) 4071 (a) (1) or (2) (relating to tax on tires), to the extent such tax exceeds 5 cents a pound,

"(iii) 4071 (a) (4) (relating to tax on inner tubes), to the extent such tax exceeds 9 cents a pound,

"(iv) 4081 (a) (relating to tax on gasoline), to the extent such tax exceeds 2 cents a gallon, and

"(v) 4226 (a) (2) or (4) (relating to floor stocks tax on tires, inner tubes, and gasoline) shall be deemed to be an overpayment if the article in respect of which such tax was paid was used or resold for use by a person regularly engaged in furnishing scheduled common carrier public passenger land transportation service along fixed routes if at least 75 percent of the mileage of said routes is within the incorporated city limits of municipalities.

"(B) Camelback: The tax paid under section 4071 (b) (relating to tax on camelback) and section 4226 (a) (3) (relating to floor stocks taxes on camelback) shall be deemed to be an overpayment if the camelback in respect of which such tax was paid was used or resold for use by a person regularly engaged in furnishing scheduled common carrier public passenger land transportation service along fixed routes if at least 75 percent of the mileage of said routes is within the incorporated city limits of municipalities."

(i) Section 6416 (c) of such Code (relating to credit for tax paid on tires, tubes, radios, or television receiving sets) is amended by inserting in paragraph (1) after "and inner tubes)" the following: "plus the amount of floor stocks tax paid by the person claiming the credit."

(j) The amendments made by this section, other than the amendment made by subsection (g), shall take effect on the first day of the first month which begins more than 10 days after the date of the enactment of this act.

SEC. 5. (a) In any case in which the Secretary is requested by any State to acquire any lands or interests in lands (including, within the term "interests in lands," the control of access thereto from adjoining lands) required by such State for right-of-way or other purposes in connection with the prosecution of any projects for the construction, reconstruction, or improvement of any section of the national system, the Secretary is authorized, in the name of the United States and prior to the approval of title by the Attorney General, to acquire, enter upon, and take possession of such lands or interests in lands by purchase, donation, condemnation, or otherwise in accordance with the laws of the United States (including the act of Feb. 25, 1931; 46 Stat. 1421), if—

(1) the Secretary has determined either that such State is unable to acquire necessary interests in lands, or is unable to acquire such lands or interests in lands with sufficient promptness; and

(2) such State has agreed with the Secretary to pay, at such time as may be specified by the Secertary, an amount equal to 10 per centum of the costs incurred by the Secretary in acquiring such lands or interests in lands.

The authority granted by this section shall also apply to lands and interests in lands received as grants of land from the United States and owned or held by railroads or other corporations.

(b) The costs incurred by the Secretary in acquiring any such lands or interests in lands may include the cost of examination and abstract of title, certificate of title, advertising, and any fees incidental to such acquisition. All costs incurred by the Secretary in connection with the acquisition of any such lands or interests in lands shall be paid from the funds for construction, reconstruction, and improvement of the National System apportioned to the State upon the request of which such lands or interests in lands are acquired and any sums paid to the Secretary by such State as its share of the costs of acquisition of such lands or interests in lands shall be deposited in the Treasury to the credit of the appropriation for Federal-aid highways or shall be deducted from other moneys due the State for reimbursement under section 2 of this act and shall be credited to the amount apportioned to such State as its apportionment of funds for construction, reconstruction, or improvement of the National System.

(c) The Secretary is further authorized and directed by proper deed, executed in the name of the United States, to convey any such lands or interests in lands acquired in any State under the provisions of this section, except the outside 5 feet of any such right-of-way in States unable or unwilling to control access, to the State highway department of such State or such political subdivision thereof as its laws may provide, upon such terms and conditions as to such lands or interest in lands as may be agreed upon by the Secretary and the State highway department, or political subdivisions to which the conveyance is to be made. Whenever the State is able and agrees to control excess, the outside 5 feet may be conveyed to it.

(d) Whenever rights-of-way on the National System are required over public lands of the United States, the Secretary may make such arrangements with the agency having jurisdiction over such lands as may be necessary to give the State or other person constructing the projects on such lands adequate rights-of-way and control of access thereto from adjoining lands, and any such agency is hereby directed to cooperate with the Secretary in this connection.

SEC. 6. (a) For the purpose of facilitating the acquisition of rights-of-way in the most expeditious and economical manner and recognizing that the acquisition of rights-of-way requires lengthy planning and negotiations if it is to be done at a reasonable cost, the Secretary is hereby authorized, subsequent to fiscal year ending June 30, 1956, upon request of the State highway department, to make available to the States, funds for acquisition of rights-of-way in anticipation of construction and under such rules and regulations as the Secretary might prescribe, in amounts equal to 10 percent of the funds apportioned and available to the State within any category of any system under this act, for said aquisition of rights-of-way for roads to be constructed within a 5-year period following the fiscal year in which such request is made on the same participation basis as provided by this act for any such system.

(b) In order to permit the initiation of this program for the national system at the earliest possible time, the Secretary, in addition to his existing authority to enter into contractual obligations, is authorized to make reimbursements or advances to the States for construction with respect to section 2 hereof, in an amount not to exceed $500 million during the fiscal year ending June 30, 1956: *Provided*, That the funds expended hereunder shall be credited against sums apportioned to the State in which expended for projects under the provisions of section 2 of this act.

SEC. 7. (a) Subject to the conditions contained in this section, 50 percent of the cost of relocation of utility facilities necessitated by the construction of a project on the Federal primary or secondary highway systems or on the national system, including extensions thereof within urban areas, may be paid from Federal funds whenever, under the laws of the State where the project is being constructed, the entire relocation cost is required to be borne by the utility: *Provided*, That in no such case shall the reimbursement on any project exceed 2 percent of the total approved cost of construction of such project.

(b) For the purposes of this section the term "utility" shall include publicly, privately, and cooperatively owned utilities.

(c) For the purposes of this section, the term "cost of relocation" shall include the entire amount paid by such utility properly attributable to such relocation after deducting therefrom any increase in the value of the new facility and any salvage value derived from the old facility.

(d) Any utility required to relocate a facility in connection with projects undertaken pursuant to this act may, on the recommendation of the State highway department, be reimbursed for its share of the costs, as provided in paragraph (a) of this section. The Secretary is authorized to make such payments on the basis of an agreement approved by him, entered into between the State highway department and the utility, which agreement shall contain an estimate or an agreed price of the cost of relocation. In lieu of such agreement the utility may file with the State highway department a certified statement of the cost of relocation, subject to the approval of the State highway department. If approved by the State highway department, such statement shall be transmitted to the Secretary, with the final voucher for approval by the Secretary.

SEC. 8. It is hereby declared to be the sense of Congress that all segments of the Federal-aid highway systems should be improved to standards adequate to meet the needs of national defense and the national economy at the earliest practicable date. The Secretary is hereby directed to submit to the Congress not later than February 1, 1957, and annually thereafter, a report on the progress made in attaining the foregoing objective, together with recommendations with regard to the programs herein authorized.

SEC. 9. In addition to the purposes set forth in section 7 of the Federal-Aid Highway Act of 1944, there shall be considered in connection with the undesignated mileage of the national system the additional purposes of eliminating bottlenecks in the evacuation routes leading from target areas, as designated by the Administrator of the Federal Civil Defense Administration, and providing such lateral feeder and distributing routes as may be required to furnish maximum utility of the system. The Secretary shall include in the annual report called for under section 8 hereof a statement showing what designations have been made during the prior calendar year.

SEC. 10. All agreements between the Secretary and the State highway department for the construction of projects on the national system may contain a clause providing that the State will not add any points of access to, or exit from, the project in addition to those approved by the Secretary in the plans for such project, without the prior approval of the Secretary. Such agreements shall also contain such provisions as the Secretary feels necessary to insure that the users of the national system will receive the benefits of free competition in purchasing supplies and services at or adjacent to highways in such system, and such agreements shall also contain a clause providing that the State will not permit automotive

service stations or other commercial establishments to be constructed or located on the right-of-way of the national system in such State.

SEC. 11. The Secretary of Commerce shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on the initial construction work performed on highway projects in the National System authorized under section 2 of this act shall be paid wages at rates not less than those prevailing on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the act of August 30, 1935, known as the Davis-Bacon Act (40) U. S. C., sec. 276–a).

SEC. 12. The Secretary is authorized to consider as part of the National System any toll road, bridge, or tunnel, now or hereafter constructed which meets the standards adopted for the improvement of projects located on this system, whenever such road, bridge, or tunnel forms a logical segment of this system as presently designated or as may be hereafter designated. Where a road on which tolls are being collected is incorporated in the National System, the Secretary is authorized to approve connecting projects under this act to provide the necessary continuous system of highways: *Provided*, That agreement has been reached with the State prior to approval of any such project that (1) the section of toll road will become free to the public upon retirement of any bonds outstanding at the time of the agreement, (2) that all toll collections are used for maintenance and operation and debt service of the section of road incorporated into the system, and (3) that there is one or more reasonably satisfactory alternate free routes available to traffic by which the toll section of the system may be bypassed. Where a toll bridge or tunnel is incorporated in the National System, the Secretary is authorized to approve projects under this act approaching any such bridge or tunnel to a point where such project will have some reasonable use irrespective of its use for such bridge or tunnel.

SEC. 13. The definition of the term "construction" in section 1 of the Federal-Aid Highway Act of 1944 is hereby amended to read as follows:

"The term 'construction' means the supervising, inspecting, actual building, and all expenses incidental to the construction of a highway, including locating, surveying, and mapping, cost of rights-of-way, cost of relocation of tenants, cost of demolition of structures or removal of usable buildings to new sites, including the cost of such sites, and the elimination of hazards of railway grade crossings."

SEC. 14. (a) The Secretary of Commerce, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, is authorized to place two positions in the Bureau of Public Roads in grade 18 and a total of 20 positions in grades 16 and 17 of the general schedule established by the Classification Act of 1949, as amended. Such positions shall be in lieu of any positions in the Bureau of Public Roads previously allocated under section 505 of such act.

(b) The Bureau of Public Roads shall hereafter be known as the Public Roads Administration, and the Office of the Commissioner of Public Roads is hereby abolished. The head of the Public Roads Administration shall be an Administrator appointed by the President, by and with the advice and consent of the Senate. The Administrator shall receive basic compensation at the rate prescribed by law for assistant secretaries of executive departments, and shall perform such duties as may be imposed upon him by law, regulation, or orders of the Secretary of Commerce.

SEC. 15. So much of the first section and of section 2 of the Federal-Aid Highway Act of 1954 as authorize appropriations for the fiscal year ending June 30, 1957, are hereby repealed.

SEC. 16. The provisions of section 13 of the Federal-Aid Highway Act of 1950 shall not be applicable to projects constructed pursuant to section 2 of this act.

SEC. 17. All provisions of the Federal-Aid Road Act of 1916, together with all acts amendatory or supplementary thereto, not inconsistent with this act, shall remain in full force and effect and be applicable hereto. All acts or parts of acts in any way inconsistent with the provisions of this act are hereby repealed.

SEC. 18. If any section, subsection, or other provision of this act or the application thereof to any person or circumstance is held invalid, the remainder of this act and the application of such section, subsection, or other provision to other persons or circumstances shall not be affected thereby.

SEC. 19. This act may be cited as the "National System of Interstate and Defense Highways Act of 1955."

Mr. FALLON. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Amendment offered by Mr. FALLON:

Page 21, strike out lines 18 and 19 and insert "routes is within the limits of a municipal commercial zone as prescribed by the Interstate Commerce Commission."

Page 22, beginning in line 4, strike out "the incorporated city limits of municipalities" and insert "the limits of a municipal commercial zone as prescribed by the Interstate Commerce Commission."

Mr. FALLON. Mr. Chairman, this is simply perfecting language to carry out the intent of the committee.

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from Maryland [Mr. FALLON].

The committee amendment was agreed to.

Mr. JONES of Alabama. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Alabama: Page 26, line 6, strike out section 7 and renumber the subsequent sections.

Mr. JONES of Alabama. Mr. Chairman, section 7 is the so-called utilities section of the bill and provides that States may be reimbursed for payments made to utilities for the relocation of their lines on public thoroughfares up to 50 percent of the cost, and not to exceed 2 percent of the project cost.

Now, here is the situation: Any State which now reimburses utilities for relocation does so in the amounts of Federal apportionment. This is a proper cost and charge under the present law which reimburses the States making those payments to the utilities up to 50 percent of the cost. This is the existing law. If the States do not want to pay for these utility relocation costs, they may follow such a course under the provisions of section 7 of this bill, which means that we are rewriting the property laws of the various States.

Mr. Chairman, we have heard various people espouse the cause of States rights, yet we deny that principle as affirmatively as it can be written in the English language if we adopt section 7 which would repudiate the principle of States rights.

The State of Alabama, my own State, does not provide for the reimbursement to the utilities because the State acquires the use of the highways for the utilities under a contract. That contract specifically states that in the event of improvements to the highways or to the streets the utility will bear the cost of relocating its properties on the various rights-of-way.

We already have in existing law what is proposed here. If we write in a negative provision, it means every other State now not paying those utilities to relocate their lines will come to the Congress and say: It is a Federal responsibility and the Federal Government should bear the cost up to an amount of almost $960 million.

Now, I believe it would be far better if we would leave the situation as it is now and let the States determine this question in their own State legislatures.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Florida.

Mr. CRAMER. In referring to the language contained in the bill, the section that the gentleman is objecting to, I call attention to page 27, line 12. I am just as concerned about the constitutional provisions protecting the States as anyone. It reads: "If approved by the State highway department." It is then that they may reimburse, and therefore it is permissive on the part of the States.

Mr. JONES of Alabama. But the gentleman knows, and I know, that those States not now being reimbursed for the relocation of utilities are going to come forward on the passage of this bill and insist on the repayment. Not a single highway director in the United States is for this provision, and every one of them when polled by the gentleman from Texas [Mr. GENTRY], wired back and said that they were emphatically opposed to section 7 of the bill. Those are the people down on the State level who are doing all this work, making the plans, the drawings. The scheme of the whole thing is in the States. Now, if you want to complicate the situation, and if you want to put the States at a great disadvantage, with great burdens, then keep in this section 7. It is not restricted just to the interstate roads; it applies to all the roads. It applies to the farm-to-market roads; it applies to the interstate system, the urban and the primary system.

Mr. ALGER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, lest we lose something here by default, I feel it necessary to speak up for those on our side who feel very keenly about this matter. I wish to share in what has been said by the preceding gentleman. I do not believe we should abrogate States' rights in this instance. I would like to call your attention to the additional minority views on page 39. I would also like to mention to you that in our hearings we learned that 15 percent of the interstate highway mileage is considered adequate, and it will not be necessary to move to a new right-of-way. Therefore, as to the utilities on the existing rights-of-way, 85 percent of the highways having to be relocated, those utilities can remain where they are. That is not in the mi-

nority views, and I want you to know that.

I would like to conclude simply by saying let us work this out at the State level where it is being very satisfactorily handled at the present time in view of all of the court of last-resort rulings.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. ALGER. I yield to the gentleman from Iowa.

Mr. JENSEN. The Members should understand that the REA power and telephones, the mutual telephone companies, big and little, the sewer systems of the towns, the water systems, and gas lines of the towns, big and little, as well as private utilities are affected very detrimentally if we strike this section from the bill. Private utilities are also owned by millions of people, so we are hurting a lot of people if we strike this section from the bill. This section is fair and right and proper, in my honest, studied opinion.

Mr. ALGER. I respect the gentleman's views, but I disagree.

Mr. DAVIS of Tennessee. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope the Committee will take a reasonable view of this situation. I have in mind a little telephone company in my district which serves a rural section, which makes it possible for a man in time of emergency to call a doctor, or get some kind of assistance. The utility in my own city is publicly owned and it may surprise you to know that of the 27,000 utilities in the United States, 15,000 or them are publicly owned and operated.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to my colleague from Tennessee.

Mr. PRIEST. May I say to the gentleman that he has expressed a view which I hold with reference to this particular proposal. I hope the Committee of the Whole will take a reasonable view of this language. In my own district, just outside of the corporate limits of Nashville, is a small utility water district that has suffered immensely in the last year or two because of the cost to the people of that little utility of moving most of their mains.

I associate myself with the gentleman in hoping that a reasonable view will be taken.

Mr. DAVIS of Tennessee. I thank my colleague.

Utilities affected by section 7 of H. R. 7474 are of all types—private ownership, public ownership, such as cities and towns, and cooperatives. Of the 27,000 utilities in the United States, more than half or 15,000 are publicly owned or cooperative. Of the 3,300 electric utilities nearly 2,900 are operated by muncipalities, REA cooperatives or other public ownership.

Utilities operated by public ownership are nonprofit in nature. Their revenues come solely from rates or taxes. Any increase in their costs of operation must result in higher rates or higher taxes to be paid by citizens who have already paid their share of taxes for Federal-aid highway construction.

Utilities operated by private ownership are regulated by State public service commissions. The earnings of these companies are carefully scrutinized by the commissions and their rates adjusted up or down so as to permit not more than a reasonable return to the owners of the business. If costs increase because of relocating facilities on Federal-aid roads, the utilities will apply for rate increases in order to maintain a reasonable level of earnings. The National Association of Railroad and Utilities Commissioners have appeared before the Public Works Committee on several occasions in behalf of reimbursement of utilities and testified that they are concerned about the necessity of increasing rates to compensate for relocation costs.

Mr. Chairman, many have been insisting that this would abrogate contracts.

It has been contended by opponents of reimbursement that in some instances utilities occupy State roads under solemn, valid, existing contracts in which they agree to relocate their facilities at their own expense. If this is true, section 7 of H. R. 7474 will not affect such contracts because the Constitution and the courts of this land will not permit Congress to abrogate a contract. Both the utilities and their opponents state that State laws generally require utilities to pay for relocation expense. These laws result from the exercise of local police power and were developed in the days when roads were largely a matter of local concern—the so-called horse-and-buggy days when automobiles were just beginning to create traffic problems. The utilities state they are not seeking any change in the law applicable to State roads of the character to which these laws were intended to apply. They seek relief from being required to pay the entire cost of relocating their plant because of the construction of highways built under the Federal-aid road program in the interest of national defense and interstate commerce. The modern limited access, dual-lane road creates problems never contemplated when utilities placed their facilities in highway rights-of-way.

Mr. Chairman, so I plead with you that we take a very reasonable view of this situation because in many of the States it is provided that full costs shall be repaid on relocations. This only permits the Highway Commission to approve a 50-percent cost of relocation and in no case shall it exceed 2 percent of the total cost of the project.

Sometimes it is so easy to talk about utilities, but I repeat that in my own city our own distribution of all the utilities, water, gas, and electricity, is publicly owned. I say to you that in a great many cases little villages which have strained their credit to provide water and all that goes to make a finer community will be penalized to such an extent that in many cases they will not be able to survive, because if they had to spend $8,000 or $10,000 or $25,000 to relocate lines because of this program they simply would not have the money with which to do it.

Mr. SCHERER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, my colleague on the committee, the gentleman from Tennessee [Mr. DAVIS], has stated the opposition to this amendment so well that I am not going to repeat what he has said except to say that there is an abundance of testimony before the committee which documents what he has said. I want to read to you the testimony of Mr. C. E. Houck, manager of the Huntington and Centre Telephone Co. in Pennsylvania. His testimony is typical of an abundance of testimony that was heard by the committee.

Mr. Houck represents a very small telephone company, the type of company that the gentleman from Tennessee [Mr. PRIEST] referred to. He pointed out that in a 12-month period his company was forced to borrow $10,000 on two relocation jobs. This does not seem much, but when you consider that this sum of $10,000 represented 30 percent of the total annual revenue of this company, it resulted in the company's being required to make an application for a raise in rates. Mr. Houck said this:

> We cannot continue to absorb these costs over which we have no control. We are afraid that any more will put us out of business since we cannot keep raising our rates.

As the gentleman from Tennessee [Mr. DAVIS] pointed out, reimbursement does not apply only to privately owned utilities but also to the municipally owned utilities. The mayor of Jacksonville, Fla., in his testimony said this:

> We are required to move our utilities and expend the local taxpayers' money in the amount of one million and a half to $2 million, maybe in 1 or 2 budget years, which funds we do not have, and we will have no legal source for making these funds available. Our city is no isolated case.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. SCHERER. I yield.

Mr. JONES of Alabama. Does the gentleman recall whether the gentleman from Jacksonville, Fla., who testified before the committee stated that he had endeavored to obtain legislation in the State legislature that would do the very thing he advocated before our committee?

Mr. SCHERER. I do not recall such testimony. If the gentleman says it is there, I assume it is.

Mr. JONES of Alabama. I asked a question. I do not recall whether inquiry was made along that line.

Mr. SCHERER. The fact is that most people think that utilities are going to bear these costs. We all know that this is an increased-cost item which the various utility-regulating bodies consider when they fix rates.

There is no question but that these increased costs will be passed on to the consumer and not to the utility. Furthermore, we are not doing anything in this bill or in this section which is different from the practice which is followed now and has been followed for many years. We must remember today, and as I say for many years, whenever a State provides reimbursement to a utility for reallocation costs, the Federal Government will match those funds. This section merely codifies existing

practices and existing law. In fact, it goes further and it limits existing practices and existing law because it limits to 2 percent the amount for which reimbursement can be made for each individual project.

Mr. DEMPSEY. Mr. Chairman, will the gentleman yield?

Mr. SCHERER. I yield.

Mr. DEMPSEY. Is it not true that a State completely controls whether or not they will participate?

Mr. SCHERER. That is right, and I may say the gentleman from New Mexico [Mr. DEMPSEY] offered the amendment to this section which makes it necessary for the director of the State highways to request or approve this expenditure by the Federal Government. States rights are therefore protected.

Mr. DEMPSEY. No money can be paid unless the respective States themselves make the recommendation.

Mr. SCHERER. No money can be paid unless the State does that. Therefore, no States' rights are infringed upon.

Mr. DEMPSEY. I thank the gentleman.

Mr. SCHERER. It is usually popular to oppose utilities. In the past, as we all know, utilities have been a convenient whipping boy. There have been occasions when utilities, like all organizations and individuals, have required curtailment and chastisement.

Today, however, when one opposes utilities he is usually in opposition, as in this legislation before us, to the vast army of consumers of water, gas, electric, telephone and sewerage services. As we all know, utilities are completely regulated and their rates fixed by various governmental agencies in the several States. Even the money they are allowed to earn is controlled to a great extent by the Public Utility Commission of the State. There is no question but that the costs to be incurred in moving the gas, sewer and water pipes—the electric conduits and telephone poles in the rebuilding of our highways will be passed on to the consumers in increased rates. For this reason the National Association of the 48 State Regulatory Commissions has vigorously supported the principle of reimbursement for the cost of relocation both before the committee and by letter to you.

However, not all utility consumers will bear these costs—only those consumers of companies, big or small, whose facilities happen to be in the way of the rebuilding and widening of highways, or whose plant sits in the center of a cloverleaf intersection. These relocation costs are not for their benefit as utility consumers but are for the benefit of the highway user and the welfare of the country as a whole. These consumers and their companies must also pay their share of the highway improvement costs in user and other taxes. We must keep in mind that relocation costs bear no relation to the utility service provided. They, the consumers, pay twice.

Many small utilities, including municipally owned water companies, will not be able to stand the impact of relocation costs thrust upon them by this unusual extensive and uncontemplated highway rebuilding program. No one ever dreamed of such an extensive and colossal program as is now contemplated when utilities agreed in some States to pay relocation costs incident to normal highway changes. Large cloverleaf intersections, which require radical and costly utility changes, are for the general welfare and the costs should not be borne at the local level and by the consumers in the immediate area.

Now, it is argued that utilities are in the highway right-of-way by sufferance; that they pay nothing for the use of the right-of-way and ought to be grateful for the privilege. Some have inferred that if utilities press their claim for reimbursement in this legislation they might be thrown off the highways. Utilities are in the highways because water, gas, electric, sewerage, and telephone services are as important to the life and very existence of a home—of a community—as are any other commodities that are delivered to the homes of this country over our highways. In fact, particularly in the cities, it would be practically impossible to bring these services to the people except through the street. That is what streets and highways are for.

The fact is that no one pays for the actual use of the public rights-of-way. This use is free. As an example, the coal company which delivers coal to my home has the free use of the right-of-way. No one can stop this company. True it is that the coal company along with others by the payment of certain user taxes provides for the improvement of that right-of-way. That is, they pay for the pavement which is necessary to the operation of the vehicle in order to bring coal to my house.

Now, on the other hand, you may heat your house with gas. The gas company most likely is a private company just like the coal company. Both are businesses to make a profit. The gas company, like the coal company, has and should have the free use of the right-of-way. The coal company, as I have pointed out, helps pay for the pavement which is necessary for the delivery of its product. The gas company pays for its pipe which is its "pavement" for the delivery of its products. If the gas company gets more customers and, as a consequence, must enlarge and replace its pipe, it must pay for it. If in so doing it is necessary to tear up the pavement of the highway it must replace it and bear the costs. Now if the highway becomes inadequate to carry all the coal and other trucks, it must be rebuilt and enlarged. If, in so doing, a gas pipeline must be moved, should not the company be reimbursed for the cost of moving it? It is just as simple as that.

In the Fallon bill a long list of persons and companies who use gasoline, diesel fuel, and tires are exempt from the additional taxes imposed because their particular vehicles derive no direct benefit from the new highways. Why should the utility consumer pay when he receives no benefit as a consumer?

It is further argued that the reimbursement of utilities will interfere with States' rights and contracts. The complete answer to this is that the Constitution clearly would not permit legislation to abrogate valid and subsisting contracts.

We must remember that section 7 does not make the payment of this 50 percent for relocation costs mandatory. We must remember that these 50-percent reimbursement payments are made only when the individual State highway department approves. The practice now is and has been to provide Federal matching funds for those States which now consider utility relocation charges as part of the construction costs. This section codifies existing practices. In fact, it curtails those practices to some extent by limiting to 2 percent the amount that can be paid for relocation costs on each individual project.

For the foregoing reasons, it is my belief that the provision contained in section 7 for reimbursement of utility relocations is fair, equitable, and eminently justified in view of the tremendous impact of the highway program now contemplated. I hope it will be your pleasure to support the provision.

Mr. GENTRY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have a great amount of information which conveys the wishes of the States or the feelings of the States in this matter, and I request unanimous consent that I be given permission to proceed for an extra 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. MASON. Mr. Chairman, I am constrained to object, since I have served notice that I would do so and I am a man of my word.

Mr. GENTRY. Mr. Chairman, just what would this utility provision do? It is designed solely to get a great sum of money for the utilities, money that is badly needed by the Government for highways and many other things. It is to get money that the utilities are not now getting. It seeks to have the States, contrary to their expressed wishes, as was repeatedly testified to before our Committee on Public Works, to violate State laws which have legally been enacted by their legislatures to settle the problem of utility occupancy of public rights-of-way.

Also contrary to the wishes of the States, as was repeatedly and earnestly expressed before our Committee on Public Works, it seeks to have the States break the legal written contracts which they have made with the utilities at the utilities' request—as a result of which, the utilities have saved untold sums of money.

The utilities neither legally nor morally are entitled to 1 cent of money.

More than 99 percent of the money that would be given under this provision would go to companies not only not entitled to it, but companies that do not need it.

Now I have heard a lot said here about some small utility that someone thinks would be unduly burdened by this. Let me say this to you. The highway departments have employees in every county in this Union. If there is a small utility that is unduly burdened by

this program the highway department has the right, if it so desires, to help them. It should be remembered that when the States utilize any rights-of-way owned by the utilities, the utilities are paid in full.

This provision seeks to pay the utilities when they are not occupying their own rights-of-way but the rights-of-way of the States, rights-of-way paid for by taxpayers, paid for by the road user's money. This is affirmative action by Congress to permit the payment to utilities in violation of the utilities' own contracts to readjust their own facilities under these circumstances.

Most of all it should be remembered that this provision in this bill is here at the instance of the utilities; it is sponsored by the utilities; it is the utilities provision with a very big capital "U." This is nothing more nor less than a handout, a raid on a Treasury that can ill afford it.

Mr. Chairman, I now want to read several telegrams I received last Friday, and I ask that particular attention be paid to them, because I believe the Members are all interested. Here is a telegram from the highway department of Ohio:

Ohio State laws permit public utilities to occupy State highway right-of-way. But also require their being moved at no expense to the State if area they occupy is needed for highway construction or reconstruction. We strenuously object to proposal to reimburse utilities in such cases.

Here is one from the State of Utah:

We would earnestly protest the permissive utility provision in the final House draft in that it would concentrate pressure on State highway officials and cause an almost intolerable situation. Regardless of the patent raid on sorely needed highway funds that is being made by the public utilities, we strongly recommend a return to first principles that highway rights-of-way are intended primarily for highway purposes and that the above-named classes of public utilities should pay for any adjustment of plant made necessary by the improvement of the highways.

Here is one from Massachusetts, one of the old States of the Union:

Massachusetts has no agreements with any utilities relative to relocating their facilities when necessary highway improvements require. Such facilities are merely within our highway location by sufferance, and the utilities pay 100 percent of the cost for relocating the same. Massachusetts is strongly opposed to any legislation which would permit paying part or all of the costs for relocating utility facilities out of highway funds, Federal or otherwise.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GENTRY. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. GENTRY moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes in support of his motion.

Mr. GENTRY. Mr. Chairman, here is a telegram from the State of California, and I want you to listen especially to this one:

Great bulk California's utility problems are being resolved under terms master agreements with utility companies made possible by legislation 1951—section 707.5 California streets, highways code.

If Congress should include provision highway act payment to utilities out of highway funds it would destroy entire legal background and repudiate utility's contractual obligations thereby diverting million dollars from California's needed highway construction.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. GENTRY. I do not yield.

Mr. GROSS. Is that from the California highway commissioner?

Mr. GENTRY. And he is the president of the State Association of Highway Officials.

Experience in developing present working agreements leaves no room for dought that situation would be practically hopeless if necessary reconcile existing laws and agreements and proposed Federal provision. I cannot too strongly recommend that this matter of utility payments be kept at State level.

Here is one from West Virginia:

State Road Commission of West Virginia does have written agreement with utilities providing for removal and relocation of utility facilities at the cost of the utility when required for road improvement. We also have a statute requiring utility to pay such cost and all court decisions of this State and opinions of our attorney general require that utility pay entire cost of relocation when they are within our right-of-way. Feel that proposal in Congress to pay utility out of highway funds in controvention of written agreements. Statute and court decisions would place undue hardship upon the highway program of West Virginia and would minimize benefit of any Federal aid we would receive.

Here is one from the State of Washington:

All utility facilities, public or private, located upon highway right-of-way are covered by written agreements which require their removal or relocation at holders' expense, when right-of-way is needed for highway construction or reconstruction purposes. State of Washington statutes require agreement holders to remove or relocate facilities upon highway right-of-way when so notified by director of highways at agreement holders' expense. We oppose the provision in the House Public Works Committee highway bill to reimburse the utilities for 50 percent of the utilities cost of relocating facilities from Federal funds and urge Congress to strike this provision from the highway bill.

Here is a telegram from the State of South Dakota:

Statutory provisions in South Dakota require utilities to obtain a permit to use right-of-way and on 90 days' notice they are required to move facilities at their own expense. I am very much opposed to utility-payment provisions in proposed Federal highway legislation.

Here is a telegram from one of the great States of this Union, the State of Pennsylvania:

In Pennsylvania if utilities are located on public right-of-way they must relocate their facilities at their own sole cost and expense. If utilities are located on private right-of-way Commonwealth reimburses for cost of relocation. By law utilities are authorized to locate facilities within the limits of a highway where feasible. Pennsylvania Constitution prohibits use of motor-license funds (Pennsylvania highway maintenance and construction funds) for cost of relocating utility facilities located on public highways. Department of Highways of Commonwealth of Pennsylvania is opposed to any provisions which may provide for payment to utilities to alter or adjust lines existing on public thoroughfares.

Here is one from Oklahoma:

Oklahoma statutes provide utility lines may occupy public right-of-way but must move when requested by the State at their own expense. Our highway commission in special session yesterday unanimously adopted the following: "Oklahoma State Highway Commission in meeting this date unanimous in request that the permissive utility provision in the final draft of highway bill be deleted." Oklahoma Congressmen advised of commission action yesterday.

Here is one from the State of North Carolina:

This commission acting under State law has agreements with utilities by which they agree to readjust and relocate their facilities to permit needed highway improvement in consideration of using highway rights-of-way. This commission is very much opposed to the provision of the proposed highway act providing for reimbursement to utilities for moving their facilities where they are on highway rights-of-way.

Here is one from the State of New York:

State department public works requires written permit for all public utilities within State highway rights-of-way. All permits revocable. Permit form includes provision that installation must be relocated as directed by superintendent at expense of permittee if future highway work is affected. New York State opposes payment to utilities.

Mr. Chairman, I have similar telegrams from all 48 States of the Union.

Mr. SMITH of Mississippi. Mr. Chairman, I rise in opposition to the motion offered by the gentleman from Texas.

Mr. Chairman, we just heard the gentleman from Texas say that all 52 States are opposed to this provision. I did not know that we had that many States. I thought we only had 48.

In relation to his statement about the States, he should have emphasized that he was talking about the State highway departments. There is a considerable amount of doubt as to how the States stand on this amendment. I think you could make just as strong a claim that all 48 States favor the provision in the bill. The Association of Railroad and Public Utility Commissioners of the United States, representing 48 regulatory bodies, is on record in favor of the provision.

I would like to call attention to emphasize the situation that in my own State the highway commission favors this amendment, but the public service commission strongly opposes the amendment. The public service commission has to wrestle with this problem of utilities having to readjust the rates, because they have to recapitalize upon occasion when some of these relocation costs come to them in unexpected fashion, and these costs can come under this $32 billion program that we are about to pass. The chairman of the Mississippi Public Service Commission says that he

favors the reimbursement relocation cost provision of the Federal highway bill. There is no question about the stand involved there.

There has been a lot of talk about the abrogation of contracts involved in this legislation. The Constitution still prevails above any type of legislation which we pass. The Constitution provides that contracts shall be honored.

Even though the Supreme Court has done a lot of things recently that we do not approve of, but they have not gone so far as to allow Congress to abrogate any valid contract, and no valid contract will be abrogated by this legislation. We are attempting in this legislation, with very severe limitations placed in it, to allow some of this great cost that will come to ease the burden upon any type of utility system. It is not a question of need; it is a question of justice.

The cost involved can, upon occasion, for a small general utility system, be so great that the entire system would have to be recapitalized and a new amortization base placed upon its services and its entire facilities. The amendment adopted in our bill would provide that no more than 2 percent of the cost of the project could be paid under these conditions, and under most conditions the cost would not be 2 percent, especially in regard to the small utilities for which we express concern.

The gentleman from Texas has read letters and a lot of other things about this provision. He compared these relocation costs with the situation in regard to private property on the question of relocation. When a man's private property is destroyed as a result of relocation, he is paid in full for that damage and not just 50 percent. These relocation agreements that have been made by utilities in regard to the existing highway rights-of-way did not take into consideration the type of program that would be in effect now in regard to this interstate system that will require such a large amount of new relocation.

This is not a matter of favor to the utilities. I think the record is very clear in regard to our past performance in the House of Representatives who have been the friends of the private utilities. This is the first time I have ever noticed the gentleman from Texas being on the opposite side of any private utility.

This is a matter of justice in regard to how any utility, whether it be the biggest corporation in the country or the smallest small-town utility in the United States, will be treated fairly in regard to this matter. Actually we are trying to decide here whether the utility rate payers will be the ones who will have to bear part of the cost of this highway program or whether we will accept the fact that this relocation matter is just another part of the cost, and we should keep it down within the severe limitations imposed in the bill so that the cost in regard to new relocation will be considered.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Texas.

The motion was rejected.

Mr. MACHROWICZ. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, much has been said here yesterday and today, about this section dealing with the relocation of utilities, which would probably make it look to some that this was an unethical or unfair provision. May I assure you that that is positively not the case.

In the first place let me explain just what this provision says. It provides that payments can be made under this section of not more than one-half of the cost of relocating their facilities and in no event can the payment exceed 2 percent of the cost of the highway project which necessitates the relocation.

The gentleman from Texas has said that 48—or even 52 States, 4 States which have not yet joined the Union—are in opposition to this provision. May I say this, that I think he would be more correct if he would say that the 48 highway commissioners of the States are in opposition to the amendment. And I am not surprised that they are.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. MACHROWICZ. I yield to the gentleman.

Mr. SCHERER. Does any State that does not want its utilities reimbursed have to take this money?

Mr. MACHROWICZ. No, of course not.

Mr. SCHERER. If the State does not agree, the utilities do not get it?

Mr. MACHROWICZ. Absolutely. May I say this: The highway commissioners are there to build roads. That is their primary duty. The railroad and the public-utilities commissioners are there to protect the interests of the rate payers. In practically all of the 48 States, as far as I know, there are none which have not approved the provision which is in this bill.

May I read a letter from the committee on legislation of the National Association of Railroad and Utilities Commissioners:

> Whether these utilities are publicly or privately owned, the absence of reimbursement will mean that the rate payer—the user of the service—will be forced to pay for the relocation. If the user is thus overlooked, he will be paying twice for highways, once in taxes and again in utility rates. In addition, the burden will fall unevenly on those rate payers who by accident of location are in the path of proposed highways. Others deriving approximately the same benefit from such highways will escape the burden entirely.
>
> The statement has been made that a provision for reimbursement would abrogate existing contracts between utility services and States in which they operate. Such an opinion cannot be supported, for the Constitution would not permit legislation to abrogate existing contracts. Furthermore, in view of the expanded highway program and changes in design and construction of highways, it would be highly inappropriate and inequitable to use arrangements made with States in the past, which were designed to meet entirely different conditions, as a bar to protection against this new and unlooked-for burden. The proposed legislation means simply that the Federal Government will recognize its obligation to pay a portion of the expense of relocation which it creates.

As has already been said, there are more than 27,000 utilities in this country, and more than 15,000 of them are either publicly owned or REA corporations. They are the ones that will be affected by this provision.

Nearly every family uses one or more utility services. Unless there is reimbursement, these users of utility services must contribute twice to Federal-aid highways—once in taxes and again in the rates paid for utility services.

There are over 27,000 utilities in the United States providing the services of water, electricity, gas, sewers, telephone, telegraph, and local transportation. In an average year only a small portion of these 27,000 utilities—and hence the users of these services—are affected by Federal-aid highways. The study conducted by the Secretary of Commerce, pursuant to Section 11 of the Federal-Aid Highway Act of 1954, showed that approximately 700 utilities, less than 3 percent, paid relocation costs of $24 million. Thus, the users of utility services furnished by 700 companies were required to contribute $24 million to Federal-aid highway construction which benefits all of the highway users of the country.

This is a matter we want to correct in this legislation.

Mr. Chairman, I believe that in the interest not of the utilities but of the utility users it is essential that this section be retained in the bill. This section differs from that which has been approved in the other body.

Mr. KLUCZYNSKI. Mr. Chairman, will the gentleman yield?

Mr. MACHROWICZ. I yield to the gentleman from Illinois.

Mr. KLUCZYNSKI. I want to compliment the gentleman on his wonderful statement. I agree with it in every respect.

Mr. POAGE. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I had hoped that I might find it possible to restrain my feelings and not to impose on your time in connection with this bill, but after hearing so many people get up here and bemoan the fate of the little REA cooperatives and the little rural telephone operations and the little, small towns, so many people from the big cities bemoaning what is happening to these little people in the rural areas, I felt I should express a contrary view.

I think this House knows I have been interested in REA for a long time. I believe this House will give me credit for having some interest in the rural telephone bill. I was the author of that bill here in the House and I want to see it succeed. I would not want this program to destroy it. I am sure the Members who have spoken are also interested in this program, but I do regret seeing those worthwhile institutions used as a cat's-paw to try to rake in a billion dollars for the big public utilities.

Everybody here knows that this proposal did not originate with any REA cooperative. It did not originate with any villages over this country; it did not originate with any rural people in this country.

I have been surprised to find so much sympathy poured out here by people, some of whom have been active in behalf of the REA, and some of whom have never expressed any interest in the world

in these little cooperatives, in these little people, heretofore. I commend the gentleman from Mississippi, who is about to rise, because he did not put it on that basis. I also recognize that the gentleman from Tennessee [Mr. DAVIS] represents a distinctly public-power area, and his position very correctly reflects the wishes and the desires of his people, but I am sure we have all noted the unusual enthusiasm with which these little cooperatives have been befriended this afternoon.

I wonder why we do not hear the same kind of sympathy expressed for the little man who is running a one-horse filling station out on some of these roads. He is going to find himself without any means of support when we move 85 percent of these highways away from him. But I did not hear a word about that man. I have not heard any sympathy for him.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Alabama, who so ably offered this amendment.

Mr. JONES of Alabama. The utilities that now occupy the rights-of-way do not pay any money to the States or local political subdivisions for the use of those utilities, so you are putting the Federal Government in the business of buying something that they do not want.

Mr. POAGE. That is right. We are putting the Federal Government into the business of destroying the 48 States of this Union and all of their rights. We are putting the Federal Government in the business of subsidizing a bunch of big utilities that do not need this subsidization. We are putting the Federal Government in the business for all practical purposes of forcing the abrogation of contracts which several Members have assured us that the Supreme Court would defend. We are putting the Federal Government in the business of taking care of a group of people who can well take care of themselves and of utterly ignoring a group of people who cannot take care of themselves. If you believe in State's rights; if you believe in fair play, you should vote for the Jones amenment.

I call attention to a further thing you are doing in this bill. With one breath we are crying out about these little utilities and about these little REA lines out in the rural area, up in the forks of the creeks, and which we are told are in such bad shape that we must take care of them and just incidently of the big utilities. In the next breath we are by this bill taking a 2-cent-a-gallon gasoline tax that was levied for general revenue, as a war measure and therefore was made to apply to everybody; we are by this bill transferring it to a highway tax for the specific purpose of building highways, and we are levying it upon the motive power of agriculture, for the sole purpose of highway construction.

You might just as well levy a tax on the coal that the Consolidated Edison burns to make the power for New York City. You might just as well levy a tax on the coal that runs the United States Steel plants because it produces power. Gasoline and diesel fuel produces 98 percent of all the power that agriculture uses and yet you propose to tax the motive power of a great industry and to give no refunds on two-thirds of the road tax we propose to collect—not 1 penny refund on that 2 cents that we now have for general revenue purposes which we are making into a special highway tax. I would like to see some of the concern that is being heaped on these little REA cooperatives expressed for the farmers who make up those cooperatives—the farmers who must under this bill pay such an unfair share of the cost of superhighway construction.

Mr. FALLON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 15 minutes.

Mr. GROSS. Mr. Chairman, reserving the right to object, the members of the committee have had 99.9 percent of all the time that has been spent on the floor on this bill. Does not the gentleman think that there are, perhaps, 2 or 3 or 4 other Members who might like to have just a minute or 2 or 3 or 4 to speak on this bill?

Mr. FALLON. I was just trying to arrive at a time to limit debate on this amendment only. Of course, we do not want to cut anyone off from speaking on the bill.

Mr. GROSS. But the gentleman suggested only 15 minutes.

The CHAIRMAN. The regular order has been demanded.

Is there objection to the request of the gentleman from Maryland [Mr. FALLON] that all debate on the pending amendment close in 15 minutes?

Mr. GROSS and Mr. JONES of Missouri objected.

Mr. FALLON. Mr. Chairman, I move that all debate on this amendment close in 20 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Texas [Mr. DIES].

Mr. MASON. Mr. Chairman, I have served notice that there will be no yielding of time to another Member. Therefore, I have to object, much as I hate to.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. HULL].

Mr. HULL. Mr. Chairman, I rise in support of the Jones amendment. I would like to read a few telegrams that have been received. Here is one from Madison, Wis.:

All permits to utility companies to use right-of-way are subject to approval by the highway commission and are subject to the provision that the transmission line shall if necessary be altered at the expense of the applicant to permit alteration, improvement, or maintenance of the highway as may be ordered pursuant to law.

Highway commission of Wisconsin is categorically opposed to proposed provision in Federal Highway Acts which would require or permit utilization of Federal-aid highway funds to reimburse utility for alterations required in transmission lines occupying existing public highway right-of-way.

That is from the State highway commission of Wisconsin. Here is one from Topeka, Kans.:

Kansas is hopeful that the Congress will not pass utility legislation proposed in highway bills. This would conflict with States rights and use funds badly needed for highway construction.

Here is one from Louisiana:

We vigorously oppose use of highway funds to reimburse utility companies for relocation or adjustment of utility lines occupying highway rights-of-way.

Here is one from Florida:

Retel State Road Department of Florida requires written agreement with utilities by which they agree to relocate or adjust at their expense in consideration use of right-of-way. We do not feel Congress would include provision in Highway Act to permit payment to utilities in contravention of this policy.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I yield my time to the expediency of those who are cramming this bill through the House.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT of Florida. Mr. Chairman, I represent, among other constituents, the city of Jacksonville, Fla., which owns most of the city utilities, electric, water, and other utilities in the area.

Recently a Federal highway was put through the city of Jacksonville, which illustrates the need for some sort of consideration for public utilities when moved for the convenience of the Federal highway program, because it cost the city a large sum which it has to pass on to its utility users.

Today nearly all, if not all, utilities are heavily regulated, so it is a question of the utility passing the cost on to the users. Mind you, this means passing on to utility users a cost which is of no benefit to them but which is properly and logically a highway expenditure.

Now, if the utility has agreed to assume the cost of its relocations when disturbed by highway relocation, then I think it should abide by such a contract; and I do not believe this legislation would interfere with that contractual and moral obligation. But if there is some defect in the legislation along that line—and I do not think there is—I think it can be corrected in conference between the House and Senate. I sincerely hope that this House will show that it realizes the moral obligation to make some reasonable provision for utilities relocation instead of placing the burden on the small utility user who has no benefit from the relocation.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. GEORGE].

Mr. GEORGE. Mr. Chairman, I wish to call the attention of the House to the fact that the gentleman from Texas, who used 10 minutes on this question a short while ago, is one of the eminent authorities in the House as far as highway departments, occupational procedure, and so forth, is concerned.

The gentleman from Texas [Mr. GENTRY] is a former director of the Texas Highway Department. He is also a former national president of the State highway officials organization. So, when the gentleman from Texas [Mr. GENTRY] makes a statement as far as it relates to operational procedures, as far as it relates to highway departments and public utility rights, or as it relates to any type of services concerned with highways, you are listening to an expert on the subject, and probably the greatest authority on the subject in the House as it is now constituted.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, this is just another place where the clever utility lawyers have shown their fine hand in drafting legislation. I know there are members of the committee who agreed for this to appear in there that just took it at its face value rather than to go to the trouble of reading some of the fine print. Actually, the more I read it the worse it gets.

Like the gentleman from Texas, I have had some experience with a State highway commission. I was chairman of the Missouri State Highway Commission for 3 years. I dealt with these utilities. We do not pay anything there in Missouri. Here is the catch in this bill, however. It involves States that have heretofore not paid anything because it says "may be paid from Federal funds whenever, under the laws of the State where the project is being constructed, the entire relocation cost is required to be borne by the utility."

Even in the States that did not want to pay out the money, you are making it possible through this for the Federal Government to pay half in a windfall to the utilities.

If we are going to build highways, let us build highways; let us not take tax money to fatten up anyone.

Another thing, you will find on reading this section where States can reimburse up to 50 percent using only Federal money, according to the way this is written, which would make it more conducive to reach into the Federal Treasury to enrich the utilities.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. THORNBERRY].

Mr. THORNBERRY. Mr. Chairman, I urge adoption of the amendment offered by the gentleman from Alabama [Mr. JONES]. As has been so well stated by my colleague, the gentleman from Texas [Mr. GENTRY], the proposal to reimburse utilities for the removal of equipment from rights-of-way should be left to the States.

The program which has heretofore existed providing for Federal aid for highway construction has proved successful as a partnership between the Federal Government and the States. It seems to me that any program we might enact here today should leave to the States as many of the required decisions as is possible, with the Federal Government setting only high standards for construction.

To insist on the provision which this amendment seeks to strike out not only results in an increased cost of construction, but goes toward the removal of a right which the States have always exercised in the past.

The following communication from the members of the State highway commission and the State highway engineer of the State of Texas so well point out that this proposal, together with the proposal that makes the program subject to the provisions of the Davis-Bacon Act, are unnecessary and constitute an invasion of the rights of the several States by imposing Federal authority over State laws on these subjects:

TEXAS HIGHWAY DEPARTMENT,
Austin, Tex., July 18, 1955.

HON. HOMER THORNBERRY,
Member of Congress,
Washington, D. C.

DEAR CONGRESSMAN THORNBERRY: In view of the fact that the House of Representatives will soon make its decision toward providing a solution of the acute highway problem confronting the Nation, we feel that we should direct your attention to two proposals presently embodied in pending legislation and which, in our opinion, should be deleted therefrom.

These proposals deal with reimbursement to utilities and the requirement that the construction of Federal-aid highways be subject to the provisions of the Davis-Bacon Act. These proposals will result in increased cost of construction, are unnecessary, and constitute a direct invasion of the rights of the several States by superimposing Federal authority over State laws on these subjects.

We, therefore, respectfully urge that you use your best efforts to delete these two proposals from pending legislation so that the full amount of Federal aid provided by the Congress can and will go into badly needed improvement of the Nation's highway system, and that the existing and successful partnership between the States and the Federal Government, under which the highway system of the Nation has been developed, will be preserved.

Sincerely,

E. H. THORNTON, Jr.,
Chairman, State Highway Commission.
MARSHALL FORMBY,
Member, State Highway Commission.
HERBERT C. PETRY, Jr.,
Member, State Highway Commission.
D. C. GREER,
State Highway Engineer.

PLAINVIEW, TEX., *July 20 1955.*

Congressman HOMER THORNBERRY, of Texas,
Washington, D. C.:

In highway bill under consideration we hope you can remove the Bacon-Davis labor requirement section and hope you can eliminate the unjust provision which would force Texas to pay utility companies for moving poles from our rights-of-way which utility companies are already using free of charge will appreciate your help in eliminating these two provisions of highway bill. Kindest regards.

MARSHALL FORMBY,
Member, Texas Highway Commission.

Mr. Chairman, I hope that the amendment will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Alabama [Mr. JONES].

I want to quote from a letter I received from the director of the department of highways, State of Ohio, Mr. S. O. Linzell, in which he says:

Utilities are on public highways in Ohio by permit, agreeing when given the permit to conform to highway improvements without cost to the State or its subdivisions. The Federal act, in substance, thus voids contracts between the State or its subdivisions and the utilities.

It is bad policy to have national laws at variance with State laws on the subject.

Utilities are a burden on the highways, are there without a rental charge and create hazards not there except through the permit.

A utility should have no vested right by sufferance that any other property owner should not have.

We now pay utilities to move when a relocation of our highway causes changes when they are on a private right-of-way. Most of the interstate highway work, whether rural or urban, will be on relocation, and utilities will be paid for relocating their facilities, while in the normal type improvement, on ordinary State work, the State would be loaded, ultimately, with costs for which there is no legal obligation.

It is useless to argue that the expenditure is permissive, because once the Federal Government gives its blessing to the principle of reimbursement, the States will be forced by pressure tactics to do the same and justification will be based on the Federal action.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Chairman, I would like to ask the members of this committee how and why the public utilities are on the highway rights-of-way? They are there because they could put the facilities on the right-of-way without paying anything for that right-of-way. The highway department keeps the weeds and grass mowed, keeps the brush cut, maintains the right-of-way, and if they do not appreciate that, let them move out some place else and buy a right-of-way of their own, and then they will not be required to move off of it. I think we ought to leave things exactly as they are. I am in favor of the amendment offered by the gentleman from Alabama and shall so vote, and I think if we have the interests of the rank and file of our constituents at heart and are not afraid of the giant lobbies that infest this town, we will support the gentleman's amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. FALLON].

Mr. FALLON. Mr. Chairman, in making the awards to the States for highway construction, the money is given to the States and it is up to the States to make a decision whether or not they will approve in the contract the cost of relocation. If they do not approve it at the State level, the matter can never reach the Bureau of Public Roads here, because the Bureau of Public Roads does not do business with anybody under the basic law except the States themselves.

The CHAIRMAN. The time of the gentleman from Maryland [Mr. FALLON] has expired.

The question is on the amendment offered by the gentleman from Alabama [Mr. JONES].

The question was taken; and on a division (demanded by Mr. MACHROWICZ) there were—ayes 125, noes 75.

So the amendment was agreed to.

Mr. CLARK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLARK: On page 27, line 20, strike out "1957" and insert "1956."

Mr. CLARK. Mr. Chairman, this amendment simply moves up 1 year the report to Congress by the Secretary of Commerce. The Bureau of Public Roads are in agreement with this amendment. I hope it will be agreed to.

Mr. FALLON. Mr. Chairman, I rise to say that I have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. CLARK].

The amendment was agreed to.

Mr. HALLECK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HALLECK: Page 8, after line 6 insert:

"SEC. 2 (G) (a) There is hereby created, subject to the direction and supervision of the President, a body corporate to be known as the Interstate and Defense Highway Finance Corporation. The Corporation shall be subject to the provisions of the Government Corporation Control Act.

"(b) The management of the Corporation shall be vested in a Board of Directors (hereinafter referred to as the Board) composed of 4 members. One of these members shall be a full-time public member appointed by the President, by and with the consent of the Senate, without regard to political party affiliation, and the President shall designate such full-time public member as Chairman of the Board. The 3 remaining members shall be the Secretary of Commerce (hereinafter called 'Secretary'), the Secretary of the Treasury, and the Secretary of Defense, or their representatives. The Commissioner of Public Roads shall serve as executive secretary of the Board.

"(c) It shall be the duty of the Corporation (a) to receive and borrow funds, (b) to provide and make available to the Secretary such sums as are necessary to permit him to make the payments or advances to the States, through the established channels of the Bureau of Public Roads of the Federal share of the cost of construction of projects on the Interstate System, and such other costs or expenses as are permitted or required to be paid or advanced by him in connection with the Interstate System under the terms of this act, and (c) to perform such other duties as may be required in the performance of its functions and the exercise of its powers under this act

"(d) The Corporation is authorized to issue, upon the approval of the Secretary of the Treasury, obligations in an amount not to exceed $15 billion. Obligations issued under this subsection shall have such maturities, not to exceed 20 years, and shall bear such rate or rates of interest, as may be determined by the Corporation with the approval of the Secretary of the Treasury, and they shall be redeemable at the option of the Corporation before maturity in such manner as may be stipulated in the obligations.

"(e) The Corporation shall insert appropriate language in all of its obligations issued under this subsection clearly indicating that the obligations, together with the interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instrumentality thereof other than the Corporation. The Corporation is authorized to purchase in open market for retirement, at any time and at any price, any outstanding obligations issued under this subsection."

Mr. JONES of Alabama. Mr. Chairman, I make the point of order against the amendment that it is not germane to the bill H. R. 7474, that it contains a reclassification act and is a violation of the Reroganization Act, giving jurisdiction to the Committee on Post Office and Civil Service for the classification of employees.

Mr. HALLECK. I wonder if the gentleman would withhold his point of order until I can have 5 minutes to explain the amendment. Then we can dispose of the point of order.

Mr. JONES of Alabama. I will be glad to reserve my point of order, Mr. Chairman.

Mr. HALLECK. I thank the gentleman.

Mr. Chairman, of course, it is very obvious that we all think we need highways and we do not need them. By and large there have been two approaches. It has been pretty much all black and all white. One approach is that of the Eisenhower administration, the Clay Commission, covered in the substitute offered by the gentleman from Michigan [Mr. DONDERO], which would provide for the creation of a governmental corporation and the issuance of bonds. The Fallon bill, which is the committeee bill, would not have any provision for corporate bonds, but would simply raise taxes to build the roads.

We had a very close vote on the Dondero substitute, and because there were 5, 6, or 7 votes difference between the 2, that evidences that we need highways, we want a highway bill, but it also evidences to me a very reasonable probability that we may wind up here without any highway bill at all. And I want a highway bill. To accomplish that, means some give and take.

May I say I offer this in all seriousness, and I hope you will understand just what the amendment does. I say I want to pass the highway bill. What does this amendment provide for? It retains the tax features of the Fallon bill. They are protected by the rule which was granted, and no one complains about that. So the taxes are left in the bill. But it also is in line with the language contained in the Fallon bill on page 9 in these words that—

It is the intent of Congress that, in addition to revenues presently available for such purposes, such increased revenues provided for in this act shall be devoted to the highway program herein authorized.

What this would do would simply be to add into this bill retaining the tax features a provision for the creation of the governmental corporation and the power to issue bonds. The amendment shortens the period of the bonds to 20 years. Personally I think that could be further reduced if this amendment is adopted. It reduces the amount to $15 billion.

What would happen if it goes to conference and these two matters are fused, I say to my friends on the right, if you want a highway bill? It would simply mean that the very considerable tax burden that is provided in the Fallon bill could be reduced. Then by resorting to the corporation bond feature, you could shorten the period on the bonds and hence reduce the interest that must ultimately be paid on the bonds, and thus bring about the construction of an accelerated highway program without too heavy a burden on the taxpayer and at the same time there would not be any degree of irresponsibility whatsoever.

The only argument I have heard against the bond proposal, and the only substantial argument was that there would be too much interest over this long period of time. Here is a way to shorten the period of time that the bonds would be outstanding. It is even provided that the bonds could be called in earlier. The term on the bonds and the interest to be paid would be governed as we might come out of the conference on this bill to the degree that the taxes will support them.

In other words, to my mind, it is a fair compromise. It is a solution that many have talked about as we have continued during recent months to try to work out a program. In my considered judgment, if this amendment should be adopted, it would assure the passage of a highway bill—a decent, equitable highway bill that would keep the doors open if we go into conference for the enactment of a sound, forward-looking highway bill that would do the job that needs to be done in the country. If this amendment is not adopted, I am convinced the Fallon bill will be overwhelmingly defeated. If it is adopted, I can support the bill. Others will support the bill and it can be passed and out of conference will come a good compromise bill.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. DONDERO. Exactly that proposal was made by me in the subcommittee of 9 which was appointed by our committee to see if we could work out a compromise and the idea was adopted by a vote of 6 to 3, but was later rejected by the full committee.

Mr. HALLECK. That is my understanding of what happened in the committee. This sort of approach at one time was very definitely suggested and approved. I still think it is a good proposal. It incorporates a measure of the President's program and of the Clay Commission's program, and it will make possible, as this measure goes through the legislative procedure, to work out a bill that can become law and will become law.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. SMITH of Mississippi. I would like to make clear that the gentleman from Michigan is in error as to what was approved by the subcommittee. I was one of the members of the subcommittee. What the subcommittee approved had to do with Treasury bonds and no idea having to do with corporation bonds was approved by that subcommittee.

Mr. HALLECK. Of course, I was not at the committee meeting, but I have understood not only from the gentleman from Michigan but from others that this

approach was presented there and approved.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. HALLECK. Mr. Chairman, may I be heard on the point of order.

The CHAIRMAN. The Chair will be glad to hear the gentleman from Indiana.

Mr. HALLECK. Mr. Chairman, as I read from the bill, there is language there which provides for the application of any increased revenues or any revenues to the highway program. In addition to that, the rule specifically made in order the Dondero substitute. The amendment which I have offered is a part of the Dondero substitute. It is not the entire substitute, but it is a part of it. So far as it goes, it is completely in line with the Dondero substitute. So it is my conviction since the Dondero substitute was made in order under the rule, this, in turn, would be in order as an amendment.

Mr. JONES of Alabama. Mr. Chairman, I renew the point of order I made against the amendment offered by the gentleman from Indiana [Mr. HALLECK]. The gentleman from Indiana [Mr. HALLECK] points out that the rule made the Dondero bill in order. Now the Dondero bill was specifically defeated, and this is nothing more than the Dondero bill with a new name on it. I also, submit, Mr. Chairman, that it violates the Classification Act of 1949, as amended, and that the amendment is repetitious in that it repeats the proposal contained in the Dondero bill, which the committee has already disposed of.

Mr. HALLECK. If I might be heard further——

The CHAIRMAN. The Chair will be glad to indulge the gentleman.

Mr. HALLECK. I do not know of any provision in this amendment that would be contrary in any way to any provision of the Classification Act.

I must say, Mr. Chairman, I am sorry the point of order has been made. It should not have been made. I hope it will not be sustained, but should it be sustained it will strike down an attempt to get a highway bill that would be in the best interests of the country. I am afraid it will kill highway legislation for this session. That I am seeking to avoid.

The CHAIRMAN. The Chair is ready to rule.

The gentleman from Indiana offers an amendment which has for its purpose the creation of a body corporate, vesting in that corporation certain powers. After laying down the requirements for membership, it charges the corporation with certain duties, grants to it certain authority, including that of the issuance of obligations and providing for the issuance of those obligations.

While it is true that a somewhat similar provision appeared in the amendment offered by the gentleman from Michigan [Mr. DONDERO], the Chair must point out that the rule under which the pending bill is considered made in order that amendment and waived all points of order to it.

It is, therefore, the opinion of the Chair that the amendment offered by the gentleman from Indiana, seeking as it does to create an entirely different body, a body corporate, is not germane to the provisions of the pending bill.

The Chair, therefore, sustains the point of order.

Mr. GROSS. Mr. Chairman, I make a point of order against the language in section 14 (a), page 30, lines 20 to 25, and page 31, lines 1 to 3; reading as follows:

SEC. 14. (a) The Secretary of Commerce, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, is authorized to place 2 positions in the Bureau of Public Roads in grade 18 and a total of 20 positions in grades 16 and 17 of the General Schedule established by the Classification Act of 1949, as amended, Such positions shall be in lieu of any positions in the Bureau of Public Roads previously allocated under section 505 of such act.

I make the point of order that this language is a violation of the Classification Act of 1949, that it is an invasion of the prerogatives of the Post Office and Civil Service Committee, and is not germane to the bill.

The CHAIRMAN. The Chair is prepared to rule.

The Chair will state to the gentleman from Iowa that since the provisions to which his point of order is directed are provisions in the bill that has been reported from the standing committee, the point of order is not well taken at this time.

The Chair overrules the point of order.

Mr. GROSS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. At what time would the point of order be well taken?

The CHAIRMAN. The Chair would say to the gentleman from Iowa that in the opinion of the Chair the point of order would not be well taken at any time, inasmuch as the provisions to which the point of order is directed are contained in the bill as introduced and reported.

Mr. WILSON of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WILSON of Indiana:

On page 32, following line 7, add a new section 19:

"No funds collected under this act may be available to any State, city, or subdivision in which segregation is practiced in restaurants, restrooms, or in road construction."

And in line 8, after the word "SEC." strike out "19" and insert in lieu thereof "20."

Mr. JONES of Alabama. Mr. Chairman, I make a point of order against the amendment on the ground that it is not germane.

Mr. Chairman, I reserve the point of order to permit the gentleman to make his statement.

The CHAIRMAN. The gentleman from Indiana is recognized for 5 minutes in support of his amendment.

Mr. WILSON of Indiana. Mr. Chairman, there is no question in my mind, and I doubt if there is in the mind of anyone else, that this amendment is as germane as any amendment that has been offered. It certainly is in keeping with some of the practices that have been going on here, and also in keeping with the wishes of our own United States Supreme Court.

The Court has ruled against segregation. Here we are authorizing this great appropriation, under which we are going to spend billions of dollars in every State in the Union. Yet, there are some States in which the Negroes are not going to have a chance to work and earn part of this money to pay the taxes to build the highways, to earn money to pay the excise taxes on their trucks, to earn money to pay the extra cost of their tires.

Why should we not clear this situation up in the States which have not yet recognized nonsegregation and give these people a break? I think these Negroes should be given the opportunity to help build the highways because they are going to help to pay the taxes. I think they should be able to use the facilities, the restaurants, and the comfort stations, and so forth, that appear along the highways.

Mr. JONES of Alabama. Mr. Chairman, I renew my point of order.

The CHAIRMAN. The gentleman from Indiana offers an amendment to provide for a limitation on the funds collected under the pending bill, to which the gentleman from Alabama [Mr. JONES] makes a point of order.

It is the opinion of the Chair that since the amendment refers to and touches upon the funds collected under this act, limiting their use, the amendment is germane; therefore, the Chair overrules the point of order.

Mr. SMITH of Mississippi. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Indiana [Mr. WILSON].

Mr. Chairman, I hope the committee will thoroughly understand this amendment and vote it down.

Mr. BOGGS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I want to commend the Public Works Committee and the members thereof on both sides of the aisle for the work they have done on this bill. I do not know whether the bill is going to be passed or defeated, but may I say that I had the privilege of sitting in with the committee as chairman of a subcommittee which was appointed at the request of the gentleman from Maryland [Mr. FALLON] and upon the direction of the chairman of the Committee on Ways and Means [Mr. COOPER].

I would like to commend both the Democratic and the Republican members of this committee for working many months and many weeks, night and day, on a bill which is certainly vital to the economy of this Nation and to the growth and expansion of our country. Naturally no measure of such tremendous implications could be noncontroversial, but I believe that the members of the Public Works Committee approached their task with an objective spirit, largely nonpartisan, with the idea of working out the best possible legislation to continue to build up our country.

May I say further in connection with the revenue features of the bill that, as I understand the rules of the House of Representatives, the Speaker has the

power to make the assignment of bills to the respective committees. Our great Speaker in his wisdom sent this bill containing section 4 to the Public Works Committee under the able chairmanship of the gentleman from Maryland [Mr. FALLON]. Mr. FALLON certainly had a provision that he was not seeking and I found out one thing sitting there as an observer that I doubt if there is a single member of the Public Works Committee who will ever be a candidate for membership on the Ways and Means Committee of the House of Representatives. I suspect that members of that committee have discovered that it is a lot harder to pay for these projects than it is to vote them. I am not so sure but what it was not a pretty good experience for the members of that committee and I suggest that some times certain of these other tax measures be referred to other legislative committees in the Congress. All of us will find out that those of us who have the task of serving on the Ways and Means Committee, who have been given the normal responsibility of raising these enormous sums, have a job equally onerous almost every day in the year.

I think that the chairman has done a fine job as have all the members of the committee, majority and minority, and I believe that the House should show its confidence in the Public Works Committee.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am opposed to the Fallon bill for the reason that it means another increase in taxes for the people of this country. Earlier this afternoon, under unanimous consent, a bill was passed in the House to take the excise tax off motorcycles. Is it proposed to take the tax off one product and then vote here this afternoon to increase the same kind of taxes on other products? Incidentally, the Ways and Means Committee, which is responsible for so-called reciprocal trade agreement legislation, asked that the tax be eliminated. Why is the excise tax being taken off motorcycles? Because of taxes and British imports of motorcycles into this country under the free trade policy. The industry is being killed. There is such a thing as saturating motor vehicle owners here in the United States with taxes.

All of us recognize the need for better roads and we can have far better roads if all the money collected by the Federal Government from taxes in connection with the operation of motor vehicles is dedicated to the construction of roads. Instead and inexcusably some of these funds, millions of dollars each year, go into the general funds of the Treasury and may be used to build roads in the Belgian Congo through the foreign handout program.

Neither a huge bond issue, upon which billions of dollars of interest will be paid, nor increased taxes upon the owners of motor vehicles, already heavily taxed, is the answer. In concert with the States, and with the dedication of revenue from all presently levied Federal taxes, an adequate system of roads can be built. Moreover, this program ought to include more than interstate superhighways. Those who use superhighways only infrequently yet pay their share of the fuel and other taxes are entitled to at least some consideration.

And there is no more reason why a farmer should pay a tax on fuel used to generate tractor power than there would be for a tax levied upon coal or steam for highway purposes.

I am opposed to this bill for these and other reasons.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. WILSON].

The question was taken; and on a division (demanded by Mr. WILSON of Indiana) there were—ayes 24, noes 102.

So the amendment was rejected.

Mr. ALGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ALGER: On page 29 strike out line 1 and all that follows down through line 10, page 29, and renumber the following sections accordingly.

Mr. ALGER. Mr. Chairman, you know that I will not talk very long, so I hope I can have your attention, and I further ask your indulgence not to ask me to yield until I struggle through what I have prepared. As a student of what I have observed here as a freshman, I would say that this section is not germane to the bill. But since that may be ruled out because you have a precedent, possibly in other legislation, then I say that a bad precedent does not require another bill.

Secondly, I would go so far—and probably lose a lot of you at this point—as to hold that this is not even the province of the Federal Government, since I have a rather deepseated conviction that what the Government can bestow it can take away. I hate to see us crippling the workingman by fixing his pay through the Federal bureaucracy.

Further than this, since I have heard something as a freshman about the Committee on Ways and Means giving us, the Committee on Public Works, the privilege of working on taxes. After they gave us that privilege I am asking you now why we are ruling on labor, without going through the Committee on Labor. Instead we, of the Committee on Public Works, are considering it at this time. That is further evidence, I hold, that it should not be a part of this bill.

But how about the cost? It has been estimated before our committee—and I want you to know that I am a member of the subcommittee that held the hearings, and I think I had an almost complete attendance and have listened to everything that was said—it has been variously estimated that the cost of the Bacon-Davis amendment in the highway bill would be between 4 percent and 10 percent of the cost, which would be somewhere between $2 billion and $5 billion. If we watchdogs of the public purse are really concerned about the cost, it occurs to me again that we should not have the Bacon-Davis amendment. Further than this, if this is a Government matter, I am one of those who holds that that Government is best that is closest to the people. If it is a matter of the Government, let us keep it at the State level. We in Texas and in other States, I am sure, feel that we can take care of our own labor matters without the Federal Government control.

I have been very surprised in the course of the deliberations of such a staggeringly expensive bill to see us dismiss other things as unimportant. I had a colleague on the committee tell me that this only sets the prevailing wage or recognizes the prevailing wage in this area. I say to you that the men in Texas do not work if they do not get the prevailing wage. We know what the prevailing wage is. We would like to set it without the Federal Government doing it for us.

I would go further—and maybe some of you think this very odd—I come very recently from the grassroots, the man-on-the-street sort of thing, and I hold that the balance of power between the Federal Government and the States is jeopardized by this sort of bill. That might be very provincial. I have heard that phrase used. I do not think it is at all provincial. It was set up rather wisely that the States have their rights, and we want no encroachment of our State rights.

Our local economy can take care of itself. If highway workers come in and receive pay that is more than the prevailing wage or is out of keeping with the wage pattern we have set up because some Federal bureaucrat makes a mistake and tells you what the wage ought to be, it will disrupt our entire economy.

What happens when the Federal Government comes in? I think all of you know that where we have State machinery set up, the Federal Government duplicates it, and if there is a question of jurisdiction, you know what happens to the States.

I trust that others throughout the country share some of this concern, because while we are Federal legislators, we also represent our districts. For that reason I hope you will vote to strike out the Bacon-Davis amendment, section 11.

Mr. BALDWIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we had a vote on this particular provision yesterday when the question came up as to the insertion of an identical provision in the Dondero bill. It was demonstrated yesterday that it was the clear intent of the Members of this body that we should have a Bacon-Davis Act prevailing-wage provision in this highway legislation. The actual wording of this provision simply states that we shall pay wages at rates not less than those prevailing on similar construction in the immediate locality.

Certainly that basic provision is something we have recognized in Federal Government expenditures for years. It was established originally in order to prevent anyone coming in on a Federal construction project and paying rates of wages that were materially less than those in the surrounding area. And since that time it has been recognized as a basic part of our Federal policy to use this plan to protect workmen from being brought in from other areas and undercutting the level of wages in the particular area in which the construction is done.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield.

Mr. JOHNSON of California. I congratulate my colleague on his argument and want to associate myself with it. I endorse exactly what he has said. We have had the prevailing wage system on State and municipal projects in California for over 25 years. It has produced excellent results.

Mr. BALDWIN. I thank the gentleman. We should by the prevailing vote of this body protect and keep this Davis-Bacon Act provision. It is the proper thing to do in this case because we are now recognizing the fact that the Interstate System is primarily a Federal financial responsibility. We are providing that between 90 and 95 percent of the funds for this Interstate System will be Federal funds. When we recognize that the basic 90 or 95 percent financial obligation is Federal, then we certainly should accompany it with the Davis-Bacon provision, which we have recognized for years as an obligation we owe to the workingmen of this country.

Mr. MACHROWICZ. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment offered by the gentleman from Texas seeks to strike out the very language which was adopted here yesterday on an amendment offered by the gentleman from Washington [Mr. MACK] and which was adopted by the Committee on Public Works by a vote of 28 to 4. The gentleman from Washington yesterday explained the theory and the history of the Davis-Bacon bill and I shall not do that today. It was passed under the Hoover administration on motion of two Republican Members of Congress. It has been put in effect by the Democratic administration ever since. So this is not a partisan move. It is an amendment which has had the support of both parties.

This amendment has been made applicable to many programs of this Congress. May I cite a few:

The Federal Airport Act.

School Survey and Construction Act of 1950.

Hospital Survey and Construction Act.

The slum clearance and urban renewal program in the Housing Act of 1954.

National Housing Act.

Multifamily rental housing under the FHA.

Defense Housing and Community Facilities and Services Act of 1951.

Lease Purchase Contracts Act of 1954.

It has been made applicable to all of these acts. Why should it not be made applicable here only to the interstate highway system, not to any other roads, but to the interstate highway system in which the Government has 90 percent of the money invested?

I submit the House expressed its views yesterday in such a strong way that I shall take no further time to urge defeat of this amendment.

Mr. SMITH of Virginia. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I rise in support of the amendment to strike out the provision fastening the provisions of the Davis-Bacon Act upon the expenditures of the States themselves as well as the Federal Government. It should not be in this act.

I have had some experience with it. The Davis-Bacon Act in its inception is all right; it is good. We ought to pay the prevailing rate of wages. That is what we ought to do. But the way that act is set up and the way it is administered, that is just exactly what you do not do.

I want to tell you the experience I have had with it here in the area of the Nation's Capital. As you all know, when you get to building these roads out in the rural areas it is a positive fact that prevailing rates of wages on all mechanics vary from those in the city areas.

What happens? Here in Washington I had the situation where a contract was being let on a Government project 50 miles from Washington in a purely rural area. The Department of Labor, which is charged with the responsibility of fixing the prevailing rate of wages, went 50 miles out in Virginia in a rural area and solemnly declared that the prevailing rate of wages in that rural area was the same as the highest prevailing rate of wages in the District of Columbia, which was exactly contrary to the facts. I took it up with the Department of Labor and could get nowhere, and I took it up with the Defense Department and complained. The Army people said to me, "Why this is an outrage. It is costing the Government millions upon millions of dollars by this false application of the provisions of this act." I said, "Why don't you do something about it?" They said, "We have." They said that they had gone to the Department of Labor and said to the Secretary of Labor that this law was being misapplied and misconstrued in every possible way, robbing the Government of millions of dollars. The reply they got from the Department of Labor was that this function has been assigned to the Department of Labor. They were told: "Now we will attend to the functions of the Department of Labor and you go on back and fight the war."

That is what is happening to you in this bill. I think you ought to know it and I think you ought to stop and listen before you add a tremendous amount of expense to the building of these roads by a false application and a false construction and the false operation of a bill which in its inception is a good bill.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. SHEPPARD. What controversy would there be with relation to the regulatory provisions of the Walsh-Healey Act as against the legislation to which the gentleman is presently addressing himself. Is there any conflict there at all?

Mr. SMITH of Virginia. I am not sure whether there would be any or not, but they are along the same line.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if there ever was a bill before the Congress in which the provisions of the Davis-Bacon Act should be included, it is the bill which is presently before us. To me the inclusion of the provisions of the Davis-Bacon Act in this bill is not only justified from the angle of the workers and the employees, but there is just as strong a case from the angle of the employer and the contractor. We must bear in mind that the uncomfortable questions that arise where there is an abuse of something that is good usually is confined to only 1 percent or 2 percent of a group or class. Ninety-eight to ninety-nine percent want to do the right thing. In the case of the contractors of our country, 98 to 99 percent of them want to do the right thing and they want to pay their employees the prevailing rate of wages. Let me give you an illustration of a case that I know about. In 1 of our States not so long ago, a contract was let to a contractor who bid 30 cents or 40 cents an hour under the prevailing rate. Honorable contractors cannot compete with that sort of a situation. I have friends of mine who are honorable contractors. They are mighty fine citizens and fine people. They have come to me and said, "John, the provisions of the Davis-Bacan Act should be included in this bill. It is not only "right and just, it is a protection to me. I want to pay the prevailing rate to my employees But, if I have to meet unscrupulous competition, there is 1 or 2 things that I must do. Either I must engage in the same practices as they are engaging in, which I do not want to do, or I have to go out of business because I cannot compete in that particular field of business activity. It is useless for me and other honorable contractors to submit bids under these circumstances because the award under the law must be given to the lowest responsible bidder, and we cannot compete with the type of contractors who are bidding where they are paying 30 cents to 40 cents an hour less than we pay and less than what we want to pay."

So not only is it an economic problem, but there is a moral problem involved—the morality of paying the prevailing rate of wage to the workers and morality of protecting honorable contractors. So I hope the amendment will be defeated.

Mr. MACK of Washington. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, this entire subject, the Davis-Bacon amendment was debated yesterday and accepted by the committee by a very large majority.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Texas.

Mr. ALGER. I would like to correct that and say to my colleague from Washington that that was not the case. I was on my feet, if the gentleman recalls. We had a substitute motion which was presented. We were told we were to have a vote on the Mack amendment, but the substitute amendment offered by the gentleman from Louisiana, Mr. THOMPSON, was considered after the debate closed. We could not get a vote. I was not recognized. I just want that to appear on the record.

Mr. MACK of Washington. The gentleman would have had an oppor-

tunity to discuss the measure if he had availed himself of the parliamentary rules of the House.

I want to say, Mr. Chairman, that the Davis-Bacon provisions have been the law in the United States for 25 years. These provisions apply in the building of every veterans' hospital in the United States. They apply to the building of Federal airports; they apply to all work on school buildings where Federal funds are provided; they apply in the act passed last year to establish the lease-purchase program for the erection of new Federal buildings and new post office buildings throughout the United States; they apply even to the highways built for the Forest Service and the Park Service. Certainly the Davis-Bacon law should apply here where 90 percent of the money going into the interstate system of highways is Federal money.

Every one here familiar with labor matters know of the need to protect the hundreds of thousands of jobs that are being created under this highway program. This is a $25 billion program, the greatest public works program in the history of the world. It will create jobs for tens of thousands of workmen for the next 15 years in the construction of highways. We in the Federal Congress certainly do not want any part in any arrangement that will break down the high living standards and the good wages that have prevailed in some areas.

Mr. BROWNSON. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield.

Mr. BROWNSON. Is it not true that there is probably no law on the books of the Nation that has had the bipartisan support that this Bacon-Davis law has had since it was originally passed by a Republican Congress and through all the intervening years?

Mr. MACK of Washington. And an indication of that is that when this road bill was before the Public Works Committee the Davis-Bacon provision was placed in the Fallon bill by a vote of 24 to 4. Practically all the Republicans and practically all the Democrats on the committee voted for the proposal to include the Davis-Bacon provisions in the Fallon bill.

Mr. FOGARTY. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Rhode Island is recognized for 5 minutes.

Mr. FOGARTY. Mr. Chairman, I do not intend to take the 5 minutes.

Mr. Chairman, I listened to the gentleman from Virginia [Mr. SMITH] state a hypothetical problem on this particular amendment, talking about some situation that existed 50 miles outside the District of Columbia. I do not know where that particular place is or what was being built, but I do know how the Bacon-Davis act applies to situations such as that.

Perhaps in the town, if it was a small town, and a veterans' hospital was being built, or 10 miles of a 4-lane highway, or some other big project, in order to get the project built they had to employ men from the District of Columbia. The only way one can build a project like that is to get employees from a larger city area like the District of Columbia. In order to get those employees to go to work in a small town 50 miles out of the city one has to guarantee that they will get the prevailing wage paid in this area in order to justify travel of 50 miles to get to the job. In 99 percent of the cases that is how the Bacon-Davis act applies. I think everyone who has been here during the war years and who saw the barracks built realizes that we would not have had them built without the wholehearted cooperation of labor. Let us make no mistake about that.

These veterans' hospitals and barracks were built during the war because the armed services of this country had the support and the cooperation of the labor organizations of the country. They supplied the help and the know-how and the equipment to build these cantonments all over the country. If we had not had the prevailing scale of wages under the Bacon-Davis Act those installations could not have been built in the record time they were built. Perhaps they would have cost twice as much as they did, when, as, and if they were completed.

Now, I have been through this for about 14 or 15 years.

I know in connection with some of these large contracts that are going to be let on these road jobs that when a contractor has a steam shovel which cost him in the neighborhood of $100,000 to $150,000 to buy, he is going to make sure he has a mechanic who is trained and will not wreck that piece of equipment. He wants a mechanic who is trained to run the equipment. It will be a man he must pay a living wage to in order to protect his own equipment.

This is a basic reason for the Davis-Bacon Act. Every good employer in this country, building these roads, hospitals and installations—all over the country—is in favor of the Davis-Bacon Act because he knows that is the only way they can get built. They can be built quicker, they can be built better and as long as we have that act on the books, let us support it.

Mr. SCUDDER. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from California.

Mr. SCUDDER. Is it not true that the provisions of this amendment state that the people under this act shall be employed at rates not less than the rates prevailing in similar construction in the immediate locality, as determined by the Labor Department? If the labor is supplied from another center, that is the center that the prevailing wage would be based on, in a locality perhaps 50 miles away?

Mr. FOGARTY. If the labor supply is not available in the area and they must go 100 miles to get it, they would be expected to pay the prevailing wage of the area where the employee came from.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. ALGER].

The amendment was rejected.

Mr. WITHROW. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I take this time for the purpose of announcing that if I am recognized by the Speaker at the proper time I shall offer a motion to recommit the Fallon bill, H. R. 7474, to the Committee on Public Works with instructions to report the same back forthwith with the following amendment, which strikes all after the enacting clause and inserts for the Fallon bill, H. R. 7474, the Dondero bill which was considered in the Committee today.

I do that for the reason I believe the subject is important enough, and due to the fact that the vote was so close in the Committee, 178 to 184, that it should be considered by the House itself.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WITHROW. I yield to the gentleman from Indiana.

Mr. HALLECK. Do I understand it is the Dondero bill as amended and perfected in the Committee of the Whole which the gentleman is going to offer?

Mr. WITHROW. That is correct.

Mr. VANIK. Mr. Chairman, although the provisions of H. R. 7474 are not the perfect solution to the highway needs of the interstate system, I will support this legislation on the basis that it is the only solution to the highway problem available this year. Time is of the essence in the adjusting of our public highways to the increasing needs. The 40,000 miles of the interstate system are the backbone of the Nation's circulatory system. The improvement and the development of the interstate system is an integral part of the national defense plan and the highway program envisioned by this legislation is justified for that reason alone.

There is no perfect or easy solution to the problem of raising the funds to pay for the highways which we need. Highways which become obsolete and inadequate almost immediately after they are constructed should not be paid for with funds raised through bonded indebtedness. And it is only reasonable to expect that the highways should be paid for by the highway users who have most to gain by the development of a free moving system. The tax revenue proposals of this measure are fairly reasonable and just. Certainly there can be no discrimination against truckers when over 75 percent of the revenues would be derived through a gasoline tax applicable principally to the motorist. By any other principle, the trucking industry would be obliged to pay a greater proportion. If the principle of weight and distance were applied to the problem of raising highway revenues, the tax on the trucking industry would be considerably greater.

I will vigorously oppose the provisions of the highway bill which provide for the permissive use of Federal-aid funds to pay the costs of relocating public utility lines where State laws require the entire relocation cost to be borne by the utility. In this connection, I want to quote from a letter which I received on July 5, 1955, from Mr. S. O. Linzell, director of the Department of Highways of the State of Ohio:

It is contrary to State laws on the subject and authorizes use of funds allocated

to the State for a purpose illegal under our laws.

Utilities are on public highways in Ohio by permit, agreeing when given the permit to conform to highway improvements without cost to the State or its subdivisions. The Federal act, in substance, thus avoids contracts between the State or its subdivisions and the utilities.

It is bad policy to have national laws at variance with State laws on the subject.

Utilities are a burden on the highways, are there without a rental charge and create hazards not there except through the permit.

A utility should have no vested right by sufferance than any other property owner should not have.

We now pay utilities to move when a relocation of our highway causes changes when they are on a private right-of-way. Most of the interstate highway work, whether rural or urban, will be on relocation, and utilities will be paid for relocating their facilities, while in the normal type improvement, on ordinary State work, the State would be loaded, ultimately, with costs for which there is no legal obligation.

It is useless to argue that the expenditure is permissive, because once the Federal Government gives its blessing to the principle of reimbursement, the States will be forced by pressure tactics to do the same and justification will be based on the Federal action.

The statement of Mr. Linzell is a statement of sound public policy, in which I heartily concur.

I also find disagreement with that section of the bill which provides that the Secretary of Commerce must enter into agreements with the State highway departments to insure that the users of the national system will receive the benefits of free competition in purchasing supplies and services at or adjacent to the national system.

I have no argument with those Members who seek to restrict the granting of special food and service concessions on highways of the national system. There may be some abuses. However, I take the position that the newly relocated highways of the interstate system will better serve the public if there is no retail business enterprise on the system. The new highways should be for transport and travel and not for hot dogs and beer. For these things and other services, the motorist can enter upon the local highway system which is dedicated to business and other uses. In procuring highway rights-of-way, procurement should include covenants restricting the use of land adjacent to the highway right-of-way to purposes not inconsistent with through highway use and specifically prohibit the use of such abutting property for retail business purposes. Where possible, the State highway department should obtain from the local governments agreements that land abutting on highways of the national system shall be zoned for uses other than retail business. This procedure will preserve the business usefulness of urban communities near the national system and will prohibit the relocation and movement of urban communities to the national system. A highway is useful only so long as it does not become a business street. It is tragic to tabulate the cost of highways relocated around urban communities which have in a short time become dotted with neon lights, traffic lights and all the other impediments to travel that are customary on a business highway.

Although the language in the bill has for its purpose the elimination of monopoly concessions along highways on the national system, I very much fear that it may more extensively be used as an argument against the development of freeways; that landowners abutting a relocation section of the national highway system would use the language as part of their claim that it was congressional intent that local business be freely sprinkled along the highway right-of-way.

Better highways must be built and although this bill is not perfect, it is a good beginning.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 7474) to amend and supplement the Federal Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, pursuant to House Resolution 314, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed aad read a third time, and was read the third time.

Mr. WITHROW. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WITHROW. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. WITHROW moves to recommit the bill H. R. 7474 to the Committee on Public Works with instructions to report the same back forthwith with the following amendment: Strike out all after the enacting clause and insert in lieu thereof the following:

"Short title

"SECTION 1. That this act may be cited as the 'National Interstate Highway Act'.

"Objective and policy

"SEC. 2. It is hereby declared to be in the national interest to foster and accelerate the development of a modern, adequate, safe, and efficient system of highways deemed essential for the expansion of the economy and the changing concepts of the military and civil defense of the United States. It is further declared to be desirable that the development of such system of highways be continued through the cooperation and joint efforts of the Federal Government, the States, and local subdivisions thereof. It is hereby found that those essential highways are in fact inadequate to meet the needs of interstate commerce and the national and civil defense, and that the most important portion of such highways are, or should be, located on the National System of Interstate Highways.

"Accordingly, it is the objective of this act to complete the construction of the National System of Interstate Highways within the next 10 years up to such standards as will produce safe highways adequate to handle traffic needs for at least the next 20 years. This objective will be reached only by means of a program which will presently assure the financing of the system as a whole, and provide for prompt acquisition of necessary rights-of-way. It is hereby declared to be the policy of Congress to continue or to impose such taxes as may be necessary to meet this objective.

"SEC. 3. This act is divided into titles and sections according to the following table of contents:

"TABLE OF CONTENTS

"Title I—Federal Highway Corporation

"Sec. 101. Creation of Corporation.
Sec. 102. Management of Corporation.
Sec. 103. Duty of Corporation.
Sec. 104. Corporate powers.
Sec. 105. Corporate financing.
Sec. 106. Services and facilities of other agencies.
Sec 107. Misappropriation of funds.
Sec. 108. Report to Congress.

"Title II—Concerning the Department of Commerce

"Sec. 201. Cancellation of authorizations.
Sec. 202. Interstate system.
Sec. 203. Standards.
Sec. 204. Expenditure authorization.
Sec. 205. Distribution by States.
Sec. 206. Scheduling of construction and participation by States.
Sec. 207. Right-of-way acquisition.

"Title III—Miscellaneous

"Sec. 301. Definitions.
Sec. 302. Without compensation employees.
Sec. 303. Amendment to Corporation Control Act.
Sec. 304. Construction of this act.
Sec. 305. Effect on present law.

"TITLE I—INTERSTATE HIGHWAY FINANCE CORPORATION

"Creation of Corporation

"SEC. 101. There is hereby created, subject to the direction and supervision of the President, a body corporate to be known as the Interstate Highway Finance Corporation. As hereafter provided in section 303, the Corporation shall be subject to the provisions of the Government Corporation Control Act. The principal office of the Corporation shall be located in the District of Columbia.

"Management of Corporation

"SEC. 102. (a) The management of the Corporation shall be vested in a Board of Directors (hereinafter referred to as the Board) composed of four members. One of these members shall be a full-time public member appointed by the President, by and with the consent of the Senate, without regard to political party affiliation, and the President shall designate such full-time public member as Chairman of the Board. The three remaining members shall be the Secretary of Commerce (hereinafter called 'Secretary'), the Secretary of the Treasury, and the Secretary of Defense, or their representatives. The Commissioner of Public Roads shall serve as executive secretary of the Board.

"(b) The Chairman of the Board shall receive compensation at the rate of $17,500 per annum. As Chairman, he shall preside at meetings of the Board and be the Corporation's chief representative. He shall be responsible for general supervision of the activities of the staff of the Corporation. He shall also maintain liaison with the representatives of the States with respect to the policies set forth in this act. The Chairman in the conduct of his functions as Chairman shall act in conformance with determinations of the Board.

"Duty of Corporation

"SEC. 103. It shall be the duty of the Corporation (a) to receive and borrow funds, (b) to provide and make available to the Secretary such sums as are necessary to permit him to make the payments or advances to the States, through the established channels of the Bureau of Public Roads of the Federal share of the cost of construction of projects on the interstate system, and such other costs or expenses as are permitted or required to be paid or advanced by him in connection with the interstate system under the terms of this act, and (c) to perform such other duties as may be required in the performance of its functions and the exercise of its powers under this act.

"Corporate powers

"SEC. 104. For the purpose of carrying out its functions under this act, the Corporation—

"(1) shall have succession in its corporate name;

"(2) may adopt and use a corporate seal, which shall be judicially noticed;

"(3) may sue and be sued in its corporate name;

"(4) may adopt, amend, and repeal bylaws, rules, and regulations governing the manner in which its functions may be carried out and the powers vested in it may be exercised;

"(5) may make and carry out such contracts, agreements, or other transactions as it may deem necessary or advisable in the conduct of its business;

"(6) may incur indebtedness as provided in section 105, and incur current obligations incidental to performing its functions, subject to provisions of law applicable to Government corporations;

"(7) may appoint such officers, agents, attorneys, and employees as it deems necessary for the conduct of its affairs, define their authority and duties, delegate to them such of the powers vested in the Corporation as the Board may determine, require bonds of such of them as the Board may designate, and fix the penalties and pay the premiums on such bonds;

"(8) may utilize the available services and facilities of other agencies as provided in section 106;

"(9) may use the United States mails in the same manner as its executive departments; and

"(10) may take such actions and exercise such other powers as may be necessary, incidental, or appropriate to carry out the function of the Corporation, and to further the objectives of this act.

"Corporate financing

"SEC. 105. (a) The Corporation is authorized to issue, upon the approval of the Secretary of the Treasury, obligations in an amount not to exceed $21 billion. Obligations issued under this subsection shall have such maturities, not to exceed 30 years, and shall bear such rate or rates of interest, as may be determined by the Corporation with the approval of the Secretary of the Treasury, and they shall be redeemable at the option of the Corporation before maturity in such manner as may be stipulated in the obligations. The aggregate amount of obligations under this subsection outstanding at any one time shall not exceed the maximum amount of obligations, as determined by the Secretary of the Treasury as of July 1 of each year, on which the annual principal and interest payments required over the life of the obligations can be made from prospective appropriations under subsection (b) and other revenues of the Corporation, but obligations lawfully issued hereunder will not be affected by determinations subsequent to date of issue. The Corporation shall insert appropriate language in all of its obligations issued under this subsection clearly indicating that the obligations, together with the interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instrumentality thereof other than the Corporation. The Corporation is authorized to purchase in the open market for retirement, at any time and at any price, any outstanding obligations issued under this subsection.

"(b) There are hereby authorized to be appropriated and there shall be paid by the Secretary of the Treasury to the Corporation for the fiscal year 1956, and for each fiscal year thereafter in which there are outstanding unmatured obligations of the Corporation, out of any moneys in the Treasury not otherwise appropriated, amounts equal to the revenue in excess of $622,500,000 collected during each fiscal year, as shown by the official accounts of the Directors of Internal Revenue, from the taxes (including interest, penalties, and additions to taxes) imposed by sections 4081 and 4041 of the Internal Revenue Code of 1954 on gasoline and special fuels, upon certification by the Board and the Secretary of the Treasury as necessary to finance this program. The Secretary of the Treasury shall enter into a contract with the Corporation providing for the payment of such amounts to the Corporation, which contract shall stand as security for the outstanding obligations of the Corporation, it being the intent of Congress that such amounts shall be dedicated to the construction of the interstate system. The Secretary of the Treasury may advance to the Corporation in any fiscal year an amount not in excess of the estimated appropriation for that fiscal year, such advances to be repaid from amounts subsequently appropriated hereunder in that fiscal year. The Corporation shall pay into the Treasury as miscellaneous receipts, on the basis of annual billings as determined by the Secretary of the Treasury, an amount for each fiscal year that bears the same ratio to the estimated costs of collecting taxes, refunds of taxes, and costs of making refunds of taxes under sections 4081 and 4041 of the Internal Revenue Code of 1954 for that fiscal year as the appropriation hereunder bears to the estimated total revenue collected under those provisions for that fiscal year.

"(c) The Corporation may issue to the Secretary of the Treasury its obligations in an amount not to exceed in any 1 year the amount necessary above all other revenues of the Corporation to provide for debt service of the Corporation during that year but not to exceed the aggregate amount of $5 billion outstanding at any one time. The obligations issued by the Corporation under this subsection shall have such maturities as may be prescribed by the Corporation with the approval of the Secretary of the Treasury and shall be redeemable at the option of the Corporation before maturity in such manner as may be stipulated in the obligations. Each such obligation shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of the obligation of the Corporation. The Secretary of the Treasury is authorized to purchase any obligations of the Corporation to be issued under this subsection, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include any purchases of the Corporation's obligations hereunder.

"(d) All obligations issued by the Corporation shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds, the investment or deposit of which shall be under authority and control of the United States or any officer or officers thereof.

"(e) The penultimate sentence of paragraph 7 of section 5136 of the Revised Statutes, as amended, is amended by inserting after the phrase "or obligations of the Federal National Mortgage Association," the phrase "or obligations of the Interstate Highway Finance Corporation,".

"(f) All revenues of the Corporation, including moneys appropriated under subsection (b) of this section shall be maintained as a trust fund.

"Services and facilities of other agencies

"SEC. 106. (a) Except as specifically authorized by the President, the Corporation shall, with the consent of the agency concerned, accept and utilize, on a reimbursable basis, the services of the officers, employees, facilities, and information of any agency of the United States, except that any such agency having custody of any data relating to any of the matters within the jurisdiction of the Corporation shall, upon the request of the Corporation, make such data available to the Corporation without reimbursement.

"(b) The Corporation shall contribute to the civil-service retirement and disability fund, on the basis of annual billings as determined by the Civil Service Commission, for the Government's share of the cost of the civil-service retirement system applicable to the Corporation's employees and their beneficiaries. The Corporation shall also contribute to the employee's compensation fund, on the basis of annual billings as determined by the Secretary of Labor, for the benefit payments made from such fund on account of the Corporation's employees. The annual billings shall also include a statement of the fair portion of the cost of the administration of the respective funds, which shall be paid by the Corporation into the Treasury as miscellaneous receipts.

"Misappropriation of funds

"SEC. 107. (a) All general penal statutes relating to the larceny, embezzlement, or conversion, of public moneys or property of the United States shall apply to the moneys and property of the Corporation.

"(b) Any person who, with intent to defraud the Corporation, or to deceive any director, officer, or employee of the Corporation or any officer or employee of the United States, (1) makes any false entry in any book of the Corporation, or (2) makes any false report or statement for the Corporation, shall, upon conviction thereof, be fined not more than $10,000 or imprisoned not more than 5 years, or both.

"(c) Any person who shall receive any compensation, rebate, or reward, or shall enter into any conspiracy, collusion, or agreement, express or implied, with intent to defraud the Corporation or wrongfully and unlawfully to defeat its purposes, shall, on conviction thereof, be fined not more than $5,000 or imprisoned not more than 5 years, or both.

"Report to the Congress

"SEC. 108. The Board shall prepare an annual report of operations under this act for transmittal by the President to the Congress.

"TITLE II—PROVISIONS CONCERNING THE DEPARTMENT OF COMMERCE

"Cancellation of authorizations

"SEC. 201. (a) Section 2 of the Federal-Aid Highway Act of 1954 is hereby repealed.

"(b) Section 1 of the Federal-Aid Highway Act of 1954 is hereby amended by reducing the authorization for projects on the Federal-aid primary system in urban areas, and for projects on approved extensions of the Federal-aid secondary system within urban areas, for the fiscal years ending June 30, 1956 and 1957, from '$175,000,000' to '$75,000,000.'

"Interstate system

"SEC. 202. In furtherance of section 7 of the Federal-Aid Highway Act of 1944, the Secretary is authorized, within the limitation of 40,000 miles, to approve as part of the interstate system such lateral feeder and distributing routes, and circumferential routes as may be required to furnish maximum utility of the system within or adjacent to urban areas, provided that one or both ends of such routes shall lie on a route of the system. The Secretary is further authorized to approve as part of the interstate system any highway which complies with the standards of section 203 and which lies on an approved route of the interstate system irrespective as to whether or not tolls are collected for the use thereof. The Secretary is authorized, in cooperation with the State highway departments, to designate as promptly as reasonable possible routes to take up the mileage still undesignated so that the entire 40,000 miles of this system shall be designated. In approving any undesignated mileage the Secretary shall designate those routes which contribute most to the benefit of the system as a whole and are most important from the point of view of national defense. In case the actual construction of highways on the system increases available undesignated mileage the Secretary may redesignate this mileage in accordance with the preceding sentence. No additional mileage shall be placed on the system until the Secretary shall certify that 80 percent of the mileage originally designated has been improved to the approved standards.

"Standards

"SEC. 203. (a) The standards to be used for the interstate system shall be those approved by the Secretary after consultation with the Department of Defense, the Federal Civil Defense Administration, and the State highway departments. The Secretary is authorized to make the final determination of the standards to be used, except as provided in section 102 (d).

"(b) The geometric standards for the interstate system shall be such standards as are deemed adequate to properly accommodate the types and volume of traffic forecast for the 20 years immediately following enactment of this act. Such standards shall provide for the development of a system as nationally uniform in characteristics as possible within a 10-year construction period.

"(c) The right-of-way width on the interstate system shall be adequate to permit construction of the route to the geometric standards provided for in subparagraph (b) for a period of at least 20 years following the date of authorization of a project under this act. Such width shall not be deemed adequate if (1) it does not include provision for the addition of more traffic lanes at a future date, except that the maximum width in any case need not exceed that necessary for three moving lanes in each direction, plus service roads as necessary; and if (2) it does not contain the proper and necessary degree and type of control of access or exits from the highway which will permit maximum freedom of traffic flow and promote national safety.

"(d) The standards shall be periodically reviewed by the Secretary, after consultation with the appropriate State and Federal officials, to insure maximum utility of the completed system with due recognition to the desirability of developing a national system having the greatest uniformity of characteristics possible.

"Expenditure authorization

"SEC. 204. The Secretary is hereby authorized to make payments in an amount not to exceed $25 billion or such lesser sum as estimated by the Corporation on the basis of prospective revenues to be the maximum amount to be available for the purposes of this act.

"Distribution by States

"SEC. 205. (a) All sums herein authorized shall be apportioned among the several States in accordance with needs of the Interstate System in the several States as determined in accordance with the provisions of this act: *Provided,* That the following amounts (representing 90 percent of the needs of the several States with respect to the Interstate System, as reported in H. Doc. No. 120, 84th Cong., 1st sess.) shall be distributed to the States as next hereinbelow set forth:

[Amounts in thousands]

State	10 years	Annually
Alabama	$328,811	$32,881
Arizona	188,622	18,862
Arkansas	182,776	18,278
California	2,089,397	208,940
Colorado	140,752	14,075
Connecticut	499,500	49,950
Delaware	59,330	5,933
Florida	445,622	44,562
Georgia	629,921	62,992
Idaho	96,292	9,629
Illinois	958,212	95,821
Indiana	780,526	78,053
Iowa	248,133	24,813
Kansas	185,779	18,578
Kentucky	442,800	44,280
Louisiana	443,272	44,327
Maine	132,549	13,255
Maryland	390,730	39,073
Massachusetts	754,179	75,418
Michigan	1,166,141	116,614
Minnesota	434,781	43,478
Mississippi	221,252	22,125
Missouri	538,728	53,873
Montana	137,038	13,704
Nebraska	96,034	9,603
Nevada	66,106	6,611
New Hampshire	59,785	5,979
New Jersey	1,221,470	122,147
New Mexico	212,141	21,214
New York	1,202,310	120,231
North Carolina	222,215	22,222
North Dakota	96,161	9,616
Ohio	1,224,656	122,466
Oklahoma	339,274	33,927
Oregon	287,460	28,746
Pennsylvania	684,019	68,402
Rhode Island	110,582	11,058
South Carolina	164,953	16,495
South Dakota	85,576	8,558
Tennessee	341,855	34,186
Texas	784,814	78,481
Utah	214,418	21,442
Vermont	159,601	15,960
Virginia	512,514	51,251
Washington	420,742	42,074
West Virginia	232,726	23,273
Wisconsin	290,158	29,016
Wyoming	266,261	26,626
District of Columbia	136,621	13,662

Provided, That the Secretary shall, in cooperation with the several States, reevaluate the remaining needs of the interstate system in the several States in 1958, 1961, and 1964, and shall render a written report to the Congress on or before the first day of February in each of such years containing the results of such reevaluation and his recommendations with reference to any proposed changes in the distribution of the balance of the funds apportioned in the foregoing table: *Provided further,* That the Federal share payable on account of any project on the National System of Interstate Highways provided for by funds made available hereunder shall be 90 percent of the total cost thereof, plus a percentage of the remaining 10 percent of such cost in any State containing unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceeding 5 percent of the total area of all lands therein, equal to the percentage that the area of such lands in such State is of its total area; *And provided further,* That such Federal share payable on any project in any State shall not exceed 95 percent of the total cost of such project.

"(b) On or before April 1, 1956, each State desiring to avail itself of funds hereunder shall file a statement, and an estimate of the cost as of January 1, 1956, of bringing that portion of the designated interstate mileage within its boundaries up to the standards prescribed under this act. On or before April 1 of each subsequent year, each State shall submit a revised estimate of such cost as of January 1 of such year, including therein the actual or estimated cost of any construction of such mileage begun or carried on subsequent to January 1, 1956.

"(c) On or before July 1, 1956, and on or before July 1 of each year thereafter, the Secretary shall establish an approved estimate of cost for construction of projects on the Interstate System in each State, and the Secretary shall, in accordance with needs and subject to the provisions of section 205 (a), determine the ratio of the approved estimate of cost for each State to the total of the approved estimates of such costs for all States.

"Scheduling of construction and participation by States

"SEC. 206. (a) On or before April 1, 1956, and on or before April 1 of each year thereafter, each State desiring to avail itself of funds hereunder shall file a statement and an estimate of the cost of projects it proposes to construct during each of the next 2 fiscal years. The Secretary shall examine these estimates, and before the beginning of each fiscal year, commencing with the fiscal year 1956, he shall establish an approved construction program, including the estimated cost thereof, for each State for such fiscal year.

"(b) The Secretary shall make allocations to the States in the amounts of the approved estimates, and the Secretary shall promptly notify the States of the approved construction programs and of the amounts so allocated. These allocations shall be available for obligation by the States to which allocated for a period of 2 years. Any sums not under obligation at the end of any 2-year period may be reallocated, as the Secretary may determine.

"(c) On or before July 1, 1956, and on or before July 1 of each year thereafter, the Secretary shall transmit to the Corporation a schedule indicating his best estimate of the cash requirements necessary to meet payments during the next two fiscal years. These estimates shall include estimates of amounts needed for payments under section 207, for research as authorized by section 10 (a) of the Federal-Aid Highway Act of 1954, and for administrative purposes in an amount not exceeding one-tenth of 1 percent of the funds made available by the Corporation in any fiscal year. The Corporation shall promptly make available funds to the Secretary as required by his annual estimate.

"(d) The Secretary is authorized to advance funds to each State to permit prompt payment of construction costs.

"(e) Payments to the States made pursuant to this section shall be subject to the conditions (1) that construction of projects on the interstate system in each State shall be in accordance with the standards approved by the Secretary; (2) that the State participates in the costs of construction in each fiscal year in the matching amount provided for such State under the terms of section 205 (a); and (3) that the State will have the same obligations as to maintenance of the projects constructed under this act that it has under Federal-aid highway legislation.

"Labor standards

"SEC. 207. The Secretary of Commerce shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on the initial work performed on highway projects in the national system of interstate highways authorized by this act shall be paid wages at rates not less than those prevailing on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the act of August 30, 1935, known as the Davis-Bacon Act (40 USC. Sec. 276 (a)).

"Right-of-way acquisition

"SEC. 207. (a) If the Secretary shall determine that the State highway department of any State is unable to obtain possession and the right to enter upon and use the rights-of-way, lands or interest in lands, improved or unimproved, including the control of access thereto from adjoining lands, required for any project on the interstate system with sufficient promptness, and each such State has agreed with the Secretary to pay, at such time as may be specified by the Secretary, an amount equal to 10 percent of the costs incurred by the Secretary in acquiring such lands or interest in lands, or such lesser percentage as may be applicable under the provisions of section 205 (a), the Secretary is authorized, upon the request of such a State, prior to approval of title by the Attorney General, and in the name of the United States, to acquire, enter upon, and take possession of such rights-of-way, lands or interests in lands, including the control of access thereto from adjoining lands, by purchase, donation, condemnation or otherwise in accordance with the laws of the United States (including the Act of February 26, 1931; 46 Stat. 1421), and to expend funds for projects thereon. The authority granted by this section shall also apply to lands and interest in lands received as grants of land from the United States and owned or held by railroads or other corporations. The cost incurred by the Secretary in acquiring any such rights-of-way, lands or interests in lands may include the cost of examination and abstract of title, certificate of title, advertising, and any fees incidental to such acquisition; and shall be payable out of the funds apportioned to the State hereunder available to the Secretary for construction of projects on the interstate system. The Secretary is further authorized and directed by proper deed, executed in the name of the United States, to convey any such rights-of-way, lands, or interest in lands, including the control of access thereto from adjoining lands, acquired in any State under the provisions of this section, except the outside five feet of any such right-of-way in States unable or unwilling to control access, to the State highway department of such State or to such political subdivision thereof as its laws may provide, upon such terms and conditions as may be agreed upon by the Secretary and the State highway department, or political subdivisions to which the conveyance is to be made. Whenever the State is able and agrees to control access, the outside five feet may be conveyed to it.

"(b) Whenever rights-of-way on the interstate system are required over public lands of the United States, the Secretary may make such arrangements with the agency having jurisdiction over such lands as may be necessary to give the State or other person constructing the projects on such lands adequate rights-of-way and control of access thereto from adjoining lands, and any such agency is hereby directed to cooperate with the Secretary in this connection.

"(c) The Secretary may adopt such regulations as he deems advisable to protect fully the interests of the United States in the acquisition of rights-of-way. He may take such action as necessary to carry out such regulations.

All agreements between the Secretary and the State highway department for the construction of projects on the national system may contain a clause providing that the State will not add any points of access to, or exit from, the project in addition to those approved by the Secretary in the plans for such project, without the prior approval of the Secretary. Such agreements shall also contain such provisions as the Secretary feels necessary to insure that the users of the National System will receive the benefits of free competition in purchasing supplies and services at or adjacent to highways in such system, and such agreements shall also contain a clause providing that the State will not permit automotive service stations or other commercial establishments to be constructed or located on the right-of-way of the national system in such State.

"TITLE III—MISCELLANEOUS

"Definitions

"SEC. 301. As used in this act, unless the context requires otherwise—

"(a) The term "interstate system" means the National System of Interstate Highways as authorized to be designated by section 7 of the Federal-Aid Highway Act of 1944, and includes those routes heretofore designated by the Commissioner of the Bureau of Public Roads, as well as routes to be hereafter designated. The mileage so designated as of June 30, 1954, is thirty-seven thousand six hundred miles. The mileage of the routes so designated is calculated by stating the mileage of the most traveled highway between control points. The mileage of the entire system is limited to forty thousand miles.

"(b) The term 'Corporation' means the Interstate Highway Finance Corporation created by title I of this act.

"(c) The term 'Secretary' means the Secretary of Commerce.

"(d) The term 'Federal-aid highway legislation' means 'the act providing that the United States shall aid the States in the construction of rural post roads and for other purposes,' approved June 11, 1916, as amended and supplemented.

"Amendment to Corporation Control Act

"SEC. 302. Section 101 of the Government Corporation Control Act (59 Stat. 597), as amended, is hereby further amended by adding thereto the words 'Federal Highway Corporation.'

"Construction of this act

"SEC. 303. If any section, subsection, or other provision of this act, or the application thereof to any person or circumstance is held invalid, the remainder of this act and the application of such section, subsection, or other provision to other persons or circumstance shall not be affected thereby.

"Effect on present law

"SEC. 304. All provisions of Federal-aid highway legislation shall remain in full force and effect, and shall apply to the required actions to be taken, and payments to be made, by the Secretary under this act in connection with the interstate system with the same force and effect that said provisions of the said legislation applied to such actions and payments in connection with the interstate system prior to the passage of this act, except that the provisions of this act shall supersede any provision of the said legislation which conflicts with a provision of this act, except that section 13 of the Federal-Aid Highway Act of 1950 shall not be applicable to the interstate system, and for the purposes of section 12 of the Hayden-Cartwright Act, the allocations made under this act shall not be deemed an apportionment."

Without objection the previous question was ordered on the motion to recommit.

Mr. MARTIN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 193, nays 221, not voting 20, as follows:

[Roll No. 132]

YEAS—193

Adair	Avery	Belcher
Allen, Calif.	Ayres	Bennett, Mich.
Allen, Ill.	Baker	Bentley
Andersen, H. Carl	Baldwin	Berry
Andresen, August H.	Bass, N. H.	Betts
Arends	Bates	Bolton, Frances P.
Auchincloss	Baumhart	Bolton, Oliver P.
	Beamer	
	Becker	
Bosch	Hinshaw	Pillion
Bow	Hoeven	Poff
Bray	Hoffman, Ill.	Prouty
Brooks, La.	Hoffman, Mich.	Ray
Brown, Ohio	Holmes	Reed, Ill.
Brownson	Holt	Rees, Kans.
Broyhill	Hope	Rhodes, Ariz.
Budge	Horan	Riehlman
Burdick	Hosmer	Robsion, Ky.
Bush	Hyde	Rogers, Colo.
Canfield	Jackson	Rogers, Mass.
Carrigg	James	Sadlak
Cederberg	Jenkins	St. George
Chase	Jensen	Saylor
Chenoweth	Johansen	Schenck
Church	Johnson, Calif.	Scherer
Clevenger	Jonas	Schwengel
Cole	Judd	Scott
Coon	Kean	Scrivner
Corbett	Kearns	Scudder
Coudert	Keating	Seely-Brown
Cramer	King, Pa.	Sheehan
Cretella	Knox	Short
Cunningham	Laird	Siler
Curtis, Mass.	Lane	Simpson, Ill.
Dague	Latham	Simpson, Pa.
Dawson, Utah	LeCompte	Sisk
Derounian	Lipscomb	Smith, Kans.
Devereux	Lovre	Smith, Wis.
Dixon	McConnell	Springer
Dodd	McCulloch	Taber
Dolliver	McDonough	Talle
Dondero	McGregor	Taylor
Dorn, N. Y.	McIntire	Teague, Calif.
Ellsworth	Macdonald	Thompson, Mich.
Fenton	Mack, Wash.	Thomson, Wyo.
Fino	Mailliard	Tollefson
Fjare	Martin	Utt
Ford	Mason	Van Pelt
Frelinghuysen	Meader	Van Zandt
Fulton	Merrow	Velde
Gamble	Miller, Md.	Vorys
Gavin	Miller, Nebr.	Vursell
George	Miller, N. Y.	Wainwright
Gross	Minshall	Weaver
Gubser	Morano	Westland
Hale	Moulder	Wharton
Halleck	Nelson	Widnall
Hand	Nicholson	Wigglesworth
Harden	Norblad	Williams, N. Y.
Harrison, Nebr.	O'Hara, Minn.	Wilson, Calif.
Harvey	O'Konski	Wilson, Ind.
Henderson	Osmers	Withrow
Heselton	Ostertag	Wolcott
Hess	Patterson	Wolverton
Hiestand	Pelly	Younger
Hill	Phillips	

NAYS—221

Abbitt	Davis, Ga.	Hagen
Abernethy	Davis, Tenn.	Haley
Addonizio	Davis, Wis.	Harris
Albert	Dawson, Ill.	Harrison, Va.
Alexander	Deane	Hays, Ark.
Alger	Delaney	Hays, Ohio
Andrews	Dempsey	Hayworth
Ashley	Denton	Hébert
Ashmore	Dies	Herlong
Aspinall	Diggs	Holifield
Bailey	Dollinger	Holtzman
Barden	Donohue	Huddleston
Barrett	Donovan	Hull
Bass, Tenn.	Dorn, S. C.	Ikard
Bell	Dowdy	Jarman
Bennett, Fla.	Doyle	Jennings
Blatnik	Durham	Johnson, Wis.
Blitch	Edmondson	Jones, Ala.
Boggs	Elliott	Jones, Mo.
Boland	Engle	Jones, N. C.
Bolling	Evins	Karsten
Bonner	Fallon	Kee
Bowler	Fascell	Kelley, Pa.
Boyle	Feighan	Kelly, N. Y.
Brooks, Tex.	Fernandez	Keogh
Brown, Ga.	Fine	Kilday
Buckley	Fisher	Kilgore
Burleson	Flood	King, Calif.
Burnside	Flynt	Kirwan
Byrd	Fogarty	Klein
Byrne, Pa.	Forand	Kluczynski
Byrnes, Wis.	Forrester	Knutson
Cannon	Fountain	Landrum
Carlyle	Frazier	Lanham
Carnahan	Friedel	Lankford
Celler	Garmatz	Lesinski
Chatham	Gary	Long
Chelf	Gathings	McCarthy
Christopher	Gentry	McCormack
Chudoff	Gordon	McDowell
Clark	Granahan	McMillan
Colmer	Grant	McVey
Cooley	Gray	Machrowicz
Cooper	Green, Oreg.	Mack, Ill.
Crumpacker	Green, Pa.	Madden
Curtis, Mo.	Gregory	Magnuson
Davidson	Griffiths	Mahon

Marshall
Matthews
Metcalf
Miller, Calif.
Mills
Mollohan
Morgan
Morrison
Moss
Multer
Murray, Ill.
Murray, Tenn.
Natcher
Norrell
O'Brien, Ill.
O'Brien, N. Y.
O'Hara, Ill.
O'Neill
Passman
Patman
Pfost
Philbin
Pilcher
Poage
Polk
Powell
Preston
Price
Priest
Quigley
Rabaut
Rains
Reuss
Rhodes, Pa.
Richards
Riley
Roberts
Robeson, Va.
Rodino
Rogers, Fla.
Rogers, Tex.
Rooney
Roosevelt
Rutherford
Selden
Sheppard
Shuford
Sieminski
Sikes
Smith, Miss.
Smith, Va.
Spence
Staggers
Steed
Sullivan
Teague, Tex.
Thomas
Thompson, La.
Thompson, Tex.
Thornberry
Trimble
Tuck
Tumulty
Udall
Vanik
Vinson
Walter
Watts
Whitten
Wickersham
Wier
Williams, Miss.
Williams, N. J.
Willis
Winstead
Wright
Yates
Young
Zablocki
Zelenko

NOT VOTING—20

Anfuso
Boykin
Buchanan
Chiperfield
Dingell
Eberharter
Gwinn
Hardy
Hillings
Kearney
Kilburn
Krueger
Mumma
Perkins
Radwan
Reece, Tenn.
Reed, N. Y.
Rivers
Shelley
Thompson, N. J.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Chiperfield for, with Mr. Anfuso against.

Mr. Hillings for, with Mr. Dingell against.

Mr. Reece of Tennessee for, with Mr. Eberharter against.

Mr. Krueger for, with Mr. Shelley against.

Mr. Kearney for, with Mr. Boykin against.

Mr. Radwan for, with Mr. Rivers against.

Mr. Gwinn for, with Mr. Thompson of New Jersey against.

Mr. Kilburn for, with Mrs. Buchanan against.

Until further notice:

Mr. Hardy with Mr. Reed of New York.

Mr. BOWLER changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. MASON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 123, nays 292, not voting 19, as follows:

[Roll No. 133]

YEAS—123

Addonizio
Albert
Alger
Allen, Calif.
Ashley
Bailey
Bass, N. H.
Baumhart
Bennett, Fla.
Bennett, Mich.
Blatnik
Boggs
Bolling
Bolton, Frances P.
Bolton, Oliver P.
Boyle
Brown, Ohio
Buckley
Burnside
Cannon
Carnahan
Celler
Christopher
Clark
Coon
Cooper
Davidson
Delaney
Dempsey
Diggs
Dixon
Dollinger
Dondero
Donovan
Doyle
Elliott
Evins
Fallon
Fascell
Fernandez
Fine
Forand
Frelinghuysen
Gentry
Gordon
Gray
Gregory
Griffiths
Hale
Hays, Ark.
Hays, Ohio
Hayworth
Hébert
Holmes
Holtzman
Hull
Ikard
Jennings
Johnson, Wis.
Jones, Mo.
Karsten
Kean
Kelly, N. Y.
Keogh
Kilday
King, Calif.
Klein
Kluczynski
Lesinski
McCarthy
McCormack
McCulloch
McGregor
Machrowicz
Mack, Wash.
Mailliard
Matthews
Metcalf
Miller, Calif.
Mills
Minshall
Moss
Multer
Murray, Ill.
Norblad
O'Brien, Ill.
O'Neill
Patman
Pfost
Polk
Powell
Price
Priest
Prouty
Rabaut
Reuss
Rodino
Rooney
Schenck
Scherer
Scudder
Sheppard
Short
Sieminski
Sisk
Steed
Teague, Tex.
Thomas
Thompson, N. J.
Thompson, Tex.
Thornberry
Tollefson
Trimble
Tumulty
Udall
Vanik
Wainwright
Williams, N. J.
Willis
Yates
Young
Zablocki
Zelenko

NAYS—292

Abbitt
Abernethy
Adair
Alexander
Allen, Ill.
Andersen, H. Carl
Andresen, August H.
Andrews
Arends
Ashmore
Aspinall
Auchincloss
Avery
Ayres
Baker
Baldwin
Barden
Barrett
Bass, Tenn.
Bates
Beamer
Becker
Belcher
Bell
Bentley
Berry
Betts
Blitch
Boland
Bonner
Bosch
Bow
Bowler
Bray
Brooks, La.
Brooks, Tex.
Brown, Ga.
Brownson
Broyhill
Budge
Burdick
Burleson
Bush
Byrd
Byrne, Pa.
Byrnes, Wis.
Canfield
Carlyle
Carrigg
Cederberg
Chase
Chatham
Chelf
Chenoweth
Chudoff
Church
Clevenger
Cole
Colmer
Cooley
Corbett
Coudert
Cramer
Cretella
Crumpacker
Cunningham
Curtis, Mass.
Curtis, Mo.
Dague
Davis, Ga.
Davis, Tenn.
Davis, Wis.
Dawson, Ill.
Dawson, Utah
Deane
Denton
Derounian
Devereux
Dies
Dodd
Dolliver
Donohue
Dorn, N. Y.
Dorn, S. C.
Dowdy
Durham
Edmondson
Ellsworth
Engle
Feighan
Fenton
Fino
Fisher
Fjare
Flood
Flynt
Fogarty
Ford
Forrester
Fountain
Frazier
Friedel
Fulton
Gamble
Garmatz
Gary
Gathings
Gavin
George
Granahan
Grant
Green, Oreg.
Green, Pa.
Gross
Gubser
Hagen
Haley
Halleck
Hand
Harden
Harris
Harrison, Nebr.
Harrison, Va.
Harvey
Henderson
Herlong
Heselton
Hess
Hiestand
Hill
Hinshaw
Hoeven
Hoffman, Ill.
Hoffman, Mich.
Holifield
Holt
Hope
Horan
Hosmer
Huddleston
Hyde
Jackson
James
Jarman
Jenkins
Jensen
Johansen
Johnson, Calif.
Jonas
Jones, Ala.
Jones, N. C.
Judd
Kearns
Keating
Kee
Kelley, Pa.
Kilgore
King, Pa.
Kirwan
Knox
Knutson
Laird
Landrum
Lane
Lanham
Lankford
Latham
LeCompte
Lipscomb
Long
Lovre
McConnell
McDonough
McDowell
McIntire
McMillan
McVey
Macdonald
Mack, Ill.
Madden
Magnuson
Mahon
Marshall
Martin
Mason
Meader
Merrow
Miller, Md.
Miller, Nebr.
Miller, N. Y.
Mollohan
Morano
Morgan
Morrison
Moulder
Murray, Tenn.
Natcher
Nelson
Nicholson
Norrell
O'Brien, N. Y.
O'Hara, Ill.
O'Hara, Minn.
O'Konski
Osmers
Ostertag
Passman
Patterson
Pelly
Philbin
Phillips
Pilcher
Pillion
Poage
Poff
Preston
Quigley
Rains
Ray
Reed, Ill.
Rees, Kans.
Rhodes, Ariz.
Rhodes, Pa.
Richards
Riehlman
Riley
Roberts
Robeson, Va.
Robsion, Ky.
Rogers, Colo.
Rogers, Fla.
Rogers, Mass.
Rogers, Tex.
Roosevelt
Rutherford
Sadlak
St. George
Saylor
Schwengel
Scott
Scrivner
Seely-Brown
Selden
Sheehan
Shuford
Sikes
Siler
Simpson, Ill.
Simpson, Pa.
Smith, Kans.
Smith, Miss.
Smith, Va.
Smith, Wis.
Spence
Springer
Staggers
Sullivan
Taber
Talle
Taylor
Teague, Calif.
Thompson, La.
Thompson, Mich.
Thomson, Wyo.
Tuck
Utt
Van Pelt
Van Zandt
Velde
Vinson
Vorys
Vursell
Walter
Watts
Weaver
Westland
Wharton
Whitten
Wickersham
Widnall
Wier
Wigglesworth
Williams, Miss.
Williams, N. Y.
Wilson, Calif.
Wilson, Ind.
Winstead
Withrow
Wolcott
Wolverton
Wright
Younger

NOT VOTING—19

Anfuso
Boykin
Buchanan
Chiperfield
Dingell
Eberharter
Gwinn
Hardy
Hillings
Kearney
Kilburn
Krueger
Mumma
Perkins
Radwan
Reece, Tenn.
Reed, N. Y.
Rivers
Shelley

So the bill was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Dingell for, with Mr. Boykin against.

Mr. Anfuso for, with Mr. Eberharter against.

Until further notice:

Mr. Rivers with Mr. Chiperfield.

Mr. Shelley with Mr. Hillings.

Mr. Hardy with Mr. Radwan.

Mrs. Buchanan with Mr. Reece of Tennessee.

Mrs. GREEN of Oregon, Mr. BROOKS of Louisiana and Mr. HYDE changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two houses on the amendments of the Senate to a bill and a joint resolution of the House of the following titles:

H. R. 3822. An act to amend title V of the Agricultural Act of 1949, as amended; and

H. J. Res. 157. Joint resolution to establish a Commission on Government Security.

MUTUAL SECURITY APPROPRIATION BILL, 1956

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill H. R. 7224, the mutual security appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

FOREIGN CLAIMS SETTLEMENT COMMISSION

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent that the managers on the part of the House on the bill H. R. 6382, the Foreign Claims Settlement Commission bill, may have until midnight tonight to file a conference report.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

COMMITTEE ON WAYS AND MEANS

Mr. COOPER. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file reports on the following bills: H. R. 3653, H. R. 4376, H. R. 4581, H. R. 5249, H. R. 6122, H. R. 6595, H. R. 7012, H. R. 7054, H. R. 7095, and H. R. 7364.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

CONSTRUCTION OF SURVEYING SHIPS FOR COAST AND GEODETIC SURVEY

Mr. BONNER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 847) to authorize construction of two surveying ships for the Coast and Geodetic Survey, Department of Commerce, and for other purposes.

The Clerk read the title of the bill.

Mr. MARTIN. Mr. Speaker, reserving the right to object, will the gentleman from North Carolina explain the bill?

Mr. BONNER. Mr. Speaker, these two ships are to be built for the Coast and Geodetic Survey. The Coast and Geodetic Survey is now operating with 5 ships, 1 of which is 24 years old, another 37 years old, and the other 3 range in about that category.

The Coast and Geodetic Survey has not had a vessel built since sometime before the war, and only recently off the coast of Maine they had to use a vessel sent from the Pacific to do certain chart work necessary for the fishing fleet. The charting of the ocean shore south of the Virginia Capes is ancient; the chart has not been made there in many many years. These charts are similar and in the category with highway maps and are necessary to navigation on the high seas and inland waterways. There is no objection to the bill that I know of.

Mr. MARTIN. Was it reported unanimously by the committee?

Mr. BONNER. It was reported out of the Committee on Merchant Marine unanimously.

Mr. HALE. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Maine.

Mr. HALE. May I ask the gentleman from North Carolina if this is not substantially the bill which was introduced by Senator PAYNE, of Maine, in the other body?

Mr. BONNER. That is my understanding, and the gentleman from Maine [Mr. HALE] appeared before the Merchant Marine Committee in behalf of the bill.

Mr. MARTIN. I understand about that bill and think it is a meritorious bill.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. GROSS. Does this provide for building ships?

Mr. BONNER. It provides for the building of two ships at a cost of $3,700,000.

Mr. GROSS. The question I want to ask is whether they are to be built in American shipyards or British shipyards?

Mr. BONNER. They will be built in American shipyards by American labor and of American materials.

Mr. MARTIN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be constructed for the Department of Commerce two surveying ships of not over 2,500 displacement tons each, under a limit of cost of $3,700,000 each, including costs of preparation of plans and specifications, cost of inspection during construction, and purchase or construction of complete equipment and outfit: *Provided*, That such limit of cost may be exceeded or shall be reduced by an amount equal to the percentage increase or decrease, if any, in ship construction cost generally dating from January 1, 1955, as determined by the Secretary of Commerce.

SEC. 2. There is hereby authorized to be appropriated to the Secretary of Commerce, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOUR OF MEETING JULY 28

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

Mr. HESELTON. Mr. Speaker, reserving the right to object, may I inquire of the majority leader whether it is the intention of the leadership to ask the House to meet at 10 o'clock on Friday and Saturday of this week?

Mr. McCORMACK. That probably might possibly be the case on Friday. I would not want to project my mind as far ahead as Saturday. I say "probably."

Mr. HESELTON. Can the majority leader indicate to the House his idea of adjournment at this time?

Mr. McCORMACK. That depends on what may occur in the next day or two. I would say we can reasonably expect to do so by next Tuesday or Wednesday. That would be my best guess. That is guesswork, of course, and anybody can guess as well as I can.

Mr. HESELTON. The leader feels it is necessary to come in at 10 o'clock tomorrow morning?

Mr. McCORMACK. I am making such a request.

Mr. GROSS. Mr. Speaker, reserving the right to object, is it now proposed, in view of the vote this afternoon in the House, to make a trial run of this natural-gas bill?

Mr. McCORMACK. The Natural Gas Act will be the first order of business tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDING SECTION 2254 OF TITLE 28 OF THE UNITED STATES CODE

Mr. O'NEILL, from the Committee on Rules, reported the following privileged resolution (H. Res. 318, Rept. No. 1466), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5649) to amend section 2254 of title 28 of the United States Code in reference to applications for writs of habeas corpus by persons in custody pursuant to the judgment of a State court. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AUTHORIZING MODIFICATION OF EXISTING PROJECT FOR THE GREAT LAKES CONNECTING CHANNELS ABOVE LAKE ERIE

Mr. MADDEN, from the Committee on Rules, reported the following privileged resolution (H. Res. 319, Rept. No. 1467), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2552) to authorize the modification of the existing project for the Great Lakes connecting channels above Lake Erie. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AUTHORIZING THE COMMITTEE ON EDUCATION AND LABOR TO CONDUCT CERTAIN STUDIES AND INVESTIGATIONS

Mr. TRIMBLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 316, Rept. No. 1468), which was referred to the House Calendar and ordered to be printed:

Resolved, That House Resolution 154, 84th Congress, is amended by striking out the words "within the United States" where it appears in said resolution and inserting in lieu thereof the words "within the United States, its Territories and possessions, and the Commonwealth of Puerto Rico."

AMENDING DEFENSE PRODUCTION ACT OF 1950

Mr. THORNBERRY, from the Committee on Rules, reported the following privileged resolution (H. Res. 320, Rept. No. 1469), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7470) to amend the Defense Production Act of 1950, as amended. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AUTHORIZING CONSTRUCTION OF THE MISSISSIPPI RIVER - GULF OUTLET

Mr. COLMER, from the Committee on Rules, reported the following privileged resolution (H. Res. 321, Rept. No. 1470), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6309) to authorize construction of the Mississippi River-Gulf outlet. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

THE ALASKA RAILROAD

Mr. ENGLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3338) to amend section 1 of the act of March 12, 1914, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Strike out lines 5 and 6 and insert "is amended by striking out 'but no lease shall be for a longer period than 20 years', and inserting in lieu thereof 'but no lease of such railroad or railroads shall be for a longer period than 20 years and no other lease authorized in this act shall be for a longer period than 55 years'."

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. H. CARL ANDERSEN. Mr. Speaker, reserving the right to object, will the gentleman inform the House as to what the Senate amendment is?

Mr. ENGLE. Mr. Speaker, this is a bill amending the act relating to the operation of the Alaska Railroad. The Alaska Railroad was authorized under that act to lease certain of its properties for not to exceed 20 years. They lease certain warehouse facilities and other industrial properties in connection with their operation. For the purpose of facilitating their banking they want the power to lease for 55 years, which was permitted in the House bill that was on the Consent Calendar and passed.

The Senate amendment makes it plain that we only permit the leasing of railroad facilities for 55 years and not the railroad itself; therefore, the Senate amendment is a qualifying amendment and the House committee has agreed to it.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Senate amendment was concurred in; and a motion to reconsider was laid on the table.

COMMITTEE ON BANKING AND CURRENCY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit tomorrow during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

SPECIAL ORDERS GRANTED

Mr. FEIGHAN asked and was given permission to address the House today for 5 minutes, following any special orders heretofore entered.

Mr. QUIGLEY asked and was given permission to address the House for 15 minutes on tomorrow, following any special orders heretofore entered.

PAY TV OR FREE TV?—WHY NOT BOTH?

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the Federal Communications Commission is pondering the question "Should subscription television be permitted to compete with free television?"

There is no toll, or fee, or tax on the programs that now come to your television screens.

The great expense of paying for the high-class talent that comes into your homes is borne by American business. In return, and via the medium of brief advertising messages, private enterprise is able to sell more of its products and services to you, thus securing the revenue with which to support free television and to make a profit over and above these large costs.

Now it is proposed that we should also have subscription television, whereby you would pay a fee for each special program that you would choose to see.

The large networks, dependent as they are upon the revenue derived from sponsors, are lining up against pay-as-you-see television. While the smaller stations and the public seem to favor it.

Both sides are able to put up a good case.

In brief, those who advocate free TV—with commercials—point to the fact that since the end of World War II, television has grown from infancy to a robust adolescence. It has become an industry in which the American people have invested more than $10 billion for 36 million sets. The annual volume of television advertising, set sales, servicing and operating, runs close to $4 billion per year. All under the traditional American broadcasting policy of freedom to listen, and freedom to look.

Advertisers do not hesitate in spending large sums of money to bring the best in entertainment to a mass audience.

Under the present system, the broadcasters themselves, at their own expense and as a public service, present addresses by the President, and National, State, and local government officials. They also present, as a public service, educational, religious, operatic, and other cultural programs. Many of these programs have limited audience appeal, and are not sponsored. The broadcasters bear the very substantial cost of presenting these unsponsored public service programs, including interconnection charges and refunds of revenue to sponsors whose programs have to be canceled to make room for free public affairs programs.

If the pay television promoters should be successful, the more than 8 million people living in single station areas would be deprived of all free television service whenever pay television programs were broadcast. These 8 million people would be forced to contribute to the cash boxes of the pay television promoters for their TV programs, or have none at all. Low-income groups would be denied some of the entertainment that they are getting today.

On the other hand, those who favor pay TV, claim that under the fee system, the public will be able to get much better programs than they have been getting on an advertising sponsored basis. They maintain that the public is entitled to the best—not the worst—that Hollywood and Broadway can create. They propose to supplement with great box-office programs the present continuous stream of 20-year-old horse operas and other hackneyed programs that now fill in most of the short spaces between the long commercials.

Proponents of pay-as-you-see television maintain that you now take what the big broadcasters and big advertisers send you or nothing at all. You are given no choice. Everything is pitched to the lowest common denominator in order to reach a mass market. All parents want good programs available for the enter-

tainment and instruction of their children, for instance, but they also want a few adult programs for their own enjoyment. And there are grownups who want the opportunity to see something better than get-rich-quick programs.

Supporters of pay TV brand as ridiculous the charges that the new system would take over advertising sponsored programs. To spike this propaganda, they are asking the FCC to adopt a rule that no station can use more than 15 percent of its operating time on subscription TV.

To my way of thinking, each system has merits.

There is room for both, and a compromise can be worked out to provide a complete and well-rounded television service to the public.

Neither regimented nor exclusive.

The American people should have access to quality entertainment as well as quantity entertainment.

They are entitled to some freedom of choice.

THE MILITARY RESERVE BILL

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, according to the New York Times, in his testimony before the other body on the Reserve bill recently adopted by the House, Admiral Radford is quoted as stating, in effect, "They would rather have no new program for building up trained and Ready Reserves than the one adopted by the House of Representatives July 1."

I presume that the admiral was speaking for the Joint Chiefs of Staff, rather than for the Navy Department, which has stated time and time again that it was able to mobilize its own Reserve and did not need additional enabling legislation. The same is true of the Air Force and the Marine Corps. None of these services need this bill to build their Reserve. They have set up and are maintaining their own Reserve systems based on the 1952 Reserve bill and their own traditional policies.

Only the Army, which has made no real effort to implement the 1952 Reserve bill, is pleading for this legislation.

The adherents of UMT, who urge compulsion as a basis for the solution of military manpower problems, are pressing vigorously for this bill. For them, the bill does not go far enough in regimenting American youth.

This Congress has repeatedly rejected UMT, and I do not believe that a straight UMT bill could pass this House at the present time. Building the Reserve up to almost 3 million in 4 years will create new and difficult problems. It will entail great expense. The proponents admit that it will cost about $2 billion a year, but if we are to judge by past experience of military costs, this figure may well be doubled. It could easily go to $3 billion a year.

In due course, the bill will require a huge, nationwide armory-building program so that in a few years we will have Reserve armories spotted all over the country. Authorizations for this program are already pending. They have cleared the House Armed Services Committee. Then the Reserve armories will inevitably come to a dominant position over the National Guard, which has to build its armories, under State programs, on a Federal matching basis and cannot avail itself of the elements of compulsion in this legislation to build up its forces. None of the manpower mobilized by this bill is required to be channeled into the National Guard.

The National Guard is the worthy successor of the former militia, which has been a tradition in our country for over a century and a half. In every war this valiant force has stood the Nation in good stead. It has been comprised of fine, strong, young Americans, always schooled in their own communities in love of country, willingness to bear arms, and trained to defend it. In every war, the National Guard, the militia, so-called, has borne the brunt of the original attack, and contributed greatly to victory, and it did not require UMT or similar compulsory systems to organize this great force of loyal Americans.

When this Reserve bill gets into operation, for the first time in our history, the National Guard will lose its place and in time it is bound to diminish in size and importance and probably in the end lose its identity in a large Reserve system. I am such a strong supporter of the National Guard that I would never vote, under any circumstance, to dismantle it, or minimize its importance, because I think that it should always have its prominent place in our military system and our civilian defense and cannot and should not be relegated to any back seat in the Pentagon military chariot.

Another point I would like to make regarding this bill concerns its effect on American boys, who are drafted and then after 2 years service are required to serve 3 additional years in the Reserve. There are some escape provisions of a limited nature in the bill but, nevertheless, it is certain that under its operation a great many boys will fall into the category wherein they will be compelled to serve for 5 years of total active and Reserve service.

To my mind, this is not defensible or justifiable. When a boy has been drafted, taken by military decree away from his family, his home, his school or his job for 2 years and sent into foreign lands to serve, in a great many instances, under conditions of privation and hardship, that boy in peacetime should be absolved of further compulsory service. There is no justification for requiring him or any boy who has served 2 years to attend drills miles away from his home—in fact, for many it will be virtually impossible—and give up summer vacations in order to fulfill their military obligation, so-called.

How can an ordinary boy at school or at work take the alternative of serving 30 days of active service without seriously disrupting his life? Yet, if he does not comply with the law, under the bill, he may be court-martialed and inducted for service against his will. This is not an American method. This is the method that has caused every great nation in history, which has followed it, to go down in bitter, humiliating defeat. The Maginot line with its drafted millions did not save France, the Hitler conscripts did not save Germany and compulsory military service in peacetime is no adequate guaranty for the United States. Nor is it consonant with our free way of life.

This country needs a professionalized Army, organized with regard to modern aircraft, weapons and techniques—the atom-hydrogen bombs, guided missiles, rockets and biological agents. An Army trained in close-order formations by correspondence school methods, drilling once a week, would be a woeful and wanton failure in modern military operations. Yet this bill moves in that direction.

Even the incentive provisions of the bill are discriminatory and unfair. Incentives are provided and then limited by quotas. For example, a man, who has been drafted and serves 1 year and then tries to transfer to a Ready Reserve unit in order to escape further active service, may very well find that the quota is exhausted and the door is closed to him.

Under the bill, some boys, who enlist between 17 and 18½ years of age, are obligated for a total period of 8 years, or under an alternative for overall active and Reserve service until they are 28 years' old.

It should be noted that the original bill presented to this House has undergone changes that have made it unrecognizable. As the New York Times points out:

> First, the Senate and House began to compromise with the White House. Then they started to compromise with each other.

While the segregation issue has been adroitly sidestepped in the bill, it has left in its trail a smoldering resentment as yet fully unexpressed. It leaves lasting scars of bitterness long after the Nation's armed services have implemented the principle of integration.

Let me reiterate what I have stated so many times. Let us build strong professional Armed Forces rather than militarizing all our young men. We should immediately move to strengthen our Air Force, revamp the Army, reimplement the Navy, Marine Corps, and Coast Guard on a truly professional basis.

There has been serious question raised about the present strength of our Air Force, for example, on a comparative basis with the Soviet. Undoubtedly, our Air Force has great striking power and the capacity to deliver atomic-hydrogen weapons. That fact is well known to the Soviet and has unquestionably deterred aggressive measures. But why should we be trifling with building up puny, inadequate, unprofessional Reserve forces at this time, when our airpower is being challenged, and when it is believed by some that the Soviet is catching up to us rapidly in all categories of military strength.

If there is any doubt about our Air Force, it should be resolved fast, and that vital force should be brought to

greatest and overwhelming strength with utmost speed.

Every military man, indeed every well-informed civilian, knows that we cannot match the Soviet with manpower. The Soviet has access to huge mobilized manpower pools far beyond our capacity to rival. We can and must rely upon other factors for military strength, namely, the excellence and superiority of our scientific development, modern technology, and high-speed effective mass productivity. Our greatest and most potent ally is our highly developed economy, which neither the Soviet nor any other nation in the world can match at this time. The armed services should capitalize to the fullest on this great national asset, and I think much more must speedily be done in this direction.

How long we can keep ahead, scientifically and technologically, in this struggle with world communism, I would not venture to predict because startling changes are occurring, and the Soviet now possesses many of our top secrets and many of our industrial and scientific techniques. Perhaps, in addition, they have some that we do not possess. But our great problem is to maintain and broaden our superiorities and advantages.

These questions are all paramount and their solution should be vigorously approached by the Congress. In fact, it is nothing short of shocking, after the many billions we have spent on defense in the past 10 years, that there should be any question raised now concerning the comparative striking power of our Air Force and the efficiency of other military components. It is plain to me that, if we are deficient in any category of armed strength, something is sorely lacking in our approach and overall program.

Congress does not fulfill its complete obligation, under the Constitution, by appropriating money for the military. Congress holds the purse strings, to be sure, but it also should observe and check the expenditures and make certain that the huge funds it appropriates are not wasted or extravagantly expended but used for the purposes intended. It is our sworn duty to get fair and full return for every dollar of the taxpayers' money which we appropriate.

Moreover, we must never overlook our responsibility for raising armed forces and providing for the common defense. That is our constitutional duty imposed upon us by the great charter of our liberty. It has broadest significance. It directs us to assume responsibility, not only for the adequacy, but for the kind of defense forces. It puts upon us above all to see to it that these forces are not only sufficient, but properly organized, adequately implemented and able to provide maximum defense and maximum striking power to protect the national security and to cope with world developments that may affect it at any time.

It would be well for us, before adjourning the Congress, to appraise whether we have accomplished these ends; to what extent, if in any significant way, we have provided for professionalized armed forces. To what extent our present forces may be in any respect inadequate. Can they do the job that may be required of them? What about the leadership? What about the Joint Chiefs of Staff? What about the huge bureaucratic secretariat of the Defense Department? Is that functioning? How has it handled its procurement problems? What effect are its procurement policies having on the economy, on small business, on overall military efficiency? These are some of the questions that are of great interest to the American people and we have the responsibility of trying to answer them.

Above all we should not delay our solutions of armed forces problems because they are vital to our national existence in this perilous world. Let us stop dealing with trifles and nonessentials and get down to the business of installing efficiency, effectiveness, professionalism, and high morale into all the armed services. Then we will have moved truly to provide for the national defense in this dangerous era.

Under unanimous consent, I extend my remarks and include therein a recent New York Times article quoting Admiral Radford on the Reserve bill:

RADFORD PREFERS NO RESERVE BILL OVER HOUSE PLAN—WARNS OF NEED TO REORIENT DEFENSE IF EISENHOWER'S PROPOSALS ARE CHANGED

(By C. P. Trussell)

WASHINGTON, July 11.—Ranking military spokesmen told Congress today that they would rather have no new program for building up trained and Ready Reserves than the one adopted by the House of Representatives July 1.

Yet, said Adm. Arthur W. Radford, Chairman of the Joint Chiefs of Staff, if the authority required to build the present Ready Reserve from 800,000 to 2,900,000 in 4 years is not provided, there will have to be a complete review and reorientation of national defense planning.

The program now is before the Senate Armed Services Committee. It is in a form that largely modifies the administration's recommendations. It also is embroiled in controversy over its compulsory requirements for veterans. Those entering service after the Korean armistice of July 27, 1953, are obliged to assume added Reserve training obligations.

However, Admiral Radford told the committee that no drastic reduction of the standing strength of the armed services was planned by the high military command if Congress adopted the Reserve program favored by the Eisenhower administration.

RUSSELL TELLS OF RUMORS

Senator RICHARD B. RUSSELL, the Georgia Democrat heading the panel, said he was glad of this assurance. He mentioned hearing rumors that the administration might cut the defense budget up to $7 billion next year should the Reserve bill become law. The current year's budget is $31,882,000,000.

Senator RUSSELL has proposed a voluntary Reserve program under which veterans, needed as a "hard core" of the Reserves, would get a $400 bonus for signing up for continued weekly drills and summer camps.

NO RECOGNITION FOR CHINESE REDS

Mr. PHILBIN. Mr. Speaker, I want to commend the distinguished and very able gentleman from Connecticut [Mr. DODD] for his excellent statement recently appearing in the RECORD on the question of recognition of the Chinese Reds.

He admirably emphasized the salient features of the drive now taking place to effectuate the recognition of the Chinese Reds by this country and also to bring them into the United Nations.

Such action would constitute an ironical hoax upon many valiant Americans, who made the supreme sacrifice in Korea. It would be a travesty upon the service of all the gallant American boys, who struggled and fought in that faraway land under conditions never before imposed upon American fighting forces.

Fighting a modern war is a bloody enterprise and a bitter experience in itself. But when American boys were forced to stand up or lie down before a vicious bloodthirsty enemy under orders not to strike back, not to use all their resources to defeat the enemy, but rather to play a waiting game and let the enemy rain deathly blows upon them without retaliation, that represents one of the worst pages in American military history. In fact, because of this horrifying policy the Korean war is the only war this nation has not won. It is a blot upon the proud escutcheon of American arms placed there by incredible diplomacy.

The idea of permitting the Chinese Reds with their hands literally dripping with American blood to receive recognition by this Nation and to be admitted as a member of the United Nations, which is pledged to world peace and amity, would be a flagrant betrayal of American principles and a gross insult to all American boys who fought in the bitter Korean war.

Congressman DODD made some reference to a very distinguished American, who recently urged that talks be commenced with the Chinese Reds in order to come to diplomatic agreements and institute trade relations. While I greatly respect the gentleman in question to whom Congressman DODD referred, I must express my vigorous dissent from his views. I do not believe that he speaks either for the Democratic Party or the American people.

The bipartisan foreign policy, so-called, is misrepresented and misconstrued in many quarters. It should not be confused with the historic slogan followed by Americans since the institution of this Government that politics end at the water's edge. This expression means in effect that all Americans regardless of race, color, creed or party will stand by our country whenever it is assailed or threatened. It never was contemplated that there should be only one view expressed toward foreign policy.

The whole spirit of democracy is defeated when, by device, subterfuge, or slick methods, American citizens are deprived of an opportunity to express dissent and are prevented from declaring themselves squarely on great pending foreign issues. That is not democracy. It is the antithesis of democracy and to that extent the so-called bipartisan foreign policy is doing a disservice. This idea has been amplified far beyond its original meaning of national loyalty and it has now permeated, not only the Congress, but even the political conventions where in recent years definite steps have been taken to insure that only those holding to certain known views on for-

eign policy could be nominated for highest national offices.

In my opinion the American people are entitled not only to have these great questions debated freely and extensively in the Congress as befits their vital importance, but also to have the opportunity to express themselves at the polls on diametrically opposed viewpoints. This opportunity has been denied them for years now, and we are coming to a situation where foreign policy, even though it is never approved, and may be opposed by large numbers of the American people, is nevertheless given speedy approval by the bipartisan political action.

I am criticizing this situation even though in the past I have supported wholeheartedly international cooperation under qualifications and conditions, however, that would protect the clear interests of our Nation. I do not believe that it is healthy or sound from the strictly American viewpoint, by bipartisan action, so-called, or in any other way, to set up legislative arrangements which make it virtually impossible effectively to question any controversial measure of foreign policy.

The Chinese Reds are still holding many American prisoners of war against the provisions of the truce. Feeble indeed have been the efforts made to secure the release of these hapless American boys. This Government cannot move too fast or too vigorously to secure their release and I hope that measures now underway will be successful at an early date.

The Chinese Reds came into power as a result of one of the greatest conspiracies of history. They came as wolves, though they were portrayed to the American people as sheep asking only simple agrarian reform and not associated with the international Marxist plot to conquer the world for communism. What a foul and great lie. How despicable these gross misrepresentations were. The stark and tragic realities of the hour best illustrate the perfidious nature of that conspiracy.

If British suavity only superficially conceals British national interests, if that nation is acting on the mistaken assumption that it can save Hong Kong and other mercantile outposts in the Far East by going down the road with the Chinese Reds, I most respectfully submit that is their business. They will live to rue the day, I believe, but the fact that they have made a rapprochement with the bloody Chinese Reds certainly is no valid reason why this Nation should follow suit.

To the contrary, we should have our own foreign policy and we should not be tied to the coattails of any other nation. We welcome the cooperation of all friendly nations who are willing to associate to block communism, for the achievement of world peace, and we do not chide them for pursuing their national interests. It must be remembered that we have our own national interests and it is time that they were more fully considered in formulating foreign policy and especially in respect to our attitude toward Red China.

Rather than to consider recognizing additional nations that are bound to the Communist world conspiracy by bands of steel and bloody hands and are a definite functioning part of that unspeakable apparatus warring on our freedom, we might well be considering the withdrawal of recognition from Communist nations who have proved themselves by their acts to be unworthy of association with decent, free, God-loving peoples.

WINKING AT DUCK-BAITING VIOLATION BY THE DEPARTMENT OF THE INTERIOR

Mr. REUSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, on June 8, 1955, I called to the attention of this House that we have had an absolute and well-justified Federal ban on shooting ducks over bait ever since 1935; that as reported by former Under Secretary of the Interior Ralph A. Tudor, California bankers and others who were dissatisfied with Federal duck-hunting regulations 2 years ago demanded the appointment of John L. Farley as Director of the Interior Department's Fish and Wildlife Service; that the appointment was made; that thereupon for the past 2 duck-hunting seasons Mr. Farley has permitted 140 duck-hunting clubs in California to shoot ducks lured by wheat and other bait placed as close as 200 yards to the guns; that these violations of the spirit and the letter of the Federal antibaiting laws have infected and demoralized the Federal Fish and Wildlife Service; that gamehogs in other States, notably Ohio and Maryland, have also been brazenly violating the Federal law, and the infection theatens to spread.

MR. FARLEY'S PRESS CONFERENCE

The next day, June 9, Fish and Wildlife Director Farley called a press conference to answer my charges that the Department of the Interior was winking at these law violations in California. Mr. Farley made no attempt to deny that the Department had in fact allowed the 140 California club owners to bait ducks 200 yards from the guns. His sole defense was that this was done not in response to a corrupt deal with the California club owners, but as a way to keep ducks off the ripening crops of California farmers. The Associated Press story of the conference, dateline June 9, gives the gist of Mr. Farley's defense:

> Director Farley also took up Mr. Reuss' other main point—that California duck hunters are openly shooting ducks that have been lured by grain placed as close as 200 yards to the guns.
>
> Mr. Farley said California is a special case, since ducks fly there during the growing season and destroy crops, such as rice and lettuce.
>
> "Because of this," he said, "an experiment has been going on there for the last 2 years allowing duck-hunting clubs to lay out feed 200 yards away to keep the birds away from the crops."
>
> Asked whether this has not resulted in wholesale killing of ducks in California, Mr. Farley said the results of the experiment have been inconclusive. He added:
>
> "Frankly, I don't think we've learned much."

THE LOSTETTER REPORT

One thing Mr. Farley didn't mention at the June 9 conference was an official report of March 21, 1955, by Clinton H. Lostetter, biologist of the United States Fish and Wildlife Service, which was entitled "Report on California Waterfowl Feeding Regulations, 1954," and filed with the Department. Mr. Lostetter, Department biologist assigned to the California area, had the duty of investigating whether the Department's concession to the California club owners was in fact helping the California farmers in any way to prevent depredations to their crops.

Mr. Lostetter concluded that the Department's California duck-baiting program was a fraud, in that it gave away our waterfowl resources to California pressure groups without in any way benefiting the California farmer. After a 5-month study of the situation on the spot in California, Mr. Lostetter concluded that the Department's program was "a deceptive maneuver by the duck clubs through administrative channels to get legalized baiting—a disguised attempt to circumvent Federal regulations. Depredations have been used as a ruse to allow feeding on the clubs rather than for the farmers' benefit. I recommend that the California regulation be abolished."

SECRECY IN THE INTERIOR DEPARTMENT

It seemed to me, Mr. Speaker, that Congress and the American people ought to have an opportunity to look at the Lostetter report. For that reason, on July 18, 1955, I wrote the Honorable EARL CHUDOFF, chairman, Subcommittee on Public Works and Resources, House Committee on Government Operations, the following letter:

> DEAR CONGRESSMAN CHUDOFF: Confirming our discussion on the floor today, I shall much appreciate it if you will request from the Department of the Interior the following two reports:
>
> 1. Report on California waterfowl feeding regulation, 1953.
>
> 2. Report on California waterfowl feeding regulation, 1954 (report dated March 21, 1955).
>
> Both reports are by Clinton H. Lostetter, biologist, United States Fish and Wildlife Service.
>
> I should appreciate being notified when these two reports are in the hands of the committee.
>
> Sincerely,
>
> HENRY S. REUSS,
> *Member of Congress.*

The subcommittee staff on July 19 made a formal request to the Department of the Interior for the Lostetter report. From day to day they were promised that the report would be in their hands momentarily. Finally, at noon today, since the Department of the Interior had not yet delivered up the report, Mr. CHUDOFF telephoned Assistant Secretary of Interior Orme Lewis, and renewed the request. Assistant Secretary Lewis then, for the first time, refused to yield up the report.

WHY THE REPORT IS BEING SUPPRESSED

Mr. Speaker, I suggest that the reason the Department of the Interior refuses to let the Congress and the public look at the Lostetter report is that the report shows up the Department's duck-baiting giveaway for the fraud that it is. It shows that the Department of the Interior is mortgaged to the California club owners. It shows why Fish and Wildlife Director Farley suppressed mention of the report when he invited in the press on June 9 to explain the Department's position.

The reason the Department of the Interior will not produce the Lostetter report is because its production would cause the Department's duck-baiting program to collapse.

OTHERS AGREE WITH LOSTETTER

In addition to the Lostetter report, abundant evidence outside the Department of the Interior exists to show that the California duck-baiting program is a farce as far as preventing crop depredation is concerned. Here is what Dr. Ira N. Gabrielson, president of the Wildlife Management Institute of Washington, D. C., had to say on May 24, 1955, in a talk before the National Citizens Planning Conference on Parks and Open Spaces for the American People in Washington:

The California experimental feeding program has now been in effect for 2 years. Following the first year's operation, there was widespread criticism of the manner in which it had been carried out. A review of the information furnished by the California Department of Fish and Game does not indicate that the program has improved materially in its second year's operation and that it has had little value in reducing depredations, the chief reason given in justifying it.

In the first year, 141 clubs were licensed to feed and this year 140 clubs actually participated. The real depredations on the rice and other grain crops in California normally come before the hunting season, and feeding before the hunting season is probably the major contribution that this feeding program could possibly make. Reports indicate that in 1953, slightly under 20 percent of the total amount of feed provided was used prior to the hunting season; while in 1954, it was slightly over 20 percent. The total amount of food so provided is not great enough to provide any significant part of this food supply for waterfowl reported from California at that season, and it appears certain that, as far as reducing depredations is concerned, this has not been a conspicuous success.

SECRETARY MUST DECIDE

It should be noted that the baiting occurs only where the club owners wish to bait, not where it will do the most good to lure the ducks away from the farmers' fields. Baiting occurs not at the time when the depredations are greatest, but very largely during the open season when the baiters can shoot the ducks. Finally, shooting over baited areas means that the ducks tend to be driven right back to the farmers' fields, instead of being allowed to come in to feed over areas closed to shooting.

Next month, in August, it is up to the Department of the Interior to issue its regulations for the 1955 shooting season. The Secretary of the Interior will then have to stand up before the Nation and announce whether he is going to permit these California duck clubs once again to flout the Federal anti-baiting laws.

USE OF SURPLUS GRAIN

There is no reason why the Department of the Interior cannot solve the problem of depredations by waterfowl to farmers' crops—and surely the Department, as custodian of our waterfowl resources, is responsible for solving this problem—without turning our waterfowl resources over to the tender mercies of the gamehogs who shoot over baited blinds.

In order to prevent crop damage by migratory waterfowl without killing off the waterfowl, I have today introduced for appropriate reference a bill which will permit the Secretary of the Interior to requisition surplus wheat no longer desirable for human consumption from the vast stocks of the Commodity Credit Corporation. As a result of the wheat price-support program for the last 5 years the CCC now has in storage more than 1 billion bushels of wheat, or enough to take care of the entire domestic needs for wheat for more than 60 years. Much of this wheat is now stored on the west coast, in Oregon, near to the areas of duck depredation. Much of this wheat has so deteriorated that it is no longer desirable for human consumption. In the first 6 months of 1955 the CCC disposed of 4 million bushels of wheat from its warehouses which had either spoiled or was in danger of spoilage. Out-of-condition wheat is extremely attractive food for ducks, and guaranteed to lure them away from depredations on farmers' crops.

MUCH WHEAT AVAILABLE

Under the bill which I have introduced, the Secretary of the Interior would make such grain available to Federal, State, and local agencies, and to private persons and organizations, for the purpose of feeding ducks without, of course, shooting them, and thus luring them away from farmers' crops. The feeding program could be carried on wherever ducks are bothering farmers, whether in the open season or out of the open season.

The amount of deteriorated wheat now held by the CCC is vastly in excess of what would be required for such a feeding program. For example, if each of the 140 duck-hunting clubs in California which are now shooting over bait disposed of 100 bushels of wheat a season, this would be a total of 1,400 bushels. It is estimated that there are at least 500,000 bushels of CCC wheat now either deteriorated or in imminent danger of deteriorating. This includes "sick" wheat, and wheat containing weevils or rat pellets. The most massive and adequate duck-feeding program imaginable, therefore, would hardly be a dent in the stock of deteriorated wheat now held by the CCC.

BILL WILL SAVE FARMERS FROM DUCKS, DUCKS FROM CLUB OWNERS

Enactment of this bill will save the California rice and grain farmers from the ducks. At the same time, it will save the ducks from the California club owners who have been shooting them over baited blinds. It will provide a useful outlet, at no cost to the taxpayers, for CCC wheat which would otherwise go to waste. It will save further storage costs, and relieve already bulging warehouses. It will stop the growing disregard for Federal law, and the consequent demoralization of the Fish and Wildlife Service, which the Department of the Interior is fostering when it winks at duck baiting.

Mr. Speaker, I hope that the Department of the Interior will come to its senses and call off this vicious duck-baiting program. I hope it will restore the morale of its Fish and Wildlife agents by encouraging them vigorously to enforce the antibaiting law. I hope it will press for enactment of the bill I have today introduced to prevent depredations to California farmers. And I hope it will stop kidding the press and the public by continuing to suppress evidence of its own mishandling of our priceless migratory waterfowl resources.

MEETING AT THE SUMMIT

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I take this time in order to call to the attention of the membership a report from France saying that Premier Faure had disclosed today that the last-hour proposal by President Eisenhower had broken the deadlock at the Geneva Conference and insured its success. I am not saying, Mr. Speaker, that in order to have a successful conference there must not be secret negotiations, but we were advised repeatedly that there were no secret concessions at the summit. I quote from this article:

The secrecy of the final conference session prevented M. Faure from explaining just what the items were that deadlocked the conference or what Mr. Eisenhower proposed, in order to break the deadlock.

Mr. FEIGHAN. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Ohio.

Mr. FEIGHAN. Does the gentleman not believe that it would be better for us to continue our foreign policy by open covenants openly arrived at, as fully enunciated by President Wilson?

Mr. ZABLOCKI. It is my opinion that open covenants are preferable, but I am sure the gentleman will admit that they cannot be arrived at in open negotiations and agreement.

Mr. Speaker, the article further states that—

President Eisenhower said he was going to put an end to the discussion because the conference had to succeed, that he was thus going to make a concession, and that the important thing was to keep the spirit of the conference afterward so that good results could be reached.

Further, M. Faure referred briefly to what he called another deeply moving

moment of the final restricted session of the chiefs of government. This also took place on Saturday, he said, when Mr. Eisenhower spoke about the future of the world in the little room where the chiefs of government had withdrawn. I hope that this report is in error in this respect—that the first concession was made by President Eisenhower, because I would like to believe that President Eisenhower and Secretary of State Dulles have accurately reported to the Congress and the people on the recent meeting at the summit.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

GENERAL LEAVE TO EXTEND

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks on the road bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAMER. Mr. Speaker, I have again gone to the people for counsel and advice in another Cramer citizens' poll before voting on a measure that would vitally affect their homes and lives. By telephone I made a poll sampling opinion of the entire First District of Florida in an effort to determine the wishes of my constituents on the subject now before us and asked that they express their opinion to me as to the method they preferred of financing the proposed highway program.

In my telephone poll both methods of proposed financing—the President's pay-as-you-use bond-issue program and the committee tax measure that would provide pay-as-you-go financing—were stated.

The question asked was: "As you know, there is a proposal before Congress to authorize a Federal road-building program at a cost of $36 billion. It is generally agreed this program is needed. The construction period of the program extends over 10 to 15 years. How would you suggest paying for this program? First, pay-as-you-use, as suggested by President Eisenhower, involving no additional taxes and a bond issue with interest of $11 billion over a 30-year period; or, second, pay-as-you-go plan, with additional taxes now of $12 billion extending over a 15-year period, principally being an additional 1-cent-per-gallon increased gasoline tax, 2 cents additional on diesel fuel, added taxes on trucks and busses and large tires, exempting off-the-road users?"

The result of that poll was 77.72 percent in favor of the President's program and 22.27 percent in favor of the committee bill tax-payment plan.

This poll was taken through telephone poll captains disbursed throughout the district, who called indiscriminately people in the area. In a period of a few short hours over 2,000 people had been personally contacted and asked the question involved, and, as the figures show, the result was decisive. It is important to note that the poll was taken on the morning of the day the House voted on the measure and after full publicity had been given the matter and my office was advised of the results in the early afternoon.

It appears that the poll clearly indicates that the people of the First District of Florida do not look kindly upon, nor are they willing to accept, additional taxes at this time, even for such a worthy project as this highway bill.

I supported the Eisenhower proposal in the Dondero bill, which would have provided an adequate road system without additional taxes only after due and deliberate consideration which, of course, I had an opportunity to make after some 11 weeks of the hearings before the Public Works Committee of which I am a member. I supported this plan in committee, feeling all along that the temperament of this Congress was not one to accept additional taxes at this time and that this reflected the feeling of the people all over the country. It was my sincere effort to work for a bill that had a reasonable chance of passage and that would accomplish the much-needed highway construction purpose.

I believe that such a poll as has been taken in this instance reflects a good cross section of opinion in my district, and after lengthy consideration I felt obligated to vote consistent therewith.

THE GENEVA CONFERENCE

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, with respect to what has just been said about the report relative to the Geneva Conference, certainly there was nothing said in that report that would in any way indicate that any secret agreement was made. As far as I am concerned, when President Eisenhower assured the American people and all of us that no such secret agreements were made, I believed him, and until something else is disclosed other than some insinuation about some report from the French Minister then in attendance, I think we ought to go along with the proposition that no such secret agreements were made, because so far as I am concerned, none were made.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Minnesota.

Mr. JUDD. The story from which the gentleman from Wisconsin read does not say any secret agreements were made. Such an implication was given, but the story itself does not say so.

Mr. HALLECK. Any attempt to read into the record insinuations of that kind does a disservice to the welfare of the country.

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield for a mere correction?

Mr. HALLECK. Yes.

Mr. ZABLOCKI. I did not state I thought there were secret agreements made, but there were secret negotiations.

Mr. JUDD. Nobody ever denied there were secret negotiations. That was reported openly in the press.

Mr. HALLECK. The gentleman used the words secret agreements.

The SPEAKER. The time of the gentleman has expired.

SPECIAL ORDER GRANTED

Mr. MARSHALL asked and was given permission to address the House for 20 minutes on Monday next, following the legislative program and any special orders heretofore entered.

LIBERIA'S CENTENNIAL

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. POWELL] is recognized for 30 minutes.

Mr. POWELL. Mr. Speaker, I rise today to send greetings to the country of Liberia, which is today celebrating its centennial, and to salute His Honor, the President, William V. S. Tubman, who was recently reelected, and to extend our congratulations to the Ambassador of Liberia, Mr. Simpson.

Historically and culturally Liberia's roots are more closely intertwined with those of the United States than any other nation in the world. The people of the United States were directly responsible for the founding of Liberia. The first settlers of Liberia came from the United States.

The two nations have helped each other in peace and in war for more than 130 years. Liberia is the only nation on the continent of Africa on which the United States has been able to rely as an ally beyond question. The United States has aided materially in the economic development of Liberia.

WILLIAM V. S. TUBMAN

William Vacanarat Shadrach Tubman is the 18th President of the Republic of Liberia. He was elected in 1943 to serve a term of 8 years, and reelected in 1951 for a second term of 4 years.

Mr. Tubman was born at Harper, Maryland County, Liberia, in 1895. His father was Alexander Tubman, speaker of the Liberian House of Representatives, senator, and Methodist minister, a descendent of early settlers who came to Liberia in 1834 from Augusta, Ga. President Tubman's mother, Elizabeth Rebecca (Barnes), emigrated from Atlanta, Ga., in 1872.

President Tubman was graduated in 1913 from the Cape Palmas Seminary, a Methodist missionary school, and pursued higher studies under private tutelage. He later taught in the local elementary schools. At the same time he read law, passed examinations, was called to the bar, and took silk in 1917.

During the administration of President Howard, Mr. Tubman was appointed recorder in the monthly and probate court, collector of internal revenue for Maryland County, and, in 1919, county attorney. As a soldier in the Liberian Army, Mr. Tubman rose through the ranks from private to colonel.

In 1928, when he was 33 years old, Mr. Tubman's unusual ability and leadership was recognized in his election to the national legislature as the youngest senator in the history of his nation. He served as senator with marked distinction until 1937, when President Edwin J. Barclay appointed him as associate justice of the Supreme Court of Liberia. He served in this capacity until he was elected President.

Mr. Tubman is a member of Phi Beta Sigma, past grand master of the Ancient Free and Accepted Masons of Liberia, past district deputy grand master of the United Brothers of Friendship, and past district supervisor of lodges of the Grand United Order of Odd Fellows. Honorary degrees conferred upon President Tubman include that of doctor of laws from Liberia College and Wilberforce University, and doctor of civil laws and doctor of philosophy from the University of Liberia.

Mr. Tubman is married to the former Antoinette Padmore, granddaughter of President Arthur Barclay. He is the father of five children. His eldest son, William, Jr., was graduated from Governor Dummer Academy in Massachusetts and entered Harvard University in 1954.

Under President Tubman's leadership vast programs have been successfully undertaken for the development of the human, natural, and economic resources of Liberia. These have literally transformed the face of great areas of his country, established his nation as an active participant in world affairs, and resulted in improvement and prosperity unparalleled in his nation's history. This has enabled vigorous prosecution of effective programs to extend public education, improve public health, increase public works, intensify industry and agriculture, expand foreign trade, improve public administration, and make great strides in the political integration and development of the nation.

Always active in church and religious affairs, President Tubman first visited the United States in 1928 as a delegate to the general conference of the Methodist Episcopal Church, held at Kansas City, Mo. His second visit to the United States was during World War II, when, in 1943, as President-elect, he accompanied President Edwin Barclay in response to the invitation of President Franklin D. Roosevelt; his visit of 1954 at the invitation of President Dwight D. Eisenhower.

These are the administration accomplishments:

Women's suffrage.

The right to vote to the tribes of the Interior.

Tribal representation in the national legislature.

Revision of the election laws and adoption of the Australian ballot.

Closer integration of tribal government with the Central government.

Creation of gold reserve and other financial reforms.

Creation of a system of rural clinics and hospitals.

Expansion of public and higher education in Liberia and technical and specialized vocational training abroad under Government scholarships.

Establishment of nationwide communication facilities.

Air strips and extension of the road system throughout the nation.

Establishment of a nationwide agricultural research and extension service.

Broadening of diplomatic relations with principal nations and expansion of the Liberian foreign service.

Charter participation in the United Nations, its constituent agencies and other international bodies.

An open-door policy of immigration and encouragement of foreign commerce and investment in Liberia.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. POWELL. I yield.

Mr. FULTON. I want to congratulate the gentleman from this side of the House, and also to compliment Liberia on awarding a decoration to Mrs. Robert Vann, publisher of the Pittsburgh Courier, as one of Pittsburgh's outstanding citizens.

Mr. POWELL. I thank the gentleman.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. POWELL. I yield to the gentleman.

Mr. EDMONDSON. I join in expressing appreciation of what my colleague has done in his salute to a fine country and a good friend. I also express appreciation of the friendship which President Tubman has demonstrated toward our country.

Mr. POWELL. I thank the gentleman.

SHOOTING DOWN OF PLANE BY BULGARIAN COMMUNISTS

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 5 minutes.

Mr. FEIGHAN. Mr. Speaker, this morning a Constellation of Elal Israel Air Line carrying 57 persons was shot down by Bulgarian Communists. According to Greek information sources, this Israeli plane was shot down on the Greek Bulgarian border while flying its regular normal passenger route, in a proper established air lane.

Among the 57 passengers who perished were 3 Americans. While their identities have not as yet been known, it is understood they were 2 women and a child under 10 years of age, Greek information sources state.

Informed sources reveal that the Israeli Government has not as yet made an official protest, but they are currently attempting to get permission for a Commission of Inquiry to enter Bulgaria in order to obtain the full facts.

We have been led to believe that the leaders of the Communist conspiracy wanted peace; that they were willing to give up their conspiratorial aims; that they would no longer engage in acts of aggression against peace loving nations.

It is only several days after the ending of the recent Conference that the commercial airliner of a small nation which but recenlty gained its independence, and which beyond any doubt has no military capabilities to carry out any aggressive acts against the U. S. S. R. or any of its colonies, was shot down.

Israeli's plane, without provocation, without cause, and in cold blood, was shot down by Bulgarian Communist planes, an element of the international Communist conspiracy, according to informed sources.

The time has arrived for us to recognize that here is a practical demonstration—a demonstration by deed, of what the Communist leaders mean when they claim to be advocates of peaceful coexistence. This act constitutes a clear threat to peace. I therefore am today calling upon the Secretary of State to take steps to cause the United Nations to demand the right by a commission made up of representatives of non-Communist nations to make a full and unhindered inquiry into this latest act of aggression by the Communists. Failure on the part of free men to establish guilt and assess penalties for such acts of aggression can lead us only down the path to world war III.

Mr. MACHROWICZ. Mr. Speaker, will the gentleman yield?

Mr. FEIGHAN. I am very happy to yield to the distinguished gentleman from Michigan.

Mr. MACHROWICZ. I commend my colleague on his statement about this unfortunate incident. Those of us who have studied Communist aggression, and I know the gentleman from Ohio has been a member of a committee, together with me, which made an intensive study of this situation, have long ago warned Congress and the American public that we cannot trust Communist promises. Incidents of this kind are bound to happen again in the future.

Mr. FEIGHAN. I thank the gentleman very much for his very illuminating contribution.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. HYDE and to include an address.

Mr. SCHENCK.

Mr. MILLER of Nebraska in two instances and in one to include an address.

Mr. FORRESTER and to include extraneous matter.

Mr. FEIGHAN in two instances and to include extraneous matter.

Mr. KELLEY of Pennsylvania.

Mr. REUSS and to include extraneous matter.

Mr. METCALF and to include extraneous matter.

Mr. DOYLE and to include extraneous matter.

Mr. WOLVERTON and to include extraneous matter.

Mr. BURDICK.

Mr. DONOHUE and to include extraneous matter.

Mr. MULTER in two instances and to include extraneous matter.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 56. An act authorizing construction of certain public works on the Mississippi River for the protection of St. Louis, Mo.; to the Committee on Public Works.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2107. An act to amend the National Defense Facilities Act of 1950 to provide for additional facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes;

H. R. 2109. An act to authorize permanent appointments in the United States Navy and in the United States Marine Corps;

H. R. 5512. An act to provide for the conveyance of certain property under the jurisdiction of the Housing and Home Administrator to the State of Louisiana;

H. R. 6259. An act to amend section 8 of the act entitled "An act to establish a District of Columbia Armory Board and for other purposes," approved June 4, 1948; and

H. R. 7029. An act to establish a Permanent Committee for the Oliver Wendell Holmes Devise, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 667. An act to exempt meetings of associations of professional hairdressers or cosmetologists from certain provisions of the acts of June 7, 1938 (52 Stat. 611), and July 1, 1902 (32 Stat. 622), as amended;

S. 1741. An act to exempt from taxation certain property of the Jewish War Veterans, U. S. A. National Memorial, Inc., in the District of Columbia;

S. 2176. An act to repeal the requirement that public utilities engaged in the manufacture and sale of electricity in the District of Columbia must submit annual reports to Congress.

S. 2177. An act to repeal the prohibition against the declaration of stock dividends by public utilities operating in the District of Columbia;

S. 2427. An act to provide for the payment of compensation to officers and members of the Metropolitan Police force, the United States Park Police force, the White House Police force, and the Fire Department of the District of Columbia, for duty performed on their days off, when such days off are suspended during an emergency;

S. 2428. An act to increase the salaries of officers and members of the Metropolitan Police force, and the Fire Department, of the District of Columbia, the United States Park Police, and the White House Police, and for other purposes; and

S. 2592. An act to increase the mileage allowance of United States marshals and their deputies from 7 cents per mile to 10 cents per mile.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills and a joint resolution of the House of the following titles:

On July 26, 1955:

H. R. 2866. An act to declare a certain portion of the waterway (a section of the Acushnet River) in the city of New Bedford and the towns of Fairhaven and Acushnet, Mass., a nonnavigable stream;

H. R. 3281. An act for the relief of Herbert Roscoe Martin;

H. R. 3359. An act for the relief of Raymond George Palmer;

H. R. 4001. An act to provide for the management and disposition of certain public domain lands in the State of Oklahoma;

H. R. 4362. To act to amend the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes," approved September 3, 1954; and

H. R. 4904. An act to extend the Renegotiation Act of 1951 for 2 years.

On July 27, 1955:

H. R. 2150. An act to further amend section 106 of the Army-Navy Nurses Act of 1947 so as to provide for certain adjustments in the duties of rank of nurses and women medical specialists of the Regular Army and Regular Air Force in the permanent grade of captain, and for other purposes;

H. R. 2755. An act for the relief of Benjamin Johnson;

H. R. 2783. An act for the relief of Andrew Wing-Huen Tsang;

H. R. 2944. An act for the relief of Franziska Lindauer Ball;

H. R. 2947. An act for the relief of Emelda Ann Schallmo;

H. R. 2949. An act for the relief of Jose Armando Quaresma;

H. R. 2972. An act to require the recordation of scrip, lieu selection, and similar rights;

H. R. 3048. An act for the relief of Assuntino Del Gobbo;

H. R. 3270. An act for the relief of Giuseppa Arsena;

H. R. 3354. An act for the relief of Julius G. Watson;

H. R. 3504. An act for the relief of Eveline Wenk Neal;

H. R. 3624. An act for the relief of Olga I. Papadopoulou;

H. R. 3625. An act for the relief of George Vourderis;

H. R. 3629. An act for the relief of Mrs. Nika Kirihara;

H. R. 3630. An act for the relief of Mrs. Uto Ginoza;

H. R. 3726. An act for the relief of Mr. Gino Evangelista;

H. R. 3786. An act to incorporate the Army and Navy Legion of Valor of the United States of America;

H. R. 3864. An act for the relief of Mrs. Elizabeth A. Traufield;

H. R. 3871. An act for the relief of Orville Ennis;

H. R. 4044. An act for the relief of Burgal Lyden and others;

H. R. 4106. An act to authorize the crediting, for certain purposes, of prior active Federal commissioned service performed by a person appointed as a commissioned officer under section 101 or 102 of the Army-Navy Nurses Act of 1947, as amended, and for other purposes;

H. R. 4146. An act for the relief of Adelheid (Heidi) Glessner (nee Schega);

H. R. 4147. An act for the relief of Angelo DeVito;

H. R. 4198. An act for the relief of Howard L. Gray;

H. R. 4218. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment, and to provide certain services to the Girl Scouts of the United States of America for use at the Girl Scout Senior Roundup Encampment, and for other purposes;

H. R. 4280. An act to direct the Secretary of Agriculture to release on behalf of the United States conditions in two deeds conveying certain submarginal lands to Clemson Agricultural College of South Carolina so as to permit such college, subject to certain conditions, to sell, lease, or otherwise dispose of such lands;

H. R. 4284. An act for the relief of Mrs. Mariannina Monaco;

H. R. 4289. An act for the relief of Vladislav Bevc;

H. R. 4455. An act for the relief of Christa Harkrader;

H. R. 4707. An act for the relief of Duncan McQuagge;

H. R. 4717. An act to provide for the release of the express condition and limitation on certain land heretofore conveyed to the trustees of the village of Sag Harbor, N. Y.;

H. R. 4727. An act to permit the issuance of a flag to a friend or associate of the deceased veteran where it is not claimed by the next of kin;

H. R. 4747. An act to provide that reversionary interests of the United States in certain lands formerly conveyed to the city of Chandler, Okla., shall be quitclaimed in such city;

H. R. 4886. An act to provide that active service in the Army and Air Force shall be included in determining the eligibility for retirement of certain commissioned officers of the Navy, Marine Corps, and Coast Guard;

H. R. 5283. An act for the relief of Artur Swislocki or Arthur Svislotzki;

H. R. 5893. An act to amend paragraph I (a), part I of Veterans Regulation No. 1 (a), as amended, to make its provisions applicable to active service on and after June 27, 1950, and prior to February 1, 1955, and for other purposes;

H. R. 6277. An act to amend subsection 303 (c) of the Career Compensation Act of 1949 relating to transportation and storage of household goods of military personnel on permanent change of station;

H. R. 6396. An act for the relief of Valerie Anne Peterson;

H. R. 6613. An act for the relief of Yuji Doi and Mrs. Matsuyo Yamaoka Doi;

H. R. 6980. An act providing for the conveyance of the Old Colony project to the Boston Housing Authority;

H. R. 7194. An act to authorize subsistence allowances to enlisted personnel; and

H. J. Res. 359. Joint resolution to authorize the designation of October 22, 1955, as National Olympic Day.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 48 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, July 28, 1955, at 10 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ENGLE: Committee of conference. H. R. 3990. A bill to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development, and utilization of the water resources of Alaska (Rept. No. 1447). Ordered to be printed.

Mr. KEOGH: Committee on Ways and Means. H. R. 5428. A bill to amend the Internal Revenue Code of 1954 to provide that chapter 71 relative to transferees and fiduciaries shall apply with respect to any tax imposed by the Internal Revenue Code of 1939; with amendment (Rept. No. 1448). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee of conference. H. R. 3822. A bill to amend title V of the Agricultural Act of 1949, as amended, by striking out the termination date (Rept. No. 1449). Ordered to be printed.

Mr. COOLEY: Committee of conference. H. R. 2851. A bill to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts (Rept. No. 1450). Ordered to be printed.

Mr. DAWSON of Illinois: Committee on Government Operations. S. 2277. An act authorizing the Administrator of General Services to convey certain land to the city of Sioux Falls, S. Dak., for park and recreational purposes, for an amount equal to the cost to the United States of acquiring such lands from the city; without amendment (Rept. No. 1452). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. H. R. 6182. A bill to amend the Federal Property and Administrative Services Act of 1949 to make temporary provision for making payments in lieu of taxes with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments; without amendment (Rept. No. 1453). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. H. R. 7156. A bill to provide for the conveyance of certain land of the United States to the board of county commissioners of Lee County, Fla.; without amendment (Rept. No. 1454). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. H. R. 7227. A bill to amend further the Federal Property and Administrative Services Act of 1949, as amended, to authorize the disposal of surplus property for civil defense purposes, to provide that certain Federal surplus property be disposed of to State and local civil defense organizations which are established by or pursuant to State law, and for other purposes; with amendment (Rept. No. 1455). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. Third intermediate report of the Government Operations Committee; without amendment (Rept. No. 1456). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. Fifth intermediate report of the Government Operations Committee; without amendment (Rept. No. 1457). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. Sixth intermediate report of the Government Operations Committee; without amendment (Rept. No. 1458). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H. R. 7092. A bill to provide for the improvement of the Mississippi River at and in the vicinity of St. Louis, Mo., for flood control; with amendment (Rept. No. 1459). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. H. R. 6857. A bill to authorize the Administrator of the General Services Administration to convey certain land to the city of Milwaukee, Wis.; without amendment (Rept. No. 1460). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H. R. 7195. A bill to provide for the reconveyance of lands in certain reservoir projects in Texas to former owners of such lands; with amendment (Rept. No. 1461). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 7367. A bill to amend the Agricultural Adjustment Act of 1938, as amended; with amendment (Rept. No. 1462). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. S. 1757. An act to amend the act known as the "Agricultural Marketing Act of 1946," approved August 14, 1946; with amendment (Rept. No. 1468). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 585. A bill to authorize the conveyance to Lake County, Calif., of the Lower Lake Rancheria; with amendment (Rept. No. 1464). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 7284. A bill to provide for the conveyance to the State of North Dakota, for use as a State historic site, of the land where Chief Sitting Bull was originally buried; with amendment (Rept. No. 1465). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'NEILL: Committee on Rules. House Resolution 318. Resolution for consideration of H. R. 5649, a bill to amend section 2254 of title 28 of the United States Code in reference to applications for writs of habeas corpus by persons in custody pursuant to the judgment of a State court; without amendment (Rept. No. 1466). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 319. Resolution for consideration of H. R. 2552, a bill to authorize the modification of the existing project for the Great Lakes connecting channels above Lake Erie; without amendment (Rept. No. 1467). Referred to the House Calendar.

Mr. TRIMBLE: Committee on Rules. House Resolution 316. Resolution to authorize the Committee on Education and Labor to conduct studies and investigations in the United States, its Territories and possessions, and the Commonwealth of Puerto Rico; without amendment (Rept. No. 1468). Referred to the House Calendar.

Mr. THORNBERRY: Committee on Rules. House Resolution 320. Resolution for consideration of H. R. 7470 a bill to amend the Defense Production Act of 1950, as amended; without amendment (Rept. No. 1469). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 321. Resolution for consideration of H. R. 6309, a bill to authorize construction of the Mississippi River-Gulf outlet; without amendment (Rept. No. 1470). Referred to the House Calendar.

Mr. DAWSON of Illinois: Committee on Government Operations. Fourth intermediate report of the Government Operations Committee; without amendment (Rept. No. 1471). Referred to the Committee of the Whole House of the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. Seventh intermediate report of the operations of the Alaska Roads Commission; without amendment (Rept. No. 1472). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY of Tennessee: Committee on Post Office and Civil Service. H. R. 7618. A bill to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; with amendments (Rept. No. 1473). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY of Tennessee: Committee on Post Office and Civil Service. H. R. 7619. A bill to adjust the rates of compensation of the heads of the executive departments and of certain other officials of the Federal Government, and for other purposes; without amendment (Rept. No. 1474). Referred to the Committee of the Whole House on the State of the Union.

Mr. RICHARDS: Committee of conference. H. R. 6382. A bill to amend the International Claims Settlement Act of 1949, as amended, and for other purposes (Rept. No. 1475). Ordered to be printed.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6625. A bill to provide for the transfer of title to certain land and the improvements thereon to the Pueblo of San Lorenzo (Pueblo of Picuris), in New Mexico, and for other purposes; without amendment (Rept. No. 1476). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. House Joint Resolution 353. Joint resolution to authorize the Secretary of the Interior to execute a certain contract with the Toston Irrigation District, Mont.; without amendment (Rept. No. 1477). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6994. A bill to provide for entry and location, on discovery of a valuable source material, upon public lands of the United States classified as or known to be valuable for coal, and for other purposes; with amendments (Rept. No. 1478). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 7248. A bill to amend the act extending the exterior boundary of the Uintah and Ouray Indian Reservation in the State of Utah so as to authorize such State to exchange certain mineral lands for other lands mineral in character; without amendment (Rept. No. 1479). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6824. A bill to authorize the amendment of the restrictive covenant on land patent No. 10,410, issued to Keoshi Matsunaga, his heirs and assigns, on July 20, 1936, and covering lot 48 of Ponahawai house lots, situated in the county of Hawaii, T. H.; without amendment (Rept. No. 1480). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6461. A bill to amend section 73 (1) of the Hawaiian Organic Act; without amendment (Rept. No. 1481). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 5169. A bill to repeal clause (d) of the proviso contained in the act of August 2, 1937, as amended, and for other purposes; without amendment (Rept. No. 1482). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 5566. A bill to terminate the existence of the Indian Claims Commission; with amendments (Rept. No. 1483). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6463. A bill to ratify and confirm section 4539, Revised Laws of Hawaii 1945, section 1 (b), act 12, Session Laws of Hawaii 1951, and the sales of public lands consummated pursuant to the terms of said statutes; without amendment (Rept.

No. 1484). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6807. A bill to authorize the amendment of certain patents of Government lands containing restrictions as to use of such lands in the Territory of Hawaii; without amendment (Rept. No. 1485). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6945. A bill to amend the act of May 19, 1947 (ch. 80, 61 Stat. 102), as amended, so as to permit per capita payments to the individual members of the Shoshone Tribe and the Arapahoe Tribe of the Wind River Reservation in Wyoming, to be made quarterly; without amendment (Rept. No. 1486). Referred to the Committee of the Whole House on the State of the Union.

Mr. FASCELL: Committee on Post Office and Civil Service. H. R. 4569. A bill to provide for renewal of and adjustment of compensation under contracts for carrying mail on water routes; without amendment (Rept. No. 1487). Referred to the Committee of the Whole House on the State of the Union.

Mr. JENKINS: Committee on Ways and Means. H. R. 3653. A bill to amend the Tariff Act of 1930 to provide for the free importation of amorphous graphite; with amendment (Rept. No. 1488). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORAND: Committee on Ways and Means. H. R. 4376. A bill to exempt from duty the importation of certain handwoven fabrics when used in the making of religious vestments; with amendments (Rept. No. 1489). Referred to the Committee of the Whole House on the State of the Union.

Mr. SIMPSON of Pennsylvania: Committee on Ways and Means. H. R. 4581. A bill to amend section 4091 of the Internal Revenue Code of 1954 (relating to imposition of tax upon lubricating oils) and to amend section 6416 (b) of the Internal Revenue Code of 1954 (relating to overpayments of tax); with amendments (Rept. No. 1490). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORAND: Committee on Ways and Means. H. R. 5249. A bill to amend the Internal Revenue Code of 1954 to provide for refund or credit of internal revenue taxes and custom duties paid on distilled spirits and wines lost, rendered unmarketable, or condemned by health authorities as a result of the hurricanes of 1954; without amendment (Rept. No. 1491). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOPER: Committee on Ways and Means. H. R. 6122. A bill to remit the duty on certain bells to be imported for addition to the carillons of The Citadel, Charleston, S. C.; without amendment (Rept. No. 1492). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORAND: Committee on Ways and Means. H. R. 6595. A bill to amend certain provisions of law relating to the estate tax; with amendments (Rept. No. 1493). Referred to the Committee of the Whole House on the State of the Union.

Mr. EBERHARTER: Committee on Ways and Means. H. R. 7012. A bill to amend section 209 (a) of the Technical Changes Act of 1953; without amendment (Rept. No. 1494). Referred to the Committee of the Whole House on the State of the Union.

Mr. BAKER: Committee on Ways and Means. H. R. 7054. A bill to amend the Internal Revenue Code of 1939 to provide a credit against the estate tax for Federal estate taxes paid on certain prior transfers; with amendments (Rept. No. 1495). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOPER: Committee on Ways and Means. H. R. 7095. A bill to provide that the tax on admissions shall not apply to certain athletic events held for the benefit of the United States Olympic Association; with amendment (Rept. No. 1496). Referred to the Committee of the Whole House on the State of the Union.

Mr. McCARTHY: Committee on Ways and Means. H. R. 7364. A bill relating to the application of the documentary stamp tax to transfers of certain installment obligations; without amendment (Rept. No. 1497). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALEXANDER: Committee on Post Office and Civil Service. S. 1849. An act to provide for the grant of career-conditional and career appointments in the competitive civil service to indefinite employees who previously qualified for competitive appointment; with amendments (Rept. No. 1498). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. S. 2098. An act to amend Public Law 83, 83d Congress; with amendment (Rept. No. 1499). Referred to the Committee of the Whole House on the State of the Union.

Mr. LESINSKI: Committee on Post Office and Civil Service. S. 2403. An act to authorize the dual employment of custodial employees in post office buildings operated by the General Services Administration, and for other purposes; without amendment (Rept. No. 1500). Referred to the Committee of the Whole House on the State of the Union.

Mr. PASSMAN: Committee of conference. H. R. 7224. A bill making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes; without amendment (Rept. No. 1501). Ordered to be printed.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 1603. A bill to terminate the prohibition against employment of Mongolian labor in the construction of reclamation projects; without amendment (Rept. No. 1502). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. VINSON: Committee on Armed Services. H. R. 7628. A bill to authorize the appointment in a civilian position in the White House office of Maj. Gen. John Stewart Bragdon, United States Army, retired, and for other purposes; without amendment (Rept. No. 1451). Referred to the Committee of the Whole House.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6927. A bill providing for the conveyance to St. Louis Church of Dunseith, Dunseith, N. Dak., of certain lands on the Turtle Mountain Indian Reservation; with amendment (Rept. No. 1503). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT of Florida:

H. R. 7629. A bill to amend the Reserve Officer Personnel Act of 1954 to provide for the retention on active duty of certain officers; to the Committee on Armed Services.

By Mr. BOLAND:

H. R. 7630. A bill to amend section 5051 (a) of the Internal Revenue Code of 1954 to aid small business and discourage continued concentration in the brewing industry; to the Committee on Ways and Means.

By Mr. HIESTAND:

H. R. 7631. A bill authorizing the Postmaster General to include certain indirect costs in determining the total costs of the classes of mail and services; to the Committee on Post Office and Civil Service.

H. R. 7632. A bill authorizing the Postmaster General to include certain indirect costs in determining the total costs of the parcel-post service; to the Committee on Post Office and Civil Service.

By Mr. HYDE:

H. R. 7633. A bill to provide means for the granting of career-conditional and career appointments in the competitive civil service to certain qualified employees serving under temporary or indefinite appointments having not less than 10 years of aggregate service; to the Committee on Post Office and Civil Service.

By Mr. KEAN:

H. R. 7634. A bill to provide that amounts which do not exceed 61 cents shall be exempt from the tax imposed upon amounts paid for the transportation of persons; to the Committee on Ways and Means.

By Mr. KING of California:

H. R. 7635. A bill to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. KILGORE:

H. R. 7636. A bill to amend section 402 of the Federal Employees Uniform Allowance Act, approved September 1, 1954 (title IV, Public Law 763, 83d Cong.), as amended; to the Committee on Post Office and Civil Service.

By Mr. LANE:

H. R. 7637. A bill to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes; to the Committee on the Judiciary.

By Mr. MILLER of New York:

H. R. 7638. A bill to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes; to the Committee on the Judiciary.

By Mr. MORANO:

H. R. 7639. A bill to provide that citizens or a free corporate union of Trieste may acquire certain surplus merchant vessels from the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. MULTER:

H. R. 7640. A bill to amend the provisions of section 19 of the Federal Reserve Act relating to reserve balances of member banks; to the Committee on Banking and Currency.

By Mr. REUSS:

H. R. 7641. A bill to authorize the Secretary of the Interior to cooperate with Federal and non-Federal agencies in the prevention of waterfowl depredations, and for other purposes; to the Committee on Banking and Currency.

By Mr. SCUDDER:

H. R. 7642. A bill to provide for the issuance of a postage stamp in commemoration of 100 years of progress in conservation and forestry in the redwood region of California; to the Committee on Post Office and Civil Service.

By Mr. SIMPSON of Pennsylvania:

H. R. 7643. A bill to amend the Internal Revenue Code of 1939 and the Internal Revenue Code of 1954 with respect to foreign-tax credit for United Kingdom, income tax paid with respect to royalties and other like amounts; to the Committee on Ways and Means.

H. R. 7644. A bill to abate taxes on distilled spirits stolen from customs bonded warehouse; to the Committee on Ways and Means.

By Mrs. SULLIVAN (by request):

H. R. 7645. A bill to provide that certain expenses of the Panama Canal Company and

the Canal Zone Government shall be paid from tolls, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. VINSON:

H. R. 7646. A bill to authorize the Secretaries of the military departments and the Secretary of the Treasury with respect to the Coast Guard, to incur expenses incident to the representation of their personnel before judicial tribunals and administrative agencies of any foreign nation; to the Committee on Armed Services.

By Mr. McDOWELL:

H. Res. 322. Resolution creating a Select Committee on Consumer Interests; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. HESELTON: Resolutions of the House of Representatives, Commonwealth of Massachusetts, memorializing Congress to prevent the reduction in force of the United States Marine Corps; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California:

H. R. 7647. A bill for the relief of Ilmar Harald Kert; to the Committee on the Judiciary.

By Mr. CARRIGG:

H. R. 7648. A bill for the relief of Eugene J. Coleman; to the Committee on the Judiciary.

By Mrs. FARRINGTON:

H. R. 7649. A bill for the relief of Dr. Rodolfo T. Santeco; to the Committee on the Judiciary.

H. R. 7650. A bill for the relief of Man Yee Lee; to the Committee on the Judiciary.

By Mr. GUBSER:

H. R. 7651. A bill for the relief of Hans J. Bernick; to the Committee on the Judiciary.

H. R. 7652. A bill for the relief of Mrs. Violet Burtt; to the Committee on the Judiciary.

By Mr. HINSHAW:

H. R. 7653. A bill for the relief of George Calvin Penny; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H. R. 7654. A bill for the relief of Mrs. Raymonde Vonka; to the Committee on the Judiciary.

By Mr. TUMULTY:

H. R. 7655. A bill for the relief of Anna Almo; to the Committee on the Judiciary.

By Mr. WILLIAMS of New Jersey:

H. R. 7656. A bill for the relief of Bernard L. Barker; to the Committee on the Judiciary.

By Mr. CLARK:

H. Res. 323. Resolution providing for sending to the United States Court of Claims the bill H. R. 4133; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Address by Hon. Henry M. Jackson, of Washington

EXTENSION OF REMARKS

OF

HON. MIKE MANSFIELD

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Wednesday, July 27, 1955

Mr. MANSFIELD. Mr. President, the distinguished junior Senator from Washington [Mr. JACKSON], delivered an address before the annual fellowship dinner of the Grand Lodge of Masons of the State of Washington at Olympia, Wash., on Tuesday, June 21, 1955. There is so much meat in the address, and so much to think about, that I ask unanimous consent that the address be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF HON. HENRY M. JACKSON, OF WASHINGTON, BEFORE THE ANNUAL FELLOWSHIP DINNER OF THE GRAND LODGE OF MASONS OF THE STATE OF WASHINGTON, AT OLYMPIA, WASH., JUNE 21, 1955

In the past 3 months, Soviet foreign policy has made the most striking series of shifts since the beginning of the cold war in 1946. In no less than nine different cases, the iron fist of Stalin has been supplanted by the disarming diplomacy of Moscow and Peiping.

To underline this change, let us review these unexpected reversals of the Communist position.

In the Far East, Communist China has concurred in a de facto cease fire in the Formosa region and indicated a willingness to discuss a settlement. Four American fliers held in Chinese prisons for more than 2 years have been released. Russia, having refused to sign the original Treaty of Peace With Japan, is now discussing a bilateral agreement. The Kremlin has begun a concerted campaign to win favor with Nehru—the leader of the neutralist bloc.

In Europe, an effort is being made to heal the breach with Tito, who not long ago was being denounced from Moscow as a heretic. Concessions to the West's position on the reduction of conventional armaments have been indicated. Chancellor Adenauer has been invited to discuss resuming diplomatic relations after Russia's initial refusal to recognize Bonn. And following 7 years of obstruction, the Soviet signature has been placed on the Austrian Treaty.

On top of these events must be added the Russian agreement to join a four-power conference at Geneva next month.

The American people would be less than human if they did not take heart at this turn of events.

As always, however, there is another side to the coin. I am frank to question whether the current optimism can be justified by the realities of the situation.

The simple fact is that with Stalin's death there has come to power in Russia a group that is subtle, clever, and flexible—as opposed to the bluntness, rigidity, sometimes stupidity of the Stalin regime. Where Stalin was obvious, Khrushchev is devious.

Most of Stalin's failures stemmed from the clarity of the threat he posed to the free world. Recall for a moment our reactions at home to Soviet moves in Iran, Greece, Czechoslovakia, Berlin, and Korea. It was these threats that pushed us into a program of alliances, a military buildup, and a determined attempt to shore up the defenses of the free world.

The Russians' "good neighbor" policy of recent weeks, by apparently diminishing this threat, has placed us in a difficult position. On the surface, we are faced with a new, disarming and conciliatory Communist approach. Behind this front the basic aims of communism remain unchanged.

It is a front because the Khrushchev regime is building the greatest military machine in Soviet history. As they talk peace, their preparations for war exceed our greatest estimates of their military capabilities. Never, in fact, has any country boasted of peaceful intentions with such a large portion of its economy dedicated to armaments.

Let me document this point with a brief look at recent history. Six years ago, in the spring of 1949, our conventional forces were vastly outnumbered by those of the Communist world. As a matter of fact, they still are. But as against this, in 1949, our air-atomic power was incontestable. We possessed the B–36, then the world's only true long-range bomber. We had already flight-tested the B–47, the world's first strategic jet bomber. And above all—6 years ago—we had a monopoly of atomic weapons.

Intelligence reports told us then that our atomic monopoly would be long-lived. Some responsible officials declared that 10 or 20 years might pass before the Soviets mastered the riddle of atomic energy. The matter of stockpiling nuclear weapons in large numbers was even more remote. As for delivery aircraft, we were informed that Soviet jet bombers were many years in the future. In short, most of us believed in the spring of 1949 that America's trump card—our industrial and scientific supremacy—would indefinitely cancel out Moscow's superiority in conventional forces.

Today we know, or should know, otherwise. Far from requiring decades to split the atom, the Soviets achieved their first atomic bomb in 1949—years before the expected date. Their first hydrogen explosion occurred in the summer of 1953—only 9 months after our own first full-scale hydrogen test.

Had we been realistic, we should have assumed that a nation capable of mastering atomic energy so quickly would also soon have air fleets with long range jet bombers. Yet even after the Soviet hydrogen test confident officials soothingly declared that nuclear bombs were of no use unless they could be delivered against targets. As far as ability to deliver these bombs went, they said, our lead was clear and permanent.

Then came the Russians' air demonstration of May Day 1954. This revealed the existence of Soviet jet bombers comparable to our own medium-range B–47 and our long-range B–52. The intelligence communities of the free world were shocked. The Russian planes had been flown well before the expected date. In certain important respects—in the size of their jet engines, for instance—they were more advanced than our own bombers.

Despite these facts, the soothing voices were heard again. They said the Soviet planes were doubtless hand-tooled prototypes. They predicted that years would elapse before these first models could be mass-produced. The implication was clear that mass production was unique to the United States.

Six weeks ago we learned the truth. In their 1955 practice May Day displays the Soviets flew both their medium and long range jet bombers in operational numbers.

Furthermore, they flew large numbers of a new day fighter. Performancewise, this is a better plane than any we ourselves are now flying in other than limited flight tests. In addition, they flew operational numbers of all-weather interceptors which are superior to any plane we ourselves have in combat units today.

Again, our defense planners were caught by surprise—just as they were surprised when thousands of MIG's flew in Korea at a time when the Soviets theoretically could not mass-produce fighters.

The American people are now being told that, as of today, we are still superior to the Soviets in long-range airpower. Those who issue these statements, however, do not say how we stand in relation to the Soviets in fighter aircraft. Neither do they say how we will stand in strategic airpower a few years from now.

Speaking as a member of the Senate Armed Services Committee and the Joint Committee on Atomic Energy, my own estimate of the present balance of airpower is this:

Long-range jet bombers. We are now in a neck-and-neck race with the Soviets. They may well be ahead of us.

Medium-range jet bombers. As of now, it is likely that we have more medium-range jet bombers than the Soviets possess. But they may well overtake and surpass us in a year or two.

Fighter aircraft. We are now vastly inferior to the Soviets in terms of numbers of high-performance fighters. As a matter of fact they are thousands ahead of us. Qualitatively, the latest Soviet fighters are at least the equal of our best planes—and they may be better.

The intercontinental ballistic missile. The race for this absolute weapon is now nip and tuck. We should not be surprised if the Soviets get it first.

What a shocking distance the Russians have traveled in 6 years. In 1949 our airpower lead was incontestable. Today, our only comfort lies in the fact that—in certain types of planes—we still appear to be ahead of the Russians. To put it bluntly, we find ourselves for the first time simply trying to keep up with Soviet progress in delivery vehicles—rather than being decisively ahead.

Nor is this all. All the evidence indicates that the Russians have been able to move from the design of prototype aircraft to mass-production models more quickly than we have. In other words, they now appear to be our superiors in the very techniques for which America has always been famous—quickly tooling up for mass production.

To cite an example. Our work on the B–52 bomber began in 1948. It was first tested in 1952. First production started in the spring of 1954. The comparable Soviet plane—the type 37—was apparently designed in 1950. It was tested in 1953 and produced in quantity in 1954. Although the United States had production facilities for a jet bomber that the Soviet lacked, they gained at least 2 years on us in this race.

The growth of Soviet technology is documented in a recent speech by Allen Dulles, Director of the Central Intelligence Agency. "Military needs dominate their research programs," he said. And he added: "We who are in intelligence work have learned by now that it is rarely safe to assume that the Soviets do not have the basic skill, both theoretical and technical, to do in these fields what we can do." As an ominous footnote, Mr. Dulles reported that the Russians would graduate 1.2 million in the sciences in the decade from 1950 to 1960 compared to only 900,000 in the United States.

The meaning of these facts for the future is clear. What is past is prolog. In 1949 we led decisively in the contest for air-atomic supremacy. Today, this same contest hangs in the balance. If the present trend continues, I put it to you as a fact that by 1960 the Soviets will be unquestionably ahead of us in airpower. When that day arrives—as it surely will if we do not change course—our historic trump card of technological supremacy will be nullified. To their present superiority in conventional forces our enemies will add superiority in advanced weapons systems—with fateful consequences for the future of the world.

What are we going to do about this challenge?

Certain things seem clear. We are now engaged in a struggle for our national survival. In this struggle, our foes are working around the clock. We cannot hope to win this contest if we ourselves work 1 shift on a 5-day basis.

More specifically, I propose the following six-point program:

First, I propose that our production of jet bombers and fighters be placed on a crash basis at once—on a wartime footing.

Second, I propose that there be an expansion of our present aircraft industrial capacity. Existing aircraft plants should now operate around the clock, 7 days a week.

Third, I propose that we immediately convene a board of top industrial experts to determine why we are now slower than the Soviets in tooling up for the mass production of aircraft. We cannot prevent wars with models sketched on drawing boards.

Fourth, I propose that we immediately assign supreme and overriding importance in our defense effort to the development of the intercontinental ballistic missile. This project must be tackled with the resources, the skills, the moneys, the urgency, and the priority given our war-time atomic effort. The question of war or peace may depend on our getting this ultimate weapon first.

Fifth. I propose that, as an absolute minimum, our ground forces be kept at their present level. Proposed cuts could be disastrous.

Sixth. I propose that we immediately undertake to expand our atomic weapons program.

The Military Applications Subcommittee of the Joint Committee on Atomic Energy, of which I have the honor to be chairman, is now completing an extended 3-month series of secret hearings on the general subject of our atomic preparedness. During these meetings, we have heard from the Secretary of State and the Secretary of Defense, the Chairman and members of the Joint Chiefs of Staff, the Secretaries of the three services, from the Strategic Air Command, the Continental Air Defense Command, the Commander of NATO and from ranking scientists.

These hearings have made it clear to me that our existing and planned atomic production facilities will be inadequate to meet the real needs of our Armed Forces for nuclear weapons. This is particularly the case with small weapons of relatively low destructive power which could be used for anti-aircraft defense and against troops in the field. Accordingly it is my earnest hope that the members of the joint committee will soon see fit to recommend to the President a major step-up in our atomic weapons output.

Yet atomic weapons in themselves can furnish us with no military protection unless we can deliver them against enemy targets. In all sincerity, I regard the recently announced acceleration of 35 percent in our B–52 production schedules as completely inadequate. I believe these schedules must be revised drastically upward. It is my fervent hope that we will not need another Russian May Day demonstration to jolt us into stepping up our military programs along the lines I have suggested, which surely represents the minimum price of national survival.

Will larger military budgets be required to strengthen our Air Force and to expand our atomic production? Of course they will. But defense in this atomic age cannot be purchased in bargain basements. Any peacetime military budget is small, and bearable, when compared with the incalculable cost and horror of the atomic war which may well befall us if our preparations are so weak as to invite attack. Our military preparations cannot and must not be budget limited. Instead, they must be based upon the needs of our Armed Forces and the requirements of our national survival.

Our top military leaders, testifying before the Joint Committee on Atomic Energy, have made it clear that we could not begin to mobilize our resources and step up arms production after an all-out atomic war had started. In such a war, our entire economy could be prostrated in a few days. This fact represents an historic change in our Nation's military position. In previous wars, we have been spared direct attack. With the impetus of a Pearl Harbor, we have had a period of grace to mobilize and produce the goods of war. Today, however, our industries are only a few hours away from the fields of the long-range Russian air force. The period of grace is a thing of the past. As a result we must now build up our armed strength to wartime footing in time of peace.

Some of you may feel that what I have said tonight is too much in the realm of saber-rattling. I have made this speech for the purpose of letting people know the military steps which must be taken to prevent war. In our present peacetime situation, the only rallying force we can use to speed our production and defense buildup is the device of honest information conveyed to the American people by their elected and appointed officials. I believe that an American public fully informed of the clear and present danger to our security will support an effective defense program now with the same vigor they showed in our mobilization effort after Pearl Harbor.

I should add that this is not a partisan speech or a partisan issue. Both the present administration and its Democratic predecessor have underestimated the strength and potential of the Soviets. This national shortcoming can be remedied only through national support for a new and vigorous defense program.

In light of this critical Russian threat, what can we expect from the forthcoming four-power conference? I hope you will agree that the Soviet military buildup dwarfs in significance the recent shifts in Soviet foreign policy. The real issue at this conference, and in the months of discussions ahead, is whether or not the Russians are prepared to show good faith in their dealings with the free world. The American people will not put much stock in Russian signatures on agreements. But assurance that Russia was genuinely interested in living up to commitments would be warmly received.

What could we regard in days ahead then as a show of good faith from the Soviets—a genuine change of heart? Three things, I suggest, Russia must do to reestablish her credit with the free world.

First, she must lift the Iron Curtain to allow the free flow of people and ideas between Russia and the non-Communist nations.

Second, she must withdraw her troops from the satellite countries occupied at the end of World War II.

Third, she must stop the activities of the Cominform—the agency devoted to the spread of international communism.

Unless the Russian attitude on these questions is changed, we cannot assume that the basic aims of the Kremlin are directed toward a real solution to the cold-war conflict. When the Kremlin moves to lift the Iron Curtain, free the satellites and abandon the Cominform, this will be the essential demonstration of good faith.

Until this time, we must remain hopeful but pessimistic as to Soviet intentions. And we must move promptly to meet the ominous challenge of the Russian military buildup.

Whose Giveaway of Public Power?

EXTENSION OF REMARKS
OF
HON. A. L. MILLER
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 27, 1955

Mr. MILLER of Nebraska. Mr. Speaker, we have heard the accusation many times that the Republican administration is "antipublic power—is giving away power to private industry," or is "violating the preference and withdrawal clauses." The Democrats groping for issues have seized upon these accusations with all the vigor of a minister denouncing sin.

However, let us look at the record. Whose giveaway is it? Who is violating the preference and withdrawal clauses? Who is really antipublic power?

Here is what the record shows. The Democrats controlled the legislative and executive branches of the Government for the greater part of 20 years, and were responsible for the power policy that developed from 1933 to 1953. When they came into office in 1933, they inherited a sound, constructive, and wholesome Republican program for development of the country's natural resources, fostered by the Reclamation Act of 1902, the Reclamation Act of 1906, and the Boulder Canyon Act of 1928. These acts, passed by Republican Congresses under Republican administrations, authorized utilization of water for irrigation and power development, and laid down the policy for the use and sale of these resources. Under the 1906 act it was provided that when the power was sold preference should be given to public and municipal uses, and a comparable provision appeared in the act of 1928 creating the magnificent Boulder Canyon project.

The Democrats, with their usual capacity for adopting Republican programs and converting them to their own use, injected a new philosophy into the field of public power with the passage of the Bonneville Act of 1937. The "preference clause," which previously applied to marketing agencies devoted to "public use," was extended to public bodies and cooperatives, without reference to the use of the power.

Now, how well have the Democrats carried on the public power program? How well have they protected the investment of the taxpayers in the many huge Federal power projects in the country? How much power did they give away to private industry? How well have they observed the preference and withdrawal policies?

As Al Smith used to say, "Let's look at the record." What does it show? The record shows that during the period of 1945–52 the Bureau of Reclamation, the Bonneville Power Administration, the Southwestern Power Administration, the Southeastern Power Administration, and other Federal power groups, under Democratic control entered into a total of 176 contracts with privately owned utilities demanding an energy delivery of 444,599,725 kilowatt-hours in 1952. Only 14 of the 176 contracts carried the preference or withdrawal clause. The record shows that these contracts were made with privately owned groups and were contracts for Federal power, at a time when a serious power shortage in several public power areas in the country was apparent. Some of these contracts, in the opinion of experts, were made at less than the cost of production. The contracts prices ranged from 1.5 mills to 3 mills. One contract was for nearly a million kilowatt-hours, made to a New Deal pet, the Kaiser Aluminum Co. It is still in effect and the price is less than the cost of production.

During this period more than 13 percent of the electrical power produced and marketed by the Federal Government was sold to privately owned utilities under contracts that did not provide for withdrawal, when the power was needed by preference customers. And much of it was sold at prices below the actual cost of production.

Who has benefited by the Democrat public power policy?

April 24, 1939: Arizona Public Service Co., contracted for 30,000 kilowatts of firm power.

March 16, 1940: El Paso Electric Co., contracted for 15,000 kilowatts of firm power.

July 15, 1940: Public Service Co. of New Mexico, contracted for 2,500 kilowatts.

May 29, 1941: South California Edison Co., contracted for 7.05 percent of the firm power at Hoover Dam.

April 11, 1945: Montana-Dakota Utilities Co., 5,000 kilowatts.

June 1, 1945: Community Public Service Co., region 5, 2,500 kilowatts.

July 1, 1945: Riverside Electric Co., Ltd., region 1, 7,541 kilowatts.

December 1, 1950: Community Public Service Co., region 5, 3,000 kilowatts.

December 15, 1950: Idaho Power Co., region 1, 2,000 kilowatts.

Here is the total record of such contracts from 1945 to 1952, made by the Bureau of Reclamation, Bonneville Power Administration, Southwestern Power Administration, and Southeastern Power Administration:

Contractor with the privately owned utilities	Number of contracts nonwithdrawable	1952 contract demand (kilowatt-hours)	1952 energy delivered (kilowatt-hours)
Bureau of Reclamation	33	32,720	2,733,815
Bonneville Power Administration	92	587,000	3,254,203
Southwestern Power Administration	36	149,000	237,018,525
Southeastern Power Administration	1	60,000	12,065,952
Total	162	828,720	255,072,495

The entire Democratic power philosophy seems to be that the savings in power costs, if any, at projects built at Government expense, should be passed on to those marketing agencies of a public nature, regardless of whether they use the power for public purposes or for resale to private users. In other words, the Federal Government should build all projects, sell the power to all comers, at cost or below, and then pass the cost back to the taxpayer. This is well illustrated by a memo by Harold Ickes on January 3, 1946, in which he stated:

> Active assistance, from the very beginning of the planning and authorization of a project, shall be given to the organization of public agencies and cooperatives for the distribution of power in each project area.
>
> The statutory objectives are not attained by merely waiting for a preferred customer to come forward and offer to purchase the power.

We Republicans do not understand public power in this sense. We understand it in the historical sense, that power, as all other resources, should be used for the benefit of the public. Preference must be given to those customers, whether State, local or private in organization, who devote this resource to the public good. This is the policy that went into the original reclamation acts and the Boulder Canyon Act, and it is the policy we are following today.

If the Democrats wish to draw the battleline upon the issues of irrigation, reclamation, and power, let them do so. If they wish to talk about public power and private power, let them do so. If they wish to talk about giveaway, let them do so. But let us find out whose giveaway it is. It is clearly shown by all records that the Democrats have violated over and over the preference clause in the sale of Federal power. Long-term contracts have been entered into which never would have been tolerated under the Republican policy of protecting preference customers.

Wisconsin Is Proud of Lester Johnson

EXTENSION OF REMARKS
OF
HON. HENRY S. REUSS
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 27, 1955

Mr. REUSS. Mr. Speaker, the people of Wisconsin are understandably proud of our colleague, LESTER JOHNSON, from the Ninth Congressional District. LESTER JOHNSON represents a primarily rural part of the State, but he has shown a remarkably understanding attitude for the needs of city people.

LESTER JOHNSON understands that city and farm folk must work together for the common good of all Americans. He has always recognized that a prosperous industry and a prosperous agriculture are mutually interdependent.

The election of LESTER JOHNSON has brought to this House a man who appreciates the needs of an expanding economy benefiting both city people and farmers alike. LESTER JOHNSON'S fine

support for city and farm legislation has exemplified for me how to act in the public interest.

It is gratifying that LESTER JOHNSON'S colleagues in the House appreciate the outstanding job he is doing here, not only for the people of his district, but for all America.

Are We Losing Japan?

EXTENSION OF REMARKS
OF
HON. MICHAEL A. FEIGHAN
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 27, 1955

Mr. FEIGHAN. Mr. Speaker, in the July 17 issue of Parade magazine, a very significant article written by our distinguished colleague from Connecticut, the Honorable THOMAS J. DODD, appeared under the heading, "Are We Losing Japan?" This article is a brief, concise, and factual analysis of what has happened in Japan from the point of view of Communist subversion and long range planning during the approximately 10 years since V–J Day.

The author of this article has had long experience with tyrants and tyranny and knows from his hard, cold experience gained as chief prosecutor at the Nurnberg trials, the dangers which Red colonialism presents to our free way of life. Congressman DODD points out that "we have the ability, the courage, and the know-how to save Japan from being neutralized or, worse yet, turned against us, but time is running out." This highly informative article will be of interest to all the Members of Congress because Congressman DODD indicates what we ought to do with what time we have left if we want to save Japan from going neutral or being turned against us.

Under leave obtained, I insert the article in the RECORD:

ARE WE LOSING JAPAN?

(By Hon. THOMAS J. DODD, of Connecticut; member, House Committee on Communist Aggression)

The United States is in real trouble in Japan. The onetime enemy we had counted upon as the chief bulwark of freedom in the Far East is drifting farther and farther from the free world camp, closer and closer to the Communists and the neutralists. This was apparent in the recent Japanese election, when an assortment of leftwing, Communist-directed parties picked up enough seats to defeat our hope of Japanese rearmament. Now we are confronted with a rising tide of anti-Americanism, plus Russian-Japanese conferences that may drive a deeper wedge between the two nations.

Shocking things have been going on in Japan since World War II ended—things that have been kept from the American people by military government and censorship. As a result, our position on the critical Asian front is in jeopardy.

On the basis of personal conversations with informed Government officials abroad, testimony before congressional committees, and statements of Japanese, here are the facts as I see them:

Japan could be completely paralyzed within 24 hours by a Kremlin-called general strike.

Of 5 million organized workers, 3,500,000 are under the control of Communist-dominated unions. They are all in key industries and are directed by Moscow-trained experts.

Communists influence in education ranges from nearly 100 percent control of elementary-school teachers to 10 percent of the university graduates.

Japanese Diet (parliament) members who have been wooed and won on visits to Red China would take a neutral or anti-American stand in a crisis.

Japanese prisoners of war held for years by the Reds were given super-Communist training and are one of the best trained party cadres in the world.

All these Communist gains were scored while our Army of Occupation controlled Japan. How? Responsible members of government say the infiltration began when we permitted Russians aboard the U. S. S. *Missouri* for the signing of the Japanese surrender. That was the signal for Kremlin-directed agents to move in. They have made their biggest strides in the fields of labor, education and propaganda.

Under the noses of Gen. Douglas MacArthur and his staff, the Reds wormed into the labor unions on the pretext of broadening the base. This "broadening" process has now reached the point where 70 percent of organized labor is Communist-dominated. Only the farmers have resisted, and even with them the Reds have made headway. Their left wing "Japan Farmers' Union"—partly through confusion with the conservative "Old Japan Farmers' Union"—now has almost half a million members and rivals the older union in numbers.

The most tightly controlled Red union is the Japanese Teachers Union. Its devoted members, with practically complete control of the schools, drum into children the lessons of the party line: Japan wants peace—but the United States is an enemy of peace and the Chinese Nationalists have "sold out" to the enemies of peace.

The teachers further use their positions to electioneer, instructing children to urge their parents to vote for left-wing, pro-Communist candidates. This tactic helped the Reds gain strength in the recent Diet elections.

In the propaganda field, more than 20 of Japan's most popular and widely read publications are sponsored, published, owned or controlled by Communists. Thus, the two primary sources of education—schools and the press—are under Kremlin control.

Can we halt Japan's leftward drift, or even reverse it? What is the best the United States can hope for in Japan?

We can control the Red threat only by meeting it where it began—on the local level. Our propaganda program in Japan—and throughout the Far East—should be improved and increased. Truth is our strongest weapon. We should present it so that the teeming millions of Asia can understand it.

There is a vague hope that the recent upheavals in Moscow may reflect themselves in a struggle for control of the Japanese Reds. But that is wishful thinking. We need a positive, vigorous program that will help bring about economic recovery in Japan with resulting financial and political stability. Something must be done right now to take up the slack in heavy industry created by the recent election loss of the rearmament program.

A JAPANESE MARSHALL PLAN?

If the Marshall plan could meet and defeat communism in Western Europe, a similar plan can do it in Japan. We must start thinking and working now toward the day when Japan will be able to take her place in the Southeast Asia Treaty Organization.

Another weapon in our battle for Japan is the tariff. Recently, Congress gave President Eisenhower the power to lower tariffs over the next 3 years. Perhaps, in the great need to rehabilitate Japanese economy and trade, he will find that special measures must be taken to defeat Communist expansion there.

And the turbulent political situation in Indochina also affects Japan, for that country long has been Japan's breadbasket. Now that half of Indochina has gone to the Communists and the other half is menaced, the problem of Japanese communism is tightly tied to the problem of communism in Indochina. The fall of southern Vietnam to the Reds might nullify all the progress made in Japan since the war.

I believe that we have the ability, the courage, and the know-how to save Japan from being neutralized or, worse yet, turned against us. But time is running out. While we mark time, Communist propaganda goes unchecked and the Red octopus spreads its tentacles ever farther into the economic and social life of Japan.

Land for Security Assembly of the Jewish National Fund

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 27, 1955

Mr. MULTER. Mr. Speaker, I wish to share with our colleagues the great pleasure and satisfaction that I received from attending the Land for Security Assembly of the Jewish National Fund.

The four-day Assembly which began on March 10 at the Willard Hotel in Washington, D. C., was truly historic. Its significance reaches far beyond the American Zionist or the Jewish people as a whole. Indeed, there are many lessons to be learned from this Assembly and from the ideals and actions of the Jewish National Fund.

This meeting recognized and evaluated a movement that is unique in the history of man's efforts to achieve dignity and security in a troubled world. The Jewish National Fund was begun in this country in 1901. It was founded on a dream, conceived by Theodor Herzl, the prophet of Zionism. It took as its objective the redemption of the undeveloped soil of Palestine for the Jewish people. Land—arable and productive—is the common denominator of all peoples. Without it, there is nothing; only with it, can real progress be envisioned.

The method and plan used by JNF was quite simple: to solicit funds from Jews everywhere to be used to purchase land in Palestine which would eventually become a national Jewish home. The significance of this movement became even greater with the ravages of two world wars and the martyrdom of six million European Jews.

The advent of the State of Israel in 1948 enabled JNF to intensify its efforts. It could now concentrate on making the Israeli land productive and militarily secure from its hostile neighbors. What this meant to the leaders of JNF was the planting of trees on a grand scale, the irrigation of "useless" desert lands and the reclamation of swamp

areas. A heroic effort was, and still is, being made to make the limited resources of Israel do the best possible job. The situation is desperate, but there is no other way that Israel can support its rapidly increasing population and still remain true to its democratic principles.

This Assembly was an opportunity not only for spiritual rededication, but also for practical planning. A five-year plan was endorsed which will make available an additional $53 million for the JNF program. Important stress was placed upon the Foundation. The Foundation is an instrumentality set up by JNF as a means of receiving the proceeds of insurance policies and testamentary bequests for its important work.

A new agency—the Joint Authority for Public Land—was initiated to coordinate the activities of government agencies and JNF in administering the precious landholdings of "the Jewish people." All these are very real gains in a long struggle.

The inspiring messages of the many eminent speakers at the Assembly brought home to all of us who were present the soundness of the JNF ideal and the humanity of the JNF principles. Nevertheless, the sobering tones with which the job ahead was described showed a feeling of great anxiety. The task is a very great one, and the world situation poses critical economic and political problems.

The land acquired and redeemed by JNF is held in perpetuity for the benefit of the Jewish people who live in Israel. Those who use it pay a nominal rent as long as they occupy and utilize it. The rent income to JNF is used to acquire and develop additional land.

In making the presentation of a plaque to Senator ALBEN W. BARKLEY, as a memento of the Barkley Forest in Israel, I said in part:

We have chosen to honor tonight one of the truly all-time young statesmen of our day. He has participated in the Jewish National Fund for many, many years. Many is the time he visited the White House and headed our cause, the cause of Zionists, the cause of American Jews, and the cause of Israel.

I think we will have done the appropriate thing tonight when we present him with the Barkley Forest—a forest of trees which mean hope, faith, security, and, above all, peace. Wherever Jews go, the one thing they preach and teach by word and action is Sholom—Peace. The gentleman we honor tonight is one of the greatest exponents of peace that our times have produced. It is with a great deal of pleasure that I present to him this very beautiful plaque as a memento of the presentation of the Barkley Forest.

The text of the plaque reads:

The Jewish National Fund of America presents this citation to Honorable ALBEN W. BARKLEY, in grateful recognition and heartfelt appreciation of his career of outstanding statesmanship, his matchless and unceasing efforts in behalf of democracy and humanity, his invaluable and unforgettable aid in the establishment of the State of Israel, his full comprehension of the social significance of the ideals underlying the land program of the Jewish National Fund, and his untiring efforts in espousing its ideals and in bringing its message to the American people. In token of our esteem for him as a great American, a great leader, a champion of the cause of Israel, this Citation is presented on the occasion of the dedication of the Alben W. Barkley Forest in Israel, contiguous to the Harry S. Truman Forest, thus forever linking America's two most illustrious names with the eternal soil of Israel, towards which he has given of his great gifts.

In witness whereof we have subscribed our names and affixed our seals this 13th day of March, 1955.

HARRIS J. LEVINE,
President.
MENDEL N. FISHER,
Executive Director.

The "Veep" responded in part as follows:

God made the land like he made the tree, and he never intended that land should be the monopoly of any small group. Many of our troubles now in many parts of the world would never have overcome the world if there had been proper land distribution and if governments had kept their word with the people in the distribution of the land for their use and cultivation. The Jewish National Fund has been the forerunner of the economic life of this new State of Israel, and the State of Israel is one of the miracles of modern times.

I have always been proud that our Nation was the first to recognize it. In response to its membership in the United Nations, we helped it. We have always been a friend of Israel and a friend of the Jews, and no act of any kind, by any individual or anyone in an official capacity, can convince me that the American people are not, still, and will continue to be the friends of the Jewish people and friends of the State of Israel.

A few brief excerpts from some of the fine speeches delivered at the Assembly are as follows:

Senator RICHARD L. NEUBERGER of Oregon said:

Individual citizens should make the same investment in Israel today that our Government ventured a century ago in the development of the American West. Without such investment, our West never would have been settled or developed.

Dr. Israel Goldstein, honorary president of the Jewish National Fund, spoke as follows:

This conference is an appropriate sequel to last week's conference. If last week's conference may be compared to the signal corps of an army, this week's conference is the infantry who do the leg work.

Dr. Harris J. Levine, president of the Jewish National Fund, spoke as follows:

The Jewish National Fund is an association of Jews throughout the world, with headquarters in Jerusalem, concerned with the reclamation and development of the soil of Israel in preparation for the settlement of large masses of Jews fleeing from persecution and in search of a haven and a new lease on life in the land of their and of our forefathers. As an organization dedicated to peace we have but little interest in military affairs.

Dr. Max Nussbaum, Los Angeles Zionist leader, spoke as follows:

It is upon us as Jews to imitate God and to fulfill what our historical movement has promised—to make Israel a homeland for our people and a blessing to mankind.

I'm certain that you will all join me in wishing for the Jewish National Fund continued success.

Address by the Honorable Richard M. Nixon, Vice President of the United States, at the Dedication Exercises of the National Shrine for the Jewish Dead, Jewish War Veterans, U. S. A., National Memorial, Inc., May 22, 1955

EXTENSION OF REMARKS
OF
HON. DeWITT S. HYDE
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 27, 1955

Mr. HYDE. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include an address made by Vice President NIXON before the members of the national executive committee of the Jewish War Veterans at the dedication exercises of the National Shrine for the Jewish Dead, on May 22, 1955:

Commander Dorfman, Commander Barr, Rabbi Goldberg, distinguished guests on the platform, and ladies and gentlemen, I want you to know that I consider it a privilege to have been able to rearrange my schedule, as Commander Dorfman has indicated, to be with you today to participate in these very solemn ceremonies.

It is true that the Vice President of the United States does have a number of official functions to perform during a week or during any particular day but I can assure you that there is not any one of them that I consider a greater honor or a greater privilege to perform than to be with you today.

This shrine which we are dedicating is one which I think can mean and will mean in the years ahead a number of things. Might I suggest just three things I think it would mean to me and, perhaps, to you and the American people.

First of all, it is a shrine which will be a reminder of the splendid contribution made to American life by the organization which has been responsible for its erection, the Jewish War Veterans. I think we all are appreciative of what has been done by Commander Barr and others who conceived the idea of the shrine and then worked through the years until finally the idea has reached fruition. And then, second, this shrine will be a reminder for all Americans of the tremendous sacrifices and the great contribution made to America by Americans of Jewish faith in the wars in which this country has been engaged.

There are men like the Congressional Medal of Honor winner who was introduced just a few moments ago, Ben Kaufman; a man who was honored for his gallantry by nine Allied Governments in addition to our own, and a man who proved his greatness by refusing a commission so that he could stay in the ranks with the men with whom he had fought and for whom he had done so much.

He was a World War I Congressional Medal of Honor winner. Then, in World War II, there were other Congressional Medal of Honor winners of Jewish faith. Isidore Jackman, for example, was one man who made a great contribution—a paratrooper who because of his bravery was able to save the lives of perhaps a whole company to which he was attached.

And then, in addition to these men who have made such great sacrifices and whose contributions have been recognized by the government of their country, there are the thousands of others who had to do their routine jobs—routine jobs which had very

little glamor but necessarily had to be done in order for the victory to be won. This shrine will be a reminder of the contributions they made as well as the contributions that were made by those whose exploits won the applause of the whole Nation and of the Congress of the United States through the award of the Congressional Medal of Honor.

And I was thinking, too, that this shrine might be a reminder of men of Jewish faith who have made contributions during our wars and have not even been members of the armed services but whose contributions, nevertheless, were perhaps as great.

In studying the history of the Revolutionary War, certainly there was no greater hero than Haym Salomon, the man who, time after time, came to Washington with the funds to pay the troops, to take care of the rations, and to provide the necessary equipment to assure victory.

His contribution, it has been estimated, would be $4 million in terms of money as we know it today. And the extent of his contribution is measured by the fact that he died penniless at the age of 45.

And so this shrine will be a reminder of the contributions made by the heroes, by the men in the ranks, and by those who have contributed in other ways than military service to defending this country. But I think it is more than that. I think we should have in mind, as American citizens, that this shrine, in a sense, is symbolic of the greatness of America.

I like to think of America's because no nation has had in modern times a greater history than ours. It is rather difficult to realize that it was only 160 years ago that there were only 3 million people in this country and that today there are 160 million. But 160 years ago there were only 13 colonies joined together on the Atlantic seaboard. Now we have a great continental power of 48 States, with Territories in other parts of the world as well.

It is hard to realize that that small, weak agricultural economy has grown to the point that today the United States produces over one-half the world's goods. It is hard to realize that a country that was despised by the rulers of the world as being too weak because it gave men too much power and gave governments too little today is recognized as the most powerful nation on the face of the globe.

Now how did it happen? You can give a lot of reasons if you ask different people why America has progressed as it has. I know some will say that America has become great because it has had great natural resources. That is part of the reason, but not all, because other nations have had resources as great as ours and they have not progressed as we have in that period of time.

Then there are others who will give the answer that America has become great because we Americans have been and are a great people; but who are the American people? This is no master race. Americans came from all the continents, from all the countries of the world. All races, all creeds, all religions are here. It is inscribed in the immortal words of Emma Lazarus on the Statue of Liberty: "Give me your tired, your poor, your huddled masses yearning to breathe free." And so they came to America and, in the climate of freedom that men and women found here, their energies were released and they made contributions to progress greater than men and women had ever made to a civilization in the history of mankind.

And so, as we analyze America's greatness and the reasons for it, I think that we are a great Nation because we have recognized some fundamental truths.

We have differences in our country, differences in customs, traditions, and religions, but we have also recognized that if we have respect for our differences and if we have common beliefs in great principles of freedom, equality, and justice for all, we can transcend those differences, we can thereby create a united people whose power will be as great or greater than any people on the face of the earth. That is the American's creed. It is what America stands for. It has been and today is the hope of the world.

And so, as we dedicate this shrine, I say let us think not only of the organization which made it possible. Let us think not only of the men who have made sacrifices to whom this shrine is specifically dedicated, but let us also think of the country, the Nation, our Nation, which this shrine symbolizes.

And let us never forget that men in the past in the wars in which America has engaged have been willing to make the supreme sacrifice to defend our principles and our freedom, and that, in the future, the responsibility of military service which falls upon our young people is not one which should be shirked.

It is not one which should be complained about, but it is one that should be accepted as a privilege, a privilege to give our services in maintaining and perpetuating our great Nation in which we are privileged to live.

It has been an honor to be with you. And I trust that through the years this shrine will be a reminder of the principles which have made America and our people the great Nation and the great people we are.

The Big Four Conference at Geneva

EXTENSION OF REMARKS
OF
HON. USHER L. BURDICK
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 27, 1955

Mr. BURDICK. Mr. Speaker, you will recall that last week I gave an outline of what I thought of the Big Four Conference at Geneva, and without claiming too much for myself I can state that the result was just what I expected. Knowing the Russian communistic philosophy pretty well, I could forecast that the Russians would shy away from a united Germany and would not discuss Russian aggression. They were nice and smiled better than they have before, yet the communistic determination to spread their propaganda beyond their own borders was as insistent as ever. They did not call us names, as Vishinsky and Molotov have religiously done before, but they opposed us as solidly as ever on essential points.

President Eisenhower performed admirably and, I think, did break down the barriers of ill-feeling against the United States that the Russians in their propaganda had succeeded in building up. From the great newspaper spread of President Eisenhower's speeches, the world has been officially advised that the United States seeks nothing but world peace, and that we were sincere in our efforts at Geneva to bring about world peace. I think the position of the United States has been so admirably put before the conference by the President that even if there is nothing agreed to, we have gained by the conference.

The President did not surrender any rights of the United States and made it perfectly clear that we would agree to a reduction in armaments, provided there was a clear and complete inspection of the arms program of our potential enemies. The President played a trump card when he said we would offer for inspection of any of the big or little powers our armament blueprint if Russia would do likewise, conditioned on a free inspection of the arms buildup of those with whom we sought a limitation of armaments. The Russians did not accept this offer, and the world ought to see that the United States is acting in good faith, but reserving the power of self-defense against any nation that may not be sincere. The Russian word has been so many times repudiated that unless a thorough inspection of Russian armaments were made a part of the general curtailment of armaments, the bare agreement to disarm would be only a gesture and might, as it has in the past, be a gesture to our great damage, as was the sinking of our fleet in the Gulf of Mexico.

The President is to be congratulated for putting his statements right on the line and in doing so gave up nothing in concessions as was done at Yalta and Potsdam. The President meant just what he said, and I am sure he has the backing of 99 percent of the people of the United States. I feel that the position of the United States is much more understood by the world than it was before the conference, and that the attempt on our part to bring about world peace was not in vain.

Schenck To Confer With Residents of His District

EXTENSION OF REMARKS
OF
HON. PAUL F. SCHENCK
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 27, 1955

Mr. SCHENCK. Mr. Speaker, it is my high honor and great privilege to represent the very important Third District of Ohio here in the Congress of the United States. I am humbly grateful for this opportunity to be of service and it is my constant aim to represent all of the people of my district in the very best and most sincere manner possible. It has also, Mr. Speaker, been my constant policy to keep in close personal contact with all of the people of the Third District so that I may know their opinions and feelings in the vital and challenging problems with which we are faced here in the Congress.

Our Third District, Mr. Speaker, is located in the great and beautiful Miami Valley of Ohio. The people of this area have made many outstanding contributions to the health, welfare, and progress of our Nation and the world. Not only is it the birthplace and cradle of aviation but many of its other inventions and

products are serving people all over the world. Our people are skilled in many ways and we have developed scientific projects, manufacturing, and agriculture to an unusually high degree.

It has been my constant aim, Mr. Speaker, to not only keep well informed as to the opinions of my constituents but also to be of the greatest possible and proper service to each and every person in the Third District who has a personal problem with some department or agency of our Federal Government. Therefore, Mr. Speaker, I initiated the idea of holding "grassroots conferences" throughout the district 4 years ago and have continued to hold them each year during the time Congress is in adjournment. I also have a full time congressional service office at 314–315 United States Post Office Building in Dayton, where I can meet with people personally at such times as my official duties permit me to return to the district. During the times when my legislative and official duties require me to be in Washington, a competent secretary is in charge of my district congressional service office to assist anyone and to prepare reports and requests for me to properly help them in their problems involving some Federal department or agency. Thus, Mr. Speaker, I have sincerely tried to not only keep well informed as to the personal opinions of my constituents but I have also continuously and sincerely tried to be of every proper service to them.

Members of Congress, Mr. Speaker, as you well know, are constantly called upon to carefully and earnestly consider legislation in connection with many complex national and international problems. Such decisions often affect the lives and living of every citizen to an unbelievable extent. These personal, face-to-face conferences, therefore, help me to serve them in a much more effective manner.

Again this year, Mr. Speaker, I will take time during the period of our official congressional recess to hold these "grassroots conferences" in the courthouses and city buildings of a number of our communities. Facilities for these conferences have been made available through the fine cooperation of many officials who agree with me on the value of this service to all our people.

This is the schedule I have arranged:

Hamilton, courthouse, September 6 and 7; 9 a. m. to 4 p. m.

Miamisburg, city building, September 8; 4 p. m. to 8 p. m.

Germantown, city building, September 9; 4 p. m. to 8 p. m.

Brookville, city building, September 10; 4 p. m. to 8 p. m.

Dayton, Federal building, September 12 and 13; 9 a. m. to 4 p. m.

Middletown, American Legion, September 14 and 15; 9 a. m. to 4 p. m.

Oxford, municipal building, September 16; 4 p. m. to 8 p. m.

Fairfield Village, town hall, September 17; 4 p. m. to 8 p. m.

It is surprising, Mr. Speaker, and highly gratifying to see how much can really be accomplished when a citizen and his Congressman can sit down face to face and talk over national and personal problems. The growing number of people each year attending these conferences is most encouraging. No special time appointments are necessary. I urge, Mr. Speaker, that any individual or group meet with me on the date and at the place most convenient to them. With the knowledge obtained from these "grassroots conferences," Mr. Speaker, I am enabled to render better legislative and personal service to all of the people of the important Third District of Ohio here in the Congress of the United States.

Report to My Constituents

EXTENSION OF REMARKS

OF

HON. A. L. MILLER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 27, 1955

Mr. MILLER of Nebraska. Mr. Speaker, the Congress is nearing adjournment, and its stamp has been impressed upon many vital phases of our life. It is advisable to pause and reflect upon the accomplishments of the first session of the 84th Congress. I have always followed this plan at the close of each session of Congress.

The Fourth Congressional District is one of the finest districts in the United States. The people are considerate, understanding, and 100 percent Americans. It has been my privilege for the past 13 years to serve the people who live in these 38 counties in central and western Nebraska as their Representative in the most important and powerful legislative body in the world. I have at all times tried to be a conscientious elected servant to all of my constituents, regardless of their political affiliation. I am elected to represent all residents of the Fourth District. In making this report, I want the people to know how I have voted on legislation. I want them to know my philosophy of government, and I want them to know how I feel about the problems facing our Nation and the world.

It is incumbent upon all of us in the Congress to keep in touch with the citizens as closely as possible, and it is our duty to keep them informed because the intelligent citizen and the voter is the one who is the best advised. In this interest, I write a weekly newsletter that goes to 84 newspapers, 13 radio stations, and about 900 friends in the Fourth Congressional District. For 13 years I have recorded a weekly radio program entitled "What's Happening in the Nation's Capital," which is now broadcast by the following radio stations: KMMJ and KRGI, Grand Island; KODY and KNBR, North Platte; KGFW, Kearney; KNEB and KOLT, Scottsbluff; KCOW, Alliance; KCNI, Broken Bow; KRVN, Lexington; KSID, Sidney; KCSR, Chadron, and KOGA, Ogallala. We try to make these programs as informative as possible, and have been privileged to interview as our guests many Nebraskans visiting or working in Washington.

GOVERNMENT CLINICS AND QUESTIONNAIRES

In the off-election years I conduct "government clinics" at each of the 38 county seats in the Fourth Congressional District. The first hour is a "Youth Wants To Know" program. The last hour is for interested citizens who may attend. I am not there to make a speech but to render an account of my stewardship in the Congress and to answer any questions by the audience relative to our Government in Washington. The people may not always agree with my views or the way I have voted on the many bills in Congress; they may be right, and I may be wrong, but I do believe they are entitled to know how and why I have voted on the issues. The questions asked at these clinics—averaging about 50 in each 2-hour session—have been most helpful to me.

Every 2 years I prepare questionnaires dealing with many of the important current problems, and mail them to the 84,000 boxholders in the Fourth District. In alternate years I also send out farmers' bulletins. The response has been most encouraging and helpful.

It has been my practice for many years to attend a large number of county fairs and fall festivals, or other similar celebrations, so that I may have a chance to meet and talk more closely with the people I represent. I also try to keep as many speaking engagements as possible, before civic, farm and church groups in the district, when the Congress is not in session.

When we are in session, I seldom leave Washington, and have had to turn down many kind invitations to appear at various functions in Nebraska. The folks at home elected me to represent them as their Congressman, and if I am to do a good job, I must answer the rollcalls, attend the sessions and the meetings of my committees. The record will show that I have attended nearly every meeting of the House and my committees, and have missed few if any rollcalls.

WORLD PEACE

Mr. Speaker, I view the events of the past 6 months with mixed emotions. There are many things I believe we can enter on the plus side of the ledger. Here are some of them: First, and for this the whole world should give thanks, there is peace all over the face of the earth for the first time in many, many years. This is due, in great part, to the magnificent leadership of President Eisenhower. The Korean war was stopped shortly after President Eisenhower took office, and the battle fires that threatened Indonesia, China, Formosa, and the offshore islands, flickered briefly and died. It was reassuring that the President asked Congress for its advice by endorsement of the Formosa defense policy, showing a mutual confidence that has not existed for many years.

By taking the initiative in foreign affairs, the President arranged and attended meetings "at the summit" with the leaders of Russia, France, and Great Britain, to explore ways and means for nations to live together in peace. He has kept the people informed.

There will be no secret deals as at Yalta or Potsdam out of these top meetings.

PROSPERITY

With peace, we now have a prosperity that has never been equaled. The value of the dollar has been stabilized, and has varied only a fractional percentage point in the past 2 years. Wages have reached record heights and continue on a steady incline. We are producing and selling more goods than ever before, with the highest national income in our history.

Great advancement has been made in the development of the atom for peaceful purposes. What was once the greatest destructive force the world has ever known will soon become an equally great tool for man's preservation. All this has been made possible because our scientists have been able to concentrate more and more on the peaceful application of their tremendous knowledge. Much credit should go to the President and his administration for their part in encouraging peacetime uses of atomic products.

Work stoppage, and production and income loss through strikes is at an all-time low. In all our history employment has never been higher, and unemployment lower, than now. College graduates, particularly those with technical skills have never before faced such a bright future. All young men and women can look forward to better economic rewards and a higher standard of living than at any other previous time.

LOYAL GOVERNMENT

We can also be proud of the Government house-cleaning job that has been accomplished by the Eisenhower administration. Many thousands of unnecessary Government jobs have been eliminated. Security risks have been rooted out by the hundreds. By the end of June 1955, a total of 59 top Communists have been convicted in the Federal courts since this administration took over approximately 2 years ago, compared with 31 during the period 1948 to 1952, and none during the 1940 to 1948 period. This is not a "government by crony." The influence peddlers and 5-percenters have left Washington for greener pastures; there is no longer a market for their services in the Nation's Capital. Many significant income tax fraud cases, hushed up by previous administrations, have been brought to light and prosecuted. Honesty and confidence in government have been restored. Wrongdoing is not tolerated by the President.

TAX CUT

Last year's Republican-controlled 83d Congress gave the people a $7.5 billion tax cut—the first in many years, and the largest ever. I am confident that, if President Eisenhower's program can be adopted and carried out, another tax cut will be forthcoming in 1956.

BALANCED BUDGET

This administration, in 2½ years, has come a long way toward balancing the budget. In the 1952 election campaign, Mr. Eisenhower publicly promised to cut Government spending and to bring our fiscal policies back to sanity. The deficit has been cut from the inherited $9.5 billion to an estimated $2.4 billion. The Secretary of the Treasury states further that if revenues continue at the present rate, and if economy moves proposed to the Congress can be carried out, this deficit will be wiped out and we will finish fiscal 1956 with a balanced budget.

GOVERNMENT SPENDING

Government spending has been reduced. In 1952 the Government spent more than $80 billion. We are now presenting an improved, more efficient Government, with more service to the people, for approximately $20 billion less. Even with the high requirements of the defense program, increased veterans' benefits, accumulated interest on the national debt, extended social-security benefits, enlarged atomic research and development programs and many innovations of the Eisenhower administration, during each year since 1952, the Government has spent less and less money. We are doing so by increased efficiency, less waste, and a forceful businesslike approach to this business of government. This was long overdue.

POLITICS

The work of the 84th Congress presents an interesting picture. The executive branch is controlled by the Republican Party, the Congress by the Democrats.

With presidential and congressional elections coming up in 1956, it is somewhat a time-honored tradition that much of the legislation and maneuvering will be aimed at these 1956 campaigns, and that the party out of control of the executive branch will devote a great part of its time to creating political issues. Throughout the session the Democratic leadership was trying desperately to find some issues on which to obtain public support and discredit the Eisenhower administration. These efforts ranged from squirrels, golf, the President's churchgoing, and Mrs. Eisenhower's health. The Democrats are attempting by this method to confuse and frustrate the President' efforts, because they have no real issues. It is hard to fight prosperity and peace. The Democratic controlled committees have kept their eyes on the political barometer. Other politically filled issues: the $20-tax cut, the postal pay raise, the highway bill, and much legislation originally suggested by the administration, but changed to give it a Democratic flavor.

AGRICULTURE

One of the dark spots on the picture comes from the trouble farmers are having in meeting rising costs with falling income. The Government storehouses are bulging with approximately an $8 billion surplus of many crops supported and urged during wartime. In wartimes these surpluses are not even called surpluses; they are blessed reserves. But in times of peace, they can sometimes become a problem. We are doing everything we can to help the farmers share in the prosperity, through improved research, increased markets, assistance programs, and other plans that are being explored by the Congress and various departments of the Government. I have great confidence, too, in the ability of the farmers to solve many of their own problems. I believe agriculture is over the hump and better days are ahead.

SOCIAL SECURITY

The social-security law was broadened to include most of the professions, excepting medical doctors. Women are now eligible for retirement benefits at age 62 instead of 65. Disabled persons may draw social-security payments beginning at age 50; and the tax will be increased from 4 percent to 5 percent beginning January 1, 1956, if the House bill is approved.

IRRIGATION AND RECLAMATION

I have sponsored five bills in this session of the Congress dealing with and directly affecting irrigation, reclamation, and flood-control projects in Nebraska. One provides for Federal-local partnerships in small irrigation projects, similar to the bill I introduced in the 83d Congress.

A second would authorize the Bureau of Reclamation to begin construction of the Ainsworth irrigation project, which was included in the Missouri River Basin project by an earlier law.

A third would create a partnership between the Federal Government and the Midstate Reclamation District in Hall, Buffalo, and Merrick Counties, for irrigation and power on the Platte River.

A fourth provides for construction of the Farwell irrigation unit on the Middle Loup River, another facet of the Missouri River Basin project.

A fifth bill would authorize the Corps of Engineers to build several small flood control and conservation dams in the Gering Valley on the North Platte River. The need for such a project was recently emphasized by the heavy rains and resulting flood damage in that area.

It is my belief that the Congress must continue to cooperate in the planning and construction of irrigation and reclamation projects so long as they are sound and will pass the rigid tests of physical and economic feasibility. Money spent for irrigation and reclamation projects is a wise investment in the future of America. Water on good land at the right time produces crops and brings security and new wealth to a community.

ADJOURNMENT PLANS

I plan to return to Nebraska just as soon as the Congress adjourns, and I am looking forward to meeting and talking with as many of my friends in the Fourth District as time permits. I will attend many of the county fairs, rodeos, and other celebrations, and visit with as many service clubs and church groups as possible. I will hold Government clinics in each of the 38 counties in my district, beginning around the latter part of September and ending about a month later. Complete schedules will be sent out later. I hope the schools and public will again take an active part in these public forums. It is always good to get home.

Berea College Centennial Award to Hon. Earle C. Clements, of Kentucky

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Wednesday, July 27, 1955

Mr. BARKLEY. Mr. President, on July 1, 1955, Berea College, one of the outstanding educational institutions of Kentucky, conferred upon my colleague [Mr. CLEMENTS] the Berea College centennial award. On that occasion, the Senator from Illinois [Mr. DOUGLAS] delivered an outstanding address, and my colleague from Kentucky made some striking remarks in accepting the award. I ask unanimous consent that both these addresses be printed in the CONGRESSIONAL RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

ADDRESS BY HON. PAUL H. DOUGLAS, OF ILLINOIS, AT BEREA COLLEGE, BEREA, KY., JULY 1, 1955

I feel distinctly honored at being included in the ceremonies here at Berea tonight in honor both of the college and of my good friend, Senator CLEMENTS.

This is my first trip here. But like most Americans I have long known of Berea and have always admired you. You have done remarkable work in the span of a century. This institution with its buildings and grounds, in comparison with the one room schoolroom of 1855, is tangible proof of that. But far more compelling are the tens of thousands of your graduates and former students. They have lived far better and more interesting lives because they studied and worked here. They have been better farmers, artisans, professional folk, better husbands and wives, better fathers and mothers, better citizens and more truly religious men and women. Through them the good seed of Berea has taken root in innumerable communities and has reproduced itself a thousandfold.

What, we may ask, has been the secret? Why has the experiment been such a success? For if we once know this, not only can the good work continue here even more successfully, but the same principles can be applied elsewhere where the conditions are substantially similar.

I suggest that in the first place, Berea, through its faculty and supporters, has always had a deep concern for people and for its students. This college has, in the best sense of the word, had a religious concern. Students have felt a warm care and affection here which has made the world seem more friendly and which has helped to draw out their best. True religion has entered their lives more fully and has stayed with them.

Secondly, the subjects in the course of study have been well and thoroughly taught. Intellectual slovenliness has not been tolerated. Study has been respectable and insisted upon. The teaching staff has been, and is, competent. Men and women who have graduated from Berea have received a good education. The training in science has been close to the top.

In the third place, Berea has successfully combined learning and labor. European education in the past has been for the leisured class and for the professions. Students were not expected to earn or help earn their living, and their training was either for the professions or for general culture. This practice has been largely copied in this country by colleges of liberal arts. I do not criticize this theory, but I think it is important to realize that it is not the only proper type of education. Such an education would have been ill-adapted to the Appalachian region which Berea has wisely chosen to serve. Berea has seen that education is not merely a preparation for life, but is primarily life itself. It has therefore organized the business of living so that students are largely self-supporting. Farm and forest, hotel and hospital, weaving, painting, and woodwork, as well as the housekeeping jobs needed to keep a community of 2,000 running, give young men and women a chance to work. This helps to pay their bills so that they earn their education. In working they learn the skills which women need for homemaking and men for farming, and many of the crafts. Work is democratized so that all share in the brotherhood of toil. At the same time there is ample leisure for study and for the spontaneous activities which bubble up out of social life. These are great achievements, and we salute Berea for them.

There is a further point. The founders of Berea took their Christianity seriously and believed that, as the seal of the college states, "God hath made of one blood all the nations of men." They took the Declaration of Independence seriously with its statement that all men were endowed by their creator with "certain unalienable rights" and that "among these are life, liberty, and the pursuit of happiness."

And so very quietly, but with conviction, they admitted Negro as well as white students and thereby tried to build better race relations. But half a century ago, the rising tide of intolerance caused the Kentucky Legislature in 1904 to pass the Day Act, prescribing segregation in both the private and public schools of the State. Berea contested the constitutionality of the statue under the equal protection of the law provisions of the 14th amendment, and carried the case to the Supreme Court. It is regrettable that the Supreme Court stood by its earlier decision of 1895 and upheld the constitutionality of the Day law. And in passing it is worthy of note that the one dissent to both decisions came from a sturdy Kentuckian, Justice John Marshall Harlan, who reminded his colleagues that the Constitution was colorblind.

Berea obeyed the law. It had to wait a long time before it was vindicated, but finally last year, a half century after the Day law, the Supreme Court reversed itself and by a unanimous opinion held that compulsory separate education is not really equal education since it tends to give an added inferiority complex to the children and members of the race with an inferior social position and thus handicaps them in the struggle of life.

After 50 years Berea was vindicated. All honor to the brave and noble men and women who stood for these principles when they were unpopular and who endured persecution for their devotion. All honor to this college for the way it has pioneered in human brotherhood.

And now may I say that Berea College honors itself tonight in honoring my friend, Senator EARLE C. CLEMENTS. You in Kentucky know and love him. So do we in the Senate. Like Earl Warren and ALBEN BARKLEY, he is a man who has steadily grown in politics. Honest and efficient county official for two decades, competent State legislator, a good Congressman, a fine governor, and a splendid Senator, Senator CLEMENTS has risen to every new set of tasks and has carried them out, not only with ability, but also with great sympathy and human understanding.

Senator CLEMENTS is now the number two man on our side of the aisle in the Senate, and I can testify that his influence is greatly for the good. He works hard, he has a real sympathy for the underdog, he knows how to get things done, his feet are on the ground, but are never stationary. He is in fact like Berea. Rooted in reality, he is a practical idealist.

It is significant that Senator CLEMENTS as governor expanded educational opportunities for Negroes and promoted integration in the training of nurses and in some of the State's higher institutions of learning. It is reassuring that his long-time friend and associate, the present Governor of Kentucky, manfully announced after the Supreme Court decision that Kentucky would obey the law.

There is a final point upon which I should like to close. Kentucky is a border State. It was this very fact which made the war from 1861 to 1865 so bitter since it divided relatives, friends and sections against each other. The struggle between North and South tore Kentucky apart. But with time has come healing and understanding. Kentucky as a border State can do much good in helping both sections to work out a common program. She is already doing much and this is one of the great contributions of EARLE CLEMENTS and our beloved ALBEN BARKLEY. It is also one of the contributions of Berea.

Without sacrifice of principle and really in extension of the century tested practical idealism of its founders and participants, the second century of Berea should be even more successful than its first.

ADDRESS BY HON. EARLE C. CLEMENTS, OF KENTUCKY, BEREA COLLEGE, BEREA, KY., JULY 1, 1955, ACCEPTING THE BEREA COLLEGE CENTENNIAL AWARD

I accept this centennial award as a symbol, not of my achievements, but of those whose work, whose prayers, whose ideals, whose citizenship, whose learning and whose courage made it possible for Berea to celebrate this 100th birthday.

There are times in every man's life when he sees—exactly at the moment something really fine happens to him—the three dimensions of his own life.

At such times, and they are rare, he sees with an awesome, sudden clarity himself as a yonng man working to build a productive life. And he thinks that he could have worked harder and better.

Then he sees himself in the present and he looks upon what he sees with the detached, objective eyes of a stranger. And he knows he doesn't deserve the honor of the moment.

And then, having glimpsed the past and the present, the third dimension of his life comes in focus and for an instant he watches himself in the future, a man grown old, a man whose only real riches are his memories.

This is such a time for me. Even as I accept the centennial award from Berea College, I am aware that in those days to come, when I am counting memories and not making plans, I shall withdraw, over and over again, this day and this moment from my storehouse of memories.

In the last century many ideas, many purposes, yes, many ideals, were born. And many died. But the ideals of Reverend Fee, founder of Berea, live on, tested by time and found imperishable.

I believe that the tragedy of this age is that there are so many goals in life to which so many men are blind.

There are all too few men and all two few institutions that teach us the goals of life that should challenge and inspire man. But your president, Mr. Francis S. Hutchins, as his illustrious father before him, is such a man. And your Berea College is such an institution.

Today we often hear of maladjusted youth. I believe that one reason for such maladjustment is that youth's capacities for good, its abilities to produce, to contribute, are not fully utilized. Youth demands tall

goals and high personal challenges. Youth wants, most of all, for us to believe in its ability to meet those challenges.

Berea provides youth with proper challenges and believes in the ability of its students to meet them.

I have known many of your graduates. As Governor, I was privileged to have in the office a young lady from your school, and from your town, Bobby Coyle Crosswhite. In my office in Washington, the first person one sees is a Berea student from Beattyville, Rosemary Porter Rorick, who, likewise, proves the value of Berea training. Because of my association with these and other students from Berea, I hold these views of this great institution.

This institution, this Berea of ours, is, I believe, an outstanding example of the equality of opportunity that was in the minds of our Founding Fathers. Here men's minds, not their money, are made welcome. Here man's ability to do good work is welcome, not his talent to get someone else to do it.

In a few minutes we will see the production Wilderness Road, and I look forward to it, because at the time you were holding your baccalaureate services, Sunday, June 5, I "commenced" a journey to the Far East. In southeast Asia and in the western Pacific, I found another kind of wilderness road.

Not the kind we know, a wilderness of forests. No; the wilderness road I saw, stretching from Korea to Japan, to Formosa, to the Philippines, to that little island called Quemoy, to Indochina, to Thailand. This wilderness road was overgrown not with the vines of nature but with the problems of man.

It is a wilderness because peace is a stranger to it; it is a wilderness because hope is a rare and priceless thing; it is a wilderness because mankind has yet to learn by heart the motto of Berea: "God hath made of one blood all nations of men."

But I believe today and standing here, that just as your ideals and the purpose of this institution, to promote the cause of Christ and to contribute to the spiritual and material welfare of the mountain region of the South, conquered the wilderness, that one day man will conquer in the Far East and elsewhere the wilderness of his mind and discover and maintain peace.

You conquered your wilderness with ideals, with prayers, with work. Men can conquer his wilderness with the same three. I have faith he will.

A Six-Point Plan for the Older Worker

EXTENSION OF REMARKS

OF

HON. CHARLES E. POTTER

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Wednesday, July 27, 1955

Mr. POTTER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address delivered by Under Secretary of Labor Arthur Larson at the eighth annual conference on aging, University of Michigan, Michigan Union, at Ann Arbor, Mich., on June 28, 1955.

I am informed by the Public Printer that the speech is estimated to make approximately 2⅓ pages of the CONGRESSIONAL RECORD, at a cost of $187.

I ask unanimous consent that, irrespective of the cost, the speech may be inserted in the CONGRESSIONAL RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

A SIX-POINT PLAN FOR THE OLDER WORKER

(Address of Under Secretary of Labor Arthur Larson)

Three days from now we greet the opening of the new fiscal year. It will bring us in the Labor Department something we have never had before: a special departmental appropriation devoted to the older worker—enough to provide about 30 full-time jobs.

When I saw the theme of this conference, with its unmistakable deeds-not-words tone, I thought that this might be a good time to announce our designs for the year ahead, which are made possible by the understanding and insight of men like Senator POTTER and others on our Appropriations Committee who approved this request.

We have a six-point plan which we mean to carry through, and which we think will make a real dent in the stubborn problem of age barriers to employment.

I would like to sketch the outlines of this six-point plan for you briefly here tonight.

But first—as the television commercials always begin—but first, a word about how we analyze the problem itself for purposes of contriving our line of action. I shall simplify—indeed, oversimplify—the analysis for this introduction, in order to maintain a reputation for conciseness which I at least have in the mind of my son. He came around the other evening while I was working to ask me a question. I said, "Why don't you ask your mother?" He replied, "Oh, I don't want to know that much about it."

First, we divide the matter of aging into its two big parts:

1. Retirement, and the general field of geriatrics; these are the province principally of the Department of Health, Education, and Welfare;

2. Employment of older workers, which is principally the concern of the Department of Labor.

The definition of "older" is necessarily different in the two areas. In the first area, it refers to people old enough to have to retire or to want to retire. In the second area, it refers to any point at which age is an obstacle to getting a job. This may be as young as 45 for a man, or 35 for a woman.

As to this distinction, we have a simple policy. We do not attempt to tell any person whether he should work or retire; we want to leave that to his free choice. Ideally, matters should be so arranged that those who want to retire can have the necessary security to permit retirement, while those who want to work can have the necessary job chances to permit employment. No one—least of all the General Government—is wise enough to make that choice for another person.

Second, having narrowed our subject to that of employment of older workers, we in the Department of Labor divide the occasion for action into two main heads:

1. From the individual person's point of view, we believe that our American traditions dictate that every worker should have an opportunity to do work commensurate with his abilities and potentialities.

2. From the economy's point of view, we believe that the Nation needs the skills and experience of all its workers, including the older workers, more than ever before, both to support the lively growth and change of American business enterprise, and to supply the strength which is expected of us in helping to keep the world free in time of international strain or emergency.

Here again we have a clean-cut policy, which is much broader than the older worker question. We believe that every person should have employment opportunities, and that the country needs the services and talents of every person, without senseless discriminations based on age, sex, race, or irrelevant physical handicaps. What we say about impediments to employment or training or advancement based on age is the exact counterpart of what we say about the same impediments encountered in some circumstances by women, or by minority groups, or by the physically handicapped. We hold, first, that they should be hired, trained, and promoted solely according to ability; and, second, that unless this course is followed the Nation will be gravely enervated at a time when the need for skills is crucial.

To recognize the duality of our motivation is to spare us the error of supposing that what we are doing is big heartedly lifting a social burden for reasons of compassion. Such an approach is both patronizing and unsound, and it certainly will not produce results.

The only promising approach is to recognize that it is good self-interested business for the employer to hire the older worker and good self-interested statesmanship for the Nation to grasp this valuable economic resource.

Having got this far, the matter is narrowed to two more questions: Are these older workers indeed willing and able to work, and are there suitable jobs available?

Willing? Clearly yes. Only about 5 percent retire voluntarily while in good health. We should be happy that this is so. It means much for our productivity. It means more personal satisfaction to the person. And it means a lightening of the social cost of pensions, which otherwise might rise by billions of dollars.

Able? Yes. Such knowledge as we have gained from the fragmentary studies that are available teaches us that arbitrary age barriers are no longer justified by experience or by physiological fact.

Are there suitable jobs at hand? Yes. We assume, of course, a healthy, vibrant, ever-growing business life in this country. And we must be alive to the fact that a change is going on in the nature of the demands made by current employment. Technological progress, including automation through use of electronic controls and the like, is doing two things at once: It is removing the features of employment, such as the requirement of muscular strength, which formerly put age at a disadvantage; and it is creating demands which put a premium upon those qualities associated with maturity—dependability, responsibility, judgment, breadth of experience.

Perhaps you saw the delightful cartoon in the last issue of the Saturday Review of Literature. It depicts a large modern plant, bearing the sign: "Engine-Block Division, Automation Plant." Finished engine blocks are pouring out the sides of the plant, breaking down the walls, and piling up into a mountainous heap outside. An agitated employee, driving up with a friend, exclaims: "Good God, I forgot to turn the factory off over the weekend."

(A mature worker would of course had the dependability to remember to turn off the plant.)

While the nature of jobs has been changing, the nature of the older worker has also been changing. He is physically a younger man than he used to be at the same age. Perhaps you recall Victor Borge's account of an interview with his father. His father said, "How old are you, son?" "Nine." "Shame on you," said the father, "at your age I was 12."

This is precisely what has been happening from one generation to another lately. Dr. Joseph H. Sheldon, president of the International Association of Gerontology, said at a meeting in Chicago last month, "This century's medical and social advances mean that old age begins at 75 rather than 60."

A parallel change has been going on in the educational level of the people involved.

Only 15 years ago, more than three-fourths of men in this country aged 55 to 64 had not gone beyond the eighth grade in school; less than one-fourth had had as much as 1 year of high school. Among the men who will form this 55-to-64 group 15 years from now, more than half have had at least 1 year of high school, and 1 to 6 have had some college. This is a development of profound importance at a time when industry is more and more demanding general educational background to meet the needs for flexibility and adaptability that go with current technological change.

All this drives us to a conclusion: The obstacles to employment of older workers are not inherent in either the nature of the work or the nature of the workers; the obstacles are man-made, and for the most part are based on obsolete misconception.

Now for our 6-point plan, which flows naturally from this analysis of the job to be done.

I. THE WORK QUALITIES OF OLDER WORKERS

The first thing we are going to do with our new appropriation is to make an analysis of the performance, productivity, absenteeism, accident record, dependability, attitudes, and faithfulness of older workers.

Businessmen are not going to hire older workers for sentimental reasons. They want to be shown that it is good business to hire the older worker. Evidently the various studies that have been made up till now have not sufficed to convince them.

Of course, we do not want to prejudge the results of this investigation. But you are all familiar, I am sure, with what some of the surveys have shown.

The University of Illinois studied over 3,000 workers over 60 in retailing, office, managerial, and manufacturing industries. Their supervisors rated them as follows:

Overall performance:	*Percent*
Excellent	14
Very good	28
Good	38
Fair	18
Poor	2

By comparison with younger workers, they were rated as follows on the various components of performance:

	Percent
Absenteeism:	
Less	66
Same	25
More	9
Dependability:	
More	51
Same	43
Less	6
Judgment:	
Better	33
Same	57
Poorer	10
Work quality:	
Better	34
Same	59
Poorer	7
Work volume:	
Higher	24
Same	56
Lower	20
Getting along with others:	
Better	32
Same	59
Less well	9

These results are generally confirmed by studies made by the National Association of Manufacturers, by the Bureau of Employment Security, by Jeanette E. Stanton in 1951 in a large midwestern department store, by the Industrial Conference Board, by the W. E. Upjohn Institute for Community Research which did a survey in Cleveland, by the Bureau of Labor Statistics in its analysis of absenteeism and injury experience in 1948, by the Federated Employment Service affiliated with the Federation of Jewish Philanthropies, by the Cleveland Welfare Federation in its 1952 study of women clerical workers, and by various others.

What we are hoping is that we will be able to make a study of such scope and authority that, added to existing studies, it will carry real conviction. Of course, we cannot do a definitive nationwide job; and we are aware of the difficulties of trying to measure some of the things involved. Some are plainly intangible, like dependability, and must be a matter of opinion and judgment. Others, such as productivity, are almost impossible to segregate and measure person by person. But, by building upon the experience of others, and by mustering our best technical and analytical talent, we will try to produce a result which will go a long way toward settling the No. 1 question underlying this whole problem: Is the older worker a good worker?

II. ARE PENSION COSTS AN OBSTACLE?

When employers are polled on why they hesitate to hire older workers, the commonest reason is that older workers are not as good in some of the respects we have just been talking about.

Let us assume that we have got a satisfactory answer to this argument; there still remains the second and most commonly ascribed reason: The higher pension and insurance costs for older workers.

If the premium paid on each worker had to carry that worker's own pension cost, the relation between premiums under a plan would run something this:

Entry age:	*Annual premium*
30	$326
45	668
55	1,486

The real cost, then, for a 45-year-old entrant is double that of a 30-year-old, and for a 55-year-old it is 4 times as much.

Of course, I do not mean to assert that insurance companies directly assess employers at these rates on a man-for-man basis under a conventional plan; but when this much disparity in real cost exists, it would not be surprising if one way or another it had the effect of discouraging the hiring of workers in the higher age brackets.

I have listened to arguments for hours and hours on whether pension costs are a real deterrent, or whether they are a mere excuse. Question No. 1 in our investigation will be: How much of a roadblock is this really? Question No. 2 will be: If it is a roadblock, how can it be got round? Some of the things that have been mentioned include minimum service eligibility requirements, waivers of pension rights, early vesting and pooling of funds, and special fund provisions analogous to second-injury provisions in workmen's compensation.

Here, too, I hope that we will once and for all get to the bottom of a question which has plagued us for years, and which is being aggravated by the continued spread of private pension plans. It is a matter that must be disposed of; for nothing could be more paradoxically poignant than the prospect of a beneficent movement, designed to help the old, backfiring and actually hurting them by blocking their hiring opportunities.

III. COLLECTIVE-BARGAINING PROVISIONS

The next two parts of our enterprise consist of learning as much as we can from unions and employers about the success of their efforts to deal with age difficulties in employment.

First, as to unions: we are going to do two things. We will start by analyzing the provisions of about 5,000 collectively bargained contracts to see what measures have been adopted dealing with the subject of age in employment. We hope to keep this analysis up to date every year.

Then we will select a sample of companies and trade unions operating under agreements having interesting age provisions, and find out by actual visits how these provisions are working in day-to-day operations.

We know that some very direct measures have been tried. Among the best-known are the contract clauses adopted by some electrical workers, bricklayers, plasterers, plumbers, granite cutters, and carpenters in different localities, prohibiting age discrimination in various ways. For example, 1 bricklayers' contract requires that "the employer, when engaging bricklayers for work, shall employ 1 man of 55 years or over out of every 5 bricklayers hired." In electrical workers' contracts you can find ratios as high as 1 to every 3 journeymen and as low as 1 to every 8 journeymen. The age for which the ratio must be observed may be as low as 40 to 50 years, and as high as 55 or even 60 years.

There are many other kinds of clauses affecting the age question; these are merely the most straightforward. They are of particular interest because every so often someone comes forward with a suggestion for legislation which would apply this ratio principle to all employment by force of law. This may seem like a highly remote possibility; but if the problem continues to grow in acuteness, you may expect to hear it mentioned with increasing frequency, and the lessons learned from these contractual provisions will assume a central importance in the discussion.

IV. EMPLOYMENT PROBLEMS AND PRACTICES

Here we intend to look systematically into the experience of employers in a representative sample of cities and industries. This will give us the facts, which we shall probably publish, on what management really thinks and does about the hiring, retention, and laying off of older workers, and the real reasons for these practices. But, most important of all, we shall be able to compile a casebook of good hiring and utilization practices. Many employers have expended a lot of thought and ingenuity on the older worker question, and have devised a variety of successful answers. If these tried and tested plans can be brought to the attention of employers everywhere, it is quite possible that among the assorted plans there can be found one to match the needs of most of the employers who are still searching for the right solution for their particular combination of facts. We mean to go into hiring practices, training practices, job modification practices, transfer practices, reserved job practices, and so on. The materials will be distributed to employers, unions, trade associations, employment security agencies, and anyone else who can use them either directly or for general employer education.

V. INDIVIDUALIZED PLACEMENT SERVICES FOR OLDER WORKERS

This involves a stepping-up of the pace of an activity already underway.

We learned, in a study of 3,688 job applicants over 45 in New York City, that special placement services could more than double the number of workers placed in jobs. There was a control group who received conventional treatment, and an experimental group who had individual counseling and more intensive job solicitation. We have since been working constantly on improving this kind of tailor-made service, and lately have been analyzing data received from employment service offices on the characteristics of older job applicants and the services provided to them. We also have a particularly detailed pilot study in progress in the Minneapolis-St. Paul area, following the entire hiring problem of older workers in relation to the employment service in all its stages.

For the future, we hope to improve and extend individualized placement services through the facilities of affiliated State employment services. To aid in this process, we would like to work up a job guide for older workers, addressed to older workers themselves, as well as counselors, placement interviewers, and industrial personnel work-

ers. It would point up the occupations, industries, and kinds of work in which opportunities are most promising for older workers. It would go into advantages and disadvantages of the work, the training or retraining possibilities, and the prospects for using skills and abilities acquired in one field of work in other fields.

A much-needed guide, which we hope to provide, is an analysis of which jobs requiring less physical exertion are the most logical successors to earlier skills which were attended by heavy exertion. For example, when a telephone lineman is too old to scamper up and down poles, it would be very handy to have a guide to show the other occupations into which his skills can lead him with perhaps a little retraining, and with a minimum of downgrading.

At the same time, our Occupational Outlook handbook can be revised to give more special attention to guidance information for older people.

VI. MATURE WOMEN: MATCHING SKILLS AND SHORTAGES

To me, one of the most exciting and promising lines of endeavor is the set of projects, now getting underway, to tap the vast resources of mature women to meet some of the most pressing job shortages facing us today.

We have heard for years that there is a grave shortage of nurses in this country, and an equally acute shortage of teachers. Less well known is the fact that severe local shortages of secretarial service are appearing in different parts of the country, including Washington, D. C.

At the same time, I think each one of us could probably find among our immediate relatives and friends at least several women who were trained as professional nurses or teachers or secretaries, who got married, had a family, and lost touch with the labor market, and who now would like nothing more than to get back into the game again. I am not now talking about tearing married women away from their children at a time when they are needed at home. I am think-think of women whose children have grown to the point where the mother's constant presence at home is no longer necessary.

If you know such people—and I am sure you do—I think you will agree that most of them would give a lot to resume the status and prestige and personal satisfaction that go with doing a job well. At the same time, think what a splendid solution this offers for some of our most pressing needs. Far from being at a disadvantage, I should think it obvious that the woman who has raised a family has a great advantage—in knowledge of children, in acquaintanceship with human suffering, in the love for and understanding of fellow beings which a full life brings, and in the wisdom and judgment which come only with maturity.

The matching up of this demand and this supply is so brilliantly obvious that one wonders why it was not done long ago. At any rate, the Department of Labor's Women's Bureau is now vigorously at work in bringing this to reality. With the Office of Education of the Department of Health, Education, and Welfare, a Committee of New Teachers for the Nation's Classrooms has been formed, representing an impressive roster of educational and other associations. The emphasis is on community responsibility. Some communities are already in action. For example, in the Metropolitan Detroit area, Wayne University in consultation with school superintendents and the Michigan State Department of Public Instruction is offering a training course to college women 21 to 50 years of age as part of the regular curriculum. Candidates with a bachelor's degree can obtain the 20 credits, including practice teaching, needed to qualify them for a 5-year certificate to teach in elementary schools. Similar projects are also going in southern California and in Ohio, consisting of a year's supervised teaching, between semesters or summer sessions of professional training.

Even when a woman has had complete professional training, it may be desirable to have a refresher or retraining course after some years of absence from the profession in a world where everything is rapidly changing. For example, New York City offers a refresher course for registered professional nurses. Between June 1952 and September 1953 a total of 202 women participated in the 9 courses that were held. Of these, only 13 were under 35 years of age. Most were in their forties or fifties, with ages ranging up to the seventies. Over two-thirds of the graduates were placed in city hospitals. Most of the rest probably could have been placed, but were unable to return to nursing for personal reasons.

I have mentioned only a few occupations and examples to show what can be done. Within the next few weeks, there will appear a new bulletin of the Department of Labor's Women's Bureau entitled "Training Mature Women for Employment." It is an account of 23 training programs successfully carried on in different cities and in occupations as diverse as commercial sewing, institutional housekeeping, cosmetology, practical nursing, and electronics work. These projects clearly show that this kind of effort can succeed if the community wants to make it succeed and utilizes the facilities and experience that are available through the Women's Bureau and other organizations mentioned in the booklet.

These, then, are the six fronts on which we propose to advance during the coming year.

I have talked mostly about the Department of Labor's plans. But it goes without saying that this is only a fraction of the nationwide effort, public and private, that is being poured into the solution of this challenging difficulty. Other arms of the Federal Government are stepping up their activities. The Department of Health, Education, and Welfare will also receive an augmented appropriation for work in the field of the aging. We have assembled an interdepartmental task force; we are taking systematic inventory of what all the departments and agencies can do; and we are making plans that cut across the various departmental lines. State agencies are also redoubling their efforts. Private employers, unions, trade and professional associations, church groups, colleges and universities, social workers, consultant firms, and dedicated individuals are everywhere addressing themselves with renewed vigor to a problem which grows more disquieting daily.

I have outlined the specific directions which our exertions will take in the immediate future largely because I hope that those represented here before me in this powerful array of expertise will help us in these efforts with their advice, counsel, and encouragement. For our part, on behalf of Secretary of Labor James P. Mitchell and the entire Department of Labor, I pledge to each of you all our support and all our resources in our mutual journey toward that day when our country gives full and free employment opportunity to all on the basis of ability alone, and is rewarded by finding it has tapped its richest vein of talent, skill, experience, and devotion.

Philosophies of Justice Black

EXTENSION OF REMARKS
OF

HON. E. L. FORRESTER

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 27, 1955

Mr. FORRESTER. Mr. Speaker, an article appearing in the Columbus Enquirer, Columbus, Ga., July 25, 1955, and credited to the Memphis Commercial Appeal, and reading as follows, should challenge the interest of every true American:

BLACK'S AMAZING RECOMMENDATION

Associate Justice Hugo L. Black, of the Supreme Court of the United States, has been widely quoted as having said in a public meeting in New York that "the world could not do better than to follow the political and social ideas" of the late Albert Einstein. In view of those same ideas, it is amazing to find Justice Black recommending them.

No one questions the lofty rank of Professor Einstein as a scientist, but almost invariably the results were unfortunate when he ventured out of his specific field. In a magazine article, for example, he once proposed to analyze "the crisis of our times," and went on to declare: "The economic anarchy of capitalist society as it exists today is, in my opinion, the real source of the evil."

In the same article Professor Einstein scored the principle of production for profit instead of use and what he termed the worker's constant fear of losing his job. He went on: "The profit motive, in conjunction with competition among capitalists, is responsible for an instability in the accumulation and utilization of capital which leads to increasingly severe depressions."

To cure the ills he conceived in effect, he wrote: "I am convinced there is only one way to eliminate these grave ills—namely, through the establishment of a socialist economy, accompanied by an educational system that would be oriented toward socialist goals." On numerous other occasions Professor Einstein revealed his inability to understand the fallacies of socialism as a theory and its perversions by those who profess to operate under it.

There may be some excuses offered for Professor Einstein on the ground that he really dwelt in a world apart and knew too little about politics and the social order to be other than easily deluded by glib and specious partisans of socialism. What palliation can be offered for a man of Justice Black's background, experience, and lofty position when he commends such social and political notions it is impossible to imagine.

It has been an accepted rule that jurists and especially Appellate Court judges should remain aloof from political questions. Inasmuch as so many of our United States Supreme Court Justices are continually thrusting their political opinions upon the public, I am wondering if their lack of judicial experience explains their failure to recognize the ethics, or whether many of them are so imbued with concepts foreign to our Constitution that they cannot remain silent.

According to the above article, Justice Black says that "the world could not do better than to follow the political and social ideas of the late Albert Einstein." Justice Black undoubtedly knows that Mr. Einstein advised persons working in the Government and teachers in our

schools to invoke the fifth amendment, and decline to testify whether they were or were not Communists. Justice Black knows that Mr. Einstein defended the record of J. Robert Oppenheimer, which record was nothing less than amazing regarding his congeniality and friendship to known Communists, extending to even contributing money to most every well-known Communist cause. Justice Black well knows that Mr. Einstein was against "the profit motive" and against private enterprise, and, by the same token, was absolutely against the very foundations of our Government. Mr. Einstein was socialist, at least, and Justice Black evidently thinks that is the supreme way of life for our country.

I am wondering if the philosophies of Justice Black and Justice Douglas, who has demonstrated his devotion to queer ideas to everyone who would listen, do not cause grave concern to every member of the United States Congress and to every true American. No wonder decisions based solely on psychology and sociology are being rendered. No wonder it is practically impossible for the Government to win any case where there is an attempt to restrain or prevent persons under suspicion from working for this Government. No wonder it has become impossible for the Government to deprive anyone of citizenship, and the Government, realizing the situation, is dismissing cases that had been brought for that object. No wonder it has become impossible to deny anyone a visa on account of the theory that every citizen of the United States is entitled to travel anywhere at any time, whether the authorities think it is in the interest of our country, or not. No wonder that our criminal jurisprudence founded on the wisdom of the ages has been virtually destroyed. No wonder that persons who would change our Government have become so bold and so arrogant.

David Crockett (Davy Crockett) Actually Served in House of Representatives During Three Congresses

---

EXTENSION OF REMARKS

OF

HON. CLYDE DOYLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 27, 1955

Mr. DOYLE. Mr. Speaker, I am sure that you, as well as all other Members of this great legislative body, have recently and frequently been asked about one David Crockett, and whether or not he actually served in the House of Representatives from Tennessee. I, having been asked that question several times by adults as well as youngsters, including my own grandchildren, asked the Library of Congress to give me what the facts were, and I know their reply to me will not only be of interest but will enable every Member of this great legislative body to give the accurate information about David Crockett's service in the 20th, 21st and 22d Congresses:

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, D. C., July 7, 1955.

Hon. CLYDE DOYLE,
Member of Congress,
Twenty-third District, Calif.

REFERENCE SERVICE REPORT

Inquiry: Information about the service of David Crockett in the House of Representatives as a Representative from Tennessee during the 20th, 21st, and 23d Congresses.

Report: A search in the files of the House of Representatives (Record Group 233) in the National Archives has disclosed the following original documents bearing on the service of Davy Crockett in the House of Representatives during the 20th, 21st, and 23d Congresses. The cost of making negative photostat copies of these documents is indicated.

TWENTIETH CONGRESS

1. Resolution submitted on January 17, 1828, instructing the Committee on Military Affairs "to inquire into the expediency of authorizing the Secretary of War to appoint one or more skillful engineers to examine several points on Big Shoal Creek, and Big Buffalo, in Lawrence County, in Tennessee, and to report upon the fitness of these places, respectively, as a site for a national armory, similar to the Armories of the United States at Springfield and Harper's Ferry." Two pages. Cost of photostatic copy, 80 cents.

2. Resolution submitted on February 19, 1828, instructing the Committee on Military Pensions "to inquire into the expediency of placing Andrew Derryberry, a soldier of the Revolution, on the pension roll." Two pages. Cost of photostatic copy, 80 cents.

3. Resolution submitted on February 19, 1828, instructing the Committee on Military Pensions "to inquire into the expediency of placing William Walker, a soldier of the Revolution, upon the pension roll." Two pages. Cost of photostatic copy, 80 cents.

4. Resolution submitted on April 2, 1828, instructing the Committee on Post Office and Post Roads "to inquire into the expediency of establishing a post route from Jackson to Mount Pierson; thence to Purdy's office, thence to Perryville, Perry County, State of Tennessee." Two pages. Cost of photostatic copy, 80 cents.

5. Resolution submitted on May 10, 1828, instructing the Committee on Public Lands "to inquire into the propriety of making a donation of 160 acres of land to each actual settler on the land of the United States in the State of Tennessee, south and west of the congressional reservation line, to include their improvement." Two pages. Cost of photostatic copy, 80 cents.

6. Resolution submitted on January 20, 1829, instructing the Committee on Roads and Canals "to inquire into the expediency of having reviewed and opened a road from Bolivar, in the State of Tennessee, through the Chickasaw nation of Indians, to the Cotton-gin Port, in the State of Mississippi; and, also, a road leading from Memphis, in the former State, to Jackson, in the latter, passing also through said nation of Indians." Two pages. Cost of photostatic copy, 80 cents.

7. Resolution submitted on January 29, 1829, instructing the Committee on Post Office and Post Roads "to inquire into the expediency of establishing a post route from Memphis, in the Western District of Tennessee, by Loves' Settlement and Tocklish, in the Chickasaw Nation, to Columbus, on the military road in Mississippi, to intersect the great southern mail route at that point." Two pages. Cost of photostatic copy, 80 cents.

8. Certificate of election, signed on September 18, 1827, by William Carroll, Governor of Tennessee, commissioning David Crockett to represent the Ninth Congressional District of Tennessee in the House of Representatives during the 20th Congress. Two pages. Cost of photostatic copy, 80 cents.

TWENTY-FIRST CONGRESS

9. Resolution submitted on December 15, 1829, to appoint a select committee with instructions to inquire "into the most equitable and advantageous mode of disposing of the refuse land lying south and west of the Congressional reservation line in the State of Tennessee." Two pages. Cost of photostat copy, 80 cents.

10. Resolution submitted on January 26, 1830, instructing the Committee on Post Office and Post Roads "to inquire into the expediency of establishing a post route from Dyers Burgh in Tennessee to Rutherfords Mills thence to Baerfields on the west bank of the Mississippi in Arkansas Territory—then to Rutherfords Mill then to Natchez Bluff then to the town of Eaton thence to Trenton Gibson City." Two pages. Cost of photostat copy, 80 cents.

11. Resolution submitted on January 27, 1830, instructing the Committee on Internal Improvements to inquire "into the expediency of having a survey of a rout [sic] for a canal from the head of the Muscle Shoals on the Tennessee River State of Alabama to some proper point on the Big Natches above Bolivar in the State of Tennessee." Two pages. Cost of photostat copy, 80 cents.

12. Resolution submitted on February 1, 1830, instructing the Committee on Military Pensons [sic] to inquire into the expediency of placing George W. Stell of Tennessee a soldier of the last war on the penson [sic] role as an involede [sic] pensioner." Two pages. Cost of photostat copy: 80 cents.

13. Resolution submitted on February 9, 1830, directing the Committee on Military Pensions to inquire "into the expediency of placing Joseph Asbridge of Tennessee a sailor in the Revolutionary War on the list of military pensioners." Two pages. Cost of photostat copy: 80 cents.

14. Resolution submitted on February 25, 1830, that the West Point Academy be abolished, and "the appropriations annually made for its support be discontinued." Two pages. Cost of photostat copy: 80 cents.

15. Resolution submitted on April 6, 1830, instructing the Committee on Post Offices and Post Road to inquire "into the expediency of establishing a post rout [sic] from Duncan's post office in Hardeman county to Mitchell's store in McNairy County thence to Cypress Bridge in said county at James Smith's from that to J. C. Simpson's in Harden county thence to Esq. Lettery's to intersect the Savannah rout [sic] in said county." Two pages. Cost of photostat copy: 80 cents.

16. Resolution submitted on April 20, 1830, instructing the Committee on Military Pensions to inquire "into the expediency of placing the names of James Dougan and George Clarke both of Tennessee on the roll as Military pensioners for services rendered in the Revolutionary War." Two pages. Cost of photostat copy: 80 cents.

17. Resolution submitted on December 16, 1830, requesting the Postmaster General to communicate to the House of Representatives "the amount of money agreed to be paid by him under the late contract for carrying the mail from the City of Washington to the City of Baltimore also the amount of money heretofore paid by his predecessor for the like services." Two pages. Cost of photostat copy: 80 cents.

18. Resolution submitted on January 5, 1831, instructing the Committee on Military Pensions to inquire "into the expediency of placing the names of Andrew Derryberry of Perry County and William Gillispie of Hardeman County, Tennessee, both revolution-

ary soldiers—on the pension list * * *" Two pages. Cost of photostat copy: 80 cents.

19. Resolution submitted on January 20, 1831, instructing the Committee on Pensions to inquire "into the expediency of placing the name of James Crawford of Tipton County Tennessee a soldier of the Revolutionary War on the pension list. * * *" Two pages. Cost of photostat copy: 80 cents.

20. Resolution submitted by Crockett, with the date not indicated, "that 6,000 copies of the report of the Secretary of War communicated to this House on Monday last in relation to the Military Academy at West Point be printed for the information of the people of the United States." Two pages. Cost of photostat copy: 80 cents.

21. Report made by Crockett as a member of the select committee appointed "to enquire into the most equitable manner of disposing of the refuse public lands lying south and west of the Congressional Reservation line in the State of Tennessee." House Report 137, 21st Congress, 1st session (Jan. 29, 1830). Four pages. Cost of photostat copy: $1.60.

22. Bill H. R. 185, 21st Congress, reported by Crockett from the aforesaid select committee (accompanying House Report 137, 21st Congress, 1st session), titled "A bill to amend 'an act authorizing the State of Tennessee to issue grants and perfect titles to certain lands herein described and to settle the claims to the vacant and unappropriated lands within the same.'" Four pages. Cost of photostat copy: $1.60.

23. Certificate of election, signed on October 7, 1829, by William Carroll, Governor of Tennessee, commissioning "David Crockett, a citizen of the Ninth Congressional District of this State * * * to represent the said district, as a Member of the House of Representatives, in the 21st Congress of the United States." Two pages. Cost of photostat copy: 80 cents.

TWENTY-THIRD CONGRESS

24. Resolution submitted on December 17, 1833, to appoint a select committee, "consisting of seven members, whose duty it shall be to inquire into, and report the most equitable and advantageous mode of disposing of that portion of the lands belonging to the United States, situated south and west of the Congressional Reservation line, within the State of Tennessee." Two pages. Cost of photostat copy: 80 cents.

25. Resolution submitted on April 10, 1834, instructing the Committee on Post Office and Post Roads to inquire "into the expediency of establishing a post rout [sic] from Totten's Walls in Obion County by Seth Bedford's to Troy in Tennessee." Two pages. Cost of photostat copy: 80 cents.

26. Resolution submitted on December 11, 1834, instructing the Committee on Roads and Canals "to enquire and report to this House whether the improvemint [sic] of the navigation of Obion Fork, Deer, and Hatchy Rivers would be a national object and if so what would be the probable cost of removing the obstructions to the head of navigation of said rivers." Two pages. Cost of photostat copy, 80 cents.

27. Report made by Davy Crockett as chairman of the select committee "to whom was referred the subject of 'inquiring into and reporting the most equitable and advantageous mode of disposing of that portion of the lands belonging to the United States situated south and west of the Congressional reservation line, within the State of Tennessee.'" House Report 120, 23rd Congress, 2d session (January 2, 1834). Six pages. Cost of photostat copy, $2.40.

28. Bill H. R. 126, 23rd Congress, reported by Representative Crockett from the aforesaid select committee (accompanying House Report 120, 23rd Congress, 2d session), titled A Bill to amend an 'act authorizing the State of Tennessee to issue grants and perfect titles to certain lands therein described, and to settle the claims to the vacant and unappropriated lands within the same.'" Four pages. Cost of photostat copy, $1.60.

In the 22nd Congress, William Fitzgerald won election to the seat in the House of Representatives which David Crockett had occupied in the 20th and 21st Congresses, but Crockett made a contest of the election. Certain depositions taken in the contest are in the files of the House of Representatives at the National Archives, and photostat copies of these depositions, amounting to 17 pages, can be made for $6.50.

GEORGE P. PERROS,
Legislative Section.

(Report prepared by the National Archives and Records Service.)

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, D. C.

DAVID CROCKETT

Crockett, David (August 17, 1786–March 6, 1836), frontiersman, was the son of John and Rebecca (Hawkins) Crockett, and was born near the present Rogersville, Hawkins County, Tenn. His father, a Revolutionary soldier who fought at King's Mountain, was born either in Ireland or on the voyage to America, and his mother in northern Maryland. His parents moved (probably from Lincoln County, N. C.) to the Hawkins County location about 3 years before he was born, later settling on the Holston, where the father kept a tavern. Here the boy remained until about his 13th year. To escape an anticipated beating he ran away from home, making his way as far as Baltimore and wandering about for nearly 3 years. On his return he worked for 6 months for a neighbor to pay off a debt of $36 owed by his father, and another 6 months for another neighbor to cancel a similar debt of $40. At 18, to heighten his chances with the girl of his choice, he went to school for nearly 6 months, but left when he learned that he had been jilted. Some months afterward he married Polly Findlay, and on a rented tract, with a horse, his bride's dower of two cows with calves, and $15 capital borrowed from a friend, he set up a home of his own. Though a mighty hunter, he was a poor farmer, indolent and shiftless, and he did not prosper. A couple of years later, with his wife and two babies, he moved to a farm in Lincoln County, near the Alabama line. In the Creek War of 1813–14, under the command of Andrew Jackson, he served with distinction as a scout, but retired before the end of the campaign, hiring a substitute to fill out his term of enlistment.

His wife died about 1815, leaving him with three children. He acquired two more by his marriage, some months later, to the widow of a fellow soldier. He now moved to a settlement 80 miles west, where he was informally chosen a magistrate, and on the incorporation of the district into Giles County was appointed a justice of the peace. In after years he could boast that in reaching his decisions he "relied on natural-born sense instead of law learning" and that none of his judgments was ever reversed. He was elected as a colonel of a militia regiment organized in his district, and in 1821 was elected to the legislature. He was then wholly unacquainted with public affairs and did not even know the meaning of the word "judiciary." He moved again, this time to a point in the extreme western part of the State, near the junction of the Obion with the Mississippi, where his nearest neighbor was 7 miles distant. Here, among other activities, he hunted bears; and unless he woefully miscounted his victims, he succeeded in killing, during a period of 8 or 9 months, 105 of them. His new constituency elected him to the legislature in 1823. In the spring of 1826 he attempted to float a cargo of staves down the Mississippi, losing all his cargo and nearly losing his life. A jocular proposal that he run for Congress decided him to make the race in earnest, and after a campaign enlivened by his humorous stories and the ridicule of his two opponents he was elected. He served in the 20th and 21st Congresses (1827–31), was defeated for the 22d, but was elected to the 23rd (1833–35). In April 1834, he commenced his celebrated "tour of the north," visiting Baltimore, Philadelphia, New York, and Boston, and, after returning to Washington, left for home to prepare for a new campaign. From the time he entered public life he had generally opposed Jackson, having voted in the legislature against him for United States Senator, and later having voted against many of the Jackson measures in Congress. An effective rally of the Jackson sentiment in his district caused his defeat. Disheartened by this reverse, he resolved to leave Tennessee. The movement for Texan independence attracted him, and he started for the war front by way of Little Rock. He arrived at the Alamo in February 1836, took part in its heroic defense, and fell, bullet riddled, in the final assault.

Crockett was a brave soldier, an able scout, and an expert rifleman. He was generous and openhanded, frank and upright, of a sterling independence of spirit and blessed with a bubbling good nature and an exceptional degree of self-confidence. His knowledge of public questions, meager at the start of his career, was probably not greatly enhanced by his service in Washington. He was not a student. He rather prided himself on his lack of education—correct spelling appearing to him in the main as something "contrary to nature" and grammar "nothing at all," despite "the fuss that is made about it." To what degree the autobiographical writings published in his name were his own cannot be said; but it is noteworthy that they bear little resemblance, either in substance or manner, to such of his letters as have come down to us.

Source: Dictionary of American Biography. 1930. Vol. IV. pp. 555–56.

NORMAN D. BURCH,
History and General Research Division.
FEBRUARY 16, 1955.

Should the Natural-Gas Bill Be Considered at This Late Date in the Session?

EXTENSION OF REMARKS
OF
HON. CHARLES A. WOLVERTON
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 27, 1955

Mr. WOLVERTON. Mr. Speaker, there has been considerable surprise that a bill of the importance of the natural-gas amendments should be brought before the House at this late date in the session.

This bill is important from the standpoint of producers, transmission lines, distributing utilities, and consumers. It vitally affects each of these classes, particularly the 60 million or more consumers. They are fearful if the Federal Power Commission is stripped of all its power to regulate the producers that then unrestrained increases in the price of gas will follow.

Competent authorities have stated that even a slight increase in the cost of gas at the wellhead could mean as much as a $200 million to $800 million annual increase to the consumers of the

Nation. This would be over and above what they are now paying.

It is because of the danger of such a possible result under the terms of the pending bill, as presently written, that has caused a terrific storm of opposition to arise against the bill. The fundamental objection that has been most often expressed relates to the bill being a repeal of the Supreme Court decision and of the Natural Gas Act in its endeavor to provide protection to the public against unwarranted price increases.

Transmission lines, distributing companies, local utilities, National Institute of Municipal Law Officers—consisting of 900 members representing cities, towns, and municipalities—mayors of 258 cities and towns representing a population of 31,600,000, labor organizations, and many others are against the bill.

Furthermore, it is important to realize that the Committee on Interstate and Foreign Commerce, with a membership of 31, after months of hearings and consideration, was unable to come to a satisfactory solution if we are to judge by the fact that the first motion to report the bill was defeated by a vote of 14 to 14, and, finally, upon a reconsideration vote, was able to report it by only a 16-to-15 vote.

Furthermore, the Rules Committee reported a rule to consider the bill by the close vote of 6 to 5, with 1 member not voting. Had he voted against the granting of a rule, the bill would not be before the House at this time.

Under the above circumstances, is it wise or advisable to attempt to consider the bill at this late date in the session? It seems to the undersigned members of the Committee on Interstate and Foreign Commerce that the importance of the matter justifies our voting against its consideration at this time.

To do so would give the committee an opportunity to give the matter further study and investigation of the whole subject during the recess of Congress and come back to the House with recommendations that would express a greater unanimity of thought than now exists.

As part of my remarks, I include a copy of the letter that was addressed today to our colleagues in the House:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C.

DEAR COLLEAGUE: On July 2 Congressmen HARRIS and HINSHAW directed to their colleagues in the House a letter urging support of the Harris bill, H. R. 6645, as reported by the Committee on Interstate and Foreign Commerce. This bill would amend the Natural Gas Act so as to exempt producers of natural gas from Federal regulation.

The undersigned are strongly opposed to the enactment of H. R. 6645. We believe it is contrary to the public interest and to the interest of millions of consumers in thousands of cities, towns, and communities throughout the whole United States.

This legislation has been vigorously opposed by the mayors of New York, Philadelphia, Pittsburgh, Baltimore, Nashville, Louisville, Chicago, Denver, Detroit, Cleveland, St. Louis, Buffalo, Newark, and many others representing cities and towns, both large and small. The mayors committee, representing 258 cities with a total population of 31,600,000, is opposed to the bill; also State public utility commissions generally, by gas distributing companies, and by nearly all the pipeline transmission companies.

As an indication of the unsatisfactory solution of this highly complex and controversial problem, it is only necessary to call attention to the fact that the bill was reported to the House by a vote of 16 to 15, after it had previously failed of being reported by a vote of 14 to 14. There are no less than five minority reports.

It would be unwise, in our opinion, to pass or even consider on the floor of the House this legislation (H. R. 6645) in its present form. The matter should have closer and more careful consideration before it is brought before the House for action. To do otherwise would mean that numerous and varied amendments would be offered from the floor. This subject presents problems that require the careful, studious, and deliberate consideration that can be obtained in the first instance only in the committee room.

If there is an doubt as to this being the proper course to follow, it seems to us that the statement made by the author of the bill, Mr. HARRIS, within a few days after the bill had been reported by the committee makes plain the necessity of such. We refer to the fact that Mr. HARRIS introduced a resolution for an investigation of the natural gas transmission lines and the distributors of natural gas with respect to the cost of the commodity to the consumer. In urging the necessity for such in a release issued by him at the time of the introduction of his resolution, Congressman HARRIS said:

"It is quite obvious to me, as illustrated by the closeness of the vote by which the bill was reported, that before this situation is cleared up in the interest of the industry as well as the consumer, other factors are going to have to be considered."

We agree with this statement of Mr. Harris. However, we do feel that any such investigation should include all elements that enter into the cost to the consumer, namely, production, transportation, and distribution and not merely the last two elements mentioned. To accomplish this complete purpose we favor such an investigation either under the general jurisdiction of the Committee on Interstate and Foreign Commerce or by a special investigation committee. And, accordingly, we suggest it would be wise to withhold action on H. R. 6645 until the completion of such an investigation.

Furthermore, to have such further study or investigation would prove highly beneficial in supplying information that the committee hearings did not divulge and which, in our opinion, the House should have. For instance, notwithstanding the fact that the committee conducted long and extensive hearings, at no time did any independent producer appear and testify in person, although an attorney appeared and represented himself as speaking for them. And, at no time was any testimony given as to the cost of production of natural gas. The proper course would be to investigate the facts and then develop recommendations for any needed remedial legislation after all of the facts are in.

In conclusion, there are many technical questions, legal and otherwise, involved in the Harris bill that need clarification and careful consideration before adoption. We have not entered into a discussion of such in this letter because the minority reports cover all such in detail. We recommend that you read the minority reports. They are a full, complete, and satisfactory answer to every argument that was made by Messrs. HARRIS and HINSHAW in their letter to the Members of the House urging support of the Harris bill (H. R. 6645).

We, the undersigned members of the Committee on Interstate and Foreign Commerce, are convinced there should be further study and investigation before the House is called upon to act on H. R. 6645. We submit our views for your consideration.

Sincerely,

ISIDORE DOLLINGER, JOHN J. FLYNT, Jr., SAMUEL N. FRIEDEL, WILLIAM T. GRANAHAN, DON HAYWORTH, JOHN W. HESELTON, ARTHUR G. KLEIN, TORBERT MACDONALD, PETER F. MACK, Jr., KENNETH A. ROBERTS, PAUL F. SCHENCK, HARLEY O. STAGGERS, CHARLES A. WOLVERTON.

Low Income Families

EXTENSION OF REMARKS
OF

HON. AUGUSTINE B. KELLEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 27, 1955

Mr. KELLEY of Pennsylvania. Mr. Speaker, the way some people figure it, there is never a "good" time or an auspicious time for improving standards for the lower income groups in our country. The time is never considered just quite ripe, it seems.

The feeling among such people appears to be that if business is on the upswing, as right now, why just let it alone and do not rock the boat and do not upset the applecart and do not meddle in and do not do anything, and things will get better and better and all problems will automatically disappear.

On the other hand, if business is on the downswing, as was happening this time a year ago, the same people were saying just let it alone and do not rock the boat and do not upset the applecart and do not meddle in and do not do anything about anything and things will automatically correct themselves and then get better and better.

As a result of that feeling holding the upper hand last year, we have gone through a whole year in which the Pittsburgh labor-market area consisting of Allegheny, Beaver, Washington and Westmoreland Counties—one of the great industrial centers of the world—has been a "distress" area of from 6 to 9 percent unemployment. Yet during much of this time, steel's operating rate has been skyrocketing and coal production has been improving. So, obviously, employment opportunities were not nearly in balance with production advances, as output per worker steadily improved.

It is my hope that the employment sampling now in process, and the evaluation studies yet to be made, will show that in July the Pittsburgh labor-market area had finally gotten off the "distress" list. But we will not know that one way or another for some weeks yet.

But this idea of not rocking the boat either when business is good or when it is bad—an attitude which often leads to the ignoring of important economic problems—still had a lot of support in the House of Representatives last week when we finally pushed through my bill to raise the minimum wage from 75 cents and hour to $1 an hour. My original bill on this, introduced last January, was for $1.25, but like all important leg-

islation, compromise had to be practiced in order to get anything through. The $1 figure represented, then, less than many of us wanted, but more than the 90 cents, or $36 a week, which President Eisenhower said he thought was enough for our lowest income workers.

MORE PURCHASING POWER NECESSARY

Throughout the debate on the House floor, I was assailed by the arguments of opposition Members that a figure of $1 an hour in interstate commerce would put lots of businesses out of business. These people were trying to tell us that in what is now supposed to be the most prosperous era in our history, with a gross national product at a rate of $383 billion a year at the latest count, and with corporate profits and business proprietors' incomes also at record heights, that a minimum wage of $40 a week for work in interstate commerce would ruin business.

Actually, a better foundation for our lower income groups in terms of fair minimum wages does more to help business than anything else, for it puts more real purchasing power in consumers' hands. The reports I receive as a member of the Joint Congressional Economic Committee, composed of 7 Senators and 7 Congressmen, is that so much more purchasing is now being done on installment credit, while other types of credit have remained pretty stationary, that many economists are beginning to worry over the $24 billion of installment credit outstanding. Less than half of this is on automobile purchases, incidentally, and more than a fifth of it—more than $5 billion—represents personal loans, which indicates a lot of families may be in serious trouble in meeting monthly bills.

The economists point also to the continued decline in farm income as showing a need for more purchasing power in consumer hands with which to buy nourishing food. A higher minimum wage, providing wage raises for several million workers, will thus help the entire economy, and I am proud to have had a part in this as sponsor of the House bill.

Ike's School-Aid Program Is More Like an Obstacle Course

EXTENSION OF REMARKS

OF

HON. LEE METCALF

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 27, 1955

Mr. METCALF. Mr. Speaker, I take this means of calling your attention to the sorry record of this administration at a time of crisis in our schools.

During the 1952 campaign General Eisenhower spoke sympathetically of the classroom shortage, and I was among those who hoped that he meant to do something about it. We were disappointed when his school program in the 83d Congress consisted of more studies of the problem.

Only a year ago, the administration, speaking through Education Commissioner Brownell, said there would be no Federal aid to school construction, regardless of the need, until after another round of conferences next winter.

It was surprising then that President Eisenhower took note of the crisis in our schools early this year. In a special message to Congress, Mr. Eisenhower said the "best possible education for all our young people is a fixed objective of the American Nation."

He called attention to an emergency situation, the deficit of more than 300,000 classrooms, and said that "unless the Federal Government steps forward, to join with the States and communities, this emergency situation will continue."

Now the school-construction program put forward in that special message is completely inadequate to meet the tremendous and growing need.

How inadequate is pointed out in the following interview with the senior Senator from Alabama, Senator LISTER HILL, chairman of the Labor and Public Welfare Committee, in the May issue of the Democratic Digest:

IKE'S SCHOOL-AID PROGRAM IS MORE LIKE AN OBSTACLE COURSE

(An interview with Senator LISTER HILL)

Question. Senator, we hear a great deal about the "crisis" in our schools. I wonder if you could explain just what this crisis is and what brought it about.

Answer. To put it very simply, the number of new babies has grown much faster than the number of new schools. During World War II, for instance, we had to virtually stop building schools, but children kept on being born. And since the war we have continued to break records as to the number of children born. In fact, for 9 straight years we have broken the record of the year before. We haven't been able to build enough schools to keep even, let alone catch up.

Question. How far behind are we at this point?

Answer. The best estimate is that we are currently short some 370,000 classrooms. At current costs, it would take about $12 billion to build that many schools. Of course, there's a shortage of teachers, too, and most teachers are badly underpaid. But that's a separate question.

Question. Well, if the shortage is as severe as you say, why aren't more schools being built?

Answer. As a matter of fact, the States and localities are doing quite a job. Schools are being built at the record rate of about $2 billion worth a year. But that won't make up for the backlog of school needs. And the States and local school districts are about at the end of their rope. Many districts have reached their legal ceiling for selling school bonds, and most of them have raised the school taxes as much as the local or State law permits.

Question. Now, as I understand it, there are two major plans for Federal help to the States and cities now pending before the Congress—the Eisenhower administration plan and your own plan, which you've sponsored, along with 29 other Senators. Would you tell us about these plans?

Answer. Well, first I might tell you what happened in the last Congress. You may remember that General Eisenhower spoke very sympathetically about the school shortage during the 1952 campaign, and many of us hoped he would really try to do something about it when he got into office. I was frankly surprised and disappointed when the administration's entire school program in the last Congress consisted of two or three studies of the school situation that were supposed to be followed up by a national White House conference next November to decide what to do.

Now, for one thing, there are already plenty of facts and figures about the school shortage, although I doubt most parents need statistics to persuade them there is a crisis. For another thing, studies won't build schools, and we need more schools right away—today—not next year. As someone put it, this is a time for fact-facing, not fact-finding.

Question. What about this year?

Answer. Last November, after it became clear that the Democrats had won control of the Senate and that I would be the Chairman of the Senate Labor and Public Welfare Committee, which handles school bills, I made a pledge to do my best to get action on a bill to provide $1 billion in direct aid to help the States and localities to build schools. I and 29 of my Senate colleagues introduced such a bill on the first day of Congress.

Question. What did the administration plan consist of when it reached Congress?

Answer. Well, rather than describing it to you in my own words—because you might think I was only grinding an axe for my own bill—let me tell you what Dr. Edgar Fuller, representing the chief State school officers—the State Superintendents or Commissioners of Education—told our committee. He said that the administration bill is "39 pages of intricate, complex procedures, with more Federal controls than have been seen in any seriously considered bill in recent years, with a pittance of Federal funds and with provisions which forecast long delays."

Question. How does the administration's plan work?

Answer. It is in 3 parts, so perhaps I'd better take them up 1 by 1.

The first part is for school districts that are still legally allowed to sell school bonds to finance new schools, but which are so poor that they can't sell them except at abnormally high interest rates.

Under the administration plan, the Federal Government will buy up to 80 percent—or 60 percent on the average—of the bonds these districts can't sell.

Question. Where is the district supposed to get the other 40 percent of the money it needs?

Answer. That's a good question—and frankly, I haven't been able to get the answer to it from any administration official. This is apparently what they consider a local responsibility.

But there's another, more serious weakness in this part of the administration program—and that is the question of interest rates. You see, before a district can ask the Federal Government to buy bonds, it's got to offer them on the market at rates considerably higher than the going rates on most school bonds. Many experts believe that this will probably result in artificially jacking up the borrowing costs of these local school districts. Now this is very helpful to the banks, insurance companies and other investors who buy up these bonds, but it just means that the school districts have to take money that would otherwise go to build schools or pay teachers' salaries, and put it into these higher borrowing costs.

Question. Can any local school agency sell to the Federal Government the 60 percent share of their bonds which you mentioned?

Answer. No. Before the United States Commissioner of Education can purchase bonds under this part of the program he must be satisfied that the local agency will be able to meet its obligations as they become due. Of course this qualification means that the most desperately poor districts, those which have the greatest need

for help, will not be able to get even this small amount of Federal aid.

Question. What happens to school districts which have already reached their legal bond-issuing ceilings? They can't sell their bonds to the Government, can they?

Answer. No, they have to apply for help under another and far more complicated part of the administration school program. And believe me, by the time most school districts can work themselves through that obstacle course, most of the kids who are of high-school age today may be too old for college.

Question. Can you tell us how this part of the program works?

Answer. To put it as simply as I can, the States will have to set up a special new agency that can float bonds, build schools, and then rent them to the local school districts. The Government proposes to lend the States a small amount of money to start these school-building agencies. This is not a grant, of course. The State will have to repay it.

Question. Why is all that so time-consuming?

Answer. To begin with, practically every State in the Union would have to pass a special law authorizing these school-building agencies to be set up. Most of the State legislatures—35 of them, I think—won't meet again until 1957 after they adjourn this year, unless they are called into special session. So there is a probable 2-year delay right there. Besides, in a great many States, the constitutionality of these school-building agencies is in serious doubt. In such States a further delay is inevitable while this question is settled by a legal action. If it develops that the agency is unconstitutional further delay will result while the necessary constitutional amendment is adopted. You know, for an administration that preaches about not forcing things on the States from Washington, this is a mighty funny proposal—attempting to force the States to do something that seems to run counter to a lot of State constitutions.

Question. Are there any other objections to this part of the administration program—aside from the delay involved?

Answer. Yes, I'd say there are two main objections. One is the red tape and controls from Washington that are involved. I believe I mentioned earlier that one witness before our committee said there were more Federal controls in the administration bill than in any other school-aid bill he's seen in recent years. The other objection is that the local school districts will have to rent the new schools from the State and pay a lot of service charges, besides. Now here, too, the teachers are likely to bear the main burden, since the money to pay the rent has to come out of the same fund that's used to pay teachers' salaries. I must say, I am at a loss to understand why President Eisenhower went to such lengths to explain in his message to Congress, how important—and how underpaid—our teachers are when the administration is proposing a program that's so tough on the teachers.

Question. I'm told that many districts are too poor either to pay rent to the States, or to repay the bonds that the Government might be willing to buy. What do they do?

Answer. Now you've come to what seems to me the most impractical part of the administration bill—because instead of these neediest districts getting help the quickest, they get helped last.

Question. How do you mean?

Answer. Well, these neediest districts can get some direct-grant money from the Government—although very little. But before they can even apply for that money, they must have applied for the other kinds of Federal help I've spoken of, and prove they're too poor to repay bonds or rent schools. Then they have to go through a lot more red tape before they actually get the money.

Question. But after that they can use it to build schools right away, can't they?

Answer. No, they can't even do that. All the money is meant to do is to bring these neediest districts up to a par with the other school districts, so they can apply again for the other kinds of Federal aid. In other words, after these neediest districts have run completely through the Eisenhower obstacle course, their reward is that they get to go back to the starting line and begin all over again. And besides that, there are only small amounts of direct-grant money provided for in the Eisenhower program—only about $66 million a year to cover the whole country.

Question. Wasn't this supposed to be a $7 billion program?

Answer. That's what the administration wanted people to believe. But almost all of that $7 billion will have to be put up by the States and local school districts. The total outlay by the Federal Government amounts to $200 million in direct grants, spread over a 3-year period. This is less than 3 percent of the $7 billion figure which administration spokesmen have been talking about.

Question. But how can the States be expected to put up all of the money? I thought you said the problem was that they had largely exhausted their resources.

Answer. Exactly. And that's why I and 29 of my colleagues in the Senate—as well as a good many Congressmen in the House, are so anxious to get action on our own bill—which provides for a billion dollars in direct grants—$500 million a year for 2 years. We believe that the energy and talent that lies in our young people is a great national resource. And when that resource is wasted, it is a national tragedy. We believe that the Federal Government has a responsibility to help the States meet this crisis—not to foot the whole bill, mind you, but to lend a helping hand.

Question. What do you mean when you say the Federal Government won't foot the whole bill?

Answer. Under the bill which I and 29 of my colleagues are sponsoring—just as under a great many other Federal-aid plans already in existence—the States have to match the dollars given them by the Federal Government with a cetrtain amount of money of their own.

Question. How soon can your program get underway?

Answer. That depends on when it passes the Congress. But I want to emphasize this: My bill calls for no new agencies to be set up by the States. All the machinery is already set up. Most State educational authorities already have authority to accept Federal grants for school construction. All they have to do is match the Federal money with either State or local money and they are ready to build school houses.

Question. What have the education experts around the country had to say about the administration school program?

Answer. Well, I must say I have never seen such unanimous opposition to a program since I've been in the Senate. The chief school officers in 40 States sent letters or wires to our committee opposing one part or another of the administration program. Many of them said flatly that their States wouldn't get any help whatever from the administration program.

Question. Well, weren't the education experts consulted while this program was being developed?

Answer. No; they weren't. In fact, they weren't even told about it until just before it was announced. The main people the administration consulted in making up this program were bond experts from the New York bond houses.

Question. Is that why some people have called this a banker's bill?

Answer. I don't know if that's the reason or not. But I think it's a fact that the administration is more interested in protecting the investment bankers who may be involved in financing this program than they are in building schoolrooms. I have nothing whatever against the banks and insurance companies. But I would rather see money go to pay higher teachers' salaries than to pay higher interest rates on bonds.

Question. What is the outlook for the passage of your bill, S. 5, Senator?

Answer. I remind you of the fact that the Senate has on two previous occasions by overwhelming votes passed Federal-aid bills embodying the principles of S. 5. Since that time the school crisis has grown very much worse. I believe that the prospects are very favorable for the Congress to enact legislation of the character of S. 5.

The Georgetown University Forum

EXTENSION OF REMARKS

OF

HON. MICHAEL A. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 27, 1955

Mr. FEIGHAN. Mr. Speaker, it was my pleasure to participate in a panel discussion over the Georgetown University Forum which on Sunday, July 24, was devoted to the topic Need for Congressional Watchdog Over United States Information Abroad. As many Members know, this forum, conducted under the able direction of Rev. Francis J. Heyden, S. J., and Rev. Daniel E. Power, S. J., is one of the most outstanding radio and TV forums in this country and is consistently an award-winning one for its informative and analytical discussions on major issues of public interest and action.

The pointed answer to the question raised in the topic for discussion is, of course, no. All three of the panel discussants, including, in addition to myself, the Honorable Abbott Washburn, Deputy Director of the United States Information Agency, and Dr. Lev E. Dobriansky, professor of economics at Georgetown University, strongly agreed that the need is not for a congressional watchdog over our overseas information services and all that this misleading term implies. Instead, the pressing need is for the establishment of a Joint Congressional Committee on Overseas Information which positively and understandingly would work closely with the United States Information Agency in meeting the grave challenge that Russian Communist propaganda poses in the present contest to win the minds of people everywhere.

In a real, practical sense the need for this joint committee is more essential than that which existed prior to the formation of the Joint Congressional Committee on Atomic Energy. If in the basic realm of human ideas, attitudes and sentiments we should lose this fundamental struggle for the minds and hearts of men, then even our atomic capacity would prove inadequate to withstand the direct or indirect aggressions of the Russian Communist conspiracy

against the free world. Moscow understands this truth of first things first, and consequently pours heavy resources and subsidy funds into its worldwide propaganda organization and activity. Sadly enough, our efforts are pitifully meager by comparison. To rectify this dangerous discrepancy and to insure the success of our information efforts in the war of ideas, in order that the unsuspecting might not fall victim to Russian Communist adventures, to prevent an armed global conflict, the formation of a Joint Congressional Committee on Overseas Information is a prime necessity that requires speedy legislative attention.

Mr. Speaker, due to the timely importance of this subject, I include the entire transcript of the radio portion of the Georgetown University Forum in the RECORD, as follows:

Mr. WARREN. "Need for Congressional 'Watchdog' Over United States Information Abroad?" is the topic for the 453d consecutive broadcast of the Georgetown University Radio Forum, another in a series of educational and informative programs from Washington. The Georgetown University Forum was founded in 1946.

This is Matthew Warren speaking by transcription from the Raymond Reiss studio, on the campus of Georgetown University, historic Jesuit seat of learning in the Nation's Capital.

The participants in today's discussion are the Honorable Abbott Washburn, Deputy Director, United States Information Agency; the Honorable Michael A. Feighan, Democrat, Member of Congress from Ohio; Dr. Lev. E. Dobriansky, professor of economics, Georgetown University.

Transcripts of today's broadcast are available. Send 10 cents to cover the cost of printing and mailing, with your name and address to Georgetown University Forum, Washington 7, D. C. Please mention also the subject matter of the transcript desired.

The end of this week will mark the second birthday of the United States Information Agency. On August 1, 1953, President Eisenhower set up a separate agency to handle the task of reaching people all over the world with the truth about the United States and what we stand for as a nation. This week marks the end of the second year of operation, and provides an opportunity to examine the progress of this Agency whose mission is so vital to each and every American, and to consider the role Congress plays in these overseas information activities.

To begin our discussion, Mr. Washburn, I would like to ask you to tell us just how the United States Information Agency has gone about this assignment by the President.

Mr. WASHBURN. Fortunately, we have been given a very clear-cut directive from the President and the National Security Council. To carry out this directive, we use just about every means of communication, press, radio, TV, motion pictures, personal contact, overseas libraries. The job, roughly, breaks down into four main tasks. The first is to explain our United States foreign policies and objectives to people overseas; to counter Communist propaganda, nail down the lies they circulate about us; to show that our policies are in line with the aspirations of other peoples, that, so to speak, our goals are their goals; and to project abroad those aspects of American life and culture that will help foreigners understand us better.

We obviously can't project abroad a total picture of America; the country is simply too big and too varied to do that. What we have to do is select certain aspects of American life that will help people overseas know us and what we stand for, and give them an idea of what they can expect from us. For instance, the desegregation that is taking place in our public schools all over America today is such an example, because it shows what a deep belief we have in the fundamental equality of human beings everywhere, not just here in America.

About three-quarters of our personnel in the Information Service are stationed overseas. They man the United States Information Agency centers abroad, and the posts over there throughout the free world. We have over 200 of these information posts in 79 countries. We used to have some behind the Iron Curtain, but quite some time ago the Communists closed them up.

A good many of these posts have United States libraries attached to them. These are very popular places. For instance, our library out at Rangoon, Burma, is crowded all the time. I recall a piece in the New York Times recently to the effect that this library has made thousands of friends for the United States in a part of the world that is normally so suspicious and distrustful of our motives.

In connection with the libraries, we also have an extensive book translation program. So far, we have translated and distributed abroad, more than 18 million books by American authors. Then, there are the traveling exhibits that go out from the information posts into the rural areas and reach millions of people that way. Right now in Pakistan and in India, and also in many other countries, people are crowding in to see the United States Atoms for Peace exhibits that are traveling from town to town and from village to village.

Also, in the posts abroad, we have experienced press and publications people who see to it that the facts about the United States and our position on major issues in the world today, such as disarmament, to see that these facts are put into the hands of editors of newspapers and publishers of magazines, radio and TV, commentators. In that way, over a billion people regularly receive the truth about the United States.

Also, the agency puts out an enormous number of pamphlets and posters and booklets, as many as 150 million a year.

Then, there is a film program. Films are very important in getting the United States story overseas. In some areas, films are about the only way you can reach people. We have special trucks equipped to generate their own electricity in order to show pictures in these areas.

Finally, and perhaps the most glamorous and best known of all these activities is the Voice of America, the radio arm of the Agency. The Voice broadcasts every day in 38 languages, and reaches into 93 countries every day. One thing that is not so well understood is that three-quarters of these broadcasts go behinfd the Iron and Bamboo Curtains to the people of the Soviet Union and the satellite states of Eastern Europe and Red China.

Mr. WARREN. I presume the United States Information Agency covered the Conference at the summit at Geneva?

Mr. WASHBURN. Yes, we did. We had a team of people there covering all aspects of the United States participation. They got the material back to us very quickly so that it could be translated and sent out over the Voice.

Mr. WARREN. What consequence do you think Geneva will have for the Information program?

Mr. WASHBURN. We are hopeful as a result of Geneva some of the artificial barriers will be gradually lowered by the Soviet Government so that we will be able to get the truth through to many more of the Russian people.

Mr. WARREN. You have given us a good picture of the scope of the United States Information Agency, Mr. Washburn. I would like to ask Congressman FEIGHAN to give us the other side of the picture in this war of ideas. Congressman, I know you served on the Select Committee To Investigate Communist Aggression in the 83d Congress. Will you tell us what you think we as a Nation are up against on this subject of Communist propaganda?

Mr. FEIGHAN. From my study of the world Communist conspiracy, I would like to make it clear at the outset that in my opinion it is a tremendous undertaking to expose and counteract Communist propaganda.

I say this because they have been at this since they got into power in Moscow in 1917. They devote a substantial part of their resources to propaganda. We know from our own sad experiences that their false propaganda has deluded many people and caused great damage throughout the world. I have seen estimates as to the expenditures annually of the Russians on propaganda. It is estimated between $1 billion and $1.5 billion. From my own observations, I am certain it is in excess of $1 billion.

The Russians do a lot of things that we are just beginning to think about. For example, they maintain a number of scientific research institutes on the use of information media. They are constantly testing the orthodox media for transmitting information, as well as developing new and unique devices for the transmission of information. In these institutes they evaluate the effectiveness of their propaganda programs.

Another thing they do, which is abhorrent to us, is that they have established ideological centers for the training of professional propagandists. Some of the products of those training schools are called "agitprops." It is obvious their duty is to agitate with Communist propaganda. Candidates for these schools are selected from every country in the world. After they get their specialized training, they go back to their native land to carry on this massive Russian propaganda for the Communists.

As an example, everyone has heard about the Marx-Engles-Lenin Institute in Moscow. That is one place where these men and women are trained for their future tasks in the Communist conspiracy. There they learn the technique of sabotage, espionage, guerrilla warfare, how to incite a riot, germ warfare, and all other conspiratorial techniques. But with all the training given the candidates, the greatest emphasis is put on propaganda. They realize that it is important for them to flood the free world with this propaganda by very subtly slipping it into the information media of the world, such as radio, television, magazines, books and newspapers.

So, to sum up the world-wide Communist propaganda effort, I would say the Russians consider propaganda to be as important as the H or A bombs, tanks and germ warfare.

As an example of my point of view on what the Russians spend for propaganda, I have some books from my own collection here. These are entitled, "Joseph Stalin." They have to do with some theoretical work of Stalin. They are all intended to advance the Communist conspiracy. One of them here is printed in Spanish. It was printed in Moscow. It was distributed in vast numbers throughout all of Latin America; inexpensive, selling for under 10 cents. Another, with the same title, is in English, printed in Moscow, by the Foreign Languages Publishing House. That is sold in the United States for 13 cents. The third volume is a deluxe issue. That is printed in the German language, published in East Berlin, at a cost of under 25 cents. Here is another one, printed in Moscow. It is a paperbacked edition, costing 10 cents. It is obvious these deluxe editions are very heavily subscribed. I suppose the paperbacked editions are sold at cost.

An estimate was made for me as to the cost of publishing the deluxe edition in the United States, and I am told it cost $1.50. Another example is this book, "Lenin," printed in Moscow. It is sold in the United States for 79 cents. It has 774 pages. It is a very high-quality work. The lowest estimate that I have as to its publication in the United States is $1.50.

One that intrigued me was this very super deluxe propaganda piece in color, called Union Sovietica. It was printed in Moscow, in the Spanish language, for distribution to the Spanish-speaking world. I picked it up in Guatemala. It is an expensive piece. It is a straight propaganda piece to show that life under communism is a workers' paradise. I would call it, in descriptive words, Hollywood extravaganza, because it bears no reality to the facts of life under communism.

These propaganda pieces are very much like this, and are put out in major languages throughout the whole world and given wide distribution.

Another book, entitled "The Lenin-Stalin Solution to the National Question," was printed in over 40 different languages, over 80 million copies distributed in practically every country in the world.

Mr. WARREN. Congressman, from what you tell us, the Communists are spending a great deal of money in expounding their theories and ideas. What about our own budget to combat that?

Mr. FEIGHAN. I think it is very woefully weak. I think that we must increase our expenditures, because we are very, very far behind in what I consider is one of the biggest fights to preserve our freedom and the free way of life throughout the world.

Mr. WARREN. Dr. Dobriansky, you have been listening to both of these gentlemen. How effective do you think our program is?

Dr. DOBRIANSKY. I didn't wish to evaluate the effectiveness of the program until I had certain questions answered for me by both Mr. Washburn and Congressman FEIGHAN. The excellent portrayals of American informational activity and Russian Communist propaganda activity by Mr. Washburn and Congressman FEIGHAN, respectively, bring a number of questions to mind.

The first that I would like to direct to Mr. Washburn is this: To what extent do we have participation on the part of individuals, unofficial groups, organizations in our informational activity? I raise this question, Mr. Washburn, for a number of reasons. One, not so long ago, General Sarnoff submitted a memorandum, as you know, to President Eisenhower in which he stressed this very thing, the need for more active participation on the part of the individuals and on the part of numerous American groups. Then, secondly, after having read carefully the recommendations of the former Hickenlooper subcommittee, which, as you know, made a very extensive survey on the activities of the Voice of America, one of the recommendations of that subcommittee was the need for more extensive participation on the part of these groups.

To what extent do we have this participation today?

Mr. WASHBURN. The Hickenlooper committee report was extremely valuable. Actually, it was one of the main guide lines we used in setting up the new agency 2 years ago. I think if you go down the list of its recommendations you will see that just about every one of them have been acted upon.

In this matter of private groups and organizations helping with the job, we certainly couldn't agree more. It is an enormous task. Government can't possibly do it alone. Quite a bit of progress has been made. Hundreds of projects have been developed and are under way. One, as an example, is the American Bookshelf, which is a portable library of 99 paper-backed books which have been gotten together through the cooperation of several publishers, and with the help of the CARE organization, can be sent overseas to hospitals and schools and universities at $30 a set. We find that the VFW and Rotary and the General Federation of Women's Clubs, and a number of other groups, are running campaigns to buy these books and get them sent overseas in quantity. This is a wonderful thing, and is particularly helpful in combating this cheap book campaign that Congressman FEIGHAN was talking about.

Mr. WARREN. Doctor, you had a question for the Congressman.

Dr. DOBRIANSKY. We have noticed in the past few months during this peace offensive on the part of Moscow quite a step-up in the cultural offensive, as they call it, of Moscow and the Communists. You have ballets that are being staged in various capitals of Western Europe, and, of course, sports activities. In other words, there is a much greater participation on the part of the citizens of the Soviet Union in the free world and in the activities of the free world. I just wondered if Congressman FEIGHAN has any view on that particular thing in terms of our combating this cultural offensive on the part of Moscow; whether he feels that anything we are doing in that respect actually is effective in combating this cultural offensive on the part of Moscow.

Mr. FEIGHAN. I might say since a couple of years ago we have participated in these trade fairs. Previously, the Communists have had a propaganda springboard, creating the false impression there was a life of plenty behind the Iron Curtain. But now that the Americans have competed, the Russians have withdrawn at Bangkok, Paris, Liege, France, Salonika, Greece, and other places. I think it is extremely important that the United States Department of Commerce, with our American manufacturers, participate in all these fairs.

I urged the President to take the initiative in forming a free world trade block in order to protect free labor and free enterprise in the United States. We should never permit our fruits of free labor to compete with slave labor. If we do, it will only lower our standard of living to the common poverty that is in existence behind the Iron Curtain.

I am certain that is one good thing that we have entered into. Another thing that is very disturbing to me is the fact that in the coming Olympics in Melbourne next year, our amateur athletes will have to compete with those professional Russians. It is my hope that the people in the United States will make every effort, along with organizations, to help to send athletes who will be able to compete with these Russian professionals.

Dr. DOBRIANSKY. Congressman, may I interrupt there? I understand you to say, "Russian professionals." My reading of many of the newspapers that come from Moscow, and also pamphlets, shows that they certainly don't represent themselves in that fashion. You have individuals that may be, let us say, employed at one of the installations in Baku, an oil company, and they are on the payroll there. They are certainly amateurs in the same way, I imagine, as we have our basketball team with the Phillips Oilers, who are actually employed in the concern, and yet in their free time play basketball or engage in swimming, or anything else. In other words, I can't understand you saying "professionals."

Mr. FEIGHAN. They are professionals because they are specially trained, and those to whom you refer working in various oilfields, or wherever it may be, I doubt if they are working. They are really just training. Of course, the reason for the Russians trying to win the Olympics is to try to show that life behind the Iron Curtain is a very pleasant life and the people there will become the superior people. We have to try to put up in the field individuals and teams that will compete with them. I think they really are professionals. They are not the amateurs like ours, that are usually in high school or college.

Dr. DOBRIANSKY. You are definitely correct in that respect. It is a definite subterfuge. But, nevertheless, Moscow propaganda has them as amateurs.

Mr. Washburn, in connection with the USIA, are there specific projects under way now to meet this tremendous cultural offensive on the part of Moscow, and also in preparation for the Olympics next year?

Mr. WASHBURN. There has been in the past 10 months quite an effort made in this direction, Dr. Dobriansky. Under the President's fund, $5 million was appropriated by Congress, and we are getting into the trade fairs. There is no question but what the Communists have the jump on us in that. They are in 65 fairs this year, and we will be in a total of about 21. But we have been very successful in those we have been in. As Congressman FEIGHAN said, Cinerama scared them out at Bangkok. When they found out they were going to have to compete against is in Djakarta this fall they pulled out of that fair, too. It is interesting that at Djakarta, and also at New Delhi, the United States exhibit there will present television to Indonesia and India for the first time. That should be a rather interesting exhibit for the United States to have over there.

Dr. DOBRIANSKY. Mr. Warren, if I may also interject here another question that has certainly been burning in my mind, and at the same time I think quite disturbing is this: Reading the newspaper accounts or the articles of various commentators, there has been a crying need in the eyes of some people for a joint congressional committee on the overseas information program. I know that the Select House Committee to Investigate Communist Aggression, otherwise called the Kersten committee, made that recommendation and, of course, numerous others have.

I just wonder here how Congressman FEIGHAN feels about the formation of such a committee.

Mr. FEIGHAN. I think it is most necessary, if we are going to carry out our objectives of acquainting the people with what we stand for and exposing and counteracting the evils of Communist propaganda. We must prepare for a full-scale undertaking. I call it a political offensive, and a substantial part of that offensive must be assumed by the USIA. Our Kersten committee report recommended that Congress establish such a joint committee. I think that our information programs have a major bearing on the question of peace or war. I believe that it is entirely within our capabilities to prevent world war III, and at the same time to bring to the world an era of peace and freedom. But we must measure up to our full capabilities——

Dr. DOBRIANSKY. Congressman, are you suggesting that this joint committee serve somewhat as a "watchdog"—which I think is an unfortunate term that many people employ, but nevertheless, you do have that term used in articles and editorials and the like?

Mr. FEIGHAN. The term "watchdog," to me connotes more or less of an overseer of expenditures. This joint committee, in my opinion, should be something entirely bigger and more effective than that. This should be a committee that will get the best brains of the entire country, to put them together in order to disseminate truth. We have to realize that the Information Agency has to do certain things that are novel. They have to go into unchartered waters. You can't always have them be 100 percent correct. With the joint committee, we would have a joint initiative on the problems that face us in our propaganda efforts.

Dr. DOBRIANSKY. As you envision it, the members of this joint committee would be concerned also with the content of information?

Mr. FEIGHAN. Absolutely.

Dr. DOBRIANSKY. For example, a few days ago, George Sokolsky wrote an excellent article on nationalism. He claims that we have hardly used this weapon of nationalism, especially directed against the many non-Russian nations in the Soviet Union, Ukraine, Georgia, Armenia, and the like. It is my information that the term, "independence," can't even be used on the Voice of America in connection with these non-Russian nations. Would the Congressmen be concerned about that and urge something of that sort?

Mr. FEIGHAN. I certainly would. I think that the question of the independence of these nations that are enslaved by communism is the key to peace and freedom. I think that is the only way we are going to break up the Communist conspiracy which has the chains of slavery throughout the entire world behind the Iron Curtain.

Mr. WARREN. Thank you, gentlemen. I am sorry that our time is up for further discussion of our topic today, "Need for Congressional 'Watchdog' Over United States Information Abroad.

The National School Crisis

EXTENSION OF REMARKS
OF
HON. HAROLD D. DONOHUE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 27, 1955

Mr. DONOHUE. Mr. Speaker, without question, one of the gravest domestic situations facing the Nation today is that of providing vitally needed educational facilities for the youth of America.

The educational authorities of the Nation are practically unanimous in their testimony that there is a deplorable lack of qualified teachers and a disgraceful lack of proper classroom space; the statistics backing up this testimony are so overwhelming that no sensible person even begins to think of questioning them.

It is only too obvious that the teacher shortage arises from the continuing low pay level and discouraging teaching conditions. It has been authoritatively estimated that only about 6,000 classroom teachers in the entire country are paid as much as $6,500 per year, and in a great many instances the starting salaries are lower than those of the unskilled laborer. In contrast, the attractiveness of industrial offers compel legions of those best qualified to forsake heartfelt teaching ambitions in order to provide for their own families.

In the matter of physical schooling facilities, the most conservative figures show that the Nation's public schools will require additions of more than 40,000 classrooms each year until 1960. This need develops, of course, from the unprecedented enrollment increase coming from our ever-advancing birthrate. The number of school-age children, 5–17, will rise by 13.6 million during the current decade, 1950–60. This compares with an increase of only 9.4 million in the preceding 50 years, 1900–50. Those are the simple figures.

From the numerous reports of the various educational commissions and committees studying the subject these past few years, it becomes apparent that most of the States and school districts have demonstrated inability to cope with the increase in school population, a shifting school census and a teacher shortage.

Recognizing then, as we must, this schooling crisis that has come upon us, we face two very serious questions. First, it is a matter of Federal Government concern and obligation; secondly, if it is, then in what manner and to what extent should the Federal Government participate toward its solution?

As to the first question, surely the adequate education of all American youth is essential to the Nation's preservation. Unquestionably, the country's most fundamental resources and strength lay in its youth, rather than in the soil or in the climate or any other material thing. Certainly, every American child has a right to pursue, and to have made available for such pursuit, an adequate educational opportunity. Undeniably, the Federal Government is charged with the obligation of promoting the general welfare and it would seem axiomatic that the promotion of the general welfare embraces assistance for the education of American children, more especially when the denial of educational opportunity is near to a national disgrace.

If we accept the principle of Federal obligation, as I believe in conscience we must, then we can find the ways and the means for the extension of reasonable assistance to States from the National Government. School financing naturally presents great difficulties as, indeed, does the financing of all essential services these days. There are in existence numerous financial plans and programs drawn up and suggested by experts in the field of both finance and education and they need no recitation here. I will be the last to pretend infallibility in pointing out the wisest and the best. I will be among the first to lend my modest talents but unrelenting efforts in persevering study and work for the enactment of a Federal legislative program to aid in the satisfactory solution of this school crisis.

Properly educating our youth is the best possible investment the National Government and the individual States can make for the future of this blessed country. With Christian generosity we have poured our resources into hamlets at the ends of the earth for the rehabilitation of people less blessed than we are. We can surely, then, afford to reasonably pay for the education of American youth and provide higher teaching salary levels for the heroic group of men and women who would loyally devote their lives and their learning to the instruction of the Nation's children if they could decently live within that holy vocation.

Mr. Speaker, there are, indeed, many pressing problems still facing this Congress. In my opinion, the national school crisis is, perhaps, our paramount domestic challenge at present. I earnestly hope, therefore, that the Congress will stay in session until, at the very least, some temporary or emergency legislation may be passed to begin the fulfillment of the moral and patriotic obligation resting upon all American units of government to insure adequate educational opportunities for the youth of America.

Speech Delivered by Hon. Abraham J. Multer, of New York, at the 46th Annual Convention of B'Nai Zion at Monticello, N. Y., on June 4, 1955

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 27, 1955

Mr. MULTER. Mr. Speaker, it was my privilege to be a guest speaker at the 46th annual convention of B'nai Zion on June 4, 1955, at Monticello, N. Y.

The 4-day convention began on June 3, 1955, and was attended by many distinguished leaders of Jewry including Yehuda Harry Levin, counselor of the Embassy of Israel, and the Honorable Bartley C. Crum, former member of the Anglo-American Commission of Inquiry on Palestine.

The speakers at the 4-day convention included Supreme Court Justice Arthur Markewich, president of B'nai Zion; Dr. Harris J. Levine, past president of B'nai Zion and president of the Jewish National Fund; Mendel N. Fisher, executive director of the Jewish National Fund; Benjamin E. Gordon, chairman of the B'nai Zion Foundation; Herman Z. Quittman, secretary of B'nai Zion. Among the many others who contributed to the success of the convention were Nathaniel S. Rothenberg, Hyman J. Fliegel, Norman G. Levine, Rudolph Edelson, Elias Epstein, Dr. Samuel Margoshes, Dr. Jacob I. Steinberg, Dorothy S. Levine, Hon. Harry A. Pine, Louis K. Bleecker, Benjamin Dantzker, Alazar Kushner, Joseph Kleiman, Dr. Sidney Marks, A. A. Redelheim, Herman Sperling, and Mike Funk.

I believe the text of my remarks on that occasion may be of interest to our colleagues. They are as follows:

Mr. Chairman, distinguished guests upon the platform, fellow members and friends, I am in a somewhat difficult position. Our nassi (president) has already complimented the ladies. All of the compliments that can be thought of, together with our congratulations, have been extended to Herman and his good wife and to their son. You have been told the story about the silver and I understand the ladies have collected about all the silver that is available in exchange for the raffle tickets. Well, that sounds illegal. I mean, in exchange for a share in a diamond ring that somebody is going to take home.

I could talk about the Jewish National Fund, but Mendel Fisher didn't send me a letter. I could talk about the national lawyers committee of the Jewish National Fund Foundation, but I don't know whether I should because Abe Tuviem gave me his promise he

would play customer's golf with me tomorrow, if I did. I am not sure that I want to play that kind of golf with him. Of course, as Judge Markewich told you, I did submit an advance copy of some of the things I intended to say tonight and part of them he has already used in his script. But I have learned from past experience that what you are going to send to the press as an advance copy of your speech, don't send to any of the speakers that are going to precede you on the platform. So maybe I will fool him. Although you can't help but talk about some of the same general subjects at a meeting of this kind, I will try to put it in just a little different language than he has already used and try to save something also for those that are going to follow me on the platform at this convention. That may save you from the boredom of too much repetition.

Now I chose for the topic of my brief comments tonight not what the Jewish National Fund has done during the years, not what B'nai Zion has done during the years, not what you are going to do in the years to come as you strengthen your membership by bringing new blood into the organization, not by talking about how you are the backbone of the Zionist movement and have been and will continue to be, nor about the fact that the Jewish National Fund could hardly carry on without the aid of B'nai Zion.

I have chosen a topic which I am sure is uppermost in your minds as it must be in the minds of every Jew throughout the world and that is, "What is wrong with our American Government?"

Now there are a great many things that are right about our American Government, but there are 1 or 2 things that are wrong. Some of those things that are wrong touch you and me very closely. And you and I and our friends will have to do something about it.

Now within the meaning of the words "What is wrong with our American Government?" you can very easily take anyone of three topics.

You could take our immigration laws, and I touch upon that first so there will be no doubt in anybody's mind that I am not being political in my criticisms about government today because although I am a Democrat, I am very much ashamed of the fact that the immigration laws of this country bear the names of two Democrats and I think most highminded Democrats disown the principles of both the late Senator McCarran and my colleague, who still sits with me in the House of Representatives, Mr. WALTER, as written into the McCarran-Walter Immigration Act. I have said many times before, and I will say many times again, that act is a blot upon the history of our country and both parties are responsible for it. However, the leader of the Republican Party, the President of these United States, must bear the responsibility for that law not being corrected, and, to his everlasting shame, history will record that he made a deal, a political deal, with the authors of that Immigration Act not to press for amendments of it, in exchange for a refugee act that is a fraud and a scandal. If the act has not been properly administered up to the present time, he must also bear the blame for that. In blaming him for that today let us recall that a certain Senator, whom I need not name, no longer holds a whip hand over the President or over his Secretary of State or over the Republican Party. If the McCarthy nominee in charge of that program is still there and in charge of it, our President, together with his Secretary of State, must bear the blame for it.

I refer to the Immigration Act because it indicates a lack of sympathy on the part of Americans in high official place, a lack of sympathy for the needs and for what must be done to help people outside of our country who can't otherwise be helped.

Now I come to the second of the things that I think is wrong with our Government. It is typified by the following quotation from a member of the President's Cabinet and if when she reads it, if she does read, in the newspapers anything that I have said here tonight and says that the quotation was taken out of context of the speech she made on Thursday, my answer is "Yes." Deliberately I have taken it out of context.

Let me read what Secretary Hobby said to a graduating class at the Presbyterian Medical Center on Thursday of this week and I quote: "Lacking your training, lacking your experience and your knowledge, we will at times seem remarkably inept." Those are the words used on Thursday of this week by Mrs. Hobby, Secretary of the great Department of Health, Education, and Welfare of this country. That is the same lady who has not found time to attend before the congressional committees and explain why she was so inept in the handling of the Salk vaccine program in this country. She has time to make speeches and attend parties but on every day that she was supposed to attend before a congressional committee she claimed either illness or that she had to chase off to some place distant from Washington.

What she said typifies the ineptness of the administration in charge of the executive department of our American Government. That also typifies the lack of sympathy of those people in high Government place. I pointed out to you a moment ago their lack of sympathy for the foreigner. Now I am pointing out to you the lack of sympathy for our own children and for our own country's welfare. I am sure you will agree with me that the Canadians and the Canadian Government do not love their children any more than we do and their government does not have any more desire to protect their children than our Government should have to protect ours. But the ineptness of the administration indicates its lack of sympathy with human problems. We provide free vaccines and toxins for our cattle without socializing the cows or the farmers. But to do as much for our children, Mrs. Hobby tells us, will drive us into socialization of medicine.

Is it any wonder that we should be so concerned about the lack of sympathy of this same Government and these same high-placed Government officials with the problems that concern us so dearly and so closely as they involve the Middle East and particularly the new state of Israel for which you and I and our fathers and mothers labored so long and so hard, and for which we will continue to work hard.

It is hard to understand how we could have a President in these United States who voices his desire for worldwide peace and who talks about his interest in human beings, how liberal he is where the human element is involved and how conservative he is where property values are concerned, and yet takes so little interest in what his Secretary of State is doing.

I do not agree for one moment with any of those who attribute any anti-Semitism or any anti-Jewishness to our Secretary of State. At the same time I refuse to concede that there is a single Jew anywhere in these United States who is one bit less patriotic and less loyal to this country than is our Secretary of State. I refuse to believe that there is a single Jew anywhere in these United States who would not put the national security of this country ahead of even the national security of the new State of Israel. But none of us are called upon to do that. You need not put our national security ahead of the national security of any other people or any other country in order to work for and bring about a genuine peace in the world.

Sholom is the word that resounds through our Torah. Sholom is the word that is preached to us from the day we are old enough to understand. Sholom is the word and the principle and the concept that Jews have carried with them wherever they have gone from time immemorial and which we will always preach and practice. It would seem, however, that everybody except our State Department knows how to bring about peace in the Middle East. We are told on every side that the greatest accomplishment of this Republican administration in Washington is worldwide peace. I suppose we must concede that there is no worldwide war.

We might even further concede that there is no declared war. At the same time, unless we stifle our senses, we must know that there is no peace. The protestations of our State Department that it desires peace in the Middle East can be likened to a doctor treating a mental patient afflicted with homicidal tendencies by telling him, "behave yourself," and while using expressions of good behavior to him, hands to this mental patient a loaded gun.

I have many times urged that peace in the Middle East can very quickly be established if our Government took the position that we would give no aid to the Arabs unless they consummated in good faith treaties of peace with the State of Israel. I have also many times urged that if we gave to the Arab States economic aid, we could divert the Arabs' attention from their military threats and desires to improving their standards of living. Everyone but our State Department seems to understand that you can't establish peace by encouraging violence. If you can't do it in the treatment of juvenile delinquency, how can you do it with adults? We know if you want to prevent crime you don't do it by teaching people how to use drugs or guns or weapons.

But our great Government can't understand that nations are groups or congregations of people and you must treat them as you would treat humans and you can't encourage peace by delivery of military armaments.

At the recent conference in Bandung a declaration on Palestine was adopted. Israel was not invited to attend. The Arab States were invited to and did attend. The declaration as there adopted referred to the existing tension in the Middle East and I quote, "of the danger of that tension to world peace." The declaration called for the implementation of the United Nations resolutions on Palestine and, over the objections of the Arabs, the declaration included a call for, and I quote, "the peaceful settlement of the Palestine question." This is just one more resolution that the Arabs will ignore.

What right have we or anyone else to think the Arabs would pay any more attention to this resolution than to past resolutions which called upon them to renounce their belligerencies, to call off their blockades, to extend their armistice agreements to final peace settlements, and to integrate the Arab refugees into the Arab economies?

Every day that goes by without our Government making earnest efforts to establish peace in the Middle East and every utterance of the thought that armaments to the Arab states can establish peace is further proof of the Communists that our Government talks peace and acts war.

To those who say I am too critical of our Government, I say I am critical only when I can offer a solution. I don't pretend to be omniscient. I don't pretend to be infallible. But I have offered a solution. Maybe there is another solution or even a better one. If there is, then I call upon our Government to announce what that solution is and try to implement it.

As I see it, the solution is not military aid but a firm insistence upon suspension of hostilities and of all blockades and then move in with economic aid and teach these

people to live as decent humans and to learn to love their neighbors as themselves. All a Jew ever asks anywhere is to be permitted to love his neighbor as himself and to be permitted to treat the stranger in his midst as one who belongs. That, my friends, is my brief message to you tonight. I do hope that in the year ahead you will continue the fine work you have been doing and that at the next convention we can get together and celebrate genuine world peace.

SENATE

THURSDAY, JULY 28, 1955

The Senate met at 11 o'clock a. m.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Thou Father of our spirits, who hearest prayer and to whom all flesh shall come, breathe upon us now, we beseech Thee, the benediction of Thy holy calm. Instead of regarding our tasks as drab burdens may they be edged with crimson and gold as we lift them up into Thy light. Create in us the splendor that dawns when hearts are kind.

May we hear Thy call in the thunder of these tumultuous times. In this day of destiny, when the hammers of Thy purpose are beating out new shapes on the anvil of the world, may this dear land of ours be fashioned into an instrument through which Thy will may be done on the earth. So may we become workers together with Thee in a world distraught, uncertain, groping, and in desperate need of Thy guidance. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. BIBLE, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, July 27, 1955, was dispensed with.

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Pursuant to the order of the Senate of July 27, 1955,

Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, to which was referred the bill (S. 2402) to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended, reported it favorably, with an amendment, on July 27, 1955, and submitted a report (No. 1176) thereon.

EXECUTIVE REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

Pursuant to the order of the Senate of July 27, 1955,

The following executive reports of committees were submitted on July 27, 1955:

By Mr. GEORGE, from the Committee on Foreign Relations:

Executive I, 83d Congress, 2d session, a notification given by the Government of the Netherlands, in accordance with article XXVII of the convention of April 29, 1948, between the United States of America and the Netherlands, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and certain other taxes, with a view to extending the operation of the convention, with certain limitations, to the Netherlands Antilles, dated June 24, 1952; without amendment or reservation (Ex. Rept. No. 12);

Executive I, 84th Congress, 1st session, a protocol, signed on June 15, 1955, supplementing the convention between the United States of America and the Kingdom of the Netherlands with respect to taxes on income and certain other taxes for the purpose of facilitating extension to the Netherlands Antilles; without amendment or reservation (Ex. Rept. No. 12);

Executive C, 84th Congress, 1st session, a convention between the United States of America and the Italian Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed at Washington on March 30, 1955; without amendment or reservation (Ex. Rept. No. 12); and

Executive D, 84th Congress, 1st session, a convention between the United States of America and the Italian Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on estates and inheritances, signed at Washington on March 30, 1955; without amendment or reservation (Ex. Rept. No. 12).

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

One hundred and seventy-three postmasters.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. BIBLE. Mr. President, under the rule, there is a regular morning hour today for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine business. I ask unanimous consent that statements made in connection therewith be limited to 2 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Morning business is in order.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT OF FOREIGN-TRADE ZONES BOARD AND FOREIGN-TRADE ZONES NOS. 1, 2, 3, 4, AND 5

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report of the Foreign-Trade Zones Board, for the fiscal year ended June 30, 1954, together with the report covering the operations during the same period of Foreign-Trade Zones Nos. 1, 2, 3, 4, and 5, located, respectively, at New York City, New Orleans, San Francisco, Los Angeles, and Seattle (with accompanying documents); to the Committee on Finance.

REPORT OF UNITED STATES TARIFF COMMISSION ON TRADE AGREEMENTS PROGRAM

A letter from the Chairman, United States Tariff Commission, Washington, D. C., transmitting, pursuant to law, the report of that Commission on the Operation of the Trade Agreements Program, for the period July 1953 to June 1954 (with an accompanying report); to the Committee on Finance.

CONCESSION CONTRACT IN MOUNT MCKINLEY NATIONAL PARK, ALASKA

A letter from the Assistant Secretary of the Interior, transmitting, for the information of the Senate, a contract for the temporary operation of McKinley Park Hotel, Mount McKinley National Park, Alaska (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT ON PROVISION OF WAR-RISK, AND CERTAIN MARINE AND LIABILITY INSURANCE FOR THE AMERICAN PUBLIC

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on the provision of war-risk insurance and certain marine and liability insurance for the American public, as of June 30, 1955 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT OF PROCEEDINGS OF SPECIAL MEETING OF JUDICIAL CONFERENCE

A letter from the Chief Justice of the United States, transmitting, pursuant to law, a report of the Proceedings of a Special Meeting of the Judicial Conference of the United States, held at Washington, D. C., March 24–25, 1955 (with an accompanying report); to the Committee on the Judiciary.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the committee on the part of the Senate.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HILL, from the Committee on Labor and Public Welfare:

S. Res. 132. Resolution to provide additional funds for the Committee on Labor and Public Welfare; without amendment (Rept. No. 1177).

By Mr. GREEN, from the Committee on Rules and Administration, without amendment:

S. Con. Res. 36. Concurrent resolution requiring conference reports to be accompanied by statements signed by a majority of the managers of each House (Rept. No. 1180);

S. Con. Res. 49. Concurrent resolution to print certain matters in connection with the acceptance by Congress of the statue of the late Chief Justice Edward Douglass White, of Louisiana;

S. Con. Res. 51. Concurrent resolution to print for the use of the Committee on Banking and Currency additional copies of hearings entitled "Stock Market Study";

H. Con. Res. 161. Concurrent resolution providing for the printing of the song Pledge of Allegiance to the Flag as a House document;

S. Res. 133. Resolution increasing funds for a study by the Committee on Foreign Relations of technical assistance and related programs (Rept. No. 1178);

S. Res. 136. Resolution increasing the limit of expenditures by the Committee on Appropriations; and

S. Res. 137. Resolution increasing the limit of expenditures by the Committee on the Judiciary (Rept. No. 1179).

By Mr. CLEMENTS, from the Committee on Appropriations:

H. R. 7117. A bill making appropriations for the legislative branch, for the fiscal year ending June 30, 1956; with amendments (Rept. No. 1181).

(See the remarks of Mr. CLEMENTS when he reported the above bill, which appear under a separate heading.)

By Mr. McCLELLAN, from the Committee on Government Operations, without amendment:

H. R. 7034. A bill to provide permanent authority for the relief of certain disbursing officers, and for other purposes (Rept. No. 1185);

H. R. 7035. A bill to amend section 1 of the act entitled "An act to authorize relief of accountable officers of the Government, and for other purposes," approved August 1, 1947 (61 Stat. 720) (Rept. No. 1186); and

H. J. Res. 276. Joint resolution to authorize the Texas Hill Country Development Foundation to convey certain land to Kerr County, Tex. (Rept. No. 1187).

By Mr. McCLELLAN, from the Committee on Government Operations, with an amendment:

S. Res. 140. Resolution relative to the establishment of uniform fees and charges by Government agencies for work or other things of value performed by them (Rept. No. 1184).

By Mr. KENNEDY, from the Committee on Government Operations, without amendment:

S. 2364. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, and for other purposes (Rept. No. 1183).

By Mr. KENNEDY, from the Committee on Government Operations, with amendments:

S. 2591. A bill to amend section 602 of the Federal Property and Administrative Services Act of 1949 with respect to the utilization and disposal of excess and surplus property under the control of executive agencies (Rept. No. 1182).

By Mr. SYMINGTON, from the Committee on Government Operations, without amendment:

H. R. 482. A bill to provide for the conveyance of a portion of the former O'Reilly General Hospital, Springfield, Mo., to the State of Missouri, and for other purposes (Rept. No. 1188).

By Mr. SYMINGTON, from the Committee on Government Operations, with amendments:

H. J. Res. 330. Joint resolution to provide for the acceptance and maintenance of Presidential libraries, and for other purposes (Rept. No. 1189).

By Mr. McCARTHY, from the Committee on Government Operations:

H. R. 2889. A bill to provide for the conveyance of certain land in Necedah, Wis., to the village of Necedah; without amendment (Rept. No. 1194).

By Mr. CHAVEZ, from the Committee on Public Works, without amendment:

H. R. 1599. A bill to provide for adjustments in the lands or interests therein acquired for the Jim Woodruff Reservoir, Fla. and Ga., by the reconveyance of certain lands or interests therein to the former owners thereof (Rept. No. 1195);

H. R. 3235. A bill to provide for adjustments in the lands or interests therein acquired for the Demopolis lock and dam, Alabama, by the reconveyance of certain lands or interests therein to the former owners thereof (Rept. No. 1196);

H. R. 6066. A bill authorizing modification of the project for flood protection on the San Joaquin River and tributaries, California (Rept. No. 1192); and

H. R. 6417. A bill to revive and reenact the act authorizing the Arkansas-Mississippi Bridge Commission, its public successors, or public assigns to construct, maintain, and operate a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark., approved May 17, 1939 (Rept. No. 1193).

By Mr. CHAVEZ, from the Committee on Public Works, with amendments:

S. 1749. A bill adopting and authorizing the improvement of Rockland Harbor, Maine (Rept. No. 1190); and

S. 2374. A bill to authorize the Secretary of the Army to enter into contracts to furnish water for municipal water supplies from flood control and river and harbor projects (Rept. No. 1191).

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, without amendment:

S. 2604. A bill to increase the borrowing power of Commodity Credit Corporation (Rept. No. 1200).

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, with amendments:

S. 2511. A bill to amend the Agricultural Adjustment Act of 1938, as amended (Rept. No. 1218).

By Mr. EASTLAND, from the Committee on Agriculture and Forestry:

S. 2446. A bill to permit sale of Commodity Credit Corporation stocks of cotton that are in excess supply for unrestricted use at current market prices; with an amendment (Rept. No. 1199).

By Mr. HOLLAND, from the Committee on Agriculture and Forestry:

H. R. 5168. A bill to provide for retirement of the Government capital in certain institutions operating under the supervision of the Farm Credit Administration; to increase borrower participation in the management and control of the Federal Farm Credit System; and for other purposes; with an amendment (Rept. No. 1201).

By Mr. KILGORE, from the Committee on the Judiciary, without amendment:

S. 792. A bill for the relief of Spyros Nicholaou Lekatsas (Rept. No. 1205);

S. 1255. A bill for the relief of Brigitta Poberetski (Rept. No. 1213);

S. 1415. A bill for the relief of Anna Mertikas (Rept. No. 1206);

S. 2088. A bill for the relief of Ladislav Mencl (Rept. No. 1207);

S. 2130. A bill for the relief of Nicholas John Beltsos (Rept. No. 1210);

S. 2154. A bill for the relief of Lucia Mary Ann Lucchesi Marchi (Rept. No. 1208);

S. 1266. A bill for the relief of Nickolas Menis (Rept. No. 1209);

H. R. 1423. A bill for the relief of Raymonde Rouxel Williams (Rept. No. 1211); and

H. R. 3275. A bill for the relief of Richard Raffo Hanson (Rept. No. 1212).

By Mr. KILGORE, from the Committee on the Judiciary, with an amendment:

S. 1512. A bill to amend section 107 of title 28 of the United States Code so as to eliminate separate divisions and reduce the number of places of holding regular terms of the United States District Court for the District of Nebraska (Rept. No. 1214);

S. 2182. A bill for the relief of the city of Elkins, W. Va. (Rept. No. 1215); and

S. 2312. A bill for the relief of certain Korean war orphans (Rept. No. 1216).

By Mr. KILGORE, from the Committee on the Judiciary, with amendments:

H. R. 1496. A bill for the relief of Leong Ding Foon Quon and Ken C. Quon (Rept. No. 1217).

By Mr. O'MAHONEY, from the Committee on the Judiciary, with an amendment:

S. 125. A bill for the relief of the State of Illinois (Rept. No. 1202); and

S. 1395. A bill to amend the joint resolution entitled "Joint resolution to establish a commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton," approved August 20, 1954 (Rept. No. 1232).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

S. 1455. A bill to amend the Flammable Fabrics Act to exempt from its application scarves which do not present an unusual hazard; without amendment (Rept. No. 1204).

By Mr. MONRONEY, from the Committee on Interstate and Foreign Commerce:

S. 1853. A bill to amend the Natural Gas Act, as amended; with an amendment, together with the minority views of Mr. MAGNUSON, Mr. PASTORE, Mr. POTTER, and Mr. PURTELL, and the individual views of Mr. DUFF and Mr. PAYNE (Rept. No. 1219).

Mr. MONRONEY subsequently said: Mr. President, a short time ago I submitted a report on behalf of the Committee on Interstate and Foreign Commerce on the bill (S. 1853) to amend the Natural Gas Act, as amended.

I am advised that I must have unanimous consent of the Senate to incorporate in the report minority views and individual views. I therefore ask unanimous consent that such views may be included in the committee report.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. PASTORE, from the Committee on Interstate and Foreign Commerce:

H. R. 5614. A bill to amend the Communications Act of 1934 in regard to protests of grants of instruments of authorization without hearing; without amendment (Rept. No. 1231).

By Mr. RUSSELL, from the Committee on Armed Services, without amendment:

H. R. 2112. A bill to amend the act of February 21, 1946 (60 Stat. 26), to permit the retirement of temporary officers of the naval service after completion of more than 20 years of active service (Rept. No. 1220); and

H. R. 6600. A bill to amend section 303 of the Career Compensation Act of 1949, to authorize travel and transportation allowances, and transportation of dependents and of baggage and household effects to the homes of their selection for certain members of the uniformed services, and for other purposes (Rept. No. 1221).

By Mr. STENNIS, from the Committee on Armed Services, without amendment:

S. 2624. A bill to amend an act entitled "An act to provide for the sale of the Port Newark Army Base to the city of Newark, N. J., and for other purposes," approved June 20, 1936, as amended (Rept. No. 1223); and

H. R. 1459. A bill to provide for the conveyance of a tract of land in Orange County, N. Y., to the village of Highland Falls, N. Y. (Rept. No. 1224).

By Mr. STENNIS, from the Committee on Armed Services, with an amendment:

S. 637. A bill to provide for the conveyance of Camp Livingston, Camp Beauregard, and

Esler Field, La., to the State of Louisiana, and for other purposes (Rept. No. 1222).

By Mr. STENNIS, from the Committee on Armed Services, with amendments:

S. 1959. A bill to direct the Secretary of the Army or his designee to convey a $6^{89}/_{100}$-acre tract of land out of a $199^{959}/_{1000}$-acre tract of land, situated in the vicinity of Houston, Harris County, Tex., to the State of Texas (Rept. No. 1225); and

H. R. 46. A bill to authorize the conveyance to the city of Anniston, Ala., of certain real property within Fort McClellan, Ala. (Rept. No. 1226).

By Mr. SALTONSTALL, from the Committee on Armed Services, without amendment:

H. R. 2149. A bill to increase the annual compensation of the academic dean of the United States Naval Postgraduate School (Rept. No. 1228);

H. R. 2559. A bill to authorize male nurses and medical specialists to be appointed as Reserve officers (Rept. No. 1229); and

H. R. 4672. A bill to increase the annuities of certain retired civilian members of the teaching staffs of the United States Naval Academy and the United States Naval Postgraduate School (Rept. No. 1230).

By Mrs. SMITH of Maine, from the Committee on Armed Services:

S. 1748. A bill to authorize the appointment of Reserve midshipmen in the United States Navy, and for other purposes; with amendments (Rept. No. 1227).

PAYMENT OF SALARY OF ATOMIC ENERGY COMMISSIONER DURING RECESS—REPORT OF A COMMITTEE

Mr. ANDERSON. Mr. President, from the Joint Committee on Atomic Energy, I report favorably, an original bill to authorize the Atomic Energy Commission to pay the salary of a Commissioner during the recess of the Senate and for other purposes, and I submit a report (No. 1198) thereon.

The PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar.

The bill (S. 2671) to authorize the Atomic Energy Commission to pay the salary of a Commissioner during the recess of the Senate and for other purposes, was read twice by its title, and placed on the calendar.

JOSEPH H. LYM, DOING BUSINESS AS LYM ENGINEERING CO.—REFERENCE OF S. 641 TO COURT OF CLAIMS—REPORT OF A COMMITTEE

Mr. KILGORE. Mr. President, from the Committee on the Judiciary, I report an original resolution to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Joseph H. Lym, doing business as Lym Engineering Co., and I submit a report (No. 1203) thereon.

The PRESIDENT pro tempore. The report will be received and the resolution will be placed on the calendar.

The resolution (S. Res. 142) was placed on the calendar, as follows:

Resolved, That the bill (S. 641) entitled "A bill for the relief of Joseph H. Lym, doing business as Lym Engineering Co." now pending in the Senate, together with all the accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

REPORT OF JOINT COMMITTEE ON ATOMIC ENERGY ON AGREEMENTS FOR COOPERATION (S. REPT. NO. 1197)

Mr. PASTORE. Mr. President, from time to time the Joint Committee on Atomic Energy has reported to the Senate on various agreements for cooperation which have been entered into by the Atomic Energy Commission. At this point I desire to submit a report from the joint committee on 20 agreements for cooperation, and ask that it be printed. The committee has found again that each of these agreements is in conformance with the letter and spirit of the Atomic Energy Act of 1954.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Rhode Island? The Chair hears none, and it is so ordered.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LEHMAN:

S. 2662. A bill to incorporate the National Music Council; to the Committee on the Judiciary.

(See the remarks of Mr. LEHMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. DOUGLAS (for himself, Mr. KILGORE, Mr. KEFAUVER, Mr. MCNAMARA, Mr. HUMPHREY, Mr. NEELY, and Mr. MURRAY):

S. 2663. A bill to establish an effective program to alleviate conditions of excessive unemployment in certain economically depressed areas; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. DOUGLAS when he introduced the above bill, which appear under a separate heading.)

By Mr. BENNETT (for himself and Mr. WATKINS):

S. 2664. A bill to provide for settlement in part of certain claims of the Uintah and White River Bands of Ute Indians in Court of Claims case No. 47568, through restoration of subsurface rights in certain lands formerly a part of the Uintah Indian Reservation; to the Committee on Interior and Insular Affairs.

By Mr. KENNEDY:

S. 2665. A bill for the relief of Joyce Soonhwe Kim; to the Committee on the Judiciary.

By Mr. BRICKER:

S. 2666. A bill for the relief of Catherine Toews; to the Committee on the Judiciary.

By Mr. JACKSON (by request):

S. 2667. A bill to amend the Career Compensation Act of 1949, as amended, to correct certain deficiencies; to the Committee on Armed Services.

By Mr. MCCLELLAN (by request):

S. 2668. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, regarding advertised and negotiated disposals of surplus property; to the Committee on Government Operations.

By Mr. WELKER (for himself and Mr. YOUNG):

S. 2669. A bill to provide for the restoration of the stage end of the interior of Ford's Theater in the District of Columbia and for a museum in the remainder of such theater; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. WELKER when he introduced the above bill, which appear under a separate heading.)

By Mr. HILL:

S. 2670. A bill to amend Public Laws 815 and 874, 81st Congress, which provide for assistance to local educational agencies in areas affected by Federal activities, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. ANDERSON:

S. 2671. A bill to authorize the Atomic Energy Commission to pay the salary of a Commissioner during the recess of the Senate, and for other purposes (an original reported bill); placed on the calendar.

(See the remarks of Mr. ANDERSON when he reported the above bill, which appear under a separate heading.)

By Mr. DIRKSEN:

S. 2672. A bill to provide that the Secretary of the military department concerned shall employ and provide counsel qualified to practice in such foreign court, to aid in the defense of any member of the Armed Forces of the United States who is accused of a crime and is to be tried in a foreign court; to the Committee on Armed Services.

By Mr. FULBRIGHT:

S. 2673. A bill to assist small business by providing an exemption of $15,000 of taxable income from the normal tax on corporations; to the Committee on Finance.

(See the remarks of Mr. FULBRIGHT when he introduced the above bill, which appear under a separate heading.)

By Mr. DANIEL:

S. 2674. A bill for the relief of Shakeeb Bakour; to the Committee on the Judiciary.

INCORPORATION OF NATIONAL MUSIC COUNCIL

Mr. LEHMAN. Mr. President, I introduce for appropriate reference, a bill to incorporate the National Music Council. The proposed legislation would provide that a Federal charter be issued to this great national organization which is composed of 45 nationally active musical organizations with a combined membership of over 800,000 persons.

The bill is a companion bill to H. R. 7128, which was recently introduced in the House of Representatives by Representative FRANK THOMPSON, Jr., of New Jersey.

I ask unanimous consent that a press release issued by the National Music Council, at the time when the House bill was introduced, be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the release will be printed in the RECORD.

The bill (S. 2662) to incorporate the National Music Council, introduced by Mr. LEHMAN, was received, read twice by its title, and referred to the Committee on the Judiciary.

The release presented by Mr. LEHMAN is as follows:

A bill, H. R. 7128, to grant a congressional charter to the National Music Council, has been introduced in Congress by Representative FRANK THOMPSON, Jr., of New Jersey. Representative THOMPSON has been one of the most active Members of Congress in the

introduction of legislation having to do with the advancement of the arts.

The National Music Council is composed of 45 nationally active musical associations, which have a combined individual membership of over 800,000. The council, which recently celebrated its 15th anniversary, was organized in 1940 as a nonprofit organization under the New York State Membership Corporation Law, for the following purposes: To provide a forum for the free discussion of problems affecting musical life of the country; to speak with one voice of music; to provide for interchange of information between the member organizations and to encourage coordination of effort among these organizations; to organize surveys or fact-finding commissions whenever deemed necessary; to encourage the advancement and appreciation of the art of music and to foster the highest ethical standards in the professions and industries. Practically all important national music organizations are represented in the National Music Council.

The council holds general meetings twice each year and special meetings may be called at more frequent intervals. The executive committee meets monthly, except during the summer months. The officers of the council are president, Howard Hanson; first vice-president, Mrs. Ada Holding Miller; second vice president, Stanley Adams, secretary, William R. Steinway; treasurer, Walter G. Douglas; archivist, Harold Spivacke. The members-at-large of the executive committee are Marion Bauer, Thomas H. Belviso, Leon Carson, S. Lewis Elmer, Ray Green, Ernest E. Harris, Edwin Hughes, S. Turner Jones, and Gustave Reese. Sidney Wm. Wattenberg is legal counsel, and it was through his efforts that the proposed charter was brought before Congress.

The National Music Council Bulletin is published three times annually. Its articles may be reprinted in other publications, and its subscription list is open to the public as well as to members of the council's member organizations. The council is represented on the United States Commission for UNESCO by Harold Spivacke, an alternate member of the executive committee of the United States Commission. The council has taken an active interest in informing its member organizations of congressional and other legislation having to do with music, and has been active in promoting governmental interest in, and recognition of, music in general.

The council awards a conductor citation each year for distinguished services to American music by the conductor of a major symphony orchestra. Last year this award was omitted due to the fact that there was a decided decline in the number of performances of works by American-born composers.

President Howard Hanson, Archivist Harold Spivacke, and Executive Secretary Edwin Hughes of the council are members of the music panel of the American National Theater and Academy (ANTA), which recommends to the Department of State musical artists and organizations for financial assistance from the Federal Government for the extension of their foreign tours.

During the war years and the postwar years some of the widespread activities of the council and its member organizations were devoted to propaganda for the preservation of our musical institutions, the use of music for morale purposes, and the rehabilitation of musical life in war devastated countries. In more recent years stress has been concentrated more on the advancement of our own music and musicians, and the spread of knowledge of American music abroad through musical exchange projects of UNESCO and other means. The council is a member of the International Music Council, which has its headquarters in Paris.

The material published in the NMC bulletin includes reports of the general meetings and other activities of the council; digests of congressional legislation, proposed or enacted, concerning music; source reports of Government musical activities; advance listings of contests, competitions, and awards; activities of member organizations; musical projects of the United Nations Educational, Scientific, and Cultural Organization (UNESCO); occasional signed articles bearing on various aspects of the national musical scene; and accounts of musical activities which have, or may have, national significance.

PROGRAM TO ALLEVIATE CONDITIONS OF EXCESSIVE UNEMPLOYMENT IN CERTAIN AREAS

Mr. DOUGLAS. Mr. President, on behalf of the junior Senator from West Virginia [Mr. NEELY], the senior Senator from West Virginia [Mr. KILGORE], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Michigan [Mr. MCNAMARA], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Montana [Mr. MURRAY], and myself, I introduce, for appropriate reference, a depressed areas bill to help relieve chronic unemployment in areas where there is a continuing labor surplus. The purpose of this bill is to help these areas help themselves. Mr. President, I ask unanimous consent to have printed in the RECORD an abstract of the bill, and text of the bill itself; also that the bill lie on the table for 1 day, so that other Senators who may wish to act as cosponsors may have the opportunity to do so.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and abstract will be printed in the RECORD, and the bill will lie on the desk for 1 day, as requested by the Senator from Illinois.

The bill (S. 2663) to establish an effective program to alleviate conditions of excessive unemployment in certain economically depressed areas, introduced by Mr. DOUGLAS (for himself and other Senators), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

(S. 2663)

Be it enacted, etc., That this act may be cited as "The Depressed Areas Act."

FINDINGS OF FACT

SEC. 2. The Congress hereby finds and declares that the maintenance of the national economy at a high level of prosperity and employment is vital to the best interests of the United States and that the present existence of excessive unemployment in certain areas of the Nation is jeopardizing the health, standard of living, and general welfare of the Nation.

PURPOSE

SEC. 3. It is therefore the purpose of this act to provide assistance to communities, industries, enterprises, and individuals of depressed areas to enable them to so adjust their productive activity as to effectively alleviate excessive unemployment within such areas.

DEPRESSED AREAS ADMINISTRATION

SEC. 4. In order to carry out the purposes of this act, there is hereby established, within the executive branch of the Government, a Depressed Areas Administration (hereinafter referred to as "the Administration"). The Administration shall be under the direction and control of an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be compensated at the rate of $ per annum.

ADVISORY COMMITTEE

SEC. 5. The Administrator shall, in carrying out his duties under this act, consult with an Advisory Committee, of which he shall be chairman, and which shall be composed of the following: The Commissioner of the Bureau of Public Roads, the Commissioner of the Office of Education, the Surgeon General of the United States Public Health Service, the Chief of Engineers of the Army, the Chief of the Forestry Service, the Administrator of General Services, the Housing and Home Finance Administrator, an Assistant Secretary of the Interior, an Assistant Secretary of Labor, an Assistant Postmaster General, an Assistant Secretary of Defense, the Director of Defense Mobilization, and the Chairman of the Atomic Energy Commission.

DEPRESSED AREAS

SEC. 6. (a) Areas within the United States in which the Administrator has determined that there has existed unemployment of not less than (1) 9 percent of the labor force for at least 18 months, or (2) 6 percent of the labor force for at least 3 years immediately prior to the date on which application for assistance is made under this act, shall be designated as "depressed areas."

(b) (1) In making the determinations provided for in subsection (a) of this section, the Administrator shall be guided by, but not conclusively governed by, pertinent studies, information, and data conducted, collected, or compiled by the various departments, agencies, and instrumentalities of the Federal Government, by State and local governments, and by private organizations.

(2) Upon the request of the Administrator, the Secretary of Labor is authorized and directed to conduct such special studies, obtain such information, and compile such data as the Administrator may deem necessary or proper to enable him to make the determinations provided for by subsection (a) of this section.

LOCAL COMMITTEES

SEC. 7. The Administrator, upon determining that any area is a depressed area, shall appoint a local industrial development committee (hereinafter referred to as a "local committee"), to be composed of not less than five citizens of such area. Each local committee shall prepare plans and cost estimates for the construction of industrial plants and other industrial and commercial facilities to attract new industries to the area which such committee represents, and shall enlist the support of local citizens and private and public lending agencies for financing such construction.

LOANS

SEC. 8. (a) Upon application therefor by a local committee, the Administrator is authorized to make loans to assist in financing the construction, within the depressed area represented by such committee, of industrial plants or other industrial or commercial facilities if he finds that—

(1) the construction of such plant or facility is reasonably calculated to alleviate unemployment within the depressed area wherein it is to be located;

(2) funds for the construction of such plant or facility are not otherwise available on reasonable terms;

(3) the amount of the loan plus the amount of private funds available for the construction of such plant or facility are adequate to insure the completion of such plant or facility;

(4) the construction of such plant or facility will not result in the attracting to

the depressed area in which such plant or facility is to be located an industry which is presently located in a depressed area, or which would, if induced to relocate in the area in which the plant or facility is to be located, become a depressed area; and

(5) after construction the plant or facility will be utilized by firms or organizations on a basis to provide more than temporary alleviation of unemployment.

(b) No loan made under subsection (a) of this section shall be for an amount in excess of 66⅔ percent of the cost of construction of the project for which such loan is made, nor shall the maturity date of any such loan be later than 40 years after the date such loan was made.

(c) Not more than $100 million of the funds authorized to be raised under section 10 of this act shall be available for the purpose of making loans under this section.

ASSISTANCE TO PUBLIC FACILITIES

SEC. 9. (a) The Administrator, in consultation with the members of the Advisory committee, shall conduct continuing studies of needs throughout depressed areas for useful public facilities, with a view to determining each of the various types of public facilities needed, the probable cost of construction of each such facility, and the estimated number of jobs which would be provided in and near such depressed area by the construction of each such public facility.

(b) (1) The Administrator is authorized to receive proposals from States, Territories, possessions, political subdivisions of States (including municipalities), and private or public organizations and associations relating to works of public facilities construction. Such proposals shall contain plans showing the work proposed to be performed, and the cost thereof, and shall contain proposals for contributions to the cost thereof by the entity making the proposal, proportioned to its ability to pay such contributions. The Administrator, in consultation with the entity which makes a proposal, is authorized to modify all or any part of such proposal.

(2) The Administrator shall periodically review proposals received under this subsection, and shall adopt such proposals as, in his view, will substantially aid in carrying out the purposes of this act.

(c) The Administrator, after consultation with the entity or entities most directly affected, is authorized to initiate programs of public facilities construction without the necessity for proposals therefor having been made under subsection (b).

(d) The Administrator shall select projects to be constructed under this section on the basis of the degree to which the construction of such project will result in the most effective and economic alleviation of unemployment within the depressed area wherein such project is to be constructed.

(e) (1) The Administrator shall assist, by making grants or loans, in the construction of any project selected for construction by him as the result of the submission of a proposal provided for in subsection (b), but he shall not make any loan or grant to assist in the construction of any project with respect to which a grant or loan under any other Federal program or State programs partially financed by Federal grants is, or upon application therefor would be, obtainable.

(2) In the case of any project which is in a category of projects with respect to the construction of which assistance, by means of grants or loans, is provided under another Federal program or State program partially financed by Federal grants, but which is not eligible for such assistance, or for which such assistance cannot be obtained, the Administrator shall, in determining the amount and conditions under which a grant or loan will be made under this subsection, be governed by the amounts and conditions of the grants or loans provided for by such Federal or State program.

(f) The Administrator is authorized to proceed with the construction of any project initiated by him under subsection (c) without any requirement of local contributions toward the construction of such project.

(g) The Administrator shall provide by regulations for the supervision of construction conducted under this section to insure that Federal funds are not wasted or dissipated.

(h) Not more than $100 million of the funds authorized to be raised under section 10 of this act shall be available for the purpose of carrying out the provisions of this section.

FUNDS

SEC. 10. To obtain funds for grants and loans under this act, the Administrator may, with the approval of the President, issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed $200 million. Such notes or other obligations shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by such officer or agency, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued under this section and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated in every respect as public debt transactions of the United States.

PROCUREMENT

SEC. 11. (a) Each department, agency, or other instrumentality of the Federal Government engaged in the procurement of any supplies or services for use by or on behalf of the United States shall, to the maximum practicable extent, procure such supplies or services from contractors in depressed areas or from contractors who in furnishing the same will undertake to provide for the employment of additional individuals in depressed areas.

(b) The Administrator shall furnish all departments, agencies, and instrumentalities of the Federal Government with a list of areas which he has designated as depressed areas under this act together with a list of the services and supplies which are most abundantly available in each of such areas.

INFORMATION

SEC. 12. The Administrator shall aid depressed areas by furnishing to interested individuals, communities, industries, and enterprises within such areas any assistance, technical information, market research, or other forms of assistance, information or advice which is obtainable from the various departments, agencies, and instrumentalities of the Federal Government and which would be useful in alleviating conditions of excessive unemployment within such areas.

POWERS OF ADMINISTRATOR

SEC. 13. For the purposes of performing his duties, the Administrator is authorized to—

(a) hold such hearings, to sit and act at such times and places, and to take such testimony, as the Administrator may deem advisable;

(b) secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics needed to carry out the purposes of this section; and each department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Administrator;

(c) require by subpena or otherwise the attendance of witnesses and the production of books, papers, and documents; to administer oaths, to take testimony, to have printing and binding done; and to make such expenditures as he deems advisable within the amount appropriated therefor. The Administrator may administer oaths or affirmations to witnesses appearing before him. Subpenas shall be issued under the signature of the Administrator and shall be served by any person designated by him. The Administrator is authorized to exercise any of the powers conferred upon the Securities and Exchange Commission by subsection (c) of section 21 of the Securities and Exchange Act of 1934, and subsection (d) of such section shall be applicable to witnesses before the Administrator; and

(d) establish such rules, regulations, and procedures as may be appropriate to permit the Administrator to perform the functions prescribed in this act.

TAX RELIEF

SEC. 14. (a) The first sentence of section 168 (e) (1) of the Internal Revenue Code of 1954 (relating to amortization of emergency facilities) is amended by striking out "has certified as necessary in the interest of national defense during the emergency period, and only such portion of such amount as such authority has certified as attributable to defense purposes" and inserting in lieu thereof "has certified as necessary in the interest of national defense or to relieve unemployment in areas designated as 'depressed areas' by the Administrator of the Depressed Areas Administration during the emergency period, and only such portion of such amount as such authority has certified as attributable to such purposes."

(b) The amendment made by this section shall be effective only with respect to taxable years beginning after December 31, 1954.

VOCATIONAL TRAINING

SEC. 15. (a) The Secretary of Labor shall—

(1) prescribe and provide suitable training for unemployed individuals residing in depressed areas who are in need of retraining, reemployment, vocational education, or vocational rehabilitation;

(2) utilize and extend all existing Federal governmental facilities, and utilize the facilities of any other governmental agency maintained by joint Federal and State contributions, to carry out the purposes of this section; and

(3) by agreement or contract with public or private institutions or establishments, provide for such additional training facilities as may be necessary to accomplish the purposes of this section.

(b) The Secretary of Labor shall have the power and the duty to cooperate with existing Federal, State, and local agencies and officials in charge of existing programs relating to retraining, reemployment, vocational education, and vocational rehabilitation for the purpose of coordinating his activities with those of such Federal, State, and local agencies.

UNEMPLOYMENT COMPENSATION

SEC. 16. (a) The Secretary of Labor shall on behalf of the United States enter into an agreement with any State in which a depressed area is located under which the State, as agent of the United States, will make supplementary payments of compensation to unemployed individuals within the depressed areas of such State as provided for in this section, and will otherwise cooperate with the Secretary and with other State agencies in making payments of compensation under this section.

(b) Supplementary payments of unemployment compensation under this section shall be made only to unemployed individuals who have been certified by the Secretary of Labor to be undergoing training for a new job.

(c) In the case of individuals who accept or continue in training under section 15 of this act, after the expiration of the State unemployment compensation, the Federal Government will continue to pay unemployment compensation benefits under the State unemployment compensation laws for a period of not exceeding 13 weeks.

SURPLUS FOOD SUPPLIES

SEC. 17. (a) The last sentence of section 407 of the Agricultural Act of 1949 is amended to read as follows: "Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making such commodity available beyond the (B) cost of the commodity to the Corporation in store, the cost of processing it into a form suitable for home or institutional use if it is a food commodity, and the handling and transportation costs in making delivery of the commodity to designated agencies at one or more central locations in each State."

(b) The next to last sentence of section 416 of the Agricultural Act of 1949 is amended to read as follows: "The Commodity Credit Corporation may pay (i) with respect to food commodities disposed of under this section, the cost of processing them into a form suitable for home or institutional use, and (ii) with respect to all commodities disposed of under this section, reprocessing, packaging, transporting, handling, and other charges accruing up to the time of their delivery to a Federal agency or to the designated State or private agency, in the case of commodities made available for use within the United States, or their delivery free alongside ship or free on board export carrier at point of export, in the case of commodities made available for use outside the United States."

APPROPRIATION

SEC. 18. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

Mr. DOUGLAS. As late as May 1955, which is the latest information we have, there were 140 areas in 35 States classified as having unemployment in excess of 6 percent by the Department of Labor's Bureau of Employment Security. The problem is even more severe than these figures indicate, for the Bureau does not make surveys and classifications for every area in the country and the figures tend to underestimate distressed conditions because part-time work and temporary layoffs do not receive proper emphasis in the figures.

The worst and most persistent areas, Mr. President, are in textile, railroad, and mining regions in States such as Massachusetts, Pennsylvania, West Virginia, Kentucky, southern Illinois, and eastern Ohio. Unemployment exists in other industries, States, and areas as well, particularly in light industry, chemicals, rubber, aircraft, farm machinery, and ordnance.

Mr. President, this bill is important for a variety of reasons. First, it is inhuman to let these areas rot away. The lives of too many human beings are at stake to sit by and do nothing for these pockets of depressed industries and localities while much of the rest of the country enjoys a high standard of life.

Second, Mr. President, the administration has done virtually nothing for these areas. Yet we know that the unemployment problem in them will not be solved by continuing high general economic levels unless those levels approach conditions similar to those experienced in World War II. That is to say, these areas have not participated in any major way in the recent upswing in economic activity and they probably will not do so in any great degree.

Third, Mr. President, it is important to do something for them and to help them help themselves, for the existence of such areas has had a profound effect on other aspects of national policy. A major effect that comes to mind is the reciprocal trade bill. Much of the opposition arose from depressed areas and industries in depressed areas which heretofore have favored broader trade but could not do so while unemployment was 6 or 12 or even 20 percent in the area.

I ask unanimous consent to include in the RECORD at this point a list of the areas classified as having a substantial labor surplus by the Bureau of Employment Security.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

AREAS OF SUBSTANTIAL LABOR SURPLUS

(Formerly group IV–A or group IV–B)

MAJOR AREAS

California: San Diego.
Indiana: South Bend, Terre Haute.
Maine: Portland.
Massachusetts: Fall River, Lawrence, Lowell, New Bedford.
Minnesota: Duluth-Superior.
New Jersey: Atlantic City, Paterson.
New Mexico: Albuquerque.
New York: Albany-Schenectady-Troy, Utica-Rome.
North Carolina: Asheville, Durham.
Oregon: Portland.
Pennsylvania: Altoona, Erie, Johnstown. Philadelphia, Pittsburgh, Reading, Scranton, Wilkes-Barre-Hazleton.
Puerto Rico: Mayaguez, Ponce, San Juan.
Rhode Island: Providence.
Tennessee: Chattanooga, Knoxville.
Washington: Tacoma.
West Virginia: Charleston, Huntington-Ashland, Wheeling-Steubenville.

SMALLER AREAS

Alabama: Alexander City, Anniston, Decatur, Florence-Sheffield, Gadsden, Jasper, Talladega.
Arkansas: Fort Smith.
Connecticut: Bristol, Danielson, Torrington.
Georgia: Cedartown-Rockmart, Cordele.
Illinois: Harrisburg, Herrin-Murphysboro-West Frankfort, Litchfield, Mount Carmel-Olney, Mount Vernon.
Indiana: Michigan City-La Porte, Muncie, Vincennes.
Iowa: Burlington, Sioux City.
Kansas: Pittsburg.
Kentucky: Corbin, Frankfort, Hazard, Henderson, Madisonville, Middlesboro-Harlan, Morehead-Grayson, Owensboro, Paintsville-Prestonsburg, Pikeville-Williamson.
Maine: Biddeford-Sanford.
Maryland: Cumberland.
Massachusetts: Fitchburg, Milford, North Adams, Southbridge-Webster.
Michigan: Escanaba, Iron Mountain, Port Huron.
Mississippi: Greenville.
Missouri: Joplin, St. Joseph, Springfield.
New Jersey: Bridgeton, Long Branch.
New York: Amsterdam, Auburn, Gloversville, Hudson, Olean-Salamanca, Oswego-Fulton.
North Carolina: Fayetteville, Kinston, Rocky Mount, Shelby-Kings Mountain, Waynesville.
Ohio: Athens-Logan-Nelsonville, Cambridge, Marietta, New Philadelphia-Dover, Springfield, Zanesville.
Oklahoma: McAlester, Muskogee.
Pennsylvania: Berwick-Bloomsburg, Butler, Clearfield-Du Bois, Indiana, Kittanning-Ford City, Lewiston, Lock Haven, Meadville, New Castle, Oil City-Franklin-Titusville, Pottsville, Sunbury-Shamokin-Mount Carmel, Uniontown-Connellsville, Williamsport.
South Carolina: Marion-Dillon, Walterboro.
Tennessee: Bristol-Johnson City-Kingsport, La Follette-Jellico-Tazewell, Newport.
Texas: Texarkana.
Vermont: Burlington, Springfield.
Virginia: Big Stone Gap-Appalachia, Covington-Clifton Forge, Radford-Pulaski, Richlands-Bluefield.
West Virginia: Beckley, Bluefield, Clarksburg, Fairmont, Logan, Morgantown, Parkersburg, Point Pleasant-Gallipolis, Ronceverte-White Sulphur Springs, Welch.
Wisconsin: La Crosse.

These areas are not part of the regular area labor market reporting and area classification program of the Bureau of Employment Security and its affiliated State employment security agencies.

Mr. DOUGLAS. In order to relieve these conditions of excessive unemployment this bill provides for the establishment of a Depressed Areas Administration and would—

First. Make loans up to two-thirds of the cost for the construction of industrial plants or commercial facilities in depressed areas.

Second. Make grants for the construction of needed public facilities such as highways, hospitals, schools, water, and other community facilities in areas of chronic unemployment.

Third. Encourage new industries to settle in depressed areas by providing rapid tax writeoffs for plant and equipment.

Fourth. Provide retraining, reemployment, and vocational education and rehabilitation for the unemployed in such areas.

Fifth. Extend unemployment benefits for an additional 13 weeks to individuals who accept retraining.

Sixth. Aid industries and firms in distressed areas to gain contracts for supplies and services from Government procurement agencies.

Seventh. Provide for processing surplus foods into forms suitable for home or institutional use in areas of chronic unemployment.

This bill also would establish an Administrator who would have the power to appoint local industrial development committees to plan for and advise the Administrator on means of relieving chronic unemployment in the local areas.

It is my hope, Mr. President, that Congress will find that this bill is a construc-

tive way to help these depressed areas help themselves and that hearings may be held and action taken on the bill in the early part of the second session.

The abstract presented by Mr. DOUGLAS is as follows:

ABSTRACT

DEPRESSED AREAS BILL

Purpose: To establish an effective program to alleviate conditions of chronic unemployment in approximately 154 depressed areas in 42 States, and to help these communities to help themselves in solving the problem of excessive unemployment.

A. Sets up a Depressed Areas Administration and a Depressed Areas Administrator.

B. Provides an advisory committee to the Administrator, including—

1. The Commissioner of the Bureau of Public Roads.
2. The Commissioner of the Office of Education.
3. The Surgeon General of the United States Public Health Service.
4. The Chief of Engineers of the Army.
5. The Chief of the Forestry Service.
6. The Administrator of General Services.
7. The Housing and Home Finance Administrator.
8. An Assistant Secretary of the Interior.
9. An Assistant Postmaster General.
10. An Assistant Secretary of Labor.
11. An Assistant Secretary of Defense.
12. The Director of Defense Mobilization.
13. The Chairman of the Atomic Energy Commission.

C. Defines a depressed areas as:

1. Where not less than 9 percent of the labor force has been unemployed for 18 months;
2. Where not less than 6 percent of the labor force has been unemployed for 3 years; and
3. Directs the Secretary of Labor, at the request of the Administrator to obtain and compile such data as is necessary to make the determination of a depressed area.

D. Authorizes the Administrator to establish local industrial development committees to prepare plans and cost estimates for industrial and commercial facilities to attract new industries.

E. Makes $100 million available for loans up to two-thirds of the cost for construction of plants or facilities calculated to relieve unemployment upon application of local communities or by finding of the Administrator that the need exists and that the loan would alleviate unemployment.

F. Authorizes the Administrator to receive proposals for public facilities from local entities or to initiate programs by grant or loan for needed public facilities. Local communities or areas will be asked to make contributions according to their ability to pay. The bill provides further that the community may make application if it is unable to participate in or is ineligible for other Federal-State programs. One hundred million dollars is authorized to be appropriated for the public facilities program.

G. Construction of plans and facilities will be approved only if it is found that construction would not result in attracting an industry presently located in a depressed area, or would not create a new depressed area by attracting industry from another area, and that it would be utilized by firms or organizations in such a way as to provide more than temporary alleviation of chronic unemployment.

H. In making grants or loans the Administrator, in determining the amounts or conditions under which they are made, shall be governed by the amounts and conditions of grants and loans provided for by similar Federal-State programs.

I. All financing is to be done under regular Government fiscal methods and shall be treated as public debt transactions.

J. The Administrator shall provide lists of services and supplies available in distressed areas to each agency of the Federal Government engaged in procurement of supplies and services. It further provides that such agencies shall, to the maximum practicable extent, procure such supplies and services from depressed areas.

K. Provides that the Administrator shall make available to depressed areas technical information, market research, and other forms of assistance, information, and advice.

L. Gives the Administrator power to hold hearings, obtain information from other Government agencies, subpena witnesses and information, and the power to establish such rules and regulations as are necessary to carry out the purposes of the act.

M. Extends the rapid amortization provisions of the Internal Revenue Code to new firms and facilities in depressed areas where such action is certified as necessary in the interest of relieving unemployment.

N. Directs the Secretary of Labor to prescribe and provide suitable reemployment training, vocational education, or vocational rehabilitation facilities to the unemployed in depressed areas.

O. Extends unemployment compensation for an additional 13 weeks to individuals in depressed areas who avail themselves of retaining opportunities.

P. Provides for the processing of surplus food into a form suitable for home or institutional use in depressed areas.

RESTORATION OF FORD'S THEATER IN WASHINGTON, D. C.

Mr. WELKER. Mr. President, the distinguished Senator from North Dakota [Mr. YOUNG] and I have for a long time been interested in the restoration of Ford's Theater, in Washington, D. C., as a national shrine. That historic building was involved in a tragedy which shocked the world. When the building is visited, it is shocking to find it unrestored and more or less vacant.

On behalf of myself, and the Senator from North Dakota [Mr. YOUNG], I introduce a bill providing for the restoration of Ford's Theater in the District of Columbia and for a museum in the remainder of such theater, and request its appropriate reference.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2669) to provide for the restoration of the stage end of the interior of Ford's Theater in the District of Columbia and for a museum in the remainder of such theater, introduced by Mr. WELKER (for himself and Mr. YOUNG), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

AID TO SMALL BUSINESS BY EXEMPTION OF $15,000 OF NORMAL TAX INCOME FROM NORMAL CORPORATION TAX

Mr. FULBRIGHT. Mr. President, I am about to introduce a bill.

I ask unanimous consent that I might speak on the bill in excess of the 2 minutes allowed under the order which has been entered.

The PRESIDENT pro tempore. Without objection, the Senator from Arkansas may proceed.

Mr. FULBRIGHT. Mr. President, these remarks are prefatory to the introduction of a bill to relieve the tax burdens of small businesses. This is a matter which has concerned me for many years. I had hoped that the general revision of our tax laws passed in the last Congress would result in substantial encouragement to the many smaller enterprises of the Nation. Unfortunately, the revised tax laws do not provide this relief and I feel a duty to point out the need for further revision.

The Senate has been advised time and again that a healthy community of small businesses can be maintained only to the extent that reasonable quantities of capital are available for normal growth and normal fluctuations in earned income. Capital is needed to replace wornout machinery and other equipment, to convert to new production techniques, to redesign or otherwise improve the product of the business, to weather periods of low income caused by necessary changes in product or in techniques of production, to launch new products and services, and to compete with the superior resources of giant corporations.

Here are some recent statements of Senate committees which have considered the problems of small businesses. In its annual report of March 10, 1955—Senate Report No. 129—the Select Committee on Small Business states that—

> The most important basic problem of all businessmen, large or small, is still the impact of high Federal tax rates.

In its report of June 1, 1955, on the extension of Small Business Administration—Senate Report No. 405—the Committee on Banking and Currency states that:

> Small business is at a disadvantage in obtaining capital for operation and expansion by flotation of securities and borrowing and, therefore, must depend on retained earnings to a greater extent than do larger corporations.

This report goes on to say that:

> Small businesses are particularly burdened by tax provisions which fail to recognize the need for exemption from taxation of some reasonable part of earnings, and which jeopardize reasonable accumulation of surpluses in their corporate accounts.

Mr. President, I could go on at great length recounting the reasons why our public policy should be directed toward fostering the small enterprise and that tax relief is a simple and direct way to implement this policy. Let me merely highlight some of the factors present in our economy which convince me of the need for legislation on this subject.

First, there is the problem of money supply necessary to maintain and expand production. There are three principal sources for such funds: First, new capital investment; second, borrowing; and third, business earnings. The third semiannual report of the Small Business Administration has this to say about the availability of equity capital to small business:

> The amount of new security flotation by small firms is extremely small * * * it would appear that securities offerings by small corporations amounted to only one-third of what one would expect on the basis of their proportion of total capital stock.

Furthermore, studies by the Securities and Exchange Commission show that, even when small corporations can sell securities, the cost of flotation eats up a very large percentage of the proceeds and is a serious burden on outside financing.

Because of this difficulty in obtaining equity capital, small businesses rely to a great extent on debt capital. An undue portion of these borrowings are for short terms and at interest rates much higher than rates paid by larger businesses. The small corporation cannot borrow 3 percent or 4 percent money for 30 to 40 years. It must borrow at 6 percent or higher for terms from 3 to 5 or 10 years. The Federal Government has for many years recognized this problem and the Congress has provided lending programs under the RFC, the Small Defense Plants Administration, and the Small Business Administration. But this assistance has been but a token solution to the problem and I, for one, do not look to Government loans as the long-term answer.

This leaves for consideration the third source of capital—business earnings. If the flotation of securities is largely fruitless, if long-term loans at low interest are not available, the small business must depend upon earnings for its capital requirements. It is a demonstrated fact that earnings as a percentage of sales or as a percentage of assets are much smaller for small firms than they are for larger firms. The third annual report of the Small Business Administration contains the following statistics:

First. During the period 1947–1953, earnings after taxes of small corporations (defined as companies with less than $1 million in assets) dropped from 16.3 percent of investment to 7.1 percent, while earnings of larger corporations dropped from 15.5 percent to 10.8 percent.

Second. During the same period the earnings of small corporations fell from 14 percent of the total earnings of all corporations to less than 6 percent.

Third. Net sales of large corporations from 1951 through 1954 averaged approximately 50 percent above the average for a base period of 1947–49, while the net sales of small corporations rose only 10 percent.

Fourth. Through the third quarter of 1954, the earnings after taxes of large corporations was stabilized at a rate equal to earnings during the base period of 1947–49, but the earnings after taxes of small firms dropped over 50 percent.

What does this mean to our small business community? It means ever-increasing numbers of failures or mergers—and to the small independent business or the consuming public, a merger may be equally as disastrous as a failure. Recently, for all practical purposes, all business failures have been small business failures—the larger corporation rarely fails. Dun and Bradstreet statistics show that business failures have risen from 809 in 1945 to 11,086 in 1954. Expressed as a ratio of one failure for each 10,000 businesses, this is an increased failure rate from 4 in 1945 to 42 in 1954. Statistics of the Federal Trade Commission show the following trend in the number of manufacturing and mining concerns acquired or merged during the last 30 years. Beginning in 1922, the number of mergers rose steadily from 297 to a peak of 1,216 in 1929. Thereafter, the number of mergers leveled off at less than 200 in 1932 and varied within a range from 87 to 419 throughout the forties. However, mergers rose rapidly in 1951, reached 822 in 1952, and stayed at a high level in 1953 and 1954. The high number of mergers and the high rate of failures is further evidence of the need for some solution to the capital requirements of small businesses.

The Congress could do several things to help the situation. It could liberalize and continue indefinitely a program for loans to small business; and it could enable small businesses to retain a greater portion of earnings by revising the tax laws. The latter alternative, in my opinion, is the most practical action to take, and the bill which I will introduce is a tax relief measure.

Mr. President, my bill proposes to exempt the first $15,000 of corporate income from income taxation. The following table shows the tax benefits to small corporations:

Taxable income	Tax liability		Reduction in tax	
	Under present law	Under proposal	Amount	Percent
$5,000	$1,500	----------	$1,500	100.0
$10,000	3,000	----------	3,000	100.0
$15,000	4,500	----------	4,500	100.0
$20,000	6,000	$1,500	4,500	75.0
$25,000	7,500	3,000	4,500	60.0
$50,000	20,500	16,000	4,500	22.0
$100,000	46,500	42,000	4,500	9.7
$500,000	254,500	250,000	4,500	1.8
$1,000,000	514,500	510,000	4,500	.9
$10,000,000	5,194,500	5,190,000	4,500	.09
$100,000,000	51,994,500	51,990,000	4,500	.01

Although the benefit of this $15,000 exemption will accrue to all corporations, it is apparent that the real relief will be to small business. It is estimated that this exemption will result in a direct revenue loss of approximately $925 million annually. However, I believe that this loss will be significantly reduced by revenue resulting from commerce stimulated by the retained earnings of smaller corporations.

Let me make clear that I do not offer this bill as the final solution. Careful study by the appropriate committees of Congress may reveal imperfection or inequities in the bill as presently worded. In this connection, I note that the Subcommittee on Tax Policy of the Joint Committee on the Economic Report has scheduled a panel discussion on taxation of small business to be held on December 14 of this year. This discussion is but one of a series of hearings in the Subcommittee's study of Federal tax policy for economic stability and growth. I am convinced that tax relief for low-income businesses will contribute to the stability and growth of the national economy and I urge the favorable consideration of this proposal.

I ask unanimous consent that the bill be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2673) to assist small business by providing an exemption of $15,000 of taxable income from the normal tax on corporations, introduced by Mr. FULBRIGHT, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 11 (b) of the Internal Revenue Code of 1954 (relating to the rate of normal tax on corporations) is hereby amended by striking out "of the taxable income" in paragraphs (1) and (2) and inserting in lieu thereof the following: "of the amount by which the taxable income exceeds $15,000."

SEC. 2. The amendment made by this act shall apply only to taxable years beginning after December 31, 1955.

MERGER OF STREET-RAILWAY CORPORATIONS OPERATING IN THE DISTRICT OF COLUMBIA—AMENDMENT

Mr. MORSE submitted an amendment, intended to be proposed by him, to the bill (S. 2576) to amend the joint resolution entitled, "Joint resolution to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes," approved January 14, 1933, and for other purposes, which was ordered to lie on the table and to be printed.

PRINTING OF CERTAIN HEARINGS AND REPORTS OF INTERNAL SECURITY SUBCOMMITTEE OF COMMITTEE ON THE JUDICIARY

Mr. EASTLAND submitted the following concurrent resolution (S. Con. Res. 55), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on the Judiciary the amounts stated after each item of the following hearings and reports before the Internal Security Subcommittee of the above committee during the sessions listed: Institute of Pacific Relations (S. Res. 2050), 82d Congress, 2d session, 5,000; Activities of United States Citizens Employed by the United Nations (report No. 2), 83d Congress, 2d session, 5,000; Interlocking Subversion in Government Departments (report), 83d Congress, 1st session, 20,000; Korean War and Related Matters (report), 84th Congress, 1st session, 20,000; Report of the Internal Security Subcommittee for 1954, 84th Congress, 1st session, 20,000; Documentary Proof that the Communist Party, United States of America, Teaches and Advocates the Overthrow of the United States Government by Force and Violence (hearing), 82d Congress, 2d session, 8,000; Communism in Labor Unions (hearing), 83d Congress, 2d session, 8,000; Communist Propaganda (pt. 1), 83d Congress, 2d session, 5,000; Communist Propaganda (pt. 2), 83d Congress, 2d session, 5,000; Activities of United States Citizens Employed by the United Nations (pt. 1), 82d Congress, 2d session, 5,000; Activities of United States Citizens Employed by the United Nations (pt. 2), 83d Congress, 1st session, 5,000; Activities of United States Citizens Employed by the United Nations (pt. 5), 83d Congress, 1st session, 5,000; and not to exceed 25,000 copies of such hearings as may be held or reports made on the subject of "Strategy and Tactics of World Communism," 84th Congress, and not to exceed 25,000 copies of such hearings as may be held or reports made or documents published by the Internal Security Subcommittee, during the 84th Congress.

INVITATION TO REPUBLIC OF CHINA TO PARTICIPATE IN COMING NEGOTIATIONS BETWEEN THE UNITED STATES AND THE CHINESE COMMUNIST REGIME

Mr. McCARTHY submitted the following resolution (S. Res. 141), which was referred to the Committee on Foreign Relations:

Whereas the United States has agreed to enter into negotiations with the Chinese Communist regime at Geneva beginning August 1, 1955; and

Whereas the Department of State has announced that the negotiations will deal, inter alia, with the subject of a cease-fire in the Formosa straits; and

Whereas the Republic of China is a necessary party to any such cease-fire agreement, and such agreement would vitally affect the rights and territories of the Republic of China; and

Whereas the Republic of China is a devoted and trusted ally of the United States, and as such, has been assured publicly by the Secretary of State that "The United States will not enter into any negotiations dealing with the territories or rights of the Republic of China except in cooperation with the Republic of China"; and

Whereas the Republic of China has not been invited to participate in the Geneva negotiations: Now, therefore, be it

Resolved, That it is the sense of the Senate that representatives of the Republic of China should be invited to participate in the negotiations between the United States and the Chinese Communist regime beginning August 1, 1955, in Geneva, and in any subsequent negotiations to which the United States is a party, that may directly affect the territories, rights, or interests of the Republic of China.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the CONGRESSIONAL RECORD, as follows:

By Mr. PAYNE:

Tribute to Senator SALTONSTALL and address by Senator SALTONSTALL delivered on July 24, 1955, at celebration held in Sagamore, Mass., in honor of the 175th anniversary of the writing of the Massachusetts State Constitution.

By Mr. DOUGLAS:

Article entitled "Case of the Migrant Workers," written by Roscoe Fleming, and published in the Denver (Colo.) Post of July 15, 1955, relating to comparative transportation standards for American and Mexican migratory workers.

TRIBUTE TO SENATOR BYRD AS CHAIRMAN OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

Mr. PAYNE. Mr. President, in connection with the recent publication of the Additional Report of the Joint Committee on Reduction of Nonessential Federal Expenditures—Senate Committee Print No. 18—I should like to take this opportunity to call to the attention of the Senate the very outstanding work the distinguished senior Senator from Virginia [Mr. BYRD] has been performing as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures.

As an accountant, I am keenly aware of the tremendous amount of work that goes into the preparation of a report such as the one recently published. The striking work of the senior Senator from Virginia in directing the studies and reports of the committee deserves a great deal of commendation. The reports, due in great measure to the efforts of the senior Senator from Virginia and his committee staff, are extremely valuable in analyzing the present Federal fiscal system.

Most of the Members will recall that a few weeks ago I made some remarks on the floor concerning the value of the recent Hoover Commission Report on Budget and Accounting. I said at that time that I hoped every Member of Congress would devote a great deal of attention to that report before the beginning of the next session of Congress, in order that some vitally needed corrective action can be taken at that time. I should like to add to those remarks the fact that the senior Senator from Virginia and his committee have already done a great deal of the ground work for us.

The reports submitted by the Byrd committee fit very neatly into the Hoover Commission recommendations and, the two taken together, provide a rather complete picture of the very great deficiencies that currently exist in the present Federal fiscal-control system. In my remarks on the Senate floor on March 18, 1955, I said:

If, during many years of the past, the Members of this body and the Members of the House of Representatives had paid a little more heed to the urgings of the senior Senator from New Hampshire [Mr. BRIDGES] and the senior Senator from Virginia [Mr. BYRD] with respect to financial accounting and other monetary problems which have confronted this Nation, we would be in far better shape, from a fiscal standpoint, than we are today.

In conclusion, then, I wish to commend the work of the Committee on Reduction of Nonessential Federal Expenditures under the extremely capable leadership of the senior Senator from Virginia. That committee and the senior Senator from Virginia are making a very real contribution toward putting the Federal fiscal house in order.

NEW ENGLAND MINERAL DEVELOPMENT POTENTIALS

Mr. PAYNE. Mr. President, it is no exaggeration to say that the most important reason for America's industrial might and her position as the leading world power is the abundance of land, water, and mineral resources with which our Nation is blessed.

Throughout most of our history there has been little need for concern about the supply of most important resources. As our industrial machine has grown, however, we have found that we not only need more of existing resources, but we require new resources to supply the needs of technological and industrial developments. These increased needs have been supplied from development of new sources of supply in this country and by imports from abroad.

Looking to the future, it is clear that the American economy will continue to expand to meet the growing needs of our rapidly increasing population. This will call for even more rapid development of certain of our resources, lest we become over-dependent on foreign sources of supply.

Today, I wish to focus attention on New England as a potentially bountiful source of important minerals so critical for both defense and the peacetime growth of the American economy. Development of such supplies as may exist in New England would not only be a boon to the American economy, but it would also be an important factor in revitalizing and adding new strength to the economy of the New England area.

Currently, a 46-volume study on the resources of the New England-New York area is being completed by the New England-New York Interagency Committee. Part of the study was devoted to minerals, such as pegmatite, asbestos, and manganese, known to be deposited in varying quantities in New England, but which heretofore have received only cursory attention.

Keeping in mind the great progress which has been made in developing mineral deposits in the Canadian Province of New Brunswick, I wish to quote from the section of the committee's report which discusses mineral potentialities of the Maine area:

In evaluating the mineral potentialities of the region, it is important to point out that geologically the subregion is very similar to and continuous with New Brunswick and the eastern townships of Quebec. By aggressive exploration in these Provinces of Canada many important mineral deposits have been discovered recently and are being developed rapidly by the Canadians.

It is clear that if aggressive exploration has uncovered important mineral deposits in Canada, then aggressive exploration in New England might lead to the same result.

The importance of such exploration is emphasized when we recall that during the critical metal shortages in 1951, the Bureau of Mines reported that of the 38 principal industrial metals, only 9 were produced in the United States in sufficient quantity to meet or exceed domestic consumption. The United States was dependent on foreign sources for more than 90 percent of its needs of 10 strategic metals.

Manganese is one of these strategic minerals supplied principally from abroad. If foreign sources were cut off during a national emergency, our entire industrial structure would be seriously crippled.

A recent report by the Minerals, Materials, and Fuels Economic Subcommittee of the Senate Interior and Insular Affairs Committee, stated:

Manganese is one of the most important strategic metals of the United States, for without manganese there would be no steel and without steel no modern industry. In relative importance manganese would take its place at the top of the list of critical and strategic minerals.

The importance of manganese as the mineral which puts the starch in steel makes it imperative that everything possible be done to promote America's self-sufficiency of supply by developing one of the Nation's largest known manganese-bearing ore deposits, located in Aroostook County, Maine.

As Governor, and now as the junior Senator from Maine, I have continued to press for surveys and tests of ore deposits in the Aroostook area. In 1953, the Defense Materials Procurement Agency signed a contract to test the so-called Nossen nitric acid cycle process on Aroostook ores.

Earlier this year an evaluation of that test was completed by DMPA's successor agency, the Emergency Procurement Service of the General Services Administration; and it was announced that the metallurgy of the Nossen process was proven to be technologically sound.

Dr. Ernest S. Nossen, a director and vice president of the E. S. Nossen Laboratories, testified on this subject last April before the Senate Minerals, Materials, and Fuels Subcommittee. He pointed out that Aroostook ores had been tested in a pilot plant built and operated by Nossen Laboratories under the contract with DMPA. The general opinion of both Government and private scientists and engineers, he said, was that the process was sound and that most mechanical difficulties had been overcome by continued cooperation between the Nossen Laboratories and equipment manufacturers.

But it is important to keep in mind that this preliminary success in developing manganese deposits in Aroostook County could not have been achieved without unrelenting and aggressive exploration and experimentation.

The manganese situation points up, I believe, the approach that must be taken if we are to uncover other potentially significant mineral deposits which are believed to exist in the New England States.

The report of the New England-New York Interagency Committee should give adequate incentive to the New England States to speed exploration of and experimentation on their mineral deposits, especially those of a strategic nature.

The Bureau of Mines, too, offers encouragement, as a result of the work it has done from time to time in the six-State region. On the basis of its work, the Bureau some time ago established a Boston office to aid the States in examining their mineral potentialities as part of the joint Federal-State study conducted by the New England-New York Interagency Committee.

In addition to the national economic and strategic importance of developing significant mineral deposits in New England, we should not overlook the fact that such development would give needed strength to the area's economy.

Development of many of these minerals would lead to the production of economically important byproducts. A company in New Hampshire, for example, is now extracting sulfur from the tailings of a Vermont copper mine, and even larger sulfur production could come from the iron-sulfide deposits in the Mount Katahdin area of Maine. At least two companies already have holdings of these deposits, apparently to protect themselves against the diminishing reserves of sulfur along the gulf coast.

Moreover, if manganese is produced in Maine, there should be a substantial production of iron or a form of ferro-manganese as a byproduct, thus advancing the economic prosperity of the entire New England area.

Reports on New England's future as an important source of minerals are, therefore, encouraging. Considering America's growing needs for many kinds of minerals, the time is ripe for a greater degree of cooperation between the Federal and State Governments and private firms, to extensively explore and map New England's mineral deposits, with a view to their rapid development. The inspiring story of mineral development across the border, in New Brunswick, Canada, can also be our story if we put forward the effort necessary to do the job.

Mr. President, I ask unanimous consent that an editorial, together with two excellent articles, on this subject, from the Bangor (Maine) Daily News, be printed in the RECORD at this point in my remarks.

There being no objection, the editorial and articles were ordered to be printed in the RECORD, as follows:

[From the Bangor Daily News of July 20, 1955]

MAINE SHOULD GET DIGGING

You can't get something for nothing. But you often can get a lot for a relatively small investment.

These bits of elementary philosophy apply to Maine's mineral situation. And we, therefore, favor establishment of a division of mines in the new State department of industry and commerce, as proposed by the mineral committee of the soon-to-expire Maine development commission.

The mineral committee has been limping along with a budget of about $9,000 a year. You can't dig up many new minerals with that amount of money. Indeed, the committee has done well to bring about the manganese pilot plant projects now testing Aroostook ore. Development of new processing methods could turn the country's low-grade ore into a major industry.

But the committee has practical visions of bigger things. In a report to be taken up tomorrow at a meeting of development officials in Augusta the committee observes:

"It is increasingly evident that the reserves of many mineral ore bodies are being rapidly depleted in the United States and that most States are reexamining their mineral resources with greatly accelerated research programs."

The report points out that New Brunswick is stepping up its mineral development on a large scale, believing its overall future prosperity will be based primarily on the exploitation of minerals and mines. Revised geologic maps of New Brunswick indicate that these highly mineralized zones probably extend well into Maine.

The New England Council's 1954 economic report also finds reason for digging further for facts on the mineral resources. In regard to strategic minerals it says "The need for further work is especially great in Maine with its undeveloped areas." The United States Bureau of Mines stands ready to assist States with such projects, as it has been doing in the case of Aroostook's manganese.

And so we believe our new department of industry and commerce would do well to have a division of mines, armed with the $80,000 budget figure urged by the mineral committee. This would include $22,000 for a State geologist and two assistants, $25,000 for laboratory equipment and $10,000 for aerial mapping. Let's get digging.

MINING CHALLENGING INDUSTRY IN NEW BRUNSWICK

(By Elmer S. Ingalls)

(EDITOR'S NOTE.—This is the first of two articles on mineral exploration in New Brunswick, Canada.)

FREDERICTON, NEW BRUNSWICK, July 19.—Take the deadly efficiency of a German submarine captain cruising North Atlantic waters during World War II.

TERM PAPER

Add a University of New Brunswick student preparing a term paper, which is a requirement for graduation.

Flavor these two ingredients with plenty of initiative and aggressive action and you have at least part of the recipe for New Brunswick's sensational growth in a colorful and challenging industry—mining.

You will notice that we didn't say New Brunswick's newest industry, because the progressive Canadian Province, Maine's next-door neighbor to the north and east, has been mining coal since 1640. It employs as many as 1,000 persons extracting from beneath the ground the fuel that is all-important to its economic existence.

VENTURES SPOTTY

But, prior to 1940, its ventures into the field of mineral ore were spotty and lacked the consistency necessary to produce a red-hot industry. Prior to World War II, the quest for minerals in New Brunswick and Maine were almost identical in scope. On again, off again, like Finnegan. New Brunswick had an administrative setup to handle its coal mines, little for other minerals.

That is where the submarine captain comes into the picture.

Great Britain, Canada's mother country, jumped into World War II when Herr Hitler began his timetable invasion of the low countries. England had treaties and commitments with the invaded countries which could not be ignored.

She had hoped that war was not inevitable—but it had come.

Now, England's economic setup prior to World War II was strong, made so to a considerable extent by the fact that ships flying the British flag hauled a large percentage of the world's goods.

Strategic goods flowed into Canada from the old country and other parts of the world and people in the Provinces accepted them as a matter of course without bothering to think too much, one way or the other, whence they came or why.

RUDE AWAKENING

World War II provided a rude awakening. Herr Hitler had all the better of it at the outset. His armies swept across Europe, knocked France to her knees with one paralyzing wallop and made of England the tight little isle the poets claimed it to be.

HUNT IN PACKS

German submarines, hunting in packs, striking voraciously at Atlantic shipping, all but tied up communications between England and the rest of the world. There was at least an outside possibility that Canada might have to go on her own for survival.

That started some thinking. Minerals are vital to survival in any country, particularly in wartime. Without steel, there cannot be arms; without arms, there cannot be war; without war, there cannot be a retention of identity as a country. Absorption by the enemy is the inevitable outcome.

So it is not unnatural that Canada should begin to take account of stock insofar as minerals were concerned.

Geologists visited areas which had hitherto been checked spottily in hopes of making new discoveries. New Brunswick, like Maine, was dotted with them.

IRON ORE

The Province had iron ore in the Bathurst area, a basic ingredient for steel. In the Woodstock area, next to the Maine border, there was manganese, without which steel cannot be hardened.

In the St. Stephen area, which is across the St. Croix River from Calais, there was copper and nickel.

In the central highlands area, there was tungsten, molybdenum, zinc and lead.

The central highlands in New Brunswick run from the north of New Brunswick, diagonally down across the Province and stop, for the purposes of map making, at the Maine border opposite southern Aroostook and northern Washington Counties.

If there were no international boundary at that point, would a Central Highlands continue well into Maine? New Brunswick officials, with no desire to become involved in our problems, say cautiously that "there are conditions in Maine that might indicate" the presence of metals—but more about that later.

Let's get back into New Brunswick.

The fortunes of war blew hot and cold and it eventually became reasonably certain that Canada was not going to be shut off from England and vice versa. Ore specimens brought to the University of New Brunswick for analysis remained untouched in geology drawers.

New Brunswick's minerals were not forgotten, but the emphasis on them died off temporarily. Survival was possible without them. In times of war, men seek ores to preserve freedom; in time of peace, to augment their income.

World War II came to an end.

Young men and women went back to school to renew their interrupted quest for education.

EXAMINED SAMPLES

This is where the student preparing his term paper enters the picture. The paper was on the subject of mineral deposits in New Brunswick. It was written in 1950. He asked permission to examine the ore samples in the basement of the university's forestry and geology building.

Geologists had examined their World War II samples hastily. The student, probably anxious to impress his instructors, went at the job more thoroughly.

His study showed that there was more than iron in the Bathurst area—how much, nobody knew. He had become the almost unwitting instrument of a new era in New Brunswick economy.

The simple fact which he had uncovered called for an immediate reexamination of the Bathurst area and its mineral potentialities.

Trained geologists went into the area armed with new facts and with new equipment made available to them.

What did they discover?

Iron, of course. Then zinc, lead, silver, iron sulfides, the latter in quantities sufficiently rich almost to relegate the others to the background—and zinc and lead and silver were present in quantities sufficiently important to warrant their being mined without the presence of the sulfur-bearing sulfides.

Two great mining companies are presently operating in the area, not too far from each other. In the course of their activities, they have stepped up the number of employees used in mining in the Province from 1,000 to 2,000.

The Brunswick Mining & Smelting Co. controls claims expected to yield $935,100,000, gross value from lead, zinc, copper, and silver.

The American Metal Co., Ltd., made a major discovery in 1954, 32 miles from Newcastle.

New Brunswick is already a major factor in the mining of ore on the Western Hemisphere and exploration continues. Two field parties are working this summer in the never-ending search for more ore—and more prosperity.

FORTY-ONE THOUSAND SIX HUNDRED AND SIXTEEN CLAIMS

Cedric S. Clements, director of mines, and Dr. A. L. McAllister, associate professor of the Department of Geology at the University of New Brunswick, reported to the legislative assembly in 1954 that 41,616 mining claims had been recorded in the Province to date.

They reported that about $1 million had been spent for geophysical work in the Bathurst area alone. These expenditures have presumably been made by private capital since the report continues, "Since much of this cost is labor, it has had a marked influence on the local economy."

The 41,616 mining claims do not assume too much importance, perhaps, until you stop to think that in 1950, only 593 claims were in effect.

What was the immediate impact of the major ore discoveries in Canada after 1950?

Naturally, the announcement brought reams of publicity.

The first impact came from people—fortune hunters from all over the Western Hemisphere. Some of them had a smattering of knowledge about mining; more didn't know a mining shaft from any other hole in the ground.

Just as the smelting of ore separates the true metal from the dross, the strong became separated from the weak. Most of them returned home, disappointed.

But the strong, the major companies with sufficient funds for exploration and actual mining, remained. In the words of the Clements-McAllister report:

"As a result of mineral deposits already discovered the Province is now capable of attracting mining capital—a new and happy situation.

"For those who do come to our Province we must lend every assistance possible. The information which proved so valuable to explorers and developers during the past has now multiplied many times.

"The various mining companies have, collectively, gathered more geological and geophysical information than we ourselves could in many years and at hundreds of thousands of dollars expense. All we have to do is collect it, examine it, correlate it, and prepare it for redistribution.

"This is something which must be done now while the information is available. Much has not been collected, and much more will become available.

"Every effort will be made to insure the loss of as little of this valuable data as possible."

NEW BRUNSWICK HAS COME A LONG WAY WITH METAL MINING

(EDITOR'S NOTE.—This is the second of two articles dealing with the discovery of major mineral deposits in the neighboring Province of New Brunswick.)

(By Elmer S. Ingalls)

FREDERICTON, NEW BRUNSWICK, July 20.—New Brunswick has come a long way since the discovery of substantial mineral deposits in the Province.

NEW LEGISLATION

The new mining discoveries have called for new legislation and more detailed administration. The latter is handled, very capably indeed, by Cedric S. Clements, who heads a staff of 16 general workers and 10 field workers.

ONE HUNDRED AND TWENTY-TWO THOUSAND DOLLAR BUDGET

To handle the administrative and things requires a budget of $122,000, divided as follows: Salaries $64,000; general $43,000; summer field work $15,000.

It costs $10 to obtain a prospector's license in New Brunswick; $1 to record a mining claim.

And here is an important factor conducive to extensive research and progress in New Brunswick mining.

You, an individual, can purchase land in the Province. The timber on the property, the crops you raise, the buildings you erect, are yours.

But the material beneath the ground belongs to "the people," meaning the government.

"You can stake a mining claim on the campus here if you like," Director Clements told us as we sat in his office in a building at the University of New Brunswick.

Obviously, the landowners have protection in the matter of being able to enjoy the comforts of their property without being unnecessarily disturbed and usually mining claims are established with a minimum of acrimony.

But the important thing is that major companies, minor companies can cruise the length and breadth of New Brunswick looking for mineral deposits without any need for secrecy.

There is no necessity for prospecting by night, deathly silence, top-secret maneuvering until land titles are required as is the case in many other less progressive and mining-conscious areas.

That brings us to Maine and its relationship, geographically and otherwise, to New Brunswick.

Maine and New Brunswick are neighbors. Basically, residents of English descent with all the ingenuity and stubborn tenacity of purpose that goes along with this fact.

There are some indications that the subsurface structure of the two areas may be strikingly similar and this is evidenced by the fact that at least one private mining company, presently operating in Canada, has been conducting rather extensive research operations within Maine during this summer, camped at the outset in the Danforth area, later in Hancock County.

Minerals can have a tremendous impact on the economy of any region. If you don't think so, the following statement, copied from a recent report by the New England Council, should interest you:

"The manufacturing industries of New England are tremendously dependent on minerals brought in from outside. The dependence is absolute for mineral fuels, iron and steel, and other important mineral products.

"In spite of the region's age and our familiarity with its characteristics, it is nevertheless true that it has never been subjected to a complete mineral survey using modern prospecting techniques and equipment.

"A complete inventory of its mineral resources, made with the latest scientific instruments and techniques and considering the changing importance of less common minerals, should be considered as a form of investment in the future."

It must be admitted that certain conditions in New Brunswick are conducive to carefree prospecting for minerals.

LAWS ARE LIBERAL

The Crown, or Government, owns considerable land. The mining laws regarding claims are liberal.

One has to travel a long way to encounter in New Brunswick the "No Trespassing" signs that have become Maine landmarks.

In New Brunswick, prospectors keep both eyes on the ground with no sidelong glances in the direction of irate landowners.

But, despite the favorable conditions in New Brunswick and the occasionally unfavorable conditions in Maine, the importance of minerals in the general economy has been

mentioned and is frequently mentioned in New Brunswick.

The New England Council report goes right down the line with New Brunswick in its thinking, deviating not one whit in its general summary of the situation.

Many mineral surveys have been made in Maine, some by the Government, as witness the Aroostook manganese deposits, others by private companies using the most modern equipment for aerial surveys.

But has anyone ever assembled all the findings and analyzed them? Has the State had a thorough aerial mapping from the mineral standpoint?

Is there available, anywhere in Maine, a map as thorough as one which was given this writer when he visited Fredericton Monday?

If such maps exist, their whereabouts remain shrouded in mystery.

Are we close enough to New Brunswick to warrant such a survey or do minerals cease to become existent when they approach those little markers indicating the international boundary?

There is not one whit of geological background behind the writer of this article. The facts contained in this story all came from geologists and economists.

But, at the point where the Canadian student with his term paper entered the picture, we forgot to add an important detail.

When geologists went back to the site of original borings, pyrites were present, all right, but in quantities that might be termed of negligible importance.

New equipment turned up the major deposit approximately 4,000 yards from the site of the original borings.

Minerals have been discovered in a great many Maine sites—in quantities not sufficient to warrant mining on a commercial scale.

How closely have prospectors walked to a major deposit? No one will ever know without a thorough survey.

Generally speaking, prospecting has become a relatively simple process. Electric current discharged into the ground passes much more readily to a great depth where there are minerals to act as a conductor.

Progress of the current is determined without recourse to the painful back-breaking digging of the olden days.

Maine is on the verge of establishing a new department of industry and commerce, as authorized by the last legislature, and to that end a conference is scheduled in Augusta, Thursday.

Just how important a part minerals will play in the new department is not known but a survey of Maine will be advocated and a budget requested for this purpose.

Will Maine some day approach its Canadian neighbor in the matter of mineral deposits?

Only time and the new department will answer that question.

PERMANENT MAINTENANCE OF THE UNITED STATES MERCHANT MARINE ACADEMY

Mr. IVES. Mr. President, I was indeed gratified by the action taken by the Senate Committee on Interstate and Foreign Commerce in reporting favorably to the Senate H. R. 6043, which would place the United States Merchant Marine Academy at Kings Point, N. Y., on a permanent basis. As one who has continually urged the enactment of such legislation, I extend my deep appreciation to the Members of the Senate and the House who have lent their support to this measure.

Since its establishment in 1938, almost 11,000 cadet-midshipmen from every State in the Union have been graduated from the Kings Point Academy. Together with our excellent State institutions, this truly national institution will insure a steady flow of highly trained personnel so essential to our merchant marine and to our defense requirements.

At this point in my remarks, I ask unanimous consent to have printed the text of my letters to the chairmen of the Senate Committee on Interstate and Foreign Commerce and the House Committee on Merchant Marine and Fisheries, urging approval of the legislation to place the United States Merchant Marine Academy on a permanent basis.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

APRIL 20, 1955.

Hon. HERBERT C. BONNER,
Chairman, House Committee on Merchant Marine and Fisheries, Washington, D. C.

DEAR CONGRESSMAN BONNER: It is my understanding that hearings have been scheduled by your distinguished committee on pending bills to amend section 216 (b) of the Merchant Marine Act, 1936, as amended, to provide for the maintenance of the Merchant Marine Academy.

As a sponsor of a similar measure in the Senate and because of my abiding interest in the fine work of this outstanding institution, I am writing to urge as strongly as possible that favorable consideration be given to this legislation. I feel sure that after the committee looks at the maritime-training program in the light of national-defense needs, the Kings Point Academy and other maritime-training institutions and facilities will be given the support which is their due.

With kindest personal regards, I am,

Sincerely yours,

IRVING M. IVES.

MAY 19, 1955.

Hon. WARREN G. MAGNUSON,
Chairman, Senate Committee on Interstate and Foreign Commerce, Washington, D. C.

DEAR SENATOR MAGNUSON: As one of the sponsors of S. 967 which provides for the maintenance of the Merchant Marine Academy at Kings Point, N. Y., I am writing to urge that early consideration be given by your able committee to this important and needed legislation. The recent, unanimous action of the House of Representatives, approving a similar bill, H. R. 6043, is indicative of the widespread support for the fine work of the Academy.

I share your abiding interest in the strengthening of our Nation's merchant marine. In this connection, I am firmly convinced that adequate merchant officer training as provided by the Kings Point Academy, as well as other institutions, is an integral adjunct to such a program.

You will recall that your committee reported favorably to the Senate in the 83d Congress a bill along similar lines. In its report, the committee called attention to "a continually enlarging body of sympathy in the Congress and elsewhere, for the problems of the Merchant Marine Academy" and urged approval of the legislation.

Your committee has available, from previous studies and hearings, the pertinent information and facts which support the maintenance of the Merchant Marine Academy on a permanent basis. I therefore trust that favorable consideration will be given to the pending legislation.

With kindest personal regards, I remain

Sincerely yours,

IRVING M. IVES.

MAINTENANCE OF THE 96TH DIVISION, UNITED STATES ARMY RESERVE

Mr. GOLDWATER. Mr. President, during the recent debate and discussion on the armed services appropriations the distinguished Senator from Montana [Mr. MANSFIELD] brought to the attention of the Senate and of the committee the plight of the 96th Division, United States Army Reserve. The 96th Division embraces most of the inland Rocky Mountain States, including my State of Arizona.

Unbeknown to the men of this organization and unbeknown to the congressional delegations from these States, an investigation had been made by the Sixth Army, and at the conclusion of the investigation it was determined to give this organization another assignment—one which, in effect, would have deactivated this Reserve division.

Through the efforts of the Senator from Georgia [Mr. RUSSELL] and the Senator from Massachusetts [Mr. SALTONSTALL], and through the combined efforts of the congressional delegations from the States embracing the 96th Division, on yesterday the Senator from Montana [Mr. MANSFIELD] reported the receipt from the Army of a letter indicating that the proposed action was to be held in abeyance for 1 year. I, together with the other Senators concerned, received a similar letter; but I was assured of that fact at a meeting held on Monday of this week with Mr. Franklin Orth, Deputy Assistant Secretary of the Army.

Mr. President, the members of this division in Arizona, who are represented by the 59th Combat Team, are deeply grateful to all the Senators who interested themselves in this case. They are also deeply grateful to the press of Arizona for its efforts, and they are grateful to the Army for allowing them to continue as an active outfit.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, an article entitled "Paper Troops Can't Save United States," written by an eminent journalist of Arizona, Mr. Bert Fireman.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PAPER TROOPS CAN'T SAVE UNITED STATES

(By Bert Fireman)

Why is there so much furor about the Army edict disbanding Arizona's 59th Regimental Combat Team?

Uncle Sam passed me by when he was selecting men to fight the two wars of my adult years. Without experience in uniform my understanding could not fully grasp the significance of the angry protests from men of the Javelina organization when reports were heard the other day the unit is to be shunted to paper status.

Among my friends are men of my own age and younger who served our country in the face of enemy fire, and who because they wanted to do so out of feelings of patriotism and responsibility, voluntarily entered Reserve units after returning to civilian life. These men are in Organized Reserve units such as the Javelinas, Marine, and Naval Reserve components, and the Arizona National Guard.

I have asked them numerous questions about this current issue. They have explained to my satisfaction why esprit de corps has been mentioned so frequently in the protests against disbandment of the 59th, and why morale is so important in military life. An army may fight on its belly, they tell me, but the individual soldiers fight with and for their buddies.

Organization of the military, naval, and air forces is a complex affair. The standing groups and their multitude of Reserve units must include millions of persons, things, and places. From paper clips to generals, the responsibility to have the right amount of the right thing, at the right place, and at the right time for an unknown contingency is a problem that lawmakers and military strategists argue publicly and privately until the general public is confused and divided.

Among the victims of changing policy and a new dour look on the where and when of military affairs, a fine Arizona Reserve organization is to evaporate into thin air. The 59th Regimental Combat Team, a part of the 96th Infantry Reserve Division, is to be dissolved. Poof! Routine shuffling of orders at Sixth Army Headquarters will destroy an integrated group of fighting men ready and willing to fight for their country.

Test of policy: National security exists primarily in the hearts and spirits of men. In time of war national unity and willingness to serve under arms is manifold. But this is liable to be too little and too late. These men who serve in the Active Reserve realize this better than the average citizen. And what's more, they do something about it. Or try to—sometimes only to be halted by absurdities such as this contemplated disbandment of the Javelinas.

One of the axioms of why men fight well is that they must feel they are a part of the unit to which they are attached. This is their home in uniform; the position they hold in that unit and the esteem that their fellow soldiers have for them bring superior performance both in garrison and in battle. The superior soldier is the best man in the best squad, in the best platoon, in the best company, in the best battalion that is part of the best army in the world.

Without this esprit de corps, this pride in organization, the individual soldier has a poor chance of survival in battle and his unit has a poorer chance for victory. World War II clearly showed that replacements into combat units in time of battle had abnormally high casualty rates; they did not have time to become part of the unit in a soldierly kinship and esprit de corps, no matter how well trained and equipped. The recent replacement by air of a regiment in Japan by a stateside regiment (Operation Gyroscope) was much more than airborne exercise. It was recognition of the value of keeping a fighting team together.

The cries of disappointment and of anger from the 59th as a whole and as individuals are justified complaints. The organization had reached a point in training and association that qualified the Javelinas to act as an efficient entity. The goal was not reached overnight. Yet, a stroke of the pen has done what the Javelinas feel an enemy on the field of combat could not do; it has wiped them out entirely.

National security depends upon a populace aware of its responsibility toward society, country, and all of mankind. Officers and men of the 59th had achieved this intelligent goal. It is strange that a willing band of volunteers should be denied their desire to stand at the frontline in any bloody need our Nation may have for them.

THE GENEVA CONFERENCE AND AMERICAN FOREIGN POLICY

Mr. KNOWLAND. Mr. President, I ask unanimous consent that at this time I may proceed for not more than 5 minutes.

The PRESIDENT pro tempore. Is there objection? Without objection, the Senator from California is recognized for 5 minutes.

Mr. KNOWLAND. Mr. President, President Eisenhower and Secretary Dulles are to be commended for their efforts at Geneva to seek ways of finding peace with honor. As the President has pointed out, there were certain hopeful aspects to the Geneva meeting at the summit. Yet neither the President nor the Secretary of State has underestimated the problems which remain.

As an exploratory meeting, which is all that it was intended to be, it was a success. The fact remains, however, that all the basic problems in Europe and in Asia remain.

There may develop an atmosphere which could result in a letting down of our defenses at home and abroad. If this takes place, the Kremlin will have won a great victory without performing a single deed of any real consequence.

Neither we nor the free world must lull ourselves into a "little Miss Red Riding Hood" belief that because the wolf has put on grandmother's cap and nightgown his teeth are any less sharp or his intentions any less menacing.

The same regime which holds millions of its own people in slave labor camps is still in power. The only difference is that the Soviet dictatorship is now run by a syndicate, or a committee, rather than by an individual, Lenin or Stalin. Around its periphery are still held the captive people of Poland, Latvia, Lithuania, Estonia, Hungary, Rumania, Bulgaria, Albania, and Czechoslovakia. Ten years after World War II, the Soviet regime still holds large numbers of German and Japanese prisoners of war, together with non-Communist expellees from the Baltic nations and the Communist satellite states.

There has been no agreement for a united free Germany, having the sovereign power of defense against aggression, as a part of the free-world community.

Soviet military power is greater today than it was in 1948, at the time of the Berlin blockade. No realistic inspection system for either conventional or atomic weapons has been agreed to, nor has there been any indication that the Soviet Union will so agree.

The Kremlin remains the fountainhead of international subversive communism. The slate of 30 years of violations by the Soviet Union of international agreements has not been wiped clean merely because of the atmosphere of the Geneva summit meeting.

In Asia Communist China admits still holding 11 American airmen and over 30 of our civilians. In addition, there is reason to believe that they hold a considerable number of other United States prisoners of war taken during the Korean conflict.

Communist China is in undisputed violation of the terms of the Korean armistice and is building up its air and military strength beyond the permissive limits of that agreement.

During the past several months Communist China has greatly expanded its airbases and its airpower opposite Formosa and the offshore islands.

The Chinese Communist regime has been helping to build up Communist forces of Ho Chi Minh in Northern Vietnam.

From the Peiping radio of this week have come new demands for Formosa and the offshore islands.

It is not a pleasant task to raise such realistic problems when we all desire to have a world condition based on justice, freedom, and peace.

Merely opening the countries back of the Iron Curtain to travel is no solution to the basic problems, only a part of which I have mentioned today.

We must not forget that many of those who traveled in Nazi Germany or Fascist Italy came back to praise the highways, the improved appearance of the cities, or the remarkable fact that the trains were running on schedule.

They did not see behind the facade the brutality of totalitarian regimes crushing the will of the individual and making him the tool of a totalitarian regime. The torture chambers, the slave labor camps, the loss of moral values and the extermination chambers were not seen on such tours.

Nor should we forget that, despite warnings by some in our country, the Government allowed the selling of scrap iron and oil to the Japanese warlords up to the eve of Pearl Harbor.

It is my belief that the executive branch of the Government is fully alive to the problems confronting us and that they will continue to keep the bipartisan leadership fully advised of developments during the congressional recess.

Within the limits of our pledged word and our national honor we will, of course, strive for peace with honor, based on justice and human freedom.

THE DUEL FOR MEN'S MINDS—ADDRESS BY HON. WILLIAM BENTON

Mr. SPARKMAN. Mr. President, I listened with great interest to the remarks of the able Senator from California [Mr. KNOWLAND] a few moments ago. I gather from what he says that it is his purpose to sound a note of caution, and that we should carefully watch developments in connection with the moves which are being made by the Kremlin.

Recently Mr. William Benton, formerly a Member of this body and formerly Assistant Secretary of State, now publisher of the Encyclopedia Brittanica, delivered an address before the foreign policy conference, at Colgate University, Hamilton, N. Y.

The subject of his address was The Duel for Men's Minds. He spoke about many things which we should ponder. Many of his observations grow out of his own experience. I ask unanimous consent that the address delivered by him be printed in the RECORD at this point as a part of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE DUEL FOR MEN'S MINDS

(Address by the Honorable William Benton)

Eight hundred and sixty days after the death of Marshal Stalin—and just 4 days from today—the "meeting at the summit" opens in Geneva.

Whatever the outcome, the lives of all of us will be touched for good or ill—or for our continuing frustration.

This may sound to you like the opening gambit a thousand speakers have used at a hundred collegiate conferences over the past 10 years. If it does, I can only say: the thousand speakers were right, as I am right. A meeting of top statesmen is always potentially a momentous event.

The Geneva meeting could mark the beginning or the close of an era—the era of war's aftermath—and war's aftermath historically is often as disruptive as war itself. Yes, it could signal a dawn—a dawn in which the frightful fears and tensions of that aftermath begin at last to be dissipated. Geneva can be both an end and a beginning.

This is now the hope of mankind. Nehru spoke for mankind last week on Brioni where I myself a year ago had the opportunity to visit with President Tito. Nehru said, "I'm a hopeful person."

But in contrast to mankind's hopes—what are America's actual expectations? Obviously, mankind's present high hopes should now be tempered by America's more sober expectations. We Americans have blundered, diplomatically and politically, more than once in the past decade because we have let our optimism distort the tables of probabilities. Our headlong scramble to disarm in 1945 and 1946 is an example.

It would be fatuous now to expect the Soviet Union and the West to compose their major differences—and thus to achieve accommodation. But it does not seem fatuous to anticipate the onset of a wary truce in the fist shaking and name calling. We Americans can even hope for a fresh grant of time in which the threat of the dreaded armed clash will hang less heavily over us.

For change is in the air. It is not yet under our feet. But we pray for it as we breathe deeply and look at the incipient rainbow in the eastern sky. There is talk of "liquidating the cold war." Frozen diplomatic channels seem to begin to thaw. While there is no satisfactory evidence that basic strategy is being altered, a shift in tactics is clearly here.

This shift started on the Communist side. Indeed, one explanation given for the shift is the steadiness of the non-Communist coalition—its failure to shift. The Kremlin, according to this theory, has abandoned hope that the Western Alliance will collapse or disintegrate in economic catastrophe. I suspect there is a measure of validity in this theory. In retrospect, the achievement of the West in its policy of building what Dean Acheson called positions of strength—positions of strength from which to negotiate—has been astonishing, and in history unique.

Another proffered explanation for the shift of Communist tactics is that for internal reasons the Russians need time and breathing space. There is a fair amount of evidence to support this. Only this week Mr. Nehru assured us that the Soviet Union wants to devote its energies and resources to internal development. But we should be foolish, indeed, to base our present policies on anticipation of an internal Soviet collapse. Parenthetically, may I say that Secretary Dulles' statement to the House Appropriations Committee, revealed last week, that the Soviets are at the "point of collapse," will probably bring him more castigation than he deserves. I think that what he meant is that the Soviets have always been closer to internal disaster than the Western World. Indeed, they have been most truculent when they have been most in trouble. Whenever the Kremlin has inflicted fresh hardships on the Russian people, it has justified its harshness at home by inflating the menace of the foreign devil. Conversely, cordiality has never been a sign of weakness. Thus present cordiality may actually signify confidence.

Still another explanation for the Communist shift of tactics is that the new regime thinks that if it can prove to the world that it is more flexible and adaptable than Stalin, then the Western World will relax. This is the doctrine that honey catches more flies than vinegar; that the best way to make a man take off his coat is to shine warmly on him instead of to blow coldly.

There are even those who think the new Kremlin leaders lack the old revolutionary zeal; that they are ready to consolidate their gains within, and enjoy them, while they abandon the earlier concept of world revolution and conquest. Stalin once said to an associate of mine, "Neither country wants war but you fear it more than we do." There are now those who feel the Presidium fears war as much as we do. If this is true, it bears out the thesis advanced by George Kennan as part of his argument for the containment policy. Kennan contended that revolutionary fervor never survives in full force to the third generation of leaders. The third generation are bureaucrats, at least to the public. Lenin could demand and get great sacrifices. Stalin inherited some of the same ardor. But the Khrushchev generation must make concessions to its own people. This, Kennan said 5 or more years ago, provides the basis of his forecast of the forthcoming "erosion from despotism" within the Soviet Union.

Each of these theories has some merit. These and many others, in the weeks ahead, will be continuously debated and reassessed throughout the world.

We Americans, however, cannot go far wrong if, while we debate, we make sure that we keep our attention focused on those elements in the Soviet pattern which hitherto have been constant. Through the mist of our hopes, we must keep our gaze steady in order to make sure we do not mistake form for substance.

Unquestionably the style of the new leadership is far different from the ponderous manner of the last few years of Stalin's reign. My own present experiences in seeking visas for a proposed visit to Russia this fall, in contrast to my last experience in 1946, vividly illustrate the change in style. An official of the Soviet Embassy actually called on me at my office 2 or 3 weeks ago. He chatted wittily and amiably. His questions were intelligent and courteous. His English was meticulous and exact and he told me he had married his English teacher. He stayed for 2 hours and promised the visas.

The new men appear gregarious and even jolly in contrast with the inscrutable and aloof Stalin. They do unexpected things. Take, for example, the appearance of Messrs. Khrushchev, Bulganin, and others at our Embassy's July 4th celebration in Moscow. Their visit and their deportment have no precedent. Even stolid old-Bolshevik Molotov has caught the new spirit. He was seen sporting a cowboy hat in Cheyenne. He reminded me of those dour Calvin Coolidge campaign pictures in Indian headdress.

Can we assume that the new men at the helm of the Soviet state are a different breed from Stalin, as suggested by Walter Lippmann in his dispatch on "The Garden Party" last week? We can surely hope that they may become so in time, but that is as far as we should now go. As one authority on the Soviet Union put it, Stalin's successors were his best pupils. It is of course true that many a pupil later steals away from the teacher to whom he brought the apple. As yet, however, there can be no safe presumption that Stalin's pupils will seek to undo his work. They may merely tamper with the legacy he passed on to them. Shall we not do well to assume that the pupils—now turned bosses—are simply pursuing Stalin's goals, in the language of Clausewitz, "by other means"? An old Russian proverb reminds us that "a friendly bear is more dangerous than an enemy."

The present professed desire for coexistence is hardly novel. Coexistence and the inevitability of war are both old standbys of the Bolshevik vocabulary. One or the other has been periodically unveiled as expediency warranted. In the past, when the Communists have spoken of coexistence, they have not intended to call off their war on the free world. All they have meant was that on a businesslike basis, without sentimentality, even mortal opponents sometimes find it convenient to agree, at least temporarily. On this basis they are prepared to come to terms with us on some subjects at certain times.

The root cause of most difficulties between ourselves and the Communists has been the nature of the Communist doctrine itself. This doctrine has not recognized the legitimacy of our existence. The cold war was declared in 1848, in the opening line of the Communist Manifesto—"a specter is haunting Europe, the specter of communism."

We Americans make a grievous error if we disparage the importance of doctrine in the actions of our adversaries. Nor should we ever underestimate the variety of tactics in their repertory. In the pursuit of their goals they are realists and their essential test is pragmatic. Further, let us never misapprehend their doggedness or patience. The U. S. S. R. is an opponent not ashamed to make a tactical retreat. The Communists are sure that history moves in phases. They believe that revolutionary opportunities ebb and flow, but on the whole that history is on their side; even if their timetable be miscalculated by a decade, or a century, or thereabouts.

It is now 10 years since my duties as Assistant Secretary of State first required me to study and appraise the Communist ideology and the apparatus for projecting that ideology. I believe that the ideology and its apparatus are at least as formidable as the physical instruments of power. They are less so over the short pull but more so over the long. I believe further that while military and economic and political agreements may flow ultimately from the Geneva Conference, there will not in the near future be a truce in the ideological duel. There will be, we must hope, some letup in the cold war. The booming guns of anger and invective will perhaps be muted. If so, they will be replaced by the rapiers of the fencers. The cold war may settle down to an ideological duel in which the peoples of the world have the time and the chance to take a look at the promises and deeds of communism and of the free world. They will take this look, you may be sure, in terms of their own future welfare—and not of ours or the U. S. S. R.'s.

The duel for men's minds will continue. From the standpoint of American policy, we should put far more money and vigor into it. Harold Lasswell, the pioneer scholar in the field of political propaganda, has said that, in the hands of the Communists, "propaganda is an instrument of total policy, together with diplomacy, economic arrangements, and armed force. Political propaganda is the management of mass communications for power purposes. In the long run the aim of propaganda is to economize the material cost of power. Even more specifically, the aim is to economize the material cost of world dominance."

If the world can be conquered by propaganda, so much the easier for the Commu-

nists. If propaganda can soften up the potential opponent and make his conquest by arms the easier, that is a smart way to economize.

In the countries in which Communists are firmly entrenched they seek to pass on to succeeding generations a largely unchanging world view. Their techniques include a many-sided combination of material incentives, repression, and indoctrination. One of our leading experts on Russia summarized their skills this way: "The Russians are very, very good at policing, fighting, and propaganda."

That they are good at policing and fighting comes as no surprise to us. But it is in the field of indoctrination that the Bolsheviks have developed most spectacularly. Further, they have never been satisfied merely to use indoctrination as a means of extracting temporary political loyalty. Their aims have been far more ambitious. They have literally sought to exercise and destroy old values in entire populations. They seek to graft new values on the societies which come under their control. They attempt to brainwash whole populations. Last week one of the turncoat GI's described it this way: "We don't have a political setup like what they have in China. Even the smallest kid in China is indoctrinated under communism. They walk the street like soldiers." Another of the returning GI's said: "Communism destroys the soul."

The Communists are not primarily concerned with short-run power gains. If their only aim were military domination and economic control they would not tamper with the cherished ideas of subject peoples as they are doing in Eastern Europe. They would encourage them to keep their priests and synagogs. The empire builders of the past learned that the attempt to impose new lares and penates increases popular resistance to the ruler. The Communists are no ordinary—or temporary—imperialists. If they were, they would not risk heightened opposition—at a time when the going is rough at best.

According to the most recent estimate there were 375,000 full-time propagandists employed in the Soviet Union, and 2,100,000 part-time propagandists, in the field of oral propaganda alone. This estimate states that the Soviet Union is spending $1,167,200,000 a year for propaganda, and that the East European satellites are spending $529,000,000. The published budget of Red China carries an item of $1,500,000,000 for propaganda. This makes a total of more than $3 billion for 1953. The programs were expanded in 1954. But this is only part of the story. Every intellectual in Russia—let us say five to ten million men and women—is expected to be a part-time propagandist. The Communist Party, controlling every medium of communication, from the schoolroom through the mass media and the arts right down to the circus, drills into these intellectuals and into these media that their first duty is the indoctrination of the people.

Throughout the Soviet Union there are some 6,000 special schools devoted exclusively to training professional propagandists. These have an enrollment at any one time of 185,000 students. Above these 6,000 schools are 177 regional propaganda colleges to train 135,000 alumni of the local schools. This is 50 percent more than the total college and university enrollment of Great Britain. And above the regional schools are a dozen higher institutions giving graduate training to several thousand advanced students. Communist leaders throughout the world, such as Mao of China, Togliatti of Italy, Duclos of France, and Browder, Foster, and Dennis of the United States, have attended these advanced schools.

Communism began as propaganda. It survived for more than half a century as propaganda. Its greatest heroes have been propagandists. It is Lenin and Marx, the propagandists, who are enshrined in Red Square and in the hearts of the faithful. Its greatest advances have been scored by a combination of propaganda and political warfare.

I have many times cited China as a classic example. I once told the United States Senate that China fell to Communist propaganda, not to Communist arms. Earlier, I believe I was the first officer of our Government to advance this theory. I formed it listening to General Marshall talk about his experiences in China. Madame Chiang Kai-shek made the same observation 2 years ago in San Francisco.

The Communists succeeded in identifying themselves with anti-imperialist sentiment in China, with needed land reforms, with opposition to traditional graft and corruption and with other issues deeply felt by the Chinese people. For our part, we failed either to identify ourselves with legitimate Chinese aspirations or to expose the fraudulent nature of the Communist claims. In the crucial years 1945–47 we were spending on propaganda in China less than $1 for every thousand the Communists spent. We shipped to China three and one-half billion in arms but no radios or movies.

In the first legislation I sponsored as a Senator, back in the spring of 1950, I called for what I termed "A Marshall plan of ideas." This resulted in hearings before a subcommittee of the Foreign Relations Committee that summer. I want to quote just a few lines from two witnesses at those hearings:

John Foster Dulles testified: "I believe that the question of whether we have a general war or not may depend, may hinge, very largely upon the relative effectiveness of the Communist propaganda and the free-world propaganda."

Gen. Dwight D. Eisenhower testified: "* * * I should like to put myself unequivocally on record immediately in this general tone, that with the purposes sought by this resolution, I am in complete and absolute accord—so emphatically that it is possible that I will experience a sense of frustration in trying to express how deeply I do agree."

When I recall to you this testimony, by two leaders now allegedly important in Republican circles, you may wonder why the United States has not better equipped itself with manpower and money for the continuing duel for men's minds. I wonder myself. However, to some who fought the fight right after the war—when the Voice of America became a major target of the Republican National Committee—it may be regarded as a sign of its acceptance that the United States information and educational exchange operation now has a budget roughly quadruple its first peacetime budget of 9 years ago. This growth has taken place in an atmosphere of skepticism and recrimination. It is a tribute to the urgency and vitality of the program.

Yet the program has not gained acceptance by the Congress or the American people as an instrument of foreign policy remotely comparable in importance with military and economic policy. We Americans build our battleships first, and then argue about a few million for radio. The Russians build their billion dollar propaganda agency first.

I am not suggesting that we step up our propaganda and cut down on the Army, Air Force, Navy or Marine Corps. We must continue to lead from strength and unfortunately in today's world this means military strength. But I am suggesting a major buildup of strength for the forthcoming duel for men's minds, the duel which may indeed become more intense if accommodation is reached on some of the more acute political and economic issues. We should now greatly expand our efforts imaginatively to dramatize the ideas for which we stand. We should do this on all fronts—economic as well as political—and we should provide the manpower and money to develop projects which will disseminate the ideas of freedom—and carry them forward throughout the world. By comparison with the military, such operations are inexpensive. As Dr. Lasswell tells us, their aim is to economize the material cost of power. Thus it is in the national interest to finance every project in this field which offers a reasonable hope of contributions to our foreign policy objectives. If we aren't to develop President Eisenhower's atom peace ship, let us come up with a better project.

President Eisenhower is right on this: We must seek the projects to dramatize our ideas. Further—and here I go back to my own pioneer responsibility in the development of our information program—we must greatly strengthen the arm of our foreign policy through which we disseminate our ideas and combat those hostile to us. Through this arm, we implement policy so that all the world can understand it. Indeed, through it, policy itself often evolves.

Since the end of World War II, the aims of our information program have largely revolved around these three objectives: First, to encourage and unify our friends and our potential friends; second, in so doing to disseminate a truer understanding about America; and, third, increasingly, as we felt the impact of the Soviet attacks, to expose Communist falsehoods about us and about themselves. Indeed, Senator HUMPHREY commented in his speech here on Monday that "our leaders have been more concerned about exposing Soviet tactics than expounding a dynamic American policy that will win us friends."

There is a basic psychological weakness in all three of these aims. They are all in our own image—they are centered on what we want other people to know and not on what they themselves want to know. Our own image may merely make them envious or cause them to give up in despair. Further, as Senator HUMPHREY said, "We have been playing far too much to domestic political galleries." Obviously, other peoples are more interested in themselves than they are in us.

If an uneasy truce in the use of force between nations is now in the offing, the competitive struggle in the field of ideas will remain. If we use this truce to improve our position in this competitive struggle, the truce can deliver values to us which might make us impregnable a decade hence.

We must seek with renewed vigor to show that our system can be of help to a billion human beings in the development of their own freedoms and well-being. We must show that we are willing and able to help them develop the conditions of life in their own countries which will enable them to build up the highest standards attainable with their labor and resources.

As I have often said, the aim of such a program should be to give to foreign peoples, to the best of our ability, the information they want and need to help them realize their own legitimate aspirations.

Now what knowledge can we give these billion people in the so-called critical periphery and the underdeveloped areas—what knowledge can we give them that they want and need for their own development?

First, we can help them get straight news. This they want.

Second, they have a tremendous range of practical problems to which we have practical answers: problems of agriculture, health, technology, communications. This is their language. We can talk it.

Third, some want to know what we have learned about the operation of an economic system and even a political system—what we have learned which may help them in their hoped-for growth. We can seek to show them in their terms, that they are far more

likely to realize their most cherished ambitions by the methods of freedom, and in association with the free nations, than by totalitarian methods or in totalitarian company.

We must demonstrate that their prosperity and their peace lie with us and not with the Communists.

Coupled with the foregoing is "the propaganda of the deed"—our own actions at home and abroad. The Communists, not ourselves, have developed the doctrine that words can speak louder than deeds. This we deny. Our policy must be right actions, and the right words, and enough words, to describe those actions. Thus we can prepare ourselves for any further intensification of the duel for the minds of men. Thus we can help build our defenses of the future.

My friend of Yale undergraduate days, Russell Davenport, in his poem, My Country, published in 1944, outlined America's goals in six noble lines. These are universal goals, not America's only. These are goals of the free world and of the United Nations. These goals cannot be achieved by military or political or economic policy or all three. They require the fourth arm, the arm of the educator and evangelist who girds himself with ideas of concern to his fellow man, and who projects these ideas so clearly and simply that they kindle renewed faith and hope in the minds and hearts of men. These are Russell Davenport's lines which I commend to you today:

"That all the peoples of the earth may know
The embattled destination of the free—
Not peace, not rest, not pleasure—but to dare
To face the axiom of democracy;
Freedom is not to limit, but to share;
And freedom here is freedom everywhere."

BOMB THE CHINESE PEOPLE WITH WHEAT

Mr. FLANDERS. Mr. President, on Monday next, August 1, in the year of our Lord 1955, we embark on the most perilous adventure in statecraft which our Nation has ever undertaken. We begin negotiations with Red China.

What the subject or subjects of the negotiations may be is not clear. Indeed, that cannot be determined, since the Red negotiators will bring their own ideas and purposes to the meeting. If these are conventional negotiations, we must assume that the American and Allied war prisoners, held as hostages, will be offered release, in return for the evacuation of Quemoy and adjacent islands and the sterilization of Chiang Kai-shek's forces on Formosa. The Reds may offer some kind of a guaranty of neutrality in Southeast Asia, in exchange for the surrender of Formosa. They may offer almost anything, to get the coveted seat in the United Nations. All these prospects are bad.

There is general satisfaction as to the meeting at Geneva with the Soviet rulers. No important agreements were made. One most important offer was made—namely, to engage in an interchange of information as to our armed forces, airfields, atomic plants, and other military installations. This was an epoch-making offer, not yet accepted. The important achievements were not tangible, but intangible. There were personal contacts on which may be based later successful negotiations for the mutual well-being of the Soviet peoples and those of the West. Most important, our President seems to have convinced the Russians that we really are seeking peace, not war.

Conditions are not ripe for an achievement of a similar sort when we meet with the Red diplomats at Geneva. When dealing with the Russians, we found and expected to find no change in their devotion to the principles of communism, no abandonment of their ambitions for carrying on the world revolution predicted by Marx, Lenin, and Stalin. But there we were dealing with a new generation, which had succeeded the ruthless founders of the Communist state. We were dealing with men who have been faced by the limitations of communism. They have met the facts of life and have found them difficult to manage. There is hope for progress in meetings with such men under such conditions.

This particular reason for hope does not exist in the case of Red China. Here we are dealing with the first generations of Communists. These are the very men who have turned a nation of individualists into a nation of slaves. These are the very men who ruthlessly starve millions, rather than be diverted from empire-building projects. These are the very men who instigated the invasion of South Korea, who killed tens of thousands of Korean and Allied soldiers and civilians seeking to resist them, who brainwashed and tortured their prisoners of war, and who have hoped to "shoot their way into the United Nations," to use the picturesque words of our first United Nations Ambassador, Warren Austin.

We cannot deal with Red China as we dealt with the Russians. The problem is different and new. What shall we do? The answer is simple: Let us negotiate with them, for the well-being of the Chinese people.

China is undergoing one of its periodical famines. People are reported to be dying in masses. In spite of this, their government is exporting food to the Soviet bloc and to other countries to gain foreign exchange for acquiring that which will not fill the empty stomach. We have talked much of blocking their imports. Here are some exports that need to be blocked.

But the great opportunity is positive, not negative. Through the blessings of God and the operations of our agricultural price-support plan, we have millions of bushels of unmarketed wheat. We find on the Chinese mainland, millions of starving people. Let us bring the wheat and the people together. Let us send westward shipload after shipload of surplus grain. If Red China will agree to block exports of needed food, we will land this wheat at Chinese ports and will supervise its distribution in the areas of greatest need.

If this is refused, let us announce to Red China and to all the world that we propose to drop on Chinese cities, not napalm, not TNT, not H-bombs, but bags of wheat, each bag inscribed in Chinese characters with a message of friendship from our people to them. The bags would be dropped gently, by parachute. It would be, not a Berlin airlift, but a Canton airlift, an Amoy airlift, a Shanghai airlift, a Peiping airlift. But it would be organized on the same massive scale as that of the airlift that saved Berlin from starvation. We would ask that these unarmed wheat bombers be allowed to carry out their errands of mercy without molestation. But if they are fired on, then let us bring out our fighters, and let us have plenty of them. Does this mean war? Can there be war when the objective is the welfare of the Chinese people?

Dropping wheat on China is not a new idea. It was suggested some time ago by the distinguished minority leader, the Senator from California [Mr. KNOWLAND]. The idea made sense then. Now it has become a "must."

Fast work will be needed if the airlift is to save lives. Wheat must be transported. Planes must be mobilized. Millions of bags must be made and inscribed with messages of good will. Millions of small parachutes must be made.

Legislation will be needed. We should be eager to remain here in Washington the few days required to pass the needed bills and appropriations.

Let us remember the story of Joseph. In America we have had our 7 fat years. In China they have had their 7 lean years. Let us open our bursting granaries in return—not for Chinese dollars—but for the Chinese peoples' friendship.

The fate of governments rests ultimately on the will of their people. By helping people, we can strike a blow for their freedom. Who knows how that freedom may come? It may be by overthrow; it may be by wiser policies of their rulers.

Geneva opens the greatest opportunity for humane, dramatic, successful statecraft that the world has ever seen. May we have the imagination, the intelligence, and the resolution to match that opportunity with effective action.

APPLICATION OF BICYCLE INDUSTRY FOR RELIEF UNDER THE ESCAPE CLAUSE OF THE TRADE AGREEMENTS ACT

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed at this point in the RECORD the text of a letter signed by George Meany, president of the American Federation of Labor, and addressed to the President of the United States, with respect to the application of the bicycle industry for relief under the escape clause of the Trade Agreements Act.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 15, 1955.

The PRESIDENT,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: This letter is in further reference to the application of the bicycle industry for relief from injurious import competition under the escape clause of the Trade Agreements Act, about which I wrote to you on March 11, 1955.

It is understood that this case was returned to the Tariff Commission for more up-to-date information and further observation of the trend of imports. I have accordingly myself had further inquiry made into

this matter and as a result am doubly convinced of the urgency of remedial action.

The bicycle industry has lost ground rapidly to imports and continues to do so solely because of the lower wages paid in foreign plants, the tariff reductions made in the past and the currency devaluation of 1939.

During the 4 years preceding 1950, domestic lightweight models outsold the imported ones by 10 percent to 15 percent. From 1950, after currency devaluation, on top of sharp duty reductions, the imported product ran away with the market.

Today there is a retail-price differential of about $20 in favor of the imported bicycle. This represents a formidable handicap in view of the quality of the imported product.

The American Federation of Labor, as stated in my previous letter, has supported the trade-agreements program, but has always made it clear that we cannot condone import competition that drives our own workers out of employment when such competition derives its advantages from lower prevailing wages abroad than those enjoyed by American workers. Should this be permitted the American wage standard would soon be dissipated.

The bicycle case impresses me as clearly indicative of excessive tariff reduction in view of the exchange devaluations that took place. This brought the rates definitely below the peril point and the rapidly rising imports are the result. The workers in the bicycle industry have my full support in seeking a restoration of the duty and I would therefore strongly urge that you promulgate the Tariff Commission's recommendation.

Sincerely yours,

GEORGE MEANY,
President, American Federation of Labor.

HEALTH OF AMERICAN FARM PEOPLE

Mr. WILEY. Mr. President, this week marks National Farm Safety Week. It is an important reminder to us of the continuing problem facing our country for the improvement of the health of our rural dwellers, particularly our farmers.

Accidents alone claim the lives of 3,000 farmers each year, and maim thousands more. But accidents are only one part of the overall health problem facing American agriculturists and others living in the Nation's rural areas.

I have in my hands the text of an article in the July 1955 issue of the magazine Public Health Reports, issued by the United States Public Health Service. The article reports on the National Conference on Rural Health, which marked 10 years of its progress at a meeting in Milwaukee earlier this year. I have always felt that the farmer must not be a second-class citizen. Because he lives in relatively isolated areas, he may not be able to enjoy the peak medical service which the city dweller has almost immediately at hand through our great metropolitan hospitals. But the farmer is entitled to the very best medical service which we can possibly help provide for him under the free enterprise medical system.

I am pleased that the American Medical Association down through the years, through its council on rural health, which sponsored the Milwaukee and similar conferences, has signified its deep awareness of this great challenge.

I send to the desk certain excerpts of this Public Health Service report and ask unanimous consent that these excerpts be printed in the body of the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

REPORT ON THE NATIONAL CONFERENCE ON RURAL HEALTH

"Looking Both Ways" was the stated theme of the 10th National Conference on Rural Health in Milwaukee, February 24–26, this year. The conference program illustrated this theme with an hourglass containing 10 years of the future waiting to join the 10 of the recent past.

The conference provided a quick review of 10 years of the organization's development, and it posed problems for the next decade. In addition, it gave expression to the spontaneous interests of the delegates.

The American Medical Association, through its Council on Rural Health, sponsors the conference as a free and open forum. Through this channel of free discussion one group leader, speaking from the floor, struck a note that touched off a wide and deep sympathetic response. In his extemporaneous remarks, this speaker vigorously supported the suggestion that farm groups and farm communities ought to conduct accident reporting programs. But what was needed, he said, was a nationwide system of collecting the farm accident data. It is important to have crop reporting programs, he said, but when accidents claim the lives of 3,000 farmers each year and maim thousands more, it is wise to realize that people are more important than potatoes," and that a base of data be made available to scientists to determine the causes of accidents in order to get prevention programs on a sound footing.

From this remark stemmed the discussion of fatigue and endurance limits, nutritional lacks and aids, hazardous habit patterns, emotional stresses, apathy, environmental, dangers, and extended insurance systems.

Dr. Conrad Barnes, Seneca, Kans., pointed out that emotional upsets are behind a good many farm accidents. "There's too much ignorance of emotional hygiene," Dr. Barnes said. "It has been proved that most accidents have this emotional behavior pattern * * * the accident victim is momentarily blinded because he is upset."

Another panelist, F. R. Willsey, farm safety specialist at Purdue University, said that modern machinery was now becoming more responsible for accidents than livestock. Tractors, he said, are responsible for most farm accidents. Also common are injuries from cornpickers. Too many farmers think they have a safe way of unclogging a cornpicker without shutting it off. The trouble is, he said, they keep thinking that way as long as they get away with it or until they lose a hand or an arm.

In support of Willsey's point, Ordie Hogsett, safety specialist from the University of Illinois, another member of the panel, showed that he had lost his left hand as well as two fingers from his right in a cornpicker accident in 1943. Since then he has devoted his time to farm-safety work.

Helen Becker, health education specialist of the University of Nebraska Extension Service, suggested that more farmers ought to observe Sundays as a day of rest for themselves. In the past, she said, farmers didn't work on Sundays in order, they said, to give their horses a rest. Now that they have tractors, they work longer hours and their fatigue predisposes them to accidents, she said.

Sanitation, diet, physical examinations, immunization programs, safety measures, and livestock disease control all are the responsibility of the farm family, declared Mrs. C. C. Inman, Bancroft, Iowa, chairman of the women's committee of the Iowa Farm Bureau Federation, in discussing the rural family's responsibility toward health. In addition, Dr. B. L. Masters said that the first health measure a rural family should take is to get a family doctor. Lester Lane, Wilmington, Ohio, farmer, pointed out discrepancies in the theory that rural residents enjoy better health than city dwellers. They are, for example, more likely to get brucellosis and certain other diseases. In one community, Lane stated, a survey showed pasteurized milk was used by only 16 percent, sewage disposal was bad, and immunization for preschool children was lax.

The predilection of those present seemed to be to encourage programs which develop in the individual a sense of responsibility toward maintaining his health and improving it and toward working with others on health problems. This cooperative effort, they felt, will solve most, if not all, of the health problems of any rural community in a manner that is satisfactory to the largest number of citizens. An improvement suggested by some for future meetings was to have more representation from the field of public health.

The Council on Rural Health, a section of the American Medical Association, is composed of a chairman, a liaison member from the AMA board of trustees, and nine regional directors. The council is assisted in its work by an advisory committee selected from national farm organizations, such as the Grange and the American Farm Bureau Federation. Representatives from education, research, and information organizations whose interests are focused on agriculture are also named to this group.

Presented on the following pages are briefs from one complete panel presentation—the one on using present health and medical care resources—and from some of the prepared remarks made by panel members in the other discussions.

THE NEW FRONTIER IN RURAL HEALTH

(By Robert N. Barr, M. D., deputy executive officer, Minnesota Department of Health)

It is hard to conceive that any intelligent, right-thinking person would fail to recognize that as a nation we have the best health and medical care facilities and services in the world. Yet we have some relatively large minority groups whose health is today sorely neglected. They are:

1. The aged with their chronic, degenerative diseases; their health, social, economic, employment, educational, recreational and housing problems.

2. The disabled who need both treatment and rehabilitation.

3. The mentally ill who need not only treatment and rehabilitation but frequently a helping hand from a neighbor if they are to take and maintain their place in our modern life.

These three do not constitute all of the health problems of today but they stand out like the communicable diseases did 40 years ago.

RESOLVED AT LOCAL LEVEL

Communicable diseases and the diseases of infancy, childhood, and young adult life are not unimportant, but we have progressed far in developing preventive and curative facilities and services for these problems. In our enthusiasm we have, until recently, forgotten the diseases commonly associated with middle and older age. This is true in the research field, the preventive and curative fields, including rehabilitation, and in the intraining and education of our health, medical, and hospital personnel.

In planning, we should not forget the lessons we have learned in other programs. In maternal and child health programs we taught and demonstrated that the problem could be resolved best at the local level by

using local physicians, local hospitals, and related services in providing both the preventive and curative phases. It required education and training of physicians, health, and hospital personnel, and finally, of the people themselves to make use of and to assist in providing good hospital and related facilities and services at the local level. It required close cooperation of the local voluntary and official health agencies and provision by the State of services and facilities that could not be provided locally, such as medical schools, graduate medical training, and laboratory services and facilities as well as services in the unusual and very technical fields.

In the case of tuberculosis, the State of Minnesota, as early as 1913, assisted counties in building county sanatoriums and subsidized the care of patients in them. Many of these are no longer needed for the care of tuberculosis patients. They are being converted into nursing homes, which are acutely needed. The same is true of the occasional community hospital which is still a good structure and has been replaced by a new, modern hospital.

HOSPITALS AND DISTANCES

Today, a modern hospital within a reasonable distance is essentially a must for most people. The only argument is, what is a reasonable distance? Is it 20 miles, 30 miles, or 50 miles? In each area, depending upon the population densities, highways, topography, the availability of physicians, and a number of other factors, this determination must be thoroughly studied and carefully made by all persons concerned.

In general, a hospital of 25 to 50 beds, well equipped and providing services for ten to fifteen thousand people economically can provide fairly complete and good services. Such a hospital will usually have 7 to 15 doctors on its staff. The distribution of physicians in the rural areas would average 1 for 1,000 to 1,200 persons in a State which has an average of 1 physician per 700 population.

Hospitals of less than 25 beds usually have so many limitations because of economics, staffing difficulties, and availability of physicians that it would, I believe, be better to avoid such hospital construction and development until all other possibilities have been explored and exhausted. Certainly, an extra 10 miles of travel for one-third or less of the patients using the hospital is not usually a justifiable reason today.

PHYSICIANS AND HOSPITALS

All of us are interested in keeping doctors in rural areas. We would like to have one living next door, in the next block, in our village. In the years past, there used to be one in most villages and towns as there also used to be a dentist, a pharmacist, a newspaper, a bank, a general store, a hardware and farm implement store, a lumber yard, and a high school. In the past 40 years, technical improvements, modernization of services, and transportation advances have changed all this.

Physicians inevitably are moving to nearby communities which are of sufficient size to justify the provision of a modern hospital. Here the physician has services and assistance in doing a good job and associates to help him out of tight spots. He wants a good X-ray service, a good laboratory, a blood bank, good delivery and operating room services, good anesthesia, good nursing care, and physical and occupational therapy in the hospital. He wants a pathologist, a radiologist, and a surgeon on the hospital staff, and he would like other specialists on the consulting staff. In short, he wants to do a good job in the practice of medicine.

NEEDED CARE FACILITIES

The community needs for the proper care of patients with long-term illness are sufficiently complex and varied to require a wide range of services and institutions. Certainly, the patient's home and the usual type of general hospital, at the two extremes, are not sufficient. Improved intermediate facilities are urgently needed. The range of facilities in the order of increasing complexity is as follows:

1. The patient's own home: This may be best if the patient's disease is not too incapacitating and his need for service is not too great. He should be able to visit the physician's office or the clinic periodically. Care should be provided by a member of the household or by a visiting nurse. Temporary auxiliary assistance, such as the services of a housekeeper, may be necessary. In some communities, the services of a physical therapist may also be available.

2. Home for the aged: This institution primarily provides custodial care for older persons who cannot be cared for in their homes.

3. Nursing home: This type of facility should provide considerable nursing care and regular medical supervision for indefinite periods of time for patients who do not need intensive hospital services. It has been strongly recommended that nursing homes be associated with general hospitals, thus providing a flexible unit for the hospital as well as an improved standard of care for the patient.

4. Chronic disease hospital facility: Except for diagnosis and for acute exacerbations, the general hospital is neither the best nor the most economical place to care for most patients with long-term illnesses who require hospital care. Many new chronic disease hospitals with good nursing service and medical supervision, with adequate equipment and personnel for rehabilitation, and with facilities for research and teaching are now being developed.

PLANNING LOCAL FACILITIES

With the aim of reducing costs and improving patient care, it is recommended that groups sponsoring new nursing homes and homes for the aged give serious consideration to locating such facilities in close proximity to existing general hospitals. Local health departments should aid in planning and developing. This will provide a chain of related care facilities where the patient can be transferred readily from one to the other institution as he requires varied types of care. Physicians and other health workers in a community should be familiar with all the facilities available so that the proper one can be selected for each case. Best use of medical manpower, with less risk of duplicating effort and services, is a possible advantage.

Successful rehabilitation of the disabled must begin in the early stages of hospitalization and must be based on a philosophy of the care of the individual as a whole. Added to the physical changes brought about by chronic illness are the emotional and social changes frequently resulting from long illness and the social withdrawal caused by the illness. Emotional and social needs must be recognized and met through a planned program of activities.

Very often, with skillful functional training and guided practice, patients at least can learn to perform self-care activities regardless of their age.

SHORTAGES OF PERSONNEL

The greatest single obstacle to the more rapid development of all types of rehabilitation services is the shortage of trained personnel. The need for physicians, physical therapists, occupational therapists, nurses, and other personnel in the rehabilitation field is tremendous as is the need for sufficient trained personnel to staff our health departments and our general hospitals.

We should start with increased emphasis on recruitment to insure that all of the existing training facilities are being utilized. There is no magic solution to the current personnel shortages in the health field. The recent work of the National Health Council in publishing manuals to aid vocational guidance counselors to alert high-school students to careers in public health is an excellent approach. We have a responsibility to plan wisely in using the talent we have and to encourage young people to enter a field where jobs are plentiful and the opportunities for service are unlimited.

Never before have the opportunities for restoration of the disabled been so promising. We must recognize that we are now in a position where we can approach with confidence many conditions which were considered hopeless until recently.

THE COMMUNITY'S RESPONSIBILITY

The community, individually and collectively, must recognize that it has the responsibility for providing the modern physical facilities necessary for the care of these patients. These include health departments, general hospitals, chronic disease units of general hospitals, and nursing homes and homes for the aged planned in close proximity to general hospitals. Equally important is the community responsibility for providing financial support to assure that such modern facilities will be well operated and staffed with qualified professional personnel. Community groups should recognize the social, religious, educational, and recreational needs of these patients.

Each individual must also recognize that he has the responsibility of protecting himself against the ravages of time and its associated physical changes by regularly utilizing the local medical services and their associated diagnostic and treatment facilities. Periodic physical examinations are especially indicated during middle life and should be continued through the declining years. By so doing, the incidence and severity of chronic illness can be reduced and the time postponed when chronic illness may require greater use of these facilities.

THE COUNTRY PHYSICIAN AND THE RURAL CLINIC

(By Wyatt Norvell, M. D., chairman of the committee on rural health, Kentucky State Medical Association)

If there are any two things that are more confused than medical care and health, I don't know what they are! Because the doctors themselves get the two confused, they seem to think that when you mention health, you are immediately mentioning medical care. However, that is not true. As I see it, medical resources are the job of the medical profession—that is to train boys and girls to become good humane doctors. Health resources are the job of everyone, because it is the job of all to see that the other has been health. You buy medical care, a procurable commodity. The doctors are trained in our medical schools and then go to the communities and set up the proper facilities to take care of the rural people.

CHANGING A PATTERN

The very backbone of our life, as I see it from the medical standpoint, is the family physician. But you're not going to find the family doctor at every crossroad. Why? Well, because transportation is much more rapid than it was 50 years ago. Back in 1915 there were 4 doctors in my hometown. The people could not travel to town in those days as they can and do now.

After World War II, I decided to practice medicine in the county seat of the county in which I was born. When I started, I had an Army jeep procured from the Army surplus. The jeep had some flappy curtains on it, and there were some nights that I arrived at the country home of a patient more frozen than alive. I spent about two-thirds of my working day traveling around the countryside in my jeep, seeing the different individuals in their homes.

This was not the type of medical care that I wished to give the patients. First, it was impossible for me to give good medical examinations in the home; and second, time and distance prevented me from taking care of as many people as I would have liked. I mentioned that fact to the young cashier of the bank, stating that I would like to build a clinic. He took the facts before the loan committee of the bank, and one of the men on the loan committee asked: "What collateral does he have?" His answer was: "Character," and, he added, "We need medical care in this community."

Well, I got the loan; I built the clinic; and I am beginning to see the end of my bank indebtedness. I used this personal illustration to drive home a point. We hear so much about the need for hospitals, and I believe if you let some individuals have their way there would be a hospital at every two-house crossroad town. The Nation would be bankrupt, and I know it couldn't be very long until the hospital would be in the hands of a receiver.

CLINICS AND NURSING HOMES

The answer to our medical resource work is the use of clinics. Eighty-five percent of the people whom I see can be taken care of and diagnosed in my clinic and then be treated either in the home or by daily visits to the clinic. There is a small 30-bed hospital about 13 miles from where the clinic is located. An individual who is in need of more definitive care can receive it in this hospital.

Another aid to our national medical and health resources is the recent founding of the American Nursing Home Association. This group has done much to help in the care of our aging population. Many of the beds in our hospitals could be released for acutely ill patients if more nursing home beds were available for the elderly and chronically ill patient. It has been proved over and over that the senile patient does react better in the friendly surroundings of the "homelike" nursing home than in the well-regulated hospital atmosphere.

So I say to you as you go back home—help the young doctor when he finishes his medical education. Help him get started in the community. Show him that you want to give him the facilities that he needs. Get the bank to back him; help him to find a home or get one built for him. He needs your help because most doctors, when they finish medical school, not only don't have any money but usually are in debt.

A PERSONAL RESPONSIBILITY

Now to the questions of how to utilize properly our health resources. Health is a personal responsibility. It is the responsibility of the community in which you live. Each individual is dependent on the other individual. All this goes back to the ideas and ideals on which our Nation was established.

Before a rural health council was established in our county, the tuberculosis X-ray unit came through. We took 520 chest X-rays from a population of 11,000 people. Then the rural health council was established. The next year we got 1,485 chest X-rays. And then everyone seemed to get a beam of light, an idea of what they could possibly do.

So the project was completely organized. One of our young clergymen served as a publicity chairman. A farmer, with a stature of 6 feet 7 inches, weighing 260 pounds, was the "stevedore" or the "whip" of the organization—in other words, the chairman of the rural health council. And he saw to it that there was a shuttle bus system worked out in the county, that the high-school children acted as stenographers, that the organization was put over; and therefore we had better than 2,000 chest X-rays done. Isn't this an illustration of what a rural health council can do

THE FOUR OBSTACLES

There seem to be four main obstacles to solving our rural health problems as we try to set our sails to reach a goal. All of these four must be defeated before we can successfully utilize our health resources. They are:

1. Unimportance: Acting as if what you do, or can do, or are asked to do, is of no importance. Let George do it. What difference does it make if the school children don't get a good diet so long as my kid does. Someone else will do something about it, so why should I worry?

2. Fatalism: Believing that man cannot control his environment. In other words, if I may use the statement, "the health as we know it in the rural area was good enough for my grandfather, so it's good enough for my children."

3. Surrendering en masse: And forgetting about the greatness of our Nation, and its founding on God, and on certain principles basic to the dignity of man. Each individual should have in his hands his life and not be totally at the mercy of the state. Help from Government bodies should not be spoon-feeding types.

4. Accepting fanaticism: In other words, accepting some of the fanatic ideas of individuals who do not think clearly. Or accepting the idea that nothing can be done about it. Let's not believe we don't have to do anything about our health problems. But rather, let's take a way of life of accepting the fact that we are our brother's keeper. And remember that when we do something for another person, some of that good is going to fall on us.

Operation Rescue Squad in Wisconsin

(By Joseph Banach, safety director, Ansul Chemical Co., Marinette, Wis.)

Rural communities and small towns can increase their medical services at no cost by establishing skilled teams of rescue workers to work closely with physicians, nurses, and other health officials. These can be instantly available for service in time of local emergency, natural disaster, or military attack.

In every person's life, there have been occasions when a skilled and understanding hand could have relieved suffering and possibly avoided grief. Crises occur without warning—the accident in the home, the highway crash, the farm mishap. Help is needed and needed immediately.

And today, even with increasing and improving medical facilities, the necessary medical care is not always available. This is a particular menace in small towns and rural areas where a declining population is limiting the number of doctors and nurses. Distances are vaster in small towns and rural areas, also. The time is a vital and often a life-or-death factor. Doctors and nurses are very busy meeting the many demands on their time. Frequently these demands overlap, and being only 1 person, the country doctor is unable to be in 2 places at one time.

There is need for a group of men, women, and even children with highly developed skills in emergency, first aid, and rescue procedure. The good these people can accomplish cannot be calculated except in the priceless terms of a saved life and spared pain.

A trained rescue unit, instantly available, can provide sorely needed and invaluable assistance to a physician, surgeon, or nurse. A rescue unit spells the difference between life or death for thousands of seriously injured Americans each year.

ORGANIZING THE SQUAD

The need of a skilled rescue team in your community and in mine should be self-evident. I'm sure each of us feels that it would be an ideal situation, if only we knew how to go about it. We found a way, perhaps by accident, perhaps by unseen direction.

About 5 years ago in our small city of Marinette, Wis., with its population of 14,000 persons, a few of us working for a chemical company realized that we were in no position to handle any kind of a plant accident or disaster. There was no organized program of first aid; there were few persons with more than a smattering of skill in caring for people injured or taken sick on the job.

Eight of us decided to form a first-aid team. For 21 weeks, meeting twice a week for 2- or 3-hour periods, we went through the Red Cross first aid training manual. At the end of that time the fire chief of Milwaukee permitted us to spend a week with one of the Milwaukee rescue units.

Mostly, however, we were observers. We realized then that the plant first aid training program we'd originally thought of was not broad enough.

We returned to Marinette, continued our training, and awaited our first call for service. But in a factory of only 500 people plant accidents are fortunately very, very rare. So we decided to make our first aid rescue services available to the families of our employees. Our company had spent a few hundred dollars in obtaining basic equipment for us—a resuscitator, ropes, first-aid kits, respiratory protection, cutting torches, crowbars, and fire equipment. We also obtained the use when needed of a company automobile.

Why not offer the services of our eight-man unit to the people of our city—Marinette, Wis., and to our sister city—Menominee, Mich.?

ACCEPTANCE IS SLOW

We consulted the mayors of the two cities, the city councils, police chiefs, fire chiefs, and a few of the leading doctors They were somewhat skeptical, but they certainly had no objections to the idea. The local telephone companies agreed to put our name in their new telephone directory along with the police and fire department telephone numbers. The telephone company also agreed to provide us with direct service on any emergency call.

The townspeople, like their elected officials, were slow to accept the rescue squad. From time to time—weeks apart—a call for help did come in to us. But we had not yet overcome the widespread reluctance to accept us.

Then one day about 3 years ago a tragic accident took place. A drunken driver rammed into a haywagon carrying 26 high school students, chaperoned by the city manager and his wife, on an old-fashioned hayride. The 28 people on the wagon were strewn along the highway. A call went out to the rescue squad for immediate help. Upon arrival, the few members of the squad sized up the situation and immediately called local physicians and the entire rescue squad. Within minutes help was obtained for all of the injured.

All recovered from their injuries, and the praise from a grateful community began to accumulate. The local newspaper ran editorials; the local medical association cited us for outstanding public service; the parents of the stricken children were lavish in their appreciation.

Overnight we achieved the general acceptance that we had been seeking for many, many months. And then the two cities began to use our rescue squad for all emergencies. Our battle for understanding was won. Today, we have 26 members, each highly skilled in rescue and first aid techniques. In fact, our men are creative, and, with the complete cooperation of the 32 doctors in our community, have worked out new first aid techniques and equipment with which to do a better job.

The employees of the company as well as the squad members feel that the company they work for is interested in the welfare of their family and neighbors not only at work but at home. This creates pride and a feeling of satisfaction that I don't believe can be obtained in any other manner.

TRAINING A KEY FACTOR

There are several factors that are important in organizing a rescue squad. It takes more than equipment and the name and men. It takes training—hard training. The members must be trained and demonstrate a sincere interest in order to become a squad member. Proper selection must be made to eliminate those who merely enjoy blowing sirens. Only after a person performs under pressure will you know the individual and know his ability. He must train perpetually to keep abreast of new techniques.

The squad at the present time has trained about 1,800 people including the twin cities police, fire department, and several industrial and civic groups. It conducts a radio program and instructs the citizens of the communities in how to take care of themselves in the event of an emergency.

In my opinion, I do believe an industry has somewhat of an obligation in a small community to see that a group of this nature is organized, trained, and maintained for adequate service.

You folks carrying the brunt of the load of maintaining and improving the health in the rural areas of America—if you can encourage your local leaders to get behind a project like this, you may get the kind of citizen support you so richly deserve in your work of saving lives and making a stronger America.

ALL-AMERICAN CITY AWARD TO PHENIX CITY, ALA.

Mr. WILEY. Mr. President, I have in my hands the Tuesday, July 26, issue of the Milwaukee Journal. On two different pages are interesting stories concerning two American cities.

The first, on page 4, describes efforts to clean up Galveston, Tex., which some people seem to want to keep as the "widest-open town" in America. But Galveston's houses of prostitution have just been closed, thanks to the Galveston Ministerial Association and the American Social Hygiene Association's demands.

The second newspaper item, on page 18, describes the competition conducted under the auspices of the National Municipal League's All-American Cities Contest. It points up the fact that a town formerly described as "Sin-Town, U. S. A.," "the wickedest city in America"—Phenix City, Ala.—which has now been successfully cleaned up—we hope—for all time—is vying for national honors among the top 22 cleanest cities in America.

As a former member of the Senate Crime Investigating Committee, as one who has always felt that only aroused citizen action at the grassroots can really correct criminal conditions, I commend Phenix City and every American town which lifts itself up from the muck by its own bootstraps.

The other night it was my pleasure to witness a gripping film entitled "The Phenix City Story," produced by Mr. David Diamond and Samuel Bischoff, and released by Allied Artists. It is a powerful human document, filmed in a precedent-breaking way, in Phenix City, Ala., itself. It portrays with tough, vivid realism, conditions of vice which had prevailed there, and which led to the assassination of Alabama's Attorney General-elect, Albert Patterson, on June 18, 1954. That assassination shocked the conscience of the town and of the State of Alabama, brought about the invoking of martial law, the cleaning up of the town, and the bringing in of new public officials.

Vulcan Press, in Birmingham, has published an important book by Ed Strickland and Gene Wortsman on this same powerful theme.

The key to the cleanup was, of course, Mr. and Mrs. Citizen—himself and herself—in Phenix City, or "Any Town, U. S. A." The "Phenix City Story" conveys this message with dramatic impact, and in a way that holds the attention of the audience from start to finish.

I send to the desk the text of the Milwaukee Journal article on the national award contest—a competition which has been well featured in Look magazine and which I think constitutes a wonderful job in the public service. I ask unanimous consent that the text of this article be printed in the body of the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Milwaukee Journal of July 26, 1955]

PHENIX CITY'S REVIVAL TOLD—NATIONAL AWARD SOUGHT

SEATTLE, WASH.—"A politically pure and crime free community with government restored to the people."

That was the picture of Phenix City, Ala., painted Tuesday by Robert W. Brown, editor of the Columbus (Ga.) Ledger, and Jack Gunter, president of Phenix City's Committee of 200, as spokesmen for 22 cities seeking the National Municipal League's all-American cities award presented their cases.

Phenix City, a community that purged itself of organized crime, is one of the 22 cities remaining in the race for the 11th annual awards to be announced after the first of the year.

SEVEN HUNDRED AND FORTY-NINE WERE INDICTED

The two spokesmen for Phenix City told how the cleanup of vice started after Albert L. Patterson, attorney general-elect of Alabama, was murdered June 18, 1954. Gambling, prostitution, robbery, rape, arson, assault, and vote frauds prevailed in the city before the cleanup, Brown and Gunter said.

Since then 749 Phenix City indictments have been returned. Phenix City income has increased, public works have been started, new officials have been elected, and Phenix City officially was found to be completely free of organized crime by a grand jury last month.

Mayor Sydney L. Gray and J. Walker Owens, general manager of the Association of Commerce in Lake Charles, La., claimed for Lake Charles phenomenal industrial growth because of an energetic citizens' group that acted on needs for sewerage, drainage, flood control, streets and highways, and school and recreational facilities.

David Brickman, editor of the Medford (Mass.) Mercury, told of his city's successful efforts to establish a council manager charter. He said Medford's townspeople insured that the charter worked for decent and efficient government.

RACKET DOMINATION ENDED

"More than 200 organizations and 10,000 citizens are active in the Port Huron District Foundation, a nonprofit Michigan corporation, so needs can be brought before a concentrated group and concerted action taken," W. J. Norris, president of the Port Huron Junior Chamber of Commerce, told the jury.

Reading (Pa.) Mayor James B. Bamford said, "At least 20 years of racket domination of local politics, coupled with inefficient and ineffective government were beaten by a citizens' committee for good government in Reading."

The establishment of a united improvement council to study community requirements and propose recommendations for a citywide program was "designed to put St. Paul, Minn., near the top of American cities in physical facilities," said Paul Butler, Jr., and Charles B. Stieger, St. Paul civic leaders.

Considerable opposition was overcome in the battle to create a council-manager form of government in Savannah, Ga., said Frank S. Cheatham, Jr., and Charles F. Wood.

HOSPITAL DRIVE CITED

Seymour, Ind., with a population of less than 10,000, raised $859,000 in cash by public subscription to enlarge hospital facilities, its spokesman said.

"Sidney had earned the reputation of being a community without pride," said William Amos, secretary of a printing and publishing firm in the Ohio community. He added that "in less than 5 years, Sidney has risen from the depths of community degradation to become a city of new schools and a well-supported municipal government." Amos credited organized citizen action for Sidney's accomplishments.

At Ypsilanti, Mich., "scores of citizens voluntarily organized six working 'bees' and converted a 'jungle' area into a park," said Andrew F. Smiith.

Riverside, Calif., also was represented at the hearing.

JOINT STATEMENT BY SENATORS FULBRIGHT, SPARKMAN, DOUGLAS, LEHMAN, MONRONEY, AND MORSE REGARDING NOMINATION OF HAROLD C. PATTERSON TO BE A MEMBER OF THE SECURTIES AND EXCHANGE COMMISSION

Mr. LEHMAN. Mr. President, yesterday a joint statement was issued by the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alabama [Mr. SPARKMAN], the Senator from Illinois [Mr. DOUGLAS], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Oregon [Mr. MORSE], and myself regarding the nomination of Mr. Harold C. Patterson to be a member of the Securities and Exchange Commission and in opposition to his confirmation by the Senate.

I ask unanimous consent that this statement be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JOINT STATEMENT OF SENATORS FULBRIGHT, SPARKMAN, DOUGLAS, LEHMAN, MONRONEY, AND MORSE, REGARDING THE NOMINATION OF MR. HAROLD C. PATTERSON TO BE A MEMBER OF THE SECURITIES AND EXCHANGE COMMISSION

We oppose the nomination of Harold C. Patterson to membership on the Securities and Exchange Commission because it is out of harmony with the spirit of the law which

created the commission and because we do not believe it to be in the public interest.

The Securities Exchange Act of 1934 creates a Securities and Exchange Commission composed of five commissioners. The act specifically states that "Not more than three of such commissioners shall be members of the same political party." The purpose of this provision was to preserve the SEC, an independent regulatory commission, free from the complete domination of the executive branch of the Government.

The SEC was created by law as an independent agency. It possesses legislative and judicial powers. It was never intended that it be an arm of the executive branch of the Government. In fact its responsibilities lie closer to the Congress than to the executive.

Mr. Patterson testified at the hearings that his nomination was cleared by the Republican National Committee, although it was admittedly for a Democratic vacancy. This procedure for Democratic appointments perverts the very purpose of bipartisan commissions. Obviously clearance with the Republican National Committee cannot have reference to anything other than politics. If the Republican National Committee is to clear nominees for appointment to bipartisan commissions these agencies can and will be completely dominated by the administration in power through it political agency.

Mr. Patterson says he is a Democrat. However, he stated that he did not support the Democratic candidate in the last presidential election. His original sponsor was also an Eisenhower supporter. Mr. Patterson was appointed to a position by the new administration which was recognized as a patronage position. In short there can be no question but that his political loyalties lie with the present administration. Indeed that can be the only purpose of his clearance by the Republican National Committee.

Another equally compelling reason prompts our opposition to this nomination. If the Patterson nomination is confirmed, all five Commissioners will reflect the point of view of the industry they are entrusted to regulate.

The present chairman, Mr. Armstrong, comes from a large Chicago law firm, a great many of whose clients are subject to Commission rules and regulations.

Another member, Mr. Orrick, comes from a large San Francisco law firm which represented many clients affected by the SEC regulations.

Another Commissioner, Mr. Goodwin, was formerly a partner in Dillon Reed & Co., an investment banking firm.

The fourth Commissioner, Mr. Adams, a hold-over, was formerly State Securities Commissioner of Connecticut, but even he was a member of an investment banking firm in Hartford.

And now the nomination of Mr. Patterson makes industry representation on the SEC unanimous—not a single represetative of the general public among them. For Mr. Patterson, until a year ago, was a partner in Auchincloss, Parker and Redpath, member of the New York Stock Exchange. He has also been an officer and member of the board of governors of the National Association of Securities Dealers, a member of the board of governors of the American Stock Exchange, and of the Washington Stock Exchange.

Perhaps something can be said for having 1 or 2 Commissioners drawn from the industry regulated. But to have all five in that category is unacceptable.

We oppose the domination of independent regulatory commissions by the executive branch of the Government, and Congress will be failing in its duty if it permits this to take place.

We condemn the turning over of an independent regulatory commission to the representatives of the industry it is supposed to regulate. This is like making the coach of the home team the umpire of the game. The investments of millions of trusting investors depend on the integrity and unbiased judgment of the SEC, as does the smooth functioning of our capitalistic economy.

The Patterson appointment does violence to the spirit of the Securities Exchange Act and puts the regulated industry into the role of the regulator.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the bill (S. 847) to authorize the construction of two surveying ships for the Coast and Geodetic Survey, Department of Commerce, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7224) making appropriations for Mutual Security for the fiscal year ending June 30, 1956, and for other purposes; that the House recede from its disagreement to the amendments of the Senate Nos. 6, 7, and 8 to the bill, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate Nos. 21 and 24 to the bill, and concurred therein each with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H. R. 3338) to amend section 1 of the act of March 12, 1914.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 257. A bill to amend section 112 (n) (8) of the Internal Revenue Code of 1939 to provide that in certain cases of a sale or exchange of a taxpayer's residence certain periods of limitation shall not run against the taxpayer while he is on extended active duty in the Armed Forces;

H. R. 2553. A bill to amend section 223 of the Revenue Act of 1950 relating to the use of corporation property by a shareholder;

H. R. 2619. A bill to amend section 345 of the Revenue Act of 1951;

H. R. 4394. A bill to amend section 3401 of the Internal Revenue Code of 1954;

H. R. 4668. A bill to amend section 4021 of the Internal Revenue Code of 1954;

H. R. 5647. A bill to repeal the manufacturers' excise tax on motorcycles;

H. R. 7018. A bill to authorize subpenas in connection with the enforcement of the narcotic laws, and for other purposes;

H. R. 7064. A bill to amend section 421 (a) of the Internal Revenue Code of 1954 to extend the period for exercise of restricted stock options after termination of employment;

H. R. 7282. A bill relating to the allowance of the credits for dividends received, for dividends paid, and for a Western Hemisphere trade corporation in computing the alternative tax of a corporation with respect to its capital gains;

H. R. 7300. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of income received from patent-infringement suits; and

H. R. 7628. A bill to authorize the appointment in a civilian position in the White House office of Maj. Gen. John Stewart Bragdon, United States Army, retired, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

H. R. 3338. An act to amend section 1 of the act of March 12, 1914;

H. R. 4808. An act to authorize the transmission through the mails of certain keys, identification devices, and small articles, and for other purposes;

H. R. 6454. An act to amend the joint resolution approved August 30, 1954, relating to the establishment of the Woodrow Wilson Centennial Celebration Commission, and for other purposes; and

H. J. Res. 157. Joint resolution to establish a Commission on Government Security.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 257. A bill to amend section 112 (n) (8) of the Internal Revenue Code of 1939 to provide that in certain cases of a sale or exchange of a taxpayer's residence, certain periods of limitation shall not run against the taxpayer while he is on extended active duty in the Armed Forces;

H. R. 2553. A bill to amend section 223 of the Revenue Act of 1950, relating to the use of corporation property by a shareholder;

H. R. 2619. A bill to amend section 345 of the Revenue Act of 1951;

H. R. 4394. A bill to amend section 3401 of the Internal Revenue Code of 1954;

H. R. 4668. A bill to amend section 4021 of the Internal Revenue Code of 1954;

H. R. 5647. A bill to repeal the manufacturers' excise tax on motorcycles;

H. R. 7018. A bill to authorize subpenas in connection with the enforcement of the narcotic laws, and for other purposes;

H. R. 7064. A bill to amend section 421 (a) of the Internal Revenue Code of 1954 to extend the period for exercise of restricted stock options after termination of employment;

H. R. 7282. A bill relating to the allowance of the credits for dividends received, for dividends paid, and for a Western Hemisphere trade corporation in computing the alternative tax of a corporation with respect to its capital gains; and

H. R. 7300. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of income received from patent-infringement suits; to the Committee on Finance.

H. R. 7628. A bill to authorize the appointment in a civilian position in the White House office of Maj. Gen. John Stewart Bragdon, United States Army, retired, and for other purposes; to the Committee on Public Works.

LEGISLATIVE APPROPRIATIONS, 1956—REPORT OF A COMMITTEE

Mr. CLEMENTS. Mr. President, from the Committee on Appropriations, I report favorably, with amendments, the bill (H. R. 7117) making appropriations for the legislative branch for the fiscal year ending June 30, 1956, and I submit a report (No. 1181) thereon.

In that connection, I ask unanimous consent that it may be in order to proceed to the consideration of the bill at any time on tomorrow.

Mr. KNOWLAND. Mr. President, I certainly have no objection to the report being filed, and have no personal

objection to the consideration of the bill as the Senator has requested. Certainly the Senator is quite correct in asking for its prompt consideration, in view of the lateness of the session. However, I would prefer if the Senator would withhold his unanimous-consent request until a little later in the day, until I have had an opportunity to consult one or two Senators on this side of the aisle.

The PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar.

Mr. CLEMENTS. Mr. President, naturally I withhold my unanimous consent request. I should like to ask my friend from California to make the necessary inquiries as early as he can, so that we may know what we will do tomorrow with respect to the bill.

Mr. KNOWLAND. I am sure the distinguished acting majority leader understands I will cooperate with him as fully as I have up to now in expediting the business of the Senate. I believe we can clear up the matter after checking on it with a few Members on this side of the aisle. I wish to have that opportunity to check, however.

Mr. CLEMENTS. I thoroughly understand. I had the impression that perhaps the minority leader had already done what I had done on this side so far as the bill was concerned. As soon as that is accomplished, I am sure we will reach an agreement on when the Senate will consider the bill.

AMENDMENT OF RAILROAD RETIREMENT ACT OF 1937 AND THE RAILROAD UNEMPLOYMENT INSURANCE ACT

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Is there further morning business? If not, morning business is closed.

The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 4744) to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act.

The PRESIDENT pro tempore. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, this bill passed the House by unanimous vote and was reported from the Senate Committee on Labor and Public Welfare by a vote of 8 to 5. The members of the committee who opposed it objected only to sections 5 and 6 and supported sections 1, 2, 3, and 4.

Section 1 would restore the maximum spouse's benefit under the Railroad Retirement Act to the same level enjoyed by spouses under the social security program. Congress, in 1951, originally intended the two to be equal; but recent changes in social security made this section necessary. Under this amendment, the two spouses benefits will remain the same without further congressional action. Eighty-two thousand wives now receiving the maximum of $40 a month will receive added benefits of nearly $15 a month; 2,500 other wives will receive smaller increases, as will an estimated 1,500 widows. There is no objection to this section.

Section 2 continues the policy adopted by the last session of Congress to eliminate restrictions on benefits payable to those under the railroad retirement program who are also eligible for Social security benefits. In 1953 Congress eliminated this restriction on retirement benefits—this section will eliminate it on survivor's benefits, enabling a survivor to receive full benefit to which he is entitled under both acts. Approximately 5,500 widows and 300 children and parents would receive additional benefits of approximately $20 a month. There is no objection to this section.

Sections 3 and 4 are purely technical amendments. Section 3 clarifies the definition of maximum amounts of creditable earnings for survivors' benefits calculations, a clarification made necessary by the 1954 social security amendments increasing this figure to $4,200 a year. Section 4 makes it clear that railroad retirement and unemployment benefits are still exempt from Federal or State taxation, garnishment and attachment, a clarification made necessary by an inadvertent oversight in last year's new tax law and doubts raised in several States. There are no objections to these two sections.

The only parts of this bill about which there is any question whatsoever are sections 5 and 6. These sections provide that all positions in the Railroad Retirement Board to which appointments are governed by sections 10 (b) (4) of the retirement act and 12 (1) of the Railroad Unemployment Insurance Act shall be under civil service protection, without removal or transfer to the schedule A, B, or C categories, where they would be vulnerable to arbitrary removal and political replacement.

These two provisions of the bill are the result of certain actions which have occurred since January 1953, which have caused those who participate in the railroad retirement fund and the unemployment compensation fund to fear that there might be appointments to the Board based not on experience or on capability, but on political background. Therefore, for this reason, it is proposed to insure that all members of the Board are given the security to which they are entitled.

The question has been raised by some members of the committee concerning the Board's lawyers, inasmuch as, because of a rider on an appropriation bill for the Civil Service Commission, the Commission is prevented from giving lawyers the competitive examinations this bill might require. This has been the practice since about 1942.

I do not think the objection is valid. The retirement fund is a special fund. The role of the Government in the administration of the fund is a very special one. It is not analogous to any other fund or agency of the Government. The fund is paid for by the carriers and by the men and women who work for the railroad systems. There is no question of policy involved, no suggestion that merely because a Republican administration should take over, the fund should be administered in a Republican way, or that if a Democratic administration should take over, the fund should be administered in a Democratic way. Rather, it is a purely administrative job which requires special technicians concerned with a single industry. It should be unaffected by changes in administrations.

Administrative expenses involved, which amount to approximately $6 million, or less than 1 percent, are all paid for by the carriers and the workers in the system. It seems to me they should not be subjected to the harassment which would inevitably come to them if they felt that certain positions in the Board would be subject to political pressure. This bill would remove that concern from them.

As I say, Mr. President, the bill was reported favorably by a majority of the Railroad Retirement Subcommittee and by a majority of the Committee on Labor and Public Welfare under the leadership of our beloved chairman, the Senator from Alabama [Mr. HILL], who introduced the bill, along with 28 cosponsors, representing both parties.

I believe the bill should be passed by the Senate.

The PRESIDENT pro tempore. The bill is open to amendment.

Mr. SMITH of New Jersey. Mr. President, I offer an amendment which I ask to have read.

The PRESIDENT pro tempore. The clerk will state the amendment offered by the Senator from New Jersey.

The LEGISLATIVE CLERK. On page 3 it is proposed to strike out lines 1 to 12, inclusive.

Mr. KNOWLAND. Mr. President, would the Senator from New Jersey be willing to withhold his statement on the amendment so that, without losing his right to the floor, there may be a quorum call?

Mr. SMITH of New Jersey. I shall be very happy to do so.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that, without losing his right to the floor, the Senator from New Jersey may yield for the purpose of a quorum call.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SCOTT in the chair). Without objection, it is so ordered.

Mr. KNOWLAND. I ask for the yeas and nays on the pending amendment.

Mr. CLEMENTS. Mr. President, I join the Senator from California in the request.

The yeas and nays were ordered.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. Would it also be in order to ask that the yeas and nays be ordered on the final passage of the bill?

The PRESIDING OFFICER. That could be done.

Mr. KNOWLAND. I ask for the yeas and nays on the final passage of the bill.

The yeas and nays were ordered.

Mr. SMITH of New Jersey. Mr. President, as we, the members of the minority, pointed out in our supplemental views to the report on H. R. 4744, the pending measure, we support the substantive provisions of the bill, as the Senator from Massachusetts [Mr. KENNEDY] has stated.

We believe they are needed, that they are beneficial, and that they should be enacted into law.

We do not, however, approve sections 5 and 6 of the bill, and strongly oppose their enactment.

I am speaking now to the amendment I have just offered which proposes that sections 5 and 6 be stricken out.

These sections would amend both the Railroad Retirement Act and the Railroad Unemployment Insurance Act by requiring that all positions in the Railroad Retirement Board be placed under the competitive civil service and by prohibiting their removal therefrom. The stated purpose of these provisions is to protect the merit system of civil-service employment at the Railroad Retirement Board against an allegedly threatened return to the spoils system. We all agree with that principle, of course.

The provisions resulted from a recommendation last year by a majority of the Railroad Retirement Board that 10 top policy-determining and confidential positions be placed in schedule C, a classification of positions excepted from the requirements of the competitive civil service.

We do not believe that the sections to which we are objecting will accomplish the stated purpose, but, to the contrary, will tend to disrupt the administration of the whole civil-service system.

The Civil Service Commission, in its adverse report on the bill to the House Committee on Interstate and Foreign Commerce, points out that the use of schedules A, B, and C is vital to the operation of the merit system. The report states:

> The civil-service rules provide flexible methods of appointment to meet special needs. These needs are recognized in schedules A, B, and C. The Commission believes that this flexibility is essential to the effective administration of the civil-service system.

Sections 5 and 6 would destroy the very flexibility which the Commission regards as essential to the whole civil-service system and to its successful operation.

Mr. President, I ask unanimous consent to have printed in full in the RECORD at this point the letter addressed to the chairman of the House Committee on Interstate and Foreign Commerce, Hon. J. PERCY PRIEST, by Philip Young, Chairman of the United States Civil Service Commission, dated May 2, 1955.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
CIVIL SERVICE COMMISSION,
Washington, D. C., May 2, 1955.

Hon. J. PERCY PRIEST,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives.

DEAR MR. PRIEST: This letter is in reply to your request for the Commission's views on H. R. 4828 and H. R. 4744, bills to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act.

The Commission does not believe that it is necessary to enact this bill in order to protect the merit system within the Railroad Retirement Board.

The purpose of this bill is to prohibit the Civil Service Commission from removing or excepting positions in the Railroad Retirement Board from the requirements of the competitive civil service. The bill prohibits removing or excepting any positions except member of the Board positions from the competitive civil service. It would also require the Commission to restore to the competitive civil service all positions which are now excepted. At present, the Railroad Retirement Board is authorized to fill (1) 1 position in schedule C—the administrative (confidential) asistant to the Chairman of the Board; (2) 2 positions in schedule A—members of the actuary advisory committee selected by the Board, 1 from recommendations made by the representative of the employees and 1 from recommendations made by the carriers; (3) an unlimited number of special claim agents in schedule A under certain specified conditions; and (4) attorney positions in schedule A. The Commission believes that these positions have been properly placed in the excepted schedules.

The Commission believes that the merit system in the Railroad Retirement Board can be satisfactorily protected under existing legislation. The existing legislation provides that employment shall be under the civil-service rules and regulations. The civil-service rules provide flexible methods of appointment to meet special needs. These needs are recognized in schedules A, B, and C. The Commission believes that this flexibility is essential to the effective administration of the civil-service system. For example, the Commission believes that it is quite proper that the railroad employees and railroad management should have a voice in selecting the members of the actuary advisory board. It would obviously be inconsistent to require that these persons qualify through regular competitive civil-service procedures. The changing nature of Government organization, assignments, duties, and responsibilities together with changes affecting the conditions of appointment often require movement of positions from the competitive to the excepted service or from the excepted to the competitive service. Both types of movements have taken place in the Railroad Retirement Board on several occasions in the past.

The placement of attorney positions in the competitive civil service is contrary to present congressional policy. The Commission is specifically prohibited in its appropriations act from expending funds for the examining of attorneys.

The Commission believes that the use of schedules A, B, and C is an essential part of the operation of the merit system. The Commission carefully examines each request that positions be placed in these schedules, in order to assure itself that the positions meet the criteria prescribed by Executive order. The Commission does not believe that competitive civil-service procedures can satisfactorily be applied to every single position in an organization. The Commission cannot, therefore, recommend enactment of this legislation.

We are advised that the Bureau of the Budget has no objection to the submission of this report.

By direction of the Commission.

Sincerely yours,

PHILIP YOUNG,
Chairman.

Mr. SMITH of New Jersey. Mr. President, we think it is important to stress at this point that the system of excepted job categories, which the majority would destroy, is no innovation. It was, in fact, originally established by the past administration in recognition of the need to provide some flexibility in recruiting personnel. I might observe parenthetically that no one argued against the proposition at the time of its adoption.

I may say that in the supplemental views of the minority we pointed out that both President Roosevelt and President Truman in making their recommendations with reference to the Railroad Retirement Board adopted the very principle we are advocating now.

A further objectionable feature of these provisions is that there is singled out only one agency of the Government. If there is any merit to the proposal at all, it should be thoroughly studied and considered with reference to its application to all parts of the executive branch. That matter should be studied by the Committee on Post Office and Civil Service and worked out by them if it is felt that the present practice should be changed.

To treat the Railroad Retirement Board differently from all other agencies without reason, explanation, or justification, in piecemeal fashion, would do irreparable damage to the whole system of uniform administration of civil-service laws.

We would like to point out another cogent reason why we must oppose sections 5 and 6. The enactment of these provisions would reserve long-established congressional policy by placing attorneys of the Board under the competitive civil service.

The Senator from Massachusetts [Mr. KENNEDY], mentioned this in his statement, but I cannot agree with him. As a practical matter, I do not think attorneys of the Board can be put under competitive civil service. For many years the Civil Service Commission has been prohibited by law from conducting examinations for attorney positions, as a consequence of which no attorney has been able to acquire competitive civil-service status. Why should we start the practice now?

Regardless of the merits of the policy, Congress has not seen fit to change it, although urged to do so many times. The enactment of sections 5 and 6 would, however, upset this policy of long standing in one particular agency. If a modification is indicated, it should be done uniformly throughout the executive branch, rather than piecemeal in this hasty and shortsighted manner.

I should like to observe that the misgivings on the part of the majority which originally brought about these provisions have proved to be without basis in view of the recent decision of the Court of Appeals for the District of Columbia in the now celebrated Roth case. Under this decision, an employee serving in a competitive position with competitive status at the time his position is listed in an excepted schedule—A, B, or C—continues to be in the competitive service and entitled to the usual protection against removal. In view of this decision, there would appear to be no need for this legislation.

Finally, as stated in the supplemental views to the report, it seems wrong, Mr. President, to have undesirable administrative provisions tacked on to a bill making desirable changes in retirement benefit provisions. Here is a bill we believe in and which we want to support. Yet these new ideas are tacked onto it as sort of afterthought.

Sections 5 and 6 should stand or fall on their own merits, and as a matter vitally affecting fundamental principles of the civil service, the proposal should probably have the attention of the Post Office and Civil Service Committee, which should pass on whether the present practice should be changed. I suggest consideration by that committee in order to ascertain whether the present practice should be changed.

For the reasons I have stated, we, the minority who signed the supplemental views, strongly oppose the enactment of sections 5 and 6 of H. R. 4744, and urge support of the amendment which I have submitted to strike out those sections.

Mr. ALLOTT. Mr. President, it is my desire to associate myself with the remarks made in the course of the debate by the senior Senator from New Jersey [Mr. SMITH], touching the amendment he has offered, to delete sections 5 and 6 of House bill 4744.

I believe it is important to understand the nature of the bill and the nature of the two sections which are sought to be stricken, before a logical decision can be made to vote either for or against the proposed amendments to the Railroad Retirement Act and the Railroad Unemployment Insurance Act.

The bill itself would correct certain injustices and would provide for certain payments under the Railroad Retirement Act. It is my understanding that it is the position of the senior Senator from New Jersey, and certainly it is my position, that there is no quarrel with those provisions. Let me state that in another way, as follows: I personally endorse, and will vote for, the provisions of the bill which call for an amendment to make an increase in the monthly remuneration under the Railroad Retirement Act.

However, the authors of the bill in writing it tacked on, at the end, two paragraphs providing, in sections 5 and 6, that with respect to the Railroad Retirement Act of 1937 and with respect to the Railroad Unemployment Insurance Act:

All positions to which such individuals are appointed shall be in and under the competitive civil service and shall not be removed or excepted therefrom.

So, Mr. President, first and foremost, the writers of the bill in the original instance have tacked on an extraneous and a different subject-matter than that for which the bill was really introduced; and those extraneous matters have been added in the hope that the Members of this legislative body would accept the bill in toto, without question.

That is a bad way to approach any legislation. Moreover, it is likely to place an individual Senator in the position of having to vote for legislation which he does not desire in order to get legislation which is desired. I think there is no dispute as to the advisability of the enactment of the first part of the bill.

I am for the pending amendment, and I wish to advance 1 or 2 points in favor of it. First of all, the two sections sought to be eliminated would, as surely as I am standing here today, eventually lead to the weakening of the civil service or merit system. I presume that every Member of this body supports and wishes to strengthen and encourage the civil service or merit system. But it must, first of all, be a civil-service system, and it must be a merit system. In the long run these two sections would actually weaken the civil service and the merit system, because, if enacted, they would offer the opportunity to other agencies of Government to request a separate merit system for their own agencies.

We all know that the Railroad Retirement Act is in a separate category, and that the system is supported primarily and basically by its own funds and by the contributions of the employers and the employees. Nevertheless, if these two sections should be enacted, we would open the door for every other agency to say, "We want a separate merit system for our own agency."

Mr. POTTER. Mr. President, will the Senator yield at that point?

Mr. ALLOTT. I yield.

Mr. POTTER. How does the merit system under sections 5 and 6 differ from the civil-service requirements with respect to any other agency?

Mr. ALLOTT. If the Senator will allow me a moment or two, I shall answer that question. I was about to reach that point in my discussion.

How does this system differ from the merit system with respect to the other branches of Government? First of all, the enactment of these two sections would destroy all flexibility in the merit system by removing schedules A, B, and C.

For example, if those two sections were enacted, the result would be that all attorneys would have to be selected by a civil-service merit rating system, and competitive examination. The Appropriations Committee of the Senate has frequently announced its opposition to such a provision.

Second, in section 15 (c) of the act itself, the methods are prescribed by which a board of actuaries may be selected. I say, frankly, that there may be a serious difference of opinion—and I have discussed this question with many persons—as to the effect of these two sections upon the appointment of actuaries.

Apparently it is the intent of section 15 (c) that actuaries shall be appointed by allowing the board to select two actuaries, one from recommendations made by representatives of employees, and the other from recommendations made by representatives of carriers. They, together with a third member, designated by the Secretary of the Treasury, constitute the Board of Actuaries.

No matter how thoroughly or at how great length the discussion between legal minds may be carried on, as to the effect of these two sections upon the appointment of actuaries, it must be admitted that there may be raised in the mind of anyone the question as to whether or not the subsequent enactment of these two sections would affect section 15 (c), so that the original appointments, which were intended to be made by the Railroad Board itself and by the Secretary, would have to be made by selection from the civil-service list.

I should like to refer to the House committee report on the bill. I say that this proposal represents the beginning of the breaking down of the civil-service merit system.

I quote from page 15 of the report of the House Committee on Interstate and Foreign Commerce on the pending bill, Report No. 1046:

It is contemplated that persons not holding classified (competitive) positions in the Railroad Retirement Board on the date of enactment of this legislation shall not be separated from their respective positions by reason of the amendments made by sections 5 and 6 of the reported bill.

This is the important language:

It is the intent of the committee that such individuals shall be afforded a reasonable opportunity to acquire a classified (competitive) civil-service status through suitable noncompetitive examinations.

I submit to my distinguished colleagues that noncompetitive examinations are not a part of a good merit or civil-service system.

There are 1 or 2 further questions which I should like to discuss. It seems to me wholly illogical, as repeatedly pointed out by the Senate Committee on Appropriations, that attorneys should be selected as the result of a competitive civil-service examination, or a civil-service examination. Under the Roth decision, referred to by the distinguished Senator from New Jersey [Mr. SMITH], no person in the Department with competitive civil-service status effective could be deprived of his existing status by virtue of subsequent laws affecting the civil-service system.

In addition, it seems to me that this noncompetitive examination idea breaks down the fundamental principle of our merit system, which is that people shall be able to hold jobs without fear of being deprived of them because of political pressure or political change, and that they may advance in their status by reason of their ability.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. POTTER. Does the Senator agree with me that the Railroad Retirement Board is a little different from other Government agencies? It is an agency financed by employees and employers. If there is any Government agency—if this may properly be called an agency of Government—that should not be swayed by political forces, it certainly is the Railroad Retirement Board. Does the distinguished Senator from Colorado agree with my contention?

Mr. ALLOTT. I agree with the Senator's contention to a great degree, although it must be remembered that the Government is not without some responsibility for the administration of this system. As the Senator has correctly suggested, the system is financed primarily as he has described.

I think it would be well to point out that, although it is so financed, all its employees except those under schedule C are under the civil-service system, and must qualify under the civil-service system.

Secondly, the Board is endowed by law with the power to make quasi-judicial decisions. In that respect it is like the National Labor Relations Board, the Federal Trade Commission, and other agencies.

Mr. POTTER. I am sure the distinguished Senator recalls that last year the Chairman of the Railroad Retirement Board, in all good faith, and apparently as the result of a decision by the Civil Service Commission, allocated 10 positions to schedule C. Finally, the Civil Service Commission reversed its decision with respect to the 10 positions. That being the case, it seems to me we are discussing a new subject, unless the Civil Service Commission again reverses its decision.

Mr. ALLOTT. I presume that is in the form of a question. I will answer it. It is not a moot question. As I have been able to gather from the hearings, the Board did certify approximately 10 positions to the Civil Service Commission for reclassification into schedule C. There was some feeling in the committee—and I am willing to accept the statements of the opposition on that point—that the certification was withdrawn because of general opposition in Congress.,

However, I call the Senator's particular attention to the fact that in the future there still must be protection. What is that protection? The protection is that no department of the Government can create schedule C jobs without the permission of the Civil Service Commission. Therefore, what we are doing here is setting up a little private Civil Service Commission and relieving the Board of the obligations and duties and rules which pertain to the rest of the civil-service merit system.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. LANGER. The Railroad Retirement Act has worked out pretty well so far, has it not?

Mr. ALLOTT. It has.

Mr. LANGER. I wish to compliment the distinguished Senator for saying what he has said. I believe he is absolutely right. I shall support the position taken by the distinguished Senator from Colorado.

Mr. ALLOTT. I thank the Senator from North Dakota very much for his kind remarks.

It has been called to my attention that schedules A and B have always existed, and that a question was raised about schedule C.

I wish to make my own personal position clear on the subject. I am in full support of the first part of the bill. However, in conformity with the principles I have advocated during my public life, I must continue to work for and support a civil service and merit system, both in my own State and in the Federal Government. I propose to do that.

It seems to me—and I take the statement of the distinguished Senator from Michigan—that although there may not be any department or agency of the Government which is exactly like the Railroad Retirement Board, nevertheless if we adopt sections 5 and 6, and grant to the Railroad Retirement Board, and to the railroad retirement insurance fund, in effect a separate civil service system, we will open wide the door to other agencies of the Government which in character come closest to the Railroad Retirement Board to seek similar action. They, too, will come forward immediately and say, "We want the same thing. You did it for the Railroad Retirement Board. Why can't you do it for us?" The Social Security Administration, by comparison, is somewhat similar to the Railroad Retirement Board. If we adopt sections 5 and 6, instead of strengthening the civil service system, we will actually be weakening it.

Mr. DOUGLAS. Mr. President, I believe the history of the Railroad Retirement Act and its administration will throw some light upon the issue now being discussed and will indicate the dangers which would come about if the amendment of the Senator from New Jersey were adopted.

In the first place, as the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Michigan [Mr. POTTER] have pointed out, the Railroad Retirement Act and the Railroad Retirement Board are in a very different category from the ordinary governmental agencies. The ordinary governmental agencies are supported by public funds, and with respect to those agencies, I am very frank to say, I believe the patronage system, within sharp and narrowly defined limits, is a proper system.

I wish to indicate very clearly my position on this point, lest I be accused of hypocrisy.

At the present time it is difficult to get a sufficient number of efficient public-spirited volunteer workers in the political parties, who will work in campaigns with no expectation of personal reward, adequately to perform the functions of political parties. Political parties are the agencies by which policies in government are determined. Therefore, until a sufficient number of volunteers come forward, who will work with no expectation of personal reward, I do not oppose a certain and very limited amount of political patronage. I do not oppose the present use by the Eisenhower administration of political patronage. We used it when we were in power. The present administration is using it now.

I do, however, insist that the Railroad Retirement Board is on a very different footing. In the first place, it is not supported by public funds. It is, in a sense, a private pension and welfare fund, to which both parties, the carriers and the workers, contribute, and they bear the overwhelming share of the expense. It is, in a sense, a private fund publicly administered. The Government merely serves as a trustee, to make sure that the moneys are honestly collected and honestly expended.

Therefore, to open up the Board to political appointments by creating schedule C positions, would open it up to political manipulations.

Now I wish to say a word about the history of the Board. When the Board was originally created by the act of 1935, which was later declared to be unconstitutional, and was succeeded by the act of 1937, there were very few people in this country who knew anything about social security or old age pensions. The original staff of the Board was recruited from those who had knowledge of the railroad industry, both from the side of management and from the side of labor, with a liberal sprinkling of the few experts in the country who were skilled in the field of retirement. I refer to Mr. Murray W. Lattimer and those whom he brought in with him.

I am not fully versed in the political history of all the appointees in the early stages. From all the evidence which I have been able to gather, the Board originally was not staffed on political principles. It was staffed primarily on endorsements from carriers and from unions, with a cadre of social security experts.

After a few years, the existing personnel was blanketed into the civil service by Presidential order. That, I may say—by Presidential order—is the way in which civil service has been extended. As a Democrat, I am very proud that in the history of civil service, it has been the Democratic Party which, by Presidential order, has extended civil service over larger and larger fields. Everyone who has had any practical experience in politics knows that once an employee is blanketed into the civil service, the party machines lose all control over him. So, if employees had political principles, the Democratic Party ceased to have any control over them, once they were blanketed into the civil service.

The record of the voting in the congressional districts adjoining Washington is proof of that. We have heard of swarms of workers who are Democrats. In one congressional district in the adjoining State of Maryland they have been voting Republican for years. Another Maryland district has oscillated back and forth. Even across the river, in the great State of Virginia, the adjoining congressional districts voted Republican in 1952 and again in 1954. Those are civil service districts. I pray for the conversion of the civil service employees in those three districts who voted Republican. I hope they will see the light, and I hope

that our good friend, the senior Senator from Virginia [Mr. BYRD], will lead them to that conversion.

But, nevertheless, Mr. President, the fact remains that the vote in those 3 congressional districts is 1 indication that there is no party whip over civil service employees, whatever may have been their political convictions, once they entered office.

Mr. CARLSON. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield for a question.

Mr. CARLSON. I wish to state to the Senator that I am not familiar with the Railroad Retirement Act, but as a member of the Committee on Post Office and Civil Service I am somewhat concerned as to what happens to employees under the Civil Service Act, and I wanted to ask one or two questions along that line. I believe the Senator said that originally the employees of the Board came into the Government in 1935 or 1936, and were later blanketed into the civil service by Executive order.

Mr. DOUGLAS. That is correct.

Mr. CARLSON. As I say, I am not familiar with that situation. But what about the situation where there is a change in administration? Does not the Senator believe that at least the Director or some of the officials should be able to follow the principles of the new administration rather than to be forced to have in policy-making positions persons opposed to its policies?

Mr. DOUGLAS. The Senator misses the point. I have not complained about the creation of schedules A, B, and C for ordinary Government departments. I said the Railroad Retirement Board is on a distinctly different basis from other Government departments, in that its funds come, 99.99 percent, from contributions of workers and carriers.

Mr. CARLSON. It occurs to me that this is a matter which should be dealt with by the Committee on Post Office and Civil Service rather than by the Committee on Education and Labor.

Mr. DOUGLAS. If the Senator will wait for a minute he will see that it is a condition and not a theory which confronts us.

Mr. CARLSON. If the Senator will permit a further statement, I am certainly going to try to protect the civil service rights of employees, but I never want to get myself into a position where policy positions must be maintained to the disadvantage of any party, whether Democratic or Republican.

Mr. DOUGLAS. I am not referring to policymaking positions. The law is very clear as to what are the benefits. These men have to be technicians. Policy is made by statute, not by the officers.

Once these men were blanketed into the civil service, I think I can testify that the newcomers were not appointed under political pressure. The headquarters of the Railroad Retirement Board were shifted from Washington to Chicago during the war. In any event, when I returned to Chicago in 1948 I found the headquarters in Chicago.

When I was elected to the Senate and began to serve in 1949, believing that within carefully defined limits the Democratic Party was entitled to patronage, I made certain approaches to the Railroad Retirement Board to see if there were any positions which competent people who also happened to be Democrats could fill. I found that political endorsements were not only not welcome, but were actually a detriment to applicants. I found that appointments were made without reference to political endorsement—at least, without reference to Democratic endorsement. I can honestly testify that I was never able to get a single job for a Democrat in the Railroad Retirement Board.

Mr. PURTELL. Were they open?

Mr. DOUGLAS. People were being hired, but Democrats could not get any positions. In fact, we ran into some rather ludicrous situations.

Mr. PURTELL. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I should like to continue, if I may.

We ran into some rather ludicrous situations in governmental agencies in Chicago. A man came to the chairman of the Democratic county committee in Chicago and said he wanted a job in an important Government agency in Chicago, and he wanted the chairman of the Democratic county committee to help him obtain the position. How do Senators suppose he wanted the chairman to help him? He wanted the chairman of the Democratic county committee to give him a letter to the Republican county committee, so that he could get a job under the Democratic administration.

Mr. PURTELL. Mr. President, will the Senator from Illinois yield for a question?

Mr. DOUGLAS. I wish to finish my story, and then I shall be happy to yield.

A letter was sent to the Republican county chairman, and a month later we made a check and found that the man had the job. Conditions actually reached such a point that under a Democratic administration the Republicans were placing more men in Federal agencies in Chicago than were the Democrats. This was the infiltration of the Democratic Party by the Republicans during the Roosevelt and Truman administrations.

I now yield to the Senator from Connecticut.

Mr. PURTELL. I understood the Senator to say that no Democrat could get a job. Does the Senator wish us to believe that a Democrat could not get a job except by political patronage?

Mr. DOUGLAS. I would say that endorsement by letters from Democratic organizations or Democratic Representatives or Senators actually barred Democrats from employment on the Railroad Retirement Board. I know, because I tried and failed.

After the election in 1952, the President, as was his right, appointed a new chairman of the board, a very fine man by the name of Kelly, former Governor of the State of Michigan, a man with a distinguished war record, just as our beloved senior Senator from Michigan [Mr. POTTER] has a magnificent war record. Mr. Kelly almost immediately began to try to take over the positions on the Retirement Board for the Republican Party. He may have been needled somewhat by local Republicans.

In the fall of 1953, as I remember, he got a career member of the Board to go along with him in an effort to take the leading positions on the board from under civil service and make them patronage appointments.

This roused the railroad employees to a great state of fear and anger. They regarded this board, which paid out $500 million a year, as the agency which protected their future. They knew it had been insulated from politics. They did not want to have the board come under political control. So a storm of protest broke out, in which some Members of Congress joined, and the order was withdrawn.

In recent months another order has been issued, withdrawing not 31 jobs but 11 jobs. But among those 11 jobs is the crucial position of the executive director of the board. We know perfectly well that if the executive or administrative officer of any organization is in charge of hiring and firing procedures, admissions can be juggled for political effect. We know as practical men that that, in all probability, is precisely what would happen. Once the administrative officer of an organization has been brought under control, then the stenographers, typists, clerks, adjusters, examiners, and all the others can be brought under control.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield.

Mr. AIKEN. I have just come to the floor, and therefore did not hear what the Senator from Illinois said before I arrived.

Mr. DOUGLAS. We were discussing the Railroad Retirement Act.

Mr. AIKEN. Has the position to which the Senator has just referred always been a civil-service position?

Mr. DOUGLAS. The position of executive officer?

Mr. AIKEN. Yes.

Mr. DOUGLAS. I am advised that it has always been a civil-service position.

Mr. AIKEN. It has always been a civil-service position; and now it is being decontrolled, or something of that sort?

Mr. DOUGLAS. That is correct.

Mr. AIKEN. That answers my question; but it is a question to which I have been unable to get an answer when I have asked it casually of different persons up to this time.

Mr. DOUGLAS. I may say that the chief executive officer is a man by the name of Frank J. McKenna, who has been on duty with the Board since 1937.

Mr. AIKEN. Will he be supplanted if the bill shall be passed.

Mr. DOUGLAS. If sections 5 and 6 shall be stricken, as the Senator from New Jersey [Mr. SMITH] proposes, and if the Railroad Retirement Board, with the consent of the Civil Service Commission, persists in removing certain persons, than that job and others—and perhaps even, including the 31 previously removed, may revert to political appointments.

Mr. AIKEN. For how long a term is the chief executive officer appointed? Is it a lifetime position, or does he hold office at the pleasure of the President?

Mr. DOUGLAS. No, he is not appointed by the President; he is appointed by the Board.

Mr. AIKEN. For how long?

Mr. DOUGLAS. I do not know.

Mr. AIKEN. I do not know either.

Mr. DOUGLAS. I suppose he holds office at the pleasure of the Board.

Mr. PURTELL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. PURTELL. Is it not true that the situation regarding this particular job, assuming the amendment offered by the Senator from New Jersey shall be adopted, will be the same as it has been since 1947? No change is required. In other words, the amendment offered by the Senator from New Jersey would retain those positions in the same status in which they have been since 1947.

Mr. DOUGLAS. But the point is that in the past, for as long as the memory of man runneth not to the contrary, the Board has refused to make any of its appointments political.

Under pressure from the Republican organization in 1953, the Board tried to make the 31 leading positions political. Then, following a storm of popular indignation, the Board receded from that position; but in 1954 it tried to make 11 positions political.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. POTTER. I will be very frank with the Senator from Illinois. I am greatly concerned about sections 5 and 6 in the bill; and also, by the same token, I am concerned about their deletion.

I think the Senator from Illinois will agree with me when I say that the Railroad Retirement Board should be out of politics, so far as the personnel selected for the Board are concerned; and the Board should not be a haven for political patronage.

I am fearful, however, that by these two sections we shall be placing the Board in a straitjacket, so far as lawyers are concerned, for example. The lawyers today are hired upon a little different basis than by civil service, as a result of amendments to the appropriation bill. I should not like to think that either a Republican or a Democratic administration had control of the Railroad Retirement Board. I think the precedent which might be established by such a practice might be harmful to the operation of the Board itself. I should like to have the views of the Senator from Illinois on that one point.

Mr. DOUGLAS. So far as the existing legal personnel are concerned, I have observed their work, and it seems to me, although I do not know everything about them, that they are technically competent. I worked on the revision of the Railroad Retirement Act in 1951, and conducted a very detailed, two-volume study of the system. I found the attorneys, actuaries, and members of the research bureaus, and other employees, to be extremely competent personnel.

Mr. POTTER. I think that at present they are under schedule A.

Mr. DOUGLAS. They are under civil service now.

Mr. POTTER. Yes; and I should like to see them remain under civil service. But it is my understanding that under sections 5 and 6 they would come under a different type of civil services. Am I correct in my belief?

Mr. DOUGLAS. In the case of four of the lawyers, yes.

Mr. POTTER. To be frank with the Senator from Illinois, I should like to see the Railroad Retirement Board and their employees out of politics entirely. I think, as the Senator from Illinois has said, that that has been the case. I was pleased to note that the present administration, after an effort to put into effect schedule C, revoked that schedule.

Mr. DOUGLAS. Because of great popular indignation.

Mr. POTTER. I am glad it happened. However, I should not like to see this body, in an effort to rectify something which might take place, place a millstone around the neck of an organization, when it is not intended to do so.

Mr. KENNEDY. Mr. President, will the Senator from Illinois yield, that I might reply to the Senator from Michigan?

Mr. DOUGLAS. I yield.

Mr. KENNEDY. All the lawyers now employed by the Board have civil-service status, except four, who are under schedule A. If sections 5 and 6 shall be adopted, then those 4 lawyers will be given an opportunity to take an examination. In the future, any positions which might be filled, which might have come under schedule A, will be filled as a result of competitive civil-service examination.

In answer to the point made by the Senator from Connecticut [Mr. PURTELL], what we are concerned about is that if some of those positions were abolished, the persons who held the positions might go into schedule C, and at a future time they might be replaced by political appointment.

In spite of the protection given to these persons by the Roth case, I do not think there is any question that if the positions were abolished, and those persons were faced with the necessity of taking an appointment under schedule C, even with the disadvantages which they would necessarily suffer, they would necessarily take them, and at some future date face arbitrary replacement.

It is for that reason that we are concerned with insuring that all employees of the board are given Civil Service protection.

Mr. ALLOTT. Mr. President, will the Senator from Illinois yield, so that I may ask a question of the Senator from Massachusetts?

Mr. DOUGLAS. That is a somewhat unconventional proceeding. I prefer to continue with my own remarks rather than to do as the Senator from Colorado requests.

Mr. ALLOTT. I only learned of that procedure on the floor yesterday afternoon, after observing it being followed by members of the majority.

Mr. DOUGLAS. The Senator from Illinois did not take part in that.

Did the Senator from Michigan have a further question?

Mr. POTTER. I merely desired to secure the views of the distinguished senior Senator from Illinois as to whether I could be assured that under sections 5 and 6 there would be retained the type of civil-service status, without political interference, which obtained prior to the endeavor to put the 10 positions in schedule C. I would certainly support an effort to retain sections 5 and 6 of the bill if I could have that assurance. However, I do have a question as to whether the language contained in the bill gives supercivil-service status to lawyers within the Railroad Retirement Board which no other lawyers in government have. I will say very frankly to the Senator I do not know the answer.

Mr. DOUGLAS. I think the provision would give such lawyers a status which other lawyers in government service do not have, and I think that is desirable, because the Railroad Retirement Board, as the Senator from Michigan himself pointed out, is a very different organization from other Government bureaus. It is a trustee of other people's money, not spenders of the Government's money.

Mr. POTTER. It is my understanding that the Appropriations Committees for many years have never provided funds to the Civil Service Commission to cover examinations for lawyers. If the pending bill should be enacted and go into effect, how would examinations be held?

Mr. KENNEDY. Mr. President, will the Senator from Illinois yield, so that I may answer that question?

Mr. DOUGLAS. I yield to the Senator from Massachusetts.

Mr. KENNEDY. It was the policy of the Government for a period of 3 years, until the time when the rider was added to the appropriation bill, to have competitive examinations given for the selection of lawyers. From 1942 on, that policy was changed by the rider. Moreover, there has not been any recruitment of personnel in the past 3 years in the categories which would be affected by the bill. So there is no real problem of recruitment and new examinations. Nevertheless, if the Congress did not provide special funds to conduct the examinations for new personnel, then the act, and the administration features of the act, in my opinion, would be sufficiently broad to permit the Board itself to prescribe procedures by which lawyers could be recruited.

Mr. DOUGLAS. Not only could the Railroad Retirement Board prescribe procedures, in cooperation with the Civil Service Commission, under which examinations would be held, but it could provide funds required to conduct the examinations.

Mr. KENNEDY. That is correct.

Mr. POTTER. I did not hear the Senator from Illinois.

Mr. DOUGLAS. The point I was trying to make was that not only could the Railroad Retirement Board prescribe the procedures, in cooperation with the Civil

Service Commission, under which examinations could be held, but it could also give, if it so desired, to the Civil Service Commission funds required to conduct the examinations, so that it would not be dependent upon the Appropriations Committees of Congress.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LEHMAN. I merely wish to point out that in the many years I was acquainted with the State service at Albany, I believe attorneys in all the agencies and departments were chosen as a result of competitive examinations. The examinations were of such a character that, under fair competition, there could be secured, without difficulty, an adequate number of efficient attorneys, actuaries, accountants, and personnel in similar positions. I do not think there was the slightest difficulty in filling positions for attorneys through competitive examinations.

Mr. DOUGLAS. I thank the Senator. I think it is well known that the civil-service systems of New York, Massachusetts, and Wisconsin, have been established the longest, and have been best developed.

I am about to conclude, Mr. President, but first I should like to comment on 1 or 2 matters.

The first point I should like to make is that sections 5 and 6 are not in any sense a rider sprung upon this body at the last moment. Far from not being connected with the body of the act, they are vitally connected with the act. We are passing upon a House bill, H. R. 4744, which I believe passed the House unanimously. The provisions came up for review in the House and Mr. WOLVERTON, from the Camden district, the distinguished dean of the Republican congressional delegation from New Jersey, the State of the senior Senator from New Jersey who is sponsoring the amendment, took a very strong position against the amendment which the Senator from New Jersey is now offering. Mr. WOLVERTON is also the ranking Republican dealing with these matters in the House Committee on Interstate and Foreign Commerce, which has jurisdiction of such subjects as this. He supported sections 5 and 6.

I am surprised and pained at the attempt of my good colleague from New Jersey to sweep away these safeguards and to cry to the Republicans of the country, "Come and get it."

I was interested in the colloquy which I had with my friend, the Senator from Kansas [Mr. CARLSON]. He has a distinguished colleague on the House side, Representative REES, who, when the Republicans are in power, acts as chairman of the House Committee on Post Office and Civil Service, just as our distinguished friend from Kansas [Mr. CARLSON] serves as chairman of the counterpart committee of the Senate when the Republicans—unfortunately for the country—may have control over this body. Representative REES wrote a very strong letter opposing this projected amendment. Those two great Republicans on the floor of the House stood like a rock to maintain the integrity of the civil-service provisions of the Railroad Retirement Act.

Mr. President, if we once open up the Railroad Retirement Board and its personnel to political manipulation, as can easily be done by appointments from a politically dominated executive office, then I do not know what may happen to the integrity of the railroad retirement and insurance funds.

I may say the Board has had a very honorable record. As I remember, they disburse approximately $500 million a year. When I looked into the administrative expenses of the Board, I found them to be less than 2 percent. I have never heard of a welfare retirement board, whose members or beneficiaries are so widely scattered, that had lower administrative costs than that. So I would say the record of the Board in the past has been good. It has been nonpolitical. It would be endangered by acceptance of the amendment of the Senator from New Jersey, and I very much hope the amendment will be defeated.

Mr. SMITH of New Jersey. Mr. President, does the Senator yield the floor?

Mr. DOUGLAS. I yield the floor.

Mr. SMITH of New Jersey. I should like to ask the Senator a question, if I may, before he sits down.

The Senator from Illinois made the statement, I think, that the past history of the Board showed there never had been any non-civil-service personnel on the Board.

Mr. DOUGLAS. I said when it was originally formed, since there were few people in the country who knew about retirement systems, the personnel had to be recruited in a different fashion than from civil service, but that preference was given to representatives of carriers and of labor.

Mr. SMITH of New Jersey. I am entirely in sympathy with the purpose the Senator is driving at, but I call attention to the fact that his statement is not accurate, because on numerous occasions, as pointed out in the supplemental views, the Board hired personnel without regard to the requirements of the merit system.

Personally, it is very difficult for me to see how a man can handle the responsibility of, let us say, serving as Chairman of the Board, without at least having a free hand to appoint a few of his closest advisers. For example, I do not see how a man occupying such a position should be required, against his own wishes in the matter, to use the advisers of his predecessor.

In order to keep the record straight, I wish to point out that, first, Executive Order 7432 signed by President Roosevelt on April 10, 1936, authorized 27 executive positions in the Board to be filled "without compliance with the competitive provisions of the Civil Service Act and Rules"; second, Executive Order 7408 signed by President Roosevelt on July 6, 1936, blanketed into the civil service all of the former railroad employees who had taken employment with the Board and who had been working more than 60 days. The only requirement was that the employee be recommended by the head of the department and take such appropriate noncompetitive fitness tests as the Commission might prescribe; third, the amendment to the Railroad Retirement Act of June 24, 1937—section 205, Public Law 162, 75th Congress—provided that Board employees "who have had experience in the railroad service shall be retained in the employ of the Board, whether or not qualified under the civil-service laws and rules, if in the judgment of the Board they possess the qualifications necessary for the proper discharge of the duties of the positions which they are holding."

We have been arguing that the Board should have the right to determine whether those to be selected for the higher positions have the proper qualifications.

In addition, fourth, the amendments to the Railroad Unemployment Insurance Act of June 25, 1938, in section 12 (l), Public Law 722, 75th Congress, provided as follows:

> A person in the employ of the Board under section 205 of the act of Congress approved June 24, 1937 (50 Stat. 307), shall acquire a competitive classified civil-service status if, after recommendation by the Board to the Civil Service Commission, he shall pass such noncompetitive tests of fitness as the Civil Service Commission may prescribed. A person in the employ of the Board on June 30, 1939, and on June 30, 1940, and who has had experience in the railroad service, shall acquire a competitive classified civil-service status if, after recommendation by the Board to the Civil Service Commission, he shall pass such noncompetitive tests of fitness for the position for which the Board recommends him as the Civil Service Commission may prescribe.

Fifth. Executive Order 8063 signed by President Roosevelt on March 7, 1939, authorized 19 additional department heads in the Board to be appointed "without compliance with the competitive requirements of the civil-service rules."

Sixth. On February 24, 1947, President Truman issued Executive Order No. 9830 to the heads of executive departments and agencies, including the Railroad Retirement Board, which, on page 9, rule 6.1, under the title "Exceptions From the Competitive Service," reads as follows:

> (a) Because of their confidential or policy-determining character, or because it is not practicable to make appointments thereto through competitive examination, the positions named in schedules A and B, set out in section 6.4 of this rule shall be excepted from the competitive service. The Commission may, upon request of any agency, determine that similar positions also should be excepted from the competitive service. Upon publication in the Federal Register of its determination excepting such positions from the competitive service, appointment thereafter may be made to such positions in the same manner as under schedules A and B (sec. 6.4). At the end of each fiscal year the Commission shall submit to the President for review a list of the positions which it has excepted from the competitive service under this section during such year.
>
> (b) Appointment to positions in schedule A (sec. 6.4 (a)) may be made without examination by the Commission.
>
> (c) Appointments to positions in schedule B (sec. 6.4 (b) shall be subject to such noncompetitive examination as the Commission may prescribe.

Thus it is apparent that not only have many positions at the Board been filled

in the past on a noncompetitive basis, but that many such employees were permitted to acquire competitive civil-service status without regard to competitive merit. Nor will H. R. 4744 remedy this situation. As a matter of fact, some who support the enactment of sections 5 and 6 have made it plain that they wish to continue this practice of blanketing in. Thus, the House Committee on Interstate and Foreign Commerce in its favorable report on H. R. 4744—Report No. 1046, House of Representatives, 84th Congress, 1st session—states:

> It is contemplated that persons not holding classified (competitive) positions in the Railroad Retirement Board on the date of enactment of this legislation shall not be separated from their positions by reason of the amendments made by sections 5 and 6 of the reported bill. It is the intent of the committee that such individuals shall be afforded a reasonable opportunity to acquire a classified (competitive) civil-service status through suitable noncompetitive examinations.

I desire to make it clear in the RECORD that a similar procedure has been followed before, as a practical matter.

Personally, I cannot see why the chairman of the board should not at least have the right to select his administrative assistant. Senators have administrative assistants, who are chosen according to the discretion of the Senators involved. Suppose all of us were told, all of a sudden, that we could not select our own administrative assistants unless they qualified under the civil service. In that case, in the Senate there would be the loudest roar one could possibly imagine.

In this case we simply request that the members of the Board have the same leeway. We propose that the rules applicable to every other agency of the Government be followed. Why there should be objection to the proposal, I cannot see.

So, Mr. President, I hope the amendment will be agreed to.

Mr. DOUGLAS. Mr. President, if I may reply to the comments the Senator from New Jersey has made, let me say that, in the main, his comments bear out what I have said. I have said that in the early days of the Board there was not competent personnel to handle matters relating to retirement and social security, which involved a new principle which Franklin Roosevelt and the Democratic Party had put into effect. There were no civil-service registers for persons with the required skills. The system could not have gotten underway if we had originally depended upon the civil service. But I should like to point out that, almost immediately, the civil service was applied to these positions.

As I have said, once the civil-service rules are applied to a person who previously has been in the Government service, any political control which originally may have been had over him disappears.

As a matter of fact, I emphasize that the original appointees were chosen, so far as I can tell, without regard to politics; instead, they were chosen on the basis of their skills and their previous association with the railroad industry.

The selection of the administrative assistants to the members of the Board is not the real question. The real question is about the positions of chief executive officer and those in charge of the big division.

I should like to point out that in an organization such as the Railroad Retirement Board, there is a wide distribution of political opinion. I do not know what the political opinions of the employees of the Railroad Retirement Board are, but certainly there are a very large number of Republicans among them. So it will always be possible for Mr. Kelly, the present Chairman of the Board, to select a civil-service employee whom he knows to be a Republican, and to choose from among the civil-service employees someone he can trust. Certainly that is possible under the existing rules, and there is no objection to such procedure.

What we do object to is the attempt, which has been made ever since 1953, to open up the chief positions and to place them under schedule C, relating to political appointment, and from then on to politicalize, if I may use the word, the entire personnel of the Railroad Retirement Board, with disastrous effects upon its reserves, which now amount to more than $3 billion, and in terms of annual distribution benefits are equivalent to $500 million.

Mr. POTTER. Mr. President, will the Senator from Illinois yield to me?

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). Does the Senator from Illinois yield to the Senator from Michigan?

Mr. DOUGLAS. I yield.

Mr. POTTER. I am sorry I had to leave the Chamber when the Senator from Illinois was discussing the administrative assistants of the various members of the Board. Would the Senator from Illinois agree with me that a member of the Board should be allowed to select his own administrative assistant?

Mr. DOUGLAS. Yes; I would agree about that; and in my protest in the fall of 1953 against the proposal to exempt 31 positions, I specifically stated that I did not disagree with the removal of the three administrative assistants from the group of those to be included.

It is somewhat difficult to make a provision in the case of the three administrative assistants, and not at the same time to open wide the doors. I should like to emphasize a point which I have just touched on before, namely, that from the existing personnel of the Board, it is possible to select those who will be in tune with the opinions of the Board members. It does not take too long to find that out. Mr. Kelly can obtain an assistant who will be friendly to the Republican Party, and there would be no objection to having him make such a selection. Mr. Squire has been on the Board for a great many years, and probably he is satisfied with his assistant. Mr. Harper has also been on the Board for a great many years, and probably he is satisfied with his assistant. Certainly there would be no objection, in the case of Mr. Kelly.

Mr. POTTER. Mr. President, I think the Senator from Illinois will agree that the selection of an administrative assistant is made more on a personal basis; and I believe that to be true, regardless of whether the assistant is to serve in the office of a Senator or whether he is to serve in the office of a member of the Railroad Retirement Board. I know I wish to be allowed to determine the criteria, as regards service in my own office—not based on whether the person is a Republican, but based on whether he is a person in whom I have confidence. I am sure the distinguished Senator from Illinois will agree that is the best way for a man who is as busy as a member of the Railroad Retirement Board is, and who has as many duties, to make such a selection. In other words, he should be allowed to select someone in whom he personally has a great deal of confidence.

I make that statement because of the fact that I wish to suggest to the Senator from Massachusetts [Mr. KENNEDY], the chairman of the subcommittee, who has brought the bill before the Senate, an amendment to either section 5 or section 6, whichever one is appropriate, or both, to exclude the administrative assistants of the members of the Board from the civil service qualification.

Mr. KENNEDY. Mr. President, a few minutes ago I spoke about this matter with the Senator from Michigan; and since speaking with him I have looked further into it.

I feel that if the members of the Board have the opportunity—which they have exercised in the past—to select their confidential assistants from among all the available personnel of the Board or from other persons who may have civil service status—they should have ample opportunity to obtain confidential assistants, and that it will not be necessary for us to amend the bill at this time.

As a practical matter, as the Senator knows, the bill has passed the House. Congress may adjourn within a day or two. The bill would be thrown into conference, and the very beneficial effects of the bill, with respect to which Senators are in agreement, would be prevented from going into effect.

For those two reasons I feel that it would be a mistake to adopt such an amendment at this time, even though I am in sympathy with the idea that each member of the Board should have an opportunity to select as as administrative assistant someone who is agreeable to him. I hope the members of the Board will continue to exercise that privilege, but I believe they can exercise it within the limits of the proposed legislation.

Mr. POTTER. Mr. President, the Senator's arguments are nearly always convincing. However, I know that even in the last days of the session conference committees have the faculty of expediting matters when it is so desired. If the other body sees fit to take up the most controversial natural gas bill, I think it would have time to consider an item which I believe to be quite important.

Mr. KENNEDY. Mr. President, the only point I make is that I do not believe

the degree of amicability which must exist between a member of the Board and his assistant is so extraordinary that it cannot be attained by making a selection from among the personnel of the Board, or from the entire civil-service system. It seems to me that there is a tremendous pool of personnel which could be tapped to provide satisfactory assistants.

Mr. POTTER. I agree with the Senator that there are many employees of the Board who are qualified to act as administrative assistants. However, in the case of an administrative assistant, whether he be an assistant to a member of the Board or an administrative assistant in the office of a Senator, the personal relationship is more important than is knowledge of all the problems of the Board or of the Senate. I know that if I were appointed a member of the Board, I would not like to be limited, in the selection of an administrative assistant, to persons with civil-service status.

Mr. President, I intend to offer an amendment at the proper time to exempt administrative assistants.

Mr. MORSE. I wish to make a few brief remarks on the pending legislation. In my judgment the bill should be passed without the amendment, because I believe the amendment will have the effect, irrespective of what its motivation or intent may be, of bringing the Railroad Retirement Board under the control of political interference. Heretofore, it has not been politically controlled; and the railroad brotherhoods are entitled to be protected from political interference.

Certainly when dealing with important administrative positions on the Railroad Retirement Board, the American people have a right to know that these huge trust funds are going to be administered without even the suspicion that politics has anything to do with the policy of the Board.

I happen to hold to the point of view that the personnel of the Board should be civil-service employees from top to bottom. I hold to the point of view that the administrative assistants of the members of the Board should be civil-service employees. That is not a political office. The argument has been made by analogy on the floor of the Senate, how we would like it if the administrative assistants in our offices had to have civil-service status. If I ever saw an attempt to compare two unlikes, this is it.

A Senator's office is a political office. A Senator's office deals and has its being in politics. Our job is politics, and political considerations must be considered when it comes to the administration of a Senator's office. When we are preparing for the political wars in which we become involved, we certainly would not say to the American people that we are not playing politics.

However, there is no place in the Railroad Retirement Board or in the office of any official of that Board for politics. In my judgment, the amendment of the Senator from New Jersey is an attempt to put some political pressure on the brotherhoods, because if the employees referred to are placed in the classification of schedule C, we will have politicians administering the office, or at least officials who have political beliefs, not impartial civil servants. I am for protecting the civil service in connection with the Railroad Retirement Board. Therefore I raise my voice in opposition to the amendment.

Mr. HAYDEN. Mr. President, I suggest the absence of a quroum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HAYDEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MUTUAL SECURITY APPROPRIATION BILL, 1956—CONFERENCE REPORT

Mr. HAYDEN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7224) making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HAYDEN. Mr. President, I move the adoption of the report.

Mr. LONG. Mr. President, will the Senator from Arizona yield?

Mr HAYDEN. I yield.

Mr. LONG. Will the Senator tell the Senate the total amount which was agreed to?

Mr HAYDEN. It is $2,703,741,750.

Mr. LONG. That figure is approximately $60 million greater than the House figure, is it not?

Mr. HAYDEN. That is correct.

Mr. LONG. Can the Senator tell me whether I am correct in my understanding that the conferees discovered there was a certain amount of money on hand of which we had not been informed previously?

Mr. HAYDEN. That is correct. The conferees made that money available by an amendment to the bill, which amendment is as follows:

Provided, however, That not to exceed $302 million of any reimbursement heretofore made by the Air Force to military assistance appropriations as of June 30, 1955, pursuant to the provisions of this section, shall be considered null and void, and materials and services of an equivalent amount shall be delivered or performed by the Air Force for military assistance purposes without reimbursement.

What happened was that at the outbreak of the Korean war certain Air Force items intended for foreign aid had to be used in Korea. Those funds were paid by Air Force, and just now reimbursed. We are restoring the money to its original purpose, and it will be available for military-assistance purposes.

Mr. LONG. Is there another item of approximately $60 million which was not previously known to be available?

Mr. HAYDEN. Yes; but that we did not touch.

Mr. LONG. Will that lapse?

Mr. HAYDEN. Yes.

Mr. LONG. Am I correct in my understanding that there was approximately $300 million available to the foreign-aid program which was not known to be available at the time the bill was brought before the Senate?

Mr. HAYDEN. That was because of a change in the accounting system which Congress adopted last year. When the Department came to make its inventory, which was required by Congress last year, it was very difficult to make it. The act was passed in August; the Department began to work on it in November, and we got the first figures along in the spring. It was not until June that the work outlined was completed, so that it could be definitely ascertained what was allocated and what was not, what was promised and what was not promised, and what was committed and what was not committed.

It developed that $300 million had been diverted for our own Air Force in Korea, although it was intended for aid to various foreign governments. That amount has now been restored to its original purpose.

Mr. LONG. Will the Senator explain which category is more correct with reference to this $300 million. Is it money which they had but did not know they had, or is it $300 million which they should have had but did not have?

Mr. HAYDEN. They knew they had it, but when the Korean war started it was expended in Korea, and, in order to make it available, it is necessary to adopt the proviso which I have read.

Mr. LONG. It is now in the bill for the first time?

Mr. HAYDEN. The situation with reference to these funds was but recently disclosed, and the conferees decided to make them available by this provision.

Mr. LONG. Is that one of the reasons why the Senate conferees agreed to accept a figure so near that of the House?

Mr. HAYDEN. Yes.

Mr. HUMPHREY. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. HUMPHREY. Just where was this $300 million found?

Mr. HAYDEN. It was found as a result of the accounting which was required by the Congress. Let me take an illustration. Suppose we agreed with a certain country that if it would provide the men for a division of troops we would provide the arms and other equip-

ment. Until they provided the men we had a commitment, but we did not have an obligation. The time has come when some Air Force equipment has to be delivered, and with this provision in the law it can be done.

Mr. HUMPHREY. We are actually appropriating back the $300 million; are we not?

Mr. HAYDEN. That is what it amounts to.

Mr. HUMPHREY. The authority for the $300 million was made some years ago, was it not?

Mr. HAYDEN. That is correct; at the time the Korean war started.

Mr. HUMPHREY. The funds were available then to fulfill the obligations of the authorization, prior to Korea, but the authority still remained intact for the use of the money under our Mutual Security Program?

Mr. HAYDEN. Yes.

Mr. HUMPHREY. What we are really doing, having spent the $300 million once, is that we are now filling up the tank again and spending the money again for Mutual Security?

Mr. HAYDEN. It would have been done at the time, but for the war in Korea.

Mr. HUMPHREY. What we found was an authority for $300 million. We did not find $300 million.

Mr. SALTONSTALL. Mr. President, will the Senator from Arizona yield to me?

Mr. HAYDEN. I yield.

Mr. SALTONSTALL. I would not wish to disagree with my chairman, but I most respectfully suggest that we are not appropriating the money. We are permitting the Mutual Security Administration to use the funds instead of letting them lapse and making a new appropriation.

Mr. HAYDEN. The Senator is correct. It is not a new appropriation.

Mr. HUMPHREY. Mr. President, will the Senator from Arizona yield further?

Mr. HAYDEN. I yield.

Mr. HUMPHREY. This is very interesting. What I should like to know is, could it have been spent once in Korea——

Mr. SALTONSTALL. The Senator from Illinois [Mr. DIRKSEN] is very understanding of these situations. As I understand, when the MSA, its former name, would make an agreement with France, for example, it would give an order to the Defense Department. The Defense Department would take the order and fill it out of its own stores. When the material was delivered, it delivered a bill to the MSA which paid the Defense Department for the materials used. In this instance, the money was provided by the MSA. The Defense Department carried out its obligation of building airplanes, but diverted them to Korea, so that it became a Defense Department obligation to send those airplanes to Korea, and it did not ask the MSA for replacement of the fund.

Mr. HUMPHREY. I understand.

Mr. SALTONSTALL. Now the funds have been found to be available. What we are doing is reobligating them, or permitting them to be reobligated, although it is not a new appropriation. The appropriation of new money is down close to the amount which the House provided in the bill which it passed.

Mr. HUMPHREY. I understand. My only comment is that, it seems to me, MSA or FOA, or ICA, as it now is—the name seems to be changed very often—has been a little weak on the takeup, because if $300 million which was not "dished" out of the reserves to pay for delivered goods which were contracted for by the Defense Department has now been found, it occurs to me that the accounting system might stand rather careful scrutiny.

Mr. SALTONSTALL. The section which we placed in the bill last year helped to bring the bookkeeping up to date. It was testified before our committee that the bookkeeping is now in much better condition than it ever was. I am sure the Senator from Arizona [Mr. HAYDEN], and the Senator from Illinois [Mr. DIRKSEN], will support me in that statement.

Mr. HUMPHREY. I understand.

Mr. SALTONSTALL. By next year, when the Committees on Appropriations again discuss this matter, the agency will have its accounting up to date.

Mr. HUMPHREY. I think it is a fair observation to say, in light of the argument which was made on the floor by the Senator from Montana [Mr. MANSFIELD], in reference to the military funds in the bill, and now in terms of $303 million which apparently was not noticed, that someone must have had some very thick blinders if he could not have seen $800 million.

Mr. SALTONSTALL. The Senator from Minnesota, who is a former mayor of Minneapolis and a former pharmacist of renown, would not tolerate for a moment such bookkeeping in the city of Minneapolis or in the State of Minnesota.

The State of Massachusetts and some of its cities are very much further ahead with their bookkeeping systems than is the Federal Government. There is nothing to be said for such a practice as the one we are discussing. I for one have been trying to encourage the military department, in the past 5 years, to improve their bookkeeping methods.

Mr. HAYDEN. Special provision has been made to continue the improved system of bookkeeping.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. DIRKSEN. I may say to the Senator from Minnesota that while I signed the conference report, I made exceptions to amendments numbered 1, 2, and 3. I did my best to restore, in addition to the $302 million, an item of $420 million for some additional contracting authority, which was stricken. I did so for the very good reason that after the program had been arranged to provide airplanes and other equipment as a part of mutual security, which constituted a gap in the mutual security program, I thought some additional funds should have been restored. But the conference felt otherwise in that respect. As a matter of fact, we have not got completely around to the air component of the security program yet.

We are dealing with materiel. When it comes to bookkeeping, the problem is that the Air Corps bought planes and other items and diverted them for use in the emergency situations which arose. This was not only during 1950, but it continued over a number of years, as the emergency situations developed.

It was then necessary to go back through all the accounting and bookkeeping and to find items here and there, and put them all together. A great amount of time elapsed before all the items could be found and to determine finally what the Air Corps owed MDAP. While there is some reason for believing there was an inadequate system of bookkeeping, yet all the fault does not lie with the service.

Mr. HUMPHREY. I am not trying to attach blame, but apparently the Senate was not given all the information to which, as a legislative body, it was entitled, not merely with reference to funds which were available under military assistance, but with respect to the $300 million item to which reference has been made. I am delighted to know that the $300 million has been restored. The Senator makes a good case, but I still say it is pretty hard to lose $300 million.

Mr. DIRKSEN. It is not money which was lost. It was a case of getting a firm figure and having it justified by the Bureau of the Budget and the General Accounting Office before a restoration could be made to MDAP. While we may charge them with laches in the matter, yet I do not believe all the fault was on their side.

Mr. MANSFIELD. Mr. President, in order that the record may be crystal clear with respect to the operations of the Department of Defense this year in the handling of funds available for foreign military assistance, I want to summarize the Department's activities since last April.

First. April 20, 1955: On that date the Department of Defense indicated to the Committee on Foreign Relations that at the end of the fiscal year, on June 30, 1955, it would have left over, in unobligated and unreserved funds, $100 million.

Second. May 26, 1955: On this date the Committee on Foreign Relations adopted an amendment which I proposed and to which the Department of Defense did not object, stating that unobligated or unreserved funds as of June 30 in excess of $200 million should lapse into the United States Treasury.

Third. June 13, 1955: On this date the House Committee on Foreign Affairs was informed by the Defense Department that it was not going to be able to obligate the funds as rapidly as it had earlier expected and therefore that my amendment limiting the carry-over to $200 million should be eliminated. This the House committee refused to do.

Fourth. June 28, 1955: The chairman of the House Committee on Foreign Relations received word that the estimated

unobligated balance on June 30, 2 days later, would be $670 million instead of the earlier estimate of $100 million.

Fifth. June 30, 1955: On this date, Mr. PASSMAN of the House Appropriations Committee announced that the Department of Defense had told him that the unobligated estimate had gone up to $932 million.

Sixth. July 1, 1955: On this date information was received from the Office of International Security Affairs Comptroller, Department of Defense, that during the previous 24 hours—the last 24 hours of the fiscal year—$575 million had been reserved or obligated by the Department of Defense. Subsequently this figure was corrected to $614 million and later to more than $700 million.

Seventh. July 11, 1955: On this day, largely on the basis of the June 30 financial manipulations of the Department of Defense, the House of Representatives approved an appropriation bill which reduced the appropriations for military assistance by $420 million.

Eighth. July 22, 1955: On this date the Senate, by a vote of 38 to 50, rejected a motion to accept the House reduction of $420 million.

Ninth. July 28, 1955: According to press reports on this date, the conferees on the Mutual Security Appropriation Act agreed with the action of the House of Representatives in reducing the funds appropriated for foreign military assistance by $420 million. According to the press they were influenced largely by the fact that the Defense Department discovered that it had an additional $302 million in unobligated funds left over from 1951 and 1952 and an additional $66 million found available on the basis of a last-minute telephone call from Europe. This is in addition to the $932 million unobligated before June 30, or a total of $1,300,000,000. I wonder if, by looking closely, more unobligated and unknown money may be found?

Mr. President, this is a remarkable record. It emphasizes again the need for a thoroughgoing investigation of the fiscal operations of the Department of Defense in the handling of funds appropriated for foreign military assistance. I urge the Comptroller General to scrutinize these operations most carefully. It is my intention before the Congress again considers the authorization of new funds for foreign military assistance to insist that the full picture of these financial operations be brought to light.

Mr. HUMPHREY. Mr. President, the junior Senator from Montana is a very kind, generous, temperate man when he says the appropriation item under consideration makes a remarkable picture. I think the phrase should be changed so as to say that it is a very miserable one.

When a department of the Government, in its bookkeeping transactions, can lose track, over a period of time, of a billion dollars, and not be able really to pinpoint it, and state whether it really has it or does not have it, then, indeed, the request and suggestion of the Senator from Montana is in order.

As a Senator who has voted for the requests of the Department of Defense for the military assistance and the military construction programs, I certainly feel a little concerned about my judgment when I find report after report coming back indicating that the Department of Defense does not know the amount of money it has left over, and does not understand or seem to be accurately reporting either obligated or unobligated balances.

If this is businesslike administration, God bless free enterprise. I have never heard of more unbusinesslike administration.

Mr. DIRKSEN. Mr. President, the figures which have been given do not mean a thing unless the explanations go along with them. Let us pick out one item. The Senator stated $66 million was found. As a matter of fact, $96 million was found. That was reported by telephone call yesterday afternoon from Paris. How was that amount found? On Wednesday last, the Council of Defense, under General Gruenther, had finally approved a modification of plan, so that small installments, as against large installments, would be undertaken. It was a complete modification of plan, with the result that $96 million was saved.

I think General Gruenther is deserving of the gratitude of the Appropriations Committee and the people for promptly notifying Washington that there had been a change in plans, and that $96 million was unexpended and available.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. KENNEDY. Does not the Senator think that the transfer of funds in that manner lessens the control of Congress over the disbursement of funds?

Mr. DIRKSEN. The program has to be flexible. There was a time when a change could not be made from F–84's to F–86's without losing money. As a consequence, what could the Military Establishment do if it decided it wanted one type of plane used as against another, either on Formosa or on the NATO line? Congress is constantly insisting that when funds are deobligated, they should revert to the Treasury. But what would happen under such a program when many countries are involved in a common defense against communism? There must be flexibility.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. HUMPHREY. I agree there must be flexibility. Now that the Senator has explained about the $96 million, how does the Senator explain the inability of the Defense Department, to which the Senator from Montana has referred, not for the first time, but time and time again, to tell the Congress how many dollars in unobligated funds are remaining, or how many dollars have been assigned for a particular purpose?

Mr. HAYDEN. Mr. President, if I may answer that question, it is impossible to make such a computation on any one given day. The information is not available. Just as happened in France, if there exists an agreement with a foreign government to supply it with a certain type of equipment, and then it is found that country can be supplied with equipment which does not cost so much, the Military Establishment ought to have an opportunity to make the change. Money must be allowed to go to those who we hope will fight with us in time of war. Of course, there has to be a certain review of expenditures. As the Senator from Illinois pointed out, in the last Congress we did provide for a better method of accounting. That accounting system has been put into effect. It did not go into effect until late in the past fiscal year. The results of the bookkeeping method will be shown to us next year. I can guarantee that next year there will not be these large figures which come under suspicion or doubt when appropriations are considered.

Mr. MANSFIELD. Mr. President, I am delighted by the statement of the Senator from Arizona. I take it the Committee on Appropriations is going to be as sure and as certain as it possibly can be that the moneys will be accounted for, and that there will be no reference to figures which change from day to day, from hour to hour, and even from minute to minute. In the course of 60 seconds there was a change in a figure from $66 million to $96 million.

Mr. HAYDEN. The figures can change from month to month, as changes are made in commitments to our allies. I ask the Senator not to forget that. We are trying to meet our commitments to our allies. If we can find that they can be supplied with equipment which does not cost so much as was originally contemplated, and which will have the same result, the Military Establishment should be allowed to make the necessary changes. Or if it is necessary to furnish more money, we should be able to do it. But we are going to back up the countries which are allied with us in the fight against communism.

Mr. MANSFIELD. But I take it we are going to vote on those funds from now on.

Mr. DWORSHAK. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. DWORSHAK. When the mutual security appropriations bill for 1956 was before the Senate for consideration last week, I stated that the grand total of foreign financial assistance had reached the stage where, in the 11-year period 1945–55, inclusive, the Congress had authorized the staggering sum of $65,142,571,407. Against these authorizations, Congress has appropriated and otherwise authorized a grand total of $61,147,245,742, or an annual average of $5,558,840,522, an amount which would more than balance the Federal budget in any fiscal year if we did not have this great burden.

To the figures I have just given must be added the amount proposed in the report of the conferees on the mutual security appropriations bill for the fiscal

year 1956. Thus, the responsibility continues on the part of the American taxpayer to furnish aid in billions of dollars some 12 years after hostilities in World War II have actually ceased.

While it is not my desire to labor this point, I feel the American people should know what we have spent in the past, and to that end I request unanimous consent that a table I have had prepared be inserted in the body of the RECORD to accompany my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

POST-WORLD WAR II FOREIGN AID APPROPRIATIONS

Grant and loan funds authorized and appropriated for major foreign-aid programs, 1945–55

Program or function	1945	1946	1947	1948	1949	1950
United Nations relief and rehabilitation (UNRRA)	$700,000,000	$1,900,000				
Government and relief in occupied areas			$725,000,000	$1,083,000,000	$1,300,000,000	$912,500,000
Relief assistance, post UNRRA				310,000,000		
International Refugee Organization				71,073,900	70,710,228	70,500,029
Assistance to the Philippines		1,000,000	57,918,000	112,500,000	116,499,000	201,966,398
Assistance to Greece and Turkey				400,000,000	225,000,000	45,000,000
Interim aid				577,000,000		
Aid to children				40,000,000	35,000,000	
European recovery program				4,000,000,000	1,074,000,000	3,628,380,000
Far Eastern aid				400,000,000		110,000,000
Loan to Spain						
Aid to Yugoslavia						
Emergency food aid to India						
Relief to Palestine refugees					16,000,000	
International development (point 4)						
Institute of Inter-American Affairs					2,500,000	4,751,600
Mutual defense assistance						814,010,000
Mutual security						
Price support wheat to Pakistan						
Famine relief						
Patrol type vessels to Japan						
2 submarines to the Government of the Netherlands						
2 submarines to the Government of Italy						
Not to exceed 25 craft not larger than the destroyer type to any friendly nation in the Far East						
Small aircraft carrier to the Government of France						
2 submarines to the Government of Turkey						
Coastwise trade vessels to Brazil						
Total	$700,000,000	$1,901,000,000	$782,918,000	$6,993,573,900	$2,839,709,228	$5,787,108,027
Economic Recovery Administration						
Public debt authorization						
Additional authorizations						
Grand total						

Program or function	1951	1952	1953	1954	1955	Total appropriations, 1945–55
United Nations relief and rehabilitation (UNRRA)						$2,600,000,000
Government and relief in occupied areas	$288,000,000	$22,500,000	$11,000,000	$3,100,000	$3,100,000	4,348,200,000
Relief assistance, post UNRRA						310,000,000
International Refugee Organization	25,000,000					237,284,157
Assistance to the Philippines	50,200,000	3,000,000				543,083,398
Assistance to Greece and Turkey						670,000,000
Interim aid						577,000,000
Aid to children	5,750,000					80,750,000
European recovery program	2,200,000,000					10,902,380,000
Far Eastern aid	140,000,000	50,000,000	175,000,000	258,000,000		1,133,000,000
Loan to Spain		[1]				
Aid to Yugoslavia		[2]				
Emergency food aid to India		[3]				
Relief to Palestine refugees	27,450,000					43,450,000
International development (point 4)	26,900,000					26,900,000
Institute of Inter-American Affairs	5,000,000					12,251,600
Mutual defense assistance	5,678,023,729					6,492,033,729
Mutual security		7,328,903,976	6,001,947,750	4,531,507,000	2,781,499,816	20,643,858,542
Price support of wheat to Pakistan				[4]		
Famine relief			[5]			
Patrol type vessels to Japan				[5]		
2 submarines to the Government of the Netherlands				[5]		
2 submarines to the Government of Italy				[5]		
Not to exceed 25 craft not larger than the destroyer type to any friendly nation in the Far East				[5]		
Small aircraft carrier to the Government of France				[5]		
2 submarines to the Government of Turkey				[5]		
Coastwise trade vessels to Brazil				[5]		
Total	8,446,323,729	7,404,403,976	6,187,947,750	4,792,607,000	2,784,599,816	48,620,191,426
Economic Recovery Administration						1,212,054,316
Public debt authorization [6]						
Additional authorizations [7]						11,315,000,000
Grand total						61,147,245,742

Total congressional authorizations, 1945–55	$65,142,571,407
Total congressional appropriations and authorizations, 1945–55	61,147,245,742
Annual average appropriation	5,558,840,522

[1] From public debt funds in the authorized amount of $62,500,000.

[2] In the authorized amount of $50,000,000; $37,800,000 funds previously appropriated for ERP under Public Law 759, 81st Cong.

[3] $162,745,684 from funds previously appropriated for ERP under Public Law 759, 81st Cong., $27,254,316 public debt funds.

[4] Authorization to the Commodity Credit Corporation to expend not more than $100,000,000 out of its stocks for famine relief or other urgent relief requirements.

[5] No dollar value stipulated in the authorization. No appropriation required.

[6] Recovery program (public debt authorizations). The aggregate total for loan purposes for economic recovery program from public debt funds is $1,212,054,316.

[7] Additional authorizations, approximately $11,315,000,000, including: (1) $3,750,000,000 British loan authority; (2) $5,000,000,000 Export-Import Bank cumulative lending authority; (3) $65,000,000 United Nations Headquarters loan; (4) $1,000,000,000 possible charge to the Commodity Credit Corporation capital fund in a 3-year period ending June 30, 1957, from sale or transfer of surplus agricultural commodities as authorized by Public Law 480, 83d Cong.; and (5) various surplus property and merchant ship sales authorities having a gross total of approximately $1,500,000,000.

Mr. DWORSHAK. Mr. President, let me say briefly, by way of conclusion, that we are approaching the point where foreign aid spending may become a permanent fixture in Federal budget operations, and the American taxpayer will have to share his earnings with the rest of the world, regardless of how much Europe, Asia, Africa, or any other section of the globe may progress economically.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, the discussion which has been taking place on the floor certainly is not calculated to create a great deal of confidence in the country over the fiscal operations of the foreign-aid program through the years. This foreign aid program has been going on since 1948 under various names. First was GARIOA, the initials for Government and Relief in Occupied Areas. Then, after the Marshall plan was launched, it was ECA, the Economic Cooperation Administration. After a while the economic aspects gave way, in part, to the military and a new name was given to foreign aid. It became MSA, the Mutual Security Administration. Still later, we knew it as FOA, as the Foreign Operations Administration came into the picture with State Department connections. And now it is the International Cooperation Administration, or ICA. So the variety of names—GARIOA, ECA, MSA, FOA, and ICA, in a period of 6 or 7 years, each new name presumably reflecting an emphasis intended to give greater selling appeal to a program which was begun formally with the Marshall plan.

If members of the Committtee on Appropriations disagree on the source and size of uncovered funds, surely the average Member of Congress can hardly be blamed for being confused. Certainly citizens throughout the country have even more justification for being confused.

I wish to make the simple observation that such administration of foreign aid funds as this debate discloses over a period of years cannot create confidence throughout the country. Many people will oppose the appropriation of another dollar for these purposes next year unless some real fiscal control is established.

My friend the Senator from Montana [Mr. MANSFIELD], relying on the promise which was given by the chairman of the Appropriations Committee a few minutes ago, that next year there would be a better program, used a western term and called for "bulldogging." I think the term is justified in this situation. During early years of the Marshall plan, we had a "watchdog committee." I have not heard much about that in recent years. I think the time has come to do a little "bulldogging," that is, to get firm hold on these fiscal operations, so the country may know what is happening and where the dollars really are, spent or unspent.

It does not inspire any confidence in past accounting methods, at least to this one Member of the Senate, to read in the morning paper that $302 million has been found in one area and $66 million in another, and then now to learn that the latter figure should be $96 million, of previously appropriated funds which can be made available—all amounts which were not disclosed to the committees when the bills were brought to the floor for passage.

Nor does it inspire any confidence to have the story told of an understanding reached at a conference between reputable Members of the House of Representatives and officials from an executive department who entered into an agreement providing for $712 million, $420 million of it to be impounded or reserved and $312 million to be spent, and then later to have it said that that agreement was a one-sided statement of position. On what can we rely if not on the testimony of honorable men?

The whole situation is one that deserves real "bulldogging," as the Senator from Montana has suggested. Possibly only the Members from the Western States know what is meant by bulldogging a steer, which means to tackle a steer by the horns, throw him over, and have him completely under control.

I hope the Appropriations Committee will do some real bulldogging, will wrestle with this problem, will grab the steer by the horns, will throw him down, and will bring the situation with respect to the funds for foreign aid completely under control.

Mr. PAYNE. Mr. President——

Mr. HAYDEN. I yield to the Senator from Maine.

Mr. PAYNE. Mr. President, I think no one should be under any misapprehension whatever regarding the particular problem which has come into the picture today. Certainly this situation is not in any way a reflection against the operations of the present administration, for let me assure the Senate that the fiscal policies of the Government were not established within the past 3 years, but are the outgrowth of a system which has been continuing over a long, long period of time.

Earlier today, I spoke of the very outstanding work which the Senator from Virginia [Mr. BYRD] has been doing in connection with his Joint Committee on Reduction of Nonessential Federal Expenditures; and I recommended that the Members of the Senate and also the Members of the House of Representatives pay a little more heed and attention to some of the reports the Senator from Virginia has been making, coming from the joint committee of which he is the chairman.

I can assure the Senate that the law which was passed by the Congress at the last session, to which the Senator from Arizona [Mr. HAYDEN] has referred, will do a great deal to make it possible to determine whether the ground rules have been laid down with clarity, so that it will be possible to determine what the unobligated balances of the Government are, agency by agency, on an accurate and factual basis. Those ground rules were never laid down before; and I defy anyone to show that any report which previously has been given by any agency, possibly over 20 or more years, ever stated factually what the obligated and the unobligated balances of appropriations were. So the problem is not one which has arisen only today.

The problem requires straightening out the fiscal policy of the Federal Government and putting it into such shape that it will meet the test required by local governments, whose accounts are subject to audit, and by private business.

I am sure that after the Comptroller General has had a chance to put into operation the ground rules, as determined by the law referred to, which was enacted at the last session, it will be possible for us then to determine what an obligation is and what an obligation is not; and at that time if further rules are needed, I am sure we shall be able to see to it that they are placed on the statute books.

Mr. CAPEHART. Mr. President, will the Senator from Arizona yield to me?

The PRESIDING OFFICER (Mr. MONRONEY in the chair). Does the Senator from Arizona yield to the Senator from Indiana?

Mr. HAYDEN. I yield.

Mr. CAPEHART. Mr. President, one of the reasons why the President appointed Mr. Hollister, an able and successful businessman from Cincinnati, Ohio, was to have him straighten out this matter. If we give Mr. Hollister a little time, I think he will straighten it out; and I believe that under his direction in the next 12 months we shall have a much better situation than we have had heretofore.

Mr. DIRKSEN. Mr. President, will the Senator from Arizona yield to me?

Mr. HAYDEN. I yield.

Mr. DIRKSEN. Mr. President, the average reader of the CONGRESSIONAL RECORD who reads the remarks of the distinguished Senator from South Dakota [Mr. CASE] will certainly wonder about this amazing transformation in our foreign-aid program. Do what he will, the average reader will not find in those remarks information to show him that, first of all, the Congress set up the ECA as a 4-year program; and then, by its own action, the Congress changed it to the mutual security program; and then, last year, by means of a provision in the foreign-aid bill, the Congress changed the agency into the Foreign Operations Administration.

Mr. President, where does the responsibility lie? We should do a little open confessing for ourselves, and should not throw all the brickbats toward the other end of Pennsylvania Avenue, for in the first instance the responsibility is right here in the Congress. Oh, how easy it is, Mr. President, for us to run out from under our responsibility.

Mr. HUMPHREY. Mr. President, I think all of us have responsibility, as the Senator from Illinois has pointed out. But, again, I point out that this matter is in connection with the sideshow, not the main event. We are not talking about any mismanagement of FOA. Regardless of whether the agency is called the ECA or whatnot, it still has the same program.

The funds we are discussing are those of the Department of Defense. Mr. Hollister may be a good man; and if he is, I am all for him. But we can say the same of Mr. Wilson. I wish to say that if General Motors Corp. kept its books in the same way that the Department of Defense has kept its books, General Motors would not be doing the business it is doing today.

Mr. President, all the records referred to are in the Department of Defense.

Although the operations referred to may have been going on for years, I wish to say that I did not intend to discuss this issue as a partisan one. However, since that point has been brought up, let me say that for the past 3 years the Department of Defense has had, so we are told, a new administration and a New Look. So I suggest that we make an appraisal of what has happened there, in terms of these amounts. Certainly it is not easy to lose track of a billion dollars, even though it may not be easy to keep track of the obligated and the unobligated funds.

The Senator has presented figures regarding the Department of Defense, not the State Department or the Foreign Operations Administration. Those figures show how the officials of the Department of Defense have come before the congressional committees, including the Foreign Operations Committee—where I heard them testify—and have said that in the Department there were only $100 million of unobligated funds. That testimony was given in May or June. But earlier in July we found that the correct figure was several hundred million dollars; and today we find that the correct amount is more than $1 billion—in fact, approximately $1,330,000,000.

Mr. PAYNE. Mr. President, will the Senator from Arizona yield to me?

Mr. HAYDEN. Mr. President, I hope we can conclude this post mortem, because I am most anxious to have the conferees on the supplemental able to meet with the conferees on the part of the House, who are waiting downstairs.

Mr. CAPEHART. Mr. President, will the Senator from Arizona yield to me?

Mr. HAYDEN. I yield.

Mr. CAPEHART. Let me say I think it is fine that the Department has not spent the money. Perhaps the Department officials lost track of the money, from a bookkeeping standpoint, but the fact remains that if the money is there, they have not spent it. Therefore, I congratulate them on being economical and on saving the money of the American taxpayers. That is a wonderful thing.

Mr. HUMPHREY. Mr. President, what has really happened is that those officials have been "hiding the money under the mattress," so to speak; and, in spite of that, they have come to us and have said, 'We want more money, so we can pile it on the shelves."

Mr. CAPEHART. But the point I am making is that they did not spend the money, and therefore the United States taxpayers are that much better off.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. LONG. Mr. President, the colloquy on the conference report illustrates what some of us have been saying about the foreign-aid program.

When I first came to the Senate, I voted for the Marshall plan with the understanding that it was a program with a definite limitation of time. However, when the Marshall plan expired, up came the military-aid program; and the funds left from the Marshall plan were shifted over, without any great amount of restudy. Thereafter, vast amounts of appropriations were made from year to year for economic aid and for military aid. Increased amounts were voted from year to year, even though the amounts previously voted had not been fully spent. Year by year, those vast sums of money have been piling up. That is why some of us have been urging that the Congress should not appropriate so much money, because vast sums of money for these purposes have already been appropriated.

At this time, while the foreign-aid program was being considered by the Senate, we find that there was more than $300 million on hand of which no one knew anything about. That was one item. There was another $60 million, in some other direction, about which no one knew anything when the bill was considered by the Senate. That is because these programs have been switched and changed; money has been obligated and deobligated. Money had been appropriated for purposes which were not necessary. When the fact that they were not necessary was discovered, they were switched to other funds, reserved and then unreserved. We were told that in some cases programs had been changed as many as seven times, after a single appropriation.

At this moment there is on hand—and this is the latest accounting of which I am aware—$8,406,000,000 of old funds. This bill will make available $2,703,000,000 of additional funds, or a total of $11,109,000,000. Some of us feel that our Government has lost control of these funds. Congress does not know where they are, or how much is necessary.

We started this program by appropriating most of the money for Europe. We were told that 1954 would be the target date, the date of great danger, the year in which war might break out. 1954 came and went, and most of the money had not been expended up to that date. But rather than restudy all the funds left on hand, which should be reconsidered, much of the money having been deobligated, Congress went ahead blindly and permitted the military to carry these vast balances from year to year into the future.

No one in the Senate can tell us precisely what the $8,406,000,000 is for. It is simply a matter of carrying forward vast balances which should be restudied and brought under control.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 7224, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
July 28, 1955.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 6, 7, and 8 to the bill (H. R. 7224) making appropriations for Mutual Security for the fiscal year ending June 30, 1956, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 21, and concur therein with an amendment as follows: In lieu of the matter proposed by said amendment insert:

"Funds appropriated under each paragraph of this act (other than appropriations under the head of military assistance), including specified amounts of unobligated balances, and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made for the same general purpose as such paragraph, which amounts are hereby continued available during the fiscal year 1956, may be consolidated in one account for each paragraph."

That the House recede from its disagreement to the amendment of the Senate numbered 24, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"SEC. 108. Funds heretofore or hereafter allocated to the Department of Defense from any appropriation for military assistance (including funds consolidated with any such appropriation but excepting funds obligated directly against any such appropriation for offshore procurement or other purposes) shall be accounted for by geographic area and by country solely on the basis of the value of materials delivered and services performed (such value to be determined in accordance with the applicable provisions of law governing the administration of military assistance). Within the limits of amounts available from funds so allocated, the Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursement from such allocations, and no funds so allocated and available shall be withdrawn by administrative action until the Secretary of Defense shall certify that they are not required for liquidation of obligations so incurred. Unobligated amounts of such allocations equal to the value of orders placed with the military departments against such allocations shall be reserved and shall remain available until June 30, 1958, for making such reimbursements (except in case of funds obligated directly against such allocations) only upon the basis of materials delivered and services rendered: *Provided*, That reports of items to be delivered against funds reserved as provided herein shall be furnished quarterly by the Secretary of Defense to the Committees on Appropriations of the Senate and the House of Representatives and, not less often than once each quarter, said Secretary shall make a detailed report to the Committees on Appropriations of the Senate and the House of Representatives, on a delivery or service-rendered basis, on all military assistance funds allocated and available to the Department of Defense as of the end of the preceding quarter: *Provided further*, That no reimbursements for materials or services shall be made after June 30, 1955, until the value of materials delivered and services performed shall equal the amount of expenditures made from all appropriations herein and heretofore made for military assistance as of said date: *Provided, however*, that not to exceed $302,000,000 of any reimbursement heretofore made by the Air Force to military assistance appropriations as of June 30, 1955, pursuant to the provisions of this section shall be considered null and void and materials and services of an equivalent amount shall be delivered or performed by the Air Force for military assistance purposes without reimbursement: *Provided further*, That in the event the President shall determine that supplies and equipment ordered against funds so

allocated are required for the defense of the United States, the amount allocated for supplies and materials required for such purpose shall be returned to the appropriation from which allocated: *Provided further*, That funds appropriated in this Act for military assistance (including specified amounts of unobligated balances and funds consolidated with any such appropriation), amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, and, where authorized by the President, funds made available to the Department of Defense under section 401 of the Mutual Security Act of 1954, as amended, shall be maintained in one account which shall be used for all transactions involving military assistance during the current fiscal year and no expenditure shall be made from such account except as may be within the limits of the sum of the amounts mentioned in this proviso: *Provided further*, That nothing in this Act shall be construed as making any appropriation or fund available for obligation after the end of the current fiscal year except as may be necessary for reimbursements authorized herein."

Section 110 of the Act of September 3, 1954 (Public Law 778), is hereby repealed.

Mr. HAYDEN. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 21 and 24.

The motion was agreed to.

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a table showing the amount estimated for each item, the amounts which were added in the bill as it passed the House and Senate, and the amounts provided for in the conference report.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Items	1955 appropriations, adjusted	1956 estimate	1956 House bill	1956 Senate bill	Conference agreement
MUTUAL DEFENSE ASSISTANCE					
Military assistance:					
Appropriation	$1,020,973,387	$1,125,000,000	$705,000,000	$1,125,000,000	$705,000,000
Unobligated and unreserved balance	2,422,512,729	33,900,000	33,900,000	33,900,000	33,900,000
	3,443,486,116	1,158,900,000	738,900,000	1,158,900,000	738,900,000
Direct forces support	365,760,000	317,200,000	305,000,000	317,200,000	317,200,000
Defense support:					
Europe	142,760,000	70,000,000	70,000,000	85,500,000	85,500,000
Near East and Africa	192,903,000	102,500,000	102,500,000	113,700,000	113,700,000
Asia:					
Appropriation	826,914,808	827,800,000	775,000,000	827,800,000	800,000,000
Unobligated balance	32,200,000	25,000,000	25,000,000	25,000,000	25,000,000
Total, Asia	859,114,808	852,800,000	800,000,000	852,800,000	825,000,000
Total, defense support:					
Appropriation	1,162,577,808	1,000,300,000	947,500,000	1,027,000,000	999,200,000
Unobligated balance	32,200,000	25,000,000	25,000,000	25,000,000	25,000,000
	1,194,777,808	1,025,300,000	972,500,000	1,052,000,000	1,024,200,000
Total, mutual defense assistance:					
Appropriation	2,549,311,195	2,442,500,000	1,957,500,000	2,469,200,000	2,021,400,000
Unobligated balance	2,454,712,729	58,900,000	58,900,000	58,900,000	58,900,000
	5,004,023,924	2,501,400,000	2,016,400,000	2,528,100,000	2,080,300,000
DEVELOPMENT ASSISTANCE					
Near East and Africa	91,400,000	73,000,000	73,000,000	73,000,000	73,000,000
South Asia	60,500,000	71,000,000	61,000,000	51,000,000	51,000,000
American Republics	12,700,000	38,000,000	38,000,000	38,000,000	38,000,000
Total, development assistance	164,600,000	182,000,000	172,000,000	162,000,000	162,000,000
TECHNICAL COOPERATION					
General authorization	108,397,000	146,500,000	125,000,000	130,000,000	127,500,000
United Nations program	16,457,621	24,000,000	24,000,000	24,000,000	24,000,000
Organization of American States	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Total, technical cooperation	126,354,621	172,000,000	150,500,000	155,500,000	153,000,000
OTHER PROGRAMS					
Special Presidential fund		100,000,000	100,000,000	100,000,000	100,000,000
Special assistance in joint control areas	24,594,500	21,000,000	21,000,000	21,000,000	21,000,000
Intergovernmental Committee for European migration:					
Appropriation	10,000,000	12,500,000	10,000,000	12,500,000	12,500,000
Unobligated balance	500,000				
	10,500,000	12,500,000	10,000,000	12,500,000	12,500,000
United Nations Refugee Fund		1,400,000	1,000,000	1,400,000	1,200,000
Escapee program	6,250,000	6,000,000	6,000,000	6,000,000	6,000,000
United Nations Children's Fund	12,500,000	14,500,000	14,500,000	14,500,000	14,500,000
United Nations Relief and Works Agency:					
Appropriation		61,366,750	56,366,750	60,366,750	58,366,750
Unobligated balance	23,063,250	3,633,250	3,633,250	3,633,250	3,633,250
	23,063,250	65,000,000	60,000,000	64,000,000	62,000,000
North Atlantic Treaty Organization	1,169,000	3,700,000	3,700,000	3,700,000	3,700,000
Ocean freight charges:					
United States voluntary relief agencies	1,500,000	2,000,000	1,500,000	2,000,000	2,000,000
Surplus agricultural commodities	7,300,000	13,000,000	10,000,000	13,000,000	13,000,000
	8,800,000	15,000,000	11,500,000	15,000,000	15,000,000
Control act expenses	1,175,000	1,175,000	1,175,000	1,175,000	1,175,000
Administrative expenses	32,500,000	33,500,000	33,500,000	33,500,000	33,500,000
President's fund for Asian economic development		200,000,000	100,000,000	150,000,000	100,000,000
Special programs	33,845,500				
Total, other programs:					
Appropriation	130,834,000	470,141,750	358,741,750	419,141,750	366,941,750
Unobligated balance	23,563,250	3,633,250	3,633,250	3,633,250	3,633,250
	154,397,250	473,775,000	362,375,000	422,775,000	370,575,000
Undistributed unobligated balance		21,366,750		21,366,750	
Total mutual security:					
Appropriation	2,971,099,816	3,266,641,750	2,638,741,750	3,205,841,750	2,703,341,750
Unobligated balance	2,478,275,979	83,900,000	62,533,250	83,900,000	62,533,250
	5,449,375,795	3,350,541,750	2,701,275,000	3,289,741,750	2,765,875,000

MEETING OF COMMITTEE ON THE JUDICIARY DURING SENATE SESSION

Mr. KILGORE. Mr. President, there are a number of nominations which subcommittees of the Committee on the Judiciary are ready to report. I should like to get them cleared up during this session. I ask unanimous consent that the Judiciary Committee may hold meetings during the present session of the Senate, in the District Committee room, for the purpose of passing on nominations and other matters which should come before the Senate during the present session.

I should like to notify all members of the Committee on the Judiciary that a meeting is to be held, and I desire to have at least eight members present.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT OF RAILROAD RETIREMENT ACT OF 1937 AND THE RAILROAD UNEMPLOYMENT INSURANCE ACT

The Senate resumed the consideration of the bill (H. R. 4744) to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act.

Mr. PURTELL. Mr. President, I wish to address myself for a very few moments to the pending bill. It had been my intention to discuss it at greater length than I shall speak, but the hour is late, and the inner man is demanding that I get some food.

Much has been said about sections 5 and 6 of the bill. I should like to associate myself with the remarks of the junior Senator from Colorado [Mr. ALLOTT] and the senior Senator from New Jersey [Mr. SMITH] regarding those sections. I should also like to make it quite clear that I am very much in favor of the first four sections of the bill. They have great merit. They should become law, and I believe they will become law.

We find in the bill sections 5 and 6, which are wholly unrelated to the bill. They have to do with changing the civil-service practices followed throughout all Government agencies.

It seems peculiar that we suddenly find that positions in schedule C might well lend themselves to political attack, but we never thought so with respect to schedules A and B, which have been in effect since 1947.

If we have such great concern about protecting those working in this particular agency, why do we not show the same concern for those working in other agencies? If the proposal made in sections 5 and 6 for a change in the civil-service requirements as to schedules A, B, and C are good, why are they not good for all other agencies? Why limit the application of the law to the Railroad Retirement Board? If the proposal has the merit which the proponents claim for it, why should it not be adopted with respect to all other agencies of Government? What makes the employees of this particular agency so different, with respect to the security of their positions? Why is it necessary to make a particular piece of legislation apply to them only?

If the proposals embodied in sections 5 and 6 are good—and they are so held by the proponents—why not submit those proposals in a separate piece of legislation to the Committee on Post Office and Civil Service, and allow them to be applied to all agencies?

It was stated earlier in the day that this proposal represents the beginning of the tearing down of civil-service practices in our Government. I am against it. This is the beginning of a policy of allowing each agency to determine to what extent civil-service laws shall apply to it.

Mr. President, I plead with Senators not to include these unrelated sections in the bill, and to support the amendment offered by the Senator from New Jersey [Mr. SMITH]. If these proposals have the merit claimed for them by the proponents, let them be proposed in a separate piece of legislation, to apply to all agencies.

Mr. ALLOTT. Mr. President, I should like to make a few observations with respect to the amendment to strike sections 5 and 6 from the bill.

When I spoke earlier in the day it was on the basis—and that is still my position—that these sections are bad legislation, for the reasons which I assigned at that time.

In the first place, sections 5 and 6 are unrelated to a meritorious bill which should be passed. However, certain other questions have been raised. I am sorry the distinguished Senator from Illinois [Mr. DOUGLAS] has raised the question of politics, because I do not propose to discuss the subject on a political basis. He has attempted to make a showing before this body that if those two sections were striken the bill would operate to the detriment of the Railroad Retirement Board.

This is not true. The Senator from Illinois stated that last year, when the Board asked for the designation of 10 or 12—or, as he says, 11—new members in schedule C, he objected to it. I ask, Where was the voice of the Senator from Illinois when Executive order 7432 was issued in 1936, authorizing 27 additional executive positions? Where was his voice on March 7, 1939, when 19 additional department heads in the Board were authorized?

It is because we want politics kept out of the Board that the amendment is offered. It is because we want a real civil service and merit system maintained in the United States Government that the amendment is offered.

What is the situation? Contrary to what has been stated, by virtue of the Roth decision, not one of the persons holding a position in the agency, if he has a civil-service rating at the present time, can be discharged.

If the amendment is agreed to, the Board will be in exactly the same position it has always been in, which is exactly the position of every other department of the Government. No one will be supplanted. The attorneys who now hold jobs on the Board cannot be disturbed or supplanted.

Without the amendment, the bill would set up a super civil-service status in the Railroad Retirement Board. As my distinguished colleague from Connecticut [Mr. PURTELL] has stated, it would in effect be the beginning of the breakdown of the civil-service system in the United States Government.

It would require lawyers, for example, in the future to take civil-service examinations. I submit to the Senate that anyone who selects a lawyer, either for a board or for his own personal business, upon such a basis is indeed making a grave mistake. The qualities which are necessary for such a position are not shown up by a civil-service examination. In addition to that, the Appropriations Committee of the Senate, the Budget Bureau, and the Civil Service Commission have placed themselves on record in opposition to that principle.

True it is that some question was raised last year, but where were the voices of the present critics when other executive appointments were made in years past? I did not hear them then.

In conclusion, Mr. President, I should like to say that the Board is a nonpartisan board, and it should rightly be so. It is necessary that it be so for the proper administration of the funds, which the Government does not supply. In that respect I invite attention to the fact that the Board is somewhat comparable to the Social Security Board, in which the money is supplied by the employees and employers. In that respect the social-security system is not very much different from the Railroad Retirement Board.

Therefore, if sections 5 and 6 are adopted, we may well contemplate a request by every board of the Government, commencing with the boards which are most similar to the Railroad Retirement Board, for a similar status in the civil service of the United States Government.

It is because I wish to keep politics out of the Board, because I wish to see it efficiently administered, and because, above all, I wish to see a real civil service and merit system maintained in the United States Government, that I ask my colleagues to support the amendment offered by the senior Senator from New Jersey [Mr. SMITH].

Mr. LEHMAN. Mr. President, I have listened to the argument made both on the floor of the Senate and in the Committee on Labor and Public Welfare, of which I am a member, as is the distinguished Senator from Colorado, to the effect that the inclusion of sections 5 and 6 in the bill would weaken the competitive civil service of the Federal Government.

Those who have so argued have not presented any facts to support their claims. They have not been able to give chapter and verse in support of their argument. As a matter of fact, what is proposed by the amendment of the senior Senator from New Jersey would weaken the competitive civil service very

greatly. No one can convince me that to remove a substantial number of positions from the competitive civil service would strengthen the civil-service system. No one can convince me of that. It just does not make sense. Certainly such a course would weaken the competitive civil service.

Mr. ALLOTT. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from New York yield to the Senator from Colorado?

Mr. LEHMAN. I yield.

Mr. ALLOTT. Mr. President, does the Senator from New York maintain that if the amendment is agreed to the Board will be in any different position than any other department of the Government?

Mr. LEHMAN. I am certainly convinced that if the amendment is agreed to, when there are any changes made in the positions, because of death or resignation, separation from the service, or for any other reason the new appointments will be entirely exempt from any requirement of the competitive civil service. I have lived with civil service for a great many years. I have tried to strengthen it. In the State of New York I believe we have strengthened it. Instead of taking employees from under the competitive civil service, we have continually sought to increase the number of people covered by the competitive civil service. And we maintained the principle of civil service and the merit system.

Mr. ALLOTT. Mr. President, will the Senator yield further?

Mr. LEHMAN. I am glad to yield.

Mr. ALLOTT. The Senator is not contending, is he, that the adoption of the amendment would take employees from under civil service?

Mr. LEHMAN. I certainly contest the fact that——

Mr. ALLOTT. If so, I would like to have the Senator point it out.

Mr. LEHMAN. Under sections 5 and 6, the persons who are now in the positions that are proposed to be made exempt will be protected so far as removal and replacement are concerned.

Mr. ALLOTT. Mr. President, will the Senator yield further?

Mr. LEHMAN. I am glad to yield.

Mr. ALLOTT. I should like to call to the attention of the Senator from New York the statement contained in the House report, which reads as follows:

> It is the intent of the committee that such individuals shall be afforded a reasonable opportunity to acquire a classified (competitive) civil service status through suitable noncompetitive examinations.

Mr. LEHMAN. If sections 5 and 6 are deleted, persons appointed later will have no protection. So far as attorneys are concerned, I can testify to the fact that it is not difficult to obtain good attorneys through competitive civil-service examinations. We have done it in the State of New York in virtually all agencies, I believe. I have no doubt that it has been done in many other States of the Union. I very much hope that the amendment offered by the Senator from New Jersey will be defeated.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the senior Senator from New Jersey [Mr. SMITH]. On this question, the yeas and nays have been ordered.

Mr. KENNEDY. Mr. President, the only argument I make for defeating the amendment offered by the Senator from New Jersey [Mr. SMITH] is that we are dealing with an agency which is a special agency, comparable to no other agency of the Government. It is supported almost wholly by the contributions of the carriers and of those who work on the railroads. They are entitled to expect, in the fiduciary relationship which the Government has toward the fund, that the administration of the fund will be removed from any danger of political intervention.

Therefore I believe the amendment should be defeated.

Mr. KUCHEL. Mr. President, I shall detain the Senate for only a few moments, but because some assertions have been made during the debate that those who do not support the amendment would be doing violence to the civil-service system, and, contrariwise, those who support it would likewise do violence to the civil-service system, I want to say that I intend to oppose the amendment which is now before us and which would strike section 5 and section 6 from the pending bill.

What do those sections provide? Let me read the pertinent portion:

> All positions to which such individuals are appointed shall be in and under the competitive civil service, and shall not be removed or excepted therefrom.

Who can quarrel with that? Who can argue that this language would injure civil service? It is all the other way around. This puts public employees in civil service. I regret very much that the Senator from Illinois [Mr. DOUGLAS] stood on the floor a little while ago and argued that all abuses to civil-service laws occurred under Republican administrations. And argued that never did civil-service abuses arise under Democratic administrations.

I deny the Senator's statement, but more than that, I suggest that past partisan abuses, real or fancied, and by either political party, are irrelevant to this debate. I do not think there was any need for making such a statement; indeed, I deplore it, particularly when there are some of us on this side of the aisle who are going to oppose the amendment and support the bill. But, nevertheless, the Senator from Illinois made the statement, though it does not help the bill before us, which he and I both support.

Mr. President, we heard the junior Senator from Colorado [Mr. ALLOTT] indicate instances in the 1930's when, by Presidential order, employees who otherwise would have been under the civil-service laws of the United States were deprived of civil-service protection and made subject to the whim or the caprice of the Executive authority. The 1930's were years of Democratic administration, let me remind you, Mr. President.

So far as I am concerned, I happen to have had the honor of participating for several years in the government of the State of California. I was connected with an agency there with which several hundred people were associated. We have civil service in California. We have good civil-service laws in California. I do not think we have good civil-service laws under the Government of the United States.

Sometimes I think too little protection has been given to people who come into the Federal service with simply and solely a desire to devote their lifetime to honorable labor in the Federal Government. Regardless of what their partisan persuasions may be, partisanship does not constitute the reason for employment in the Government. I wish to see them protected under Republican administration and under Democratic administration. On the other hand, I think it is perfectly fair and logical that whether there is a Republican President or a Democratic President, those in the top hierarchy should be in tune with the President of the United States.

I suggest to my brethren in the Senate that one of these days there should be a wholesale revision of the Federal civil-service laws, and we should give to the President of the United States, whoever he may be and whatever type of political persuasion may motivate him, the right to determine in every Cabinet agency and department who will assist him in carrying out the policies which he desires and which the people of the United States elected him to carry out, so that at the top there will be those who are in tune with his administration. We sometimes find riveted into Government positions some persons who are sabotaging, or at least interfering with, the carrying out of the directives which come down from the Executive.

But at this time, Mr. President, we are not dealing with that type of problem, as I see it. We are dealing with the simple question of whether the employees who are connected with the Railroad Retirement Board should have the protection of civil service or whether they should not. On that basis it is easy for me to make my decision. I say they should be under the civil-service laws of the Government of the United States. For that reason I shall vote against the amendment offered by my able friend from New Jersey.

Mr. SMITH of New Jersey. Mr. President, will the Senator from California yield?

Mr. KUCHEL. I yield.

Mr. SMITH of New Jersey. The argument which the Senator has been making is the argument which we have been making right along, that the question should be taken up and considered by the Committee on Post Office and Civil Service. If the amendment is not agreed to it will be impossible for the top officials to have the kind of policymaking employees they desire to have working under them.

Mr. KUCHEL. I recognize that there is some merit in the argument that with reference to a bill which goes to one committee, in this instance, the Committee on Labor and Public Welfare, it is perhaps unfortunate that under the rules which govern the Senate it should not be

deliberated upon by another committee. But I cannot quarrel with the fact that one committee has seen fit to approve all six sections of the bill. I think that in this instance it is an argument which is not sufficiently cogent to make me change my mind.

Mr. ALLOTT. Mr. President, will the Senator from California yield?

Mr. KUCHEL. I yield.

Mr. ALLOTT. With reference to the remarks of the Senator from California, who is a close friend of mine, is he aware that at this time all the employees of the Railroad Retirement Board and all the employees of the railroad insurance fund are under civil service except those in schedules A, B, and C, and are in exactly the same status as are the civil-service employees of every other department of the Government? Is the Senator aware of that fact?

Mr. KUCHEL. My answer is "Yes." Frankly, I do not know the status of the civil-service employees in every Federal agency, but I am sure that, at least generally speaking, what the Senator has asked me must be answered in the affirmative.

Mr. ALLOTT. I wanted to be sure, because the amendment would set up a super civil service, and all persons under schedules A, B, and C would be blanketed into the civil service without competitive examinations, thus breaking down the civil service.

Mr. KUCHEL. Mr. President, I would deny the assertion which has just been made by my good friend, the able junior Senator from Colorado. There is no such thing as a super-civil-service question involved. I would refer once again to the language of the amendment. The amendment merely provides:

> All positions to which such individuals are appointed shall be in and under the competitive civil service and shall not be removed or excepted therefrom.

That is all. As I see it, the argument is invalid which suggests that this constitutes a super-civil-service system.

Mr. ALLOTT. Mr. President, will the Senator from California yield for a question?

Mr. KUCHEL. I yield.

Mr. ALLOTT. It is a fact, is it not, that it would give to the Board powers which do not exist in the other civil-service departments of the Government, in that it would prevent all appointments under schedules A, B, and C, which other departments have, and would place those under schedules A, B, and C under civil service without competitive civil-service examinations?

Mr. KUCHEL. Answering the last part of the Senator's question first, I see nothing which abuses the rules of civil service in giving an incumbent in a civil-service position the right to take a noncompetitive examination. You, Mr. President (Mr. HOLLAND in the chair) when you were the chief executive of the great State of Florida knew that to those who happened to be in civil-service positions in the government of your State, on many occasions, by reason of the experience they had had, because of the very fact that they held the jobs, some additional rights were given which an outsider would not have.

I do not quarrel with that. It has been my experience in California that it has been good for the State when someone who has given of his time to serving his own State is accorded some advantage over one who might want to come in and disrupt the system. So I do not see anything in this which would conflict with my conception of what a sound civil-service system should consist.

Mr. BUSH. Mr. President, I have been listening to the debate with a great deal of interest, not having had any preconceived ideas of how one should vote on the amendment. But I am persuaded by the arguments of the sponsor of the amendment, the senior Senator from New Jersey [Mr. SMITH], my colleague from Connecticut [Mr. PURTELL], and other Senators that the amendment should be agreed to.

I am very much persuaded, too, by a letter in the report, under the heading "Supplemental Views," which is signed by Philip Young, Chairman of the Civil Service Commission, in which he points out that the Commission believes that the merit system in the Railroad Retirement Board can be satisfactorily protected under existing legislation. Mr. Young takes a very strong position in favor of the amendment to strike out the sections under discussion.

I do not think Philip Young, as Chairman of the Civil Service Commission, desires to tear down the civil service. One of the criticisms I have heard of Mr. Young, among my friends in the Senate, is that he is too much civil-service minded. I believe if we could have a Chairman who would be conscientious in protecting the interests of the civil service, we certainly would have one in Philip Young.

Mr. President, if Mr. Young's letter, which is included in the report on page 15, has not previously been inserted in the RECORD in connection with the debate, I now ask unanimous consent that it be printed at this point in my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMITH of New Jersey. Mr. President, I may inform the Senator from Connecticut that a little earlier I placed the letter in the RECORD.

Mr. BUSH. Since the Senator from New Jersey says that he has already placed the letter in the RECORD, I withdraw my request to do so.

The PRESIDING OFFICER. The Chair will withdraw the order to print the letter in the RECORD.

Mr. HENNINGS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HENNINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from New Jersey [Mr. SMITH]. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Delaware [Mr. FREAR] and the Senator from Florida [Mr. SMATHERS] are absent on official business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

On this vote, the Senator from Texas [Mr. JOHNSON] is paired with the Senator from Kansas [Mr. SCHOEPPEL]. If present and voting, the Senator from Texas would vote "nay" and the Senator from Kansas would vote "yea."

I further announce that if present and voting, the Senator from Delaware [Mr. FREAR] and the Senator from Florida [Mr. SMATHERS] would each vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Wyoming [Mr. BARRETT] is absent because of illness in his family.

The Senator from Indiana [Mr. JENNER] and the Senator from Kansas [Mr. SCHOEPPEL] are necessarily absent.

On this vote, the Senator from Kansas [Mr. SCHOEPPEL] is paired with the Senator from Texas [Mr. JOHNSON]. If present and voting, the Senator from Kansas would vote "yea" and the Senator from Texas would vote "nay."

The result was announced—yeas 24, nays 66, as follows:

YEAS—24

Allott	Cotton	Martin, Iowa
Bennett	Curtis	Martin, Pa.
Bricker	Dirksen	Millikin
Bridges	Flanders	Mundt
Bush	Goldwater	Purtell
Carlson	Hickenlooper	Saltonstall
Case, N. J.	Hruska	Smith, N. J.
Case, S. Dak.	Knowland	Watkins

NAYS—66

Aiken	Hayden	Monroney
Anderson	Hennings	Morse
Barkley	Hill	Murray
Beall	Holland	Neely
Bender	Humphrey	Neuberger
Bible	Ives	O'Mahoney
Butler	Jackson	Pastore
Byrd	Johnston, S. C.	Payne
Capehart	Kefauver	Potter
Chavez	Kennedy	Robertson
Clements	Kerr	Russell
Daniel	Kilgore	Scott
Douglas	Kuchel	Smith, Maine
Duff	Langer	Sparkman
Dworshak	Lehman	Stennis
Eastland	Long	Symington
Ellender	Magnuson	Thurmond
Ervin	Malone	Thye
Fulbright	Mansfield	Welker
George	McCarthy	Wiley
Gore	McClellan	Williams
Green	McNamara	Young

NOT VOTING—6

Barrett	Jenner	Schoeppel
Frear	Johnson, Tex.	Smathers

So the amendment of Mr. SMITH of New Jersey was rejected.

Mr. POTTER. Mr. President, I send an amendment to the desk and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, line 5, after the word "appointed", it is proposed to insert a comma and the words "except one Administrative Assistant to each member of the Board."

On page 3, line 11, after the word "appointed", it is proposed to insert a comma and the words "except one Administrative Assistant to each member of the Board."

Mr. POTTER. Mr. President, the amendment just read by the clerk is a simple one. When we were debating the amendment of the Senator from New Jersey [Mr. SMITH], I was greatly concerned over the fact that sections 5 and 6 were too inclusive. It has been my feeling—and the debate has shown that certainly most Members of the Senate agree about this—that a member of the Board should be entitled to select as his own administrative assistant, his own confidential assistant, whomever he may desire to select, and should not be restricted by the language of sections 5 and 6, as they pertain to the civil service.

I have discussed the amendment with the distinguished Senator from Massachusetts [Mr. KENNEDY] and with the distinguished Senator from New Jersey [Mr. SMITH].

Mr. KENNEDY. Mr. President, will the Senator from Michigan yield to me?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Michigan yield to the Senator from Massachusetts?

Mr. POTTER. I yield.

Mr. KENNEDY. On behalf of myself and the Senator from Alabama, who introduced the bill, I shall be delighted to take the amendment to conference.

Mr. POTTER. I thank the distinguished Senator from Massachusetts.

Mr. KENNEDY. And it is my prediction that the amendment will become a part of the law.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan [Mr. POTTER].

The amendment was agreed to.

Mr. KENNEDY. Mr. President, before the final vote is taken, I wish to say that the Senator from Mississippi [Mr. STENNIS] had proposed to submit an amendment for the relief of Eugene H. Jones, from the State of Mississippi. Because the offering of the amendment might imperil the ultimate passage of the bill, the enactment of which is important to a great many persons, the Senator from Mississippi has been kind enough to agree to postpone the offering of his amendment. But I have assured him, on behalf of the subcommittee, that we will give this matter our immediate attention as soon as the next session convenes, in January. So I wish to assure the Senator from Mississippi and his constituent, Eugene H. Jones, that that will be done, and that we will consider the matter very carefully.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question now is, Shall the bill pass?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Delaware [Mr. FREAR] is absent on official business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

I further announce that if present and voting, the Senator from Delaware [Mr. FREAR] and the Senator from Texas [Mr. JOHNSON] would each vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Wyoming [Mr. BARRETT] is absent because of illness in his family.

The Senator from Indiana [Mr. JENNER] and the Senator from Kansas [Mr. SCHOEPPEL] are necessarily absent.

If present and voting the Senator from Kansas [Mr. SCHOEPPEL] would vote "yea."

The result was announced—yeas 91, nays 0, as follows:

YEAS—91

Aiken	George	Millikin
Allott	Goldwater	Monroney
Anderson	Gore	Morse
Barkley	Green	Mundt
Beall	Hayden	Murray
Bender	Hennings	Neely
Bennett	Hickenlooper	Neuberger
Bible	Hill	O'Mahoney
Bricker	Holland	Pastore
Bridges	Hruska	Payne
Bush	Humphrey	Potter
Butler	Ives	Purtell
Byrd	Jackson	Robertson
Capehart	Johnston, S. C.	Russell
Carlson	Kefauver	Saltonstall
Case, N. J.	Kennedy	Scott
Case, S. Dak.	Kerr	Smathers
Chavez	Kilgore	Smith, Maine
Clements	Knowland	Smith, N. J.
Cotton	Kuchel	Sparkman
Curtis	Langer	Stennis
Daniel	Lehman	Symington
Dirksen	Long	Thurmond
Douglas	Magnuson	Thye
Duff	Malone	Watkins
Dworshak	Mansfield	Welker
Eastland	Martin, Iowa	Wiley
Ellender	Martin, Pa.	Williams
Ervin	McCarthy	Young
Flanders	McClellan	
Fulbright	McNamara	

NAYS—0

NOT VOTING—5

Barrett	Jenner	Schoeppel
Frear	Johnson, Tex.	

So the bill (H. R. 4744) was passed.

SECRETARY OF THE AIR FORCE HAROLD E. TALBOTT

Mr. MORSE. Mr. President, before making a few brief remarks on the pending measure, I wish to comment briefly on Mr. Talbott's misconduct in office.

As a Member of this body who was one of the leaders in the fight against the confirmation of Mr. Talbott's nomination, I think it is particularly fitting that I express myself again on this very serious case of malfeasance in Government office. Mr. Talbott may think he is "out of the Mulligan," but he is not "out of the stew." If this administration thinks it will be able to get the American people to swallow this mess of corruption, it will discover that the people will gag on the dish.

I do not know what we are waiting for. The American people do not need a report from any Senate committee on Mr. Talbott's inexcusable conduct. The American people have read Mr. Talbott's statements in the press. The American people know what he has done. The American people know that he is guilty of an outrageous violation of the spirit and intent of the conflict-of-interests statutes.

In my judgment it ought to be judicially determined whether he has not also violated the letter of the law. I have read the statutes on conflict-of-interests, and I am satisfied that Mr. Talbott has clearly violated the spirit and intent of the conflict-of-interests statutes. It is quite possible that a strong case could be made in the courtroom on a charge that he has also violated the letter of the law if we had a Department of Justice which was interested in ferreting out malfeasance in office. I think there would be a strong possibility of convicting him for actual violation of the law itself because it certainly was the intention of Congress when the conflict-of-interests statutes were passed to outlaw acts by officials of Government by which they seek to use their positions for private financial gain. I think it is most unfortunate that the chief law enforcement officer of the Government, the Attorney General of the United States, has for about 6 months been aware of what the Mulligan partnership, of which Mr. Talbott is a member, has been doing. The record is perfectly clear before the committee that the legal counsel for the Air Force, Mr. Johnson, submitted a memorandum opinion to the Attorney General of the United States, in which opinion the attorney for the Air Force tried to give legal clearance to Mr. Talbott's conduct. He did not receive an official written reply from the Attorney General. The record seems to be that at some social function, the Attorney General in an informal conversation refused to give an official opinion on the Talbott affair with RCA because he thought the request of the Air Force attorney amounted to a request that he give a legal opinion for the benefit of a private corporation.

I think the Attorney General was wrong on that, too. The attorney for the Air Force in his memorandum opinion served clear notice on the Attorney General of the United States as to what the situation was between Talbott and RCA. In my judgment the Attorney General of the United States owed it to the President to do two things: First, to advise the Secretary of the Air Force as to the malfeasance of such course of action on his part; and secondly, to advise the President that the Secretary of the Air Force was violating at least the spirit and intent of the conflict of interests statute if not their letter. But the Attorney General did not do it. The President is entitled to better legal protection from his Attorney General.

The Talbott conduct in this case, his offer to resign from the Mulligan partnership, and his promises that he will not be a bad boy anymore do not ring true with me. I cannot get away from the fact that in World War I days he was the president of a corporation which also became involved in charges of conflict of interest. In that case, although subsequently Colonel Deeds was cleared, nevertheless, the great Charles Evans Hughes wrote a very critical report on the conduct of the company in that messy affair, and it did not reflect credit on the company of which Talbott was then president.

The CONGRESSIONAL RECORD will show that in my opposition to Talbott's nomination in the first instance I reviewed the record of the Talbott Co. in World War I. I think it is interesting that, having had that experience with the conflict of interests statute in World War I Talbott would come even as close as the distance between here and the North Pole to a course of conduct which fell within the same pattern of offense.

Talbott reminds me of the little juvenile delinquent who, in the middle of the night, was caught in his uncle's bedroom with a hand in his uncle's trousers pocket, about to steal his uncle's wallet. The uncle awoke and detected the situation, and was about to give the young juvenile delinquent the horse-whipping he had coming when a very overindulgent and patronizing, but misguided, father rushed into the room to try to persuade the uncle not to administer the punishment which should have been administered. The father and the boy made the promise that if the uncle would desist the boy would not enter the room again. In effect that is what Secretary Talbott is saying now in a belated attempt to escape the deserved consequences of his misuse of his office.

Uncle Sam in this Talbott instance ought to be protected from the kind of pocket-picking practices that I say Mr. Talbott's conduct adds up to.

Let us look at the record. There is no denying the fact that he used his position as a member of his partnership to write letters on partnership business to various companies in this country on the Air Force letterhead. When he did that, no matter what he wants to testify to now was his subjective attitude, the objective effect of it was to serve clear notice upon the recipients of those letters that the Secretary of the Air Force was a partner in the Mulligan partnership. The record is also perfectly clear that Mr. Mulligan, his partner—although Mr. Talbott testified that he himself had very little time to devote to the partnership business—had not been loafing in respect to soliciting business. He has been out working in the interest of the partnership to the tune of making a profit of $132,000 in 2 years, for the benefit of the Secretary of the Air Force. The record is clear that Mr. Talbott has been the beneficiary of this amount of profit as the result of the solicitation of business by his partnership.

What has Mr. Mulligan been doing? He has been calling upon business houses in the country who are interested in Government contracts, seeking to get them to hire the Muligan-Talbott partnership to do the personnel-efficiency study work for them.

Is there anyone so naive as not to take judicial notice of the fact that Mr. Mulligan did not hesitate to make clear to prospective clients who are at the head of companies which are interested in contracts with the Federal Government, that Mr. Talbott was his partner? A person does not have to be hit on the head to have an idea impressed upon him that signing a Mulligan contract would not displease the Secretary of the Air Force. The very fact that Mr. Mulligan was soliciting business for the partnership, the very fact that Talbott was a partner, and the very fact that the attention of these companies was called to the fact that Talbott was a partner, was all that needed to be done to at least hint that it might be wise to sign up with Mulligan.

I say that Mulligan's and Talbott's tactics in soliciting business constituted a very subtle but very effective way to bring to bear some undue influence on these corporation heads. It constituted an unethical business practice.

In my judgment, it was a shocking betrayal of a public trust on the part of the Secretary of the Air Force. I do not know what we are waiting for. I do not know why anyone needs a report from any committee on the matter. We have the public confession and the self-conviction of Mr. Talbott that he was using his office for his own selfish gain.

As I said on the floor the other day, I do not know what the President is waiting for. I completely agree with the editorial which appeared in this morning's Washington Post and Times Herald. It is entitled "Uncompromising Code." I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

UNCOMPROMISING CODE

While the President reserved judgment on the Talbott case when he was asked about it at his news conference yesterday, the general impression was that Mr. Talbott's days on the team are numbered. The President observed rather pointedly that a man is not suited for public office just because he has done nothing illegal; his actions must be impeccable from the standpoint of ethics as well as law. This is an exacting standard. Mr. Talbott has not met it.

Nevertheless, it is a standard to which President Eisenhower subscribed repeatedly during the election campaign of 1952 and to which no one can have any doubt that he adheres today. "I pledge a restoration of integrity and competence in our National Government," he declared during the campaign. "The new administration will not tolerate any deviation from an uncompromising code of honesty and ethics in Government service." This theme was sounded over and over again in Mr. Eisenhower's attack on "the mess in Washington." "How can there be any fear that I will use only 'a lick and a promise' methods in cleaning out corruption in Washington," he said at another point, "when I have so often and so emphatically pledged a 'top to bottom cleanout'?"

In the light of these statements of the past and present, we cannot help feeling that Mr. Talbott made a mistake in resigning his partnership in the Paul B. Mulligan Co. The job which he must quit is the Secretaryship of the Air Force. His failure to recognize this is in itself a demonstration of his unfitness. He has an obligation to resign, if for no other reason, out of loyalty to the President who appointed him and to whom his continuance in office is an inescapable embarrassment. But the saddest thing about Mr. Talbott's case is that even now he seems to have no awareness that there was any impropriety in his conduct. An "uncompromising code" of ethics in Government service demands greater sensitivity on the part of public officials.

Mr. MORSE. The Washington Post and Times Herald has given the answer to the Talbott scandal. It is impossible to compromise with political morality and ethics in government service and have clean government.

The fact is that Mr. Talbott has been compromising with ethics and political morality as a public servant.

Now it is suggested to give him another chance. It is proposed in effect to put him on probation. He has had plenty of chances. He should have learned his lesson in 1917. In my judgment, his implication in that mess was so bad he should never have been confirmed by the Senate when he was nominated. I shall always be proud that I was 1 of the 6 Members of the Senate who spoke against and voted against his confirmation.

Anyone who wishes to do so, may gloss over what has happened and can insist that Talbott has not violated the law. I do not admit that. I would like to see that question determined in the courtroom, because in my judgment the conflict-of-interest statute was enacted to prevent the kind of public betrayal of a public trust of which Talbott is guilty.

Mr. President, it does not make any difference to me whether it is a Democratic or a Republican administration. All of us in the Senate, irrespective of party, owe it to the American people to make sure that the highest standards of ethics and morality in public office are maintained.

When we have the record that has already been made by Talbott himself by his own testimony, to say nothing about the statements made by his partner as to what he has been doing, namely, soliciting and drumming up business for the partnership from companies which have been doing business with the Government, we ought to make very clear to the administration that Talbott should be removed from office forthwith.

Mr. MORSE subsequently said: Mr. President, I ask unanimous consent to have printed in the body of the RECORD following the remarks I made earlier this afternoon on the Talbott matter an editorial which appeared in the New York Post of July 27, 1955.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE MESS IN WASHINGTON—III

When Harold E. Talbott was named Secretary of the Air Force in return for his valiant service as a fund raiser in the GOP crusade of 1952, he had to make some promises to get confirmed by the Senate.

He promised the Senate Armed Services Committee that his New York engineering firm, Paul B. Mulligan & Co., would not do any business with aircraft manufacturers.

But the company certainly did do business with aircraft manufacturers, lots of it.

He promised to set up a special partnership arrangement so that if his company happened to do business with defense contractors of any kind he would not share in the cash profits.

But he never did that either.

Mulligan coined satchels full of money doing efficiency studies for defense contractors (sometimes through connections made by the Secretary of the Air Force) and Talbott took down $131,032 in the past 2 years as his share of the proceeds.

Thus Talbott would appear to be somewhat casual about keeping promises that might affect his purse.

Beyond these sour notes, the current Senate investigation raises an even deeper question going to the veracity of the man who heads the Nation's Air Force.

Talbott told the Senators last week that his company's contract with the Avco Manufacturing Co., a big Air Force contractor, only covered a division not involved in defense work.

But on Monday the files turned up an old letter from Mulligan to Talbott which plainly said that their arrangement with Avco covered all the defense contractor's divisions, not just one.

Talbott told the Senators last week that he didn't remember putting any heat on RCA for refusing to renew a contract with his company on the grounds of impropriety. Later he said he did talk to RCA but he didn't remember turning on any pressure.

But on Monday an RCA attorney swore that Talbott not only demanded that RCA renew its contract with his company but even called on the Air Force's own counsel to back him on the issue of whether it was proper or improper for defense contractor RCA to spend money with the Talbott-Mulligan outfit.

Harold Talbott is an excellent bridge player. He is so good he plays the game with President Eisenhower. And bridge calls for a sharp memory; you have to remember what cards have been played.

Our guess is that the man in the White House must be wondering how his friend Talbott's otherwise fine memory failed him when he testified about the Avco and RCA shenanigans, among other curious items.

The President may even be wondering how Talbott forgot the promises he made to the Senate Armed Services Committee in 1953.

The President may even be wondering about his Attorney General, Herbert Brownell. Mr. Brownell is supposed to enforce the "conflict of interest" law, which Congress passed to keep Government officials from lining their pockets through outside business activities. But Mr. Brownell knew all about Talbott's lush sideline at least since last January—and maybe before, since they're old buddies—and didn't do a thing about it.

But to get back to Talbott himself, we are only wondering what the President is waiting for. It may be all right for him to go on playing bridge with Harold Talbott but how long can he let him stay in Republican Washington as Secretary of the Air Force?

EXTENSION OF SMALL BUSINESS ADMINISTRATION

Mr. CLEMENTS. Mr. President, I am about to move that the Senate proceed to the consideration of executive business.

Mr. CAPEHART. Mr. President, will the Senator withhold his motion for a moment, and yield to me in order that I may invite the attention of Senators to an important situation?

Mr. CLEMENTS. I yield for that purpose.

Mr. CAPEHART. On June 6 the Senate sent to the House Senate bill 2127, a bill to amend the Small Business Act of 1953. That was more than a month ago. It is my understanding that the House Rules Committee refuses to give a rule on that proposed legislation. So, as matters stand at the moment, there will be no extension of the Small Business Administration.

The Democrats control the House, and the Democrats control the Rules Committee. There are 8 Democrats and 4 Republicans on the committee. I am certain they do not want Congress to adjourn without doing something to extend the life of the Small Business Administration. I am certain they do not want the Small Business Administration to go out of existence. I say that because I have stood on the floor of the Senate for 11 years and have listened to my good friends on the other side of the aisle talk about small business and about how much they would like to help small business. I have always wanted to help small business, and I still want to help it. My reason for speaking now is that I want to help small business. I do not want the Small Business Administration to go out of existence.

Mr. CLEMENTS. Mr. President, will the Senator yield to me, who yielded to him in the first instance?

Mr. CAPEHART. I am appealing to the Democrats in the Senate, to the Democrats in the House, and to the leadership in the House, to take some action to prevent the Small Business Administration from passing out of existence. That is what will happen unless something is done about it.

Mr. CLEMENTS. I may say to my good friend from Indiana that I will not get into any argument with him on the responsibility of the leadership of the House, and the manner in which it has carried out its responsibility. That applies also to the Rules Committee of the other body. During the day it has been my privilege to discuss the matter with certain Members of the House, and I believe the proper time for the Senator to make his statement as to what has been done will be on the day on which Congress adjourns.

Mr. CAPEHART. I disagree with the able Senator from Kentucky, because that will be too late.

Mr. CLEMENTS. Let me say to the Senator from Indiana that if no action is taken, the leadership will be subject to some very severe criticism. I have been trying to have some action taken.

Mr. CAPEHART. I know the able Senator has been trying to secure some action. I know how he feels about this subject. We have discussed it. I know that, as acting majority leader of the Senate, he wants to get some action. However, we are not getting any action now, and there is the possibility that the Small Business Administration will go out of existence. I am pleading with every Senator on the floor not to let that happen. All of us want to help small business in America, and we should not permit the House to bottle up this proposed legislation.

Mr. CLEMENTS. I will not suggest to the Senator that I can look into a crystal ball and see what will happen; but I have much more confidence in the success of small-business legislation than the Senator seems to have.

Mr. CAPEHART. I hope the Senator from Kentucky is right. I call the matter to the attention of the Senate because the situation is very serious. I cannot conceive that Congress will adjourn without saving the life of the Small Business Administration. I cannot conceive of such a thing happening. However, that is the prospect we face at the moment. I plead with all Senators to do something about it. I plead with the acting majority leader to do something, and I know he will.

Mr. CLEMENTS. I have already stated that it is not a question of my doing something about it. I have been trying to do something about it.

Mr. CAPEHART. I know the able Senator is trying to do something about it. I plead with all Members of the Senate and with the acting majority leader to do something. We must do something about it.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. CLEMENTS. I yield to the Senator from Alabama, but I ask him to be brief in his statement.

Mr. SPARKMAN. I will be brief. I have listened with great interest to the statement of the Senator from Indiana about the House Rules Committee. I was particularly interested in his comment that the Democrats were in control of the Rules Committee of the House. It is true that there are 8 Democrats and 4 Republicans on the committee. I do not know whether what the Senator has said is correct with respect to the motion to grant a rule on the Small Business Administration bill. However, when the housing bill was before the committee 6 Democrats voted to grant a rule, 2 Democrats voted against it, and all Republicans on the committee voted against it.

My guess is that a similar situation exists in connection with the Small Business Administration bill. Therefore I say to the distinguished Senator from Indiana that if he wants the small-business legislation to be granted a rule by the Rules Committee, he should get one Republican to join with the Democrats on the committee, and a rule will be granted.

Mr. CAPEHART. Isn't that interesting?

Mr. SPARKMAN. Truly it is.

Mr. CAPEHART. We have been talking about small business, and the Senator has switched the discussion to housing. The Rules Committee consists of 8 Democrats and 4 Republicans, and the committee is holding up the passage of the proposed legislation. Something will have to be done about it. I do not know about the housing situation. I was not talking about housing. I was talking about small business. I plead with all Senators to do something about it, because the situation is serious.

Mr. CLEMENTS. I repeat to my friend that it has been the desire of the acting majority leader that both pieces of legislation which have been discussed be acted upon at this session of Con-

gress. I have taken such steps as I believe will help to bring that about.

Mr. CAPEHART. I hope the Senator will be successful.

EXECUTIVE SESSION

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HOLLAND in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. WELKER, from the Committee on the Judiciary:

Franklin P. R. Rittenhouse, of Nevada, to be United States attorney for the district of Nevada, vice Madison B. Graves, resigning.

By Mr. O'MAHONEY, from the Committee on the Judiciary:

Mary H. Donlon, of New York, to be judge of the United States Customs Court, vice Genevieve R. Cline, retired;

John W. McIlvaine, of Pennsylvania, to be United States district judge for the western district of Pennsylvania;

Francis L. Van Dusen, of Pennsylvania, to be United States district judge for the eastern district of Pennsylvania, vice Guy K. Bard, resigned; and

Herbert P. Sorg, of Pennsylvania, to be United States district judge for the western district of Pennsylvania.

By Mr. STENNIS, from the Committee on Armed Services:

Brig. Gen. Wayne Russell Allen, and sundry other officers, for promotion as Reserve commissioned officers of the Army; and

John P. Agnew, and sundry other officers, for promotion in the Regular Army of the United States.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the nominations on the Executive Calendar beginning with the nominations under United Nations.

The PRESIDING OFFICER. Without objection, the clerk will state the nominations, beginning with those relating to the United Nations.

UNITED NATIONS

The legislative clerk read the nomination of Henry Cabot Lodge, Jr., to be a representative of the United States of America to the 10th session of the General Assembly of the United Nations, to serve no longer than December 31, 1955.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. CLEMENTS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

BROOKS HAYS

The legislative clerk read the nomination of BROOKS HAYS to be a representative of the United States of America to the 10th session of the General Assembly of the United Nations, to serve no longer than December 31, 1955.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. FULBRIGHT. Mr. President, I should like to say just a few words about this nominee.

As one who has known the Honorable BROOKS HAYS intimately for many years, I wish to make a brief statement in support of his nomination to be a representative to the 10th session of the General Assembly of the United Nations, which is scheduled to be held in New York beginning September 20, 1955.

BROOKS HAYS is well and favorably known by so many Senators that it is hardly necessary for me to say that he is exceptionally well qualified for the United Nations assignment. Few of our representatives to the United Nations have been as well equipped as BROOKS HAYS, not only in knowledge of foreign relations, but also through his personal qualities, which include a strong adherence to basic principles, coupled with tolerance and patience in his dealings with persons of diverse viewpoints. BROOKS HAYS is truly a man of good will.

BROOKS HAYS is a native of Arkansas, and has represented the Fifth District of our State in the Congress since 1943. It happened that I was sworn in as a Member of the House in the same class with BROOKS HAYS, and we shared many trials and tribulations in our first terms in the Congress.

The public career of BROOKS HAYS is almost a legend in Arkansas. At the age of 29 he sought the Democratic nomination for Governor and, running against a closely knit State organization, finished second. Against great odds he was later defeated a second time in his campaign for the nomination for Governor, and once for Congressman, but contrary to the usual experience of a person who suffers successive defeats for public office, BROOKS continued to receive widespread and enthusiastic support. He was elected twice as Democratic National Committeeman, and in 1942 was elected to the House.

Members of the Senate know of Representative HAYS' effective work as a leading Member of the other body. I consider his leadership in building a bipartisan foreign policy as particularly noteworthy, because this approach is so important to the continued usefulness and effectiveness of the United Nations.

BROOKS HAYS is a well-known churchman, and at the present time is chairman of the Christian Life Commission of the Southern Baptist Convention, which has a total membership of 9 million persons. The Christian Life Commission has devoted much attention to the problems of world peace, and I know that the members of this leading religious organization who have worked with Congressman HAYS have great confidence in his ability to serve in the General Assembly with credit not only to his State and Nation, but also to the great religious organization to which he belongs.

It has given me great pleasure, therefore, to be able to support the nomination, and I am glad it has been confirmed.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the remaining nominations in the United Nations be considered and agreed to en bloc.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

Mr. GEORGE. Mr. President, I merely wish to make a brief statement. The appointments to the United Nations have been most carefully considered by the committee. I am very pleased to say, as anyone can see from a glance at the names, that a truly bipartisan spirit has been observed in the appointment of these responsible representatives to the United Nations.

The PRESIDING OFFICER. Without objection, the other nominations to the United Nations are confirmed en bloc.

DEPARTMENT OF STATE—FRANCIS O. WILCOX

The chief clerk read the nomination of Francis O. Wilcox, of Iowa, to be an Assistant Secretary of State.

Mr. GEORGE. Mr. President, before the nomination is confirmed, I merely wish to say that since the time the late Arthur Vandenberg became chairman of the Senate Foreign Relations Committee, through the administration of the affairs of that committee by Senator Connally as chairman, through the administration of the affairs of that committee by the distinguished Senator from Wisconsin [Mr. WILEY] and during the time I have had the honor of presiding over the committee, Mr. Wilcox has been the most efficient chief of staff of that committee. The committee regrets very much to lose him, and has resisted for some time the wishes of the State Department and the President to advance him, but we felt that the time had come when we could no longer stand in his way for preferment because of this dignified recognition of his great value as the chief of staff of the Senate Foreign Relations Committee. Without exception, members of that committee on both sides of the aisle regret exceedingly that we shall not have his services after this session as the chief of staff of that very important committee.

Mr. KNOWLAND. Mr. President, both as a member of the Foreign Relations Committee who has served under the able chairmanship of the distinguished Senator from Georgia [Mr. GEORGE], and as minority leader of the Senate, I wish to join with the Senator from Georgia in paying tribute to the

very fine work which Dr. Francis Wilcox has done in his capacity as chief of staff of the Foreign Relations Committee.

Members on both sides of the table of that committee have received not only helpful advice, attention, and service from Dr. Wilcox, but he has been willing and able at all times to go over and beyond the normal call of duty to serve the members of the Foreign Relations Committee.

I am glad to join with the chairman of the committee in expressing regrets at his leaving, but extending to him our best wishes for his future success in the Department of State.

Mr. SMITH of New Jersey. Mr. President, I am very happy to join with the distinguished Senator from Georgia and our minority leader in paying tribute to Dr. Wilcox.

I have been a member of the Foreign Relations Committee for 8 years, and during all that time Fran has been serving as chief of staff. I have had the privilege of traveling around the world with him, visiting our embassies in the Far East. There is no man better qualified, in my judgment, for the new duties he is about to undertake than is Francis Wilcox. He was our right-hand man at the United Nations Assembly last year, when I had the honor of being a delegate. He knows the situation perfectly.

I join with my colleagues in expressing regret in losing our strong right arm on the Foreign Relations Committee, but the Department of State and the country are gaining the services of one of the ablest men I know of in the field of international affairs.

Mr. FULBRIGHT. Mr. President, I wish to associate myself with the remarks of my colleague, the distinguished chairman of the Foreign Relations Committee, and the other members, concerning Mr. Wilcox. I have known him for a number of years, and have the very highest regard for his capacity. We shall miss him very much on our committee. He is extremely well trained, and has made a great contribution to the committee. The only thing which reconciles me in connection with his appointment is the knowledge that the State Department will have a man of such great talents.

Mr. HUMPHREY. Mr. President, I am happy to associate myself with the remarks of the distinguished chairman of the Foreign Relations Committee, the minority leader, and my other colleagues, in support of the nomination of Dr. Francis Wilcox to be one of the Assistant Secretaries of State.

Dr. Wilcox is a great scholar in the field of international affairs. He has served faithfully on the Foreign Relations Committee, and that faithful service has been extended to both Republican and Democratic chairmen and to Members on both sides of the aisle, on all occasions.

I think it is a compliment to Dr. Wilcox that he has been appointed to such an honored position, but I cannot help feeling that it is a compliment to the State Department and to the Senate. In Dr. Wilcox the State Department will have in its service a very capable man, and I think this will bring about a better relationship and understanding between the Department and the Congress. I am sure Dr. Wilcox is on the road to even greater success and greater achievement, and it is for that reason that I wish to vote for the confirmation of his nomination.

Mr. MORSE. Mr. President, I wish to join with my colleagues in paying tribute to Dr. Wilcox. He is a keen student and scholar in connection with foreign affairs. The best evidence I can give of my high regard for him is that a few weeks ago the president of one of the large American universities conferred with me concerning recommendations for a chair of foreign affairs on the faculty of his university, and Dr. Francis Wilcox was my first choice among the men I recommended for the position.

I agree with the Senator from Minnesota that with Dr. Wilcox in his new position in the State Department the relationship between the Foreign Relations Committee and the State Department will be greatly strengthened because of his understanding of the international problems which confront the Congress and the Nation.

Mr. WILEY. Mr. President, I should like to say a word concerning the nomination of the very efficient chief of staff of the Foreign Relations Committee. It was my privilege to have him as chief of staff when I was chairman of the Foreign Relations Committee. He had served previously under Senator Vandenberg when he was chairman of that committee, also under Senator Connally when he was chairman, and he has been serving as chief of staff for the present chairman. He probably has served as chief of staff of that committee for the longest period of any man in the history of the country. His service has been on a nonpolitical basis.

As a result, Mr. President, the committee adopted a resolution in relation to the services which Dr. Wilcox has rendered. I ask that the resolution be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas Francis O. Wilcox has been the chief of staff of the Committee on Foreign Relations of the United States Senate from 1947 until the present; and

Whereas Francis Wilcox has served the committee faithfully and well under the chairmanships of Senator Althur H. Vandenberg, Senator Tom Connally, Senator Alexander Wiley, and Senator Walter F. George; and

Whereas during his years of service Francis Wilcox by his example and his efforts encouraged the development and maintenance of a bipartisan foreign policy; and

Whereas Francis Wilcox through his unflagging devotion to the committee and its work, has facilitated the approval by the committee and the Senate of such important measures as the peace treaties with Italy, Bulgaria, Hungary, and Rumania, the Greek-Turkish Aid Act, the Economic Cooperation Act, the North Atlantic Treaty, the Rio Treaty, the Mutual Defense Assistance Act, the Japanese Peace Treaty, and the related security treaties with the Philippines, Australia, and New Zealand, the Republic of Korea, and the Republic of China, the Southeast Asia Collective Defense Treaty, the treaties and agreements relating to the German settlement, the Austrian State Treaty, and numerous measures relating to the United Nations and its activities; and

Whereas the Committee on Foreign Relations has been benefited and enriched immeasurably by the conscientious work and wise counsel of Francis Wilcox; and

Whereas Francis Wilcox has at all times served the best interests of the committee, the Senate, and the United States; and

Whereas Francis Wilcox has been nominated by the President of the United States to serve as Assistant Secretary of State for International Organization Affairs; and

Whereas Francis Wilcox's services will be sorely missed by the Committee on Foreign Relations and its members and staff: Now, therefore, be it

Resolved, That the Committee on Foreign Relations express its deepest, most heartfelt gratitude to Francis O. Wilcox for his many years of unfailing service and for his devotion to the committee; and be it further

Resolved, That the Committee on Foreign Relations express its very best wishes for Francis Wilcox's success and happiness in his future position.

Mr. MANSFIELD. Mr. President, I join in expressions of the distinguished Chairman of the Committee on Foreign Relations and the other members of the committee and of the Senate in regard to the nomination of Mr. Francis O. Wilcox, chief of staff of the Committee on Foreign Relations, to be Assistant Secretary of State.

It is with regret that we all see him leave the Committee on Foreign Relations. We hope the position he is assuming will be a promotion, although some of us doubt that it will be a promotion. However, the salary is greater, and I am certain that is quite a consideration. It is true that the responsibilities of his new position will be greater, too.

We wish him the best of luck. We know that Dr. Wilcox will become an outstanding Assistant Secretary of State, and that in his hands the affairs of this country will be ably dealt with.

Mr. JACKSON. Mr. President, I, too, wish to pay tribute to Dr. Wilcox. As one who is not a member of the Committee on Foreign Relations, but who is interested in various matters before the committee, I have always found Dr. Wilcox more than willing to be of assistance.

He goes to the Department of State with invaluable experience. I am certain that he will make the kind of contribution to the work of that Department of which we will all be proud.

Mr. BARKLEY. Mr. President, I would not want this moment to pass without saying a word about Dr. Wilcox. He became a member of the staff of the Committee on Foreign Relations when I was previously a member of that committee. When he came to the staff, I did not know whether he was a Democrat or a Republican, and I do not know now, because in his service to that committee, and to the country through that committee, has been thoroughly nonpartisan and bipartisan.

When I returned to the Senate in January and was assigned to the Committee

on Foreign Relations, I was very glad to find that Dr. Wilcox was still a member of the staff, and was then the chief of staff.

I congratulate not only Dr. Wilcox, but also the State Department, upon his appointment to this assignment. I am certain that in the State Department he will render the same type of outstanding service, without regard to politics, geography, or any other superficial relationship, which he has rendered to the Committee on Foreign Relations and to the United States Senate.

I hope that by his transfer to the State Department the Senate will not entirely lose the services of this outstanding public servant.

I congratulate Dr. Wilcox and the State Department upon his advancement; and I commiserate with the Senate and the Committee on Foreign Relations upon his loss.

Mr. HICKENLOOPER. Mr. President, I regret that I was unable to come to the Senate floor until a few minutes ago. I do not wish to be belated in my expression of pleasure at the appointment and upon the confirmation of the nomination of Dr. Francis O. Wilcox to the position of Assistant Secretary of State in charge of United Nations Affairs.

I have known Dr. Wilcox for a number of years. As has been pointed out, he became chief of staff of the Committee on Foreign Relations in 1947. He was the first chief of staff under the Reorganization Act.

I feel especially proud of this nomination because Dr. Wilcox comes from my home State of Iowa, and, in his earlier years, was a graduate of the University of Iowa. He comes from a typical and vigorous small Iowa community. Dr. Wilcox is a small-town boy. I say this with a great deal of pride, because I come from a town in Iowa which is smaller than that from which Dr. Wilcox comes.

Dr. Wilcox, in his approach to international problems and with his fine educational and other qualifications, has brought to public office the high moral and ethical standards which are so characteristic of the products of the soil of small communities and, I may add with justifiable pride, of the Midwest.

I have known Dr. Wilcox for a number of years, and I know members of his family in my State.

I believe it was the junior Senator from Kentucky [Mr. BARKLEY] who said that when Dr. Wilcox came to the Committee on Foreign Relations, the Senator did not know what his politics were. It is true that Dr. Wilcox came to the committee when the late Senator Arthur Vandenberg was chairman of that committee. Dr. Wilcox and I are fellow Iowans. We both were graduated from the same university. I have served with him on the Committee of Foreign Relations since 1948, and I still do not know to what political party he belongs because I have never been politically minded to such an extent as to inquire what his partisan politics may be. I can say honestly that he has never disclosed them to me, voluntarily or involuntarily, and I have never inquired of him. It is sufficient to say that in his service to the committee he has acted not only without partisanship, but also in such a manner as to serve Democrats and Republicans with complete impartiality and intelligent assistance.

I believe he will be a great asset to the State Department, as he has been a great asset to the Committee on Foreign Relations. His intelligence, his research ability, and his calm, impartial approach to the public matters which came within his province are well known to all who know him personally and to all who know him by reputation.

I congratulate Dr. Wilcox upon moving up the ladder in international affairs, which has been his forte in his academic and political life.

By the same token, I congratulate the State Department and the people of the United States first, in acquiring his services; and second, in retaining them, and upon the good judgment which has been shown in promoting him to more important and responsible duties.

In Iowa, we are proud of Francis Wilcox.

Mr. GREEN. Mr. President, I have listened with sympathetic interest to the tributes which have been paid by the Members of the Foreign Relations Committee and others of my colleagues to Dr. Wilcox. I agree with all they have said about him. He has been an admirable chief of staff.

I regarded him as a valuable counsellor on all matters relating to foreign relations which came before the committee. I have also felt that in him I had a good friend. His advice has been given not only out of wisdom, but out of friendly interest.

So all I can say is that I agree with all my colleagues have said, and more.

Mr. CAPEHART. Mr. President, as a member of the Committee on Foreign Relations, I wish to say that Francis Wilcox is a sincere, conscientious, likeable, fine gentleman. I am delighted to know that he has been promoted. I am sure he will do a good job, not only in his new position, but in any position to which he may be assigned.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

SECURITIES AND EXCHANGE COMMISSION

The legislative clerk read the nomination of Harold C. Patterson, of Virginia, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1960.

Mr. CLEMENTS. Mr. President, I ask that the nomination go over.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

UNITED STATES DISTRICT JUDGE

The legislative clerk read the nomination of Joe Ewing Estes, of Texas, to be United States district judge for the northern district of Texas.

Mr. DANIEL. Mr. President, I simply wish to say that Joe Estes is an outstanding lawyer, and he will make an excellent United States district judge for the northern district of Texas. I highly recommend to the Senate the confirmation of his nomination.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the nomination of Robert F. Haurigan, to be postmaster at Custer, Mont., go over, and that all the other nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nomination of Robert F. Haurigan will go over, and the other nominations of postmasters are confirmed en bloc.

Mr. CLEMENTS. Mr. President, I ask that the President be notified immediately of the nominations today confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. CLEMENTS. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

ORDER FOR CONSIDERATION OF LEGISLATIVE APPROPRIATION BILL TOMORROW

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the legislative appropriation bill, which was reported to the Senate today, may be considered at any time tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR THE SECRETARY TO RECEIVE MESSAGES DURING ADJOURNMENT AND FOR THE VICE PRESIDENT AND PRESIDENT PRO TEMPORE TO SIGN ENROLLED BILLS

Mr. CLEMENTS. Mr. President, I ask unanimous consent that during the adjournment following today's session the Secretary be authorized to receive messages from the House of Representatives, and that the Vice President and the President pro tempore be authorized to sign enrolled bills or joint resolutions duly passed by the two Houses.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. CLEMENTS. Mr. President, before making a motion, I should like to ask my friend the Senator from Wisconsin [Mr. MCCARTHY] a question, and tell him what the situation is, as I understand it. Under the previous order, the call of the calendar is the next order of business. Is that correct, Mr. President?

The PRESIDING OFFICER. The Senator is correct.

Mr. CLEMENTS. I should like to ask the Senator from Wisconsin if we may have a little understanding as to the time he contemplates occupying in connection with the matter he desires to present to the Senate, in order to determine whether the Senate ought to go ahead with the call of the calendar or whether it should waive temporarily the call of the calendar.

Mr. McCARTHY. Mr. President, at the most, I should say I would take 10 minutes.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the Senator from Wisconsin may have 10 minutes to address the Senate.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. Mr. President, reserving the right to object, I should like to ask whether the Senator from Wisconsin is not entitled to the floor in his own right without having to have unanimous consent.

The PRESIDING OFFICER. The Senator from Oregon perhaps is not advised that there is already a unanimous-consent order that at the termination of action on the railroad retirement bill the calendar of bills to which there is no objection is to be called. Under the rule, an executive session could be had ahead of the call of the calendar, but no other business may be transacted except by unanimous consent.

Mr. MORSE. I raised the point for information, because I was not aware of the unanimous-consent order. Ordinarily I would not agree to such a unanimous-consent request, because I think, even though we may be in the closing days of the session, a Senator's right to the floor must be protected. However, in view of the unanimous-consent order, I shall not object.

PAY INCREASES FOR CERTAIN GOVERNMENT PERSONNEL

Mr. MAGNUSON. Mr. President, I had intended to call the Committee on Interstate and Foreign Commerce together to act on a bill introduced by myself yesterday which involves pay raises for members of Government agencies or commissions, such as the Federal Communications Commission, the Interstate Commerce Commission, the Civil Aeronautics Board, and the many other commissions under the jurisdiction of the Committee on Interstate and Foreign Commerce.

Pay raises have been enacted, not only for Members of Congress, but all the way down to District of Columbia personnel. Some 140 commissioners have been left out of all the bills. The House has passed a bill on the same subject, but I understand from the Senator from South Carolina [Mr. JOHNSTON] that the personnel of the commissions are included in a bill reported by his committee. Therefore it would not be necessary to have the matter taken up by the Interstate and Foreign Commerce Committee.

Mr. JOHNSTON of South Carolina. The Senator is correct.

Mr. MAGNUSON. I also understand that there is concern on the part of the personnel of the agencies referred to because Congress is in the closing days of the session. I understand it is highly probable that the House bill, which passed yesterday, and the Senate bill, will be acted on at this session, so that pay raises may go into effect for some 140 very able and hard-working members of commissions. Is that correct?

Mr. JOHNSTON of South Carolina. Not anything is certain when it is in the legislative mill, but I think the result the Senator has predicted is as nearly certain as it can be.

Mr. McCARTHY obtained the floor.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

ACCESSIBILITY OF STRATEGIC AND CRITICAL MATERIALS TO THE UNITED STATES IN TIME OF WAR AND FOR OUR EXPANDING ECONOMY (S. DOC. NO. 83)

Mr. MALONE. Mr. President, I submit a report pursuant to Senate Resolution 271 of the 83d Congress on the accessibility and availability of the critical materials to this Nation in time of war and for our peacetime economy and security.

SUPPLEMENT TO SENATE REPORT 1627

Mr. President, the report is in the nature of a supplement to Senate Report 1627, submitted to the Senate July 9, 1954.

SENATE RESOLUTION 271

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks Senate Resolution 271, continuing the investigation begun under Senate Resolution 143, 1953, under which Senate Report No. 1627 was prepared and published.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Resolved, That the Senate Committee on Interior and Insular Affairs, or any duly authorized subcommittee thereof, is authorized and directed (1) to (continue) investigate and study the accessibility of critical raw materials to the United States in time of war and for the expanding economy in time of peace; (2) to make a full and complete investigation and study of new developments and discovery of materials including synthetics which may be used as substitutes and replacements of critical materials, and further to study the progress of research programs, pilot-plant operations, processing and beneficiating methods of critical materials and minerals including fuels; (3) to make a full and complete investigation and study of the best means, methods, and devices to foster the greatest measure of self-sufficiency of critical materials that can be produced within the United States and the Western Hemisphere and to expand and develop the strategic materials industry; (4) to make a full and complete investigation, and study the status of the stockpile program, its goals, methods, and amounts of acquisition, storage, warehousing, and rotation programs; (5) to make a full and complete investigation and study the available fuel reserves of the United States and the Government regulations affecting such resources and to formulate and recommend a national fuel policy to assure maximum availability to meet the needs of the peacetime economy and for the national security in time of war; and (6) to report to the Senate at the earliest possible date, not later than January 31, 1955, the results of its investigation and study, together with its recommendations.

Mr. MALONE. Mr. President, I also ask unanimous consent to have printed in the RECORD as a part of my remarks the order of the Senate publishing the report, as a Senate document, of the Minerals, Materials, and Fuels Economic Subcommittee of the Committee on Interior and Insular Affairs.

There being no objection, the order was ordered to be printed in the RECORD, as follows:

REPORT OF SUBCOMMITTEE ON MINERALS, MATERIALS, AND FUELS OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. MALONE. Mr. President, I ask unanimous consent that the report of the Subcommittee on Minerals, Materials, and Fuels of the Committee on Interior and Insular Affairs be printed as a Senate document as of January 4, 1955.

The PRESIDENT pro tempore. Without objection, it is so ordered.

WESTERN HEMISPHERE SELF-SUFFICIENT—CAN BE DEFENDED—APPROACH TO AN INVESTMENT CLIMATE

Mr. MALONE. Mr. President, Senate Report No. 1627 showed that the Western Hemisphere could be made self-sufficient in the production of the critical materials necessary to fight a war or live in peace, and that it can be defended.

The report submitted today describes the economic structures of the 24 nations of the Western Hemisphere and their approach to an investment climate.

I ask unanimous consent that the report be printed as a Senate document.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Neveda? The Chair hears none, and it is so ordered.

THE GENEVA NEGOTIATIONS AND THE PARTICIPATION OF FREE CHINA IN CERTAIN NEGOTIATIONS

Mr. McCARTHY obtained the floor.

The PRESIDING OFFICER. The Secretary has called the attention of the Chair to the fact that the unanimous-consent request submitted by the Senator from Kentucky has not been agreed to. It is now granted. The Chair appreciates that fact, because the Chair had asked the Senator from Wisconsin to defer a while ago until certain tributes which were being paid at that time could be concluded.

Mr. McCARTHY. Mr. President, the administration's program for appeasing the Chinese Communists at the expense of Free China is moving much faster than even those of us who are most suspicious of administration objectives in the Far East would have expected. Indeed, events are moving so fast that it is clear the administration hopes to present the country with a fait accompli before opposition can be mobilized.

Two days ago, I raised the question, on the Senate floor, of whether there was more than met the eye in the State Department's announcement on Monday that negotiations between the Chinese Communists and ourselves would deal with the prisoners of war and other

practical matters. I suggested it was very likely that the State Department was advancing a typical piece of doubletalk, and that other practical matters meant the situation in the Formosa area. That very afternoon, perhaps even as I was speaking on this floor, Secretary of State Dulles told reporters a somewhat fuller story about what was going to happen at Geneva—namely, that the subject of a cease-fire would be brought up. I now quote from the Secretary's remarks, as carried in the New York Times on July 27:

> We shall hope to find out in the forthcoming talks whether the Chinese Communists accept the concept of a cease-fire in accordance with the United Nations principle of avoiding any use of threat of force which could disturb the peace of nations.
>
> No doubt the Chinese Communists will have matters of their own to bring up. We shall listen to hear what they are and if they directly involve the United States and Communist China, we will be disposed to discuss them with a view to arriving at a peaceful settlement.

The day before yesterday, I also hazarded the observation that it was impossible, in the light of subsequent developments, to accept on its face the President's statement that everything had been done above board at Geneva. I said:

> I fear that the far-eastern situation was brought up in informal discussions, and that the Communists and ourselves reached certain understandings as to the course of future negotiations.

Yesterday, Prime Minister Eden told the House of Commons what President Eisenhower had not seen fit to confide to the American people in his fireside chat Monday night. Eden revealed that far-eastern questions were discussed at private meetings at Geneva, and therefore implied that the coming negotiations were either set up or confirmed at the Big Four meeting.

I should be greatly surprised, Mr. President, if there are not other "details" of the impending sellout of Free China that are still being kept from the American people. But this much is clear: The campaign to sell out Free China is under a full head of steam, and it may be only a matter of days before it is too late to stop it. It is not by accident that Far Eastern appeasement is taking shape at the very time the Congress adjourns. The administration apparently hopes to bring off its deal while we are out of session, and thus avoid having to answer to the representatives of the American people.

The most shocking aspect of the developments is the decision not to invite the representatives of Free China to attend the Geneva talks. It is all the more shocking because of the blatant hypocrisy of the State Department in suggesting that, somehow, the Geneva talks regarding a cease-fire will not affect the Republic of China. In its long history of doubletalk and distortion, the State Department has never attempted to sell a hoax quite as transparent as this one. Who does the State Department expect us to believe will be the parties to a cease-fire agreement The only ones who have been "firing" in the Formosa Straits are the forces of Communist China and Free China. Obviously, if there is to be a cessation of the firing, the Republic of China is a necessary party to such an agreement. As a matter of fact, it is difficult to see how anybody except the Communists and Free China could make such an agreement. United States forces are not doing any firing there; and thus our part in the deal can, at most, be that of an intermediary. So far as I know, the Republic of China has not given the United States plenary power to dispose of its territories and compromise its rights.

Or let us look at it another way: The immediate reason for hostilities in the Formosa Straits is that the Quemoy and Matsu Islands are still occupied by the rightful Government of China, while the Communist regime plans to conquer these islands by force. Consequently, there will not be a cease-fire in the Formosa Straits as long as Quemoy and the Matsus are retained by the Republic of China. The United States is therefore apparently determined to make some sort of deal to hand over these islands to the Communists; and if this does not amount to negotiations affecting the rights and territories of the Republic of China, then I am a sadly misguided man.

At his point, let me call the Senate's attention to a column by Joseph Alsop, appearing in yesterday newspapers. Alsop reports that Krishna Menon, in his recent visit to the United States, conveyed to the United States a Communist ultimatum to the following effect: That the Communists would attack Quemoy and the Matsus immediately following the Big Four Conference, if the United States had not in the meantime agreed to hold direct negotiations with the Communists about the situation in the Formosa Straits. The balance of the article sets forth an extremely revealing account of our Government's duplicity over the past months in dealing with the Republic of China. I, therefore, ask that the entire article be incorporated in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. KNOWLAND. Mr. President, will the Senator from Wisconsin yield?

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). Does the Senator from Wisconsin yield to the Senator from California?

Mr. McCARTHY. I yield.

Mr. KNOWLAND. I do not care to enter the discussion at this time, except to say that when I saw the article in question, of course, I was concerned—not that I necessarily believed the article was an accurate presentation of the views of the Department of State or of the executive branch of the Government; but, nevertheless, I felt that the article was of such significance that I was warranted in making some direct inquiries.

I discussed the matter at the Department of State—and at the highest levels of the Department, I may say—and I was given the categorical assurance that no such demand, or, as the Senator from Wisconsin has interpreted it, no such ultimatum—and I agree with him that had such a demand been made upon the United States, it would have been an ultimatum, with a deadline—had been made by Mr. Menon upon the Government of the United States. I was given the absolute and categorical assurance that no such demand had been made.

I will say to the Senator from Wisconsin that had we yielded to such an ultimatum, from Mr. Menon or from anyone else, I think it would have been at the cost of the national honor of our country.

I am pleased to state that the assurances given are such that it can be said that we yielded to no such ultimatum.

Mr. McCARTHY. I thank the Senator from California very much.

Mr. President, apparently it is too late to call off the appeasement conference at Geneva, next week; but it is not yet too late to invite our gallant friends, the Free Chinese, to express their views about the plans being laid for their funeral. To refuse to invite Chiang's representatives is not only to treat an ally in the most sordid fashion imaginable; it is also to double-cross an ally. It is to go back on our solemn word.

Let me recall to the Senate a public promise given by the Secretary of State to the Republic of China, during his visit to Formosa, last March. In the circumstances, the statement I am going to read amounted to a solemn guaranty by the Government of the United States. He said:

> The United States will not enter into any negotiations dealing with the territories or rights of the Republic of China except in cooperation with the Republic of China.

Again, on April 22, the State Department issued this statement:

> In the Formosa region we have an ally in the Free Republic of China, and of course the United States would insist on Free China participation as an equal in any discussions concerning the area.

I am acquainted with the talents of Administration spokesmen for finding words that make black look like white, but I defy any one of these very agile gentlemen to come up with an explanation which will reconcile those solemn administration assurances with what we are going to do in Geneva next Monday.

Some Senators may raise the objection that it is not proper for Chiang's representatives to participate in a conference dealing with American prisoners of war—in which they have no interest.

My answer is twofold: First, the Nationalists can assume the role of observers, while the prisoners are being discussed; and, second, I remind the Senate that this is the sort of situation you get yourself into when you propose to buy favors of an enemy by handing over the possessions of a friend. The very posing of the objection exposes in the clearest possible relief the immorality of our Government's policy. The administration's plan, apparently, is to persuade the Communists to live up to the Korean armistice agreement—which they have been violating for 2 years, now—by giving them territories that belong neither to the Communists nor the United States, but to an ally that is at the moment too weak to stand

in the way. So it seems inappropriate to have Free China present when we bargain for the return of our prisoners, let us remember that the administration proposes to throw in the territories of Free China as part of the bargain.

I ask the Senate: Are we not now embarking on a repetition of the very brand of treachery that has been condemned at one time or another by every Republican in this body and by many Democrats, as well? Is it not because of this sort of deal that the words "Munich" and "Yalta" live in history as symbols of infamy? The evil at Munich was not so much that the Western Powers appeased Hitler, as that they sold Czechoslovakia "down the river," without so much as asking the Czechoslovak Government to look in on the bargaining. The evil of Yalta was not so much that we appeased the Soviet Union, but that we betrayed our allies behind their backs. In heaven's name, Mr. President, what is the difference between what happened at Yalta and what is about to happen at Geneva? At Yalta, Roosevelt agreed to hand over to the Soviet Union, territory belonging to China; then, 6 months later, the Chinese were informed of the "contribution they had made to world peace." The administration must have studied Yalta very closely, for it is staging an identical performance at Geneva.

Many Members of this body can point in their records to handsome speeches denouncing appeasement, sell-outs, and betrayals. I ask them to demonstrate now that their oratory was not just oratory. I ask them now—when we are face to face with a sell-out situation—to take what steps they can to prevent the sell-out. Since the time is so short, I have today submitted a resolution calling upon the administration to invite the Republic of China to attend any discussion that may involve its territory or may affect its rights. I was prepared to request unanimous consent to have the resolution considered immediately, without reference to committee; or, if such a request had been objected to, to ask that the resolution be considered on the following day.

However, I have been informed that the Foreign Relations Committee will have a meeting tomorrow. So, Mr. President, in the circumstances, I shall not request immediate consideration of the resolution, but shall request that it be referred to the Foreign Relations Committee.

At this time I desire to ask a question of the chairman of the Foreign Relations Committee. I do not wish the submission of my resolution to take up his committee's time, for I realize that this committee has a great deal of other business to attend to.

Mr. GEORGE. I will say to the Senator right now that the resolution will be dealt with in order; but I make no promises to take it up out of order.

Mr. McCARTHY. I appreciate that very much.

Let me say to the Senator, so that he may appreciate how quickly my resolution can be handled, that I do not ask for the right to appear. The resolution is self-explanatory. Tomorrow will probably be the last meeting of the Committee on Foreign Relations before the end of the session. I hope the committee will reach this resolution in the regular order of business and vote it up or down. I send the resolution to the desk and ask that it be read.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The resolution (S. Res. 141) was read, as follows:

Whereas the United States has agreed to enter into negotiations with the Chinese Communist regime at Geneva beginning August 1, 1955; and

Whereas the Department of State has announced that the negotiations will deal, inter alia, with the subject of a cease-fire in the Formosa Straits; and

Whereas the Republic of China is a necessary party to any such cease-fire agreement, and such agreement would vitally affect the rights and territories of the Republic of China; and

Whereas the Republic of China is a devoted and trusted ally of the United States, and as such, has been assured publicly by the Secretary of State that "The United States will not enter into any negotiations dealing with the territories or rights of the Republic of China except in cooperation with the Republic of China," and

Whereas the Republic of China has not been invited to participate in the Geneva negotiations: Now, therefore, be it

Resolved, That it is the sense of the Senate that representatives of the Republic of China should be invited to participate in any negotiations to which the United States is a party, that may directly affect the territories, rights, or interests of the Republic of China.

The PRESIDING OFFICER. The resolution will be referred to the Committee on Foreign Relations.

Mr. CLEMENTS. Mr. President, as a matter of information, is this resolution a substitute for the one which had been previously sent to the desk?

Mr. McCARTHY. I made some corrections in the resolution.

Mr. CLEMENTS. Therefore, this is a substitute for the resolution previously sent to the desk, and there is now no resolution on this subject on the table?

Mr. McCARTHY. There is no resolution except the one that has just been read to the Senate.

Mr. CLEMENTS. I thank the Senator.

Mr. McCARTHY. It is not necessary for Senators to agree that the administration plans appeasement in talks with Red China in order for them to agree that free China should be invited to the talks. It is only necessary for them to agree that we should live up to our solemn assurances to Chiang Kai-shek, and that it is proper for the Republic of China to participate in negotiations that deal with its rights and territories.

EXHIBIT A

[From the Washington Post and Times Herald of July 27, 1955]

MATTER OF FACT

(By Joseph Alsop)

MENON'S PISTOL

The Eisenhower administration has at last agreed to start high-level, face-to-face talks with the Chinese Communists because India's Krishna Menon in effect put a pistol to the heads of the President and Secretary of State Dulles.

It can now be revealed that when Menon visited Washington some time ago he brought a categorical warning that the Chinese Communists would begin all-out attack on Quemoy and the Matsu Islands within a few days after the meeting at the summit, if an agreement had not meanwhile been reached to start Sino-American talks about the situation in the Formosa Strait.

That was the pistol. There was a great deal of wavering and a great deal of debate, too, about whether Menon's warning was to be taken seriously or dismissed as blackmail. The American Government was solemnly committed, after all, never to discuss this situation in the Formosa Strait with the Chinese Communists unless representatives of the Chinese Nationalists were also present at the conference table.

But now the talks with the Chinese Communists, demanded by Peking through Menon, are to begin on August 1. The State Department's spokesman, with smug, transparent hypocrisy, has declared that the main topic will be the American prisoners in Chinese Communist hands. Senator KNOWLAND has been promised, apparently by the President himself, that the situation in the Formosa Strait will not be discussed. Maybe this is the present intention.

But it is hard to believe that this can be the present intention; and it is quite impossible to believe that such an intention will be adhered to in view of the background of this vital new development.

Not only was the threat of an imminent Chinese Communist attack in the Formosa Strait the pistol that forced the agreement to talk. In addition, the agreement to talk was reached in negotiations in New Delhi, that followed Menon's visit to this country. And in New Delhi, the problem of the American prisoners counts for very little, and all attention is concentrated on the danger of war breaking out in the Formosa Strait.

The plain truth is, of course, that after many months of bluffing and big bold talk, the administration has had to choose between a surrender that is all the more humiliating because of its background, or a very serious risk of war which the administration is altogether unprepared to fight.

In the recent months of apparent lull, the balance of forces in the Pacific have actually deteriorated very greatly. On the one hand, America's already gravely enfeebled strength has been weakened further by the alleged economies of Secretary of Defense, Charles E. Wilson. And the strength of the Chinese Nationalists has been so little increased that their entire force of really modern jet fighters comprises a single group of F-86's.

On the other hand, the local striking power of the Chinese Communists has been materially increased, by a further redeployment southward of the main body of their extremely strong air force. The airfields at Swatow, in the near neighborhood of Quemoy, and at Foochow, in the near neighborhood of the Matsus, are now fully ready for use by modern jets. Thus Communist planes, by flying from the main base areas in the regions of Canton and Shanghai and refueling at Foochow and Swatow, can operate over Quemoy and the Matsus as long as or even longer than the planes of Chiang Kai-shek.

The Communist air strength absolutely outweighs the feeble strength of the Chinese Nationalists. It is even considerably greater than the local American and Chinese Nationalist air strength combined. Hence, the Communists now have it clearly in their power to do either of two things. They can take Quemoy and the Matsus by direct assault. Or, more tactfully, they can starve Generalissimo Chiang Kai-shek's forces on these islands into submission and surrender by air blockade.

With the Chinese Communists in this highly favorable position, it was a plain case of "put up or shut up" for the Eisenhower

administration. The betting is now at least 5 to 1 that the sorry story that began with the grandiloquent unleashing of Chiang Kai-shek will end up with the shut up alternative being chosen.

Maybe the Chinese Communists will have to inaugurate their air blockade first, in order to persuade the still obstinate Generalissimo Chiang to withdraw his men from Quemoy and the Matsu. In that event, it can be stated on high authority, the administration has already handsomely decided that American forces will be provided to cover this new evacuation, as was done in the case of the evacuation of Tachen Islands.

All the same, it seems too bad that a little more thought was not given to the future before Chiang Kai-shek was unleashed, or before the unfortunate Generalissimo was pressured to occupy the offshore islands in heavy force, or even at some point later in the story. If we meant to give way, it would have been nicer to do so on our own motion, instead of giving way in response to a threat transmitted by the most anti-American leader in Asia.

Mr. McCARTHY. In conclusion, let me ask the able Senator from Georgia whether or not, if this resolution can be reached in the usual order of business tomorrow, it will be taken up. I am not asking that it be taken up out of order.

Mr. GEORGE. The committee does not meet until Saturday. The Senator has been misinformed on that point. It will meet on Saturday morning; and if the resolution is reached in regular order, it will be taken up.

Mr. McCARTHY. I hope the committee will find time for the resolution on Saturday because that will be the last meeting of the committee before the Congress adjourns.

Mr. GEORGE. The last meeting before next January.

Mr. McCARTHY. I certainly hope the committee can take it up, because it is a matter that should be considered by the Foreign Relations Committee. If it cannot be taken up, then I will of necessity move for its immediate consideration at the next meeting of the Senate.

Mr. GEORGE. The Senator may do as he pleases, but it will not be taken up before the committee except in the regular order, because the committee has only one more day scheduled for a regular meeting, which is Saturday morning.

Mr. McCARTHY. I assume the Senator will agree with me that if the Senate is in sympathy with this resolution, time is of the essence.

Mr. GEORGE. I do not agree with the Senator at all, but I do not care to enter into any discussion on the subject at this time.

Mr. McCARTHY. I believe the Senator has not understood my question——

Mr. GEORGE. If the committee reaches the resolution in regular order, I shall be glad to take it up. Otherwise, I will not.

Mr. McCARTHY. The Senator indicates a certain amount of hostility toward the resolution. I have asked him this question: If the Senate is in sympathy with the resolution, then is not time of the essence? Let us put aside the question of whether the Senator from Georgia likes the resolution; if the Senate agrees with it, is not time of the essence? Should not the Senator attempt to bring up the resolution before the Foreign Relations Committee irrespective of his opinions? It involves the very important question as to whether or not we are going to deal with the territories of our allies behind their backs. I know that the Senator from Georgia has suggested that we should hold these meetings without our allies being present. However, the Senator's feeling would not justify——

Mr. GEORGE. The Senator does not know any such thing.

Mr. McCARTHY. The Senator from Georgia has suggested——

Mr. GEORGE. The Senator from Wisconsin has never found an utterance of mine to the effect that any question affecting our allies should be decided without full representation of those allies.

Mr. McCARTHY. Then I, and several million TV viewers, misunderstood the Senator on the Meet the Press program.

Mr. GEORGE. The Senator probably did.

Mr. McCARTHY. And so did the press. And the press has consistently misunderstood the Senator since last April when he was first reported to favor negotiations without the Nationalists. The Geneva meetings and subsequent meeting with the Chinese Communists will consider a cease-fire in the Formosa Straits—which affects the vital interests of one of our allies. The general interpretation of the Senator's position is that he feels we should negotiate about such matters without our allies being present.

Mr. GEORGE. Mr. President, I do not care what the Senator ascribes to me. I have stated that I have never said that any important decision should be made which affected directly any ally unless that ally were represented. That is all I have ever said.

Mr. McCARTHY. I do not believe the Senator has yet understood my original thought.

Mr. GEORGE. Yes; I did. I got the Senator's thought.

Mr. McCARTHY. I do not think the Senator did.

Mr. GEORGE. Yes; I did.

Mr. McCARTHY. Let me——

Mr. GEORGE. Just a moment. I understand the Senator. I wish to make that statement now. His resolution will be considered if it is reached in order, at the next meeting of the Senate Foreign Relations Committee; and if it is not, it will not be considered.

Mr. McCARTHY. Let me say to the Senator—and I hope I may proceed without interruption—my original question was, Does not the Senator agree that this is an urgent matter, regardless of his position on the resolution. Now, we have also gotten into the matter of what the Senator's position is. As to that question, I repeat the feeling of the public, rightly or wrongly, is that the Senator from Georgia has suggested that we have meetings with the Chinese Communists, looking toward a far eastern settlement, without Free China being present.

Mr. GEORGE. Mr. President——

Mr. McCARTHY. Please. Let me finish.

Mr. GEORGE. Very well. The Senator may finish.

Mr. McCARTHY. Rightly or wrongly, that is the general public feeling. The press has so reported the Senator's position on numerous occasions. I listened to the Senator over television, and I got the same impression.

The Senator from Georgia is chairman of the Foreign Relations Committee. It is, of course, within his power to bottle up the resolution. I assume he will not do so. But I offer this word of advice: If the resolution is bottled up, the public, rightly or wrongly, may interpret this as a deliberate attempt on the Senator's part to bottle it up.

Here is a situation in which time is of the essence. The Foreign Relations Committee can dispose of the resolution in a matter of minutes, one way or the other. I think the Senator owes it to the Senate and to the public to have the committee vote on the resolution one way or the other.

Mr. GEORGE. Mr. President, I care not what the Senator from Wisconsin may think of the chairman of the Senate Foreign Relations Committee. The chairman of the committee has bottled up nothing, nor has he attempted to bottle up anything that has come before the committee. From a sick bed in the hospital I even requested the majority leader in this body to bring up a recent resolution which the Senator from Wisconsin submitted, and to vote it up or down, but in any event, to let it come to the floor for the final decision of the Senate.

I care not what the Senator from Wisconsin may think of the Senator from Georgia, or the chairman of the Foreign Relations Committee.

Mr. McCARTHY. I think he is a good Senator. I have always said that.

Mr. GEORGE. Very well. I wish I could reciprocate the compliment, Mr. President, but I shall not perjure myself by any such statement as that.

Mr. McCARTHY. I think we are clear on this. The Senator chooses to engage in personal insults; I do not.

Mr. GEORGE. The Senator from Wisconsin is undertaking to tell the chairman of the committee what he should do. All the chairman can say is that the last meeting of the committee is scheduled for Saturday morning. We have a virtually clear calendar in the committee. We have handled a great deal of business.

Mr. McCARTHY. Mr. President, will the Senator yield to me?

Mr. GEORGE. Not at the moment.

I do not know whether this resolution will be reached in order or not. If it is, it will be respectfully considered, and the majority of the committee will determine what the action of the committee shall be on the resolution.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. McCARTHY. I wish to make it clear that when I offered the opinion that the Senator from Georgia was a good Senator, I was referring to morals, character, and such things. I was not referring to his recent activities, especially during the past year, as chairman

of the Committee on Foreign Relations. Of these, I do not approve.

Mr. GEORGE. I thank the Senator. I thank him very much. On the question of morality, I suppose I can agree that the Senator from Wisconsin is a good moral man. I am not referring to whether he is serving his country well. That is a question which he must determine for himself, and which all of us must determine for ourselves. I do not undertake to determine it for any other Member of this body. I never have done that, and I never shall. I do try to determine it for myself; that is all.

If the resolution is reached, it will be considered, and the majority of the committee, if a majority of the committee is present, will pass upon it. If we do not have a quorum present—and I cannot guarantee a quorum on Saturday next—we cannot, of course, consider any matter, except 1 or 2 matters of a purely administrative nature which the committee has already agreed to consider.

CALL OF THE CALENDAR

The PRESIDING OFFICER. Pursuant to the unanimous consent order the calendar will now be called for the consideration of measures to which there is no objection.

AMENDMENT OF RULE XXV OF THE STANDING RULES OF THE SENATE—RESOLUTION PASSED OVER

The resolution (S. Res. 17) to amend rule XXV of the Standing Rules of the Senate was announced as first in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution.

Mr. ERVIN. Mr. President, I ask that it go over.

The PRESIDING OFFICER. The resolution will be passed over.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 300) to authorize the construction, operation and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado, was announced as next in order.

Mr. ERVIN. Mr. President, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 51) to amend the act entitled "To confer jurisdiction on the States of California, Minnesota, Nebraska, Oregon, and Wisconsin, with respect to criminal offenses and civil causes of action committed or arising on Indian reservations within such States, and for other purposes," was announced as next in order.

Mr. PURTELL. May we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order.

Mr. PURTELL. Has Calendar No. 361, Senate bill 51, been announced as next in order?

The PRESIDING OFFICER. That is correct.

Mr. PURTELL. I ask that it go over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The joint resolution (S. J. Res. 31) proposing an amendment to the Constitution of the United States providing for the election of President and Vice President was announced as next in order.

Mr. BIBLE. Over, by request.

The PRESIDING OFFICER. The joint resolution will be passed over.

The bill (S. 912) to amend the act of April 23, 1930, relating to a uniform retirement date for authorized retirements of Federal personnel was announced as next in order.

Mr. BIBLE. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 63) to provide for the appointment of the heads of regional and district offices of the Post Office Department by the President by and with the advice and consent of the Senate was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. PURTELL. In the opinion of the Senator from Connecticut this is not properly calendar business. I ask that it go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 636) to revise the Federal elections laws, to prevent corrupt practices in Federal elections, and for other purposes, was announced as next in order.

Mr. PURTELL. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

CATERINA RUELLO

The bill (H. R. 1408) for the relief of Caterina Ruello was considered, ordered to a third reading, read the third time, and passed.

RESOLUTIONS AND BILLS PASSED OVER

The resolution (S. 130) to certify the report of the Committee on the Judiciary to the United States attorney for the District of Columbia to the end that Harry Sacher may be proceeded against in the manner and form provided by law, was announced as next in order.

Mr. PURTELL. Mr. President, in the opinion of the Senator from Connecticut, this is not properly calendar business. Therefore I request that it go over.

The PRESIDING OFFICER. The resolution will be passed over.

The resolution (S. Res. 131) relating to the refusal of Harvey M. Matusow to answer questions before a Senate subcommittee was announced as next in order.

Mr. PURTELL. Mr. President, for the same reason I stated in connection with the consideration of Calendar No. 831, Senate Resolution 130, I ask that the resolution go over. I wish to make it perfectly clear that my request in no way indicates that I or my colleagues on the calendar committee are not in complete accord with the purpose of the resolution. However, we feel it is so important that it should not be considered on the call of the calendar.

Mr. CLEMENTS. I can understand the representation made by the calendar committee on the other side of the aisle. Not only will that representation be respected, but I will say to the Senator that the resolution is now a part of the present legislative program before the Senate.

The PRESIDING OFFICER. The resolution will be passed over.

The bill (S. 2442) to provide for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects, and for other purposes, was announced as next in order.

Mr. HRUSKA. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2603) to authorize the providing of family housing for the Chairman of the Joint Chiefs of Staff was announced as next in order.

Mr. BIBLE. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 6043) to amend section 216 (b) of the Merchant Marine Act, 1936, as amended, to provide for the maintenance of the Merchant Marine Academy was announced as next in order.

Mr. BIBLE. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2577) to define bank-holding companies, control their future expansion, and require divestment of their nonbanking interests was announced as next in order.

Mr. ERVIN. By request, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

MARKOS DEMETRIUS SPANOS

The bill (S. 433) for the relief of Markos Demetrius Spanos was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Markos Demetrius Spanos shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

STEPHEN FODO

The bill (S. 1125) for the relief of Stephen Fodo was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Stephen Fodo shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

SOTERIOS CHRISTOPOULOS

The bill (S. 1226) for the relief of Soterios Christopoulos was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Soterios Christopoulos shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MRS. ESTENI RODRIGUEZ ESTOPINAN DE WITLICKI

The bill (S. 1299) for the relief of Mrs. Esteni Rodriguez Estopinan de Witlicki was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (12) of the Immigration and Nationality Act, Esteni Rodriguez Estopinan de Witlicki may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground of exclusion of which the Secretary of State or the Attorney General had knowledge prior to the enactment of this act.

ANNA JERMAN BONITO

The bill (S. 1348) for the relief of Anna Jerman Bonito was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding the provisions of paragraphs (9) and (12) of section 212 (a) of the Immigration and Nationality Act, Anna Jerman Bonito may be admitted to the United States for permanent residence, if she is found to be otherwise admissible under the provisions of such act. The provisions of this act shall apply only to grounds for exclusion under such paragraphs known to the Secretary of State or the Attorney General prior to the date of enactment of this act.

INGEBURG EDITH STALLINGS (NEE NITZKI)

The bill (S. 1357) for the relief of Ingeburg Edith Stallings (nee Nitzki) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of paragraph (9) of section 212 (a) of the Immigration and Nationality Act, Ingeburg Edith Stallings (nee Nitzki) may be admitted to the United States for permanent residence, if she is found to be otherwise admissible under the provisions of such act. The provisions of this act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of enactment of this act.

DOSINDA GONZALEZ MENDEZ

The bill (S. 1594) for the relief of Dosinda Gonzalez Mendez was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for the purposes of the Immigration and Nationality Act, Dosinda Gonzalez Mendez shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ANTONIO DOMENICO NARCISO BIANCHI

The bill (S. 1676) for the relief of Antonio Domenico Narciso Bianchi was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Antonio Domenico Narciso Bianchi shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MARIA DEL CARMEN INTRIAGO MARTINEZ

The bill (S. 1682) for the relief of Maria del Carmen Intriago Martinez was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Maria del Carmen Intriago Martinez shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

SPYRIDON SAINTOUFIS AND HIS WIFE EFROSSINI SAINTOUFIS

The bill (S. 1706) for the relief of Spyridon Saintoufis and his wife Efrossini Saintoufis was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Spyridon Saintoufis and his wife Efrossini Saintoufis shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

PANAGIOTIS NICOLAS LALOS AND HIS WIFE ANTYRO PANAGIOTIS LALOS

The bill (S. 1732) for the relief of Panagiotis Nicolas Lalos and his wife Antyro Panagiotis Lalos was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Panagiotis Nicolas Lalos and his wife, Antyro Panagiotis Lalos shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

CONSTANTINE SALMON

The bill (S. 1832) for the relief of Constantine Salmon was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (19) of the Immigration and Nationality Act, Constantine Salmon may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground of exclusion of which the Secretary of State or the Attorney General had knowledge prior to the enactment of this act.

CESARE PICCO

The bill (S. 1888) for the relief of Cesare Picco was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of paragraph (9) of section 212 (a) of the Immigration and Nationality Act, Cesare Picco may be admitted to the United States for permanent residence, if he is found to be otherwise admissible under the provisions of such act. The provisions of this act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of enactment of this act.

WILLIAM THEODORE AND EMILY SANSUR SAAD

The bill (S. 1972) for the relief of William Theodore and Emily Sansur Saad was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, William Theodore and Emily Sansur Saad shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of

permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

TOUFIC N. JILDEH

The bill (S. 1973) for the relief of Toufic N. Jildeh was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Toufic N. Jildeh shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MYRA LOUISE DEW

The bill (S. 1983) for the relief of Myra Louise Dew was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Myra Louise Dew shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ROSA ROPPO

The bill (S. 2036) for the relief of Rosa Roppo was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Rosa Roppo, shall be held and considered to be the natural-born alien child of Michael Roppo and Julia Roppo, citizens of the United States.

MRS. GERTRUD HILDEGARD NICHOLS

The bill (S. 2575) for the relief of Mrs. Gertrud Hildegard Nichols was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Mrs. Gertrud Hildegard Nichols may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act.

LAURA SAFIR

The bill (H. R. 939) for the relief of Laura Safir was considered, ordered to a third reading, read the third time, and passed.

NURITH SPIER

The bill (H. R. 999) for the relief of Nurith Spier was considered, ordered to a third reading, read the third time, and passed.

ANNA HISTED (NEE WIESNETH)

The bill (H. R. 1159) for the relief of Anna Histed (nee Wiesneth) was considered, ordered to third reading, read the third time, and passed.

VITTORIO CAPANO

The bill (H. R. 1160) for the relief of Vittorio Capano was considered, ordered to a third reading, read the third time, and passed.

LUIGI TOMASELLA

The bill (H. R. 1976) for the relief of Luigi Tomasella was considered, ordered to a third reading, read the third time, and passed.

MIGUEL SANDOVAL-MICHEL (ALSO KNOWN AS ARTURO RODRIGUEZ GOMEZ)

The bill (H. R. 2788) for the relief of Miguel Sandoval-Michel (also known as Arturo Rodriguez Gomez) was considered, ordered to a third reading, read the third time, and passed.

ILSE WERNER

The bill (H. R. 3626) for the relief of Ilse Werner was considered, ordered to a third reading, read the third time, and passed.

LEOPOLDINE SIMONETTI

The bill (H. R. 3856) for the relief of Leopoldine Simonetti was considered, ordered to a third reading, read the third time, and passed.

ELIZABETH ROTICO WHITNEY

The bill (H. R. 3956) for the relief of Elizabeth Rotico Whitney was considered, ordered to a third reading, read the third time, and passed.

EDELTRAUDT MARGOT GALLAGHER, NEE HACKELBERG

The bill (H. R. 4970) for the relief of Edeltraudt Margot Gallagher, nee Hackelberg, was considered, ordered to a third reading, read the third time, and passed.

FLORENCE E. McCONNELL

The bill (H. R. 5080) for the relief of Florence E. McConnell was considered, ordered to a third reading, read the third time, and passed.

SALLY S. SHULMAN OR ZELI SHOLMAN

The bill (H. R. 5767) for the relief of Sally S. Shulman or Zeli Sholman was considered, ordered to a third reading, read the third time, and passed.

HELENE RAPP

The bill (H. R. 6002) for the relief of Helene Rapp was considered, ordered to a third reading, read the third time, and passed.

MRS. FLORENTINE KINTZEL

The bill (H. R. 6036) for the relief of Mrs. Florentine Kintzel was considered, ordered to a third reading, read the third time, and passed.

LUISA GUIDI MILLER

The bill (H. R. 6896) for the relief of Luisa Guidi Miller was considered, ordered to a third reading, read the third time, and passed.

BART KRIJGER

The Senate proceeded to consider the bill (S. 366) for the relief of Bart Krijger, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 10, after the word "act", to insert a colon and *"Provided, further*, That a situable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (1) and (4) of the Immigration and Nationality Act, Bart Krijger may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act: *Provided, further*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOSE ALVAREZ

The Senate proceeded to consider the bill (S. 421) for the relief of Jose Alvarez, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Jose Alvarez may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MRS. LIESELOTTE EMILIE DAILEY

The Senate proceeded to consider the bill (S. 1105) for the relief of Mrs. Lieselotte Emilie Dailey, which had been reported from the Committee on the Judiciary, with an amendment, in line 9, after the word "Justice", to strike out "have" and insert "has", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Mrs. Lieselotte Emilie Dailey may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EDITH KALWIES

The Senate proceeded to consider the bill (S. 1787) for the relief of Edith Kalwies, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 1, after the word "act", to insert a comma and "under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose", so as to make the bill read:

Be it enacted etc., That, in the administration of the Immigration and Nationality Act, Edith Kalwies, the fiancée of William H. Crandall a citizen of the United States, shall be eligible for a visa as a nonimmigrant visitor for a period of three months: *Provided*, That the administrative authorities find that the said Edith Kalwies is coming to the United States with a bona fide intention of being married to the said William H. Crandall and that she is found otherwise admissible under the Immigration and Nationality Act other than the provision of section 212 (a) (6) of that act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided further*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act. In the event the marriage between the above-named persons does not occur within three months after the entry of the said Edith Kalwies, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within three months after the entry of the said Edith Kalwies, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Edith Kalwies as of the date of the payment by her of the required visa fee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WINSTON BROTHERS CO., THE UTAH CONSTRUCTION CO., AND J. A. TERTELING & SONS, INC.

The bill (S. 1905) for the relief of Winston Brothers Co., the Utah Construction Co., and J. A. Teterling & Sons, Inc., was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. KNOWLAND. In view of the amount involved, may we have an explanation of the bill?

Mr. KILGORE. Mr. President, the purpose of this proposed legislation is to carry out the findings of the Court of Claims resulting from Senate Resolution 343 of the 82d Congress, which referred to that court the bill S. 3326, for the relief of certain Midwest contractors.

In the fall of 1947, Winston-Utah, a joint venture composed of Winston Bros. Co., a Minnesota corporation, and Utah Construction Co., a Utah corporation, and J. A. Teterling & Sons, Inc., an Idaho corporation, were engaged in the performance of contracts with the Bureau of Reclamation, Department of the Interior, for the construction of canals, siphons, dams, and other facilities relating to irrigation under the Columbia basin project. These contractors were proceeding with the performance of their work under schedules and at rates of progress of their own choosing and calculated to complete the performance of their contracts within the required time.

In August of 1947 these contractors were told by representatives of the Bureau of Reclamation that Congress had not appropriated sufficient funds to permit the continuance of their work at an orderly and economic construction schedule and that the contractors would have to curtail their operations and slow down the work so as to fit the pace of their work to the amount of money allocated to each of them by the Bureau out of funds appropriated by Congress. These contractors did so curtail and slow down their operations, which naturally increased their costs of performance in many ways.

Several contractors performing work under contracts with the Bureau of Reclamation in the Central Valley of California were faced with the same situation and were granted legislative relief by Congress by special appropriation included in the Interior Department Appropriation Act, 1950, 33 Statutes 765, at 782–783. These contractors in the Columbia Basin, having been hurt by substantially the same factual situation, applied to Congress for relief, resulting in the Senate referring the matter to the Court of Claims for report to Congress. The majority of the court found that the contractors had no legal remedy against the United States, the dissenting opinion holding that the Government was legally liable to the contractors. However, the entire court has found and reported that Winston-Utah and Terteling suffered damages through no fault of their own and by reason of the insufficiency of appropriations by Congress, such damages having been found to be $102,475.41 in the case of Winston-Utah and $24,666.41 in the case of Terteling.

Thus, it is established that over 7 years ago these contractors were financially injured by reason of circumstances over which they had no control and without any fault on their part were obliged to incur and suffer damages and additional costs in the amounts above set forth. Under all of these circumstances, it is believed that the Congress should make these contractors whole for those damages and additional costs and expenses so incurred.

The bill has been amended so as to eliminate the payment of attorney's fees in connection with this claim.

Mr. President, any time we slow up a big general contractor who is engaged in heavy work, requiring the rental of equipment and a large number of personnel, we hurt the contractor financially. However, the Judiciary Committee did not wish to pass on that, so it referred the matter to the Court of Claims for a finding of facts and a recommendation as to whether these firms had been damaged in out-of-pocket payments. The report which I have made is the report which the Committee on the Judiciary received.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment, on page 2, line 17, after the word "Act," to strike out "in excess of 10 per centum thereof", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Winston Brothers Co. and the Utah Construction Co., jointly, the sum of $102,475.41, and to J. A. Terteling & Sons, Inc., the sum of $24,666.41. The payment of such sums shall be in full satisfaction of all claims of Winston Brothers Co. and the Utah Construction Co. and J. A. Terteling & Sons, Inc., against the United States for compensation for increased costs incurred as the result of the disruption or delay in performing certain construction work for the Bureau of Reclamation on the Columbia Basin project under contracts numbered 12r–16197, dated June 28, 1946, 12r–16796, dated October 25, 1946, and 12r–16745, dated October 25, 1946. Such disruption or delay was caused by insufficient appropriations by the Congress to continue payment for the normal construction schedules for the fiscal year ending June 30, 1948. The sums appropriated by this act are the amounts of damages found by the Court of Claims, acting pursuant to Senate Resolution 343, 82d Congress, to have been suffered by the said construction firms because of such disruption or delay.

SEC. 2. No part of the amounts appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of

a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

IVAN GERASKO

The Senate proceeded to consider the bill (S. 2053) for the relief of Ivan Gerasko, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 7, after the word "act", to insert a comma and "under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of paragraph (6) of section 212 (a) of the Immigration and Nationality Act, Ivan Gerasko may be admitted to the United States for permanent residence, if he is found to be otherwise admissible under the provisions of such act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem it necessary to impose: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act. The provisions of this act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 1393) for the relief of the E. J. Albrecht Co. was announced as next in order.

Mr. KNOWLAND. Mr. President, in view of the amount involved, I ask for an explanation of the bill.

Mr. KILGORE. Mr. President, the purpose of this proposed legislation——

Mr. PURTELL. Mr. President, I request that the bill be passed over.

Mr. CLEMENTS. Mr. President, will the Senator from Connecticut withhold his request?

Mr. PURTELL. I shall be glad to do so.

Mr. CLEMENTS. It is my understanding that bills similar to this one have passed the Senate twice. I am giving the Senator only the information which has come to me, that the bills on the same subject have passed the Senate twice and died in the waning days of the session in the House. I wanted the Senator to know that similar bills had been passed by the Senate twice.

Mr. KILGORE. Mr. President, it is true that similar bills have passed the Senate twice; so this measure has had careful study on three occasions.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

Mr. PURTELL. Mr. President, are we now discussing calendar 1148, House bill 1393?

The PRESIDING OFFICER. That is correct.

Mr. PURTELL. I should like to explain my request that the bill be passed over.

Mr. KILGORE. Mr. President, I should be glad to make an explanation of the bill.

Mr. PURTELL. I am not sure how the Senator from Nebraska feels with reference to this bill, but I would say the question involved is whether weather conditions could cause a loss of $142,000 to the company which is the proposed beneficiary of the bill. I feel that the matter ought to be studied, because we might well set a precedent for many claims that might be made under the same conditions.

Mr. CLEMENTS. Mr. President, will the Senator from Connecticut yield?

Mr. PURTELL. I yield.

Mr. CLEMENTS. In the conservation of time, I should like to say to the Senator from West Virginia and to the Senator from Connecticut that the acting majority leader will undertake to bring the bill before the Senate in due time.

Mr. PURTELL. Let me make it clear that I shall not oppose the consideration of the bill when it is considered on motion, but I feel that the bill is one which should not be taken up on a call of the calendar.

Mr. KILGORE. Mr. President, what we want is some action. The matter has been held up for 4 or 5 years, and the people involved are suffering.

Mr. PURTELL. My objection is to handling considering the bill on a call of the calendar, because it is a measure which should be brought up on motion.

The PRESIDING OFFICER. The bill will be passed over.

FRANCISCA ALEMANY

The Senate proceeded to consider the bill (H. R. 5546) for the relief of Francisca Alemany, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, Francisca Alemany shall be held and considered to be the minor child of her parents, Mr. and Mrs. Rafael Alemany, lawful permanent residents of the United States.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

KATHARINE SCHNEEBERGER

The Senate proceeded to consider the bill (S. 1118) for the relief of Katharine Schneeberger, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Katharine Lajimodiere (nee Schneeberger), may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Katharine Lajimodiere (nee Schneeberger)."

DR. ELPEDIO DOSADO AND OTHERS

The Senate proceeded to consider the bill (S. 1933) for the relief of Dr. Elpedio Dosado, Aurelia, wife, and Deanna, Elepedio, Jr., and Ambrosia, their children, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 4, after the word "Doctor", to strike out "Elpedio" and insert "Elpidio"; in line 5, after the name "Deanna", to strike out "Elpedio" and insert "Elpidio"; and in line 6, after the word "and", to strike out "Ambrosia" and insert "Ambrosio", so as to make the bill read:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Dr. Elpidio Dosado, his wife Aurelia Dosado, and their three children, Deanna, Elpidio Jr., and Ambrosio Dosado, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct five numbers from the appropriate quota for the first year that such quota is available.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Dr. Elpidio Dosado, Aurelia, Deanna, Elpidio Jr., and Ambrosio Dosado."

LOCAL SELF-GOVERNMENT AND DISPOSAL OF FEDERAL PROPERTY OF OAK RIDGE, TENN., AND RICHLAND, WASH.—BILL PASSED OVER

The bill (S. 2630) to facilitate the establishment of local self-government at the communities of Oak Ridge, Tenn., and Richland, Wash., and to provide for the disposal of federally owned properties of such communities was announced as next in order.

Mr. MORSE. Mr. President, I wish the RECORD to show that I have checked this bill very carefully, and I am satisfied that it does not violate the policy which I have sought to protect for a long time. It is designed to accomplish the same general objective as that of the Boulder City bill which passed the Senate yesterday.

The community operations in the localities affected are now being carried on by the Atomic Energy Commission.

The Commission wishes to be relieved of these duties.

The disposal of Federal assets in these areas falls into a group of categories which I have listed in a memorandum which I now ask unanimous consent to have printed in the RECORD at this point in my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

1. Dwelling houses: The Commission is authorized to establish priorities of purchase rights because of the many complexities involved. Priority purchasers are entitled to buy dwellings at appraised value less 15 percent. Apparently, the 15-percent deduction compensates for the loss of opportunity to purchase during occupancy.

Deductions are also allowed occupant-purchasers to the extent of the fair market value of improvements they have placed on the purchased premises.

Each purchaser is entitled to an indemnity to protect against loss in the event the Government were to withdraw the installation within 15 years. In lieu of the indemnity, the purchaser is entitled to an additional deduction.

2. Utilities (see bill, p. 9, line 7): Utilities are to be sold on competitive bid or negotiated sale except that the city to be created at each project may acquire without charge (secs. 71 and 75).

3. Municipal installations (defined in sec. 21): The Commission is authorized to transfer municipal installations to public entities without consideration.

4. Other Federal property: With the exception of church property, all other Federal property in these areas is to be sold to the highest bidder (sec. 53). Property designed for church purposes may be sold to the highest bidder or under negotiated sale (sec. 53c).

The transfer of such properties to the cities or other public bodies will benefit the United States in that it will assist materially in relieving the Government of its community operations.

Mr. PURTELL. Mr. President, do I correctly understand that the Senator from Oregon is objecting?

Mr. MORSE. No; I am not objecting. I am explaining why, in my opinion, this bill conforms to the policy which I have insisted upon for years in the Senate. I am satisfied, for the reasons set forth in the memorandum, that the bill should be enacted.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a letter which has been received from the Bureau of the Budget relative to this bill.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., July 26, 1955.

Hon. LEWIS L. STRAUSS,
Chairman, United States Atomic Energy Commission, Washington, D. C.

MY DEAR MR. STRAUSS: This is in response to Mr. Field's letter of July 22, to Mr. Roger Jones, transmitting copies of the Commission's letter to the Joint Committee on Atomic Energy expressing its views on the July 19 committee print of a community disposal bill.

The Bureau concurs in the Commission's analysis of the committee prints. Moreover, although the provisions of S. 1824 and H. R. 5845 are still regarded as preferable, there is no objection to the chapter 9 provisions proposed by the Commission to the committee as a possible substitute for those in the committee print. As your letter to the Joint Committee on Atomic Energy points out, the administration strongly favors the enactment of legislation which would enable the residents of Oak Ridge and Richland to purchase their homes and establish local self-government. However, it appears that under the provisions of the committee print the Federal Government would continue to be intimately concerned with and would exercise control over the details of the operation and financing of municipal activities. This condition, mutually undesirable to the residents and the Government, could well continue into the indefinite future, inasmuch as the bill provides no incentive to the communities to become financially independent and specifies no time limit for the special relationship.

In addition, the provisions of chapter 9 would involve the Commission, or some other Federal agency on its account, in a new type of Federal-local government relationship requiring an evaluation of the services rendered in all cities of population groups comparable to Oak Ridge and Richland, a judgment as to the level of services in the upper quartile of these comparable communities, and a comparison of this level with those prevailing locally in Oak Ridge and Richland. It is the view of this Bureau that the introduction and continued application of the proposed process of Federal Government evaluation of the level of local government services would represent a most undesirable innovation in the relationships between the Federal Government and local governments in the United States. In addition, we know of no existing Federal agency which is presently prepared to deal with the difficult administrative problems involved in the annual surveys and determinations which would be required by these provisions.

As your letter makes clear, the provisions of the committee print also raise serious questions of cost. Thus, chapter 9 would obligate the Federal Government to finance high quality municipal services and relatively low tax rates in each community for an unlimited period of time. These and other provisions would result in substantially greater costs to the Government than would those of H. R. 5845 and S. 1824, the bill transmitted to the Congress by the Commission. That bill provides for disposal on terms which are regarded as equitable. It is not clear why the Federal Government should bear the additional costs and furnish the additional benefits to the residents of these two communities which the committee print would provide.

It is requested that you forward a copy of this letter to the Joint Committee on Atomic Energy as representing our advice to the Commission on your report on the committee print of July 19.

Sincerely yours,

RALPH W. REID,
Assistant Director.

Mr. PURTELL. Mr. President, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

CONSTRUCTION OF HIGHWAY WITHIN THE GRAND TETON NATIONAL PARK—BILL PLACED AT FOOT OF CALENDAR

The bill (S. 1917) to authorize the construction within the Grand Teton National Park of an alternate route to United States Highway 89, also No. 187 and U. S. 26, and the conveyance thereof to the State of Wyoming, and for other purposes, was announced as next in order.

Mr. MORSE. Mr. President, I think the bill is perfectly satisfactory, but I wish to ask one question. Will the sponsors of the bill state what the United States will receive by way of value for transferring to Wyoming the highway which, as I understand, will cost $1,525,000? The report does not seem to make that clear?

The PRESIDING OFFICER. The Senator who introduced the bill does not appear to be on the floor. Does any Senator present have the information requested by the Senator from Oregon?

Mr. BIBLE. Mr. President, I ask that the bill go to the foot of the calendar, so that we may have time in which to call the sponsor of the bill and have him explain it.

The bill will be placed at the foot of the calendar.

EXTENSION OF RETIREMENT INCOME TAX CREDIT TO MEMBERS OF THE ARMED FORCES

The bill (H. R. 291) to extend the retirement income tax credit to members of the Armed Forces was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF INTERNAL REVENUE CODE

The bill (H. R. 542) to amend the Internal Revenue Code was considered, ordered to a third reading, read the third time, and passed.

MANUFACTURERS' EXCISE TAX ON LEASES OF CERTAIN AUTOMOBILE UTILITY TRAILERS

The bill (H. R. 3437) to amend the Internal Revenue Code of 1954, to provide for a maximum manufacturers' excise tax on the leases of certain automobile utility trailers was considered, ordered to a third reading, read the third time, and passed.

CLAIMS FOR FLOOR STOCKS REFUNDS OF MANUFACTURERS' EXCISE TAXES

The bill (H. R. 3712) to extend the period during which claims for floor stocks refunds may be filed with respect to certain manufacturers' excise taxes which were reduced by the Excise Tax Reduction Act of 1954 was considered, ordered to a third reading, read the third time, and passed.

WAGE CREDITS UNDER TITLE II OF THE SOCIAL SECURITY ACT FOR MILITARY SERVICE

The bill (H. R. 5936) to provide wage credits under title II of the Social Security Act for military service before April 1956, and to permit application for lump-sum benefits under such title to be made within 2 years after interment or reinterment in the case of servicemen dying overseas before April 1956 was considered, ordered to a third reading, read the third time, and passed.

COLLECTION OF SALES AND USE TAXES ON CIGARETTES

The bill (H. R. 6886) to amend the act of October 19, 1949, entitled "And act to assist States in collecting sales and use taxes on cigarettes," was considered, ordered to a third reading, read the third time, and passed.

PERSONAL EXEMPTION TO CERTAIN DEPENDENTS IN THE REPUBLIC OF THE PHILIPPINES

The bill (H. R. 7148) to amend the Internal Revenue Code so as to provide a personal exemption with respect to certain dependents in the Republic of the Philippines was considered, ordered to a third reading, read the third time, and passed.

INCOME OF A RAILROAD CORPORATION FROM DISCHARGE OF INDEBTEDNESS

The Senate proceeded to consider the bill (H. R. 6887) to extend for 1 year the application of section 108 (b) of the Internal Revenue Code of 1954 (relating to income of a railroad corporation from discharge of indebtedness, which had been reported from the Committee on Finance with an amendment, on page 1, after line 7, to insert:

SEC. 2. Section 2053 of the Internal Revenue Code of 1954 (relating to deductions from the gross estate for expenses, indebtedness, and taxes) is hereby amended by redesignating subsection (d) to be subsection (e) and by adding after subsection (c) a new subsection as follows:

"(d) Certain State death taxes: Notwithstanding any other provision of this chapter, for purposes of the tax imposed by section 2001, the value of the taxable estate shall be determined by deducting from the value of the gross estate the amount of any estate, succession, legacy, or inheritance tax imposed by a State upon a transfer by the decedent for public, charitable, or religious uses as described in section 2055. Any tax deducted under this subsection shall be disregarded in computing the credit for State death taxes under section 2011."

SEC. 3. The amendment to the Internal Revenue Code of 1954 made by section 2 of this act shall apply with respect to the estates of decedents in any case in which the last date prescribed by law for filing the Federal estate tax return is on or after April 1, 1955.

The amendment was agreed to.

Mr. BYRD. Mr. President, I offer a technical amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Virginia will be stated.

The LEGISLATIVE CLERK. On page 2, line 16, after the word "decedents", it is proposed to insert "dying after December 31, 1953 (whether on, before, or after the date of the enactment of the Internal Revenue Code of 1954)."

The PRESIDING OFFICER. Without objection, the vote by which the committee amendment was agreed to is reconsidered, for the purpose of considering the amendment offered by the Senator from Virginia.

Without objection, the amendment offered by the Senator from Virginia is agreed to.

If there be no further amendment to be proposed, the committee amendment, as amended, is agreed to.

The amendment, as amended, was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to extend for 1 year the application of section 108 (b) and to amend section 2053 of the Internal Revenue Code of 1954."

MINING DEVELOPMENT AND UTILIZATION OF MINERAL RESOURCES OF PUBLIC LANDS RESERVED FOR POWER DEVELOPMENT — BILL PASSED OVER

The bill (H. R. 100) to permit the mining development, and utilization of mineral resources of all public lands withdrawn or reserved for power development, and for other purposes, was announced as next in order.

Mr. HRUSKA. Over.

The PRESIDING OFFICER. The bill will be passed over.

CONVEYANCE OF CERTAIN LAND TO THE PECWAN UNION SCHOOL DISTRICT

The bill (H. R. 727) to authorize the conveyance of certain land to the Pecwan Union School District for use as the site of a school was announced as next in order.

Mr. MORSE. Mr. President, reserving the right to object, though I shall not object, I wish to make a brief statement about the bill.

The bill would authorize the Secretary of the Interior to convey to the Pecwan Union School District of California, without consideration, the right, title and interest of the United States and the Hoopa Indians in 15 acres of land in the extension of the Hoopa Valley Reservation in California.

The report indicates that the conveyance is urgently needed for the construction of a modern school building for which bonds have been voted in a school election.

The Morse formula is inapplicable, inasmuch as the interest of the United States is in effect that of trustee. The Indians are the cestuis que trust of the property in question. The Indian tribe has by resolution voted to authorize the conveyance.

The bill reserves mineral rights.

In my opinion, the bill is not objectionable.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

MERGER OF STREET-RAILWAY CORPORATIONS IN THE DISTRICT OF COLUMBIA

The bill (S. 2576) to amend the joint resolution entitled "Joint resolution to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes," approved January 14, 1933, and for other purposes, was announced as next in order.

Mr. PURTELL. Mr. President, this bill is not properly calendar-call business; for that reason, and that reason alone, I object.

Mr. MORSE. Mr. President, will the Senator from Connecticut withhold his objection for a moment?

Mr. PURTELL. I am very happy to withhold it.

Mr. MORSE. I agree with the Senator from Connecticut that this bill should be subjected to debate in the Senate and should be called up on motion. I sincerely hope that at an early hour the acting majority leader will make it possible to have the bill called up for formal action by the Senate.

At this time I wish to offer an amendment to the bill, so that when the bill is considered the amendment will be printed as a part of the bill.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. MORSE. Mr. President, I hope the bill may be taken up sometime tomorrow because an emergency situation exists in the Nation's Capital by reason of the transit problem.

A proposal has been made today by the Capital Transit Co. which needs to be discussed publicly, because certainly it is a proposal which will not solve the problems of the transit strike.

Mr. President, I ask unanimous consent to have printed as a part of my remarks the text of a press release which the Commissioners of the District of Columbia issued this afternoon with regard to the proposal of the Capital Transit Co. The proposal is unacceptable to the District Commissioners and is, in my judgment, rightly unacceptable.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

The proposal of the Capital Transit Co. to enter into an agreement with the Commissioners under which it would relinquish its franchise 1 year from the date of agreement is not a practicable alternative to the direct action by Congress recommended by the Commissioners. The proposed agreement would have to be ratified by the stockholders of the Capital Transit Co. Before a stockholders' meeting can be held, proxy statements would have to be submitted to, and approved by, the Securities and Exchange Commission. After such approval there would have to be a period of 10 days' notice before the stockholders' meeting could be held. It appears therefore that it would not be possible to obtain the stockholders' approval prior to the adjournment of Congress.

If the stockholders, after the adjournment of Congress, fail to approve the proposal, the Commissioners would be left with no effective alternative to reestablish transit services. In addition to the stockholders' approval, legislation would be required to permit the company voluntarily to abandon its franchise, and to authorize the Commissioners to enter into such a contract. S. 2576 which has been proposed by the Commissioners and is now pending before Congress would, in the opinion of the Commissioners, with a minor amendment, permit them to enter immediately into an operational agreement with the Capital Transit Co. which would be substan-

tially similar to that proposed by the company. If this legislation is passed by Congress, the Commissioners believe it would be possible to achieve much the same result as the company proposes.

Mr. PURTELL. Mr. President, I assure the Senator from Oregon that it is my hope also that the bill will be considered at an early time.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

Mr. MORSE subsequently said: Mr. President, I wish to call attention to Calendar No. 1164, Senate bill 2576, relating to the Capital Transit Co.

Consideration of the bill during the call of the Unanimous-Consent Calendar was objected to this afternoon—and quite correctly so—because the measure should be fully discussed.

I submitted to the bill an amendment, as recommended by the Commissioners of the District of Columbia. The committee had a meeting this afternoon with the Commissioners of the District of Columbia; the meeting was in regard to consideration of the bill by the Senate, because the Capital Transit Co. made an offer—as reported today in the press—regarding cancellation at the end of the year of the transit company's franchise.

The District of Columbia Commissioners have issued to the press a statement as to why that offer would be unsatisfactory to them. In turn, the Commissioners suggested an amendment to the bill which would make it possible for them to negotiate with the Capital Transit Co. regarding the problems involving the transit system.

In view of the fact that the Congress has the governmental role in the case of the District of Columbia, I think the Congress owes it to the Commissioners of the District of Columbia to give consideration to the bill they are recommending.

This afternoon they notified the McNamara subcommittee that, with the adoption of the amendment they have proposed to Senate bill 2576—and I refer to the amendment which I have already sent to the desk, and which will be on the desks of Senators tomorrow—they think it important that Senate bill 2576 be passed, because the great danger is that Congress will adjourn and that during the period of the adjournment the Commissioners of the District of Columbia will not have the legal power they will need if they are to handle the Capital Transit strike situation.

I think we can iron out our differences—I believe there will be some differences over this matter—during the debate on the floor of the Senate, by means of an amendment or two.

At this time I ask whether the distinguished acting majority leader can give me some assurance—and I speak on behalf of the distinguished chairman of the Committee on the District of Columbia, the Senator from West Virginia [Mr. NEELY]—that the Senate will take up the bill sometime tomorrow.

Mr. CLEMENTS. Mr. President, I may say to the distinguished Senator from Oregon that I cannot give him any assurance as to when this measure will be taken up; but I should like to assure the Senator that there is no disposition on the part of the acting majority leader not to bring the bill before the Senate.

Yesterday I stated to him that there is a normal procedure which we have endeavored to follow. The acting majority leader is very definitely in sympathy with disposing of the matter during this session of Congress.

Mr. MORSE. Mr. President, I appreciate that, and the Senator from Kentucky gave me that assurance. I think it only fair to the acting majority leader that this be a matter of record. That is why I have made this inquiry this afternoon.

I am satisfied that if the bill, together with whatever amendments the Senate may see fit to adopt, is considered by the Senate and is acted on by the Senate we shall stand some chance of having the bill acted on at this session by the House of Representatives.

I believe that the enactment of such a measure is of importance as regards protecting the legal rights of the transit company—which I wish to protect—and also as regards protecting the rights of the people of this area to some transportation service.

Mr. CLEMENTS. Mr. President, I wish to commend my friend, the Senator from Oregon, for the approach he is making to this matter, in endeavoring to find an area of agreement, so that we may dispose of this matter in the least possible time during this session.

CONTRACT WITH THE TOSTON IRRIGATION DISTRICT, MONTANA

The joint resolution (S. J. Res. 82) to authorize the Secretary of the Interior to execute a certain contract with the Toston Irrigation District, Montana, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved etc., That the Secretary of the Interior is authorized to execute a contract with Toston Irrigation District which provides, among other things, that—

(a) the district will pay to the United States each year the full cost to the Government of operating and maintaining the works of the Crow Creek pumping unit during that year, exclusive of the cost of electrical pumping energy, said payment to be made, as far as the cost can be forecast by the Secretary or his duly authorized delegate, in advance and in not more than two installments;

(b) the United States will deliver to the district, as far as conditions permit, water in sufficient quantity to furnish 2 acre-feet per irrigated acre, measured at the farm turnouts, for use on the irrigable lands of the district;

(c) the district will, in addition to the amounts specified under (a) above, pay to the United States such sums as may be required to cover the cost, including the cost of electrical pumping energy, of furnishing more than 2 acre-feet per irrigated acre as hereinbefore provided;

(d) the district acknowledges and will cause each landowner to whom water is delivered to acknowledge that the contract confers upon it and them no right to the continued operation and maintenance of said works beyond the period during which it is in force unless, prior to the expiration thereof, the district shall have entered into a long-term contract conforming to the provisions of the Federal reclamation laws and that no permanent right to the use of water arises, attaches to their lands, or is claimed to arise or attach to their lands by virtue of the delivery of water through said works or the application to their lands of such water;

(e) the district will comply fully with all provisions of the Federal reclamation laws which are not inconsistent with this act and the contract executed pursuant to the authority contained herein; and

(f) the contract shall, subject to the district's compliance with all of its terms and conditions, continue in force until December 31, 1955, and shall be renewed automatically for each of the 9 succeeding calendar years unless either of the parties shall, on or before November 1 of any year, serve written notice of its intention that the contract shall not be renewed.

CONSTRUCTION OF TRINITY RIVER DIVISION, CENTRAL VALLEY PROJECT, CALIFORNIA—BILL PASSED OVER

The bill (H. R. 4663) to authorize the Secretary of the Interior to construct, operate, and maintain the Trinity River division, Central Valley project, California, under Federal reclamation laws, was announced as next in order.

Mr. BIBLE. Mr. President, I ask that the bill be passed over simply on the ground that it is not properly calendar business. I am very familiar with the bill, and I know of the great interest in it on the part of the Senators from California. However, I ask that the bill go over because it is not properly calendar business.

The PRESIDING OFFICER. The bill will be passed over.

LIMITATION OF AMOUNT OF LAND EXCHANGED ON FEDERAL IRRIGATION PROJECTS

The Senate proceeded to consider the bill (S. 1818) to limit the amount of land on Federal irrigation projects which may be exchanged under the act of August 13, 1953, which had been reported from the Committee on Interior and Insular Affairs with amendments, on page 1, line 9, after the word "exceed", to strike out "25" and insert "35", and on page 2, line 8, after the word "this", to strike out "act" and insert "act: *Provided*, That there shall be excluded from the limitation in this section the acreage required for amending the size of existing farm units", so as to make the bill read:

Be it enacted, etc., That the Act entitled "An act to permit the exchange and amendment of farm units on Federal irrigation projects, and for other purposes," approved August 13, 1953 (67 Stat. 566), is amended by redesignating sections 11 and 12 as sections 12 and 13, respectively, and by inserting after section 10 thereof a new section as follows:

"SEC. 11. Not to exceed 35 percent of the total irrigable acreage of public land, or other irrigable land acquired by the United States, on any Federal irrigation project, or a division thereof, the opening of which to entry was heretofore or is hereafter announced in public notices issued by the Department of the Interior announcing availability of water for lands within the irrigation project, or division thereof, and opening of public lands therein to entry, shall be available for acquisition by exchange under this act: *Provided*, That there shall be excluded from the limitation in this

section the acreage required for amending the size of existing farm units."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REPEAL OF CONTRACTUAL REQUIREMENT WITH RESPECT TO THE ARCH HURLEY CONSERVANCY DISTRICT, NEW MEXICO

The bill (S. 1965) to repeal a particular contractual requirement with respect to the Arch Hurley Conservancy District in New Mexico was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the proviso in the act entitled "An act to authorize the construction of a Federal reclamation project to furnish a water supply for the lands of the Arch Hurley Conservancy District in New Mexico," approved August 2, 1937, as amended (43 U. S. C., sec. 600a), is amended by striking out the semicolon and the word "and" at the end of clause (c) and by striking out all of clause (d) to the period. No provision with respect to the matters covered in said clause (d) which is contained in any contract entered into prior to the date of enactment of this act shall, except as is otherwise provided by this act, be enforced by the United States. Nothing contained in this section shall affect (1) the retention and application by the United States of any payments which have been made prior to the date of enactment of this act in accordance with any such provision of a contract, (2) the obligation of any party to the United States with respect to any payment which is due to the United States under any such provision but not paid upon the date of enactment of this act, and the application by the United States of any such payment in accordance with the terms of such contract, or (3) the enforcement of any such obligation by refusal to deliver water to lands covered by contractual provisions executed in accordance with said clause (d), except in those cases, if any, in which a sale or transfer consummated between December 27, 1938, and the date of enactment of this act is only discovered after such date of enactment to have been made contrary to such contractual provisions or to said clause (d).

SEC. 2. The Secretary of the Interior is authorized to amend any contract, which has been entered into prior to the date of enactment of this act, to conform with the provisions of the first section of this act. The consent of the United States is hereby given to the recording, at the expenses of the party benefited thereby, of any such amended contract and to the simultaneous discharge of record of the original contract. The consent of the United States is likewise given to the discharge of record, at the expense of the party benefited thereby, of any contract which the Secretary of the Interior or his duly authorized agent finds is rendered nugatory by the enactment of this oct.

BILLS PASSED OVER

The bill (H. R. 898) to provide for the approval of deeds executed by the heirs of Anna Hollywood Fickz was announced as next in order.

Mr. PURTELL. Mr. President, reserving the right to object, we find that reports are not available on Calendar No. 1169, H. R. 898; Calendar No. 1170, H. R. 910; Calendar No. 1171, H. R. 4718; and Calendar No. 1172, H. R. 6232. We therefore ask that the bills be passed over.

The PRESIDING OFFICER. Without objection, it is so ordered.

Calendar No. 1169, H. R. 898, will be passed over.

The bill (H. R. 910) to authorize and direct the sale of certain land in Alaska to John Ekonomos, of the Fairbanks Precinct, Alaska, was announced as next in order.

Mr. PURTELL. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 4718) to authorize and direct the issuance of patent to Robert W. Retherford of Anchorage, Alaska, to certain land in Alaska was announced as next in order.

Mr. PURTELL. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 6232) to include as Spanish-American War service under laws administered by the Veterans' Administration certain service rendered by Stephen Swann Ogletree during the Spanish-American War was announced as next in order.

Mr. PURTELL. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 6373) to amend the Domestic Minerals Program Extension Act of 1953 to encourage the discovery, development, and production of certain domestic minerals was announced as next in order.

Mr. PURTELL. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

REMOVAL OF THE MANUFACTURERS' EXCISE TAX

The Senate proceeded to consider the bill (H. R. 7024) to remove the manufacturers' excise tax from the sales of certain component parts for use in other manufactured articles, and to confine to entertainment-type equipment the tax on radio and television apparatus, which had been reported from the Committee on Finance with amendments, on page 6, at the beginning of line 4, to insert "the first section and section 2 of", and after line 20, to insert:

SEC. 4. Subsection (e) of section 534 of the Internal Revenue Code of 1954 (relating to burden of proof in certain proceedings relating to imposition of accumulated earnings tax) is hereby amended to read as follows:

"(e) Application of section:

"(1) Notwithstanding any other provision of law, this section shall apply with respect to taxable years to which this subchapter applies and (except as provided in paragraph (2)) to taxable years to which the corresponding provisions of prior revenue laws apply.

"(2) In the case of a notice of deficiency for a taxable year to which this subchapter does not apply, this section shall apply only in the case of proceedings tried on the merits after the date of the enactment of this paragraph."

SEC. 5. Subsection (b) of section 534 of such code (relating to notification by Secretary) is hereby amended by adding at the end thereof the following new sentence: "In the case of a notice of deficiency to which subsection (e) (2) applies and which is mailed on or before the 30th day after the date of the enactment of this sentence, the notification referred to in the preceding sentence may be mailed at any time on or before such 30th day."

Mr. PURTELL. Mr. President, may we have an explanation of H. R. 7024?

Mr. BYRD. Mr. President, the bill was unanimously approved by the House Committee on Armed Services.

The first section of this bill would provide that parts, accessories, or components subject to manufacturers' excise taxes may be sold free of tax if the purchaser uses or resells them "as material in the manufacture or production of, or is a component part of," any other articles whether or not these other articles are subject to a manufacturers' excise tax.

Section 2 of this bill provides that the 10-percent excise tax on radios, television sets, phonographs, automobile radio or television sets, and combinations of radio, television, or phonograph sets, is to apply only if the article is of the "entertainment type." The bill would make no change in the type of radio or television components which are taxable when sold separately from a set. Thus, under the bill, as well as under present law, the following radio and television components will continue to be subject to tax: Chassis, cabinets, tubes, speakers, amplifiers, power-supply units, antennas of the built-in type, and phonograph mechanisms. These components will continue to be subject to tax when sold as repair or replacement parts whether or not the set in which the part is to be used is of the entertainment type.

Mr. PURTELL. I thank the Senator from Virginia. I register no objection to the passage of the bill.

Mr. MARTIN of Pennsylvania. Mr. President, in addition to the very clear explanation by the Chairman of the Committee on Finance, I ask unanimous consent to have printed in the RECORD at this point in my remarks a further statement relative to the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MARTIN OF PENNSYLVANIA

The purpose of sections 1–3 in H. R. 7024 is to amend the Internal Revenue Code of 1954 so as to eliminate a number of administrative and compliance problems under the manufacturers' excise tax. These sections are similar to the provisions of S. 2009 introduced jointly by Senator DIRKSEN and myself.

The first section of the bill provides that automotive parts or accessories, refrigeration components, radio and television components and camera lenses may be sold free of tax for use in the further manufacture of another article. This treatment is now provided under existing law for refrigeration components and most automobile parts and accessories, and would be extended by the bill to provide a uniform rule for all of these parts, accessories and components. This provision will eliminate a number of administrative and compliance problems and will prevent the indirect taxation of articles which Congress has not considered it desirable to subject to direct excise taxation.

Section 2 of the bill provides that the 10-percent excise tax on radios, television sets, and phonographs is to apply only if the article is of the entertainment type. Your committee sees no reason for singling out for excise tax levy special communication, de-

tection, and navigation equipment of a nonentertainment type.

Of greatest importance is the fact that sections 1 and 2 of the bill will serve to clarify any ambiguities in existing law with respect to the clear intent of Congress to grant a complete exemption from manufacturers' excise tax for radio equipment and other articles sold to States and their instrumentalities for use in providing fire, police, forestry, civilian defense and other services essential to the safety and welfare of their citizens.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to remove the manufacturers' excise tax from the sales of certain component parts for use in other manufactured articles, to confine to entertainment-type equipment the tax on radio and television apparatus, and for other purposes."

BILL AND JOINT RESOLUTIONS PASSED OVER

The bill (S. 2286) to amend the Merchant Marine Act of 1936 so as to provide for the utilization of privately owned shipping services in connection with the transportation of privately owned motor vehicles of certain personnel of the Department of Defense was announced as next in order.

Mr. AIKEN. Mr. President, I ask that that bill go over, for the simple reason that no copies of the bill or report are available.

The PRESIDING OFFICER. The bill will go over.

The joint resolution (S. J. Res. 91) to authorize the Secretary of Commerce to sell the steamship *La Guardia* was announced as next in order.

Mr. PURTELL. Over.

The PRESIDING OFFICER. The joint resolution will go over.

The joint resolution (S. J. Res. 92) to authorize the Secretary of Commerce to sell the steamship *Monterey* was announced as next in order.

Mr. PURTELL. Over.

The PRESIDING OFFICER. The joint resolution will go over.

COMPACT RELATING TO THE WATERS OF THE KLAMATH RIVER

The bill (H. R. 3587) granting the consent of the Congress to the negotiation of a compact relating to the waters of the Klamath River by the States of Arizona and California was considered, ordered to a third reading, read the third time, and passed.

BILLS AND JOINT RESOLUTIONS PASSED OVER

The bill (S. 2556) to provide assistance for certain landless Indians in the State of Montana was announced as next in order.

Mr. PURTELL. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2087) to amend the act of May 19, 1947, to permit per capita payments to the individual members of the Shoshone Tribe and the Arapahoe Tribe of the Wind River Reservation in Wyoming, to be made quarterly, was announced as next in order.

Mr. PURTELL. I call the Chair's attention to the fact that with respect to Calendar No. 1180, S. 2007; Calendar No. 1181, S. 2197; Calendar No. 1182, H. R. 6585; and Calendar No 1183, S. 2060, there are no reports available. For that reason I ask that they go over.

The PRESIDING OFFICER. The bills will go over.

The joint resolution (S. J. Res. 97) to amend certain laws providing for membership and participation by the United States in the Food and Agriculture Organization and International Labor Organization and authorizing appropriations therefor was announced as next in order.

Mr. ELLENDER. Over.

The PRESIDING OFFICER. The joint resolution will be passed over.

REDUCTION OF ARMAMENTS

The resolution (S. Res. 71) favoring a reduction of armaments with a view to improving world living conditions was considered and agreed to, as follows:

Resolved, That the President of the United States be requested to present to the United Nations this proposal to explore the possibilities of limiting the proportion of every nation's resources devoted to military purposes, both direct and indirect, so as to increase steadily the proportion devoted to improving the living levels of the people; and be it further

Resolved, That any such limitation provide adequate means of inspection and control and be made part of any comprehensive regulation, limitation, and balanced reduction of all armed forces and armaments; and be it further

Resolved, That the exploration of the possibilities of this method of disarmament be pursued to gain recognition for the principle that the way any government divides its resources can be taken as a measure of its peaceful or aggressive intent; also for the principle that high living standards constitute an automatic built-in deterrent against aggression and that any nation which deliberately and persistently holds down the living levels of its people to build military power is a threat to world security; also for the principle that the conversion time that must elapse before resources can be shifted from peaceful to war purposes can be used as a basis for preventing possible aggression before it takes place; and be it further

Resolved, That to implement these principles consideration be given to the following:

An adequate number of key resources be selected and standards be drawn up for determining what ratio of each of these resources should be set as a maximum ceiling limiting the proportion of each of these resources, which may be utilized for military purposes.

Along with each such ceiling adequate measures of inspection and control be enforced to prevent the diversion or conversion for military purposes of resources committed for peaceful uses, also that any such acts of diversion or conversion be considered automatic evidence of aggressive intent.

The ceilings limiting the possible military uses should be set to attain a major increase in living levels, to provide adequate warning before any of these resources can be converted to war production and to contribute to other arms and armament controls.

These ceilings be subject to periodic revision by agreement among the participating nations with the view of providing balanced security and progressively to increase the proportion of all resources to be committed to peaceful uses, provided that it be recognized a freeze of existing resources allocations cannot be taken as a starting stage because it would freeze a pattern of continuing aggression for some nations, while keeping others relatively defenseless.

Ceilings upon the military uses of these key resources be established to the end that no nation's economic expansion be curbed.

In setting such ceilings, allowance be made for the special economic needs of individual nations, particularly those with underdeveloped economies; and be it further

Resolved, That the President be further requested to direct the appropriate Government agencies to complete studies now underway, or to undertake any new studies that might be needed to carry through the objectives of this resolution.

The preamble was agreed to.

TRIBUTE TO SIR WINSTON CHURCHILL

The resolution (S. Res. 139) paying tribute to Sir Winston Churchill for his contributions in behalf of freedom and world peace was considered and agreed to, as follows:

Resolved, That the Senate of the United States, on the occasion of the retirement of Sir Winston Churchill as Prime Minister of Great Britain, expresses its high appreciation of the outstanding contribution this truly great statesman has made to the cause of freedom and of his tireless efforts in behalf of world peace; and be it further

Resolved, That the Senate of the United States hereby expresses its profound hope that Sir Winston Churchill may be spared for many more years of useful and honorable service; and be it further

Resolved, That the Secretary of the Senate of the United States is instructed to transmit a copy of this resolution to Sir Winston Churchill.

The preamble was agreed to.

PROVISION FOR CERTAIN BASIC AUTHORITY FOR THE DEPARTMENT OF STATE

The bill (S. 2569) to provide certain basic authority for the Department of State was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. PURTELL. Mr. President, I rose to object to the bill, because at the time we checked the bills this measure was not available to the calendar committee, since which time bills as well as reports have been made available. I therefore raise no objection to the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with amendments on page 1, line 7, after the word "binding", to insert "outside the continental United States"; on page 3, line 16, after the

word "as", to insert "he"; and in the same line, after the word "may", to strike out "be" and insert "deem", so as to make the bill read:

Be it enacted, etc., That the Secretary of State is authorized to establish, maintain, and operate passport and despatch agencies.

SEC. 2. The Secretary of State, when authorized in an appropriation or other law, may—

(a) authorize printing and binding outside the continental United States without regard to section 11 of the act of March 1, 1919 (44 U. S. C. 111);

(b) purchase, rent, operate, and maintain printing and binding machines, equipment, and devices abroad;

(c) pay the cost of transportation to and from a place of storage and the cost of storing the furniture and household and personal effects of an employee of the Foreign Service who is assigned to a post at which he is unable to use his furniture and effects, under such regulations as the Secretary may prescribe;

(d) employ aliens, by contract, for services abroad;

(e) employ personnel without regard to the civil-service laws and regulations, and the Classification Act of 1949, as amended;

(f) furnish official entertainment;

(g) purchase uniforms; and

(h) pay the actual expenses of preparing and transporting to their former homes the remains of persons, not United States Government employees, who may die away from their homes while participating in international educational exchange activities under the jurisdiction of the Department of State.

SEC. 3. The Secretary of State is authorized to—

(a) obtain insurance on official motor vehicles operated by the Department of State in foreign countries when required by the law of such countries, and pay the expenses incident thereto;

(b) rent tie lines and teletype equipment;

(c) provide ice and drinking water for United States Embassies and Consulates abroad;

(d) pay excise taxes on negotiable instruments which are negotiated by the Department of State abroad;

(e) pay expenses incident to the relief, protection, and burial of American seamen, and alien seamen from United States vessels in foreign countries and in the United States Territories and possessions;

(f) pay the expenses incurred in the acknowledgment of the services of officers and crews of foreign vessels and aircraft in rescuing American seamen, airmen, or citizens from shipwreck or other catastrophe abroad or at sea;

(g) rent or lease, for periods of less than 10 years, such offices, buildings, grounds, and living quarters for the use of the Foreign Service abroad as he may deem necessary, and make payments therefor in advance; and

(h) maintain, improve, and repair properties rented or leased pursuant to authority contained in subsection (g) of this section and furnish fuel, water, and utilities for such properties.

SEC. 4. The Secretary of State is authorized to—

(a) make expenditures for unforeseen emergencies arising in the diplomatic and consular service, and funds expended for such purposes may be accounted for in accordance with section 291 of the Revised Statutes (31 U. S. C. 107); and

(b) delegate to subordinate officials the authority vested in him by section 291 of the Revised Statutes pertaining to certification of expenditures.

SEC. 5. The Secretary of State is authorized to—

(a) provide for participation by the United States in international activities which arise from time to time in the conduct of foreign affairs for which provision has not been made by the terms of any treaty, convention, or special act of Congress;

(b) pay the expenses of participation in international activities in which the United States participates by authority of subsection (a) of this section, including, but not limited to the following:

(1) Employment of aliens;

(2) Travel expenses without regard to the Standardized Government Travel Regulations and to the rates of per diem allowances in lieu of subsistence expenses under the Travel Expense Act of 1949, as amended (5 U. S. C. 835–842);

(3) Travel expenses of persons serving without compensation in an advisory capacity while away from their homes or regular places of business not in excess of those authorized for regular officers and employees traveling in connection with said international activities;

(4) Rental of quarters by contract or otherwise; and

(5) Contributions for the share of the United States in expenses of international organizations.

SEC. 6. The provisions of section 8 of the United Nations Participation Act of 1945, as amended (22 U. S. C. 287–287e), and regulations thereunder, applicable to expenses incurred pursuant to that act, may be applicable to the obligation and expenditure of funds in connection with United States participation in the International Civil Aviation Organization.

SEC. 7. The exchange allowances or proceeds derived from the exchange or sale of passenger motor vehicles in possession of the Foreign Service abroad, in accordance with section 201 (c) of the Act of June 30, 1949 (40 U. S. C. 481 (c)), shall be available without fiscal year limitation for replacement of an equal number of such vehicles.

SEC. 8. The Secretary of State may, when authorized in an appropriation or other law, transfer to any department, agency, or independent establishment of the Government, with the consent of the head thereof, any funds appropriated to the Department of State, for direct expenditure by such department, agency, or independent establishment for the purposes for which the funds are appropriated.

SEC. 9. The Secretary of State is authorized to enter into contracts in foreign countries involving expenditures from funds appropriated or otherwise made available to the Department of State, without regard to the provisions of section 3741 of the Revised Statutes (41 U. S. C. 22).

SEC. 10. The exchange of funds for payment of expenses in carrying on activities abroad by the Secretary of State, including the Foreign Service, shall not be subject to the provisions of section 3651 of the Revised Statutes (31 U. S. C. 543).

SEC. 11. Appropriated funds made available to the Department of State for expenses in connection with travel of personnel outside the continental United States, including travel of dependents and transportation of personal effects, household goods, or automobiles of such personnel shall be available for such expenses when any part of such travel or transportation begins in one fiscal year pursuant to travel orders issued in that year, notwithstanding the fact that such travel or transportation may not be completed during that same fiscal year.

SEC. 12. Notwithstanding the provisions of section 16a of the act of August 2, 1946 (5 U. S. C. 78 (a)), the Secretary of State may authorize any chief of diplomatic mission to approve the use of Government-owned vehicles in any foreign country for transportation of United States Government employees from their residence to the office and return when public transportation facilities are unsafe or are not available.

SEC. 13. The Secretary of State, with the approval of the Bureau of the Budget, shall prescribe the maximum rates of per diem in lieu of subsistence (or of similar allowances therefor) payable while away from their own countries to foreign participants in any exchange of persons program, or in any program for furnishing technical information and assistance, under the jurisdiction of any Government agency, and said rates may be fixed without regard to any provision of law in limitation thereof.

SEC. 14. Allowances granted under section 901 (1) of the Foreign Service Act of 1946 (22 U. S. C. 1131 (1)), may include water, in addition to the utilities specified.

SEC. 15. Appropriations now or hereafter made available to the Department of State for allowances granted under the authority in part A of title IX of the Foreign Service Act of 1946, as amended (22 U. S. C. 1131), including an allowance for water as authorized in section 14 of this act, shall be available for the payment of such allowances in advance.

SEC. 16. The Secretary of State may, notwithstanding the provisions of any other law, prescribe regulations for the payment on a commuted basis in lieu of any other method, of expenses authorized by law for travel of personnel of the Department and its Foreign Service, including travel of dependents and for transportation, or for transportation and storage, of furniture and household and personal effects, and automobiles of such personnel. Appropriations now or hereafter made available to the Department of State for travel and transportation expenses shall be available for payments authorized under this section.

SEC. 17. Appropriations to carry out the purposes of this act are hereby authorized. When so provided in an appropriation law, an appropriation made to the Department of State may remain available until expended.

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MANSFIELD. Mr. President, each year as we act on the appropriation bill for the State Department it is necessary to include authorizing legislation with respect to such matters as the purchase of uniforms, insurance for motorcars, the rental of telephone tie lines, the operation of passport offices outside of Washington, the protection and relief of American seamen, and so forth. Year after year we waive points of order to the carrying on of these housekeeping activities of the Department of State.

The pending bill will serve as permanent authorization for the annual appropriation of funds to carry on these activities. This bill does not contain any items which have not been included in past appropriation bills passed by the Senate, except for three minor sections relating to the purchase of water, the advance of allowances, and payments for the shipment of personal effects and household goods.

A section-by-section analysis of the bill appears in the committee report which indicates the need for each section of the bill and the provisions of law or of past appropriation acts related to those sections.

The Committee on Foreign Relations has taken action on the pending bill at the request of the chairman of the Appropriations Subcommittee on the State Department.

The Senator from South Carolina [Mr. JOHNSTON] has called my attention to a

provision on page 2, lines 8 to 10, which might conceivably have the effect of authorizing the Department of State to circumvent certain regulations with respect to the Classification Act of 1949, as amended. Accordingly, I send to the desk an amendment to strike out paragraph (e) of section 2, and ask that it be adopted.

The PRESIDING OFFICER. The amendment offered by the Senator from Montana will be stated.

The LEGISLATIVE CLERK. On page 2, it is proposed to strike out lines 8 to 10, inclusive, and renumber the succeeding subsections.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2402) to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDING OFFICER. The bill will be passed over.

CONSTRUCTION OF HIGHWAY WITHIN THE GRAND TETON NATIONAL PARK

The PRESIDING OFFICER. A bill which was passed to the foot of the calendar, Senate bill 1917, will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1917) to authorize the construction within the Grand Teton National Park of an alternate route to United States Highway No. 89, also numbered 187 and U. S. 26, and the conveyance thereof to the State of Wyoming, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. MORSE. Mr. President, I ask for an explanation. The report does not make clear what the United States is getting in the way of value. I am sure the record of the committee will show that the United States is getting something of value.

Mr. CLEMENTS. Mr. President, the Senator from Wyoming [Mr. O'MAHONEY] is now present. I believe the Senator from Oregon should address his question to the Senator from Wyoming.

Mr. MORSE. My question is, What is the United States getting by way of value? I am sure the United States will get value, but the report does not make it clear.

Mr. O'MAHONEY. Mr. President, let me recite the statement contained in the letter of the Assistant Secretary of the Interior to the chairman of the Senate Committee on Interior and Insular Affairs:

> This proposed exchange, which has been in contemplation by this Department for some time, would be equitable, in our opinion. It would benefit both Federal and State operations in that region. We have collaborated with the State of Wyoming in reaching what we consider to be an appropriate solution to various traffic and highway problems within Grand Teton National Park, as represented by this bill.

The Senator from Oregon finds difficulty in that the next sentence contains reference to a value. The sentence reads as follows:

> The sum of $1,525,000 is available for obligation by this Department, in accordance with authorizations contained in the Federal Aid Highway Act of 1954, during the 1956 fiscal year, for the purpose of constructing an alternate route to United States Highway 89 within the park.

It is the desire of the Park Service to build this alternate road, which is regarded by the Park Service as being much more advantageous to persons who visit the park than is the existing road. The present road is on land which was originally donated by the State. It is merely proposed to give it back to the State for its use.

Mr. MORSE. I may say to the Senator from Wyoming that I am not questioning the bill. I merely wished to have the RECORD show that the proponents of the bill give assurance that the taxpayers of the United States are getting a fair exchange in what amounts to a trade of highways.

Mr. O'MAHONEY. There is no question about that. I think the bill meets the Morse formula.

Mr. MORSE. I take the Senator's word for it. His word is always good with me.

Mr. President, I have no objection to the consideration of the bill.

There being no objection, the bill (S. 1917) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

> *Be it enacted, etc.*, That in order to facilitate public use and enjoyment of the Grand Teton National Park and to make possible an appropriate relocation and use of highways through the park, the Secretary of the Interior is authorized to construct within the park, upon a location to be agreed upon between the Secretary and the Governor of Wyoming, a highway which shall replace the present United States Highway 89, also numbered U. S. 187 and U. S. 26. Upon completion of the said highway, the Secretary is authorized to enter into an agreement with the State of Wyoming, upon such terms and conditions as he deems in the interest of the United States, for the conveyance of the highway to the State in exchange for State and county roads in the park area.

ASSISTANCE TO CERTAIN LANDLESS INDIANS IN MONTANA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 1179, Senate bill 2556, which was objected to previously by request, be considered at this time, because I believe no real objection existed, but objection was made because of a misunderstanding.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2556) to provide assistance for certain landless Indians in the State of Montana.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. PURTELL. Mr. President, I was informed that there was objection to the present consideration of the bill; therefore, by request, I asked that the bill be passed over.

However, I am now informed that there is no objection to the bill. Accordingly, I offer no objection to the present consideration and passage of Senate bill 2556.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 2556) to provide assistance for certain landless Indians in the State of Montana was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

> *Be it enacted, etc.*, That the Secretary of the Interior is authorized and directed to provide relief and welfare services to the so-called landless Indians residing on Hill 57, Great Falls, Mont.
>
> SEC. 2. Assistance to Indians under this act may be provided either directly or in cooperation with any agency of the State of Montana or of any political subdivision of such State, and may include grants to needy Indians.
>
> SEC. 3. The funds appropriated under the heading "Education and Welfare Services" in the Department of the Interior and Related Agencies Appropriation Act, 1956, are hereby made available for carrying out the provisions of this act.

HARRY SACHER

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 831, Senate Resolution 130.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the resolution (S. Res. 130) to certify the report of the Committee on the Judiciary to the United States attorney for the District of Columbia to the end that Harry Sacher may be proceeded against in the manner and form provided by law.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on agreeing to the resolution.

Mr. EASTLAND obtained the floor.

Mr. KNOWLAND. Mr. President, will the Senator from Mississippi yield to me, if it is agreed that he may do so without losing his right to the floor?

Mr. EASTLAND. I yield.

Mr. KNOWLAND. Mr. President, some Members on our side of the aisle wish to be present during the consideration of this measure, and I desire to suggest the absence of a quorum.

Mr. EASTLAND. I think the Senator from North Dakota [Mr. LANGER] wishes to be present at this time.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

Mr. EASTLAND. Mr. President, will the Senator from California withhold his suggestion? The Senator from North Dakota [Mr. LANGER] has reached the Chamber.

Mr. KNOWLAND. But, Mr. President, the Senator from North Dakota is not

the only Senator who requested that the absence of a quorum be suggested at the conclusion of the call of the calendar.

Mr. EASTLAND. Very well.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GORE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous conset that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EASTLAND. Mr. President, this resolution was reached yesterday on the call of the calendar, and was passed over. I stated the facts in detail yesterday. Mr. Sacher was subpenaed as a witness in an investigation being conducted by the Internal Security Subcommittee of the Senate Committee on the Judiciary. He defied the subcommittee. He refused to testify. He did not take advantage of the fifth amendment, but merely refused to answer any questions.

The subcommittee had jurisdiction. This is a plain case of open defiance of a committee of the United States Congress.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. KILGORE. The Internal Security Subcommittee is a special subcommittee of the Committee on the Judiciary, created by action of the United States Senate.

Mr. EASTLAND. That is correct.

Mr. KILGORE. So it is an arm of the United States Senate. Its personnel comes from the Senate Judiciary Committee.

Mr. EASTLAND. That is correct. I thank the Senator.

Mr. KILGORE. I merely wished to clarify the situation.

Mr. LANGER. Mr. President, it so happens that I am a member of the Subcommittee on Constitutional Rights of the Judiciary Committee. As a member of that subcommittee, I deem it my duty, whenever a question arises involving the citation of a person for contempt in a case which is not likely to be successful in the courts, and which I believe to be an infringement of the constitutional rights of a citizen to bring that fact to the attention of the Senate.

It is very interesting to note that many of the cases in which persons have been cited for contempt by this body during the past 2 years and which reached the Supreme Court of the United States, have been decided in favor of the defendants.

Only a few months ago I stood on this floor in the Peters case. I placed in the RECORD the entire brief which was drawn up by the attorneys in that very important case involving civil rights. The question was whether a man who was protected under the Civil Service laws could be brought in and lose his job, without a single witness appearing against him face to face.

Then there was the Scheiner case. At the present time there is on the way to the Supreme Court the Corliss Lamont case. If the lawyers in that case are right—and I believe they are—and if it is true, as stated in various editorials in leading newspapers, including the New York Times and the New York Post, that the editors of those newspapers have consulted with their lawyers, and if they are right, that will be another case in which the action of the Senate will be reversed.

I do not know the gentleman involved in this case. He came to the Senate one day and called me from the Chamber. I talked with him for perhaps 2 minutes. When he asked me to present his case as a member of the Committee on Constitutional Rights of Citizens, I asked him to prepare a brief showing what he relied upon.

I hold that brief in my hand, and I wish to read it. I may say that I gave a copy of the brief to Mr. J. C. Sourwine, attorney for the subcommittee headed by my distinguished friend and colleague from Mississippi [Mr. EASTLAND]. So he knows exactly what I am about to say.

I have read this brief very carefully. I was very much impressed by it. I have been the attorney general of my State and I believe that the brief shows that there is a difference of opinion on a question of law. The question here is whether or not the subcommittee had jurisdiction. My friend, the Senator from Mississippi says the subcommttee had jurisdiction. The defendant says in his brief that it had not.

I read from the brief:

Senate Resolution 130 proposes that contempt proceedings be initiated against Harry Sacher for his refusal to answer certain questions put to him by the Senate Subcommittee on Internal Security. The questions which he refused to answer were three in number and read as follows:

"Are you, Mr. Sacher, a member of the Communist Party, U. S. A.?" (S. Rept. No. 824, p. 8.)

"Have you ever been a member of the Communist Party of the United States?" (S. Rept. No. 824, p. 8.)

"Are you now or have you ever been a member of the lawyers section of the Communist Party, U. S. A.?" (S. Rept. No. 824, p. 9.)

Mr. Sacher declined to answer these questions on the ground, among others, that the purpose of these questions, as disclosed by counsel for the subcommittee, did not fall within the scope of the authority of the subcommittee as defined by the resolution which created it; and that, consequently, the questions were not pertinent to a subject matter properly under inquiry.

As the distinguished Senator from Mississippi has stated, Mr. Sacher did not plead the fifth amendment.

The facts and the law below set forth fully sustain Mr. Sacher's position. Senate Resolution 130 should, therefore, be defeated.

In other words, if my distinguished colleagues agree that Mr. Sacher's position is right, the resolution should be defeated. If they believe he is not right, then, of course, the resolution should be agreed to.

At and prior to the date of his appearance before the subcommittee, Mr. Sacher was counsel to the defendants in *U. S.* v. *Flynn et al.*, on a motion for a new trial then awaiting decision by Judge Edward J. Dimock in the United States District Court for the Southern District of New York. The defendants, who had been convicted of conspiracy to violate the Smith Act, predicated their motion for a new trial on the recantation of Harvey Matusow of the testimony he had given against them at their trial before Judge Dimock. Mr. Sacher's understanding "as given to (him) by those who served the subpena to (him)" was "that (he) was going to be interrogated concerning the Matusow recantation." (S. Rept. No. 824, p. 7.) And he answered all questions put to him on that subject.

In seeking to justify the questions which Mr. Sacher declined to answer, committee counsel explained their purpose as follows (S. Rept. No. 824, p. 7):

"Mr. Chairman, among the measures under consideration by this committee is proposed legislation for the purpose of fixing additional standards with respect to the practice of law in the Federal Courts. Among the suggestions for inclusion in such legislation is a suggestion which would prohibit members of the Communist Party from practicing in the Federal Courts. It is germane to the consideration of such legislation to inquire into the circumstances involving the practice of law in Federal Courts by persons who are Communists and by persons who are defending Communists. I believe that the inquiries made here and other inquiries which have been made and will be made in this Matusow case have bearing upon that legislative problem now pending before the committee."

Mr. President, I am one who believes that any lawyer has a perfect right to appear in court in the United States of America. I do not believe that it is any worse for a lawyer to defend a Communist than it is for a lawyer to defend a man for murder or for incest. Under the Constitution of the United States a lawyer has a right to appear for a Communist if he cares to do so.

Under the rights given to a lawyer in this country, if he wishes to defend a man for incest or for murder or for robbery or for being a Communist, that right is guaranteed to the lawyer under the Constitution of the United States. As my distinguished friend, the Senator from Idaho [Mr. WELKER] points out, it is a lawyer's duty to appear for him.

I have no patience at all with the judge in Texas who disbarred a lawyer because the lawyer chose to defend a Communist, or refused to tell the judge whether he was a Communist himself. My record on communism is open to the public. I voted for the various laws dealing with Communists, as every Senator on the floor knows. Nevertheless, lawyers have their rights when they choose to defend a Communist.

The fatal defect in the foregoing statement is that it seeks to justify the questions which Mr. Sacher declined to answer by relating them to a subject matter which was not properly under inquiry by the subcommittee. The only subjects which the subcommittee was authorized to study and investigate were those specified in the resolution which created the subcommittee, i. e., Senate Resolution 366, 81st Congress, 2d session; Senate Resolution 172, January 27, 1954; Senate Resolution 49, February 4, 1955. That resolution authorizes the subcommittee to study and investigate the following:

"(1) The administration, operation, and enforcement of the Internal Security Act of 1950;

"(2) The administration, operation, and enforcement of other laws relating to espionage, sabotage, and the protection of the internal security of the United States;

"(3) The extent, nature, and effects of subversive activities in the United States;

its territories and possessions, including, but not limited to espionage, sabotage, and infiltration by persons who are or may be under the domination of the foreign government or organization controlling the world Communist movement or any other movement seeking to overthrow the Government of the United States by force and violence."

Clearly, none of the matters which Resolution 366 authorizes the subcommittee to study and investigate includes the matter of the fitness of Communists to practice in the Federal courts, which subcommittee counsel assigned as the justification for his questions concerning Mr. Sacher's membership in the Communist Party. In these circumstances Mr. Sacher could not be compelled to answer the questions he declined to answer. For, as the Supreme Court of the United States said in *Jones* v. *Securities and Exchange Commission* (298 U. S. 1, 25–26):

"An official inquisition to compel disclosures of fact is not an end, but a means to an end; and it is a mere truism to say that the end must be a legitimate one to justify the means. The citizen, when interrogated about his private affairs, has a right before answering to know why the inquiry is made; and if the purpose disclosed is not a legitimate one, he may not be compelled to answer."

The subpena in the case was justified by counsel for the subcommittee on a certain ground, and I wish to read that ground again. A congressional committee cannot issue a subpena and ask a person about his private affairs for no reason at all. It cannot unlawfully delve into a man's private life just because it happens to be a congressional committee. I may say that I have had the honor time and time again to be a member of congressional committees where we have cited persons for contempt. A committee's powers are limited by the act which sets up the committee or subcommittee. At the time this man was called before the subcommittee, counsel for the subcommittee stated:

Mr. Chairman, among the measures under consideration by this committee is proposed legislation for the purpose of fixing additional standards with respect to the practice of law in the Federal courts.

Where in the resolution is the subcommittee given any authority in any way, shape, form, or manner to dig into the questions asked Mr. Sacher? A reading of the resolution will show that no such power is given to the subcommittee. If anyone wishes to submit a resolution in the Senate to investigate the matter of whether lawyers can appear for a Communist, or whether lawyers should be deprived from appearing in a Federal court to defend a Communist, that is another matter.

If anyone wishes to submit that kind of resolution, certainly my distinguished friend, the Senator from Mississippi, has a right to do so. Under such a resolution a subcommittee would have the right to investigate a lawyer and determine whether he appeared for a Communist, or whatever the matter might be involving a Communist. The subcommittee would have a right to do it under such a resolution.

I submit that when Senators read the resolution they will find no such power is given, and, therefore, the subcommittee did not have any jurisdiction. It is quite plain that the questions which gave rise to this proposed contempt citation fell entirely outside the authorizing resolution and the particular matter under inquiry. Certainly the Senate should not indulge in a broader construction of the resolution for the purpose of punishing a lawyer who, after all, did nothing more than to discharge his professional responsibility.

Mr. WELKER. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield.

Mr. WELKER. I have listened to the Senator's discourse, and I am quite impressed by the words he used. Did the Senator prepare the statement which he has just read?

Mr. LANGER. I made it very clear at the outset that I did not.

Mr. WELKER. Who did prepare it?

Mr. LANGER. Mr. Sacher himself.

Mr. WELKER. And the Senator is now giving aid to him?

Mr. LANGER. I met him for 2 minutes when he called me off the floor some days ago. I simply asked him to prepare a brief and I got that 2 days ago and satisfied myself that it should be brought before the Senate.

Mr. WELKER. Has the Senator ever seen him on the stand?

Mr. LANGER. I have not seem him but that one time as stated, and I had never met him before. But, under our Constitution, every man, no matter how humble he may be and no matter with what he may be charged, no matter what may be his race or color—any citizen, under the Constitution of the United States, has a right to go to any Senator and file a petition.

Mr. WELKER. The Senator knows that I would never presume that he would do anything wrong in this matter.

Mr. LANGER. The Senator and I have been friends for so long that we have entire confidence in each other.

Mr. WELKER. I would say to the Senator from North Dakota that if he were in the position of the Senator from Mississippi [Mr. EASTLAND], who is charged with the duty of bringing people like Harry Sacher into the open, I am convinced the Senator would change his mind.

Mr. LANGER. I assume the distinguished Senator from Mississippi is doing his duty. I have known him for years, and I cannot imagine that he would not do his duty. But men have different viewpoints as to whether the power granted by a resolution like Senate Resolution 130 should be interpreted broadly or whether it should not be so interpreted. I gave a copy of the statement to Mr. Sourwine, counsel for the subcommittee headed by the distinguished Senator from Mississippi, so he would have an opportunity to go over it thoroughly and be in a position to advise the subcommittee. Frankly, I believe the position taken by Mr. Sacher to be sound and therefore I simply brought it to the attention of the Senate in doing my duty as a United States Senator.

Mr. EASTLAND. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield.

Mr. EASTLAND. I can very well understand that Mr. Sacher does not want to be cited for contempt, but I do not think we should take the word of a notorious Communist about things that have happened. My distinguished friend from North Dakota has made it clear that he was not present and has no knowledge of what occurred, but he has presented a brief filed by the notorious Communist, Sacher. The ground on which the Senator relies, and which he asks the Senate to accept is that there was an invasion of the lawyer-and-client relationship. There was no such relationship at this hearing. This man was called as a witness in his own right. No questions were asked him concerning matters between himself and his clients in cases in which he had appeared. He was asked about his own participation in the Communist conspiracy, and these questions he refused to answer. He defied the committee. He said, "I am not going to put it on the ground of fifth amendment; I am simply not going to answer the question."

The second ground which my friend from North Dakota has raised is that the committee lacked jurisdiction.

The Internal Security Subcommittee was set up under a special resolution by which the United States Senate charged it with the responsibility of investigating the operation of the Internal Security Act and all matters impinging on the internal security of the United States, and this subcommittee has, very clearly, the broadest jurisdiction for investigating communism in this country. We were discharging that responsibility, in accordance with our obligation, in the hearing of which Sacher appeared. If we do not have jurisdiction to inquire into the Communist conspiracy, then the resolution of the Senate which created the subcommittee is a nullity. Of course, we have jurisdiction to inquire into the Communist conspiracy, and to ask a man like Sacher whether he is a Communist. Unless he avails himself of his privilege under the fifth amendment, he must answer the question. This witness was highly contemptuous. He was the most contemptuous witness I have ever seen.

Mr. President, I hope the resolution will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. KUCHEL obtained the floor.

Mr. SMATHERS. Mr. President, will the Senator from California yield?

Mr. KUCHEL. I yield.

UNIFORM REITREMENT DATE FOR AUTHORIZED RETIREMENTS OF FEDERAL PERSONNEL

Mr. SMATHERS. I move that the Senate proceed to the consideration of Calendar No. 520, Senate bill 912.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 912) to amend the act of April 23, 1930, relating to a uniform retirement date for authorized retirements of Federal personnel.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Civil Service with an amendment.

HIGHWAY LEGISLATION

Mr. KUCHEL. Mr. President, the record of achievements of this session of Congress now drawing to a close is such that Members generally may look back with a considerable degree of satisfaction on substantial contributions to the security and welfare of our Nation. While it is true that some important matters may have been put on the shelf, the present Congress upon its return next January will be in a position to dispose of partially finished business in 1956 without the delay that was occasioned this year by the reorganization of committees in both Chambers.

In some quarters, criticism has been and is being heard that a number of items have not received the attention which they deserved and that this Congress has failed to tackle a variety of problems literally crying for consideration. By and large, I am not too distressed about such complaints.

However, Mr. President, I am most disappointed and unhappy that this Congress marched up the hill and down again without being able to enact one piece of legislation which everyone acknowledges is of the greatest importance. The death of proposals to set in motion a broad-scale highway construction program is a stunning setback to our economy, means the loss of precious time in taking steps to reduce traffic congestion that snuffs out an appalling toll of human lives, and ignores the need for an adequate road system in the interests of national defense and security.

Since coming to this body, I have been proud that on so many occasions, when the welfare of our people requires it, partisanship can be submerged and members of both parties can work harmoniously, without political motives, for the common good. I deeply deplore the fact that one of the prime reasons why no highway legislation will be enacted during this session is that bipartisan cooperation in this field proved impossible to achieve.

I recall that the distinguished present Presiding Officer was the chairman of the Subcommittee on Public Works, of which I was a member, at many long sessions, when we endeavored to reach a solution. There were two different aproaches to the problem. One was finally accepted in the Senate, only to be almost completely rewritten in the House. Now, as we all know, only a few short hours ago all hope for highway legislation this year has been abandoned. This is a real tragedy, Mr. President.

The price this Nation will pay for further neglect of the highway problem can never be measured or approximated. Because it was impossible, largely for partisan reasons, to agree on a workable system of financing a roadbuilding program which the President considered of highest importance and the Governors of all the States felt required top priority, the congestion on our arteries of transportation and communication will mount greater and greater. Because this Congress was not sufficiently courageous to follow the lead of our President in a new approach to the problem, the ghastly headlines relating needless fatalities will continue blacker and bigger.

Mr. President, everyone in this body realizes that the tremendous increase in the number of vehicles on our highways, combined with the moratorium on roadbuilding necessitated by the war, has produced a problem of gigantic proportions. We have seen an increase of from 34 million to 58 million in the number of registered motor vehicles in less than 10 years, but only piecemeal and pitifully inadequate efforts to provide straighter, broader, safer highways on which they may operate. We know that traffic accidents take an average of 100 lives each day and that 3,000 persons are injured on the highways every 24 hours. A big percentage of these deaths and injuries are directly attributable to the inadequacy of our road system.

During the past generation, our economy, from the individual farm to the most extensive industrial plant, has become highly dependent upon motor transportation. The mass movement of workers, the shipment of raw materials and agricultural crops and manufactured products in more and more and in wider and wider areas is impossible without buses, passenger cars, and trucks.

During the past year there has been considerable alarm and fear voiced from time to time about the apathetic way our people have shrugged off the responsibility of planning for civilian defense. Yet in almost every community private individuals, along with public officials, have discussed whether it ever would be possible to carry out an evacuation of threatened target cities because of what seems to be the unsurmountable obstacle of moving huge numbers of people over the tragically insufficient arteries leading from centers of population. By the same token, the ability of our Nation to defend itself is jeopardized by the bottlenecks in transportation which inevitably would complicate mobilization if it ever became necessary for survival.

As an example of the way inaction by this Congress on the highway problem endangers our whole country, let me point to the situation in the part of the country from which I come. There are less than a dozen routes eastward from my State of California which are parts of the Federal highway system. According to even antiquated standards of engineering and safety, in actuality there are only 3 or 4 ways of egress from the entire State, which extends north and south more than 1,700 miles.

During wintertime, two of those main routes traverse high mountains at considerable altitudes, where heavy snows and treacherous ice often halt all motor traffic for days at a time. In event of an attack on this country, particularly in the winter months, the movement of people, troops, weapons, and supplies from and to the Pacific coast would be horribly complicated because of the inadequacy of the interstate highway system which legislation before this Congress this session was designed to improve and modernize.

By failing to agree on a measure to make a start on the backlog of needed highways, this Congress has invited the risk that further deficiencies may stagnate our national economy as well as endanger our national safety and snuff out heartsickening numbers of human lives.

I am very proud of the accomplishments of the 1st session of the 84th Congress. I am very proud of the accomplishments of the Senate, which have been effectuated by a majority of the votes of Democratic and Republican Members of the Senate.

I regret equally that in the paramount field of highway transportation in America we were unable to convince a majority of the House of Representatives that the road problem constituted a topmost desire on the part of the American people for relief and assistance.

I sincerely hope that during the second session renewed and vigorous efforts will be made in the interest of the American people to secure something which is in the interest of all Americans, namely, a modern, efficient system of interstate highways, paid for in an equitable manner.

Mr. LONG. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. LONG. I agree with the Senator's statement, and I commend it. I hope the Senator realizes, of course, that the highway authorization bill which was passed last year would not have gone into effect until July of next year, as I understand.

Mr. KUCHEL. Yes; the Senator from Louisiana is correct. As we well know, so far as Federal highways are concerned, the Government is proceeding at present under legislation which was passed last year.

Mr. LONG. I share the Senator's view that the bill which was passed by the Senate certainly should have become effective, so that a highway construction program could have been undertaken. But I am certain the Senator realizes that there is yet a possibility—and many Members hope that the possibility will be realized—that early next year the House will take the road bill off the snag on which it is hanging today, and pass it, so that there may be a measure on which the Senate can confer with the House, a measure which will enable us perhaps to have a Federal highway program underway by the middle of next year.

Mr. KUCHEL. I appreciate the comments of my friend from Louisiana. It is true that it would be a sin if the 84th Congress finally closed its books a year from now without having realistically grappled with the problem of modern highways through proper highway legislation.

Mr. KILGORE. Mr. President, will the Senator yield for a question?

Mr. KUCHEL. I yield.

Mr. KILGORE. The Senator comes from California, which is a coastal State. I wonder if he realizes the situation which exists in some of the inland States.

West Virginia, the State from which I come, is a gateway from the Great Lakes to the Southeast. West Virginians pay exceptionally high fees for the operation of their motor vehicles. The gasoline taxes in West Virginia are heavy. Yet the big trucks and trailers which come through our State carry large fuel tanks which make it unnecessary for the truck operators to buy gasoline in our State, thereby avoiding the payment of gasoline taxes in West Virginia.

The so-called Democratic bill in the House would have taken care of such a situation and would have equalized the expense of highway construction. Under the other bill, we would have had to stand the expense ourselves. Our own residents would have been taxed and would have suffered from that sort of proposal.

I am not necessarily speaking as an advocate of the railroads. Nevertheless, the railroads in my State pay heavy taxes and furnish their own rights-of-way. When the interstate trucks travel through West Virginia, they reduce the amount of freight for the railroads, and they also reduce the amount of taxes which might be collected by the State, which furnishes them the roads that are necessary for the operation of the trucks.

I remember a time when heavy traffic of this character was routed past my home. A new pavement had just been laid. Yet in 12 months it was necessary to rebuild the entire street because of the damage which had been done by the heavy traffic, including trucks having load limits of from 11 to 45 tons.

I think the truckers should pay for the benefits they receive from the highways. I do not know how other Senators may be considered by the trucking interests; but the truckers do not like me very much because I am opposed to their receiving such benefits without sharing in the cost of them.

West Virginia happens to have some of the best passes through the Appalachians, and more of them than does any other State. We are, therefore, probably more harassed by the heavy highway freight traffic. The same situation applies in varying degrees to many other inland States which border on coastal States. In some way these States must have additional help. In some way, the builders of highways must give them additional allowances.

I hope the junior Senator from California will realize these factors, so that the inequities will be taken care of, and the citizen of West Virginia who pays the high license fee and high gasoline taxes will be enabled to use, at least to some extent, the roads he is helping to build.

I remember that when motoring on Route 50, which comes through to Washington, I had to stop my car on the roadway for as much as an hour, and let the heavy traffic go through, in order to keep my engine from burning up. That is one illustration. Route 60 also goes through my State. A number of other highway routes go through the State, and none of them are capable of handling traffic conditions.

I hope the distinguished Senator from California realizes the problems of some of the inland States with regard to road conditions.

Mr. KUCHEL. Mr. President, I appreciate the statement of the Senator from West Virginia. I must say he points up what, in my conception, is the logic of having a modern and efficient system of highways in America, which the Government of the United States would largely provide.

The question of payment is of high importance. I can only repeat that I did believe that the recommendations of the report of the committee headed by General Clay were sound, but I was not so completely wedded to them that I would blind myself to other approaches.

So far as the Senate Finance Committee is concerned, certainly I am sure it could deal equitably and fairly with any recommendations alternative to the Clay committee's report, which might be contained in a piece of proposed legislation dealing with that subject, so far as tax laws are concerned.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. NEUBERGER. I was interested in the remarks of the distinguished Senator from California, because I served with him on the Senate Committee on Public Works, which reported the bill and considered the Clay report, and I know his interest in this subject.

Is not the real meat of the coconut whether there should be a bond issue, as recommended in the Clay committee report, which would defer payment until sometime in the future, or whether there should be a partial pay-as-you-go road system? Is not that the core of this problem?

Mr. KUCHEL. In answer to the Senator from Oregon, I will say that is certainly an important segment of the problem, but the Senator and I cannot know, by reason of the vote in the House yesterday, whether this Congress would be in agreement on a Federal assumption of the cost of building an interstate system. The Senator recognizes, of course, that would be a departure from our historic method of allocating Federal moneys. So there is involved not simply a question of how the moneys to build a system would be obtained, but I think actually there is involved also the question of what type of responsibility the Federal Government would assume if it should build or assist in the building of highways in the future.

Mr. NEUBERGER. Earlier in the session, I think I introduced the first bill to appear in either House which attempted to place our road program, at least very moderately, on a limited pay-as-you-go basis. I presented a bill to add 1 cent a gallon to the Federal fuel tax. Of course, the easiest thing in the world for a person, either in this Congress or in a State legislature, to do is to authorize all kinds of projects and put off until another day means to provide the money to pay for them. We all know that. It would seem to me that my 1-cent fuel tax proposal, however moderate it was, would be in some measure merited.

Now we are up against the situation, as the Senator from California has mentioned, in which the House has defeated both the President's proposal and the Fallon bill offered by some of the Democrats in the House. So there is no bill before the Congress. It appears to me if we are to resurrect and save some of the fine work which was done by the Public Works Committee, under the able leadership of the junior Senator from Tennessee, we simply have to induce the House to bring out some road bill in the next session of Congress. I agree with the Senator from California that we need improved highways. Both of us represent States which comprise large areas, although, of course, the State from which the Senator from California comes has a larger population than has the State which I have the honor in part to represent.

I share the Senator's disappointment that the House has brought out no road measure at all. Highways are essential to America's economy, and they should be good highways and safe highways. Our people will eventually be satisfied with no less.

Mr. KUCHEL. I thank the Senator from Oregon for his comments. I think they are extremely relevant and are representative of the fact that we are all agreed that something needs to be done. There are various ways, equally logical, of doing it. We ought to be able to find out which they are.

Mr. CARLSON. Mr. President, will the Senator from California yield?

Mr. KUCHEL. I yield.

Mr. CARLSON. The statement the Senator from California has made regarding the necessity for a road bill is very relevant. I cannot help but think it is high time that legislation was enacted which would provide for the future a highway program in keeping with the heavy growth of automobile and truck traffic. There are now 60 million automobiles in this country; and the number is increasing very rapidly. Not only that, but good roads are important from the standpoint of national defense.

I regret very much that the present session of Congress is going to close without having a road bill enacted.

I appreciate the work which was done by the Public Works Committee, of which I am not a member. I sincerely hope that at the beginning of the next session Congress will grapple with the problem and pass a bill which can be enacted into law, in the interest of the country.

Personally, I favored the Clay committee's report. I have been studying the history of toll roads which have been built. The State of Kansas has just appropriated $160 million for a highway from Kansas City to Topeka to Wichita. I understand our sister State to the south, Oklahoma, is making plans to build a road which will connect with that road.

The prospect for getting a national road program is excellent, but we are not going to get it unless we sit

around the table and work out an adequate and acceptable bill.

I concur with what the Senator from California has stated about the need for action. I think the country is going to be a little disappointed that Congress did not pass a highway bill at this session.

Mr. KUCHEL. I thank the Senator from Kansas very much.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. MARTIN of Pennsylvania. I think it is worth while to have the discussion we are now having in the closing days of the present session. I regret exceedingly that a road program was not enacted this year, but it was an enormous undertaking, and there was a great deal of opposition from various States in the Union as to the methods of financing, limitation of access on roads, and so forth. I think probably early in the second session of this Congress we shall be able to have a satisfactory highway bill enacted.

Mr. President, I should like to ask the distinguished Senator from California what he would think about a partial payment for a highway system by the imposition of some additional taxes, the balance of the cost of roads to be taken out of the general fund.

Mr. KUCHEL. First of all I wish to thank the distinguished Senator from Pennsylvania. I served with him as a member of the committee, of which he was chairman during the 83d Congress, and I worked with him when he was ranking minority member of the Committee on Public Works during this Congress. I know well of his long experience and deep interest in this problem.

Mr. President, I will say, with respect to the interesting suggestion which the senior Senator from Pennsylvania has made, that, first of all, no one can fool himself. Highways which are needed and which must be built will cost money, and they are going to have to be paid for. If the Congress should decide that 40,000 miles of an interstate highway system in America ought to be a responsibility of the Government of the United States, and I believe it should, then the Government of the United States is going to have to bear the burden of paying for that, and that, of course, in the last analysis, means the people of the United States will pay for it.

In a word, Mr. President, the Clay committee recommended a governmental structure and the sale of revenue bonds geared to collection by the Federal Government of gasoline revenue which, in the opinion of the agencies downtown, would multiply as the years went by and as automobiles increased in number on the highways of America.

The Senator from Pennsylvania has suggested that the possibility of obtaining a 40,000-mile interstate system might rest in part upon, first, increasing Federal taxes and, second, utilizing the general fund for the remainder of the payment. Certainly if the Congress does not see fit to accept the recommendation involved in the report of the Clay committee, obviously we then must obtain the necessary revenues by raising taxes or by utilizing the general fund.

Frankly, I felt that one of the advantages of the Clay committee's report and recommendation was that we would not run into the problem of the debt limitation. But other Senators—far more experienced than I—disagreed with that approach.

So, Mr. President, it seems to me that we are going to have to give careful attention to what type of tax should be increased in an equitable fashion, in order to obtain part of the revenues necessary to build the system.

So far as concerns utilizing the general fund, I would say to my friend, the Senator from Pennsylvania [Mr. MARTIN], that if it comes to that question, obviously we are going to have to take into consideration the debt limitation statute.

In any event, in concluding my statement at this time, I would answer by saying that construction of the interstate system is so all-important to the Nation that, from among the various recommendations on revenue which have been made, this Congress should be able to find an equitable way to pay for a modern system of interstate highways in the United States.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator from California yield to me?

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Does the Senator from California yield to the Senator from Pennsylvania?

Mr. KUCHEL. I yield.

Mr. MARTIN of Pennsylvania. I should like to say that the United States now is collecting excise taxes from automobiles, trucks, gasoline, diesel oil, rubber, and so forth, in the total amount of more than $2 billion a year.

Earlier in the session the distinguished Senator from Oregon [Mr. NEUBERGER] suggested an increase of 1 cent a gallon in the gasoline tax. At the present time, such an increase in the tax would amount to more than $500 million a year.

The distinguished Senator from Connecticut [Mr. BUSH] suggested a tax on rubber. We could impose a limited tax on rubber and an additional 1-cent-a-gallon tax on gasoline, and those taxes would more than half pay for the interstate system over a period of from 12 to 15 years, with the remainder of the money to come out of the general fund.

As I said a moment ago, at the present time we obtain from the excise taxes, including the revenue taxes on gasoline, diesel oil, and rubber, over $2 billion annually.

A moment ago the Senator spoke of the importance of the interstate system from the standpoint of defense. There is no question that it is very important from the standpoint of national defense, and from the standpoint of civilian defense. I think that is another reason why we probably should take a part of the money from the general fund.

I never made a harder effort in connection with anything in all my life than I did in attempting to get the bond plan through the Senate. However, we were defeated by a margin of almost 2 to 1. So that indicates to me that it will be necessary to make a different approach.

In the House of Representatives, the vote on the bond plan was almost even; but when it came to the proposed additional taxes, that proposal was defeated by a margin of almost 2 to 1.

So, Mr. President, it seems to me that probably it is necessary to make a different approach.

But it is absolutely necessary in the United States to build the interstate system. Sometimes I have wondered whether the Federal Government should build the entire system, pay for it 100 percent, and, after it is built, return the roads to the States, for operation, maintenance, and policing. Sometimes I have wondered whether that is a solution of this problem. At any rate, we considered it.

I wish to say that I appreciate this opportunity to speak. I had not intended to discuss the matter at this time; but I am so much interested in the construction of roads, that I am glad to have this opportunity to say a few words on the subject.

Reference has been made to national defense. Let me say that in the past 2 years I have been resuming my study of the War Between the States. I really believe that if there had been North-and-South roads, the War Between the States never would have occurred.

What we need at this time, in order to tie the country together, is a fine system of interstate roads.

I apologize for taking so much time.

Mr. KUCHEL. I thank the Senator from Pennsylvania very much.

Mr. McNAMARA. Mr. President, will the Senator from California yield to me?

Mr. KUCHEL. I now yield to my friend, the Senator from Michigan.

Mr. McNAMARA. Mr. President, I certainly know of the interest the Senator from California [Mr. KUCHEL] has displayed in the road program. His labors impressed all of us who serve on the committee. Certainly he worked very hard indeed in the interest of the road program, which is so important at this time. Likewise, Mr. President, the distinguished Senator from Pennsylvania [Mr. MARTIN] certainly worked as hard and as diligently as did anyone else. I am sure the subcommittee did a fine job under the chairmanship of the distinguished Senator from Tennessee [Mr. GORE].

I regard it as most unfortunate—as has just been said by the previous speaker—that a road program has not been enacted at this session.

I agree with the statement made by the junior Senator from California in concluding his remarks; I refer to his statement that in view of all the suggestions which have been made, the financing of so necessary a road plan should not be too difficult. I believe that conclusion on the part of the Senator from California is in keeping with the realties of the situation.

Mr. President, much has been said about the Clay plan. In my estimation, the Clay plan was the very poorest of all the plans which had been suggested for paying for the roads. Actually, the Clay plan envisoned borrowing approximately $21 billion for a 30-year period, and paying $11,500 million of interest

over that period of time. I submit that that is an easy way to handle the program. We could set up authorities in the various States, but of course that would take time, and would not be an easy thing to do. Certainly we could borrow the money, and could let our children and our grandchildren pay for the roads which we ourselves should provide, but I simply do not agree with such a proposal.

I am sure that I agree with the conclusion which so many other Senators have reached, namely, that we ourselves should be able to pay for the roads which everyone agrees are necessary and essential at this time. I favor paying for them now, in our time, rather than to pass on the burden to future generations.

Mr. KUCHEL. Mr. President, I am glad to have the comment of the able Senator from Michigan [Mr. McNAMARA] who is my friend. Certainly we can look forward with very much hope to being able, next year, to fashion a piece of proposed legislation which can be enacted into law.

At this time I do not wish to engage in debate with my friend, the Senator from Michigan, as regards the relative merits or demerits of the Clay plan. I would disagree with some of the statements my friend has made. I believe the Clay report is generally sound. However, that discussion should be continued until another day.

Meanwhile, Mr. President, I am glad the Senate has indicated again, in the last few moments, a continuing interest in the vital necessity of new highway legislation.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield to the able Senator from Tennessee, who, I wish to add, again distinguished himself when he presided over the long days of hearings in our Subcommittee on Public Works, and then brought forward a bill which gained the approval of the Senate.

Mr. GORE. Mr. President, I wish to thank my able and distinguished friend, the junior Senator from California, for his generous remarks. Also I wish to thank other Senators who have been generous in their references.

The Senator from California and other Senators have expressed disappointment. I, too, was disappointed that no highway legislation passed the House of Representatives. I was hopeful that some bill would go to conference and that we could arrive at a satisfactory bill.

The fact that no bill has passed this year, however, does not mean that no highway legislation will be enacted next year. It will be my purpose, upon the reconvening of the Congress in January, to urge the leadership of the House of Representatives to call up for early consideration Senate bill 1048, which passed the Senate by an overwhelming majority.

As the junior Senator from California has said, that bill could not be regarded as representing the maximum of bipartisan cooperation. However, I wish to remind him that it was the result, as he has said, of long consideration by the Senate Public Works Committee, and was reported from that committee by a bipartisan vote. I believe the bill was reported from the committee by a vote of 9 to 5. It was supported on the floor by Members from both sides of the aisle, and was passed by an overwhelming majority. In fact, by the time we reached the stage of a final vote, a yea and nay vote was not even necessary, and was not requested.

In the contest between the committee bill and the administration bill the vote was 60 to 31 in favor of the committee bill So there is still hope for highway legislation early next year. The fact that the bill would not go into effect until the fiscal year 1957 would mean that if a highway bill should be enacted early next year, no serious delay would result. If no bill were passed next year, serious delay would ensue.

However, enactment of a bill in January, February, or even March or April would permit budget arrangements to be made both by the Federal Government and the States. It would also permit the States to make their surveys and plans, and put the program into operation by the scheduled time.

I appreciate the courtesy of the Senator from California in yielding to me. I join in the expression of the hope that there will be highway legislation early next year.

Mr. KUCHEL. I thank the Senator very much.

UNIFORM RETIREMENT DATE OF FEDERAL PERSONNEL

The Senate resumed the consideration of the bill (S. 912) to amend the act of April 23, 1930, relating to a uniform retirement date for authorized retirements of Federal personnel.

Mr. JOHNSTON of South Carolina. Mr. President, I believe there are some committee amendments to be disposed of.

The PRESIDING OFFICER. The first committee amendment will be stated.

The CHIEF CLERK. On page 2, after line 13, it is proposed to insert:

SEC. 2. (a) Paragraph (5) of section 3A of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by striking out "subsequent to the date of enactment of the Legislative Reorganization Act of 1946, as amended" and inserting in lieu thereof "during any 5 consecutive years of service at the option of such Member of Congress."

(b) The amendment made by subsection (a) shall be effective only in the case of persons separated from the service on or after the date of enactment of this act.

Mr. JOHNSTON of South Carolina. Mr. President, some question has been raised with respect to this section. I ask that the committee amendment be rejected. We propose to insert that provision in another bill.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. MONRONEY. Is it the intention to place the language proposed to be stricken by rejecting the committee amendment in the bill providing for general civil-service retirement increases, Senate bill 2402?

Mr. JOHNSTON of South Carolina. The Senator is correct. When that bill is before the Senate for consideration, we shall ask that the provision proposed to be stricken from the committee amendment be inserted in that bill, as being a more appropriate place than the pending bill.

Mr. MONRONEY. Will that bill be brought up tonight?

Mr. JOHNSTON of South Carolina. It is my understanding that it will not be brought up tonight.

Mr. MONRONEY. Would it be possible to have printed, for the information of Senators, the language proposed to be inserted in the other bill? I understand that it has been changed from the way it is presented in connection with the pending bill. I think it would be helpful if we had that language before us.

Mr. JOHNSTON of South Carolina. I send to the desk a copy of the amendment which will be proposed when Senate bill 2402 is taken up.

The PRESIDING OFFICER. The amendment will be received and will lie on the table and be printed.

The question is on agreeing to the committee amendment on page 2, after line 14, to insert section 2 in the bill.

Mr. JOHNSTON of South Carolina. Mr. President, I ask that the committee amendment be rejected.

The amendment was rejected.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The CHIEF CLERK. On page 2, after line 22, it is proposed to insert:

SEC. 3. Section 632 of the Foreign Service Act of 1946, as amended (60 Stat. 1015; 22 U. S. C. 1002), is amended by striking out "60" and inserting in lieu thereof "65."

Mr. JOHNSTON of South Carolina. Mr. President, I offer an amendment, at the beginning of line 23 on page 2, after the word "Sec." to strike out the numeral "3" and insert in lieu thereof "2."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina to the committee amendment.

The amendment to the amendment was agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, I invite the attention of the Senate to the fact that section 3 of the bill as reported—now section 2—would amend the Foreign Service Act of 1946, as amended, to raise the mandatory separation age of Foreign Service officers below the rank of career minister from 60 to 65 years to correspond with the mandatory retirement age of Foreign Service officers of the rank of career minister. This would make possible the retention of Foreign Service officers for an adidtional 5-year period when such action was deemed desirable.

The result will be to provide uniformity. At the present time, when a man becomes 60 he must retire. The bill would provide voluntary retirement up to the age of 65.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 2, after line 22, as amended.

The amendment as amended was agreed to.

Mr. CARLSON. Mr. President, I wish to state that, now that section 2 of the bill, as reported, has been stricken as it now stand, the bill represents the budget request, which had the approval of the administration. I sincerely hope the Senate will pass the bill.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the first section of the act entitled "An act to provide for a uniform retirement date for authorized retirements of Federal personnel," approved April 23, 1930 (46 Stat. 253), is amended by inserting "(a)" after "That" and by adding the end thereof the following:

"(b) (1) Notwithstanding subsection (a), the Secretaries of the uniformed services are authorized to specify an effective date for the retirement for permanent physical disability or placement on a temporary disability retired list of members of their respective uniformed services which is earlier than the date for retirement provided for in subsection (a).

"(2) For the purposes of paragraph (1)—

"(A) the term 'uniformed services' shall have the same meaning as when used in the Career Compensation Act of 1949; and

"(B) the term 'Secretaries' includes the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force, the Secretary of the Treasury, the Secretary of Commerce, and the Secretary of Health, Education, and Welfare."

SEC. 2. Section 632 of the Foreign Service Act of 1946, as amended (60 Stat. 1015; 22 U. S. C. 1002), is amended by striking out "60" and inserting in lieu thereof "65."

The title was amended so as to read: "A bill to amend the act of April 23, 1930, relating to a uniform retirement date for authorized retirements of Federal personnel, the Civil Service Retirement Act of May 29, 1930, as amended, and the Foreign Service Act of 1946, as amended."

FEDERAL COOPERATION IN NON-FEDERAL PROJECTS

Mr. SMATHERS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1085, S. 2442.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The Secretary will state the bill by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2442) to provide for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with amendments.

THE TREASURY INCOME TAX PRACTICE BILL

Mr. CARLSON. Mr. President, I have recently introduced S. 2436, dealing with assistance to taxpayers in Federal tax matters.

Our Federal income tax system depends upon the voluntary cooperation of many millions of taxpayers. The great majority of them make out their own returns, and checks by the Internal Revenue Service indicate that generally they do an honest, accurate job.

But a large number of taxpayers—probably several million each year—need assistance in determining their income tax liabilities. Many of them obtain this assistance from the District offices of the Internal Revenue Service. Many more use the services of part or full-time practitioners who make an invaluable contribution to the smooth functioning of the tax system. If these services were not available, the Internal Revenue Service would have to have tens of thousands more employees, both to assist taxpayers, and to make adjustments in the far greater number of erroneous returns which would be filed.

When it comes to complicated business income tax returns, and to reaching a fair settlement when a return is questioned by the Revenue Service, these independent tax practitioners are even more necessary to the satisfactory operation of the tax system.

The value of independent tax practitioners has long been recognized by the Treasury Department, which has provided since 1921 that those with special competence should be formally enrolled to practice before the Treasury. From the beginning, lawyers and certified public accountants in good standing have been admitted to practice without further evidence of their qualifications, and others have been admitted upon passing an examination. Certain former revenue agents are also admitted without examination. Today more than fifty thousand individuals hold Treasury cards.

These enrolled practitioners perform an indispensable function in the orderly collection of taxes, and their record has been excellent. The loss of their services would be a disaster to the Government and to the taxpayers who rely on them.

S. 2436 would give specific authorization to the Secretary of the Treasury to protect the public through such regulation of tax practice as he deems necessary. It would not require any change in the qualifications for admission to practice which have already been established, nor would it grant any privileges to any practitioner which are not specified in existing regulations. It would, however, make clear the intent of Congress that there should be no monopoly in this field, and no arbitrary limitation on the admission of qualified individuals to Treasury enrollment.

MINIMUM WAGE LAWS

Mr. GOLDWATER. Mr. President, last week Representative JOHN RHODES, of Arizona's First District, called upon the various States to improve their minimum wage laws where they exist and to create them where they do not. Congressman RHODES' suggestion comes from considerable association with these problems which has equipped him uniquely to discuss intelligently the subject of the States' responsibility in this field. He is a man whose political philosophy embraces the thought that the States being closer to the picture can better legislate in the field of labor and management relations, particularly in the area of minimum wage. I wish to congratulate my colleague who sits in the other Chamber for this statesmanlike approach to a problem that needs attention by the States. I further want to associate myself with his remarks and with his philosophy.

Mr. President, as a retailer, I am proud of the general overall record the retailing industry of the United States has historically maintained in the field of employee relations. I will be the first to admit that it is not perfect, but I will also be the first to say that in most instances the retail profession leads in the matter of employee relationships.

After sitting through many hearings this year on the amendments suggested to the Fair Labor Standards Act, I became more and more convinced that the States which do not have minimum wage laws should enact them, and that those who have inadequate coverage, should improve them. I say that because it is my philosophy in this field—and the Senate knows this—that the States can better handle labor-management relations than can the Federal Government. After sitting through several weeks of hearings, I feel that the retail profession, of which I am a member, should be challenged nationwide to accept the responsibility of seeing to it that in their respective States this be accomplished.

A short time ago Secretary of Labor Mitchell made some remarks on the subject. While Secretary Mitchell and I have disagreed from time to time, I am in hearty agreement with most of his remarks on this subject. I should like to read a portion of a report on the subject The American Worker, 1955, made by Secretary of Labor James P. Mitchell. He said:

> Last month more people in the United States had jobs than ever before in our history. In factories, on farms, in mines, banks, stores, and shops across the Nation over 64 million Americans were at work.
>
> Also, unemployment was greatly improved. The figures for June show that the seasonal rise in unemployment was smaller than expected this year. Usually, in past years, large numbers of students entered the labor market in June and unemployment jumped fairly substantially. This did not happen this year because the students found jobs quickly. So actually, when adjusted for this seasonal factor, unemployment in June fell to the lowest level in a year and a half.
>
> It's also important to note that the take-home pay of workers in industry is at record levels, with the average family man having $70.12 a week to spend and the single worker $62.83. And workers can buy more with their pay than ever before. This is true because the cost of the things a worker and his family buys has remained practically the same for months now and inflation no longer has its greedy hand in the worker's pay envelope.
>
> These facts, together with evidence that our Nation's production of goods and services this year is running at the unbelievable rate of $380 billion, point to 1955 as being a record high-level year of prosperity for the American wage earner. Other records are also being made in 1955. More has been done by the States to improve the conditions of work-

ers and their families in the past 6 months than in the previous 20 years.

Shortly after President Eisenhower took office he said: "Now there is need to review and assess, with prudence and foresight, the proper roles of the Federal, State, and local Governments. In many cases, especially within the past 20 years, the Federal Government has entered fields which, under our Constitution, are the primary responsibilities of State and local governments. This has led to duplication and waste." In several messages since then, the President has urged the States to act to improve their own labor standards laws. In addition, I have followed up the President's request by writing to each of the State governors, also urging such improvement.

The States have been quick to recognize their obligation to their citizens and great progress has been made. The record to date demonstrates that an effective Federal-State partnership in the labor field is being developed and that significant and lasting progress can be made by encouraging State action.

For example, at this writing amendments to strengthen workmen's compensation have been introduced in almost every one of the 45 State legislatures meeting this year. In 33 States those amendments have been enacted into law. Four of these States increased the maximum weekly benefits for temporary total disability to $40 or more, making 15 States and Territories which now provide that amount.

Many minimum wage bills were introduced, 11 being in States which had no minimum wage law. In 3 of those 11, minimum wage laws protecting workers were enacted.

Bills amending unemployment insurance laws were introduced in practically all State legislatures. Maximum weekly benefits have been increased in 23 States and 2 Territories, 10 of which now have a basic weekly benefit above $30. The 10 States which have a maximum of $30 or better account for 70 percent of all workers in the country covered by unemployment insurance.

Five States and one Territory have improved their industrial safety laws and regulations to give greater protection to workers on the job.

Equal-pay bills were introduced in 8 States not formerly having such laws, and amendments were proposed to 4 existing laws. Three States with no previous equal-pay legislation passed such laws this year for the first time.

Admittedly this State-by-State approach takes more time and patience than direct Federal action, but the resultant structure is sounder. One need but accept the obvious fact that State legislatures can adapt their laws to special local situations to realize the added strength inherent in such a program. The response of the States has been, as I have indicated, more than encouraging.

I repeat, Mr. President, while I have disagreed with Secretary Mitchell on occasion, particularly in the field of right-to-work laws, I certainly agree with him in his approach to this situation, for I believe it is a sound approach and, if followed through, will result in better working conditions for workers across the country.

Mr. President, in order to save the time of the Senate, I ask unanimous consent that a compilation of State labor legislation as of July 11, 1955, be inserted in the RECORD at this point in my remarks.

There being no objection, the compilation was ordered to be printed in the RECORD, as follows:

A ROUNDUP OF STATE LABOR LEGISLATION AS OF JULY 11, 1955

The legislatures of 45 States, Alaska, Hawaii, and Puerto Rico have met this year.

There has been much activity in the labor field. Considerable progress has already been made in workmen's compensation, unemployment insurance, minimum wage, and equal-pay legislation. In other action, one State adopted a right-to-work law, another prohibited closed-shop agreements, and one seriously lowered child-labor standards.

Workmen's compensation: In 38 States, Alaska, and Hawaii, workmen's-compensation amendments have been approved; and in all but 8 of these, benefits of 1 or more types were raised. In some States all types of benefits were raised. Fifteen jurisdictions are now providing weekly benefits for temporary total disability of $40 or more. Florida extended the benefit period from 700 weeks to period of disability, and Oregon has extended coverage, with limitations, to volunteer civil-defense workers.

Other significant enactments include an extension of coverage in Vermont to employers of 6 or more rather than 8 or more; and the creation of workmen's compensation department and an independent appeal board in Michigan, which takes the place of the former workmen's compensation commission.

A new Ohio law provides that in case of injury an employer will not be liable for preexisting disability, the difference being paid from the State insurance

Unemployment Insurance: Maximum weekly benefits have been increased in 23 States, Alaska, and Hawaii. Ten States, Alaska, and Hawaii raised their basic maximum weekly benefit above $30, and 7 others increased theirs to $30. Ten now have a maximum weekly benefit amount of over $30 and 19 States have a $30 maximum.

Minimum Wage: Minimum-wage bills were introduced in 33 States and 2 Territories including 11 States without minimum-wage laws. In 3 of these 11 States, laws have been enacted. In Nevada, Alaska, and Hawaii existing laws were amended.

Women's Laws: Equal-pay bills were introduced in 8 States not formerly having such laws, and amendments were proposed to 4 existing laws. Arkansas, Colorado, and Oregon have passed equal-pay laws this year for the first time, bringing to 16 the number of States with such acts, in addition to Alaska.

Industrial Safety: Maryland, Nevada, and Hawaii have adopted new industrial safety laws which would strengthen the States' accident prevention programs. In Maine a Board of Construction Safety Rules was established. Massachusetts specified that the law requiring adequate drinking water, toilet facilities, etc. (and authorizing labor departments to make rules therefor) shall apply to garages, building or construction projects, and premises used by express, trucking and transportation companies. A Minnesota amendment prohibits the loan or lease, as well as sale, of unguarded machines.

Mr. GOLDWATER. Mr. President, to conclude, I should like to say that my concern about this matter has been of long duration, but it has been brought to this point by the realization of the fact that 19 States of the 48 States now lack minimum-wage laws. If the American businessmen who say the Federal Government has no place in labor legislation are going to prove their contention, then I think it is incumbent upon them to see that their several States improve their labor laws.

With that thought in mind, I wrote to Mr. John Hazen, who is vice president of the Retail Dry Goods Association, of which I am very proud to me a member, the following letter:

DEAR JOHN: With the adjournment of the first session of the 84th Congress, it would be well for retailers to review the efforts that were made this year to repeal the retail exemption under the Fair Labor Standards Act and to plan for the coming session.

As the only retailer in the United States Senate, and because my store is a member of your association, I have a deep and abiding interest in our craft.

NRDGA has always maintained that the Federal Government should not concern itself with wage-and-hour matters as they relate to retailing. You have stated that this subject should be left to the several States. With this point of view, I am in complete agreement. But a study of the activities of State legislatures reveals that progress has been very slow, and for this reason the Federal Government, through the Department of Labor, continues to advocate Federal coverage of retail stores.

Secretary of Labor Mitchell believes that State control of this problem would be better than Federal control, but the States must act. Recently Mr. Mitchell said, "admittedly, this State-by-State approach takes more time and patience than direct Federal action, but the resultant structure is sounder. One need but accept the obvious fact that State legislatures can adapt their laws to special local situations to realize the added strength inherent in such a program."

From my observations it is high time that retailers take the initiative in this matter and foster State minimum wage-and-hours laws. The alternative is Federal control. If the States adopt sound laws in this field the Federal Government will lose interest, but if businessmen fail to initiate State action we will constantly be faced with the threat of Federal intrusion.

I hope you will be able to discuss this important matter with the members of NRDGA and to tell me in January that the association will spearhead such a drive.

Mr. President, I am proud to be able to call upon my craft actively to engage themselves in this field in their various States. I said at the outset that the retailer is probably closer to his workers than is any other industry or business in America. Retailers know and feel what the persons working with them want. There is a deep concern born and nurtured by years of close association, and I feel that they can be depended upon to improve the laws to which I have referred.

HELLS CANYON DAM

Mr. NEUBERGER. Mr. President, yesterday, the Subcommittee on Irrigation and Reclamation of the House of Representatives voted to report favorably on legislation to authorize Federal construction of Hells Canyon Dam on the Snake River. This action, following the similar vote of the corresponding subcommittee of the Senate Interior Committee, further refutes the unwarranted assumption of an examiner of the Federal Power Commission that the Congress would turn a deaf ear to any decision by this Commission to recommend Federal development of the Hell's Canyon site, which is the finest undeveloped power site still available in the country.

Today, we have additional evidence that the importance of full development of this magnificient damsite is rapidly gaining national recognition.

Mr. President, the New York Times is universally respected as one of the great newspapers of this Nation, and, indeed, of the entire world. It reaches its editorial positions slowly, thoughtfully, after careful deliberation. It is correspondingly influential. I am sure, for instance, that the Times' endorsement of the Republican ticket in the 1952 Presidential election carried a great deal of weight.

This morning, July 28, 1955, the New York Times editorially supports Federal construction of a high, multi-purpose Hells Canyon Dam. Speaking of the "enormously valuable water resource" of the Snake River, the Times concludes:

> This is a natural resource that belongs to all the people. It seems clear that the maximum benefit from the resource in this case, in respect to power, irrigation, navigation and other facets of an integrated river program, can only be obtained by large-scale Federal investment.

This is the reason why my senior colleague and I, along with 28 other Senators from all parts of the country, have, under his fine leadership, sponsored and urged passage of the bill to authorize the Federal Hells Canyon project. If the present national administration would abandon its unyielding opposition to it, this great river project which is so plainly in the national interest, would very rapidly win the approval of both Houses of Congress.

Mr. President, I ask unanimous consent to have the editorial from the New York Times of today, July 28, printed in the RECORD at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HELLS CANYON

Hells Canyon, in the remote fastnesses of the Snake River on the Oregon-Idaho border, is one of the finest unexploited power sites in the country. For at least 8 years the dispute has raged over the question of how the great hydroelectric potential there should be developed, whether by public or private enterprise. The solution cannot be put off much longer.

Senator MORSE and a large number of other Senators have been sponsoring a bill authorizing Federal construction of a 600-foot dam at Hells Canyon to produce over 900,000 kilowatts of power, as one more giant addition to the integrated system of Federal dams in the Columbia Basin. The Idaho Power Co., on the other hand, is proposing to build three smaller dams on the river, producing fewer kilowatts, as a strictly private operation. One thing is certain: One side or the other will have to give, because the high Federal dam and the three small private dams are incompatible.

It seems to us that the Federal proposal for a high dam at Hells Canyon would provide for realization of the full potentialities of this enormously valuable water resource, while the company's proposal for a series of low dams—only one of which would be authorized at the present time—would lead to a piecemeal development of the river and probably prevent its full utilization.

This is a natural resource that belongs to all the people. It seems clear that the maximum benefit from the resource in this case, in respect to power, irrigation, navigation, and other facets of an integrated river program, can only be obtained by large-scale Federal investment.

Mr. MORSE. Mr. President, will the junior Senator from Oregon yield?

Mr. NEUBERGER. I am happy to yield.

Mr. MORSE. I am very glad that my colleague has called attention to the editorial published in today's New York Times. I am glad that great newspaper has joined with us after a study of the Hells Canyon issue. It satisfies me that the argument of a great many persons in opposition to the Hells Canyon Dam that eastern interests will not support Hells Canyon Dam simply indicates that they know not whereof they speak. When the great eastern interests come to see the importance of this dam to the Nation, we will gain the kind of support which we have received from the New York Times this morning.

In fact, I am glad to call attention to the fact that we may gain the support of some who do not fully recognize the fact that Hells Canyon Dam is not located in Idaho alone; that it will be built on the boundary between Idaho and Oregon; that one abutment of the dam will be in Oregon and the other abutment of the dam will be in Idaho; and that this arch across the common boundary of the Snake will provide storage of water for the power which would be generated as a result of that storage.

I wish to say to my colleagues in the Senate that the support we have received today from the New York Times is exceedingly significant, because this great newspaper, for a long time past, has been studying very carefully the facts and data concerning the project, and has come to the conclusion, which I am satisfied will be the overwhelming conclusion of people who study the matter, that the national interest will be served by the building of a high dam at Hells Canyon.

Mr. NEUBERGER. Mr. President, I am glad my colleague has pointed out the universality of the bill of which he is the principal sponsor. It is endorsed by newspapers as widely separated geographically as the New York Times, the St. Louis Post-Dispatch, and the Sacramento Bee.

Also, Mr. President, the charge has been made that so-called interests and legislators will not support the bill of which the senior Senator from Oregon is the principal sponsor. Yet his bill is cosponsored by Senators from such widely separated States as New York, Michigan, Illinois, North Carolina, Alabama, and others of the great States of the Union which are 2,000 or 3,000 miles away from the State of Oregon.

As the senior Senator from Oregon has many times pointed out, if only the national administration would abandon its unyielding opposition to the construction of this greatest of all future river projects in our country, the dam would soon be built to the benefit of the people of the Northwest and of the entire Nation.

Mr. MORSE. Mr. President, will the junior Senator from Oregon yield for a question?

Mr. NEUBERGER. I yield.

Mr. MORSE. Does the Senator agree with me that one of the most fallacious arguments ever advanced concerning this issue is that even though multipurpose development at Hells Canyon is obviously a national concern and involves the national interest, because a couple of Idaho Senators are opposed to it, therefore the dam must not be built, thus putting the whole Congress at the mercy of two Senators who may be opposed to the dam for their own reasons, but who are blocking the national interest involved in the project?

Does the Senator agree with me that that is about the height of fallacy, so far as an argument is concerned?

Mr. NEUBERGER. It is such a height of fallacy that it equals the height of Mount Everest or Kanchenjunga, K2, and other high pinnacles, because, if we followed their example, we would give to two Senators, any time any regional issue is on the floor of the Senate, veto power over the entire matter.

I am very glad the senior Senator from Oregon has emphasized the fact that the Snake River, which has trenched Hells Canyon through the ages, is located on the boundary of Oregon and Idaho, and is not in Idaho alone.

Some Senators have written letters indicating that Hells Canyon is only in Idaho. Inasmuch as Hells Canyon is many miles long and a mile deep, moving it away from the State of Oregon would be one of the greatest moving feats in the entire history of the world. I wonder if it would be done by Beacon Van and Storage.

FEDERAL COOPERATION IN NON-FEDERAL PROJECTS

The Senate resumed the consideration of the bill (S. 2442) to provide for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects, and for other purposes.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The clerk will state the first committee amendment.

The first committee amendment was on page 4, line 15, after the word "that", to insert "(except in the case of rehabilitation and betterment projects."

The amendment was agreed to.

The next committee amendment was on page 5, line 2, after the word "and", to strike out the comma and "in the case of rehabilitation and betterment projects, any existing."

The amendment was agreed to.

The next committee amendment was in line 4, after the word "organization", to strike out "may" and insert "shall."

The amendment was agreed to.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. I have a group of amendments which I have worked out with the junior Senator from New Mexico [Mr. ANDERSON] and the junior Senator from Nevada [Mr. BIBLE]. I wish to express to them my deep appreciation for their cooperation in the matter, because I always believe in trying to work out differences over a bill with the sponsors of a bill. The Senators have made suggestions and I have made suggestions.

Some of the amendments, I may say to the Presiding Officer, properly should be called Douglas amendments. But while the Senator from Illinois has been in the chair, with the help of his legislative assistant, we have worked out what I consider to be a very satisfactory solution of our original differences with the sponsors.

I merely wish to make certain, as a matter of parliamentary procedure, that the consideration of the amendments will not be out of order once the committee amendments have been accepted, because the amendments I propose to offer refer to some of the sections covered by the committee amendments.

Mr. LONG. Mr. President, I ask unanimous consent that the committee amendments may be agreed to en bloc, reserving to any Senator the right to offer amendments to the committee amendments, as though the bill were a clean bill.

Mr. MORSE. I thank the Senator from Louisiana.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the junior Senator from Louisiana that the committee amendments be agreed to en bloc? The Chair hears none, and it is so ordered.

The remaining amendments agreed to en bloc are as follows:

On page 5, line 4, after the word "any", to strike out "contributions so required" and insert "security for repayment"; on page 13, line 7, after the word "that", to insert "(except in the case of rehabilitation and betterment projects)"; in line 19, after the word "and", to strike out the comma and "in the case of rehabilitation and betterment projects, any existing"; in line 20, after the word "irrigation", to insert "or other"; in line 21, after the word "organization", to insert a comma and "as well as other assets or income of the applicant organization,"; at the beginning of line 23, to strike out "contribution so required" and insert "security for repayment"; and on page 14, line 10, after the word "Congress", to strike out the comma and "except as hereinbefore provided for rehabilitation and betterment of any existing project."

Mr. MORSE. Mr. President, I offer a group of amendments, which I ask to have read.

The PRESIDING OFFICER. The clerk will state the amendments offered by the senior Senator from Oregon.

The CHIEF CLERK. On page 8, line 11, before the word "by", insert "on the effective date of this title."

On page 8, line 12, after the word "acres", insert "on existing projects."

On page 9, after line 9, insert the following new subsections:

(f) Provisions conforming to the excess land requirements set forth in the third sentence of section 46 of the act of May 25, 1926 (44 Stat. 649), if the new project or unit of a new project furnishes irrigation service.

(g) Provisions conforming to the preference requirements contained in the proviso to section 9 (c) of the act of August 4, 1939 (53 Stat. 1193), if the project produces electric power for sale.

On page 17, line 7, strike out the period and insert "; and."

On page 17, between lines 7 and 8, insert a new subsection as follows:

(f) Provisions conforming to the preference requirements contained in the proviso to section 9 (c) of the act of August 4, 1939 (53 Stat. 1193), if the project produces electric power for sale.

Mr. KNOWLAND. Mr. President, before the discussion begins on the amendments offered by the senior Senator from Oregon, I think there should be a quorum call. I ask unanimous consent that, without losing his right to the floor, the senior Senator from Oregon may yield for the purpose of a quorum call.

Mr. MORSE. Mr. President, I will yield, with that understanding. First, however, I desire to have the attention of the junior Senator from Louisiana [Mr. LONG], because the amendments, I may say, have been worked out in a very satisfactory manner in accordance with a conversation between the junior Senator from Louisiana and me earlier this afternoon, and comply with suggestions which the Senator from Louisiana made.

Mr. LONG. Mr. President, will the Senator from California withhold his request for a moment?

Mr. KNOWLAND. I shall be glad to withhold it.

The PRESIDING OFFICER. Without objection, the senior Senator from Oregon is adjudged to have the right to the floor following the quorum call.

Mr. LONG. If I understand correctly, the amendments offered by the senior Senator from Oregon do not relate to title II of the bill, with the exception that one of them provides that any power generated from such facility would be subject to the preference clause.

Mr. MORSE. That is correct. So far as title II is concerned, they do not relate to the 160-acre limitation, about which the Senator from Louisiana spoke, because those are not reclamation projects of the traditional in that section of the country covered by title II; they really are projects in which once every 2, 3, or 4 years there may be a scarcity of water, and water from other kinds of projects would be provided by the projects called for in the bill.

Mr. LONG. Sometimes the projects are drainage projects rather than reclamation projects.

Mr. MORSE. That is my understanding.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. ANDERSON The bill represents a great deal of work on the part of three Senators who are now on the floor. I would not feel right if I did not comment on that fact and say that we owe much, in the working out of the bill, to the senior Senator from Nevada [Mr. MALONE], the junior Senator from Nevada [Mr. BIBLE], and the junior Senator from Louisiana [Mr. LONG].

As a matter of fact, there was substantial opposition to the bill, because it excluded many of the farming areas of the country where drainage is a great necessity.

The junior Senator from Louisiana submitted a complete title II; therefore, so far as title II is concerned, there ought to be public acknowledgment of the fact that that part of the bill was worked out by the able junior Senator from Louisiana in conjunction with other Members from southern States. The Senators from Alabama became interested, and we received comments from a number of other Senators, including those in the farm belt.

Subsequently, when we began to work out title I, we took the bill which had originally been presented by the senior Senator from Nevada [Mr. MALONE], in behalf of himself and several other Senators, and tried to patch the two bills together.

I commend the senior Senator from Nevada for helping us to get that work under way. He and I were extremely busy with many other obligations, so we asked the junior Senator from Nevada [Mr. BIBLE] if he would contact the Members of the Senate and attempt to work out an acceptance bill for the subcommittee.

I want the RECORD to show that the junior Senator from Louisiana, [Mr. LONG], the senior Senator from Nevada, [Mr. MALONE], and the junior Senator from Nevada [Mr. BIBLE] are entitled to the thanks of Congress for spending an endless amount of time in trying to harmonize all the different positions.

I should like to add to what I have said a statement which has been prepared, and which I believe is worth including in the RECORD. It relates to some additional comments, which are not now quite in order, because we have decided that perhaps we will lose some of the things which have been proposed; but I ask unanimous consent that a portion of the statement may be printed at this point in the RECORD.

There being no objection, the portion of the statement was ordered to be printed in the RECORD, as follows:

S. 2442 is known as the small projects bill and was introduced in the Senate on July 11 as a substitute for S. 164 and S. 405.

The principal features of these two bills are incorporated as title I of S. 2442, which authorizes the Secretary of the Interior to negotiate loans for irrigation, conservancy or other public agencies in the 17 Western States for the construction or rehabilitation and betterment of authorized reclamation or other projects to cost not in excess of $5 million. Where the cost of a project is more than $500,000 specific authorization by act of Congress is required.

The Secretary of the Interior must approve the plans for the work, which in the main is in line with similar construction on reclamation projects. Adequate protection for the Federal investment is required and the Secretary is required to report the receipt of all applications to Congress and no contract can be executed until funds are appropriated.

Title I had its inception in the desire to aid struggling irrigation districts in the West which had been constructed by local initiative and financing, as well as to permit Federal Reclamation projects to be financed by loans.

Title II extends the provisions of title I, so far as found practicable by the Secretary of Agriculture, to the 31 States (outside of the 17 Western reclamation States) and the territories of Hawaii and Alaska. This title defines a "project" as any complete reclamation, drainage, water storage, saline water intrusion control, or irrigation undertaking, or a complete self-contained and distinct enterprise. The limitation of $5 million on the cost of any one project is carried in title II, as is also the provision that in the case

of any project costing in excess of $500,000 no contract shall be executed until same has been approved by act of Congress.

Appropriations of $100 million are authorized under each title. As is the case of title I, the Secretary of Agriculture is required to advise Congress promptly on the receipt of a proposal or an application for a loan.

Under title III (General Provisions), the coordinating Act of August 14, 1946, with respect to fish and wildlife, recreation, etc. are applied, except in cases of projects solely for rehabilitation and betterment. The standard separability clause is included in the bill. This clause provides that in case any provision of the act shall be held invalid, the remainder shall not be affected thereby.

On July 11, the acting chairman of the Senate Committee on Interior and Insular Affairs inserted the full text of S. 2442 in the CONGRESSIONAL RECORD, together with a statement on the objectives sought by the first two titles of the bill. At that time, notice was given to all persons, organizations or agencies concerned with the provisions of the bill that the committee intended to give prompt consideration to S. 2442 and report it out of committee as early as practicable. Consideration was given to the bill by the subcommittee and by the full committee, which ordered it reported favorably to the Senate on July 19.

The report, No. 1073, has been printed and contains explanations of the measure, together with comments of the various Executive agencies.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. MORSE. I think the Senator from Nevada [Mr. MALONE] should know that when the Senator from New Mexico, the junior Senator from Nevada [Mr. BIBLE], and I had our conversation this afternoon, we mentioned the fact that the senior Senator from Nevada had great interest in the matter, too. He was engaged in other official business of the Senate at the time and was not available for the informal conversation which took place on the floor of the Senate when the other Senators I have named and I had a discussion and agreed upon a modification of certain amendments which had been previously discussed.

I wanted the senior Senator from Nevada to know that we did not proceed without taking into account our recognition of his great interest in the bill and our satisfaction that he would agree to the amendments we have decided to offer.

Mr. MALONE. Mr. President, will the Senator from California further yield?

Mr. KNOWLAND. I yield.

Mr. MALONE. I appreciate the comments made by the junior Senator from New Mexico and the senior Senator from Oregon. As I understand, the modification to title I does not apply to already existing projects, but only to the new projects.

Mr. MORSE. That is correct.

Mr. MALONE. I think it has been agreed that that is satisfactory.

Mr. ANDERSON. I believe that is satisfactory to all concerned. However, I believe the Senator from California is right in suggesting that there should be a quorum call before the Senate proceeds with the consideration of the amendments which have been offered.

Mr. MORSE. I want to be certain that the senior Senator from Nevada understood that in regard to existing projects loans on individual holdings in excess of 160 acres will require interest payment upon the amount over and above 160 acres. I wanted that to be definitely understood. There is no free interest for the amount over and above 160 acres; but there is free interest up to 160 acres in accordance with the provision of the bill as reported.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	McNamara
Allott	George	Millikin
Anderson	Goldwater	Monroney
Barkley	Gore	Morse
Beall	Green	Mundt
Bender	Hayden	Murray
Bennett	Hennings	Neely
Bible	Hickenlooper	Neuberger
Bricker	Hill	O'Mahoney
Bridges	Holland	Pastore
Bush	Hruska	Payne
Butler	Humphrey	Potter
Byrd	Ives	Purtell
Capehart	Jackson	Robertson
Carlson	Johnston, S. C.	Russell
Case, N. J.	Kefauver	Saltonstall
Case, S. Dak.	Kennedy	Scott
Chavez	Kerr	Smathers
Clements	Kilgore	Smith, Maine
Cotton	Knowland	Smith, N. J.
Curtis	Kuchel	Sparkman
Daniel	Langer	Stennis
Dirksen	Lehman	Symington
Douglas	Long	Thurmond
Duff	Malone	Thye
Dworshak	Mansfield	Watkins
Eastland	Martin, Iowa	Welker
Ellender	Martin, Pa.	Wiley
Ervin	McCarthy	Williams
Flanders	McClellan	Young

Mr. CLEMENTS. I announce that the Senator from Delaware [Mr. FREAR] is absent on official business.

I further announce that the Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

Mr. SALTONSTALL. I announce that the Senator from Wyoming [Mr. BARRETT] is absent because of illness in his family.

The Senator from Indiana [Mr. JENNER] and the Senator from Kansas [Mr. SCHOEPPEL] are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendments offered by the Senator from Oregon [Mr. MORSE].

Mr. MORSE. Mr. President, I have nothing further to say with respect to my amendments.

The PRESIDING OFFICER. Does the Senator desire to have his amendments considered en bloc?

Mr. MORSE. That is what I was about to request. I have nothing further to say, except to ask to have the amendments considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. I wish to make clear to the Senate the circumstances under which the amendments are offered. I have discussed them with the Senator from Nevada [Mr. BIBLE] and the Senator from New Mexico [Mr. ANDERSON]. As the Presiding Officer [Mr. DOUGLAS] knows, some of them were his suggestions in the first instance.

They provide for the usual preference clause. They provide for interest over and above the 160 acres in any present project. The traditional 160-acre limitation of the reclamation law would apply to any new project in the future.

If I may have the attention of the Senator from Louisiana [Mr. Long], Senators from the South and from nonreclamation States are interested in title II.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. WATKINS. Why should the Senator's amendment apply to irrigation features in other States?

Mr. MORSE. Because, as the Senator from Alabama has pointed out to us, those are not reclamation projects.

Mr. WATKINS. They provide for irrigation. It is possible to have irrigation outside the 17 Western States.

Mr. MORSE. It is standby irrigation, and not irrigation as it is known in the reclamation States.

Mr. WATKINS. We have some supplemental irrigation in the Western States. It is not 100 percent irrigation, because we do have some rainfall.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. FULBRIGHT. In my own State there are highly developed areas. The only trouble is that the water level has gone down 10 or 12 inches. The situation is beginning to reach the point where farmers need some assistance. With the kind of limitation proposed, they could receive no benefit at all.

Mr. WATKINS. In many Western States reclamation projects apply to developed areas where supplemental water is needed, just as the Senator from Arkansas has indicated it may be needed in his State. Yet there is an insistence in this body, and among those who are working on reclamation, that we must still retain the 160-acre limitation. If it is good for the West, it ought to be good for the entire Nation.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. ANDERSON. We recognized the situation which existed in the case of the San Luis Valley in Colorado, the State so ably presented, in part, by the Senator from Colorado [Mr. MILLIKIN]. We waived the 160-acre limitation. We do it right along.

Mr. WATKINS. That was by special legislation.

Mr. ANDERSON. Yes; but in this particular instance, in the case of ordinary farmland, the waiver of the 160-acre limitation is based upon the fact that in a great many instances more than 160 acres are required to make a family-sized farm, whereas, under irrigation, 160 acres are sufficient, and sometimes a far less number. It strikes me that it would be extremely unwise to apply a 160-acre limitation to ordinary farmland.

Mr. KNOWLAND. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I do not have the floor.

Mr. KNOWLAND. As the able Senator knows, the situation is that in California—and the same situation may apply in other States—a good many of the reclamation projects involve supplemental water. I do not refer to the opening of new public lands to development for the first time. I refer to a supplemental supply of water. Many of the farms and ranches consisting of 300 acres, 500 acres, or 1,000 acres, have been developed over a period of several generations. What is involved is purely a supplemental supply of water.

It seems to me that if the rule is good for the South it ought to be good for the West, under a similar situation. I have always favored the 160-acre limitation where new public lands are being brought into development for the first time, to prevent land speculation, and so forth. I think the 160-acre limitation in such cases is an excellent public policy.

The only reason I asked for the live quorum was that I think it is important that this question receive some discussion. So far as I know, there was no opposition on this side of the aisle to the bill as it was reported from the committee. There is still no opposition to the bill as it was reported. However, when we began to rewrite the bill on the floor with certain amendments which may be technical but may at the same time be far-reaching, and in the closing days of the session, I think we are entitled to a full discussion of the subject.

Mr. ANDERSON. Mr. President, I could not agree more fully with the able minority leader. We are entitled to full discussion. However, many times when we have been discussing the question of supplemental water in irrigation projects, I, for one, and many others, have tried to point out that a man could go into the Yuma area, for example, and, if he could raise the right kind of vegetables, he could make a very good living on 4 or 5 acres. Near Salinas, Calif., he could make a living on less than that.

But when we get to the ordinary farmlands of the West, where farmers must depend upon rice, wheat, and other crops, they cannot make a living on a limited acreage. Therefore I have many times resisted the 160-acre limitation under those circumstances, and would do so again.

It seems to me there is no sensible reason for applying the 160-acre limitation under title II, and thereby disturbing the pattern of agriculture which already exists in those areas. I am not sure that I am completely satisfied with the 160-acre limitation where it now exists.

Mr. KNOWLAND. Mr. President, there has been some discussion to the effect that the western reclamation laws, so-called, should be extended to the 48 States. Perhaps, as a matter of public policy, Congress will determine to do so.

If that were done, would the Senator feel that there should be one rule for the existing reclamation States and another rule for the States which were added as reclamation States, so as to have two classes of States?

Mr. ANDERSON. In that connection I must say that I believe there is a difference in areas, and I must say also to the minority leader that in a project in the northern part of Wyoming I have said the 160-acre limitation should apply, because it was solely grass land. I believe when we enacted the Grand Coulee Dam legislation there were areas in that project to which the 160-acre limitation should not apply. Congress passed a bill for the Riverton project in Wyoming with a 160-acre limitation in it. From that day on we have tried to correct the situation, by moving veterans to other areas. No great service was done by putting that limitation in the law.

I say that one of the most difficult problems which will be lying ahead is the applicability of the 160-acre limitation, if reclamation moves to other States. Senators from the Mississippi Delta area know that people in those States are beginning to use irrigation. It is a very natural development. I believe it would be an extremely difficult problem to apply a 160-acre limitation to such areas. It is a matter which will require a great deal of study by the committee.

Mr. FULBRIGHT. I recall, so far as my State is concerned, that about 5 years ago the Senate passed a bill which undertook to extend the reclamation law to Arkansas. The bill went to the House, but it was never acted on by that body. The principal opponent of it was a Representative in the House whose section of the country I thought would benefit directly from such a bill. He said to me, "I cannot take that kind of bill, for the reason that we are dealing here with an area that is already developed. It is highly productive. We either have to have the assistance without that provision, or not at all."

I am quite certain that the limitation cannot be applied in the delta section or in the rice section, either. No public lands are being brought in from virgin desert land, as is the case in Utah, for example.

Mr. WATKINS. I should like to make a brief reply. The fact is that now in the West practically all new land or public land that could be brought under cultivation has already been brought under cultivation. I would say roughly that probably 70 percent or 80 percent of the projects now are furnishing water as a supplemental supply for areas which are of the kind the Senator from Arkansas has described in Arkansas or in the Mississipi delta. That is also true of the whole Central Valley in California. It is true in my State. It is true in Arizona where new lands are being brought in. It is true of practically every 1 of the 17 Western States.

Mr. FULBRIGHT. Is it not true, however, that the lands to which the Senator is referring were originally brought in under the 160-acre limitation?

Mr. WATKINS. Most of them are lands which were put under irrigation long before the original reclamation law was passed. Eighty-five percent of the irrigated land in the West was not developed under the reclamation law, but under the individual enterprise system. Reclamation was an entirely new program. The people could not handle the matter themselves, and they did not know how to finance it. The Federal Government wanted the resource put to use. The water was there. Therefore, the Federal Government inaugurated this program. and it put a 160-acre limitation on it. The principle is completely outdated in our areas. We have the same problem the Senator has mentioned. The minute we try to have the limitation lifted, we meet with opposition. I would be perfectly willing to have the bill apply to the whole country, just as Senators want to have it apply to the Western States.

Mr. FULBRIGHT. Is it not true that in the Senator's State, as well as in the other Western States, there is a limited amount of water, which gives concern to those States so far as the equitable distribution of it is concerned? In my State there is no question of a limited supply of water. One of our problems is that we have too much water. We are seeking a means by which we can make the water available. We are not faced with the problem of a limited amount of water. I assume that in the West there is the element of a limited supply of water for which equitable distribution is being sought. That is not our problem.

Mr. WATKINS. It is true that we have a limited amount of water, but irrigation is needed to meet the problems the Senator has mentioned, and that is provided in the bill for the other States outside the reclamation States. We do need extra water, because nature does not provide it at the time it is needed the most.

Mr. FULBRIGHT. Our problem is that we have the big rivers in which the water flows past us in periods of drought, but we cannot get the water up on the land. It is all going out to sea.

Mr. WATKINS. That is what we have in the upper Colorado area. A great deal of the water is flowing down into the sea. However we still have the 160-acre limitation, although in my State much more water would be put on older areas, which do not have enough water and need supplemental water, than would be put on new land. I believe the figures show that there are 32,000 acres of new land and more than 100,000 acres of old land.

Mr. LONG. Mr. President, will the Senator yield?

Mr. MORSE. I shall be glad to yield if the Senator from Utah has concluded his statement.

Mr. WATKINS. The suggested provision seems to me to be, inequitable because under it one-half the country would have one kind of law applied to it, and the 17 Western States would have an entirely different law applied to them, even though the conditions are similar.

Mr. LONG. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. LONG. I may point out to the Senator from Utah, and to the Senator from Oregon, as well, that, coming from a nonreclamation State, I would be willing to vote for whatever arrangement the Senators from the 17 reclamation States wish. If they would like to have the 160-acre limitation applied, that would be all right with me. If they do not want the 160-acre limitation applied, and would like to have no limitation whatever applied, that would be all right with me, too.

However, speaking in behalf of a State which is not a reclamation State, I should like to say that we have had no experience whatever with a 160-acre limitation. We do not do business that way. If a farmer has a 160-acre farm, that is probably due to an accident, because there is no law in our State which has any relationship to a farm of 160 acres. There is no new land to be distributed. All the land is under private ownership. Whenever any of our people want more water, they simply get together and assess themselves. They float a bond isssue and they assess themselves, and everyone pays his fair share of the taxes to pay off the bonds.

To try to apply a 160-acre limitation to Louisiana, because such a limitation has some rhyme or reason in a Western State, would not make any sense to us. Nor do we think it would make any sense in any of the other 31 nonreclamation States.

We believe that there is one item connected with this subject which is of considerable interest to us. When we borrow money, we must pay 2 percent or 3 percent or 3½ percent interest. On the other hand, when people of the Western States borrow money for a similar purpose, they can borrow the money interest free. If it is our money which is being loaned, we would like to have a chance to borrow some of it, too, because we contribute our share of the taxes. That is why we would suggest that some of the money be made available for loans for irrigation, drainage, and also for the control of salt-water intrusion. In the lower alluvial areas it is possible to obtain unlimited quantities of fresh water, except that in the dry season the salt water works its way upstream and contaminates the fresh water. Because of that, the fresh water is no longer usable.

Low-water dams would make the rivers usable for much longer periods of time, and larger supplies of fresh water would therefore be available.

However, in no case would a 160-acre limitation be helpful in financing or making a project feasible in areas such as Louisiana, and I assume the situation is the same in Arkansas, Mississippi, Alabama, and perhaps in many of the Northern and Western States. The people of the 17 reclamation States have had experience with such a limitation; and if that is what they want, those of us in the Southern and Eastern States should have no objection.

Mr. FULBRIGHT. I do not have any objection. I have no objection at all.

The PRESIDING OFFICER. The Senator from Oregon [Mr. MORSE] has the floor.

THE MAJOR QUESTION OF INCLUDING REMAINDER OF STATES NOT AN ISSUE HERE

Mr. MORSE. Mr. President, I yield to the Senator from Nevada.

Mr. MALONE. Mr. President, apparently this has become a general discussion. I do not believe it was the intention of anyone to open up general debate on the question of whether the Eastern States should be included under the reclamation law at this time.

I remember that the distinguished Senators from Arkansas tried to include their State in the reclamation States area a few years ago, and it was decided not to include it at that time.

I have been in the engineering business 30 years, and I have always said that sometime there will be a realization in the Corn Belt and in the Eastern and Southern States that the 10 to 30 days of dry weather during a period in the growing season could be alleviated by irrigation.

They are beginning to realize it now, but adding States to the reclamation area, that would be a separate question to be debated on its merits.

Senator Newlands, of Nevada, in 1902, proposed the original law which has now developed into the Bureau of Reclamation. It was for the benefit of the public lands mostly in the 11 Western States, to increase their taxable value. West of the meridian about midway in Kansas, Oklahoma, Texas, Nebraska, and the two Dakotas, the territory was considered semiarid. Those six States were included in the reclamation program because of their semiarid condition. The reclamation fund is augmented through the sale of public lands and through oil and gas development, since 52½ percent of the income from those lands went into the reclamation fund to be expended in those States.

No such revenue accrues to the reclamation fund for the State of Illinois.

If we did include all the States of the Union in the reclamation area they would benefit from the fund which is contributed to by the public-land States alone.

We made an early mistake by agreeing to pay the money back without interest, because we furnish flood control when storing irrigation water.

PROBLEM REVERSED

In the West, where we store water for use in irrigation, we furnish flood control automatically. If we had called it flood control instead of irrigation we would not have had to repay the principal. In the humid areas the problem is to get water off the land and into the stream—in the arid areas the problem is to get it out of the stream and on to the land.

Much of the land, possibly 80 or 90 percent, was irrigated by simply diverting the natural flow of the streams and rivers. But in many areas it was found that the low streamflow in the middle of the summer made it impossible to complete the crop. Therefore, in order to supplement the supply for land already under irrigation, projects were undertaken to store the early runoff to supply late irrigation needs.

I think the distinguished Senator from Illinois is behind the times, possibly he has not quite kept pace with the situation. There are no new projects at this time bringing in public lands alone. They need a supplemental supply just as in the case of Arkansas when they need a supplemental supply in dry weather. The distinguished Senator from Arkansas is well aware of this situation.

I did not object when the distinguished Senator from Illinois said that if there are new lands brought in they could be subject to the 160-acre limitation, because it is already in the law, and if we undertook to iron it out here there would be a major discussion. Sometime we should take up that question on its merits. We can live with the amendment, so we did not object to it.

If we abide by the bill as it came out of committee, I think it will prove to be a very good bill. So far as I am concerned, we can live with these amendments if they do not apply to projects already constructed or authorized.

So far as the power preference is concerned, it is already included in the existing law.

Mr. MORSE. I yield to the Senator from Utah.

Mr. WATKINS. Does this amendment—I have not had a chance to read it or study it—provide that new lands will have applied to them the 160-acre provision?

Mr. MALONE. That is correct.

Mr. MORSE. As to the lands which are involved in this bill, the 160-acre requirement does not apply. As to new projects, it would apply.

Mr. WATKINS. What about projects where land is brought in which has not been previously under cultivation?

Mr. MORSE. This is a small-project bill. Only the lands needed for the projects are under the bill.

Mr. WATKINS. There may be some areas where there will be some public lands. Part of an owner's land is under cultivation and part of it is not.

Mr. MORSE. But there is a ceiling on the amount of money involved. So long as they come under the ceiling, the point of the Senator from Nevada would apply. But the statement which I wanted to make to the Senator from Utah is that we should do it in general legislation. This is special legislation; it is not general legislation. This applies to the so-called small projects.

Mr. WATKINS. Is it not general legislation so far as it goes?

Mr. MORSE. As to this type of projects.

Mr. WATKINS. I am not speaking of the general Reclamation Act. It still has that limitation of 160 acres, whether it is supplemental water, or water for new land. Every time we have brought in any proposal to amend the act or to change it slightly, we have met opposition which largely comes not from the reclamation States, but outside the reclamation States. We face exactly the same situation described by the Senator from Arkansas as to lands which are already under cultivation.

Mr. MORSE. As to my own State, I would have to say, making an interpretation of public opinion in my own State, that there would be a considerable amount of opposition to general legislation which would lift the 160-acre limitation.

Mr. WATKINS. I think probably Oregon and Washington have the few projects left where there are public lands.

Mr. MORSE. We have some in Oregon.

Mr. WATKINS. In the Grand Coulee no doubt there is acreage which is new land, land which the Federal Government is putting to use for the first time, which is not a supplemental water right for the first time.

Mr. MORSE. My feeling is——

Mr. LANGER. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

Mr. MORSE. I feel that we are in this legislative situation. There is, or there was, a considerable amount of disagreement about this proposal. I endeavored to see if we could reconcile the disagreements and reach a common denominator of agreement, so that the bill could be passed. That is why I took up the matter with the Senator from New Mexico [Mr. ANDERSON], the junior Senator from Nevada [Mr. BIBLE], and the junior Senator from Louisiana [Mr. LONG]. We communicated with the senior Senator from Nevada [Mr. MALONE] subsequently, because we could not reach him at the time of our discussion. He was engaged in other business of the Senate. But the Senator from New Mexico [Mr. ANDERSON] and the junior Senator from Nevada [Mr. BIBLE] made very clear to me the interest of the senior Senator from Nevada and his participation in the work on the bill.

We left our conference in full agreement on the amendments, because we thought they met the situation.

In the future we can take up the general problem which the Senator from Utah [Mr. WATKINS] has raised with respect to the 160-acre limitation on reclamation generally throughout the country. But I do not believe that question should be raised in connection with this bill. I think the bill is in an acceptable form with the proposed amendments, and it ought to be passed in this form. That is why we offered the amendments.

Mr. WATKINS. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. If the Senator from North Dakota will withhold his request for the regular order, I will yield the floor.

Mr. WATKINS. I would rather discuss the matter with the Senator while he has the floor and get his reaction to my views.

I support the bill as it was reported. I had some misgivings about the reclamation program in States which never had any irrigation, and did not have anything but riparian water rights. But since they were willing to take a chance, I supported them.

Mr. LANGER. Mr. President, I ask for the regular order.

Mr. MORSE. Mr. President, I yield the floor.

Mr. MALONE. Mr. President, since the Senator from Oregon has yielded the floor, I should like to make a statement in connection with the drainage areas in the East. I make no objection to the lack of a 160-acre limitation, because I do not think that limitation ought now to apply to any of the lands either in the West or the East.

But I may say to the Senator from Arkansas that if, with public money, there is drained an area which never before has been drained, it is being made useful for the first time, exactly as if water were being put on the land for the first time. There is no difference except in the procedure. One is trying to get water off the land; the other is trying to get it on the land. The difference is that the precedent has been set, since 1902, of the reclamation States repaying the original cost with no interest; whereas in the case of flood control, which is an attempt to drain water off the land, the precedent has been set for 75 years at least of never paying any of the money back at all, either interest or principal.

I have never objected to that procedure, because it is public policy, congressional policy, established for at least 75 years.

But I merely call attention again to the fact that whether the public lands are reclaimed by drainage or by irrigation, the same job is being done. If crops are saved by irrigation for 30 days or 2 weeks, they can be saved from the hot winds or the hot weather in Arkansas, as is done in other areas. The procedure is the same.

The reason I did not offer any objection to the lack of a 160-acre limitation was that I think the limitation should be removed from all such lands.

I understand the reason why the Senator from Illinois [Mr. DOUGLAS] takes the position he does. He is a stickler for precedent. I am certain he does not understand the situation in the West. I hope that some day he will take a little trip there. We will show him some of the areas on which the farmers have worked hard all their lives—in some instances for 2 or 3 generations—to bring about the irrigation which has been discussed in the Senate since 1902.

I believe that the 160-acre limitation, in the first place, was reasonable if someone could control 3 or 4 sections of land, where there was no irrigation, and get Government money to develop it. Then he would be profiting by it. Perhaps it could not be done, but even in that case there is a question, because the land is being placed on the tax rolls, and is being made valuable, taxable property, which it was not before.

So I think there are many technicalities which have developed over the years. I have listened to discussions of this subject for 9 years, and I am glad we have had a chance to air it today.

This particular bill has been well thought out in the Committee on Interior and Insular Affairs, first by a subcommittee and then by the entire committee. Then anyone who had objections was allowed to state them.

Simply because we think we can live with the bill, not because we like it, I should like to see the bill passed without any changes at all, except the amendments which have been accepted. I think we can live with the bill, and I am willing to vote for it.

Mr. ANDERSON. Mr. President, so far as I am concerned, on behalf of the committee, I am willing to accept the amendments, but I know they must be put to a vote.

Mr. WATKINS. Mr. President, I did not intend to discuss the matter tonight, because the committee was unanimously in favor of the bill. I did not object to the program, although I felt the States which have not had any experience with water rights, and where the problem is to get the water off the land and into the rivers, would have much difficulty.

Where there are riparian rights, there will be difficulty, because someone down below may object to the water being taken out, thus impairing his right to have the water flow over his land at the low-water season. That is one of the headaches which will have to be taken care of as we go along. I understand that.

The Senator from Louisiana also said something about getting interest from the money. Additional matters are being brought in which are not in the ordinary reclamation act. I do not know of anything in the act, unless it is especially written into it, which makes provision to do something to keep salt water from running into fresh-water streams. Perhaps by putting fresh water on the land, filling up the ground water, and backing it up to keep the salt water, the water under the lands might be kept off the land, and could be pumped and used as an irrigation supply.

There has been no program worked out in those States. They have not got themselves into a position such as we are in the West. They have exhausted all their own resources, and cannot accomplish this purpose themselves; therefore they must call upon the Government.

I merely point this out. I am not opposing the bill for that reason. I simply state what was the basic philosophy back of the Reclamation Act.

The people of the Western States, the arid States, had gone as far as they could go under their own steam. They did not have the resources to go any further. The United States owned the public land. Water was needed. It was impossible, if people wanted to locate their homes there, to get the water on the land. So the water was put there for their use. It was the universal policy of the Government to do that only when the people could not do it themselves. That was when the Government entered into the picture.

Eighty-five percent of the irrigation in the West has been developed by the people with their own resources. The people went as far as they could. The only projects which remained were those that required help from the Government under a program such as we have before us.

We have no policy, for that matter, of interest-free money, as it is called, on that kind of development program, because the United States wanted those resources developed, and was willing to

develop them if the people would do the job.

Flood control, as has been pointed out many times, is a program which benefits individuals by the millions who live all along the streams. Our good friend, the senior Senator from Illinois [Mr. DOUGLAS], has seen the justice of that situation and has gone at least part way to remedy the condition. He introduced a bill a number of years ago under which the people who received flood control benefits, but were not paying anything, would pay at least 50 percent of the cost of the benefits. Some day we will get him to go the whole distance. If he wants to join in the clamor that we must pay interest then he will have to go further and take an interest in these programs.

I assume his conscience would feel better if he made the proposal retroactive and made the people pay for all the benefits they received in the past, not at a rate of 12 percent but at 2 percent, as was being done on the upper Colorado project, because there would not be enough money in the United States to pay it. It has been going on all these years.

We want to be fair about this matter. Even though the Eastern States—States which are outside the reclamation area—have not shown yet that they have exhausted their resources and have gotten into the position we were in before they got a project, I am willing to let them come in under this arrangement. Sometimes I wonder if they are not a little unwise. Maybe their consciences are hurting them. It has been suggested that perhaps they are wrong; that if they come under the program, they will have to pay the interest back.

I do not want to oppose the amendments of the Senator from Oregon. I think possibly it will be satisfactory to take them to conference. My own judgment is—I will not say they are unworkable, because I intend to vote for them—that they will cause a lot of trouble. A new department, the Department of Agriculture, is brought in. Its engineers will have to work on the problem. The Department of the Interior, which has had 50 years' experience, is eliminated.

I hope those involved will get some experience. I hope it will all be profitable. But, as one who has had experience in the irrigation field and with the organizations and setups involved, and knows of the necessity of giving mortgages on water rights, as well as on land, in order to guarantee repayment to the United States, I wish to say that those who will come under the program are in for very interesting times.

Mr. ANDERSON. I wish to say to the Senator from Utah that I appreciate the statement he has just made—that he is willing to let the amendments go to conference and that he hopes they will work out. No one has a higher regard for the Senator from Utah than I have, and no one could evaluate the suggestions he has made to the committee more than I could.

Mr. WATKINS. I thank the Senator from New Mexico. I wish to say the Senator from New Mexico is a dirt farmer. He gets on the farm and irrigates. He is one of the biggest irrigation farmers in New Mexico. So he is speaking from experience.

I think the whole program is going to be difficult to get by a veto. I hope there will not be a veto, but there may be. We will have to take a chance on there being a veto. My personal opinion is that the bill is good, in spite of its general weakness.

The PRESIDING OFFICER. The question is on agreeing en bloc to the amendments of the Senator from Oregon [Mr. MORSE].

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. LONG. Mr. President, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of H. R. 5881, and that the House bill be considered and amended by striking out all after the enacting clause and inserting the text of the Senate bill, as amended.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). Without objection, the Committee on Interior and Insular Affairs is discharged from further consideration of H. R. 5881.

The Chair lays before the Senate H. R. 5881, which will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 5881) to supplement the Federal reclamation laws by providing for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. LONG. Mr. President, I move to strike out all after the enacting clause of the House bill and to insert in lieu thereof the text of Senate bill 2442, as amended.

The PRESIDING OFFICER. The question is on the motion of the Senator from Louisiana.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 5881) was read the third time and passed.

The title was amended so as to read: "An act to provide for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects, and for other purposes."

The PRESIDING OFFICER. Without objection, Senate bill, S. 2442, is indefinitely postponed.

Mr. LONG. Mr. President, I move that the Senate insist upon its amendment, request a conference with the House of Representatives thereon, and that conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to; and the Presiding Officer appointed Mr. ANDERSON, Mr. LONG, Mr. BIBLE, Mr. MILLIKIN, and Mr. WATKINS conferees on the part of the Senate.

Mr. DOUGLAS. Mr. President, I think the Senate has just passed a very constructive piece of legislation. The Senator from Illinois very carefully kept out of the discussion during the delicate negotiations connected with the Morse amendment, because he was afraid that if he expressed his opinion on these matters he might disturb the concord which was apparently developing. He wishes also to thank the Senator from Nevada [Mr. BIBLE], the Senator from New Mexico [Mr. ANDERSON], and the Senator from Louisiana [Mr. LONG] for their constructive work. However, in view of the comments of the senior Senator from Nevada [Mr. MALONE], and the Senator from Utah [Mr. WATKINS] on general reclamation policies and their personal references to me, I do not wish to have this occasion pass without making a few remarks about the general 160-acre limitation on irrigated lands and the policy of the United States both toward public lands and toward irrigation projects in general.

In developing the public-lands policy, as far back as the Civil War, the principle was adopted that the public lands should be used not to build up large estates with a few owners and many wage-earners and tenants, but to build up family-size farms, which were then approximately 160 acres. It was on that basis that the Homestead Act was passed during the Civil War. This was very constructive legislation. The Middle West was settled on the basis of the 160-acre farm. And it was because of this that we became the valley of democracy. As settlement moved into the Southwest area and into the Far West, there were found old Spanish land grants under which enormous amounts of land have been granted to individual holders. Estates ran into the tens of thousands of acres, and I believe in some cases into the hundreds of thousands of acres. Those concentrated Spanish land grants carried over as this country took over the territory from Mexico. That was particularly true in California, but it was also true in other territories. It resulted in a concentration of land ownership which was contrary to the American system of diffused ownership.

Then a great man from the State of Nevada, Francis G. Newlands, with Theodore Roosevelt, worked out the reclamation law of 1903. Under that law, the Nation as a whole loaned money for irrigation projects and made a contribution of interest to those projects. The loans were interest free——

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. WATKINS. Does the Senator recall that somewhere along the line, if it was not in the original bill, royalties and income from public-land development in the West were to go into a special fund, to be known as the reclamation fund, a revolving fund, for the purpose of developing those areas, and the fund to which the Senator is referring did not come from the whole Nation?

Mr. DOUGLAS. That is probably true, but certainly there have been large

appropriations from the general Treasury for such purposes.

Mr. WATKINS. That started in the depression days, when there was an attempt made to have that type of project work.

Mr. DOUGLAS. If the Senator will permit me, I should like to speak about the Newlands policy.

The idea was that these public moneys, contributed by the Nation as a whole, should be used, not to build up or to continue big estates, but, insofar as possible, to develop family-size farms; and for that purpose Senator Newlands took over the old homestead basis of 160 acres. Of course, in practice, that is not actually a 160-acre limitation; instead, it is a 320-acre limitation, because, as I understand it, both man and wife are entitled to 160 acres each—or a total of 320 acres, or half a square mile, or twice the size of the homestead farm on the basis of which the Midwest was built up.

The Newlands theory was that since the Nation as a whole contributed these moneys for irrigation, it should ask, in return, that the family-size farm be the basis for the development of the Southwest, in Rocky Mountain area and of the Far West, as had been the case in the Midwest. I think Senator Newlands was one of the great, constructive statesmen of the last 50 years.

That principle was intended, not only for public lands, as the Senator from Nevada has said, but also for the use of water on private lands. There was to be no limitation on the size of the private lands in the West; but if it was desired to have additional water, largely financed at public expense, then there was to be a limitation of the water to the use of farms not in excess of 160 acres each, or a total of 320 acres for a man and his wife.

Of course, this issue has been a very sharply contested one, particularly in the State of California. My good friend, the Senator from Nevada, extended to me an invitation to come West, and implied that I had not been in the West. I shall be very glad to go West with him, if he will make that an official invitation, because I can think of no one with whom I would rather travel and go hunting and fishing than with the Senator from Nevada.

However, I am not entirely ignorant on this subject. I have spent some days in the Central Valley of California, traveling through most of that valley, observing the villages, the irrigation projects, and the reservoirs.

I have spent some time in Arizona and have watched the early irrigation and reclamation projects there. I have seen other irrigation projects on the spot.

The big farmers, who in many cases still have farms comprising thousands of acres, wish to get this irrrigation water at public expense, without having to conform to the principles that Senator Newlands and Theodore Roosevelt laid down in 1903. The basic issue is covered up in a maze of technicalities and point-scoring which obscures the fundamental facts. As a result of this battle, the principle has been eaten into from time to time, and, indeed, is under great jeopardy at this moment.

Let me say that—as anyone who is familiar with the fruit industry is aware—the 160-acre or, in total, 320-acre limitation for a fruit orchard allows for vastly more acreage than is needed in order to make a very rich and sumptuous living for a family. Certainly in the Central Valley of California one can make an extremely good living on an orchard of, I suppose, 40 acres; in fact, even less acreage might suffice. Yet public irrigation water will be furnished to a farm of up to 320 acres, provided the farmer has a wife. All that the basic reclamation law does is to place some check upon public water furnished to farms in excess of 320 acres.

We always hear that the 320-acre limitation is not adapted to certain high areas where hay or other forage crops are grown. That may well be true. It is interesting that the principle of flexibility is always called upon to expand the 160-acre or 320-acre limitation, but never is applied to restrict it for the orchard regions or for the commercial vegetable regions—those where asparagus, lettuce, and so forth, are grown in irrigation lowlands. So we are always being asked to make exceptions to expand the limits, but we are never permitted to apply flexibility to restrict these amounts.

Offhand, I would say that probably in a great many reclamation areas the point where further development is uneconomical has now been reached. When reclamation projects are developed at high altitudes, where the growing season is, of necessity, short, and where the winters are severe, and where the frosts stay late and come early, in such areas we find that the crops primarily raised are hay and other forage crops. Someone has asked, "Are not these worthy crops?" Of course, they are, Mr. President; but the point is that they are of very low value and it is virtually impossible to make the irrigation project pay out even for the principal.

Mr. LANGER. Mr. President, will the Senator from Illinois yield to me?

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Does the Senator from Illinois yield to the Senator from North Dakota?

Mr. DOUGLAS. I am glad to yield.

Mr. LANGER. Did I correctly understand the Senator from Illinois to say that when he traveled in the West, he found that in some of the hill areas lettuce was not raised?

Mr. DOUGLAS. I was saying that, of course, we find high-value commercial agriculture being conducted in low-lying lands in Arizona and California; and in those areas we find that lettuce, asparagus, and other crops are raised, side by side with the orchards.

Mr. LANGER. Does not the distinguished Senator from Illinois know that in North Dakota—where, of course, he has been—we raise just as much lettuce in high lands as we do in low lands?

Mr. DOUGLAS. Certainly I do not wish to get into an argument with the distinguished Senator from North Dakota about the versatility of North Dakota land. I shall be very glad to come to North Dakota and share some of the North Dakota asparagus.

Mr. LANGER. I shall be delighted to have the Senator from Illinois come there. I wish to let him know that we raise asparagus, lettuce, and other truck-garden vegetables in some of the highest hills of our State. We have excellent soil there—whether in the low lands or in the high lands.

Mr. DOUGLAS. Mr. President, I think the Morse amendment is a very constructive move. On existing irrigation projects, it waives the 160-acre limitation; but it imposes the 160-acre or 320-acre limitation on new lands; and, therefore, at least, it saves the general principle, which is highly important.

I wish to say that our good friends from the West should not regard this issue as one which concerns them alone. The funds for these projects are contributed by the Nation as a whole, and have been contributed by the Nation as a whole for the last 50 years. We are glad to have developed a great many of these lands in the West and to have paid for them; but, in return, we simply ask that this development and contribution not be used for the building up of a few big farms with a few big proprietors and with hundreds and thousands of hired agricultural laborers. A society on that basis is a very unsound one and is not the America which we love.

On one of the days I spent in the Central Valley of California, I came, at evening, when dusk was falling, to a small village. I entered the village. It had one store, where overalls and rough clothing were sold. There was one other place of business—a tavern. The population of the community consisted almost entirely of hired laborers. It was a sordid town built on big holdings and a large class of landless workers. That is not a very healthy situation, because in America we want instead a wide distribution of landed property.

The next day I was fortunate enough to come to another village in the same valley, where there were a number of stores, well-paved residential streets, good houses, and small orchards. The land was split up into small holdings cultivated by small proprietors.

The second village was an American village. So long as we have villages like that in the United States, the agricultural base of our economy will be strong, to the degree that they exist. But if we ever get into the condition in which the first type of village which I mentioned predominates; namely, a few big proprietors and large numbers of hired workers who do not own the soil on which they work, whose jobs are insecure, whose alternative employments are few, and whose standard of living is low, then we get into a condition almost of peonage, similar to that which I have seen in southern Italy. Which type of America do we want?

It is for that very reason that the Senator from Illinois, in times past, as well as today, has opposed the removal of the 160-acre limitation. I am perfectly willing to debate this issue in the country as a whole, with the Senator

from Nevada [Mr. MALONE] and the Senator from Utah [Mr. WATKINS] if they so desire. While I know that their motives are good and their hearts are pure, nevertheless, if we remove this limitation and furnish water at public expense to maintain and increase large holdings, we are striking a blow at the economic foundations of democracy in our farm centers of the West.

Mr. WATKINS. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield.

Mr. WATKINS. Would the Senator favor, for example, under a flood-control measure requiring private land owners to pay 50 percent, a provision that no one could receive any benefits under flood control except to the extent of 160 acres?

Mr. DOUGLAS. I should like to point out that, in the first place, in the Midwest we were never cursed with the Spanish land grants. We were able to start with virgin soil, and establish the basis of the 160-acre farm. The 160-acre farm is being increased by economic forces. We are developing, in part, a group of farm laborers and tenants, through the problem of tenantry is not as severe as it was some years ago. But fortunately we have been able to get a much wider distribution of the land than is true in the Southwest, and in the Central and Imperial Valleys of California.

Mr. WATKINS. Mexico once had control in the Southwest.

Mr. DOUGLAS. That is what I am saying.

Mr. WATKINS. In many other States that situation did not exist at all.

Mr. DOUGLAS. That was true in the North.

Mr. WATKINS. But there are many small farms in California, Arizona, and New Mexico.

Mr. DOUGLAS. I think the principle of the Newlands Act is absolutely sound, and we must bear it in mind. It is not something to be laughed off or sneered at. It is a principle to which we should hold. That is all the Senator from Illinois is trying to do. If Senators from the West were willing to make the 160-acre limitation more restrictive with respect to orchards and commercial vegetables, I would be willing to make it less restrictive with respect to hay.

Mr. WATKINS. Mr. President, will the Senator further yield?

Mr. DOUGLAS. I yield.

Mr. WATKINS. Does the Senator realize that in the growing of fruit it is very difficult for the small farmer to exist and maintain his family in competition with the larger orchards? The spraying equipment, tractors, harvesting crews, washing machines, and all those things which are required are very expensive for the small farmer. But if a farmer has four or five hundred acres—I understand the Senator from Virginia [Mr. BYRD] has some 4,600 acres—he can follow a good, workable program, with the finest of equipment. It is difficult for the small farmer to compete with the large orchards. I happen to be a fruit grower. I know whereof I speak. I have approximately 70 acres. Many small orchardists try to get by with 10 or 15 acres. They cannot do it.

I am having difficulty in making my orchards pay, fighting pests, drought, frost, and all that sort of thing, and keen competition with larger operators. I would recommend, from a business point of view, that the acreage of orchards be multiplied by 10, so as to result in orchards which can be economically operated.

Mr. DOUGLAS. There are two ways of looking at the farm. One way of looking at the farm is merely as a means of making money. The other way of looking at the farm is to regard it as a way of life. We have adopted the philosophy, particularly through the Homestead Act, that farming is a way of life, and that the small family farm has a place in America.

I think I am aware of some of the difficulties faced by small farmers. The Senator from Utah is also aware of some of the difficulties. I say that we should not increase those difficulties by governmental aid given primarily to the big farmers. We should not take governmental steps to make it still more difficult for the small farmer to get along.

In the second place, I suggest that a great many of the difficulties of the small farmer—at least with respect to orchards—could be met by cooperation, under a plan whereby the small farmers could pool their resources and buy some of the necessary equipment and use it cooperatively. I think the Senator from Utah is not unfriendly to cooperatives. He was a leader in the cooperative movement in his State. I congratulate him on that, and urge him on to greater efforts in that line, rather than merely trusting to the steam roller of the larger farmer to roll over the small farmer. Surely he does not believe that because the small farmers having difficulties, we should help to put them out of business.

Mr. WATKINS. Mr. President, will the Senator yield for one further observation?

Mr. DOUGLAS. Certainly.

Mr. WATKINS. I thank the Senator for what he said about my work with cooperatives. I have worked with them. Frankly, we have not yet succeeded, after some 50 years of trying, in persuading the farmers to join together in cooperative use of machinery and equipment needed in orchards. They have different ways of doing things. They are highly individualistic, and the plan simply does not work. That is why they are having difficulty. I thank the Senator for yielding.

Mr. DOUGLAS. I am always glad to yield.

Unless the Senator from Nevada [Mr. MALONE] wishes to enter the fray, I am willing to yield the floor.

Mr. MALONE. I wish to be recognized in my own right.

Mr. DOUGLAS. Mr. President, I yield the floor.

PUBLIC LAND HELD IN TRUST FOR THE STATES

Mr. MALONE. Mr. President, let me say to the distinguished Senator from Illinois that the senior Senator from Nevada was consulting engineer on the Central Valley project, which the Senator from Illinois visited for 1 day.

As a result, the senior Senator from Nevada understands the objectives of the people living under it.

As a matter of fact, he had a hand in organizing most of the irrigation and power districts in his home State of Nevada, either as State engineer or as a private engineer, and many of the projects in the 11 Western States. He grew up with the problem during the past 40-year period about which we have been talking.

Let me say to the distinguished Senator from Illinois that the land in the Corn Belt area including Illinois, Iowa, and Indiana was obtained on a 160-acre homestead for a $16 filing fee. The land was given to the farmers with the condition that they live on the land for a stated period and put a stated amount of such land under cultivation each year for 3 years. They would then receive a patent in fee without any further payment.

For 140 years, beginning with the 1840 Redemption Act, followed by the Homestead Act of 1863, the policy of the United States Congress was definitely established to hold all public lands in trust for the States until they could enact legislation under which such lands could be taken up in family-sized units.

When they reached western Kansas in the semiarid area 160 acres was not enough. So the Congress arranged for an individual to file an additional homestead of 160 acres.

Then when the mesa in eastern Colorado was reached 320 acres was just an aggravation. So they were allowed a stock raising homestead of 640 acres, making a total of 960 acres. When they reached the Great American Desert, including parts of Utah and Nevada, 960 acres were again just an aggravation where, according to surveys made by the United States Geological Survey, it required as much as 140 acres to support a cow unit, a cow and a calf.

Congress made no further effort to pass a land law under which land could be taken up to support 250 head of cattle or a band of sheep for a family unit.

We were then talking in terms of townships, not sections.

Then Senator Newlands, whose memory we respect in my State of Nevada, proposed an act, passed in 1902, to irrigate some of these lands carved out of the public land of the Western States.

We have never objected to the 160-acre unit where we could live with it. We have accepted it except where it was an impossible situation. However, I wish to say to the distinguished Senator from Illinois, if he will look at his own State—and he does not have to look very far—he will discover many landowners benefiting from public funds regardless of the size of the ranch or farms originally patented by the 160-acre unit through a payment of a $16 filing fee—where millions of dollars have been appropriated for flood control with no repayment at all, either principal or interest. Of course where the land is no longer flooded its value is increased regardless of the size of the farm units. No one in

Congress has seriously objected to it since it has long been an established policy of Congress.

Mr. DOUGLAS. The Senator from Illinois has objected to it. I was the first to propose that a large portion of the cost should be paid by special assessments on the land that has been benefited.

Mr. MALONE. I will join the Senator from Illinois in introducing a bill that will provide for the repayment of the principle without interest on all flood control projects, just as we do in the reclamation States. We can prepare the bill and introduce it tomorrow.

Mr. DOUGLAS. In the case of land adjoining rivers, there is another——

Mr. MALONE. Does the Senator wish me to yield?

Mr. DOUGLAS. Will the Senator yield?

Mr. MALONE. I am happy to yield.

Mr. DOUGLAS. In the case of land adjoining rivers, there is another ostensible purpose, although in many cases the real purpose is navigation, and the incidental byproduct is by narrowing the channel, by clearing out a large portion of swampland, more land is made arable.

Mr. KILGORE. Mr. President, I should like to ask for the regular order.

Mr. MALONE. This is the regular order. Do I have the floor, Mr. President?

The PRESIDING OFFICER. The Senator from Nevada has the floor.

Mr. MALONE. Then I shall proceed. I served 6 years on the Public Works Committee. I am familiar with the testimony on flood-control projects located in the Senator's State.

Then I have reviewed projects in Kansas and Missouri with my friend, Senator HENNINGS, of that State, and in Kansas with my friend, Senator SCHOEPPEL, of Kansas, in connection with the great flood in the Kansas City area. I expected the cost to be covered by the Federal Government, not because Kansas City could not pay for it, but because it was a settled policy of the Congress.

Incidentally, when a dam was proposed in eastern Kansas for the purpose of controlling floods, the purpose is not irrigation or navigation, but to prevent lands from being flooded.

Any time the distinguished Senator from Illinois wishes to introduce a bill which will require repayment of flood-control expenditures I will join him.

The congressional policy, which has been in existence for 75 years, that when the Army engineers report the benefits exceed the cost of any certain project, then Congress may consider through its regular committees the building of such a project at taxpayers' expense to control the floods, or for navigation or for improvement of harbors. However, when the distinguished Senator from Illinois tries to make it appear that the cost is all for navigation, he is mistaken.

Mr. DOUGLAS. Flood control and navigation are joint purposes, and one of the incidental byproducts is to make swampland adjoining the rivers arable.

Mr. MALONE. Flood control and navigation may be the joint purpose but often it is simply flood control, but the money is not repaid in any case. They have been benefiting for 75 years, when as a matter of fact, there is probably no valid reason why the beneficiaries should not pay for any improvement in navigation.

I say again to the distinguished Senator, any time he is ready to introduce a bill, under which those States would repay the money, exactly as we do in the reclamation States, I shall be happy to join him. The money expended for reclamation has been repaid with very few losses, over the past 53 years. Very little money has been lost to the taxpayers.

I have listened to the Senator from Illinois for the 7 years he has been in the Senate object to small appropriations on projects and then vote for the entire appropriation.

When I invited the Senator to come West with me, I did not mean to have him fly over the land or spend one day on a project. I intended him to come out and take a good look to see how the people farming the area live. They improve the land where they had no adequate water supply. Those are the kind of people we have been helping to improve the desert with interest-free money. Flood control reclaims flooded land just as irrigation reclaims desert land.

Under the bill we passed this afternoon all of the States, including Illinois, can drain the swampland which is now absolutely useless, by merely paying back the money without interest.

The Senator's State can take the water off the land and make it valuable, whereas we need to put it on the land to increase its productivity.

I shall be glad to answer any questions in regard to the procedure that the distinguished Senator from Illinois desires to ask.

E. J. ALBRECHT CO.

Mr. LONG. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1148, H. R. 1393.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 1393) for the relief of E. J. Albrecht Co.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from Committee on the Judiciary with an amendment on page 2, line 4, after the word "Act", to strike out "in excess of 10 per centum thereof."

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MINING DEVELOPMENT AND UTILIZATION OF MINERAL RESOURCES OF ALL PUBLIC LANDS RESERVED FOR POWER DEVELOPMENT

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1162, H. R. 100.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 100) to permit the mining development and utilization of mineral resources of all public lands withdrawn or reserved for power development, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill which has been reported from the Committee on Interior and Insular Affairs with amendments on page 1, at the beginning of line 6, to insert "heretofore"; in line 7, after the word "sites", to strike out "by statutory rights"; on page 2, line 7, after the word "session", to insert a colon and *"And provided further*, That nothing contained herein shall be construed to open for the purposes described in this section any lands (1) which are included in any project operating or being constructed under a license or permit issued under the Federal Power Act or other Act of Congress, or (2) which are under examination and survey by a prospective licensee of the Federal Power Commission, if such prospective licensee holds an uncanceled preliminary permit issued under the Federal Power Act authorizing him to conduct such examination and survey with respect to such lands and such permit has not been renewed in the case of such prospective licensee more than once.

"(b) The locator of a placer claim under this act, however, shall conduct no mining operations for a period of 60 days after the filing of a notice of location pursuant to section 4 of this act. If the Secretary of the Interior, within 60 days from the filing of the notice of location, notifies the locator by registered mail of the Secretary's intention to hold a public hearing to determine whether placer mining operations would substantially interfere with other uses of the land included within the placer claim, mining operations on that claim shall be further suspended until the Secretary has held the hearing and has issued an appropriate order. The order issued by the Secretary of the Interior shall provide for one of the following: (1) a complete prohibition of placer mining; (2) a permission to engage in placer mining upon the condition that the locator shall, following placer operations, restore the surface of the claim to the condition in which it was immediately prior to those operations; or (3) a general permission to engage in placer mining. No order by the Secretary with respect to such operations shall be valid unless a certified copy is filed in the same State or county office in which the locator's notice of

location has been filed in compliance with the United States mining laws.

"The Secretary shall establish such rules and regulations as he deems desirable concerning bonds and deposits with respect to the restoration of lands to their condition prior to placer mining operations. Moneys received from any bond or deposit shall be used for the restoration of the surface of the claim involved, and any money received in excess of the amount needed for the restoration of the surface of that claim shall be refunded.

"(c) Nothing in this act shall affect the validity of withdrawals or reservations for purposes other than power development."

On page 5, line 8, after the word "reservation", to insert a colon and *"Provided,* That nothing in this act shall be construed to limit or restrict the rights of the owner or owners of any mining claim who are diligently working to make a discovery of valuable minerals at the time any future withdrawal or reservation for power development is made"; and after line 18, to strike out:

SEC. 7. No mining claim located pursuant to this act upon surveyed or unsurveyed lands, title to which, except for such location, would following the termination of the withdrawal or reservation, vest in a State for the support of the common or public schools shall create any rights as against the State, and the existence of the claim shall not prevent the vesting of the title in the State.

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CLEMENTS. Mr. President, it is my understanding that the Senator from Illinois [Mr. DOUGLAS] desires an explanation of the bill.

Mr. DOUGLAS. For the purposes of the RECORD, Mr. President, I think we should have an explanation.

Mr. CLEMENTS. Mr. President, H. R. 100, as amended, would open an estimated 7 million acres of public lands in the West for mineral development under the general mining laws, subject to conditions and procedures set out in the bill.

Section 1 declares that this act may be cited as the "Mining Claims Rights Restoration Act of 1955."

Section 2 operates to open to entry under Federal mining laws public lands presently withdrawn or reserved for power development or power sites; public lands so withdrawn and reserved in the future would be subject also to entry under the conditions provided for in the act.

Purposes for which entry could be made include location and patent of mining claims, and for mining, development, beneficiation, removal, and utilization of the mineral resources of such lands—all to be carried out under existing laws regulating such activities.

This section limits the effect of entry in four respects:

First, by declaring that notwithstanding entry, all power rights to such lands shall be retained by the United States; and

Second, by making locations made under this act within the revested Oregon & California Railroad and reconveyed Coos Bay Wagon grant lands subject to the provisions of the act of April 8, 1940 (62 Stat. 162). The 1948 act reserves timber on mining claims located on lands within such areas, except for such timber as may be necessary in the development or operation of his mine, until such timber is disposed of by the United States; and

Third, by not opening for entry lands which are included in any project being operated or being constructed under a license or permit granted under authority of any act of Congress, or under an uncanceled preliminary permit for examination and survey; and

Fourth, gives to the Secretary of the Interior authority to hold public hearings to determine whether placer-mining operations would be detrimental to other uses of the lands involved, and to require at his option, locators and operators of placer-mine operations to restore such lands to their former condition when the mining operation has been completed.

Mr. DOUGLAS. Mr. President, will the Senator from Kentucky yield for a question?

Mr. CLEMENTS. I yield. I cannot agree to answer it, but it is within the province of the Senator to ask the question.

Mr. DOUGLAS. Under this bill, would the Government retain the power rights?

Mr. CLEMENTS. It is my understanding that the power rights will be paramount.

Mr. DOUGLAS. The power rights of the Government?

Mr. CLEMENTS. That is correct.

Mr. DOUGLAS. I thank the Senator. It is very important that that be made a part of the RECORD.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

IMPROVEMENTS IN FISCAL PRACTICES OF THE NATIONAL BUREAU OF STANDARDS

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1183, Senate bill 2060.

The PRESIDING OFFICER. The bill will be read by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2060) to amend the act of March 3, 1901, as amended, to incorporate in the Organic Act of the National Bureau of Standards the authority to use the working capital fund, and to permit certain improvements in fiscal practices.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Interstate and Foreign Commerce with an amendment on page 2, line 3, after the word "appropriation", to strike out "of" and insert "or", so as to make the bill read:

Be it enacted, etc., That the act, entitled "An act to establish the National Bureau of Standards," approved March 3, 1901, as amended, is amended by striking out sections 7 and 8 and inserting in lieu thereof the following sections:

"SEC. 7. The Secretary shall charge for services performed under the authority of section 3 of this act, except in cases where he determines that the interest of the Government would be best served by waiving the charge. Such charges may be based upon fixed prices or cost. The appropriation or fund bearing the cost of the services may be reimbursed, or the Secretary may require advance payment subject to such adjustment on completion of the work as may be agreed upon.

"SEC. 8. In the absence of specific agreement to the contrary, additional facilities, including equipment, purchased pursuant to the performance of services authorized by section 3 of this act shall become the property of the Department of Commerce."

SEC. 2. Such act is further amended by striking out sections 11, 12, and 13 and inserting in lieu thereof the following sections:

"SEC. 11. (a) The Secretary of Commerce is authorized to accept and utilize gifts or bequests of real or personal property for the purpose of aiding and facilitating the work authorized therein.

"(b) For the purpose of Federal income, estate, and gift taxes, gifts and bequests accepted by the Secretary of Commerce under the authority of this act shall be deemed to be gifts and bequests to or for the use of the United States.

"SEC. 12. (a) The National Bureau of Standards is authorized to utilize in the performance of its functions the Working Capital Fund established by the Act of June 29, 1950 (64 Stat. 275), and additional amounts as from time to time may be required for the purposes of said fund are hereby authorized to be appropriated.

"(b) The working capital of the fund shall be available for obligation and payment for any activities authorized by the Act of March 3, 1901 (31 Stat. 1449), as amended, and for any activities for which provision is made in the appropriations which reimburse the fund.

"(c) In the performance of authorized activities, the Working Capital Fund shall be available and may be reimbursed for expenses of hire of automobile, hire of consultants, and travel to meetings, to the extent that such expenses are authorized for the appropriations of the Department of Commerce.

"(d) The fund may be credited with advances and reimbursements, including receipts from non-Federal sources, for services performed under the authority of section 3 of this act.

"(e) As used in this act the term 'cost' shall be construed to include directly related expenses and appropriate charges for indirect and administrative expenses.

"(f) The amount of any earned net income resulting from the operation of the fund at the close of each fiscal year shall be paid into the general fund of the Treasury: *Provided,* That such earned net income may be applied first to restore any prior impairment of the fund."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PER CAPITA PAYMENTS TO MEMBERS OF CERTAIN INDIAN TRIBES

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1180, Senate bill 2087.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2087) to amend the act of May 19, 1947, to permit per capita payments to the individual members of the Shoshone Tribe and the Arapahoe Tribe of the Wind River Reservation in Wyoming, to be made quarterly.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 2, line 3, after the word "June", to insert "The additional administrative costs of any annual distribution in more than two installments shall be borne by the tribe", so as to make the bill read:

Be it enacted, etc., That section 3 of the act entitled "An act to authorize the segregation and expenditure of trust funds held in joint ownership by the Shoshone and Arapahoe Tribes of the Wind River Reservation," approved May 19, 1947 (ch. 80, 61 Stat. 102), as amended, is hereby amended by striking the words "and the first day of March" wherever it appears therein, and inserting in lieu thereof "the first day of December, the first day of March, and the first day of June." The additional administrative costs of any annual distribution in more than two installments shall be borne by the tribe.

Mr. CLEMENTS. Mr. President, the purpose of Senate bill 2087 is to amend existing law so as to require that per capita distribution shall be made in four installments each year, September, December, March, and June, instead of in two installments, to the members of the Shoshone and Arapahoe Tribes of the Wind River Reservation, Wyo. A quarterly distribution will be in the best interests of the Indians, because many of them are not able to handle larger payments wisely.

The Joint Shoshone-Arapahoe Business Council, by Resolution No. 481, dated January 27, 1955, requested the enactment of this proposed legislation. The council agreed that any additional administrative costs resulting from the quarterly distribution would be borne by the two tribes.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DISTRIBUTION OF CERTAIN MONEYS TO THE KAW TRIBE OF INDIANS

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1181, Senate bill 2197.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2197) to authorize the Secretary of the Interior to distribute equally to members of the Kaw Tribe of Indians certain moneys to the credit of the tribe in the United States Treasury.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 2, line 4, after the word "devisees", to strike out "Any additional expenses incurred by the Secretary in connection with the distribution of funds pursuant to this act shall be paid out of such funds", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to distribute equally among the members of the Kaw Tribe of Indians whose names appear on the roll prepared pursuant to the act of July 1, 1902 (32 Stat. 636), and the persons who were allotted under the Act of April 29, 1922 (42 Stat. 1589), all funds on deposit in the Treasury of the United States to the credit of the Kansas or Kaw Tribe of Indians, including funds appropriated by the act of April 22, 1955 (69 Stat. 28), for the payment of a judgment against the United States. The share of any deceased member shall be distributed among his heirs or devisees.

Mr. CLEMENTS. Mr. President, the purpose of S. 2197 is to authorize the Secretary of the Interior to distribute equally to members of the Kaw Tribe of Indians certain moneys to the credit of the tribe in the United States Treasury. The Kaw Indians brought an action against the Government in the Indian Claims Commission and were awarded a judgment of $2,398,220.02. Congress has appropriated this amount, and, after payment of fees and expense totaling $182,547.42, has placed the balance to the credit of the tribe in the Treasury of the United States.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

APPROVAL OF DEEDS EXECUTED BY THE HEIRS OF ANNA HOLLYWOOD FICKZ

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1169, H. R. 898.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 898) to provide for the approval of deeds executed by the heirs of Anna Hollywood Fickz.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. CLEMENTS. Mr. President, H. R. 898 directs the Secretary of the Interior to approve deeds conveying an interest in a lot of a little less than 5 acres in Alaska, the appraised value of which is approximately $250, to the wife of one of the heirs of the original allottee.

The tract was allotted in 1935 to Mrs. Anna Hollywood Fickz, an Indian, with the certificate of title providing that the land was to be the homestead of the allottee and was to be inalienable and untaxed.

The allottee died in 1936, leaving 9 heirs. The wife of one of them, a Mrs. John Hollywood, had cared for Mrs. Fickz, then an invalid, for the last 6 years of her life. In recognition of her claim for services, the heirs wish to quitclaim their interest in the tract to Mrs. Hollywood. This legislation would authorize the Secretary to approve the deeds of those of the heirs who choose to quitclaim their interest.

The deeds which the Secretary is directed to approve by H. R. 898 would be subject to an existing right-of-way previously conveyed to the Territory of Alaska.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

SALE OF CERTAIN LAND IN ALASKA

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1170, H. R. 910.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 910) to authorize and direct the sale of certain land in Alaska to John Ekonomos, of the Fairbanks Precinct, Alaska.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. MORSE. Mr. President, may we have an explanation of the bill.

Mr. CLEMENTS. H. R. 910 authorizes John Ekonomos, of Fairbanks Precinct, Alaska, to purchase all or any part of a 40-acre tract on which he has made an attempted homestead entry. The tract

is part of an area which had been withdrawn by Executive order for a flood-control project. The withdrawal has been lifted, and the lands occupied by Mr. Ekonomos were not used in connection with the project.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

ISSUANCE OF PATENT TO ROBERT W. RETHERFORD OF ANCHORAGE, ALASKA

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1171, H. R. 4718.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 4718) to authorize and direct the issuance of patent to Robert W. Retherford of Anchorage, Alaska, to certain land in Alaska.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. CLEMENTS. Mr. President, the purpose of H. R. 4718 is to authorize and direct the Secretary of the Interior to issue a patent to certain specifically described land in Alaska to Robert W. Retherford, a World War II Navy veteran who through administrative error was allowed to make homestead entry and start improving on a quarter section withdrawn for classification, and in aid of legislation in connection with the Matanuska Valley project. The veteran has built a log cabin home and partially constructed a small domestic powerplant toward fulfillment of his homesteading obligations.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

DISCOVERY, DEVELOPMENT, AND PRODUCTION OF CERTAIN DOMESTIC MINERALS

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1173, H. R. 6373.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 6373) to amend the Domestic Minerals Program Extension Act of 1953 in order to extend the programs to encourage the discovery, development, and production of certain domestic minerals.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Interior and Insular Affairs with amendments.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. CLEMENTS. I am pleased to yield.

Mr. THYE. I am vitally interested in the bill. That is why I wish to ask a few questions.

Does the Senator intend to propose that the Senate convene at 10, 11, or 12 o'clock tomorrow?

Mr. CLEMENTS. It is the intention of the acting majority leader to move later that the Senate convene at 11 o'clock tomorrow morning. The purpose of making H. R. 6373 the unfinished business is to make it the first business to be taken up tomorrow immediately following the morning hour and the consideration of the legislative appropriation bill.

Mr. THYE. Some Members are serving on the committee of conference which is considering the supplemental appropriation bill. We did not complete our conference on the bill this afternoon because of the vote which compelled the House conferees to remain on the House floor. Therefore, we may be in conference again tomorrow.

Also, I may say that I must appear before a subcommittee of the Committee on the Judiciary tomorrow concerning a nomination to a judgeship.

I simply wanted to be on record as stating that if H. R. 6373 shall be passed, I wish to make certain that iron-ore minerals will be considered as strategic material or metal which can be properly acquired and stockpiled under the bill, just as any other mineral can be. That is the purpose of my speaking about the bill now. I wish to make certain that the RECORD is clear that iron ore also can be stockpiled, the same as any other metal can be, under the provisions of the bill.

Mr. CLEMENTS. I am not in a position to give the Senator such assurance; but knowing his attentiveness to duty and his carefulness in looking after the interests of Minnesota in any matter which affects his State, and also his Nation, I am confident that he will be on the floor to protect the interests of the State in which he lives and the Nation which he loves.

Mr. THYE. I could give the acting majority leader positive assurance of that if I did not have a commitment to attend a hearing before a subcommittee of the Committee on the Judiciary. I have just as vital an interest in that judicial matter tomorrow as I have in the bill which is before us, because the hearing concerns the appointment to a judgeship of Warren E. Burger. Thus I have two obligations: One the mineral bill, and the other the judicial nomination.

Mr. CLEMENTS. I assure my friend from Minnesota that no advantage will be taken of him tomorrow, either by the sponsor of the bill or by the acting majority leader. Ample opportunity will be afforded the senior Senator from Minnesota to be on the floor when the bill in which he has expressed interest tonight will be before the Senate.

Mr. THYE. I thank the acting majority leader for his assurance. I was positive I would have that protection, but I wanted to be definitely certain.

TO REVIVE SECTION III OF DISTRICT OF COLUMBIA PUBLIC SCHOOL FOOD SERVICES ACT

Mr. MORSE rose.

Mr. CLEMENTS. Mr. President, I was about to suggest that there was at the desk a message from the House to be laid before the Senate. It may be that the senior Senator from Oregon has the message in his hand.

Mr. MORSE. No; I do not have it.

Mr. CLEMENTS. I yield to the senior Senator from Oregon.

Mr. MORSE. In behalf of the Committee on the District of Columbia, I am speaking on S. 665, which passed the Senate. The House has added an amendment, which the Senate Committee on the District of Columbia accepts. We should like to have the amendment agreed to tonight, if we may have the unfinished business laid aside long enough to do so.

Mr. CLEMENTS. Did the Senator refer to Senate bill 665?

Mr. MORSE. That is correct.

Mr. CLEMENTS. It is the House amendment to that bill which I thought was at the desk.

Mr. President, I ask that the amendment of the House be laid before the Senate.

The PRESIDING OFFICER (Mr. SCOTT in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 665) to revive section 3 of the District of Columbia Public School Food Services Act, which was, on page 2, after line 3, insert:

SEC. 2. The second sentence of section 8 of the act entitled "An act for the retirement of public-school teachers in the District of Columbia," approved August 7, 1946, as amended, is amended by inserting immediately before the colon immediately preceding the first proviso thereof the following: "; and (f) continuous temporary service as an employee of any cafeteria or lunchroom operated in the public-school buildings of the District of Columbia during any period prior to the date on which such cafeteria or lunchroom is placed under the Office of Central Management, Department of Food Services, District of Columbia, and immediately prior to probationary appointment as a teacher in the public schools of the District of Columbia."

Mr. MORSE. Mr. President, the purpose of the amendment is to provide that when "continuous temporary service as an employee of any cafeteria or lunchroom operated in the public-school buildings of the District of Columbia during any period prior to the date on which such cafeteria or lunchroom is placed under the Office of Central Management, Department of Food Services, District of Columbia, and immediately prior to probationary appointment as a teacher in the public schools of the District of Columbia" such teacher would be eligible to include such cafeteria or lunchroom employment toward retirement. It is my information that only one employee on the Board of Education

would be affected by the adoption of this amendment.

I move that the Senate concur in the amendment of the House.

The motion was agreed to.

MERGER OF STREET RAILWAY CORPORATIONS IN THE DISTRICT OF COLUMBIA

Mr. MORSE. Mr. President, I listened attentively to the list of bills which the acting majority leader stated. I was hoping that I would hear him include for quick disposal Calendar No. 1164, Senate bill 2576, which is the so-called transit bill.

I have just had a conference with the junior Senator from Maryland [Mr. BEALL] and other members of the Committee on the District of Columbia, who wanted me to make a very brief statement tonight about the bill.

I ask unanimous consent to have printed at this point in the RECORD a letter which the president of the Capital Transit Co. has today sent to the Board of Commissioners of the District of Columbia, in which he proposes to enter into an agreement to release the company's franchise at the end of 1 year; that at the expiration of the said year, the Capital Transit Co. shall be under no obligation to furnish public transportation in the District of Columbia; that during the said year the Capital Transit Co. will operate its transportation system on behalf of the District of Columbia at cost, and will not seek any return whatsoever for its stockholders; and that if, during the said year, the revenues of the company are not sufficient to meet the cost of operation, the deficiency will be made good by the District of Columbia.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CAPITAL TRANSIT CO.,
Washington, D. C., July 28, 1955.

THE BOARD OF COMMISSIONERS OF THE DISTRICT OF COLUMBIA,
Washington, D. C.

GENTLEMEN: You have proposed to Congress that legislation be passed terminating the franchise of the Capital Transit Co. 1 year from the date of the enactment of the proposed law, and that the Commissioners be authorized to seize and operate the property during the 1-year period until the termination of the franchise becomes effective.

In order to enable you to accomplish the purpose you have in mind, the board of directors of the Capital Transit Co., subject to stockholder approval, at a meeting held this morning has authorized me to submit the following proposal to you:

1. Capital Transit Co. will enter into a binding agreement with you that it will relinquish its franchise 1 year from the date of the agreement.

2. At the expiration of said year, the Capital Transit Co. shall be under no obligation to furnish public transportation in the District of Columbia.

3. During said year Capital Transit Co. will operate its transportation system on your behalf at cost and will not seek any return whatsoever for its stockholders.

4. If, during said year the revenues of the company are not sufficient to meet the cost of operation, the deficiency will be made good by the District of Columbia.

If this proposal is acceptable to you, the Capital Transit Co. will enter into any agreement with labor that you direct and will also make such applications to the Public Utilities Commission as you direct as to its fare structure.

It seems to me that you should have no difficulty in obtaining legislation which will authorize you to consummate the above proposal on such terms and conditions as are just and reasonable.

If you are willing to enter into such a contract, the board of directors will, with all possible speed, submit the matter to the stockholders for their approval, and I have the assurance that Mr. Wolfson and his family will vote their stock in favor of such a proposal.

During said year all expenses accorded the chairman of the board of directors will be discontinued and there will be no increase in officers' salaries.

I believe that it is entirely probable, with your assistance, that an arrangement can be made with labor to return to work immediately and restore transportation service to the District of Columbia.

Legislation authorizing you to enter into such a contract could eliminate the necessity of litigation which might result from the presently proposed legislation.

Your prompt reaction to our proposal will be greatly appreciated.

Yours very truly,

J. A. B. BROADWATER,
President.

Mr. MORSE. Mr. President, the Commissioners of the District of Columbia have made a reply, a copy of which was submitted to the subcommittee of the Committee on the District of Columbia this afternoon. It will take me only a minute to read it, because I wish to make a request when I have finished reading the reply by the District Commissioners.

The proposal of the Capital Transit Co. to enter into an agreement with the Commissioners, under which it would relinquish its franchise 1 year from date of agreement, is not a practicable alternative to the direct action by Congress recommended by the Commissioners. The proposed agreement would have to be ratified by the stockholders of the Capital Transit Co. Before a stockholders' meeting can be held, proxy statements would have to be submitted to, and approved by, the Security and Exchange Commission. After such approval there would have to be a period of 10 days' notice before the stockholders' meeting could be held. It appears, therefore, that it would not be possible to obtain the stockholders' approval prior to the adjournment of Congress.

If the stockholders, after the adjournment of Congress, failed to approve the proposal, the Commissioners would be left with no effective alternative to reestablish transit service. In addition to the stockholders' approval, legislation would be required to permit the company voluntarily to abandon its franchise, and to authorize the Commissioners to enter into such a contract. S. 2576, which has been proposed by the Commissioners and is now pending before Congress, would, in the opinion of the Commissioners, with a minor amendment, permit them to enter immediately into an operational agreement with the Capital Transit Co. which would be substantially similar to that proposed by the company. If this bill is passed by Congress, the Commissioners believe it would be possible to achieve much the same result as the company proposes.

In the meeting with the District Commissioners this afternoon, we discussed at some length this interesting proposal of the Capital Transit Co., and we completely agree with the Commissioners that it is not acceptable. Of course, the bill which is being proposed would accomplish the end which the Commissioners have in mind, although we have already submitted the minor amendment proposed this afternoon, which makes it perfectly clear that the Commissioners can enter into an agreement with the Capital Transit Co., as well as with other companies, to supply transportation service for the year which will elapse before the franchise, under the law, is finally terminated.

But, Mr. President, there are some interesting gimmicks in the proposal made by the Capital Transit Co. today. It is very cleverly worded, so that if it were adopted it would relieve the Capital Transit Co. of about $5 million of expenditures which the company would have to pay to take up the streetcar tracks in the area, repave the streets, and put the streets in the condition in which the Capital Transit Co. is obligated to put them under the franchise which the company accepted in the first place.

Mr. President, the District of Columbia Board of Commissioners, which, in the judgment of our committee, is composed of three highly competent and highly honorable public servants, has been placed by Congress in an almost impossible administrative position unless Congress gives to the Commissioners the authority which city officials ought to have, and which city officials in every other municipality in this country have—the authority to deal with the problem on the basis of municipal self-rule.

The bill which is on the calendar, Calendar No. 1164, S. 2576, involves three points.

In the first place, it would cancel the franchise, to do which requires congressional action.

Secondly, it would authorize the District Commissioners to take over the property, if they believe that is the best way to supply the transit riders of this area with transportation service. That does not mean confiscation. As we have made clear, the courtroom doors are open if the Capital Transit Co. cannot work out a satisfactory agreement with the Commissioners. The company is assured of due process of law. But we have no intention of letting the company, in view of the way it has milked the funds, get into such a position that we will have to pay book value for a going concern. That is what they are after under the scheme proposed today. It is desired to put the Commissioners in a position where they can bargain with the Capital Transit Co. or any other group.

In the third place, the proposal is to give the District Commissioners power to contract with any other company which may desire to operate a mass transportation service in the District of Columbia. The Commissioners have

satisfied us that if the franchise of the Capital Transit Co. should be canceled, the Commissioners would not have any difficulty in having responsible companies come to the District of Columbia and take over the transportation system. I can say no more than that there are private concerns in the country which would be glad to come into the District of Columbia and accept a new franchise from the District Commissioners.

Mr. President, what we are pleading for is to have Congress, before it adjourns, give the Commissioners the power they need to perform their duties in the District of Columbia. There is an alternative provided. The Commissioners will be free to work out a contractual relationship with the Capital Transit Co., if the Capital Transit Co. wishes to be fair and reasonable about it; but we want to grant the Commissioners the power for which they have asked.

Therefore, my question to the majority leader is whether he can give us reasonable assurance that sometime tomorrow the Senate can turn itself to the task of relieving itself from operating as the city council of the District of Columbia, in connection with its transportation system, by considering and passing a bill that will give the District Commissioners the authority we wish to give to them by Senate bill 2576?

Mr. CLEMENTS. I shall repeat to my friend from Oregon what I said earlier—that there is no disposition on the part of the acting majority leader to slow up or adjourn the Senate without consideration being given to the matter of authority being granted to the city authorities. If ideas of the acting majority leader had been carried out—and his ideas were shown by his vote on a number of occasions in the Senate—the Commissioners would have considerably more authority than they now have to conduct their own business.

Mr. MORSE. I appreciate that.

PROGRAM FOR TOMORROW

Mr. CLEMENTS. Mr. President, I should like to announce the program for tomorrow.

By action previously taken by the Senate, Calendar No. 1173, H. R. 6373, to amend the Domestic Minerals Program Extension Act of 1953, has been made the unfinished business.

On tomorrow the Senate expects to act on the legislative appropriation bill, which is important to individual Members of the Senate and a goodly number of employees who are dependent upon action taken by the Senate on that bill.

There will also be taken up on tomorrow the five treaties which are on the Executive Calendar.

In addition, I should like to list a number of other bills which have been cleared, and I hope that by tomorrow there may be added the bill in which the Senator from Oregon is interested.

Mr. MORSE. Mr. President, that is music to my ears.

Mr. CLEMENTS. I now list the measures:

Calendar No. 1152, S. 2630, to facilitate the establishment of local self-government at the communities of Oak Ridge, Tenn., and Richland, Wash., and to provide for the disposal of federally owned properties of such communities;

Calendar No. 1166, H. R. 4663, to authorize the Secretary of the Interior to construct, operate, and maintain the Trinity River division, Central Valley project, California, under Federal reclamation laws;

Calendar No. 1184, Senate Joint Resolution 97, to amend certain laws providing for membership and participation by the United States in the Food and Agriculture Organization and International Labor Organization and authorizing appropriations therefor;

Calendar No. 1188, S. 2402, to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended;

Calendar No. 1176, Senate Joint Resolution 91, to authorize the Secretary of Commerce to sell the steamship *La Guardia;*

Calendar No. 1177, Senate Joint Resolution 92, to authorize the Secretary of Commerce to sell the steamship *Monterey;* and

Calendar No. 1175, S. 2286, to amend the Merchant Marine Act of 1936 so as to provide for the utilization of privately owned shipping services in connection with the transportation of privately owned motor vehicles of certain personnel of the Department of Defense.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. CLEMENTS. I yield.

Mr. ELLENDER. Has the acting majority leader mentioned Calendar No. 1184, Senate Joint Resolution 97?

Mr. CLEMENTS. Yes; I mentioned Senate Joint Resolution 97, Calendar No. 1184.

Mr. ELLENDER. There is not a report on that joint resolution at hand yet. I have never seen it. I would like to be present when that joint resolution is taken up, if possible.

Mr. CLEMENTS. Mr. President, I can assure the Senator from Louisiana that before Calendar No. 1184, Senate Joint Resolution 97, to amend certain laws providing for membership and participation by the United States in the Food and Agriculture Organization and International Labor Organization and authorizing appropriations therefor, is called up tomorrow—if it is called up—he will be notified and he will have an opportunity to reach the floor.

Mr. ELLENDER. I thank the Senator from Kentucky.

Mr. CLEMENTS subsequently said: Mr. President, in addition to the matters which were announced earlier, I invite attention to the fact that there are some nominations on the Executive Calendar which will be considered tomorrow. One is the nomination of Mr. John A. Hall, of California, to be Director of Locomotive Inspection with the Interstate Commerce Commission, which nomination was reported adversely by the Committee on Interstate and Foreign Commerce. It is my understanding that an effort will be made tomorrow to obtain Senate action upon this nomination.

Also there is the nomination of Mr. Harold C. Patterson, of Virginia, to be a member of the Securities and Exchange Commission.

In addition, I anticipate there will be some other nominations on the Executive Calendar.

THE HIGH DAM AT HELLS CANYON, AND THE POWER COMPANY PROPAGANDA

Mr. MORSE. Mr. President, will the Senator from Kentucky yield, to permit me to make an insertion in the RECORD?

Mr. CLEMENTS. I am pleased to yield.

Mr. MORSE. Mr. President, I have received a very interesting and helpful letter from Mr. William W. Widmer, of Portland, Oreg. He is one of the stanch supporters in my State of a high dam at Hells Canyon, and is a man who for many years has taken an active interest in protecting, for the people, their interest in their own natural resources. Mr. Widmer has written me a letter with which he has included an interesting advertisement which appeared not long ago in the Saturday Evening Post, and he also included with his letter a similar advertisement which appeared in other periodicals. The advertisement, issued by the private utility forces of the country, is a very misleading one, and is entitled, "How Federal Electric Power Sets Up a 'Favored Class' in America."

Mr. President, I ask unanimous consent to have the printed portions of the advertisement printed at this point in the RECORD, as a part of my remarks.

There being no objection, the advertisement was ordered to be printed in the RECORD, as follows:

HOW FEDERAL ELECTRIC POWER SETS UP A "FAVORED CLASS" IN AMERICA

Everybody in the United States pays in taxes for Federal Government electric-power dams and plants wherever they're built. But under present law a "favored class" of Americans has special privilege in getting the subsidized power these projects produce.

Here are three examples of how this strange un-American idea works. The result is that more than 4 million businesses, farms, and families have part of their electric bills paid by 40 million others—the taxpaying customers served by America's electric light and power companies.

YOU HELPED BUILD THIS FOR THE "FAVORED CLASS"

This big powerplant in the TVA area was built by the Government and paid for by everybody's taxes. But its power goes to factories, farms, and families who don't pay the same electricity taxes the rest of us pay (taxes amount to about 20 percent of our electric bills).

POWER FOR ALL—OR FOR THE "FAVORED CLASS"

Here at Hells Canyon, on the Idaho-Oregon border, a local electric company has been trying to get permission to build three big hydroelectric dams. These dams would be built without cost to taxpayers and would pay nearly $10 million annually in Federal and local taxes. The power would go to all customers. But people who want power to go to "favored" groups are trying to push the Government into doing the job with tax money, and have delayed the project for 7 years.

IOWANS DON'T LIKE SUCH FAVORS

The Federal Government's Fort Randall Dam on the Missouri River was paid for by all Americans, but by law the "favored class" gets special rights to its electric power. In a recent Iowa public-opinion poll, even people in the "favored class" voted, 9 to 1, that such favoritism is unfair.

Mr. MORSE. Mr. President, in connection with his letter, Mr. Widmer has sent to me a list of participants in the electric companies' advertising program in the Nation. I ask unanimous consent to have the list of companies printed at this point in my remarks because I think that not only should the stockholders of these companies know about the kind of advertising program the companies are conducting, but also the consumers, who paw the electric bills for the electric power supplied by these companies, ought to have some idea of the misleading advertising program the companies carry on, because the cost of the advertising goes into their electric-power bills.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LIST OF PARTICIPANTS, ELECTRIC COMPANIES ADVERTISING PROGRAM

1. Alabama Power Co., Birmingham, Ala.
2. Atlantic City Electric Co., Atlantic City, N. J.
3. Arizona Public Service Co., Phoenix, Ariz.
4. Arkansas Missouri Power Co., Blytheville, Ark.
5. Arkansas Power & Light Co., Little Rock, Ark.
6. Blackstone Valley Gas & Electric Co., Pawtucket, R. I.
7. Boston Edison Co., Boston, Mass.
8. Brockton Edison Co., Brockton, Mass.
9. Cambridge Electric Light Co., Cambridge, Mass.
10. Carolina Power & Light Co., Raleigh, N. C.
11. Central Hudson Gas & Electric Corp., Poughkeepsie, N. Y.
12. Central Illinois Electric & Gas Co., Rockford, Ill.
13. Central Illinois Light Co., Peoria, Ill.
14. Central Illinois Public Service Co., Springfield, Ill.
15. The Central Kansas Power Co., Abilene, Kans.
16. Central Louisiana Electric Co., Inc., Lafayette, La.
17. Central Power & Light Co., Corpus Christi, Tex.
18. Cleveland Electric Illuminating Co., Cleveland, Ohio.
19. Colorado Central Power Co., Englewood, Colo.
20. The Connecticut Light & Power Co., Hartford, Conn.
21. The Connecticut Power Co., Hartford, Conn.
22. Conowingo Power Co., Elkton, Md.
23. Consolidated Gas & Electric Light & Power Co. of Baltimore, Baltimore, Md.
24. Consumers Power Co., Jackson, Mich.
25. Dallas Power & Light Co., Dallas, Tex.
26. The Dayton Power & Light Co., Dayton, Ohio.
27. Delaware Power & Light Co., Wilmington, Del.
28. The Detroit Edison Co., Detroit, Mich.
29. Duquesne Light Co., Pittsburgh, Pa.
30. Edison Sault Electric Co., Sault Ste. Marie, Mich.
31. El Paso Electric Co., El Paso, Tex.
32. Empire District Electric Co., Joplin, Mo.
33. Fitchburg Gas & Electric Light Co., Fitchburg, Mass.
34. Florida Power & Light Co., Miami, Fla.
35. Georgia Power Co., Atlanta, Ga.
36. Gulf Power Co., Pensacola, Fla.
37. Gulf States Utilities Co., Beaumont, Tex.
38. The Hartford Electric Light Co., Hartford, Conn.
39. Holyoke Water Power Co., Holyoke, Mass.
40. The Housatonic Public Service Co., Derby, Conn.
41. Houston Lighting & Power Co., Houston, Tex.
42. Idaho Power Co., Boise, Idaho.
43. Illinois Power Co., Decatur, Ill.
44. Indianapolis Power & Light Co., Indianapolis, Ind.
45. Interstate Light & Power Co., Plattesville, Wis.
46. Interstate Power Co., Dubuque, Iowa.
47. Iowa Electric Light & Power Co., Cedar Rapids, Iowa.
48. Iowa Public Service Co., Sioux City, Iowa.
49. Jersey Central Power & Light Co., Asbury Park, N. J.
50. Kansas Gas & Electric Co., Wichita, Kans.
51. The Kansas Power & Light Co., Topeka, Kans.
52. Lawrence Gas & Electric Co., Lawrence, Mass.
53. Louisiana Power & Light Co., New Orleans, La.
54. The Lowell Electric Light Corp., Lowell, Mass.
55. Lynn Gas and Electric Co., Lynn, Mass.
56. Madison Gas & Electric Co., Madison, Wis.
57. Malden Electric Co., Malden, Mass.
58. Marietta Electric Co., Marietta, Ohio.
59. Metropolitan Edison Co., Reading, Pa.
60. Minnesota Power & Light Co., Duluth, Minn.
61. Mississippi Power Co., Gulfport, Miss.
62. Mississippi Power & Light Co., Jackson, Miss.
63. Mississippi Valley Public Service Co., Winona, Minn.
64. Missouri Edison Co., Louisiana, Mo.
65. Missouri Power & Light Co., Jefferson City, Mo.
67. Monongahela Power Co., Fairmont, W. Va.
68. The Montana Power Co., Butte, Mont.
69. Monterey Utilities Corp., Monterey, Va.
70. The Narragansett Electric Co., Providence, R. I.
71. New Jersey Power & Light Co., Dover, N. J.
72. New Orleans Public Service, Inc., New Orleans, La.
73. New York State Electric & Gas Corp., Binghamton, N. Y.
74. Niagara Mohawk Power Corp., Syracuse, N. Y.
75. Northern Pennsylvania Power Co., Towanda, Pa.
76. Northern States Power Company of Wisconsin, Eau Claire, Wis.
77. Northern States Power Company of Minnesota, Minneapolis, Minn.
78. Northern Virginia Power Co., Winchester, Va.
79. Ohio Edison Co., Akron, Ohio.
80. Oklahoma Gas & Electric Co., Oklahoma City, Okla.
81. The Orange & Rockland Electric Co., Monroe, N. Y.
82. Pacific Gas & Electric Co., San Francisco, Calif.
83. Pacific Power & Light Co., Portland, Oreg.
84. Pennsylvania Electric Co., Johnstown, Pa.
85. Pennsylvania Power Co., New Castle, Pa.
86. Pennsylvania Power & Light Co., Allentown, Pa.
87. Pennsylvania Water & Power Co., Baltimore, Md.
87. Philadelphia Electric Co., Philadelphia, Pa.
88. The Potomac Edison Co., Hagerstown, Md.
89. Potomac Electric Power Co., Washington, D. C.
90. Potomac Light & Power Co., Martinsburg, W. Va.
91. Public Service Company of Indiana, Inc., Indianapolis, Ind.
92. Public Service Company of New Mexico, Albuquerque, N. Mex.
93. Puget Sound Power & Light Co., Seattle, Wash.
94. Rochester Gas & Electric Corp., Rochester, N. Y.
95. Rockland Electric Co., Closter, N. J.
96. Rockland Light & Power Co., Nyack, N. Y.
97. Round Valley Light & Power Co., Springerville, Ariz.
98. St. Croix Falls Wisconsin Improvement Co., Minneapolis, Minn.
99. Savannah Electric & Power Co., Savannah, Ga.
100. The Scranton Electric Co., Scranton, Pa.
101. South Carolina Electric & Gas Co., Columbia, S. C.
102. South Penn Power Co., Waynesboro, Pa.
103. Southern Indiana Gas & Electric Co., Evansville, Ind.
104. Southwestern Gas & Electric Co., Shreveport, La.
105. Southwestern Public Service Co., Amarillo, Tex.
106. Superior Water, Light & Power Co., Superior, Wis.
107. Tampa Electric Co., Tampa, Fla.
108. Texas Electric Service Co., Fort Worth, Tex.
109. Texas Power & Light Co., Dallas, Tex.
110. The Toledo Edison Co., Toledo, Ohio.
111. Union Electric Company of Missouri, St. Louis, Mo.
112. Union Electric Power Co., Monsanto, Ill.
113. The United Illuminating Co., New Haven, Conn.
114. Utah Power & Light Co., Salt Lake City, Utah.
115. Virginia Electric & Power Co., Richmond, Va.
116. The Washington Water Power Co., Spokane, Wash.
117. West Maryland Power Co., Oakland, Md.
118. West Penn Power Co., Pittsburgh, Pa.
119. West Texas Utilities Co., Abilene, Tex.
120. Western Massachusetts Electric Co., Greenfield, Mass.
121. Wisconsin Electric Power Co., Milwaukee, Wis.
122. Wisconsin Michigan Power Co., Appleton, Wis.
123. Wisconsin Power & Light Co., Madison, Wis.
124. Wisconsin Public Service Corp., Milwaukee, Wis.
125. Worcester County Electric Co., Worcester, Mass.

Mr. MORSE. Mr. President, I wish to thank Mr. Widmer for giving me this additional evidence of what I consider to be the propaganda program being carried on by the electric-power monopoly in the United States, which seeks to defeat the rights and legitimate interests of the American people in their own waterpower resources.

Mr. President——

Mr. CLEMENTS. I am glad to yield further to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

PRIMACY OF UNITED STATES CITIZENSHIP

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a very fine editorial entitled "Primacy of United States Citizenship," which was published in the July 2 issue of America.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PRIMACY OF UNITED STATES CITIZENSHIP

Isn't it rather strange that we, the people of the United States, annually celebrate the signing of the Declaration of Independence but have no similar national holiday to commemorate the adoption of the Constitution? What good would it have done the colonists to have thrown off the yoke of British rule if they had not, 13 years later, succeeded in forming a more perfect Union under the Constitution? What good would it have done them, to be specific, to have become citizens of 13 feebly coordinated sovereign States unless they had also, before it was too late, become citizens of the United States?

For it was the Federal Union which insured to the people of the several States "domestic tranquillity" (and restored it when disrupted for a time), established a national justice, provided an adequate common defense, promoted their general welfare and—to a degree surpassing imagination—secured "the blessings of liberty to ourselves and our posterity." The Constitution, not the Declaration, did all that.

The key to this triumph of Federal unity was dual citizenship. Under the articles of Confederation (1781), "the United States in Congress assembled" tried to establish a voluntary recognition by every State of "all privileges and immunities of free citizens in the several States." But that "rope of sand" couldn't make its high ideals stick.

Enforcement of the rights of national citizenship came only with the Federal Constitution, which recognized (though not too clearly) two distinct phases of citizenship: that of individual States and that of the United States. James Wilson of Pennsylvania had hit on the idea in the Constitutional Convention. On June 16, 1788, he had asked: "Will a citizen of Delaware be degraded by becoming a citizen of the United States? No, sir. It is from the national councils that relief is expected."

The wholly novel problem of dividing sovereignty between the new national and the old State governments was solved by rooting each in its proper citizenship, from which their respective powers were derived. It was only natural that Americans of the early days, and even their courts, thought of themselves primarily as citizens of Virginia or Massachusetts, and only secondarily as citizens of the United States. The States-rightists exploited this hangover attitude—as, indeed, they still do.

It was not until 1868 that the 14th amendment finally established the primacy of United States over State citizenship: "All persons born or naturalized in the United States * * * are citizens of the United States and of the States wherein they reside." No State thereafter could abridge the rights of United States citizens. The courts recognize United States citizenship as paramount.

If a State school system discriminates against United States citizens or in any other way deprives them of the justice the Union was formed to make national, the United States Government must intervene. This is the issue in desegregation which we have finally faced.

THE DISTRICT OF COLUMBIA COMMISSIONERS AND THE TRANSIT SITUATION

Mr. MORSE. Mr. President I shall close by saying to my friend, the acting majority leader [Mr. CLEMENTS] that I am delighted that at least there has not been a court order dismissing my case, so to speak, and that, instead I am still in the jurisdiction of the court with my transit company bill, as I judge from the ruling to be the case. Of course, I say that jocularly.

However, in all seriousness I wish to pay this tribute to the Commissioners of the District of Columbia: I think they are a group of very fine public servants. In recent days they have been held up by officials of the Capital Transit Co. to attack, abuse, and criticism absolutely unwarranted on the facts.

The District of Columbia Committee has considered for some time now, the Capital Transit problems. That study began in 1953, with the Payne Subcommittee investigation of the Capital Transit Co. I am rather proud of the fact that both the Republican and the Democratic members of the District of Columbia Committee share the view I now express; namely, that the Commissioners of the District of Columbia are entitled to the public confidence and trust of the citizens of this area, and are not deserving of the attacks which are being made upon them by officials of the Capital Transit Co.

That statement by me goes also for the members of the Public Utilities Commission. Because only one member of the District of Columbia Public Utilities Commission has been singled out for attack, namely, Commissioner Weston, I wish to say that the record assembled before the Committee on the District of Columbia, as we have come to study Mr. Weston's work on the Public Utilities Commission, entitles him to complete clearance, insofar as the charges made by the Capital Transit Co. are concerned.

With respect to a former member of the Public Utilities Commission, now one of the District of Columbia Commissioners, namely, Mr. McLaughlin, I wish to say that during my professional career in government, I have known a great many municipal officials, and I have never known a municipal official who, I believe, to be more conscientious and more devoted and dedicated to the public interest than is Mr. McLaughlin.

I want the Senate to keep in mind the high regard the District of Columbia Committee has for these District of Columbia officials.

I do not wish the Senate ever to forget the responsibility it has placed on its District of Columbia Committee. It has given the District of Columbia Committee a chore job; and the committee has been doing it willingly, and only in a desire to promote the best governmental interests of the people of the District of Columbia. We have spent hours of time on that job, which really is a job of a city council.

We have come to the conclusion that what is needed is some congressional backing of the District of Columbia Commissioners. The Congress has every reason to place its trust and faith in these three Commissioners; and we are satisfied that if the proposed transit legislation they have recommended is enacted into law, including the amendments which have been adopted by the District of Columbia Committee, the Congress can count on the District of Columbia Commissioners to do justice to the Capital Transit Co.

Mr. CLEMENTS. Would it be fair to say that the Senator from Oregon is willing to place trust in the electorate of the District of Columbia, the people of the District of Columbia, as well as in the Commissioners of the District of Columbia?

Mr. MORSE. Yes; and that is why I am one of the sponsors of the District of Columbia home-rule bill, and it is one of the reasons why I am sorry the District of Columbia is not getting home rule faster.

However, at this time I confine my remarks to the particular bill before us. I wish to say that the time has come for Congress to delegate to the Commissioners of the District of Columbia the authority they are requesting; and they are requesting no more authority than that which municipal officials in other municipalities of the country have.

Mr. CLEMENTS. Mr. President, is it not fair to say that if the other branch of Congress had followed the pattern set by the Senate, the Commissioners of the District of Columbia would already have certain authority?

Mr. MORSE. Yes; they would have a great deal more authority than they now have.

Mr. President, I am no flatterer when I say the acting majority leader was very helpful to us in getting through the Congress the legislation affecting the District of Columbia which already has been passed; and tonight I shall go home greatly relieved because he has inspired me and filled me with the hope that, come tomorrow, I shall be able to get behind me the fulfillment of another responsibility of mine as a member of the subcommittee, namely, Senate consideration of this District of Columbia bill, which will give to the Commissioners of the District of Columbia the authority they need.

I think all the acting majority leader needs is a few more hours in which to contemplate and ponder upon the great inconvenience thousands of citizens of the District of Columbia are suffering because we in Congress are not getting the transit system in the District of Columbia back to work. If we want to get it back to work, I think we must pass—and pass speedily—the bill recommended by the District of Columbia Commissioners.

Mr. CASE of New Jersey. Mr. President, will the Senator from Kentucky yield to me?

The PRESIDING OFFICER (Mr. SCOTT in the chair). Does the Senator from Kentucky yield to the Senator from New Jersey?

Mr. CLEMENTS. I am pleased to yield to the Senator from New Jersey.

Mr. CASE of New Jersey. Mr. President, I certainly do not wish to extend unduly this discussion. However, on behalf of the Members on our side of the aisle of the Committee on the District of Columbia, I surely wish to express complete agreement with the observations of the Senator from Oregon both as to the caliber and the conduct of the Commissioners of the District of Columbia, as we have observed them, and also to express our agreement in the hope that it will be possible for the acting majority leader to bring up this measure for consideration before the Congress adjourns.

ARBITRARY AND UNREVIEWABLE POWER OF GENERAL COUNSEL OF NATIONAL LABOR RELATIONS BOARD

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point a statement which I have prepared concerning the grave injustices which may result from the arbitrary and unreviewable power of the General Counsel of the National Labor Relations Board.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DOUGLAS

The independent agencies established by Congress, like the National Labor Relations Board, have important quasi-judicial functions to perform affecting the welfare and interests of many persons. It is essential that their discretion and judgment be exercised with true independence and free from any covert influences. But it is also consoling that judicial review is available in nearly all cases to give an aggrieved party some recourse against possible error by the administrative agency.

The glaring exception to this rule, as we all know, is the Office of General Counsel of the National Labor Relations Board, in his decisions refusing to take jurisdiction over unfair labor practice cases. Neither the Board nor the courts can review his decisions closing the door to injured parties. The provision of the Taft-Hartley law giving him this arbitrary power as lord high executioner is, in my judgment, most unwise and unjust, as I have said before on the floor of the Senate.

It was because of this arbitrary and sweeping power that I thought it essential to weigh with the greatest care recently the nomination of the man to fill this post.

Even in the case of this office, it has seemed to me inappropriate for Members of Congress to try to tell the General Counsel how his judgment should be exercised in specific cases. The law—unwise as I believe it to be—gives the power to him.

I have, however, followed the recent course of one case arising in Illinois in which the General Counsel has denied a hearing. The ruling is now final. But, in my opinion, it clearly demonstrates how possible it is that grave injustice can be done under this arbitrary power. And for the information of Members as to the workings of this law, I consider it justified to point out what has happened in this case.

It involves the Northwestern Photo Engraving Co. and the Chicago Photo Engravers Union, No. 5. The bare facts are that despite winning three representation elections, the union has not had a collective-bargaining agreement with the company. A subsequent decertification action prevailed. All employees who favored union representation have reportedly been discharged or left. And the General Counsel has refused to issue a complaint concerning the alleged unlawful discharge of five union member employees in April 1954.

Obviously, I do not have access to the General Counsel's files, and I do not presume to judge the merits of the case. But I have seen the union's summary of the cases of the five discharged employees and its background information on relations with the company. And it does seem abundantly clear that there was enough evidence of the alleged unfair labor practices by the company to have at least warranted a hearing. These allegations by the union were as follows:

"I. OUTLINE OF UNION COMPLAINT

"DECEMBER 14, 1954.

"Re Northwestern Photo Engraving Co.; Case No. 13–CA–1770.

"GENERAL COUNSEL, NATIONAL LABOR RELATIONS BOARD,
"Washington, D. C.

"DEAR SIR: This is a request for a review of the 13th regional director's refusal to issue a complaint. You extended to December 16 the time for filing the request for review with you. We are mailing a copy to the 13th regional director.

"Detailed statements are on file with the regional director, and we assume that he will transmit his file to you. Otherwise, we would simply file with you duplicates of the employees' statements previously filed here in the regional office. If for any reason the regional office file is not sent to you, please notify us so that we can arrange to have copies made and sent to you.

"The charge which we filed has to do with a request for reinstatement and back pay of five employees whom the employer discharged on April 23, 1954. These discharges were clearly part of a pattern of antiunion discrimination. This employer has long been seeking to remove from the shop every employee who is a member or supporter of union organization. The April 23, 1954, discharges were and are a part of that long pattern. We urge particularly the following reasons for review:

"1. The April 23, 1954, discharges of the five employees are simply part of a long pattern of illegal hostility to union organization. This employer is in the nature of a parasitical enterprise which depends upon nonorganization of its employees in order to pay substandard wages and impose substandard conditions. Since 1937, this employer has an unbroken record of illegal antiunion activities. As early as September 13, 1941, in case No. 13–C–1321, a Board intermediate report contained the following quotation:

" 'The record discloses a long and somewhat monotonous history of other acts of interference and coercion similar to those set out herein extending from November 1937 down to the issuance of the complaint herein.'

"The five discharges of April 23, 1954, which are the subject of this charge are part of the employer's illegal activities. We attach a general review of the background of this case and this employer.

"2. After three employer-stimulated unsuccessful petitions for decertification, a fourth such petition for decertification was successful from the employer's point of view, and this Board held a decertification election on September 25, 1953. At the election, 17 votes were cast against decertification and for union organization. Since the date of the election, the employer has engaged in a consistent campaign to rid the shop of the 17 persons who voted for the union and against decertification. As the result of its campaign, the employer has forced all union members out of the shop, solely because they sought to exercise the right of self-organization guaranteed by the act.

"3. We have attached to this letter specific detailed analyses of the cases of Edward R. Bunrek, George Berkowitz, Charles J. Kopecky, and Alphonsus C. Wondracek. The case of Robert Smoot speaks for itself. These detailed analyses show beyond question that the discharges of the employees in question were clearly in violation of the act. We have also attached an original statement signed by five persons who worked as fellow employees, attesting to the ability, competence, and cooperativeness of the employees in question.

"4. As to each of the employees illegally discharged on April 23, 1954, the employer has repeatedly shifted its ground for discharge. The reasons which the employer now states are totally different from the reasons given at the time of the discharge. In some cases, as the Regional Director's records show, the company has stated different excuses to the Board at different times. The reason why the company has stated differing excuses is that the true reason for the discharges is illegal discrimination under the act. A shifting and shifty defense is the hallmark of an illegal discharge.

"5. The employer has repeatedly defended discharges by claiming that it has also discharged other employees who were not union members. However, the record shows that no employee with more than 6 months' experience was ever discharged unless he had shown a desire for union organization.

"6. Only a hearing can resolve the question of credibility. We believe that the Regional Director was neither fair nor wise in refusing to issue a complaint. We believe that he made a personal judgment which is not only an improper judgment on the question of credibility but also an improper judgment on the basis of all the facts before him. We believe that the employer witnesses have not been truthful and we also submit that they have testified to facts of which they have no knowledge. We believe that a fair hearing before an impartial examiner would disclose these facts abundantly. We believe that we are entitled to such a fair hearing.

"Therefore, because the discharges are clearly illegal under the act, because the evidence is ample, and because this is the only forum which can grant relief, we submit that the action of the Regional Director ought to be reviewed and reversed, and a complaint ought to issue promptly.

"Respectfully submitted.

"CHICAGO PHOTO ENGRAVERS UNION No. 5,
I. P. E. U. of N. A., A. F. L.
By "WILLIAM HALL, *President.*
"CHICAGO, ILL."

"II. CASE HISTORIES

"Edward R. Burek

"Burek's detailed sworn statement to Field Examiner Richard B. Simon is on file with the XIII Regional Office. The essential facts about Burek are:

"1. Burek was employed as a finisher from July, 1946, until his discharge on April 23, 1954.

"2. Burek is an exceptionally good craftsman. The employer never expressed dissatisfaction with his work except once early in 1953. On the contrary, the employer expressed satisfaction by successive increases. In August, 1953, his weekly increase was $10, and in October, 1953, an additional $11. He started work for $24.00 a week and was earning $140.00 at the time of his discharge.

"3. He joined the union in June, 1951. He wore his union button for 6 to 9 months thereafter. He is still a member.

"4. The employer twice told Burek to stop his union membership and activity:

"(a) In October, 1953, the employer called Burek into his office. Burek complained that his wage increases were low in relation to wage increases of non-union employees. The employer (through his son, Bert Lee, a management employee) said that if Burek would

be loyal to the company and not have anything to do with the union in the future, he would get along.

"(b) The superintendent, Al Wall, rebuked Burek for refusing to sign a decertification petition in 1953 and for 'turning against the company.'

"5. Burek persisted in his union membership.

"6. Superintendent Al Wall repeatedly threatened Burek that he would hire a replacement for Burek, one Walter Stanio. Burek persisted in his union membership.

"7. The company replaced Burek before discharging him. The company hired Walter Stanio on March 15 or 18, 1954. Stanio is and was then a suspended member of the union.

"8. After Burek's replacement was broken in, the company discharged Burek on April 23, 1954, saying that he was not a good finisher. In fact, he is an excellent finisher and has been so recognized by this employer and subsequent employers.

"9. Clearly, Burek was discharged for joining the union, remaining in it, and failing to obey the employer's direction to leave the union.

"George Berkowitz

"The regional office has the detailed statement of George Berkowitz given to Field Examiner Richard B. Simon.

"1. Berkowitz was employed as a printer in March, 1940, and worked until his discharge on April 23, 1954. His weekly wages went from $12 as a delivery boy and $15 as an apprentice to $130 at the time of his discharge.

"2. Up to the date of discharge, the company did not complain about his work but did give him periodic increases. Although now the company says it was dissatisfied with his work, no such statement was made before the discharge.

"3. Berkowitz joined the union in June, 1951, and attended union shop meetings regularly until early 1953. He wore the union button for 6 to 9 months. He was well known as a union member.

"4. The company rebuked Berkowitz for union membership and activity. Superintendent Al Wall made a personal crusade to induce Berkowitz to abandon the union:

"(a) Immediately after the decertification election of September 1953, Superintendent Wall went to see Berkowitz 10 or 12 times during a period of several weeks, for hours at a time. Superintendent Wall asked Berkowitz why he was in the union, argued with him almost interminably, and said he was disappointed in Berkowitz after all the favors he had done Berkowitz.

"(b) Thereafter, Superintendent Wall spoke to Berkowitz nearly every day about his union membership.

"(c) In February, or March, 1954, Superintendent Wall said to Berkowitz: 'Well, you have been talking about how you expect to be fired because you voted for the union. Well, I am giving you a week's notice right now. You can go out and start looking for a job.' Each day thereafter Wall repeated the threat.

"5. On April 23, 1954, Superintendent Wall discharged Berkowitz. He told Berkowitz that Berkowitz might get his job back if in the near future he would ask Irving Lee for it.

"6. Clearly, this is a deliberate discharge of Berkowitz for union activity and affiliation. The claim that his work was unsatisfactory—first asserted only long after the filing of the charge—is a complete afterthought.

"7. At the moment of discharge, Berkowitz was under temporary suspension from the union for nonpayment of dues. This fact, which was not known to the company, was immaterial to the discharge. He was and is a member of the union.

"8. The company promptly replaced Berkowitz.

"Charles J. Kopecky

"The Regional Office has Kopecky's detailed statement made before Field Examiner Richard Simon.

"1. Kopecky worked for the company as a Ben Day man from November, 1945, until he was discharged on April 23, 1954. His weekly wage went from $24 to $130.

"2. No dissatisfaction was ever expressed with Kopecky's work except once at the end of 1951, when the employer (Irving Lee, owner) instructed Kopecky to work faster and more cooperatively. Six weeks later, Irving Lee called in Kopecky, complimented him on his work, and promoted him to journeyman rank and pay.

"3. Kopecky joined the union in June, 1951. He wore his union button for 6 months. He had acted as union observer in the 1950 NLRB representation election and he testified as a union witness at the hearing on objections to the same election.

"4. On the day of his discharge, the foreman, John Gorski, told Kopecky that Kopecky's work was good, that he had always done good work, and that he had cooperated well, but that the shop was slow and the company was laying him off for lack of work.

"5. In fact, however, the company promptly replaced Kopecky.

"6. Clearly the company discharged Kopecky for union membership and activity. After the filing of the charge, the company has assigned the reason—for the first time—that Kopecky was uncooperative, lazy, and difficult. No such complaint occurred before the discharge. On the contrary, the foreman praised Kopecky's work and cooperation.

"Alphonsus C. Wondracek

"Wondracek's detailed sworn statement to Field Examiner Richard B. Simon is on file in the regional office. The essential facts are:

"1. Wondracek was employed as a zinc etcher from April 1943, to his discharge on April 23, 1954.

"2. No dissatisfaction was expressed with Wondracek's work until after his discharge. His weekly pay went from $55 to $119.

"3. He joined the union in June 1951 and wore his union button 6 to 9 months.

"4. On April 23, 1954, the foreman told Wondracek that he was being laid off for lack of work.

"5. Wondracek was replaced.

"6. After the discharge, Wondracek asked Irving Lee, the owner, about his discharge and Lee said that Wondracek had worked only 4 months out of the year. This is simply untrue. Wondracek was absent from March 10 to April 19 because of a hernia operation.

"7. After the charge was filed, the company invented the excuse that someone had punched Wondracek's time card during a 30 to 90 day absence. There is no truth whatsoever to this excuse.

"8. Clearly the company discharged Wondracek for his union membership and as part of the company's campaign to rid the shop of the 17 men who voted against decertification."

"III. GENERAL BACKGROUND OF NORTHWESTERN PHOTOENGRAVING CO.

"The enterprise

"This enterprise has consistently and continuously opposed union organization of employee. It is in the nature of a parasite which can exist only by thwarting union organization of its own employees, but at the same time operates in an area in which there is a high degree of unionization in the industry. By existing in such an area, it can profit by the skills and training which are developed in the prevailing labor market so as to find a certain number of fringe employees willing to work. Then by lowering its working standards, the enterprise can reduce its costs and prices slightly as against the organized shops, so as to obtain enough business to keep going. The enterprise achieves a reduction in costs by paying lower wages.

"Actually, the wages which the enterprise pays are really much lower than they appear, because it classifies as 'apprentices' employees who are doing journeymen's work at apprentice wages. By holding out a hope of training in a skilled trade, the enterprise is able to attract a certain number of new employees who hope eventually to earn journeymen's wages. However, the apprentice training program is far inferior to the program of the organized shops, and apprentices are forced to do repetitive work for many years.

"Therefore, the parasitical profits of a shop such as Northwestern Photoengraving Co. depend on continued opposition to any attempt of the employees to improve conditions by organizing themselves into a union.

"The history of Northwestern's labor relations in recent years is really divided into two periods, the first one ending September 16, 1952, when a consent decree was entered, and the second one since the consent decree.

"Labor relations, 1937–52

"An attempt at union organization from 1937 to 1939 collapsed as a result of open discharges and intimidations. In the fall of 1939, organizational efforts resumed, and so did employer hostility. On December 13, 1939, the Wage and Hour Division found the enterprise guilty of violation and compelled restitution of wages to some 70 employees.

"In 1940, the union filed unfair labor practice charges. Subsequently the union won a representation election by 28 to 18. A show of bargaining was made, but in actuality the enterprise refused to bargain. The intermediate report of the trial examiner on September 13, 1941, in case No. 13–C–1321 contains the following statement:

" 'The record discloses a long and somewhat monotonous history of other acts of interference and coercion similar to those set out herein extending from November 1937 down to the issuance of the complaint herein' (on January 27, 1941).

"The trial examiner found the company guilty of coercion, interference, restraint of employees' rights, and discrimination. Nine men were awarded back pay or reinstatement. Although the report did not find the employer guilty of refusing to bargain collectively, the trial examiner stated:

" 'Notwithstanding the finding herein that the respondent has not failed and refused to bargain collectively with the union, the course of the respondent's general conduct discloses a purpose to defeat self-organization and its objects. This conduct and its underlying purpose is such that it becomes apparent that the unfair labor practices found are closely related to the other unfair labor practices prescribed by the act, and danger of their commission in the future may be anticipated from the course of the respondent's conduct in the past.'

"In January 1942, the NLRB confirmed the intermediate report.

"During the war no progress in union organization occurred, inasmuch as the entire personnel complement had undergone almost complete change and, in addition, the no-strike pledge inhibited any strike action. An attempt to organize the employees was renewed in 1947 and 1948 and let to unfair labor practices, the filing of unfair labor practice charges and another representation election.

"On July 18, 1950, the union again won a representation by 43 to 23. The election was followed by lengthy objections, and then hearings on the objections, case 13–RC–1365, which ultimately ended in favor of the union.

"The employer immediately began again refusing to bargain and again discharging employees and discriminating against them. In September 1951, the union won a union-

shop election by 26 to 20. Finally the union unfair labor practices culminated on September 16, 1952, in a decree of the United States Court of Appeals for the Seventh Circuit enforcing the NLRB decision and order.

"Labor relations from September 1952 to date

"Although there were meetings, no bona fide collective bargaining resulted from the decree.

"After September 16, 1952, however, the conduct of the National Labor Relations Board has been disastrous to union organization. Despite the decree, on November 10, 1952, the regional director wrote a letter saying that 'the undersigned having determined that respondent is also in compliance with the negative provisions of the order, the file in this matter is hereby closed.' In other words, the regional director promptly gave the employer what amounted to a green light to proceed with violations of the act, including those violations prohibited by a court decree. In ordinary litigation, such a course would be impossible. A decree usually operates permanently to prohibit the defendants from the unlawful acts. In this case, however, after less than 2 months, the Board in effect lifted the decree. From that time on, every attempt which we made to invoke the provisions of the decree was met by the Board's refusal. The Board informed us that the decree was dead.

"An individual employee filed four successive decertification petitions, 13–RD–133, on July 8, 1952, 13–RD–152 on October 28, 1952, 13–RD–163 on December 31, 1952, and 13–RD–187 on May 13, 1953. The employer permitted circulation of the decertification petitions in the shop and also allowed the open collection of money in the shop during working hours to pay an attorney to handle the decertification petition. Although we submited detailed affidavits on the employer aid, the Board ignored all of them and finally allowed the fourth decertification petition.

"At the hearing on the fourth petition, we tried to introduce evidence to show that the company had refused to bargain with us, that the decree had been violated, and that no petition should be allowed until the company had complied by bargaining in good faith. In fact, the company did refuse to bargain with us. It took an adamant and unyielding position and conferences were unavailing. We asked for wage data. After months, the company gave us sheets with wage data. We found them to be inaccurate, specified the inaccuracies, and asked the company to submit corrected data on wage information which was in the company's hands and not ours. The inaccuracies were patent. The company refused. The company refused to meet with us.

"Nevertheless, the Board ruled at the hearing that we could not offer or present any evidence showing or tending to show the company's refusal to bargain collectively. In Washington, however, the Board then issued an order directing a decertification election, and as a basis for its order the Board stated that the evidence showed that the company had bargained collectively. The Board's finding was false. It was not based on evidence. The Board had expressly refused to permit us to introduce any evidence on the point. Obviously, the statement in the Board's decision was based on some secret memorandum or report from the regional director, which we never saw, which was never submitted to us, and which covered material as to which we were prohibited from presenting evidence.

"Between the hearing and the Board decision the decertification petitioner died. We called the death to the Board's attention and asked for dismissal of the petition, a usual procedure. The Board refused, saying that he had filed his petition in a 'representative' capacity. We objected that, if he were a 'representative,' he would have had to file a non-Communist affidavit, a constitution, and a financial statement. The Board waved all such requirements, although the statute is clear.

"The employer has continued with discharges and layoffs. We filed a charge, No. 13–CA–1473, alleging discrimination, discharge of employee John Juszczyk, solicitation of funds to support decertification petition, encouragement of decertification petition by supervisors, and refusal to bargain in good faith. On July 27, 1953, the Board refused to issue a complaint.

"On August 20, 1953, we filed a charge on the discharge of Milan Pohovey, case 13–CA–1542, and again the regional director refused to issue a complaint and the General Counsel sustained him.

"On September 24, 1953, the decertification election went against the union by 30 to 17.

"On April 23, 1954, the employer discharged the last union members in the shop. There were five discharges, all clear-cut. Again the regional director refused to issue a complaint. We are herewith filing our request for review with the General Counsel.

"This employer has now succeeded in discharging or forcing the departure of every union member in the shop. Obviously, its activity is part of a long campaign, and particularly in the last few months a campaign to rid the shop of the 17 employees who voted against decertification and for the union. Unless effective steps can be taken against this employer the act is a dead letter. We believe that this case provides a test of the good faith of any administration."

"(End of outline of union complaint.)

"IV. ORGANIZATIONAL CHRONOLOGY, CPEU NO. 5 VERSUS NORTHERN

"Representative report from Henry J. Dillion

"1937: An active campaign was conducted at the Northwestern plant during this period. A majority of the employees had become interested in the union * * * the company engaged in discrimination by discharges and intimidations by threat of discharges and thereby caused the collapse of the organizational effort.

"At no time in the subsequent hearings before the NLRB (1939–42) did the company attempt to deny their discriminatory practices—although the 1937 campaign was investigated and discussed and mentioned in the records.

"1939–42: 'Beginning in the fall of 1939, the union renewed its efforts at organization. By March 1940, the union activity had come to the attention of the respondent which then showed its hostility. Thus the undisputed evidence establishes the following.' (Quoted from NLRB Decision and Order C–1969, January 31, 1942.)

"December 13, 1939: The Wage and Hour Division of the United States Department of Labor released a statement that a Federal district court had found the Northwestern Photo Engraving Co. guilty of violation of the wage and hour law. The company was compelled to make restitution of wages to 70 employees in the sum of $920.37.

"March 11, 1940: Unfair Labor Practice charge filed claiming coercion, discrimination and intimidation including 2 discharges (13–C–1260/RCWilliams FE).

"March 19, 1940: Unfair Labor Practice charge amended) filed claiming discrimination including 3 discharges.

"March 25, 1940: NLRB hearing re Case 13–C–1260.

"April 17, 1940: Petition for certification filed (13–R–477).

"April 26, 1940: NLRB hearing re Case 13–R–477.

"April 29, 1940: Agreement for Consent Election re Case 13–R–477.

"May 6, 1940: Representation election won by union 28 to 18. It is interesting to note that only 8 of the 46 voters in this representation election are still employed by the company. All employees interested in organization have been removed from the company payroll by the following continuous strategy: (a) discriminatory discharge; (b) exclusion and/or discrimination in respect to customary semi-annual increases; (c) discriminatory assignment to night shifts; (d) discriminatory denial of training and promotion opportunity; (e) coercion and intimidation in mental sense. This deliberate and purposeful pattern is repeated again and again in subsequent history as noted.

"May 7, 1940: Withdrawal of Case 13–C–1260 by Union.

"May 9, 1940: Acknowledgment of representation election results by NLRB.

"May 13, 1940: Through May 20, 1940, bargaining correspondence, sessions, etc. Concurrent with the bargaining period the company disclosed its intent by selecting individuals for discriminatory discharge. Thus:

"May 23, 1940: Unfair Labor Practice charge filed claiming refusal to bargain.

"June 5, 1940: NLRB Conference. J. C. Clark company again agreed to bargain.

"June 12, 1940: Through November 11, 1940 bargaining correspondence, sessions, etc. etc.

"November 15, 1940: Unfair Labor Practice charge filed claiming discrimination including 2 discharges (13–C–1409/JCClark FE). Unfair Labor Practice charge filed claiming discrimination including 1 discharge (13–C–1410/JCClarkFE).

"November 28, 1940: Withdrawal of 13–C–1410 by union.

"December 25, 1940: Withdrawal of 13–C–1409 by union.

"January 27, 1941: Unfair Labor Practice charge filed claiming refusal to bargain, discrimination including 13 discharges and/or layoffs, coercion and intimidation. (Case 13–C–1321/RCDenham FE.)

"May 26, 1941: Unfair Labor Practice charge (amended) filed substantially as noted above.

"September 13, 1941: NLRB Intermediate Report re Case 13–C–1321 (C–1969). Note the following quotation:

" 'The record discloses a long and somewhat monotonous history of other acts of interference and coercion similar to those set out herein extending from November 1937 down to the issuance of the complaint herein (January 27, 1941).

" 'The settlement of Case No. 13–C–1260 and the posting of the notices heretofore referred to, appear to have been meaningless gestures since many of the incidents above recited, transpired while the notices were still posted.

" 'The obligation set forth in the notices was wholly disregarded.'

"The intermediate report found the company guilty of coercion, interference, and restraint of employees' rights * * * found the company guilty of discrimination and ordered back pay and/or reinstatement to nine men—a total of $1,527.67.

"The report also stated:

" 'Notwithstanding the finding herein that the respondent has not failed and refused to bargain collectively with the union, the course of the respondent's general conduct discloses a purpose to defeat self-organization and its objects. This conduct and its underlying purpose is such that it becomes apparent the unfair labor practices found are closely related to the other unfair labor practices proscribed by the act, and danger of their commission in the future may be anticipated from the course of the respondent's conduct in the past.'

"September 17, 1941: NLRB transfers Case 13–C–1321 to Washington (C–1969).

"October 30, 1941: NLRB hearing re Case 13–C–1969.

"January 31, 1942: NLRB decision and order re Case C–1969 (13–C–1321) completely confirming intermediate report.

"1942—circa 1947–48: Although it had taken about 2½ years to establish the union right to represent the employees, as the employees clearly desired, we were still confronted with the obstinate and open hostility of the company. Along with this obstacle the union faced problems brought about by the entry of the country into World War II, manpower and allied labor problems, and a sincere desire to abide by the 'no-strike pledge' of the AFL, the union made this sacrifice as its contribution to the times, for without doubt a strike at this time might well have brought the plant into line with the organized industry. As a result of the impediments, nothing could be, or was, accomplished in respect to collective bargaining at Northwestern.

"In the meantime the entire personnel complement had undergone drastic alteration. A good deal of this change could be credited to the company's ceaseless efforts to separate union-minded men from its employ; as pointed out earlier, only 8 of the voters in the 1940 RE were still employed in 1948.

"The campaign was renewed about 1947–48 and led to:

"April 12, 1950: Unfair labor practice charge filed (records do not disclose details).

"July 3, 1950: Stipulation for certification upon consent election—13–RC–1365.

"July 18, 1950: NLRB representation election won by union 43 to 23. It is again interesting to note (see comment following notation regarding RE 5–6–40) that only 18 of the 66 voters in this repesentation election are still employed by the company. Approximately 46 employees interested in organization have been removed from the company payroll by the following continuous strategy: (a) Discriminatory discharge; (b) exclusion and/or discrimination in respect to customary semiannual wage increases; (c) discriminatory assignment to night shifts; (d) discriminatory denial of training and promotion opportunity; (e) coercion and intimidation in a mental sense. Since and immediately prior to the RE of July 1950, 49 union-minded employees have somehow been separated fom the employ of the company—coincidence cannot be stretched that far.

"July 24, 1950: Objection to election filed by company—Case 13–RC–1365.

"November 13, 1950: Report on objections re Case 13–RC–1365/RM Madden RD.

"November 17, 1950: Employer's exceptions to RD report re Case 13–RC–1365.

"December 4, 1950: Union comment on employer's exceptions re Case 13–RC–1365.

"December 8, 1950: Employer's reply to union comment re Case 13–RC–1365.

"January 30, 1951: NLRB order directing hearing re Case 13–RC–1365.

"February 7, 1951: NLRB notice of hearing (2/19/51) re Case 13–RC–1365.

"February 10, 1951: Company motion for postponement of hearing re Case 13–RC–1365.

"February 23, 1951: NLRB order transferring place of hearing and again postponing hearing (3/6/51) re Case 13–RC–1365.

"March 2, 1951 (also March 6–7, 1951): NLRB hearings re Case 13–RC–1365.

"April 5, 1951: Brief submitted by CPEU No. 5 re hearings re Case 13–RC–1365.

"May 22, 1951: NLRB report on objections and exceptions re Case 13–RC–1365/DLondon TE.

"June 21, 1951: NLRB decision and certification of representatives, 13–RC–1365.

"June 1951 through July 1951: Bargaining correspondence, sessions, etc. (NOTE.—Bargaining began approximately 1 year after RE July 7, 1950.) Again, as soon as the parties were superficially free of the surveillance of the NLRB—as soon as bargaining was presumed to begin—the company displayed its hostility by engaging in violative acts of discrimination.

"July 11, 1951: Unfair labor practice charge filed claiming discrimination, including one discharge (13–CA–562/RBSimon TE). Unfair labor practice charge filed claiming discrimination, including 3 discharges (13–CA–870/RBSimon TE).

"September 4, 1951: NLRB election re union shop won by union 26 to 20. In connection with this election it is interesting to note that voters had decreased from 66 (July 1950 RE) to 46, and that during this period (July 1950 through August 1951) the record shows that 22 union-minded employees had been separated from the company employ.

"December 15, 1951: List of 54 union affiliates submitted to RB Simon re Cases 13–CA–526 and 13–CA–870. (NOTE.—Of these 54, only 4 are still employed with the company, and these 4 publicly renounced their affiliation with the union.)

"July 28, 1952: Petition for decertification filed (Lepins); 13–RD–133.

"July 23, 1952: Settlement stipulation providing for the entry of a consent order by the Board and a consent decree by any appropriate United States court of appeals. It is obvious at this point that the company could not further defend its violative behavior and that the Board permitted a new status without prejudice which the company gladly claimed.

"August 8, 1952: NLRB decision and order re settlement stipulation—13–CA–526, 13–CA–870, and 13–RD–133—ordering company cease and desist discrimination, coercion, refusal to bargain, interference, etc., to all of which the company had tacitly admitted guilt.

"August 27, 1952: Also September 8, 1952, October 20, 1952, October 28, 1952, and November 13, 1952—five collective bargaining conferences held.

"September 16, 1952: Decree of United States Court of Appeals for the Seventh Circuit enforcing NLRB decision and order (August 8, 1952).

"October 23, 1952: Petition for decertification filed (Lepins), 13–RD–152.

"November 7, 1952: Decertification petition withdrawn upon advice of NLRB with request for reinstatement as soon as timely. (Note: That petitions for decertification were being filed before and during the collective-bargaining period.

"November 10, 1952: NLRB letter, R. M. Madden, re case 13–CA–526 and case 13–CA–870 stating in part: '* * * and the undersigned having determined that respondent is also in compliance with the negative provisions of the order, the file in this matter is hereby closed, and'

"How could Madden possibly reach such conclusions and make this ridiculous determination of the status of compliance? What evidence—or what crystal ball—did he employ?

"The negative provisions were 'cease and desist' from:

"(a) Discouraging membership by discharges, etc. Having already discharged about 40 union-minded employees up to this date it is true that the company had not fired any recently. But the company did manage in some way to remove 13 union-minded men from the payroll subsequent to the original date of the subject charges—the period Madden should have been considering.

"(b) Or refusing to reinstate any of their employees. Although the company had removed about 40 union-minded employees from its payroll and had hired about 10 new employees to replace them, the company did not reinstate a single former employee, nor did it—to my knowledge—offer to reinstate any, at any time since the issuance of that decision and order.

"In a letter (June 3, 1953) we asked that this discrepancy be rectified. The company denied guilt in the matter and refused to consider it further although the facts were, and still are, self-evident.

"(c) Refusal to bargain.

"At the time of Madden's 'determination' the union and the company had held only five collective-bargaining meetings. In view of the Board's own finding that the company had been guilty of refusal to bargain in the past and in view of the long time these issues had been in some form of dispute (1937 through 1952) this seems to be a somewhat inadequate amount of evidence upon which to base so sweeping a conclusion.

"(d) Interfering with, restraining, or coercing their employees in the exercise of the right to self-organization.

"By no stretch of the imagination has the company complied with this provision. We believe the company stimulated, encouraged, and abetted the filing of all four decertification petitions (13–RD–133 on July 8, 1952, 13–RD–152 on October 28, 1952, 13–RD–163 on December 31, 1952, 13–RD–187 on May 13, 1953) as the facts are incontrovertible that a collection for this purpose was openly solicited and taken up at least once on company time and company property; that working foremen and supervisors encouraged individual contributions; that the company's hostility and intent toward organization was clearly recognized—and pointed out with a warning (refer September 13, 1941, above) by the NLRB itself.

"There were, and have been, continuous discriminatory gestures and actions in respect to customary semiannual wage increases, assignment of shifts, discharges, etc.

"There were, and have been, false and misleading statements made to employees alleging union responsibility for lack of wage increases and work-hour adjustments; derogatory remarks about the union organization; untrue reports concerning the treatment accorded, by the union, to discharged former fellow employees.

"Just where and in what manner did the company evidence compliance to any extent? How could the undersigned (Madden) determine compliance?

"December 31, 1952: Petition for decertification filed (Lepins), 13–RD–163.

"January 14, 1953: NLRB dismissal of petition case 13–RD–163/RMMadden.

"January 27, 1953: Request for review filed (Lepins) re case 13–RD–163.

"February 2, 1953: Union reply to request for review re case 13–RD–163.

"February 4, 1953: NLRB dismissal of request for review re case 13–RD–163.

"Note the following quotation: '* * * was warranted in dismissing the petition because of the outstanding Board order, case No. 13–CA–526, and enforcing decree by the United States Court of Appeals for the Seventh Circuit, entered September 16, 1952, directing the employer, among other things, to bargain with local No. 5.'

"Now there had been no collective-bargaining sessions scheduled from November 13, 1952 until this date because of the difficulty the union had encountered in obtaining pertinent information from the company. The company delayed submission of the material requested for months; when it was finally submitted and found to be in gross error the company refused to recognize or rectify the errors.

"The Board saw fit to dismiss this petition because it was apparent that bargaining had not been effectuated conclusively—3 months later, while the union was still attempting to get accurate information from the company and was clearly unable to bargain for lack of such information, the Board suddenly adopts a reverse and inexplicable position.

"It is of particular interest to note that in all of the foregoing events and exchanges of documentary material the union has always submitted copies to the company, the petitioners, and all interested parties. But the company and the petitioners have studiously avoided a reciprocal courtesy.

"As a result the Board may well be in possession of alleged significant information of which we have never been advised and to

which we have never been privileged to make reply; it is only a short step to the supposition that the company and the petitioners are acting in bad faith in view of their efforts to keep us uninformed.

"January 13, 1953: Petition for decertification (Lepins), 13–RD–187.

"The Board, without any further conclusive evidence, now reverses its decision for dismissal (February 4, 1953) on the basis of the Squirrel Brand case. But there is a considerable and a remarkable difference between that Squirrel Brand case and this subject one:

"(a) Respondent in this case has never fulfilled its obligation to bargain in good faith, which was the remedy sought in NLRB order (August 8, 1952) and court decree (September 16, 1952).

"In Squirrel Brand case respondent did prove its good faith by executing a contract; in this case no such decisive and significant action has ever occurred.

"(b) The order and decree have not served their remedial purpose for the majority opinion in Squirrel Brand said, in part:

" 'However, once the respondent complied with the order of September 14, 1951, by bargaining in good faith and executing the contract with the union on November 26, 1951, the order had served its remedial purpose.'

"The execution of a contract is the terminal objective of collective bargaining. The Board may well be justified in assuming good faith at this point, but without such execution surely there is no certain proof of good faith; nor is the Board privileged to assume good faith particularly in view of the checkered labor-management relationship of this company.

"June 18, 1953: NLRB notice of hearing re case 13–RD–187.

"June 29, 1953: Brief submitted by union re case 13–RD–187.

"July 26, 1953: Death of Petitioner Lepins.

"NOTE.—That after the death of Lepins the petioner of record the NLRB apparently arrogated to itself the authority to select or—in some manner never satisfactorily explained—encourage or advise S. Klein to assume the role of petitioner.

"At a conference with Simon of the NLRB September 10, 1953, neither Simon nor Klein were able to offer a plausible explanation of Klein's sudden appearance and status, nor did Simon, the NLRB representative, offer any objection when Lee, the president of the company, and Klein, the alleged petitioner, joined in a secret huddle although the whispered consultation occurred in full view of all present and during the questioning of Klein's status in the face of that overt act Simon and his organization dared to state that there was no evidence of collusion between the company and the petitioner.

"July 27, 1953: NLRB General Counsel sustains 13th RB refusal to issue complaint re case 13–CA–1473.

"NOTE.—On May 20, 1953: Unfair labor practice charge filed claiming discrimination including 1 discharge (Juszczyk); solicitation of collection to support decertification petition on company time and company property and encouraged by supervisors and abetted by company; refusal to bargain in good faith, case 13–CA–1473/RBSimon TE.

"In my opinion Juszczyk was certainly discriminated against, it appears that information supplied to Simon by the company—which we were never permitted to refute because we were denied a hearing—was at variance with information in the record of testimony given at a hearing before the Illinois Division of Compensation (February 13, 1953).

"August 4, 1953: Union requests NLRB investigate company compliance with affirmative provisions of order and decree (September 16, 1952).

"August 20, 1953: Unfair Labor Practice charge filed claiming discrimination including 1 discharge (Pohovey), 13–CA–1542/RBSimon FE.

"August 28, 1953: NLRB decision and direction of decertification election re 13–RD–187.

"We take particular exception to: 'they were in complete accord on terms'; 'and furnished by the employer'; 'that once this purpose had been achieved', the employer bargained in good faith to an impasse.'; 'are not supervisors as defined by the act.' (Refer to our petition to set aside the decision September 4, 1953.)

"Not a single one of these references contains the slightest truth, but the Board itself had the audacity to put them in writing.

"September 4, 1953: Petition to set aside the decision and direction of election and grant a rehearing.

"September 10, 1953: NLRB hearing/RBSimon FE. We appeared under protest in view of our petition being processed in Washington the RB blithely ignored this activity.

"September 24, 1953: NLRB decertification election lost by union 17 to 30. NLRB denies union petition for rehearing.

"October 2, 1953: Union decertified as representative.

"April 24, 1954: Company discharged last known remainder of union men (5).

"June 25, 1954: Unfair labor practice charge filed claiming discrimination including 5 discharges, 13–CA–1770/RBSimon FE.

"November 24, 1954: RB declines to issue complaint re case 13–CA–1770. Despite a tremendous amount of supporting evidence, the RB apparently accepted a great deal of secret memoranda from the company and arbitrarily characterized all of our material as without merit.

"December 14, 1954: Request for review filed with General Counsel, 13–CA–1770.

"June 3, 1955: As expected, the General Counsel denied the request for review."

I grant that this is only one side of the case, though it is a very strong one. But it is essential to recall that all the General Counsel was called upon to decide was whether there should be a hearing, and he denied it. The union has no further appeal. Its members who firmly believe they were discharged for being union members have no hearing. What they consider violations of the law by the employer will not even be tested before the Board. And a law which purports to protect against discriminatory discharges will not—as a result of the General Counsel's decision—be permitted to do so.

Although, in private practice, this General Counsel represented another employer in Chicago who had bitter controversies with closely related printing trade unions, his practice did not touch either the employer in this case, or the affected union.

I must confess to a doubt, however, whether in the light of all the circumstances, the confidence in the fairness of the law and its enforcement has been increased by the closing of the door in this case. And I have made the facts and charges available merely in order that other Members may judge for themselves as to the justice and wisdom of the unreviewable powers of the General Counsel of the National Labor Relations Board.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills:

S. 847. An act to authorize the construction of two surveying ships for the Coast and Geodetic Survey, Department of Commerce, and for other purposes;

S. 2375. An act to provide for 5-year terms of office for members of the Subversive Activities Control Board with one of such terms expiring in each calendar year; and

H. R. 7301. An act to amend the Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, so as to permit the disposal thereunder of Plancor No. 980 at Institute, W. Va.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 28, 1955, he presented to the President of the United States the following enrolled bills:

S. 667. An act to exempt meetings of associations of professional hairdressers or cosmetologists from certain provisions of the acts of June 7, 1938 (52 Stat. 611), and July 1, 1902 (32 Stat. 622), as amended;

S. 1741. An act to exempt from taxation certain property of the Jewish War Veterans, U. S. A. National Memorial, Inc., in the District of Columbia;

S. 2176. An act to repeal the requirement that public utilities engaged in the manufacture and sale of electricity in the District of Columbia must submit annual reports to Congress;

S. 2177. An act to repeal the prohibition against the declaration of stock dividends by public utilities operating in the District of Columbia;

S. 2427. An act to provide for the payment of compensation to officers and members of the Metropolitan Police force, the United States Park Police force, the White House Police force, and the Fire Department of the District of Columbia, for duty performed on their days off, when such days off are suspended during an emergency;

S. 2428. An act to increase the salaries of officers and members of the Metropolitan Police force, and the Fire Department of the District of Columbia, the United States Park Police, and the White House Police, and for other purposes; and

S. 2592. An act to increase the mileage allowance of United States marshals and their deputies from 7 cents per mile to 10 cents per mile.

LEAVE OF ABSENCE

Mr. HICKENLOOPER. Mr. President, because of a long-standing commitment in my State tomorrow, the avoidance of which would be almost impossible, I ask unanimous consent to be absent from the session of the Senate tomorrow. I hope and expect to return Saturday morning.

The PRESIDING OFFICER. Without objection, leave is granted.

ADJOURNMENT TO 11 O'CLOCK A. M. TOMORROW

Mr. CLEMENTS. Mr. President, if there is no further business to come before the Senate this evening, I move that the Senate stand adjourned until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 9 o'clock and 23 minutes p. m.) the Senate adjourned until tomorrow, Friday, July 29, 1955, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 28, 1955:

DIPLOMATIC AND FOREIGN SERVICE

Donald D. Kennedy, of Oregon, now a Foreign Service officer of class 1 and a secretary in the diplomatic service, to be also

a consul general of the United States of America.

William O. Boswell, of Pennsylvania, now a Foreign Service officer of class 2 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

The following-named persons, now Foreign Service officers of class 3 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

Philip W. Ireland, of California.
Francis L. Spalding, of Massachusetts.

The following-named persons for appointment as Foreign Service officers of class 1, consuls, and secretaries in the diplomatic service of the United States of America:

Howard A. Robinson, of Pennsylvania.
Walter K. Scott, of Maryland.

The following-named persons for appointment as Foreign Service officers of class 2, consuls, and secretaries in the diplomatic service of the United States of America:

Ward P. Allen, of Virginia.
Norbert L. Anschuetz, of Maryland.
Thomas T. Carter, of Connecticut.
John F. Killea, of Texas.
Laurence C. Vass, of Maryland.

The following-named persons for appointment as Foreign Service officers of class 3, consuls, and secretaries in the diplomatic service of the United States of America:

George O. Barraclough, of California.
Jim M. Clore, of Florida.
Meade T. Foster, of West Virginia.
John R. Garnett, of New Jersey.
Paul F. Hart, of Ohio.
John H. Lennon, of California.
Vincent P. Wilber, of Maryland.

Miss Louise Schaffner, of Pennsylvania, for promotion from Foreign Service officer of class 5 to class 4 and to be also a consul of the United States of America.

The following-named persons for appointment as Foreign Service officers of class 4, consuls, and secretaries in the diplomatic service of the United States of America:

Harris H. Ball, of California.
Mrs. Elizabeth C. Bouch, of Oregon.
Robert C. Johnson, Jr., of New Jersey.
Joseph T. Kendrick, Jr., of Oklahoma.
Eugene C. Martinson, of Michigan.
Larry W. Roeder, of Missouri.
William J. Supple, of Kansas.

Wallace Clarke, of California, now a Foreign Service officer of class 5 and a secretary in the diplomatic service, to be also a consul of the United States of America.

Gordon D. King, of Texas, for appointment as a Foreign Service officer of class 5, a consul, and a secretary in the diplomatic service of the United States of America.

The following-named persons for appointment as Foreign Service officers of class 5, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Robert C. Huffman, of Washington.
Miss Helen Jean Imrie, of Rhode Island.
Herbert Kaiser, of Maryland.
George R. Phelan, Jr., of Missouri.
Robert A. Stein, of New Jersey.
Philip F. Vandivier, of Indiana.

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Robert F. Andrew, of California.
James C. Curran, of Virginia.
Richard D. Forster, of Colorado.
Richard Rueda, Jr., of New Jersey
David B. Timmins, of Utah.

The following-named Foreign Service staff officers to be consuls of the United States of America:

Hugh A. Crumpler, of Missouri.
Joseph A. Kitchin, of New York.
Henry Bartly Lee, of North Carolina.
Stuart P. Olsen, of Washington.
Collin E. Ostrander, of Minnesota.
Joseph W. Thoman, of Virginia.
Harold G. Tufty, Jr., of New York.

Philip Raine, of the District of Columbia, a Foreign Service Reserve officer, to be a consul of the United States of America.

Edward J. Conlon, of Illinois, a Foreign Service staff officer, to be a consul of the United States of America.

(This nomination is submitted for the purpose of correcting an error in the nomination as submitted to the Senate on February 23, 1955, and confirmed by the Senate on March 8, 1955.)

Treasury Department

David W. Kendall, of Michigan, to be Assistant Secretary of the Treasury, in place of Hon. H. Chapman Rose.

Fred C. Scribner, Jr., of Maine, to be General Counsel for the Department of the Treasury, in place of David W. Kendall.

United States Tariff Commission

James Weldon Jones, of Texas, to be a member of the United States Tariff Commission for the remainder of the term expiring June 16, 1961.

William E. Dowling, of Michigan, to be a member of the United States Tariff Commission for the remainder of the term expiring June 16, 1957, vice James Weldon Jones.

Coast and Geodetic Survey

Subject to qualifications provided by law, the following for permanent appointment to the grades indicated in the Coast and Geodetic Survey:

To be commissioned captain

Ector B. Latham
John Bowie
William F. Malnate

To be commissioned lieutenant

Arthur R. Benton, Jr.	John B. Watkins, Jr.
Eugene A. Taylor	Jack E. Guth
William D. Barbee	James D. Hodges
Robert A. Parker	Bruce E. Greene
Herbert R. Lippold	Robert E. Williams
Roger F. Lanier	

To be commissioned lieutenant (junior grade)

Kenneth A. MacDonald	John J. Dermody
Wilfred V. Warner	Clinton D. Upham
Edwin K. McCaffrey	George W. Thompson
Clifford W. Tupper	Floyd J. Tucker, Jr.
Richard H. Houlder	Dale E. Westbrook
Howard A. Garcia	Paul Hertelendy

To be commissioned ensign

Vincent J. Franze, Jr.

Postmasters

The following-named persons to be postmasters:

ALABAMA

Francis Pierre McKee, Bayou La Batre, Ala., in place of H. D. Lyon, resigned.

Milton E. Baird, Bessemer, Ala., in place of Felton Collier, deceased.

Rober L. Cooper, Elba, Ala., in place of W. L. English, removed.

Vernon L. Burns, Eden, Ala., in place of D. R. Wyatt, retired.

John T. Knight, Hayneville, Ala., in place of R. R. Hairston, retired.

ARIZONA

Juan S. Granillo, Sonora, Ariz., in place of A. B. Sanchez, deceased.

CALIFORNIA

Bernhard A. Ruth, Jr., Cutler, Calif., in place of K. L. Tobin, resigned.

John E. Loustalot, Bakersfield, Calif., in place of R. H. Marshall, transferred.

Llewellyn D. Crandall, Larkspur, Calif., in place of F. G. Kirby, resigned.

George H. Whalen, Saratoga, Calif., in place of L. B. Peck, resigned.

John R. Hann, Merced, Calif., in place of J. T. McInerny, retired.

Sarah E. Robbins, Seaside, Calif., in place of G. A. Chapman, retired.

Thomas H. Moorman, Richardson Springs, Calif., in place of W. J. Bathurst, resigned.

CONNECTICUT

May S. Richmond, Hawleyville, Conn., in place of W. A. Honan, retired.

FLORIDA

Alfred R. Dickey, Auburndale, Fla., in place of M. A. Warner, transferred.

Sidney Pennington Smith, Everglades, Fla., in place of R. F. Muir, removed.

James R. Harris, Plant City, Fla., in place of F. M. Prewitt, retired.

GEORGIA

Shirley F. Bush, Oglethorpe University, Ga., in place of R. H. Grippo, resigned.

Charles T. Ware, Soperton, Ga., in place of M. L. Walker, retired.

Adrian Dwight Massey, Cannon, Ga., in place of J. F. White, removed.

James F. Emberson, Ringgold, Ga., in place of O. N. Merritt, retired.

James P. Dawson, Woodstock, Ga., in place of T. C. Fowler, transferred.

ILLINOIS

Kenneth B. Westray, Clinton, Ill., in place of T. W. Cramer, resigned.

Marjorie Carnes Mossman, Hamburg, Ill., in place of E. F. Day, retired.

Frank P. Campbell, Techny, Ill., in place of John Wacker, retired.

INDIANA

Marjorie L. Van Dyke, Pimento, Ind., in place of Sylvia Liston, retired.

IOWA

William Kenneth Harms, Fredericksburg, Iowa, in place of P. E. Morf, retired.

Gerald A. Pallesen, Marcus, Iowa, in place of J. P. Delaney, retired.

Kenneth J. De Pree, Maurice, Iowa, in place of C. H. Wiggerman, resigned.

KANSAS

Lyle M. Conley, Concordia, Kans., in place of Nina Short, deceased.

Lloyd William Barker, Valley Falls, Kans., in place of Clayton Wyatt, retired.

KENTUCKY

Arnel C. Taylor, Livingston, Ky., in place of D. E. Pike, resigned.

MARYLAND

Jefferson H. Leonard, Church Hill, Md., in place of J. B. T. Merrick, retired.

Donald M. Browning, Oakland, Md., in place of W. E. Spoerlein, resigned.

Walter V. Bennett, Sykesville, Md., in place of M. H. Weer, retired.

MASSACHUSETTS

Charles H. Shaylor, Lee, Mass., in place of J. E. Harte, retired.

David E. Braman, Stockbridge, Mass., in place of W. F. Lawless, retired.

MICHIGAN

Harold W. Bobb, Genesee, Mich., in place of M. E. Bobb, resigned.

William L. Osborne, Prescott, Mich., in place of B. O. Gillies, deceased.

Leonard T. England, Germfask, Mich., in place of Katherine Shay, retired.

MINNESOTA

Robert F. Jonckowski, Browerville, Minn., in place of B. B. Kiselewski, deceased.

Robert D. Peterson, New London, Minn., in place of A. A. Ogren, retired.

Carl L. Flink, Cambridge, Minn., in place of A. T. Westrom, retired.

MISSOURI

Lloyd DeGraffenreid, Brumley, Mo., in place of E. E. Plemmons, resigned.
Hollis N. Hartley, Lee's Summit, Mo., in place of J. F. Stevenson, retired.

NEBRASKA

William S. Burrows, Albion, Nebr., in place of J. P. Moran, retired.
Walter Korisko, Omaha, Nebr., in place of J. H. Hopkins, deceased.

NEW MEXICO

Felix Gauthier, Jr., Animas, N. Mex., in place of Felix Gauthier, retired.
Elizabeth C. Simion, Red River, N. Mex., in place of Lottie Brandenburg, retired.
Edward M. Berardinelli, Santa Fe, N. Mex., in place of A. F. Martinez, removed.

NEW YORK

Horace E. Wadsworth, Nyack, N. Y., in place of W. F. McNichol, retired.

NORTH CAROLINA

Vernon W. Taylor, Oxford, N. C., in place of J. A. Williams, retired.
LeRoy A. Self, Pittsboro, N. C., in place of W. L. Farrell, removed.

OHIO

John R. Mericle, Bremen, Ohio, in place of C. T. Zwickel, retired.
John W. Meadows, Lucasville, Ohio, in place of N. C. Schleinhege, deceased.
Murry N. Johnson, Pataskala, Ohio, in place of P. D. Tussing, resigned.
Richard J. Gamble, Alliance, Ohio, in place of C. A. Richard, resigned.
Albert F. Warnecke, Ottoville, Ohio, in place of A. M. Wannemacher, retired.
Everett J. Pearson, West Milton, Ohio, in place of W. A. Markley, resigned.
Margared L. Hess, Petersburg, Ohio, in place of K. S. Schiller, retired.

OREGON

Hugh Neill, Carlton, Oreg., in place of D. E. Pearson, retired.
Charles C. Richmond, Imbler, Oreg., in place of A. T. Webb, resigned.

PENNSYLVANIA

Lyle T. Streeter, Easton, Pa., in place of H. C. Schultz, retired.
James H. Armstrong, Morton, Pa., in place of D. B. Wright, removed.
Carl Alvin Swanson, Wilcox, Pa., in place of J. B. Brennen, retired.
John W. Dawley, Bethlehem, Pa., in place of U. W. O'Donnell, deceased.
Julia M. Walter, Leeper, Pa., in place of F. D. Harriger, retired.
Albert G. Lauffer, Yukon, Pa., in place of J. J. Kasprisin, resigned.

SOUTH CAROLINA

Margaret T. Tysinger, McColl, S. C., in place of H. H. McLaurin, resigned.

SOUTH DAKOTA

David L. Townsend, Bruce, S. Dak., in place of L. H. McKnight, retired.

TENNESSEE

William C. Ashworth, Franklin, Tenn., in place of J. A. Jordan, deceased.
Raymond H. Adkins, Lake City, Tenn., in place of F. F. Kelley, removed.

TEXAS

Harlan B. Pitchford, Avinger, Tex., in place of M. L. Felker, retired.
Joyce M. Procknow, Benbrook, Tex., in place of S. L. Moore, deceased.
Frank M. Sutter, Pasadena, Tex., in place of C. T. Coolidge, retired.
Ila Mae Bullion, Truscott, Tex., in place of J. P. Bullion, declined.

UTAH

Glen Vern Blonquist, Coalville, Utah, in place of L. C. Sargent, retired.
Clark E. Blake, St. George, Utah, in place of M. C. Crandall, transferred.

VIRGINIA

Marh G. Arnold, Bishop, Va., in place of M. C. Crockett, removed.
Nancy E. Wood, Rock Castle, Va., in place of A. H. Giles, retired.
Francis A. Holdren, Vinton, Va., in place of L. M. Meador, removed.
Inez P. Richardson, Fentress, Va., in place of A. L. Humphries, resigned.

WEST VIRGINIA

S. Miriam Netting, Bethany, W. Va., in place of S. C. Underwood, retired.
Eugene H. Akers, Hatcher, W. Va., in place of Bert Cook, deceased.
Garnet K. Williamson, Ragland, W. Va., in place of F. L. Adkins, resigned.
William E. Heskitt, Worthington, W. Va., in place of Harvey Fortney, retired.

WISCONSIN

Erhart L. Whitte, Granton, Wis., in place of H. J. Quast, retired.
Joseph R. Egan, Highland, Wis., in place of G. J. Bock, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 28, 1955:

UNITED NATIONS

REPRESENTATIVES OF THE UNITED STATES OF AMERICA TO THE 10TH SESSION OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS, TO SERVE NO LONGER THAN DECEMBER 31, 1955

Henry Cabot Lodge, Jr., of Massachusetts.
Brooks Hays, of Arkansas.
Chester E. Merrow, of New Hampshire.
Dennis Joseph Roberts, of Rhode Island.
Colgate Whitehead Darden, Jr., of Virginia.

ALTERNATE REPRESENTATIVES OF THE UNITED STATES OF AMERICA TO THE 10TH SESSION OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS, TO SERVE NO LONGER THAN DECEMBER 31, 1955

Robert Lee Brokenburr, of Indiana.
Laird Bell, of Illinois.
Jacob Blaustein, of Maryland.
James J. Wadsworth, of New York.
Mrs. Oswald B. Lord, of New York.

DEPARTMENT OF STATE

Francis O. Wilcox, of Iowa, to be an Assistant Secretary of State.

UNITED STATES DISTRICT JUDGE

Joe Ewing Estes, of Texas, to be United States district judge for the northern district of Texas.

POSTMASTERS

ALABAMA

Robert G. Mason, Fairhope.
James L. Stephens, Horton.
George Grady Duke, Russellville.

ARIZONA

Betty E. Fox, Bullhead City.

ARKANSAS

Commie C. Pollard, Oil Trough.
John J. Mueller, Paragould.

CALIFORNIA

J. B. Long, Clarksburg.
Alma G. Ackley, Plaster City.

COLORADO

Rudolph G. Verzuh, Crested Butte.

CONNECTICUT

Henry L. von Dwingelo, Rowayton.
Edward J. Speer, Southport.

FLORIDA

William W. Hooker, Jr., Citra.

GEORGIA

Dick B. Bell, Jr., Colquitt.
Marion R. Sams, Newborn.

ILLINOIS

Lucy L. Stone, Hooppole.
Florence J. Howell, Sparland.

INDIANA

William E. Shirley, Bedford.
Lola M. Dixon, Dayton.
Rollo M. Swain, Frankfort.
Martin H. McNeelan, Holton.
John L. Lontz, Morocco.
Maxine R. Bailey, Mulberry.
Robert Craig Dillon, New Augusta.
Leonard J. Rosenbaum, Wanatah.

IOWA

Delbert C. Kamman, Imogene.
Sylvia M. Raecker, Meservey.
Anna M. Bramer, Monmouth.
Robert L. Grange, Ruthven.

KANSAS

David W. Fowler, Admire.
Ardythe A. Goodrow, Morland.
Homer N. Vaughan, Scott City.

KENTUCKY

Everett E. Pfanstiel, Carlisle.

LOUISIANA

Walter Y. Kemper, Jr., Berwick.
William T. Thurmond, Gibsland.
Howard P. Bullock, Greenwell Springs.
Bobbye G. Culverhouse, Sibley.

MAINE

George Burton Glidden, South China.
Walter C. Rich, Union.
Robert R. Littlefield, York Harbor.

MARYLAND

Pierson M. Roe, Cordova.

MASSACHUSETTS

Robert L. Deschamps, Eastham.
Olive D. Cadwell, East Princeton.
William R. Pleshaw, Framingham.
Clarence M. Waite, Greenbush.
Walter K. Parker, Lenox.
Joseph A. Whitney, Paxton.
Forrest D. Bradshaw, South Sudbury.
Alfred L. Morlock, South Vernon.
Leonard W. Potenza, West Medway.

MICHIGAN

Ralph I. Burns, Alpena.
Philip B. Wood, Bangor.
Maurice K. Dean, Barryton.
Doris E. Farley, Breedsville.
Francis William Nienstedt, Caseville.
Duane E. Castor, Covert.
Letha A. Leng, Frederic.
Wilbur I. Garrett, Glennie.
Andrew R. Farnsworth, Holt.
Leslie B. Palmer, Mason.
Vada M. Green, Winn.

MISSISSIPPI

Ruby Q. Burney, Arcola.
William D. Kenneday, Meridian.

MISSOURI

Raymond G. Baum, Arnold.
Charles E. Jones, Burlington Junction.
George H. Polmateer, McCredie.
Herold P. Heidel, Rosebud.

MONTANA

Clifford V. Long, Frazer.

NEBRASKA

Edward J. Dolista, Farwell.
Russell J. Dow, Indianola.
Harley G. Lofton, McCook.
Donald C. Mumm, Yutan.

NEW JERSEY

Frank C. Fertig, Atlantic City.
Mary Musselman, Blawenburg.
Charles Mertz, Millington.
Sebastiano B. Dellagatta, Mizpah.
Ralph G. Shreve, Moorestown.

NEW YORK

Lyle W. Palmiter, Alfred Station.
James H. Donohue, Bridgehampton.
Helen C. Coleman, Bridgeport.
George A. Moses, Brushton.
Lester E. Hendrix, Cazenovia.
Arthur T. Guyer, Celoron.
Peter C. Curtin, Chateaugay.

Margaret K. Schneider, Clay.
Marjorie S. Mann, Clyde.
Elbert H. Wild, Copiague.
Florence I. Burnett, Cranberry Lake.
Joseph Del Giudice, Croton-on-Hudson.
Donald R. Young, East Branch.
Richard S. Laing, Eden.
Doris A. Curtis, Great Valley.
Edwin H. Baker, Hancock.
William H. Bero, Hogansburg.
Lucille L. Wood, Jasper.
Howard W. Wheeler, Kinderhook.
Joyce K. Holmes, Lindley.
George A. Albrecht, Long Island City.
Revelon M. Wimmer, Marilla.
William G. O'Hara, Melrose.
Marjorie D. Tabor, Meridian.
Rudolph H. Reed, Painted Post.
Leonard Lincoln Hunt, Piedmont.
Gordon E. Fahey, Port Leyden.
Jack A. Follis, Pound Ridge.
James Egbert Foster, Ransomville.
Richard I. Gates, Redwood.
Henry M. Engelmann, Round Top.
Madelein W. Matthews, Russell.
Ely E. Mulliken, Savona.
Donald O'Keefe Miller, Tahawus.
John Wesley Pullman, Tappan.
Urban W. Newman, Westmoreland.
Margaret C. Wilcox, Whitney Point.

NORTH CAROLINA

Brownlow Martin, Rutherfordton.
Marion O. Elliott, Wilkesboro.

OHIO

Othal Paul Ballinger, East Liberty.
Elizabeth K. Woodall, Glendale.
Ila J. Tabbert, Graytown.
James S. Fenner, Laura.
Raymond L. Lucht, Mantua.
James J. Copham, McDonald.
Dean E. Mallernee, Tippecanoe.

OKLAHOMA

Kenneth A. Fahrny, Atoka.
J. T. Haney, Jr., Big Cabin.
Jack J. Higgins, Blackwell.
Bessie M. Hill, Cameron.
Floyd P. Johnson, Davis.
Agnes V. Peer, Gage.
Velma D. Wilkins, Grant.
Joseph T. Courts, Quinton.
George W. Sewell, Sayre.
John Masino, Schulter.
William L. Bozeman, Soper.
Thomas J. Winters, Jr., Stringtown.
George E. Snethen, Sulphur.
Vada R. Robertson, Webb City.
Blanche D. Browning, Wynona.

OREGON

Vida G. McLean, Weston.

PENNSYLVANIA

Vincent G. Jankauskas, Elmhurst.
Harold W. Richards, Jim Thorpe.
Bernard J. Harding, Scranton.
Charles H. Grier, Swarthmore.
Morna M. Huffman, Whitney.
Edward B. Maguire, Wynnewood.

SOUTH DAKOTA

Sherman S. Seward, Agar.
Raymond A. Lutz, Glenham.
Russell G. Dupic, Lesterville.
Luther M. Miller, Pierre.

TENNESSEE

Albert B. Thomas, Mountain Home.

TEXAS

Warren R. Howery, Aransas Pass.
Wesley M. Robbins, Aspermont.
Travis A. Barnes, Jr., Chester.
Edmund F. Jendrusch, Jr., Falls City.
Patricia K. Fisher, Greggton.
William H. Watson, Naples.
Lloyd C. Miller, Panhandle.
Billy N. Fine, Petrolia.
Anna B. Shults, Portland.
Grace Roach, Rankin.
Evelyn Neale Walker, Robstown.
Leila D. Kelley, Valentine.
A. D. Wilson, Westbrook.

VIRGINIA

Adrian T. Smith, Chantilly.
Leo F. Marks, Charles City.
Eugene C. Beagle, Charlottesville.
Joseph Richard Campbell, Marion.
Josephine B. Masi, Millwood.
Troy B. Slate, Saltville.

WEST VIRGINIA

Rebecca L. Ziler, Great Cacapon.

WISCONSIN

Albert T. Fillnow, Clintonville.
Harvey DiVall, Montfort.
Leonard J. Giebink, Waupun.

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 28, 1955

The House met at 10 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Most merciful and gracious God, may we this day follow Thy leading with stalwart and steadfast steps, confident that where Thou dost guide Thou wilt also provide.

Grant that the legislation, which is being enacted by the Congress, may always be touched with moral and spiritual mindedness and be a sincere endeavor to bring blessedness to all mankind.

We are daily praying that the nations of the earth may be brought together in stronger bonds of unity and may all that alienates them from one another be put away.

Show us how we may help to promote feelings of oneness and kinship among the members of the human family.

In Christ's name we offer our prayer. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 4808. An act to authorize the transmission through the mails of certain keys, identification devices, and small articles, and for other purposes; and

H. R. 6454. An act to amend the joint resolution approved August 30, 1954, relating to the establishment of the Woodrow Wilson Centennial Celebration Commission, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 514. An act to provide for the disposal of certain Federal property in the Boulder City area, to provide assistance in the establishment of a municipality incorporated under the laws of Nevada, and for other purposes; and

S. 1644. An act to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes.

COMMITTEE ON EDUCATION AND LABOR

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 316) to authorize the Committee on Education and Labor to conduct studies and investigations in the United States, its Territories and possessions, and the Commonwealth of Puerto Rico, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That House Resolution 154, 84th Congress, is amended by striking out the words "within the United States" where it appears in said resolution and inserting in lieu thereof the words "within the United States, its Territories and possessions, and the Commonwealth of Puerto Rico."

The resolution was agreed to; and a motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. YATES. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 134]

Andresen, August H.	Gregory	Prouty
Anfuso	Hardy	Radwan
Boykin	Hillings	Reece, Tenn.
Buchanan	Kearney	Reed, Ill.
Celler	Kilburn	Reed, N. Y.
Chiperfield	Krueger	Rivers
Dawson, Ill.	McDowell	Shelley
Diggs	Morrison	Teague, Tex.
Dingell	Mumma	Thompson, Mich.
Eberharter	Perkins	Velde
Gamble	Phillips	Vursell
	Powell	

The SPEAKER. On this rollcall, 397 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDING NATURAL GAS ACT

Mr. COLMER. Mr. Speaker, I call up the resolution (H. Res. 317) to amend the Natural Gas Act, as amended, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6645) to amend the Natural Gas Act, as amended. After general debate, which shall be confined to the bill, and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from Illi-

nois [Mr. ALLEN] and yield myself 5 minutes.

The SPEAKER. The gentleman from Mississippi is recognized.

Mr. COLMER. Mr. Speaker, permit me to say in the beginning that we have had a great many requests for time during consideration of the rule. It has been my endeavor during the consideration of rules, and shall be during this one, to equally divide my time between the proponents and the opponents. We cannot grant all the requests for time.

Mr. Speaker, I realize that the atmosphere here this morning is charged with controversy over this legislation. I realize that this is a very important piece of legislation and that there are those who honestly favor it and those who honestly oppose it. I trust that in the consideration of the rule and of the bill it may be discussed without passion but with reason and logic.

Mr. Speaker, I wish I had 30 minutes that I could discuss this matter but I can only say in the few minutes I have allotted to myself that not only do I think it is controversial but I also make the statement that there has not been a bill considered on the floor of this House this session that involves a greater principle of government, basic principle, than does this bill. Yes, I know there is going to be wailing and apprehensions about the consumer, but I want to call your attention to the fact that the basic question involved here is just how far the strong arm of the Federal Government can reach out and control the lives and endeavors of our people.

To me, in spite of all the propaganda that has been put out about this proposed legislation, the thing is just this simple: If the strong arm of the Federal Government can reach out into the State of Texas, or Louisiana, or Mississippi, or wherever gas is produced and say that at the well-head we are going to regulate the price and the distribution of this fuel, if you please, then, by the same principle that same strong arm can reach out into Indiana and into Ohio and the other States, where coal and other fuels are produced, and control the production of coal and other fuels at the source. Yes; it can go further than that; if it can do that it can go down into my district and control the felling of trees; yes, it can go down and control the harvesting of cotton in my district or the wheat in yours, because the same principle is involved.

I think the trouble here lies in the fact that those who oppose this bill are proceeding upon the erroneous premise that natural gas is a utility and as such should be regulated by the Federal Government. Gas is no more a utility than is coal or any other fuel and as such there is no more reason for controlling its production than there is for the mining of coal, the extraction of sulfur, or the mining of lead or any other product extracted from the bowels of the earth. Mr. Speaker, the proponents of this legislation, it would appear, have gone further in an effort to appease the opposition than the situation justifies. The bill before us provides for regulation by the Federal Power Commission to the extent that the producers of natural gas must obtain the approval of the Federal Power Commission before he can get an increase in the price of that commodity both in existing contracts and in new ones. What more could the opposition expect or have a right to ask. I wonder how the Members from coal-producing States would feel about imposing such a restriction on the production of coal.

The opponents of this legislation will today in this House even as they did in the committees when the bill was being considered raise their voices in gestures of protection of the consumer. I too, as a consumer, want to see the consumer protected from unfair or unreasonable prices for that product. But there is much logical and justifiable argument to the effect that with the passage of this legislation more production will be encouraged and secured; and ample supplies mean lower rather than higher prices. But again, Mr. Speaker, I call your attention to the fact that it is reasonable to assume that the price of gas will advance even as the prices of coal, shoes, automobiles, and the cost of living generally have already increased. And this could likely happen whether this legislation is passed or not. But after all why should this particular commodity be legislated against? What would my friends from the automobile construction area, many of whom are opposing this legislation, have to say if the control of the prices of automobiles were vested in a Federal agency? I did not hear them protesting the increase of the price of automobiles and suggesting that the Federal Government regulate that when the automobile industry repeatedly raised the prices of automobiles to the consuming public in order to meet the increased costs of labor, steel, et cetera. Neither did I hear my friends from the steel-producing areas suggesting that the Federal Government regulate the price of steel when the producers of that commodity recently raised the price to the consumer as the result of increased labor and other costs. It is generally assumed under our economic system that the producer of any commodity is entitled to a reasonable profit. Why make an exception in the case of natural gas? It would appear that it all depends upon whose ox is gored.

The arguments produced by the opposition lead me to believe that there are those among us who would, if they could have their way, have the Federal Government take over the entire gas industry, nationalize it, if you please, even as the socialistic Labor government did so disastrously in England.

Mr. Speaker, this legislation is in entire conformity with the American private enterprise system. It simply undertakes to correct a grave mistake made by the ultraliberal Supreme Court in its decision in the Phillips case. It proposes to restore the privileges and immunities to the producers of natural gas now enjoyed by the producers of coal, oil, and gasoline. It proposes to remove this unnecessary and unjust regimentation legislated by this ultraliberally minded Court.

I hope the rule and the bill will pass.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself 6 minutes.

Mr. Speaker, at the outset I wish to make it plain that I am not an authority so far as the technicalities of gas production are concerned, but I do have a practical understanding of the situation. I come from the State of Illinois, which is a gas-producing State. My own congressional district does not produce gas, but it does produce considerable lead and zinc.

As the gentleman from Mississippi has so well stated, I cannot understand why gas should be controlled at the wellhead, where it comes out of the ground, any more than lead and zinc produced near the hometown of the gentleman from Missouri [Mr. SHORT], Galena, Mo., should be controlled at its source of production. It is beyond my comprehension to understand why the Government should fix the price of natural gas where it comes out of the ground any more than the Government should fix the price of iron, coal, the fish of New England, or shoes that are manufactured.

So the question here, Mr. Speaker, is whether or not the Federal Government shall regulate the price of gas at the wellhead. In my opinion, it should not.

The question might be asked why I believe that. First of all, you will agree with me that we now have about all the regimentation, regulation, and bureaucracy here in Washington that we need. Here is another reason why I am opposed to this Government regulation. There is no evidence that I know of that came before the Committee on Rules to show where the producers of gas are receiving more than a reasonable profit. I think it will be agreed also, Mr. Speaker, that anyone in business is entitled to receive a reasonable profit. In Illinois, for instance, out of every dollar that is paid by the consumer the producers of the gas receive but 8.6 cents.

Mr. Speaker, regarding the question of monopoly. Somebody has mentioned that. I have read most of the hearings, and I do not think anyone can contradict the statement that there are over 8,000 producers of natural gas in the United States. There is no other major industry in the United States, whether it be steel, automobiles, railroads, or anything else, where there are 8,000 producers or any figure even closely approaching that.

Mr. HESELTON. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Massachusetts.

Mr. HESELTON. The gentleman agrees that although there may be thousands of producers of natural gas there are only 4,365 who could by any stretch of the imagination be covered by this bill.

Mr. ALLEN of Illinois. Even if there are only 4,365, that is a substantial number, and, in my opinion, where there are 4,000 producers in any given industry it is still competitive. There is no monopoly involved.

Mr. BELCHER. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Oklahoma.

Mr. BELCHER. Will the gentleman tell the Members how many competitors there are in the automobile field?

Mr. ALLEN of Illinois. I cannot answer the question offhand. I would say there are less than 10.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Illinois.

Mr. YATES. I think, in response to the question you raise on competition as to why regulation is needed in this industry, let me cite the statement made by the minority whip, the gentleman from Indiana [Mr. HALLECK], in January 1937, when the original bill was on the floor. He said:

> Competition in this regard has been ineffective, and as a result, even though the prices of the distributing company to the consumers have been kept within reasonable limits, insofar as the activities of the distributing company are concerned, real protection has not been available to the ultimate consumer, because in many instances the transportation company, transporting in interstate commerce, has charged a rate which is higher than is deemed fair and reasonable. So it occurs to me this is an entirely proper field for governmental intervention.

The gentleman from Indiana [Mr. HALLECK] said then that regulation of the natural-gas industry was necessary. Certainly, it was necessary then, it is just as necessary today.

Mr. ALLEN of Illinois. Well, I am giving my ideas about it. All I know about that is that in the State of Illinois—and I think it is true of every other State—we have a State agency that regulates the price of gas. For instance, in Illinois we have a commission that has the authority and the duty and the power to reduce the price of gas when it becomes too high.

In conclusion, Mr. Speaker, I say that this is a good bill, first, because I do not think that we need any more regulation and regimentation or bureaucracy in Washington. We have the power in the various States to regulate it. They can raise the price or lower the price. And, I would say that during the past many years, while the price of every other commodity has skyrocketed, the price of natural gas to the consumer has stayed stable.

So I would say, Mr. Speaker, in conclusion, that I hope this rule is adopted.

Mr. COLMER. Mr. Speaker, I yield 7 minutes to the gentleman from New York [Mr. DELANEY].

Mr. DELANEY. Mr. Speaker, the newspapers at the beginning of this week carried a story that the Senate would not consider the gas bill at this session. Notwithstanding that fact, the Committee on Rules was called upon to give a rule on this gas bill that was passed out of Committee of Interstate Commerce after 6 months' study by a single vote. The vote was 16 to 15. Then it was passed out of the Committee on Rules, also by a single vote, 6 to 5.

Mr. Speaker, this is a difficult bill, according to the testimony that we heard in the Committee on Rules. It is also a very technical bill, and I say that you and I as Members of the Congress are charged with the responsibility of knowing what is contained in this bill. The consuming public will know what the effect of the passage of this bill is as they receive their gas bills. The gas bills will come each month, and if this bill is passed, there will be an increase in gas bills and the housewife or the head of the household will be constantly reminded of the increase, and we will be faced with that responsibility, as their bills increase, so will their anger, and they will register it at the polls.

Mr. Speaker, I am completely opposed to the Harris bill. In my opinion, it is the biggest attempted grab since the Submerged Lands Act. Foul as that was, this proposal is even worse—it will reach deep into the pockets of the very people who elect us to represent them.

It will take from some 20 million consumers, sums which over the years will run into billions of dollars. At the same time, it will not bring any benefits to the public which has provided a market for a product which for many years had only a nuisance value. It will take from the housewife, the veteran buying his home under a G. I. loan, the small business user, the last penny which can be extracted from them for the fuel which is essential to the daily life of the members of families dependent on it for cooking and heating purposes.

According to the Bureau of Mines, in 1953, annual sales of natural gas in interstate commerce amounted to some 4 trillion cubic feet. This compares with the figure of about 5.4 trillion shown in the minority report of the House Committee on Interstate Commerce, page 73. Simple arithmetic shows that, using the smaller figure—and it has increased since then—an increase at the wellhead of only 1 cent per thousand cubic feet would cost the consumers $40 million in 1 year; nearly a half billion dollars in 10 years' time; and nearly a billion in 20 years.

Much testimony has been given before congressional committees to the effect that natural gas interests hope to be able to price their product on a comparable B. t. u. basis with competitive fuels. To achieve this result, an increase of 15 cents per thousand cubic feet would be necessary. Should the price be increased 15 cents per thousand cubic feet, in 1 year it would cost the consumers $600 million; in 5 years, $3 billion; in 11 years, $6 billion; and in 20 years, $12 billion.

Who would profit by these increases? Not the consumers of natural gas, for whose protection Congress passed the Natural Gas Act in 1938. This stream of gold would flow into the already swollen coffers of the some 100 giant oil companies which produce around 80 percent of the natural gas sold in interstate commerce.

What is the compelling need which justifies legislation so obviously designed to benefit special interests, to the grave detriment of the public which must foot the bill? No reasons of any force or merit have been advanced by the proponents of this legislation. It is said that unregulated prices are a necessary incentive to encourage exploration and production. The fact is, however, that in 1954, more wells were drilled than ever before in the history of the industry. And this was the year in which the Supreme Court authoritatively held in *Phillips Petroleum Co.* v. *Wisconsin* (347 U. S. 672), that Congress intended producer prices to be regulated.

In the Phillips case, the Supreme Court also held that Congress intended to close the gap in the regulation of the interstate sales of natural gas, sales which the Federal Government alone is empowered to control under our Constitution. The Harris legislation would reopen this gap by excluding, by means of the definitions of "sales in interstate commerce" and "transportation in interstate commerce" contained therein. This would thereby defeat the intention of Congress in enacting the act, to the detriment and cost of millions to American citizens throughout the land. Such special interest legislation must be stricken down, as contrary to reason, policy, and justice.

The Harris bill purports to preserve some semblance of regulation over the producer's price by providing that the pipeline company will be allowed as a cost for gas purchased from the producer only the reasonable market price of such gas.

This is rank subterfuge. It is not regulation. The going market price is still the going market price, no matter what phrase is used. The history of the behavior of producers' prices over the past few years shows that the market price has spiraled ever upward. There is no reason to assume that this condition will change in the future. Evidence points in the opposite direction as buyers vie increasingly for ever more limited supplies of gas.

These facts supply additional compelling reasons for the necessity of preserving existing regulatory safeguards over producer prices for the protection of the consumers who must continue to buy natural gas.

Over the past 10 years, consumers have spent hundreds of millions of dollars in furnaces, water heaters, and appliances in order to use natural gas. These consumers are now "captives" of the gas interests who propose to milk them as they see fit.

Mr. Speaker, we have to think of these things in human terms. The figures I have presented are not merely statistics. They represent dollars and cents paid out of the pocketbooks of people who work hard for a living and much of the time have difficulty in making ends meet. They are dollars and cents that housewives and heads of households have to worry about.

And they are dollars and cents which, if the Harris bill is passed, will go into the vaults of the large oil and gas interests who cannot justify the increased costs to these consumers and who want all Federal regulation removed from the producers so that they can fatten their treasuries still more at the expense of these householders.

Mr. Speaker, this bill must be defeated. It has no merit. It is a betrayal of the people we are here to serve.

I ask that this rule be defeated. I hope it will be.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, I take the floor at this time in order that there may be no misunderstanding about my position on this legislation or the adoption of this rule. If this rule is adopted we will have 3 hours of general debate on this bill, and I think a great many Members of the House want to speak on it in the general debate and under the 5-minute rule. Why do we not adopt this rule? There is great interest in this legislation. Let us have the courage to meet the issue and vote the bill up or vote it down.

I have no oil stock, I have no gas stock, I am not interested in the gas man or the oil man as such. I am interested in the welfare and the prosperity and the convenience of the people of the United States.

The gentleman from New York complains bitterly. He is the only man I know of that knows if this bill is passed the price of gas is going to be raised. My opinion is that under this Phillips decision we are going to have less and less gas, because everybody is indefinite about what it means, what it is, and where we are going. We are going to turn everything over to the Federal Government, as the gentleman from Mississippi so well said.

Talk about these big gas companies. Let me say something about the gentleman's city. Who is responsible for the high gas rate in the city of New York? It is not the little fellow that has a gas well, it is not the pipeline that carried it there. The field price of gas in 1954 was 7.8 cents. The delivered price in New York, paying the producer and the pipeline to get it there, was 31.84 cents. But the consumer in the city of New York paid $2.42 a thousand to get his gas.

I know another city in this country where the people are paying more than $3 a thousand for gas, and it takes 50-odd cents to get it out of the ground and get it there.

Now, I am not trying to run the affairs of the city of New York or any other city or State, but it may be if they would reduce the taxes on these people a little the consumer would not have to pay so much.

Let me repeat, it is my opinion as long as this Phillips decision is on the books we will have less and less gas. What does that indicate? It indicates there is less competition, and more reason and more opportunity to raise the price.

Under the provisions of this bill, in my deliberate opinion, we will have more and more gas and more and more competition, and with the opportunity or probability of a reduction of the price of gas to the consumers, the people of this country.

I very much want this rule adopted. I want this bill argued. If we cannot give the best reasons for the passage of this bill after it has had general debate and after it has been considered under the 5-minute rule, then exercise your right, your prerogative, and your privilege of voting it up or voting it down.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Speaker, I know of no more difficult position that a Member of this House can be placed in than to speak following our distinguished and beloved Speaker. I regret exceedingly that the time on both sides of the aisle is so limited. I liked the expression of the gentleman from Mississippi [Mr. COLMER], in his opening remarks and it is in accord with his general disposition to be fair, when he said he would divide the time equally between those who are in favor and those who are opposed. No more than that can be asked of anyone. However, I have not yet found that the same principle will prevail on the Republican side, and I regret to say it. So far as I know, up to the present time, I am the only one to be recognized. I hope that at least 1 or 2 more in opposition to the bill might be given an opportunity to be heard, but the fact is at the present time I am the only one who has been given an opportunity to speak against the rule and the bill it brings before the House. However, I appreciate the consideration which has been shown to me as the minority member of the committee that reported this bill.

Mr. Speaker, I am not going to attempt in 5 minutes to speak in detail of the different provisions of this bill. Time does not permit it. I am going to confine my attention to some realistic considerations that should be borne in mind on the question of whether this bill should be brought up for consideration at this time, at this particular time. I will present them in a more or less summary fashion in order to cover the several points as quickly as possible in the very limited time that has been given to me.

My reasons for being against this rule are as follows:

First. It is too late in the session to undertake the consideration of such an important bill.

Second. The Senate leaders have already given notice through the public press that it does not intend to take up the consideration of this bill at this session, whether the House passes it or not.

Third. Why spend the valuable time of this House, in the closing hours of the session, in a useless endeavor?

Fourth. The present bill is hopelessly involved. It does not provide a solution nor settlement of the subject. This is shown by the following conditions.

Fifth. The bill, after months of hearings and long consideration by the Committee on Interstate and Foreign Commerce, was reported out by a 16-to-15 vote. The first to report was defeated, 14 to 14. The last vote was obtained only after reconsideration and bringing in of votes not present on the first vote.

Sixth. The Rules Committee, by a 6-to-5 vote, reported the bill. One member did not vote. Had he voted against the rule, we would not have the bill here today.

Seventh. What does all this mean? It means that after months of consideration the correct solution has not been found. If the bill is considered in the House, it will be necessary to rewrite the bill on the floor. I think we all know how unsatisfactory this method can be, especially a bill as technical as it is from a factual standpoint, as well as to the legal aspects.

Eighth. If the bill is permitted to go to the floor, it can result in the offering of innumerable amendments of a varied character. These amendments can be, and are, of a fundamental character. They will go to the very foundation principles of all regulatory procedures. They will in numerous matters require information for their proper solution that the committee hearings do not give or provide a basis for a proper answer. Now, all of this will take hours upon hours of debate. Why take the valuable time that remains in such a difficult and what will, in the end, be highly unproductive of a real solution.

Ninth. Who is against the bill?

1. Many transmission and pipelines.

2. Local distributing companies.

3. Nine hundred municipalities represented by their legal officers in the National Institute of Municipal Law Officers.

4. Labor organizations of national standing.

5. Mayors of 258 cities having a population of 31,600,000 people.

Not a single small independent producer appeared before the committee, nor asked for the bill, nor showed or claimed any need of the bill. The use of the small producer has been only a screen to cover up the big fellows who really want the legislation.

Tenth. Why is there opposition?

1. It violates the purpose and intent of the Natural Gas Act that was adopted to primarily protect the consumer.

Eleventh. It repeals a decision of the Supreme Court that interpreted the Natural Gas Act as intended to protect the public interest.

Twelfth. According to data furnished by the Federal Power Commisison, 70 producers sold in 1947 84 percent of all gas sold in the Southwest. Fifty-one percent of this was sold by 12 companies.

And in 1953 42 producers sold 70 percent of all gas purchased by pipelines. Nineteen companies own 43 percent of total reserves in the United States.

Statistics reported by Texas comptroller shows that in 1952 more than 80 percent of gas production in Texas Panhandle area;

More than 65 percent of the production in west Texas area;

Sixty-nine percent of the production in east Texas area came from 15 large producers in each area.

Thirty-five large companies were responsible for about three-fourths of the combined production of 2,158 billion cubic feet of gas from these 3 great producing areas.

Fifty percent of the Panhandle area production was carried out by four pipeline companies.

Fifty percent was carried out by 8 companies in the west Texas and east Texas areas.

The Wall Street Journal of November 2, 1954, showed that two companies—Phillips Petroleum and Humble Oil, a subsidiary of Standard Oil of New Jersey—led all other producers in estimated reserves of natural gas.

Humble is estimated to have 16 trillion cubic feet;

Phillips Petroleum exceeds 18 trillion cubic feet.

Thus, 2 companies control 34 trillion cubic feet or one-sixth of the total natural gas reserves of the entire industry in the United States.

If time permitted a further breakdown of ownership by big companies could be made. I am informed that it would show that less than 200 producers own or control approximately all the gas reserves except 2.1 percent.

Thirteenth. What does an increase in cost to the Phillips and Humble Cos. mean?

It would mean that each 5 cents per thousand cubic feet added to present field prices increases their combined reserves by $1,700,000,000. Is it any wonder they oppose regulation?

If the Harris bill causes an increase of 15 cents per thousand cubic feet, these two companies alone stand to profit by $5,100,000,000.

Fourteenth. Kansas and Oklahoma: The great Hugoton field in Kansas and Oklahoma is dominated by 6 pipeline companies and 16 independent producers who control 75 percent of the acreage: Phillips Petroleum; Stanolind, Standard Oil of Indiana; Panhandle Eastern; Republic Natural Gas; Cities Service; Northern Natural Gas; Shelley Oil Co.; Magnolia Petroleum; Peerless Oil & Gas.

The above own two-thirds of the natural gas acreage.

Fifteenth. Price increases: Average field prices have increased over 100 percent since 1946.

One company reports to its stockholders that $3 million was the cost of its gas reserves, and $450 million was its present value, at 13 percent per 1,000 cubic feet, and it would be $900 million if increased an additional 12 or 13 cents per thousand cubic feet.

Sixteenth. The sponsor of the legislation, the gentleman from Arkansas [Mr. HARRIS], requested an investigation of elements of cost to the consumer.

In his release explaining the reason for his resolution he said:

It is quite obvious to me, as illustrated by the closeness of the vote by which the bill was reported, that before this situation is cleared up in the interest of the industry as well as the consumer other factors are going to have to be considered.

We should have full information across the board and all the facts should be fully developed.

The Chairman of the Federal Power Commission stated before our committee that there should be an investigation into the interlocking directorship or relationship among these big companies. In fact, he expressed a desire for the Commission to have control over such interlocking control and ownership.

To me, from the limited information I have on this overall problem, this is one of the most important problems in the interest of the people of America and I hope that we can have early consideration by the Rules Committee of this resolution.

It is my opinion that the sensible thing to do is to obtain the facts by an investigation such as requested by the gentleman from Arkansas [Mr. HARRIS] and then proceed to legislate. We should not legislate before we have the facts. For these reasons, and others that I wish time would permit me to mention, I will vote against the rule in order to permit the investigation that has been requested.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. WOLVERTON. I would prefer to go on.

Mr. HARRIS. The gentleman mentioned my name.

Mr. WOLVERTON. Yes; I understand, and I assume the gentleman will have an opportunity to speak.

Mr. HARRIS. It is very doubtful under the rule.

Mr. WOLVERTON. As I said, the present bill is hopelessly involved.

The SPEAKER. The time of the gentleman from New Jersey [Mr. WOLVERTON] has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the gentleman 2 additional minutes.

The SPEAKER. The gentleman from New Jersey is recognized for 2 additional minutes.

Mr. WOLVERTON. Mr. Speaker, it is plain to see that if we wish to have good legislation then we should grant the request for an investigation to obtain the necessary information that evidently we do not now have. I shall vote against this rule in order that the necessary additional time during the recess can be utilized to obtain further facts that are necessary to a correct decision in this matter.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, the gentleman from Massachusetts [Mr. MCCORMACK], the majority leader, frequently repeats one wise observation. He says: "I must project my mind into the future."

The House had a little experience on the way to legislate yesterday and the day before. We have been advised the other body does not intend to act upon this bill. Several times the House has gone out on a limb, a political limb, and over on the other side nothing has been done, and we have been left dangling there by the failure of the other body to act.

After all, while we cannot shirk our responsibility to legislate, I ask you why today we should spend this day and perhaps tomorrow considering this bill and in the end come up with nothing because of the failure to get cooperation at the other end of the Capitol.

I know that our beloved Speaker said that he wanted his position made clear. We all know where he stands on this bill. We know he admires an independent individual. Well, the position of the leader was made clear a couple of days ago on the highway legislation. What was the result? Members voted as the leadership on both sides expected them to vote. In accord with their own views. We all know what the vote was yesterday—after we had wasted 2 days.

Why not think just a little bit of what will happen over there at the other end of the Capitol, or, rather, what will not happen? Why not save a little time; let this matter go over; give the Harris committee time to make its investigation? Why waste these 2 days?

Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The gentleman from Michigan yields back 1 minute.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Speaker, I have asked for this time in order to tell the House a story, a true story. For the past 10 years the Mason household out in Illinois has been paying from $120 to $150 a year for gas to heat and cook with. Of that $150, less than 10 percent went to the producers of the gas, and 90 percent or more went to the transmission lines and the local distributing outfits. This is the point I want to make in connection with this story. The $15 that I paid as a part of my gas bill, which went to the wellhead producers, has all through the years not been regulated or controlled. But all through the years the pipelines and the distributing centers have been controlled either by the Federal Power Commission or by the State commerce commission. The $135 I paid as a part of my gas bill was under control; the $15 I paid was not under control until the Supreme Court made its ruling. That is the picture.

The $15 I paid to the producers has gone down in the last 20 years 7 percent, while the $135 paid to the distributors has been going up as fast as they could get the Federal Power Commission and the State commerce commission to lift their prices. That is the story of this gas problem that is before us today. What is true of the Mason household is true of millions of other households all over this Nation. That is the problem we are facing today. Uncontrolled 10 percent—controlled 90 percent.

What is it you want? Do you want to control the 10 percent and have that go up in price, too? That is the question and that is why I am for this rule. I am for the Harris bill which would, in substance, veto the Supreme Court decision.

Mr. COLMER. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia [Mr. STAGGERS].

Mr. STAGGERS. Mr. Speaker, I, too, hesitate to disagree with our great and beloved Speaker, but I must do so, because I believe this rule should not be granted by the House for many reasons.

Mr. Speaker, I was for the Harris bill all through the hearings, and I said I was. I was for the amendments all the time. But I wanted to go further and make an equitable and a just bill out of this, a bill that would be fair to all the people of the country, a bill that would be for the public welfare and for the public interest, not for the special interests. But, no, they would not do that. They included one of my amendments in committee and the next day they came in. They voted it down. All I asked was that they consider the matter of the conservation of gas. I said to the Rules Committee that this is known as the big-business administration. In my district it is known as the give-away administra-

tion, and I want no part in being called a give-away Congressman.

In reference to conservation in 1946 we had a 32½-year supply. Today we have a 22½-year supply. In light of this fact, why should we not consider conservation? They had a chance to repeal the Phillips decision under the Rogers amendment, which is equitable. But do you know how the vote was in our committee? Sixteen to four, and the only matter involved was the straight repeal of the Phillips decision. I also voted for the Macdonald bill, which exempted all small producers in the United States, but it was overwhelmingly defeated in the committee.

I hope that this rule will be defeated.

Mr. COLMER. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Speaker, I consider it presumptuous for a relative newcomer in the House such as myself to take issue with our great Speaker who occupies a unique and affectionate and hallowed place in the hearts of all of the Members of this House, and yet I feel constrained to do so because I consider it is my duty to do so in conscientiously representing those who have honored me by sending me here.

I rarely vote against a rule. Yet, I will vote against this rule and I will urge you to vote against this rule, because I believe this bill is incapable of being made into something constructive.

Most of the Members have the impression that the only reason for this bill is that it exempts from regulation the so-called independent producers. It does that. And, if that were all that were in this bill, it would be bad, but not nearly so bad as the bill before us. It would be similar to the Kerr bill, which barely squeaked through this House in 1950. But this bill goes farther. This bill exempts from State regulation some of the properties of the pipeline companies, and there is not one proponent of this legislation who is not willing to say that the pipeline companies are public utilities and should be regulated. In no other instance in the history of our country in the entire field of public utility regulation will you find that the properties of any public utility are regulated on any other basis than actual legitimate cost plus a fair return. Not this bill, however. What does this bill do? Let me read to you from page 10 of the committee report:

> It is provided that for gas which it produces itself it will be allowed, as an operating expense, the reasonable market price of the gas, and for gas which it buys from an affiliate it shall be allowed, as an operating expense, the amount paid to such affiliate up to but not in excess of the reasonable market price.

Thus a pipeline company can buy from its own affiliate or from itself the gas that it transmits, at a price it fixes itself, and is allowed to charge what it considers to be a reasonable market price as an operating expense. And it fixes its own price. Is this regulation? Of course not.

I urge that this rule be voted down.

Mr. COLMER. Mr. Speaker, I yield 3 minutes to the majority whip, Mr. ALBERT.

Mr. ALBERT. Mr. Speaker, I hesitate to take any time on this rule, because time is so limited, and so many Members desire to speak. But this is an issue of vital importance to the people I represent and vitally important, I believe, to all the people of our country.

Mr. Speaker, I would like to address myself, if I may, to the importance of the rule, but I desire to say before doing so to my good friend, the gentleman from New York [Mr. DELANEY] that his fears about the gouging and price raising that will result from the enactment of this bill are not borne out by 16 years of history between the time the Natural Gas Act was passed and the Phillips decision came down in June of last year. During that entire period, if there was any commodity that was worth what it cost it was natural gas.

As to the objections raised by my friend from Illinois [Mr. YATES] and my friend from West Virginia [Mr. STAGGERS] that this is not a satisfactory bill, may I point out that those are objections that can be allayed only if the rule is adopted and the House is given the opportunity of working its will on the substantive issues in this legislation. Objecting as they do to substantive provisions of the bill, it is difficult for me to see why they would object to this open rule which would make in order amendments to every word, line, paragraph, and section of the bill.

Nor can I appreciate the objections of those who contend that because some ambiguous newspaper account has left the impression that this bill may not be considered this session in another body. The responsibility of this House, Mr. Speaker, is here and in no other body. Furthermore, if we are to speculate about the program of another body, I think I should point out to the House that I have had word from a member of the Democratic policy committee of that Chamber that a decision on this bill has been postponed until this House acts.

Mr. Speaker, my primary reason for taking this time on the rule is to point out the urgent necessity of disposing of this matter and of making the position of the Congress known to the gas industry of this country. The Phillips decision has created a chaotic condition which only the Congress can resolve.

For 16 years following the enactment of the Natural Gas Act it was generally believed that independent producers were not intended to be regulated and the Federal Power Commission so held on 11 separate occasions. However, on June 7, 1954, the Supreme Court held in a 5-to-3 opinion in the so-called Phillips case that sales by independent producers and gatherers made in the field of production to interstate pipeline companies are subject to Federal Power Commission regulation and that all producers making such sales, whether made before, during, or after transmission in interstate commerce, are natural-gas companies under the Natural Gas Act and that the Federal Power Commission should regulate them. This presumably means that every sale of natural gas which finds its way to another State, whether made by a large corporation or by a one-gallused farmer, is subject to regulation and the seller is to be regulated as a public utility.

Shortly after the Supreme Court decision the Federal Power Commission enacted certain orders implementing it. These orders required the independent producers to file their contracts of sale and fixed their prices at the June 7, 1954, level and forbade any change in those prices regardless of contract provisions without the approval of the Federal Power Commission.

Thus a whole new industry has been subjected to Federal regulation as public utilities 16 years after the Natural Gas Act was passed, not by Congress but by the Supreme Court. Many of us believe that Congress expressly exempted the independent producers by providing in the Natural Gas Act that it should not apply to production or gathering. Moreover both the House and the Senate passed H. R. 1758, the Harris-Kerr bill, in 1950, which but for Presidential veto would have exempted the independent producers and gatherers expressly and beyond any doubt. Both the House and the Senate Committees on Interstate and Foreign Commerce in reporting the bill said that Congress did not intend by the 1938 Natural Gas Act to subject independent producers and gatherers to Federal regulation.

Since the Supreme Court decision it has been recognized by the proponents and the opponents of this bill and by the public at large that Congress would at this session pass legislation which would set at rest the status of independents under the Natural Gas Act.

New sales of natural gas to interstate pipelines dropped sharply immediately following the decision of the Supreme Court in the Phillips case. This was dramatically shown by the commitments made to 11 of the largest pipeline companies during the calendar years 1952, 1953, and 1954. In 1952 new commitments were 5 trillion, 300 billion; in 1953, 6 trillion, 397 billion; in 1954, which included only one-half year after the Supreme Court decision was rendered, the quantities of natural gas committed to interstate pipelines dropped to 2 trillion, 287 billion, or approximately one-third of what they were in 1953.

The Federal Power Commission has pondered the question of how and upon what basis the independents should be regulated. It has received and considered numerous briefs and has heard oral arguments from all who cared to be heard on the matter. But it has reached no decision. The producing industry therefore does not know whether Congress will nullify or modify what the Supreme Court has done, and if Congress takes no action, whether the Federal Power Commission will regulate the independents on the utility rate base theory, or market price, or on a combination of various factors. I doubt that even the Federal Power Commission itself knows the answers to these questions. The Federal Power Commission is unquestionably awaiting the action of

Congress before it even attempts to resolve them.

So far as the Federal Power Commission is concerned, there is complete breakdown of the regulatory process. Chairman Kuykendall, of the Federal Power Commission, testified before the Senate interstate and Foreign Commerce Committee with respect to the size of the job confronting the Federal Power Commission:

I don't think I would use the word "impossible," but I would say it is extremely difficult.

He said that the Federal Power Commission presently regulates about 120 pipelines, "probably less than 100 that really give us much work." For the fiscal year 1954, the Commission had an appropriation of $4.3 million and a staff of 625 persons. In that year there were 706 rate filings by natural-gas companies and 283 applications for certificates of convenience and necessity. Since taking over jurisdiction of independent producers, the Federal Power Commission by February of this year has received more than 10,000 rate filings and more than 5,000 certificate applications. This represents a staggering increase in the Commission's workload. It is now estimated that 1955 filings may exceed 20,000 or 60 times the number filed by pipeline companies regulated by the Federal Power Commission and 20 times the number of filings made with the Commission in 1954. Certainly to meet this additional responsibility a much larger staff and much larger appropriations will have to be made to the Federal Power Commission. The job is multiplied by the fact that due to the newness of the problem, due to differences in the characteristics of the producers, due to the fact that many of them have oil businesses intermingled with gas businesses, and to the further fact that they are scattered here and there and are not in one place like pipeline companies, it would cost several times this amount for it to endeavor to regulate producers as it costs to regulate pipeline companies. Certainly Congress should decide and decide now whether it intends to give the Federal Power Commission the job that the Supreme Court decision entails and if so to furnish it the necessary personnel and facilities to get the job done.

The decision of the Court has created economic uncertainty with respect to producers. At the present time a producer's contract is not worth anything to him. He enters into a contract for the sale of gas in interstate commerce at a certain price and the Commission comes along and advises that the price is too high, it can cut his price but he cannot withdraw his product. The result of this is that it has crippled the industry in many ways. It has caused many producers to hold back and to avoid making contracts until this matter is settled. Producers do not know whether they should go ahead and develop their properties or not. It has brought about uncertainties with respect to financing. Most oil and gas properties are developed and equipped at great expense on credit with financial institutions. Certainly no bank or other institution is going to advance funds to a producer who has no stable and dependable price. This creates the anomalous situation that if a producer has a contract to deliver his gas into intrastate lines at a contract price, he can arrange financing because his bank can depend upon his contract, whereas if he has the same contract to deliver his commodity into interstate commerce, neither he nor his bank can depend upon the price for which he has contracted.

That this depresses the whole credit structure which is so vital to this industry is beyond question. It curtails exploration and delays development to the detriment of all present and prospective consumers of natural gas.

The present status of the law has raised uncertainties in that no one seems to know, and certainly no one in the industry knows, what ultimate policy will be decided upon either by the Commission or by the courts or by the Congress. The industry and all those associated with it have come to the only place where they can come, the Congress of the United States, to try to get a definition and statement of policy with which they can live and within which they can operate.

Mr. Speaker, one thing is certain about this matter, and that is that Congress has never said explicitly, if at all, that independent producers should be federally regulated.

Now that the Supreme Court has placed the independent producers under the act, contrary to the Federal Power Commission's consistent interpretation and to the expression of the House and the Senate, it is time for the Congress to say whether the independents should be regulated. That opportunity is presented by this rule. I urge the House to adopt it and to proceed to the consideration of the bill.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 7 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, this is really an old story for me, because I have risen to speak on this measure and in favor of it when we were in the majority and when we were in the minority. I am associated, as I see now, on the majority side with the Speaker and the majority whip.

As a matter of fact, I spoke for a similar bill in 1950. And in the opening remarks in that debate, I said this:

This bill is almost identical with a bill introduced by the gentleman from Tennessee [Mr. PRIEST] in 1947 which was approved by the unanimous vote of the Federal Power Commission. It was approved by the Department of Defense. It was said by the Commission to be in line with the President's program.

Of course, in 1950 we had a Democratic Congress and we had a Democratic President. I only regret that the bill as passed by the Congress was not signed by the President because then this matter would have been back of us.

I was on the Committee on Interstate and Foreign Commerce in 1938 when we wrote the Natural Gas Act. I made a speech for the bill at that time. I well recall that we wrote in it specific language to exempt and not include within the provisions of the bill the production and gathering of gas, because we understood that to be a local matter. The then great chairman of the committee [Mr. LEA of California] was asked specifically if the production and gathering of gas was to be excluded, and he said it was to be excluded.

The gentleman from Illinois [Mr. YATES] referred to something that I had said about it. Here is what I did say:

However, the transportation of gas in interstate commerce in the pipelines and its sale to the distributing companies for resale is not subject to State regulation, and as a result we have had a situation under which the price charged the distributing company at the city gate has been fixed wholly by the judgment, discretion, or action of the interstate company. It is charged that in many cases that price is excessive. This bill seeks to regulate those prices.

What prices? The prices at the gate, and not the production and gathering of gas. That has been my position all through the years, and it is still my position. That is the reason I am for this rule and for this bill.

I would like to say just one other thing in connection with this. If you can fix the price at the wellhead for the production and gathering of gas, why not for oil? Why not for coal? It all goes into interstate commerce.

There is not any gas produced in my district. We are a consuming area.

Through the years I have been criticized by some columnists for supporting this legislation. They suggested that there must be something strange in anybody's being for the bill if he does not have gas in his district. You know, once in a while it might occur to some of these people that we can be for something as a matter of principle because it is right. That is why I am for this.

From the consumers' standpoint, I have a letter from the manager of the Citizens Gas & Coke Utility in Indianapolis, Ind. I want to read to you what he says. These are consumers.

1. The gas utility, which is a public charitable trust operated not for profit and as an executive department of the city of Indianapolis as successor trustee, is interested in the quantity of natural gas which can be made available to it more than the price it has to pay.

2. It is the sole supplier in Marion County of gas to residential, commercial, and industrial consumers, some of the latter of whom are in defense work. At present it is unable to obtain from its pipeline supplier, the only supplier in the area, adequate quantities of natural gas. Recently the Federal Power Commission in an allocation proceeding had no choice but to allocate to Indianapolis, because of shortages, less natural gas than it had requested from its supplier and less than actual needs.

3. Because of the reduction in quantity through the allocation, Indianapolis must manufacture water gas and other such gases as a supplement. These gases cost approximately 2½ times more than natural gas. These costs are reflected in the price of gas to our customers.

4. Free and open competition has proven to be a stimulus to enterprise, particularly to oil and gas exploration, in the United States. Regulation of production of natural gas, as will exist under the Phillips decision principle, may well deter exploration. If ex-

ploration is deterred, the shortage thus bound to result may be disastrous to the future growth of Indianapolis and may even prevent the serving of additional industrial and commercial customers.

5. Even though exploration were not deterred, regulation of production will tend to cause producers to sell their natural gas for consumption within the State where produced. This would mean that Indiana would receive even less than its inadequate present quantity allocated to it.

6. Natural gas is a premium fuel and is inexpensive. Even at prices greater than those now permitted by the Federal Power Commission it would be inexpensive.

7. Indianapolis hopes to serve more natural gas to its customers. If sufficient quantities become available to effect this move, Indianapolis would require at the outset in excess of 80,000 M c. f. each day. This quantity would materially increase year by year as this move is completed. Under present circumstances there is little hope of obtaining this quantity.

8. If production were stimulated, as we believe it will be by free competition, we feel that adequate quantities would soon become available to Indianapolis.

The reasons we question the principle of the Phillips decision are:

1. There is too much Federal regulation at present. We favor free and open competition which throughout the early years of our history proved that it was the stimulus to make ours the great Nation which it is.

2. It will tend to stifle individual initiative and risk taking which have contributed so much to the oil and gas industry since the first producer drilled his well at Titusville in 1876.

3. The more production, the greater are the opportunities for Marion County and its 500,000 inhabitants to grow and prosper.

4. Finally we believe that the Phillips principle may well produce an artificial shortage with its concomitant evils.

I cannot think of any better statement for this bill from the consumers' standpoint than the statement of the people of Indianapolis expressed in this letter from the general manager, and may I say a statement which has likewise been backed up by the Public Service Commission of Indiana.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Illinois.

Mr. YATES. Is it a better statement than the one the gentleman made in 1937 when he said:

> We have Federal regulation of the interstate transportation and sale of electrical energy. They all deal with public utilities or businesses said to be charged with a public interest. That is the reason this bill, dealing as it does with a competing commodity and a competing service, should, in my opinion, be passed to the end that the natural-gas industry shall be brought within the realm of Federal regulation so that the public interest and the interest of the ultimate consumer generally shall be protected.

Mr. HALLECK. If the gentleman cannot understand what that means in the light of what I have just said, I am terribly surprised. I believe that the transportation in interstate commerce in pipelines should be subject to Federal regulation and it is moving in interstate commerce. The price should be adjusted where the city utility gets it. But I say that the production and gathering of gas originally exempted in this bill is what we are here now talking about. If you can regulate that, then why not coal, why not oil, why not ore, why not wheat, why not every other thing that somebody digs or produces out of the ground?

Mr. COLMER. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. KLEIN].

Mr. KLEIN. Mr. Speaker, I usually take the position that we should vote up a rule and have full discussion on a bill in the Committee of the Whole. But I think in this case, and I hope many of you will agree with me, that at this late stage of the session, particularly when we know in advance that the other body will not take this matter up, that we are just using up 2 days, and perhaps more, needlessly, which we might devote to more important legislation, or legislation which has a chance of passage in this session.

I am a member of the committee and sat through most of the hearings. I asked a lot of questions. I may say at this time that I agree with our beloved Speaker when he talks about the high prices for natural gas in New York City. I have asked countless witnesses, who appeared before the committee, why it is that where the producer gets about 7 cents per thousand cubic feet at the wellhead, we had to pay $2.47 in New York City and no one ever answered the question. Who is to blame for this situation? How will we find the answer? My solution would be to vote down this rule. Let the Committee on Rules give us a rule on the resolution introduced by the gentleman from Arkansas [Mr. HARRIS] who is the author of this bill. Let us have a full investigation of all phases of this industry. Let us find out some of the things that are so important, and which we should know before we can legislate intelligently. Perhaps if the rule is voted down, and the bill is brought up again next session, some of us may vote for it. But, we do not know enough about it now. Why should we be rushed into it at this late stage? Why not take the time to investigate it and then take it up?

Mr. HESELTON. Mr. Speaker, will the gentleman yield?

Mr. KLEIN. I yield.

Mr. HESELTON. I regret very much and apologize to the gentleman for imposing on his time, which is so limited, but may I say I wish our side would give some of us who are opposed to this rule an opportunity to express that opposition. Let me add that there are 4 separate minority reports and 2 majority reports.

Mr. KLEIN. The gentleman is correct.

Mr. HESELTON. It is an imposition on the membership of this House to ask them to understand the reasons given by the members of the committee in those six reports. The full membership of the committee voted 16 to 15 on this matter after having voted 14 to 14 on the previous day, thus defeating it on initial consideration.

Mr. KLEIN. The gentleman is absolutely correct.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Speaker, a great committee of this body has asked that its legislation be heard by this body. It is entitled to have this legislation heard, and we should adopt this rule. I come from a great coal-producing State of our Union, the State of Pennsylvania. I have many friends in the coal-production business. I have fought their battles for them here, and I shall in the future fight for the coal industry in Pennsylvania and in other States. I am fighting for them now, and I am for this rule and for this legislation even though some coal producers do not agree with my position. Coal is traditionally King Coal. It has been King Coal for generations. The day will again come when coal will be king in the energy producing field for our Nation. Atomic energy, of which we hear much today, is not just picked out of the sky. It has to be produced, or collected in one place. Another form of energy goes into the preparation of atomic energy. Coal, of which we have unlimited quantities, will in the future, along with falling water transformed into electric energy, be the source of power, transferred into atomic energy, which is far more mobile. I do not want the day to come when we must have the producers, big and little, in my State of Pennsylvania, or West Virginia, subservient to the will of some Federal agency. The production of natural gas should be regulated—yes—by the States where it is produced; and the production of coal should be likewise regulated at a State level. I deplore the Federal Government extending its rule into the States of our Union under the guise that they are doing it for the welfare of all the people when in fact we are simply grasping power over the daily occupation of our people. Let us support this rule.

The SPEAKER. The time of the gentleman has expired.

Mr. COLMER. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. HAYWORTH].

Mr. HAYWORTH. Mr. Speaker, I would not oppose a rule simply for the purpose of defeating a bill, nor would I oppose a rule merely because a bill was a rather unpleasant thing for a good many Members to vote on; but in this instance we can legitimately oppose the rule because we are, in my opinion, too close to the end of the session.

This bill was passed out of committee June 28. We had a month during which some Fridays were not used, and which would have given us opportunity to discuss this. In addition, we could have gone to our districts to find the positions of our constituents. But when the bill is brought on the floor during the last few days of the session I submit we are not ready to vote. In this connection I want to give you one fact.

I talked to a Member from Michigan, one of my esteemed colleagues, in regard to his position on this bill, and he said: "I am going to vote for the Harris bill. I have opened my telegrams."

It just happens that I, too, opened my telegrams. In addition to opening my telegrams, most of which were for the Harris bill, I satisfied my curiosity by asking my office in Michigan to investigate the signers of these telegrams.

Every single one of the telegrams had been sent by an employee of an oil company or had been solicited by an employee of an oil company. We have a good many oil companies out in Michigan. Do you think these signers represented all the oil companies? No; only 2, and those 2 were companies owning vast gas reserves. So I know the source of the telegrams I got in support for the Harris bill. I think other Members might well investigate the source of any support for the Harris bill they may find in their districts.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the remainder of my time to the gentleman from Minnesota [Mr. O'HARA].

The SPEAKER. The gentleman from Minnesota is recognized for 3 minutes.

Mr. O'HARA of Minnesota. Mr. Speaker, may I say to my colleagues that the Committee on Interstate and Foreign Commerce spent some 13 weeks on hearings on this bill. The hearings are in 2 thick volumes of many, many pages each.

It is impossible for anyone in a few minutes to express his views on such important legislation. With all due respect to what has been said on both sides, but little of the issues have been presented to you because of the shortness of time.

Let me say to you that I think it is the solemn responsibility of responsible Members of Congress to discuss and debate those issues and to vote the legislation up or down.

There is no one in this Chamber more anxious for the Congress to adjourn and to get away from Washington than I, but I do say to you that I recognize the very clever appeal made this morning by those who oppose this legislation to defeat the legislation summarily by voting down the rule. I think however there is a tremendously important principle involved in this legislation. It would be politically expedient for me, and the easy way out for me, to vote against the rule and to vote against this legislation, but in doing so I would feel I was doing an injustice to the consumers of my district, and mine is a completely consuming district as is my State, in the matter of gas, that I would be doing an injustice to their future supplies of gas by voting against this rule and voting against this legislation.

I do not believe I have ever made a prophecy or attempted to make a prophecy on any legislation, but let me say to you in all seriousness, Mr. Speaker, that if this rule is defeated or this legislation is defeated I feel as sure as I possibly can, and prophesy that gas consumers will be paying more for their gas 5 years from now, a great deal more than they are paying now. Let me give my reasons for making that statement. You are not going to have capital to finance the independent, rugged individualist, the producer, who goes out and finds this gas. He will not go out and risk his money and his time and his effort unless you let him know that he is not a public utility.

I do not know whether all of you realize this or not, but I want to say that the Phillips decision made every little independent gas producer a public utility, subject to all the redtape and controls of a public utility, and is subject to all the harassment and restraints as such.

Mr. COLMER. Mr. Speaker, I yield 2 minutes to the gentleman from Arkansas [Mr. HARRIS], author of the bill.

Mr. HARRIS. Mr. Speaker, I hope my colleagues will give us an opportunity to present the basic facts involved here today to the Members of the House. I say to you, Mr. Speaker, with firm conviction that if we, the members of our committee who have written this legislation, are given an opportunity to explain it to you, and if we cannot convince you that this is in the interest of the American public, then vote against it.

Let us adopt this rule. Give me an opportunity to explain to you what the bill does. Let us not jump at assumptions and conclusions, but let us consider this issue on the facts. That is all I am asking you to do.

Yes, they say, let us put it off, let us postpone it. The opponents of this legislation have been proposing that ever since the consideration of this bill started. The gentleman from New Jersey [Mr. WOLVERTON], my distinguished and genial colleague and friend on the committee, started out with the purpose in mind of postponing and continuing and continuing into the future the consideration of this matter. Here today they are asking you to do the same thing and they would be back next year asking you to do the same thing, with the exception, possibly, of the gentleman from New York [Mr. KLEIN] who indicated he might change his mind. But do you believe that? They would be back next year with the same kind of an appeal, postpone it, let us put it off. Those are the tactics of the opposition.

Let us adopt this rule, let us go into this question on the merits of the bill.

Mr. COLMER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks at this point in the RECORD on H. R. 6645.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. BENNETT of Florida. Mr. Speaker, it is my sincere hope that the House will approve the rule on this bill and consider and perfect legislation to relieve the producers of natural gas from unnecessary regulation. Jacksonville, Fla., a great industrial city, is in the district which I have the honor to represent here. We in that city have not had the privilege of having natural gas for our homes and our industries. We would like to have this new source of heat and power. Putting unnecessary regulations on the producers of natural gas would seem to discourage the search for this fuel in the gas fields and discourage the expansion of pipelines. Thus I believe that as a representative of potential consumers it is my duty to attempt to secure this new source of heat and power for them by the elimination of any and all unnecessary burdens on those who might seek to find new gas fields and who might seek to extend their distribution to new consumers.

Mr. COLMER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

Mr. WOLVERTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 273, nays 135, not voting 26, as follows:

[Roll No. 135]

YEAS—273

Abbitt	Elliott	Mahon
Abernethy	Ellsworth	Mailliard
Adair	Fascell	Martin
Albert	Fenton	Mason
Alexander	Fernandez	Matthews
Alger	Fisher	Meader
Allen, Calif.	Fjare	Merrow
Allen, Ill.	Flood	Metcalf
Andersen, H. Carl	Ford	Miller, Calif.
	Forrester	Miller, Md.
Andresen, August H.	Fountain	Miller, Nebr.
	Fulton	Miller, N. Y.
Andrews	Gary	Mills
Arends	Gathings	Minshall
Ashmore	Gavin	Morano
Aspinall	Gentry	Moulder
Avery	George	Murray, Tenn.
Bailey	Grant	Natcher
Baldwin	Gray	Nelson
Barden	Green, Oreg.	Nicholson
Bass, Tenn.	Gubser	Norrell
Bates	Gwinn	O'Brien, N. Y.
Baumhart	Hale	O'Hara, Minn.
Beamer	Haley	Osmers
Becker	Halleck	Passman
Belcher	Harden	Patman
Bell	Harris	Pelly
Bennett, Fla.	Harrison, Nebr.	Pfost
Bennett, Mich.	Harrison, Va.	Phillips
Bentley	Harvey	Pilcher
Berry	Hays, Ark.	Poage
Betts	Hays, Ohio	Poff
Blitch	Hébert	Preston
Boggs	Henderson	Priest
Boland	Herlong	Prouty
Bolton, Frances P.	Hess	Quigley
	Hiestand	Reed, Ill.
Bolton, Oliver P.	Hill	Rees, Kans.
	Hinshaw	Rhodes, Ariz.
Bonner	Hoffman, Ill.	Richards
Bow	Holifield	Riley
Bray	Holt	Robeson, Va.
Brooks, La.	Hope	Robsion, Ky.
Brooks, Tex.	Horan	Rogers, Colo.
Brown, Ga.	Hosmer	Rogers, Fla.
Brown, Ohio	Huddleston	Rogers, Mass.
Broyhill	Hull	Rogers, Tex.
Budge	Hyde	Rutherford
Burdick	Ikard	Schenck
Burleson	Jackson	Scrivner
Burnside	James	Scudder
Bush	Jarman	Selden
Byrnes, Wis.	Jenkins	Sheehan
Carlyle	Jennings	Sheppard
Carrigg	Johansen	Short
Cederberg	Johnson, Calif.	Shuford
Chase	Jonas	Sieminski
Chatham	Jones, Mo.	Sikes
Chelf	Jones, N. C.	Simpson, Ill.
Chenoweth	Judd	Simpson, Pa.
Christopher	Kearns	Smith, Kans.
Church	Kee	Smith, Miss.
Cole	Kelley, Pa.	Smith, Va.
Colmer	Keogh	Springer
Cooley	Kilday	Steed
Coon	Kilgore	Taber
Cooper	King, Calif.	Teague, Calif.
Cramer	King, Pa.	Teague, Tex.
Crumpacker	Knox	Thomas
Cunningham	Knutson	Thompson, La.
Curtis, Mass.	Krueger	Thompson, Mich.
Dague	Laird	
Davis, Ga.	Landrum	Thompson, Tex.
Davis, Tenn.	Lankford	Thomson, Wyo.
Deane	LeCompte	Thornberry
Dempsey	Lipscomb	Tollefson
Denton	Long	Trimble
Derounian	Lovre	Tuck
Devereux	McConnell	Udall
Dies	McCormack	Utt
Dixon	McCulloch	Van Pelt
Dondero	McDonough	Van Zandt
Donohue	McDowell	Velde
Dorn, S. C.	McGregor	Vinson
Dowdy	McIntire	Vorys
Doyle	McMillan	Vursell
Durham	McVey	Walter
Edmondson	Mack, Wash.	Weaver

Westland	Williams, Miss.	Wolcott
Whitten	Willis	Wright
Wickersham	Wilson, Ind.	Young
Widnall	Winstead	Younger
Wigglesworth	Withrow	

NAYS—135

Addonizio	Garmatz	O'Neill
Ashley	Gordon	Ostertag
Auchincloss	Granahan	Patterson
Ayres	Green, Pa.	Philbin
Baker	Gregory	Pillion
Barrett	Griffiths	Polk
Bass, N. H.	Gross	Powell
Bolling	Hagen	Price
Bosch	Hand	Rabaut
Bowler	Hayworth	Rains
Boyle	Heselton	Ray
Brownson	Hoeven	Reuss
Buckley	Hoffman, Mich.	Rhodes, Pa.
Byrne, Pa.	Holmes	Riehlman
Canfield	Holtzman	Roberts
Cannon	Jensen	Rodino
Carnahan	Johnson, Wis.	Rooney
Celler	Jones, Ala.	Roosevelt
Chudoff	Karsten	Sadlak
Clark	Kean	St. George
Corbett	Keating	Saylor
Coudert	Kelly, N. Y.	Schwengel
Cretella	Kirwan	Scott
Davidson	Klein	Seely-Brown
Davis, Wis.	Kluczynski	Siler
Dawson, Ill.	Lane	Sisk
Dawson, Utah	Lanham	Smith, Wis.
Delaney	Latham	Spence
Diggs	Lesinski	Staggers
Dodd	McCarthy	Sullivan
Dollinger	Macdonald	Talle
Dolliver	Machrowicz	Taylor
Dorn, N. Y.	Mack, Ill.	Thompson, N. J.
Engle	Madden	Tumulty
Evins	Magnuson	Vanik
Fallon	Marshall	Wainwright
Feighan	Mollohan	Watts
Fine	Morgan	Wharton
Fino	Moss	Wier
Flynt	Multer	Williams, N. J.
Fogarty	Murray, Ill.	Williams, N. Y.
Forand	Norblad	Wolverton
Frazier	O'Brien, Ill.	Yates
Frelinghuysen	O'Hara, Ill.	Zablocki
Friedel	O'Konski	Zelenko

NOT VOTING—26

Anfuso	Donovan	Perkins
Blatnik	Eberharter	Radwan
Boykin	Gamble	Reece, Tenn
Buchanan	Hardy	Reed, N. Y.
Byrd	Hillings	Rivers
Chiperfield	Kearney	Scherer
Clevenger	Kilburn	Shelley
Curtis, Mo.	Morrison	Wilson, Calif.
Dingell	Mumma	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Boykin for, with Mr. Dingell against.

Mr. Mumma for, with Mr. Anfuso against.

Mr. Hardy for, with Mr. Radwan against.

Mr. Rivers for, with Mr. Chiperfield against.

Mr. Morrison for, with Mrs. Buchanan against.

Mr. Byrd for, with Mr. Kearney against.

Until further notice:

Mr. Blatnik with Mr. Hillings.

Mr. Shelley with Mr. Scherer.

Mr. Donovan with Mr. Reece of Tennessee.

The result of the vote was announced as above recorded.

MUTUAL SECURITY APPROPRIATION BILL, 1956

The SPEAKER. The Chair is going to recognize now the gentleman from Louisiana [Mr. PASSMAN] to call up a conference report.

Mr. PASSMAN. Mr. Speaker, I call up the conference report on the bill (H. R. 7224) making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes, and ask unanimous consent that the statement of the Managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT NO. 1501)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7224) "making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 10, 16, 19, 22 and 23.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 5, 11, 13, 17, 18, 20, 25 and 26, and agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$800,000,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$127,500,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,200,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$58,366,750"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 6, 7, 8, 21 and 24.

OTTO E. PASSMAN,
J. VAUGHAN GARY,
JOHN J. ROONEY,
CLARENCE CANNON,
A. M. FERNANDEZ,
HENDERSON LANHAM,
WILLIAM H. NATCHER,
WINFIELD K. DENTON,
JOHN TABER,
R. B. WIGGLESWORTH,
IVOR D. FENTON,
GERALD R. FORD, Jr.,
T. MILLET HAND,
Managers on the Part of the House.

CARL HAYDEN,
DENNIS CHAVEZ,
ALLEN J. ELLENDER,
LISTER HILL,
EARLE C. CLEMENTS,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
WILLIAM F. KNOWLAND,
EVERETT M. DIRKSEN
(except as to amendments Nos. 1, 2, and 3),
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7224) making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

MUTUAL SECURITY

Amendments Nos. 1, 2, and 3—Military Assistance: Eliminate Senate language making funds available until expended, appropriate $705,000,000 as proposed by the House instead of $1,125,000,000 as proposed by the Senate, and continue available not to exceed $33,900,000 of unobligated and unreserved funds as proposed by the House.

The situation in Asia makes it not only desirable but imperative that the United States provide assistance which will enable the National Government of the Republic of China to establish and train reserve forces on Formosa in line with testimony presented to both committees. This project should be undertaken at once, and it is the sense of the conferees that the necessary funds for this purpose be taken from the appropriations made by this Act.

Amendment No. 4—Direct forces support: Appropriates an additional $12,200,000 for Formosa and Thailand as proposed by the Senate.

Amendment No. 5—Defense support, Europe: Appropriates $85,500,000 as proposed by the Senate instead of $70,000,000 as proposed by the House.

Amendment No. 6—Defense support, Europe: Reported in disagreement.

Amendments Nos. 7 and 8—Defense support, Near East and Africa: Reported in disagreement.

Amendments Nos. 9 and 10—Defense support, Asia: Appropriate $800,000,000 instead of $775,000,000 as proposed by the House and $827,800,000 as proposed by the Senate, and continue available not to exceed $25,000,000 of unobligated balances as proposed by the House.

Amendment No. 11—Development assistance, Asia: Appropriates $51,000,000 as proposed by the Senate instead of $61,000,000 as proposed by the House.

Amendment No. 12—Technical cooperation, general authorization: Appropriates $127,500,000 instead of $125,000,000 as proposed by the House and $130,000,000 as proposed by the Senate.

Amendment No. 13—Intergovernmental Committee for European Migration: Appropriates $12,500,000 as proposed by the Senate instead of $10,000,000 as proposed by the House.

Amendment No. 14—United Nations' refugee fund: Appropriates $1,200,000 instead of $1,000,000 as proposed by the House and $1,400,000 as proposed by the Senate.

Amendments Nos. 15 and 16—United Nations Relief and Works Agency: Appropriate $58,366,750 instead of $56,366,750 as proposed by the House and $60,366,750 as proposed by the Senate, and continue available not to exceed $3,633,250 of unobligated balances as proposed by the House.

Amendment No. 17—Ocean freight charges, United States voluntary relief agencies: Appropriates $2,000,000 as proposed by the Senate instead of $1,500,000 as proposed by the House.

Amendment No. 18—Ocean freight charges, surplus agricultural commodities: Appropriates $13,000,000 as proposed by the Senate instead of $10,000,000 as proposed by the House.

Amendments Nos. 19 and 20—President's fund for Asian Economic Development: Appropriate $100,000,000 as proposed by the House instead of $150,000,000 as proposed by the Senate, and continue funds available through June 30, 1958 as proposed by the Senate.

Amendment No. 21: Reported in disagreement.

Amendment No. 22—General provisions, section 105: Eliminates language proposed by the Senate. The State Department has a duty in all cases to protect all the rights of Americans under treaties; and particularly, it is the sense of the conferees that every effort must be made to assure that treaty provisions are fully carried out by every nation which is receiving assistance under this act.

Amendment No. 23—General provisions, section 106: Eliminates language proposed by the Senate.

Amendment No. 24—General provisions, section 108: Reported in disagreement.

Amendments Nos. 25 and 26: Change section numbers.

OTTO E. PASSMAN,
J. VAUGHAN GARY,
JOHN J. ROONEY,
CLARENCE CANNON,
A. M. FERNANDEZ,
HENDERSON LANHAM,
WILLIAM H. NATCHER,
WINFIELD K. DENTON,
JOHN TABER,
R. B. WIGGLESWORTH,
IVOR D. FENTON,
GERALD R. FORD, Jr,
T. MILLET HAND,

Managers on the Part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. PASSMAN. Mr. Speaker, I am sure that all Members of the House are familiar with the mutual-security appropriation bill, and what has happened during the different phases of its consideration; therefore, the members of the Mutual Security Subcommittee on Appropriations will not use the time allotted to debate the conference report. Rather, I shall file a very brief explanation as to the total reductions made in the President's budget estimate. They are as follows:

Amount of budget estimate	$3,266,641,750
Amount as passed House	2,638,741,730
Amount as passed Senate	3,205,841,750
Amount as agreed to in conference	2,703,341,750
Conference below budget	563,300,000
Conference below Senate	502,500,000
Conference above House	64,600,000

I think I should mention that in conference we agreed to reappropriate not to exceed $62,533,250 of unobligated balances. This is the figure contained in the House bill. Furthermore, the conferees agreed that not to exceed $302 million, representing an overpayment to the Air Force, be validated to permit further deliveries of aircraft and related items by the Air Force.

It was not the purpose of the House conferees to take advantage of the technical situation that developed with respect to the $302 million item, because during the year there are hundreds of millions of dollars in the mutual-security program obligated and then, for legal reasons if not sufficient reasons, deobligated and reobligated; and the $302 million item is one of the items that was brought to light at, shall we say, the psychological moment and of course that attracted unusual attention; however, the procedure in permitting such items to be validated and reappropriated is not unusual.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 6: Page 2, line 18, insert ": *Provided*, That at least $50,000,000, on a grant basis, shall be made available for assistance to Spain exclusive of Technical Exchange: *Provided further*, That not less than $22,000,000 of the amount available for Spain shall be used for agricultural commodities."

Mr. PASSMAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 7: Page 2, line 3, strike out "$102,500,000" and insert "$113,700,000."

Mr. PASSMAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 8: Page 3, line 31, insert "including not less than $26,200,000 for assistance to Greece."

Mr. PASSMAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 21: Page 6, line 1, insert "To the extent authorized by the Mutual Security Act of 1955, the unexpended balances of funds appropriated under authority of the Mutual Security Act of 1954 (except for $100,000,000) are hereby continued available for the general purposes for which appropriated, and may be consolidated with appropriations made available for the same general purposes in this act."

Mr. PASSMAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 21, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"Funds appropriated under each paragraph of this act (other than appropriations under the head of military assistance), including specified amounts of unobligated balances, and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made for the same general purpose as such paragraph, which amounts are hereby continued available during the fiscal year 1956, may be consolidated in one account for each paragraph."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 24: Page 12, insert after line 11 the following:

"SEC. 108. Funds heretofore or hereafter allocated to the Department of Defense from any appropriation for military assistance (including funds consolidated with any such appropriation but excepting funds obligated directly against any such appropriation for offshore procurement or other purposes) shall be accounted for by geographic area and by country solely on the basis of the value of materials delivered and services performed (such value to be determined in accordance with the applicable provisions of law governing the administration of military assistance). Within the limits of amounts available from funds so allocated, the Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursement from such allocations, and no funds so allocated and available shall be withdrawn by administrative action until the Secretary of Defense shall certify that they are not required for liquidation of obligations so incurred. Unobligated amounts of such allocations equal to the value of orders placed with the military departments against such allocations shall be reserved and shall remain available until expended, for making such reimbursements (except in case of funds obligated directly against such allocations) only upon the basis of materials delivered and services rendered: *Provided*, That reports of items to be delivered against funds reserved as provided herein shall be furnished quarterly by the Secretary of Defense to the Committees on Appropriations of the Senate and the House of Representatives and, not less often than once each quarter, said Secretary shall make a detailed report to the Committees on Appropriations of the Senate and the House of Representatives, on a delivery or service-rendered basis, on all military assistance funds allocated and available to the Department of Defense as of the end of the preceding quarter: *Provided further*, That no reimbursements for materials or services shall be made after June 30, 1955, until the value of materials delivered and services performed shall equal the amount of expenditures made from all appropriations herein and heretofore made for military assistance as of said date: *Provided further*, That in the event the President shall determine that supplies and equipment ordered against funds so allocated are required for the defense of the United States, the amount allocated for supplies and materials required for such purpose shall be returned to the appropriation from which allocated: *Provided further*, That funds appropriated in this act for military assistance (including funds consolidated with any such appropriation), shall be maintained in one account, and funds made available to the Department of Defense under section 401 of the Mutual Security Act of 1954, as amended, may be, where authorized by the President, maintained in such account, which shall be used for all transactions involving military assistance."

Mr. PASSMAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 24, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"SEC. 108. Funds heretofore or hereafter allocated to the Department of Defense from any appropriation for military assistance (including funds consolidated with any such appropriation but excepting funds obligated directly against any such appropriation for offshore procurement or other purposes) shall be accounted for by geographic area and by country solely on the basis of the value of materials delivered and services performed (such value to be determined in accordance with the applicable provisions of law governing the administration of military assist-

ance). Within the limits of amounts available from funds so allocated, the Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursement from such allocations, and no funds so allocated and available shall be withdrawn by administrative action until the Secretary of Defense shall certify that they are not required for liquidation of obligations so incurred. Unobligated amounts of such allocations equal to the value of orders placed with the military departments against such allocations shall be reserved and shall remain available until June 30, 1958, for making such reimbursements (except in case of funds obligated directly against such allocations) only upon the basis of materials delivered and services rendered: *Provided*, That reports of items to be delivered against funds reserved as provided herein shall be furnished quarterly by the Secretary of Defense to the Committees on Appropriations of the Senate and the House of Representatives and, not less often than once each quarter, said Secretary shall make a detailed report to the Committees on Appropriations of the Senate and the House of Representatives, on a delivery or service-rendered basis, on all military assistance funds allocated and available to the Department of Defense as of the end of the preceding quarter: *Provided further*, That no reimbursements for materials or services shall be made after June 30, 1955, until the value of materials delivered and services performed shall equal the amount of expenditures made from all appropriations herein and heretofore made for military assistance as of said date: *Provided, however*, That not to exceed $302,000,000 of any reimbursement heretofore made by the Air Force to military assistance appropriations as of June 30, 1955, pursuant to the provisions of this section shall be considered null and void and materials and services of an equivalent amount shall be delivered or performed by the Air Force for military assistance purposes without reimbursement: *Provided further*, That in the event the President shall determine that supplies and equipment ordered against funds so allocated are required for the defense of the United States, the amount allocated for supplies and materials required for such purpose shall be returned to the appropriation from which allocated: *Provided further*, That funds appropriated in this act for military assistance (including specified amounts of unobligated balances and funds consolidated with any such appropriation), amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, and, where authorized by the President, funds made available to the Department of Defense under section 401 of the Mutual Security Act of 1954, as amended, shall be maintained in one account which shall be used for all transactions involving military assistance during the current fiscal year and no expenditure shall be made from such account except as may be within the limits of the sum of the amounts mentioned in this proviso: *Provided further*, That nothing in this act shall be construed as making any appropriation or fund available for obligation after the end of the current fiscal year except as may be necessary for reimbursements authorized herein."

Section 110 of the act of September 3, 1954 (Public Law 778) is hereby repealed.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks at this point in the RECORD on the Mutual Security Act conference report just considered.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

AMENDING NATURAL GAS ACT

Mr. PRIEST. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6645) to amend the Natural Gas Act, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6645, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Tennessee [Mr. PRIEST] will be recognized for 1 hour and 30 minutes and the gentleman from New Jersey [Mr. WOLVERTON] will be recognized for 1 hour and 30 minutes.

The Chair recognizes the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Chairman, I yield 30 minutes to the author of this bill, the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman, first let me express my thanks and appreciation for the vote on adoption of the rule so that this proposed legislation might be considered.

Mr. Chairman, the Committee on Interstate and Foreign Commerce presents to the House this bill, H. R. 6645, to amend the Natural Gas Act of 1938. This is a good bill. It is a highly important and necessary bill.

This is the bill you have heard so much about for some time. It has been widely discussed on most every corner, in the corridors, Speaker's lobby, cloakrooms and elsewhere.

There has been a great deal of publicity on this subject by the newspapers throughout the country. It is a subject of intense interest and one that has been thoroughly considered.

We have in this legislation a fundamental principle which should be considered on its merits, based on actual facts. It is my conviction that it should be settled now, in the interest of the public.

I recognize, Mr. Chairman, that this is quite a controversial issue, stating it mildly, and I know there are honest differences of opinion.

It is easy for some to get worked up over this question, and, sometimes, for tempers to flare, but I hope that we can consider and resolve this question in a calm and deliberate manner. It certainly will not be my intention to antagonize anyone, and I approach this with conviction in the friendliest manner. In fact, this is the moment that I would like very much to "win friends and influence people."

Now, Mr. Chairman, I do not claim to be an expert on this subject. I do not claim to know all there is about it. I have given a great deal of time and study to it and I feel that I do know something about the question. I have no interest or stock in any oil or gas company or a natural gas company, or any utility. I approach and consider this question as a fundamental one which I believe to be in the best interest of all the public.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I am glad to yield to the gentleman from California, the coauthor of this legislation.

Mr. HINSHAW. I would like to say if any Member of the House has ever made a study of any subject, the gentleman from Arkansas has made one of the most complete studies that has ever been made, and this, in my opinion, is the best solution of a very difficult and complex problem that perplexes us all. I had the honor to introduce a duplicate of the gentleman's bill, and I support it completely.

Mr. HARRIS. I thank the gentleman for the compliment.

I respect the honest views of those who have a different opinion. I do not in any way impugn the motives of anyone and as everyone here knows I have the highest respect and esteem for all our colleagues.

I do want to say, however, that in my opinion, a lot of misunderstanding and a lot of misconceptions have been and are being "strowed all over the lot." There are great contentions and loud acclaims injected, which in my opinion, have no basis whatsoever. I want to announce to all Members at the outset, that we are prepared to answer such claims and to explain those questions that do have substance and merit.

Now, Mr. Chairman, with that preface, let us turn our attention to the question involved. I realize to some this is rather technical. I hope, therefore, that I may have the attention of the Members and I believe that I can explain to your satisfaction the need for this legislation and just what it does. In doing so, I will answer many of the contentions raised in opposition.

In the first place, you may ask why is this necessary? Why is it here before us? And what is the need for it?

Let me give you briefly the background which leads us to this legislation.

The Natural Gas Act was enacted by Congress in 1938, after long, extensive and exhaustive study and investigation. The Congress declared "that the business of transporting and selling natural gas for ultimate distribution to the public is affected with a public interest."

In the passage of the act, the Congress established the concept which recognized as a principle that there were three distinct segments of the natural-gas industry.

The first segment was the producing phase of the industry which is affected by this bill as I will later explain.

The second segment of the industry recognized by the Congress was the interstate transportation of natural gas by natural-gas companies. It was this segment the Congress dealt with as the gap referred to in the original act that should be closed. The interstate transporters of natural gas were defined as "natural-gas companies."

They were utilities, granted a franchise, given the assurances of utility protection and thus brought under the regulation of the Federal Government.

This bill does not affect, reduce or in any way change the authority of the Federal Power Commission to regulate this segment of the industry. In fact, it strengthens the hands of the Federal Power Commission to regulate these interstate, long line, transporters of natural gas.

The third segment of the industry recognized under the original concept of the Act was the distributing of natural gas by local distributors to the consumers. The jurisdiction of this phase of the industry was exempted and left to the States on a local basis, just as the jurisdiction of the producing and gathering was exempted under the Act.

As already stated, the question here involves the jurisdictional status of the producing phase of this industry. It was thought and I firmly believe that it was intended by Congress to exempt from Federal regulation the producers and gatherers of natural gas.

The Congress said in the passage of the act in the very first section, that it "shall apply to the transportation, to the sale in interstate commerce of natural gas for resale, for ultimate public consumption", and so forth.

But it said also, that it "shall not apply to the production or gathering of natural gas." I believe the Congress meant just what it said.

The question of this exemption was raised immediately after the passage of the act and the Federal Power Commission held in the Columbian Fuel Corp. case that the Congress did not intend to subject to regulation the producers of natural gas.

For some 16 years, the Federal Power Commission has consistently adhered to this interpretation, and so has administered the act.

A year ago, June 7, 1954, the Supreme Court of the United States in a sharply divided decision held in the Phillips Petroleum case that the act applied to the independent producers of this commodity. The majority opinion held "That the overriding congressional purpose was to plug the gap in regulating of natural-gas companies."

There is nothing in the record and I challenge anyone to show anywhere that the producing segment of the natural-gas industry was considered in any way to be a part of this so-called gap which should be filled, to protect consumers.

There is nothing in the history of the legislation which even indicated that it was intended that the producers of natural gas were "natural-gas companies." It was the interstate transportation companies, the long lines, those carrying gas across State lines to the city gates that were declared to be natural-gas companies under the act and again, I challenge anyone to show otherwise.

Nevertheless, the Supreme Court has now decided on this specific question. Now many of you have asked me why do you bring this hot question before us. It is not because of the Congress, it is not because of our committee, it is not because I necessarily wanted to but it is because of this strange interpretation of the highest Court of our land.

Mr. MORANO. I just want to ask this: Was there any decision made previous to the Supreme Court decision?

Mr. HARRIS. Not on the direct point.

Mr. MORANO. On any related point, in a lower court?

Mr. HARRIS. Yes; of course; the lower court held with the Federal Power Commission. The circuit court of appeals reversed the lower court and the United States Supreme Court upheld the circuit court of appeals.

Mr. MORANO. I mean in a different case, not in the Phillips case.

Mr. HARRIS. Not on the direct point; no.

Now why do we have this legislation? The effect of the Phillips decision is that every independent producer of natural gas in this country became a natural-gas company, and therefore a public utility. The question has been raised why not make producers a public utility? They ask what is wrong with it? Well now, surely no one can be so naive and I do not say that in the spirit of criticism or reflection. But I repeat, surely, Mr. Chairman, no one could be so naive.

There are thousands of independent gas producers. The best information that we could obtain shows there must be about 8,000 of them.

Gas as a resource is subject to far different criteria in its production and in the development of a reliable source of supply than the ordinary service rendered by a utility company. That is axiomatic.

None of the usual protection and privileges of a public utility is presented in the production phase of natural gas. The producer can be given no monopoly or area or territory. He cannot be protected by restricted entry or by franchise. He has no protected market and certainly, is not assured of what his price will be when he starts out looking and searching for this fuel.

On the contrary, the field is wide open for anyone, come ye all, who are willing to enter the exploration and production business of natural gas. It is a highly speculative, hazardous, and competitive business. It only follows that as the price provides the incentive, more and more producers are attracted to the business.

Furthermore, the producer sells his commodity to anyone who wants to buy it. He may sell it to an intrastate pipeline, regulated by a State utility commission. He may sell it to an interstate pipeline regulated by the Federal Power Commission. He may sell it to an independent buyer far out in the field as is so often done. He may sell it to an industry on direct sales basis. So many times these various sales will be made from the same well or from the same gathering lines or from the same natural-gas processing plant.

For these reasons, any one who will consider the facts, under our system, can readily see that to even contemplate this business as a utility business results in an impossible situation.

Mr. Justice Douglas, in a terse dissenting opinion, pinpointed this problem. He said the history and the language of the act are against Federal regulation and if there were to be Federal control, the Congress should provide it.

Thus we have a most chaotic condition existing in one of the largest industries in this country. An industry that has discovered and thus made available 211 trillion cubic feet of this premium and most desired fuel. An industry that is serving some 27 million customers. Millions more are demanding service because of the cleanliness, convenience, and combustion efficiency. It is most desirable for residential purposes.

Now then, how many are going to subject themselves to such Federal control and regulation and go out and look for this product? Who is going to subject himself to the regulatory devices typically used in the regulation of public utilities? Who is coming to Washington for a Certificate of Public Convenience and necessity to go out and explore and develop a gas field? Because of the speculative and hazardous element, how can anyone file a schedule of rates and charges or tell what extension or movement of such facilities would be necessary. How could one comply with inter connection of facilities in such an operation? Is a wild catter going to hurry to Washington for permission to abandon a dryhole? When you go out and take a chance, how can you keep a uniform system of accounts, records, and memoranda? Place all of this information in open record in the development of a new field and see what happens to the lease and royalty business. Subject yourselves to inspection of all of this information and see what happens. All of this, Mr. Chairman, leaves the industry in the most chaotic condition of my experience in the history of this business that means so much to so many.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman for a brief question.

Mr. EDMONDSON. I compliment the gentleman on his splendid statement. I want to confirm from my own personal knowledge what the gentleman has said about the very great risk entailed in independent production, and the large number of people who literally have lost the shirts off their backs in the hunt for oil and gas reserves. I think anybody who lives in an area of that kind can verify the fact that the seeking of oil and of gas is one of the most intensely and truly competitive enterprises we have in America today. I certainly think the gentleman is giving the House of Representatives the gospel truth when he tells us these things about the industry.

Mr. HARRIS. I thank the gentleman very much.

Now in addition to this, there is imposed such an enormous administrative burden that it makes an impossible situation on the Federal Power Commission. I say to you, the public interest does not require such regulation of producers as public utilities.

Now this brings us to the point where corrective action was initiated to bring about the clarification of this problem.

On July 30, 1954, the President established an Advisory Committee on Energy Supplies and Resources Policy. The Director of the Office of Defense Mobilization was designated as chairman and the Secretaries of the Departments of State, Treasury, Defense, Justice, Interior, Commerce and Labor, served as members.

At the direction of the President the Committee made a study to evaluate all factors pertaining to the continued development of energy supplies and resources fuels in the United States, with the aim of strengthening the national defense, providing orderly industrial growth, and to assure supplies for our expanding national economy and for any future emergency.

On February 26, this year, the White House released the report of this Committee. Now here is what it says and recommends with reference to natural gas regulation:

We believe the problem of natural gas regulation should be approached from the viewpoint of assuring adequate supplies and the discovery and development of additional reserves to support such supplies, in the interests of national defense, an expanding domestic economy, and reasonable prices to consumers.

To secure these objectives, it is essential to give due consideration to (1) the operations known as the production of natural gas, (2) the transportation of gas in interstate transmission lines, and (3) the distribution of gas in municipalities.

This is the same concept recognized in the original act.

Further the report and recommendation says:

Individual companies may engage in more than one of these activities. Each operation of such companies should be treated by like criteria according to its appropriate industry function.

Now, let us go a little further. What else does it say? This is the President's Cabinet Commission report. It says:

In the interest of a sound fuels policy and the protection of the national defense and consumer interests by assuring such a continued exploration for and development of adequate reserves as to provide an adequate supply of natural gas, we believe the Federal Government should not control the production, gathering, processing or sale of natural gas prior to its entry into an interstate transmission line.

Thus far the report and recommendation is in complete harmony with what I believe to have been the intention of the Natural Gas Act when it was passed in 1938.

But let us go a step farther. Here is a new concept. Here is recommendation for new authority. Here is a suggestion of what should be done to protect consumers. Listen to this now: The President's committee said that the interstate transmission of natural gas by the interstate transmission lines and the subsequent sale of such gas for resale is a public utility function, and should be under the regulation of the Federal Power Commission, but the report says, in recommending this new authority, that—

In considering the certification of new lines and applications for increased rates based on new or renegotiated purchase contracts, the Commission should consider, in order to provide protection for the consumer, not only the assurance of supply but also whether the contract prices of the natural gas which the applicant has contracted to buy are competitively arrived at and represent the reasonable market field price, giving due consideration, in the interest of competition, to the reasonableness and appropriateness of contract provisions as they relate to existing or future market field prices.

Now, Mr. Chairman, within the framework of this report and recommendation of the President's committee, and after conferring with our beloved Speaker, who has announced his wholehearted support for this corrective legislation and after conferring with other members of the committee, a bill was prepared to carry out the stated objectives.

On March 2 my colleague the gentleman from California [Mr. HINSHAW] and I introduced identical bills. At that time I stated on the floor of the House the purposes of the bill.

I said that—

The bill seeks to relieve the independents of the burden of Federal regulation in a field that is highly competitive. The production and gathering of natural gas and the sale thereof, in or near the field where it is produced, is a local and highly competitive risk-taking enterprise, and should not be subject to Federal price-fixing utility regulations.

I said that—

The bill provided assurances for protection of the consumer by establishing an equitable criteria for a determination as to the reasonable market price of natural gas in a field should an interstate natural-gas company on such basis ask for increased rates.

I further stated that—

It assures protection for the consumer by providing that when an increase in any rate or charge of a natural-gas company is based upon any new or renegotiated contract, the Commission would be required to determine if the price for such natural gas is the reasonable market price in the field where it is produced.

On March 22, your Committee on Interstate and Foreign Commerce began hearings H. R. 4560 and a companion bill of the gentleman from California [Mr. HINSHAW] were used as the basis of our hearings. There were several other bills before the committee which were included for discussion during the course of the hearings.

Your committee held extensive hearings which lasted for about 6 weeks, morning and afternoon. We heard and received testimony from a large number of witnesses from all over the country. We heard the testimony from every segment of the industry, Federal agencies, State agencies, consumer groups, organizations, and individuals. The testimony consists of 2 volume of hearings with some 2,000 pages.

In addition, we had the benefit of the hearings on this question by our committee in 1947, and even more extensive hearings again by our committee in 1949. We, therefore, have the benefit of information obtained over this long period of time. After these lengthy and exhaustive hearings our committee went into executive session with the full membership participating. The deliberations required nearly a month during which time thorough discussions were held on just about every proposition that could be thought of. Many amendments were proposed and voted on.

Therefore, it can be readily seen, Mr. Chairman, that there has been no great hurry as some contend. The question has been thoroughly explored and thoroughly considered.

The original bill was drastically amended by the committee. The committee thought by its action that there should be additional protection for the consumer.

Your committee thought that the additional protection was justified and could be provided without doing an injustice to the producer. With these amendments, adopted by the committee, I introduced on behalf of the committee, a clean bill, H. R. 6645, which we have before us today.

With this background explanation, let us get to the bill. Let us see just what the bill does.

We should not jump at conclusions. Let us not pass our judgment on assumptions but on facts.

I invite your attention to the bill, and the report.

Now here is what the bill does. I have already stated that it has two broad objectives: Relief for the producer and protection for the consumer.

First. Section 1 is an amendment adopted by the committee which broadens the jurisdiction of the Commission by extending its jurisdiction to transportation of gas, between a point in a State and any foreign nation. This means that the Commission has control over the rates of gas imported from Canada or Mexico or exported from this country insofar as such commerce occurs within the United States.

Second. Section 2 of the bill exempts the producer of natural gas from public utility regulation as natural gas companies.

Under the Natural Gas Act, section 1 (b) provides that its provisions shall apply "to the transportation of natural gas in interstate commerce," and that such provisions shall apply "to the sale in interstate commerce of natural gas for resale."

Section 2 (6) of the act defines a natural gas company as "a person engaged in the transportation of natural gas in interstate commerce or the sale in interstate commerce of such gas for resale."

To clarify this jurisdiction, we add two paragraphs to section 2 of the act, defining transportation of natural gas in interstate commerce and the sale in interstate commerce for resale. As so defined, the producers and gatherers of natural gas, the processing, treating, and compressing of the gas, in and near the field where produced, and the sales, are exempted and the jurisdiction of the Federal Power Commission occurs after the gas is delivered into the transportation facility of the interstate transmission company.

In other words, this recognizes that production, gathering, processing, treating and compressing of natural gas and the sale and delivery thereof, in or near the field where produced, is a local and

highly competitive risk-taking enterprise and should not be subjected to Federal price fixing utility regulation.

Third. Section 3 of the bill provides protection for the consumer. This is the new concept. This is the new authority of the Federal Power Commission under the act.

In order to protect the consumer from the payment of excessive prices by the interstate transmission companies for gas purchased under arm's-length contracts from independent producers and for gas purchased from affiliates and in order to further protect the consumer from an attempt by the interstate transmission companies to expend excessive amounts for the gas they produce this section adds five new subsections to the Natural Gas Act.

Subsections (b) and (c) provide authority of the Federal Power Commission over future contracts, that is, any new or renegotiated contracts, following the passage of this bill.

Subsection (b) if an interstate transmission company applies for a rate increase to the Federal Power Commission under any new or renegotiated contract for gas the Commission must determine whether the price is the reasonable market price of the gas at the point of delivery in to the transportation facility of the natural gas company in or within the vicinity of the fields where it is produced. The Federal Power Commission therefore has the authority over any proposed increase in price which may be passed to the consumer of any future contracts for gas.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Michigan.

Mr. BENNETT of Michigan. It is true that the gentleman's bill provides for Power Commission regulation over price increases which arise in existing contracts through these special clauses.

Mr. HARRIS. That is right.

Mr. BENNETT of Michigan. But is it not a fact that price increases which come about in existing contracts through fixed provisions and specific provisions in the contract which serve to increase the price of gas do not come under Federal Power Commission jurisdiction?

Mr. HARRIS. Every type of existing contract with special clauses that would provide increases with the exception of the so-called step up or specific amounts provided in contracts and provisions for any tax increases. Every other type is brought under control of the Federal Power Commission.

Mr. BENNETT of Michigan. So that increases which are specifically provided for in the contract are not subject to any control?

Mr. HARRIS. That is true, and the opponents of the bill, even the utilities up in the North and East, the public utilities that came down here and opposed it, admitted those were fair and they did not object to them. We followed their recommendation in that respect.

Mr. BENNETT of Michigan. One other question. If I am a pipeline and have a contract with a producer which was made today and this bill goes into effect tomorrow and in that contract with the pipeline I agree to pay the producer 25 cents per thousand cubic feet——

Mr. HARRIS. The gentleman uses an incorrect assumption to start with. We do not have any 25 cents except up in the Appalachian field. Why does not the gentleman use 10 cents?

Mr. BENNETT of Michigan. We have 20 cents under new contracts that are being executed right now. Let us take 20 cents. It does not make any difference so far as my question is concerned. If a contract exists today and the price in that contract for gas is 20 cents per thousand cubic feet, and if this bill goes into effect and that pipeline company wants to increase its rate, does the Federal Power Commission have any jurisdiction over that price whatsoever?

Mr. HARRIS. The gentleman is talking about an existing contract?

Mr. BENNETT of Michigan. Yes.

Mr. HARRIS. Stating a specific amount?

Mr. BENNETT of Michigan. Yes.

Mr. HARRIS. No.

Mr. BENNETT of Michigan. So that if you enter into a contract today for 20 cents——

Mr. HARRIS. The gentleman is talking about future contracts and they do have in those. I hope the gentleman will let me proceed. He can get some time and I will be glad to enter into debate with him at that time.

Mr. BENNETT of Michigan. This is the crux of the gentleman's bill and I think he ought to explain it to the House.

Mr. HARRIS. I am explaining it, if the gentleman will permit. I have explained it to the gentleman.

Mr. Chairman, I appreciate the opportunity of explaining this insofar as I have had time. I do not want to take any more time; however, during the course of the debate I will seek to further explain the provisions of the bill. I think it is a good bill and we are prepared to explain every phase and feature of it. I believe the bill should be accepted by the House.

During the course of the hearings a question was raised by the natural gas companies as to the effect this would have on their obtaining new supplies. It was recommended that authority for predetermination of contracts be provided. Under subsection (c) the Commission is authorized to make such a determination after notice and opportunity for hearing. After the determination is made the transmission company may expense, that is, charge only such part of the contract price as does not exceed the reasonable market price.

Having considered protection of the consumer on future contracts attention was turned to existing contracts. It was on this question that sharp differences of opinion developed.

Most of the objection raised during the course of the hearings was directed at special clauses under existing contracts for price increases of natural gas at the wellhead. The committee met this objection and voted to include the same protection for the consumer in existing contracts.

There was no objection thus far to specific prices or amounts in existing contracts. The objections were to the special clauses which would result in determinable prices. Therefore under subsection (d) it is provided that when an increase in any rate or charge for natural gas is filed with the Commission due to increase in price of the gas of these special clauses in existing contracts the Federal Power Commission must determine whether the increased price is a reasonable market price at the point where the gas is delivered into the transportation facilities of the natural gas company in or within the vicinity of the field where produced.

Now when the Commission determines such reasonable prices the natural gas company can pass on to the consumer only such part of the increase that results in a price which does not exceed the reasonable market price. In other words, Mr. Chairman, the Federal Power Commission has the authority under these provisions to prevent unjustified increases in the prices which the consumer will have to pay. I do not know what else anyone could ask. You want the price controlled by the Federal Government and here you have it under specific criteria.

Now the question is raised about the term "reasonable market price." You will hear a great deal about it. It is a perfectly justifiable term and used here to distinguish the operation of the producer from the term "just and reasonable" applied to a public utility. Under any established procedure and a long line of decisions the term "just and reasonable rate" denotes a public utility operation. Therefore if the term "just and reasonable" is used here the producers are put back under the utility status notwithstanding the exemption in section 2 of the bill.

It is argued tha the term "reasonable market price" means the going price or the highest price. This is not true. The bill provides that in determining the reasonable price of natural gas under the provisions of this section 5, the Commission shall consider among other things whether such price has been competitively arrived at, the effect of the contract upon the assurance of supply and the reasonableness of the provisions of the contract as they relate to existing or future prices.

And reading the report on pages 12, 13, 14, and 15, you have a full explanation of how it works and what it means. Among other things, are factors regarding recognition on determining the reasonable market prices, the Commission shall consider: First, the quality of the natural gas being purchased; second, conditions of delivery; third, the level of prices established currently by generally comparable contracts; fourth, prices in different fields and producing areas; fifth, whether such prices and the contract price have been established by arm's length bargaining; and, sixth, the variation of competitive market prices.

Following this action of the committee, we were faced with a problem of a possible squeeze of the natural gas companies and perhaps abandonment of contracts under certain instances. It

was contended that this might disturb the financial soundness of the companies and leave them with short supply or inadequate supply to serve the consumer. This problem was met and the committee provided in subsection (e) that the natural gas companies shall be obligated to pay to the producer in existing contracts only such part of the increased price which results in a price that does not exceed the reasonable market price. In other words, if the company is under contract with the producer, with provisions that call for automatic increases and the Federal Power Commission determines that those increases are not justified, the producer can be paid only the amount determined to be reasonable by the Federal Power Commission.

We further provide that under such circumstances, or because of such adjustment of the price under the contract, the producers cannot terminate the contract and thus withdraw the gas committed to that particular service.

Now some feel that the language in the bill is not sufficient to guarantee what is intended even though it is so explained in the report. To be doubly sure of this protection, it will be my intention at the appropriate time to offer an amendment to this section to meet this question of doubt.

And, finally, in this section it is provided under subsection (f) that an interstate transmission company, that is, a natural-gas company, will be allowed to expense for the gas produced by it or its affiliate, the reasonable market price at the point of delivery into its interstate transmission facilities in the field.

This is in accordance with the President's Commission's report and the action of the Federal Power Commission in the Panhandle Eastern case and treats the commodity on the same basis as gas purchased in an arm's-length transaction from independent producers.

This is thoroughly justified in the public interest. As a consequence of the Commission's past practices, the amount of gas produced by the natural-gas pipeline companies has declined proportionately to that which they purchased. In 1940, 8 major pipelines produced more than 47 percent of the gas they transported and sold, whereas in 1952 only 18½ percent of total requirements were produced by 15 major systems operating in interstate commerce. Many pipelines disposed of their gas properties and others did not undertake to enter into the ownership or operation of gas-producing properties and facilities.

I will include a further explanation of the bill and other information which I think completely answers the assertions contained in the minority report:

ANALYSIS OF H. R. 6645

SUMMARY

H. R. 6645, introduced by Congressman OREN HARRIS on June 6, 1955, safeguards the consumer of natural gas from excessive prices. The bill makes no change in the jurisdiction of the Federal Power Commission over the rates charged by interstate natural-gas transmission companies. The Commission continues to regulate the public-utility functions of such companies.

This bill gives a protection to the consumers which they did not have during the 16 years from June 21, 1938 (the date the Natural Gas Act was approved) to June 7, 1954 (the date of the Phillips decision), by providing—

1. That an interstate transmission company may not pass on to the consumer more than the reasonable market price of natural gas it purchases under contracts made or renegotiated after the bill is enacted into law.

2. That escalator clauses in existing contracts shall not increase above the reasonable market price the price to be paid for gas under such contracts, and the interstate pipeline companies shall not pass on to the consumer more than the reasonable market price of such gas. Sellers cannot cancel their contracts because such ceiling has been established by the Commission. Escalator clauses do not include price increases in specific amounts at definite times or tax-escalator clauses.

3. In passing upon applications for certificates of public convenience and necessity, the Commission is required to consider whether the price the interstate transmission company proposes to pay for its gas is the reasonable market price.

In determining the reasonable market price, the Commission is required to consider, among other things, whether the price has been competitively arrived at, the contract's effect on assurance of supply, and the reasonableness of the contract provisions as they relate to existing or future prices.

The bill also broadens the jurisdiction of the Commission by extending its jurisdiction to transportation of gas between a point in a State and any foreign nation.

Subject to the above, the bill recognizes that production, gathering, processing, treating, and compressing natural gas and the sale and delivery thereof in or near the field where produced is a local and highly competitive risk-taking enterprise and should not be subjected to Federal price-fixing utility regulation. The bill also recognizes that natural gas produced by the interstate natural-gas transmission companies or purchased by them from their affiliates should be expensed at the reasonable market price.

Basically, H. R. 6645 carries out the recommendations contained in the so-called Flemming Commission Report on Energy Supplies and Resources Policy. However, in providing safeguards for the consumer, it deals not only with new and renegotiated contracts as suggested in the report, but goes further and protects the consumer as to escalation clauses in existing contracts.

ANALYSIS OF EACH SECTION OF BILL

A. Proposed changes in section 2 of the Natural Gas Act

Provisions of Bill

1. That paragraph (7) of section 2 of the Natural Gas Act, as amended, is amended to read as follows:

"(7) 'Interstate commerce' means commerce between any point in a State and any point outside thereof, or between points within the same State but through any place outside thereof, or between any point in a State and any foreign nation, but only insofar as such commerce takes place within the United States."

2. SEC. 2. Section 2 of the Natural Gas Act, as amended, is amended by adding at the end thereof the following two new paragraphs:

"(10) 'Transportation of natural gas in interstate commerce' means only such transportation of nautral gas in interstate commerce as occurs after the completion in or within the vicinity of the field or fields where produced of all production, gathering, processing, treating, compressing, and delivering of such natural gas into the transportation facilities of a person engaged in transporting, in such transportation facilities, natural gas in interstate commerce beyond the vicinity of the field or fields where produced.

"(11) 'Sale in interstate commerce of natural gas for resale' means only such sale in interstate commerce of natural gas for resale as occurs after the commencement of the transportation of such natural gas in interstate commerce as defined in paragraph (10), but does not include any sale which occurs in or within the vicinity of the field or fields where produced at or prior to the commencement of such transportation in interstate commerce of the natural gas."

Discussions

1. Section 1 of H. R. 6645 will amend paragraph (7) of section 2 of the act so that the definition of "interstate commerce" will include commerce between any point in a State and a foreign nation. This amendment would extend the jurisdiction of the Commission to that part of such commerce between a point in a State and a foreign nation which takes place within the United States.

Thus, gas imported from Canada or Mexico, would, upon crossing the international boundary, be subject to Commission jurisdiction. Gas exported from the United States to Canada or Mexico would be subject to the jurisdiction of the Commission until it crossed the international boundary.

2. The Natural Gas Act, in section 1 (b) now provides that its provisions shall apply "to the transportation of natural gas in interstate commerce" and that such provisions shall apply "to the sale in interstate commerce of natural gas for resale."

The act, in section 2 (6) defines a natural gas company as "a person engaged in the transportation of natural gas in interstate commerce, or the sale in interstate commerce of such gas for resale."

Section 2 of H. R. 6645 will also amend section 2 of the Natural Gas Act by adding two paragraphs numbered (10) and (11).

Paragraph (10) defines the clause "transportation of natural gas in interstate commerce" which is used in sections 1 (b) and 2 (6) of the act. As so defined, the clause includes only transportation in interstate commerce occurring after the completion of the local activities of production, gathering, processing, treating, and compressing the gas in or near the field where produced and after the delivery of the gas in or near the field into the interstate transmission facilities.

Paragraph (11) defines the clause "sale in interstate commerce of natural gas for resale" which is also used in sections 1 (b) and 2 (6) of the act. As so defined, such clause does not include sales made in or within the vicinity of the field of production and before the transportation defined in paragraph (10) commences.

Provisions of Bill

Discussions

Except for the authority given the Commission by section 3 of the bill as to contracts made or renegotiated after its effective date and as to certain types of escalation clauses, the definitions included in paragraphs (10) and (11) will exclude from the Commission's jurisdiction wellhead sales of natural gas, sales at a central point in or near the field of production to which the gas had been gathered, and sales at the "tailgate" of a processing plant located in or near the field where the gas is produced. It will also exclude from such jurisdiction all production, handling, and processing of gas occurring prior to such a sale or prior to the receipt of the gas by the transmission company into its interstate transmission facilities. However, any transportation in interstate commerce and any sale in interstate commerce for resale occuring outside the vicinity of the field where the gas is produced will, under the provisions of H. R. 6645, continue fully subject to Commission jurisdiction.

B. Proposed changes in sections 5 and 7 (e) of the act

Provisions of bill

Discussions

1. SEC. 3. Subsection (b) of section 5 of the Natural Gas Act, as amended, is hereby redesignated as subsection (h), and such section 5 is further amended by inserting immediately after subsection (a) thereof the following new subsections:

1. In order to protect the consumer (1) from the payment of excessive prices by interstate transmission companies for gas purchased under arm's length contracts from independent producers and for gas purchased from affiliates, and (2) from an attempt by the interstate transmission companies to expense excessive amounts for the gas they produce, H. R. 6645 adds to section 5 of the act 6 new subsections numbered (b), (c), (d), (e), (f), and (g) and at the end of section 7 (e) of the act a new sentence.

2. "(b) When an increase in any rate or charge for natural gas is filed with the Commission by a natural-gas company and is based in whole or in part upon any contract, executed or renegotiated after the date this subsection takes effect, for the purchase of natural gas from a person other than an affiliate, the Commission shall determine, unless there has been a prior determination under subsection (c) of this section, whether the price at which the natural-gas company has contracted to buy such natural gas is the reasonable market price thereof at the point at which the gas is delivered into the transportation facilities of the natural-gas company in or within the vicinity of the field or fields where produced. After such determination, the natural-gas company shall be allowed to charge as an operating expense for natural gas purchased under the contract only such part of the contract price as does not exceed such reasonable market price. In determining the reasonable market price of natural gas under the provisions of this section 5, the Commission shall consider, among other things, whether such price has been competitively arrived at, the effect of the contract upon the assurance of supply, and the reasonableness of the provisions of the contract as they relate to existing or future prices.

"(c) The Commission shall determine upon application by a natural-gas company, or may determine upon the Commission's own motion, after notice and opportunity for hearing, whether the price to be paid for natural gas under the provisions of any contract executed or renegotiated after the date this subsection takes effect is the reasonable market price thereof at the point at which the gas is to be delivered into the transportation facilities of the natural-gas company in or within the vicinity of the field or fields where produced. After such determination, the natural-gas company shall be allowed to charge as an operating expense for natural gas purchased under the contract, for the purposes of rates or charges thereafter filed by it under this act, only such part of the contract price as does not exceed such reasonable market price.

2. Subsections (b) and (c) apply to contracts made or renegotiated after the date the bill becomes a law. They do not apply to contracts in existence at such date. Under (b), if an interstate transmission company seeks a rate increase based upon such a contract, the Commission is required to determine, unless there has been a prior determination under (c), whether the contract price is the reasonable market price of the gas at the point of delivery. Under (c) the Commission is authorized to make such determination after notice and an opportunity for hearing though no rate increase by the transmission company is involved. After the determination, the transmission company may expense only such part of the contract price as does not exceed the reasonable market price.

In determining reasonable market price under any of the subsections added by the bill to section 5 of the act, the Commission must consider, among other things, whether the price has been competitively arrived at, the contract's effect upon assurance of supply and the reasonableness of its provisions as they relate to existing or future prices.

Under the proposed new subsections (b) and (c), when a new contract for natural gas is made or an old contract is renegotiated, the transmission company knows that it cannot include as a part of its operating expenses payments for gas under the contract which exceed the reasonable market price of the gas at the point of delivery. The Commission is required to put a ceiling on these prices. These contracts are usually made for a 20-year term. This does not mean that the Commission must look into the future and tell what the reasonable market price may be during the entire term of the contract. What the Commission must determine is whether or not the price agreed to be paid under the contract for gas over the 20-year term is, at the time the contract is made, a reasonable price to agree to pay for committing gas for the term of the contract. In doing this, the Commission will consider all provisions of the contract with reference to price, including all types of price-increase provisions.

Provisions of Bill

3. "(d) When an increase in any rate or charge for natural gas, filed with the Commission by a natural-gas company after the date this subsection takes effect, is based in whole or in part on an increase in price under the provisions of an escalation clause in any contract, other than a contract to which subsection (b) applies, for the purchase of natural gas from a person other than an affiliate, the Commission shall determine whether the price as so increased is the reasonable market price of the natural gas at the point at which the gas is delivered into the transportation facilities of the natural-gas company in or within the vicinity of the field or fields where produced. When the Commission has made such determination, the natural-gas company may charge as an operating expense for natural gas purchased under the contract only such part of the increase in price as results in a price which does not exceed such reasonable market price. As used in this section 5, the term 'escalation clause' means any provision in a contract for the purchase of natural gas the operation of which may result in an increase in the price of the natural gas sold under the contract, but such term does not include (1) any provision for increases, by specific amounts, in the price of the natural gas at definite dates in the future, or (2) any provision under which the natural-gas company agrees to reimburse the seller of the gas for any increase in taxes which may be levied upon such seller after a specified date.

"(e) Whenever, in connection with an increase in the price of natural gas under the provisions of an escalation clause, the Commission, pursuant to subsection (d), has made a determination as to the reasonable market price of such natural gas, the natural-gas company shall be obligated to pay only such part of the increase in price as results in a price which does not exceed such reasonable market price; and, except as otherwise provided in this subsection, the contract containing such escalation clause shall continue in effect according to its terms as though this subsection had not been enacted.

4. "(f) In regulating the rates and charges of a natural-gas company, the Commission shall allow as an operating expense of such natural-gas company, for natural gas produced by it, the reasonable market price of such natural gas at the point at which the gas is delivered into the transportation facilities of the natural-gas company in or

Discussions	Provisions of Bill	Discussions
3. Subsections (d) and (e) apply to escalation clauses in contracts in effect at the date the bill becomes a law. They do not apply to the contracts affected by subsections (b) and (c). Escalator clauses are defined so as to exclude provisions for increases in prices in specific amounts at definite dates and provisions for reimbursement of the seller for increases in taxes. Natural gas is usually purchased by the interstate transmission company under 20-year term contracts. As these companies reduce their indebtedness they are able to pay more for gas without increasing their consumer rates because the carrying charges of their indebtedness are reduced. Therefore, they prefer to pay a lower price at the start of a 20-year term when their indebtedness is high and increase the price during the last part of the 20-year term when their indebtedness and carrying charges are lower rather than pay an average price throughout the entire term of the contract. This is of benefit to the consumer because as the price at the well goes up under the "step-up" clause, the amount of the transmission company's carrying charges on its mortgaged indebtedness goes down and it is able to pay the increase in the gas prices without increasing its rates to the consumer. As the increases are definite in amount and time the transmission company knows exactly when they will take place and how much they will be and makes provision for this payment just as it does for any other definite price. Therefore, this exclusion of the so-called step-up clauses from the definition of escalation clauses is logical and beneficial to the consumer. It is self-evident that clauses providing for an increase in the price to take care of an increase in the taxes are fair and logical. Otherwise the taxes could consume all or even exceed the purchase price of the gas. Under subsection (d), if an interstate transmission company seeks a rate increase based upon an increase in price under an escalation clause in a contract in effect when the bill becomes a law, the Commission is required to determine whether the increased price is the reasonable market price of the gas at the point of delivery and after such determination the transmission company may expense only such part of the increase in price as results in a price which does not exceed such reasonable market price. This puts the ceiling of the reasonable market price at the point of delivery upon price increases under escalation clauses in existing contracts. Subsection (e) provides that the interstate transmission company shall not be obligated to pay any part of the increase in price which results in a price in excess of the reasonable market price. This provision prevents the transmission company from being placed in a situation where under an escalation clause in an existing contract it could be required to pay more for the gas than the Commission will allow it to expense. Subsection (e) also provides that the contract containing the escalation clause subjected to the ceiling of reasonable market price shall continue in effect according to its terms as though subsection (e) had not been enacted. The purpose of this provision is to prevent gas producers from exercising, because of the provisions of subsection (e), any right of cancellation provided for in their contracts for the sale of natural gas to the transmission company. 4. Subsection (f) would allow an interstate transmission company to expense for gas produced by it or its affiliate the reasonable market price at the point of delivery into its interstate transmission facilities in or near the field where produced.	within the vicinity of the field or fields where produced, and for gas purchased from an affiliate, the amount paid to such affiliate for such gas up to but not in excess of the reasonable market price of such natural gas at the point at which the gas is delivered into the transportation facilities of the natural-gas company in or within the vicinity of the field or fields where produced. 5. "(g) For the purpose of this section 5, a person shall be held to be an affiliate of a natural-gas company if such person controls, is controlled by, or is under common control with, such natural-gas company." 6. SECTION 4. Subsection (e) of section 7 of the Natural Gas Act, as amended, is amended by adding at the end thereof the following new sentence: "Notwithstanding the foregoing provisions of this subsection, in passing upon an application for a certificate which is supported by a natural gas purchase contract, the Commission shall consider whether the price to be paid for such natural gas is the reasonable market price thereof at the point at which the gas is to be delivered into the transportation facilities of the natural-gas company in or within the vicinity of the field or fields where produced, considering, among other things, whether such market price has been competitively arrived at, the effect of the contract upon the assurance of supply, and the reasonableness of the provisions of the contract as they relate to existing or future prices."	5. Subsection (g) defines an affiliate of a natural-gas company. 6. The sentence proposed to be added to subsection (e) of section 7 of the act requires the Commission, in passing upon applications for certificates of public convenience and necessity, supported by a natural-gas purchase contract, to consider whether the price to be paid for the gas under the contract is the reasonable market price thereof at the point of delivery.

OPPONENTS ARE ERRONEOUSLY TREATING NATURAL-GAS PRODUCERS AS PUBLIC UTILITIES

First. Special privileges are granted by governments to public utilities, including the privilege of placing facilities in public streets, the power of eminent domain, and the exclusive right to supply the given utility service within a defined geographical area. Natural-gas producers do not possess such special privileges.

Second. As a result of the special privileges given to a public utility, the nature of the service supplied, the quality of the demands for the service and the legal right to earn a fair return, a reliable and fairly predictable relationship exists between investment and volume of service, revenue, or income. Discovery and production of natural gas is an exceptionally risky business, so that for any given enterprise the relationship of volume of gas to investment is wholly uncertain and unpredictable.

Third. Natural gas purchased in the field by the carrier company is a commodity. It then transports to the distributor company which serves the ultimate consumer. Prices paid for natural gas by each of the transmission and distributing companies are expensed at its identical cost. They make no profit on gas as a commodity. They are paid for the service of transporting gas.

Fourth. The fundamental purpose of public utility regulation is to limit the power of the enterprise to exact excessive prices where it has been given an exclusive franchise to serve a given market.

Since natural-gas producers are competitors, and have no exclusive franchises, no purpose would be served by utility-type regulation of gas prices at points of production.

Fifth In utility regulation only one price is fixed for a given utility service in the market served; the utility is required to serve without discrimination among its customers.

If the Federal Government were to regulate gas producers by use of the utility formula, widely divergent prices necessarily would be fixed for gas of the same quality in the same market; in addition, individual producers would be required to discriminate between intrastate and interstate customers.

Sixth Price-fixing in the public utility field is effective because prices are fixed separately for each public utility, which has exclusive control of its market and has the duty to produce and supply service upon demand. Therefore, even though the price fixed by the regulatory commission be too high or too low, supply will tend to balance demand.

Price-fixing would not work for gas at points of production because the Federal Government could not control either supply or demand. No responsible person has as yet proposed that independent producers be obligated to supply natural gas upon demand.

THE ADMINISTRATIVE TASK IN REGULATING INDEPENDENT PRODUCERS

The administrative task involved in regulating independent producers of natural gas is formidable.

First. Chairman Kuykendall of the Federal Power Commission testified before the Senate Commerce Committee, with respect to the size of the job confronting FPC:

> I don't think I would use the word "impossible," but I would say it is extremely difficult. (Vol. 11, transcript, p. 2568.)

Second. FPC presently regulates about 120 pipelines; "probably less than a hundred that really give us much work," said Kuykendall. For fiscal 1954, FPC had appropriations of $4.3 million, and

a staff of 625. In that year, there were 706 rate filings by natural gas companies, and 283 applications for certificates of convenience and necessity.

Third. Since taking jurisdiction over independent producers, FPC by February 28, 1955, had received 10,042 rate filings, and 5,673 certificate applications. It represents a staggering increase in the Commission staff's workload. Chairman Kuykendall told the Senate committee that "from July 1, 1954 to March 12, 1955, we spent $322,955 on work pertaining to independent producers, and that is according to our cost accounting system that we use at the Commission"—volume 11, transcript, page 2625.

Fourth. It has been estimated that 5,000–6,000 independent natural gas producers are involved, and that the number of rate filings in 1955 might exceed 20,000. That is 60 times larger than the number of pipeline companies regulated by FPC, and 20 times the total number of filings made with the Commission in 1954. Surely, the Commission's staff and budget would have to be increased proportionately, and the consumer will pay the cost in his tax bill.

Fifth Chairman Kuykendall told the Senate committee:

"I would be of the opinion * * * that due to the newness of the problem, and the difference in the characteristics of the producers, and the fact that many of them do have oil business intermingled with their gas business, plus the further fact that they are scattered here and there, and are not in any one place like a pipeline is, it would cost us several times as much to endeavor to regulate the producers as it does the pipeline companies. * * * They don't have a uniform system of accounting, as the pipeline companies do, and any investigation of their books and records for financial facts would be difficult because of a lack of a uniform system of accounting. (Vol. 11, transcript, p. 2626.)

Sixth The Chairman acknowledged that the Commission had not approached regulation.

We have not yet reached the point of really coming to grips with all the detailed problems which are involved—

He testified—volume 11, transcript page 2464.

Seventh. No formula can be devised for determining costs or prices in the field. Each case must be considered separately. Hearings must be held, evidence assembled and studied. The delays involved are substantial, and they would certainly retard the business of exploring for, developing and producing new supplies of natural gas for future use.

ASSERTIONS OF MONOPOLY

Opponents of the legislation continually charge that the production of natural gas is a monopoly. They have not proved the charge, but they apparently presume that if the charge is made often enough, it will come to be accepted as truth.

First. The facts about the degree of concentration in natural gas production are illustrated in the following tabular comparison:

Commodity	Percent of production held by—			
	1st 4 companies	1st 8 companies	1st 20 companies	1st 50 companies
Natural gas	17.0	28.0	46.0	66.0
Bituminous coal	16.0	24.0	37.0	53.0
Anthracite coal	41.0	60.0	82.0	(1)
Zinc	42.0	60.0	(1)	(1)
Lead	56.0	70.0	(1)	(1)
Iron ore	62.0	77.0	(1)	(1)
Copper	80.0	91.0	(1)	(1)
Cigarettes	90.4	99.7	(1)	(1)
Motor vehicles and parts	55.7	63.6	77.8	88.5
Steel works and rolling mills	44.7	62.8	81.1	94.2
Wholesale meat packing	41.3	53.6	62.5	68.8
Woolen and worsted fabrics	28.1	40.4	56.0	71.7
Aluminum	100.0			

[1] Not available.

Second. Of 452 separate manufacturing industries in the Standard Industrial Classification, 382 are more highly concentrated than natural gas. In other words, there is greater competition in natural gas production than in 85 percent of all American industry. The charge of monopoly in natural gas production is therefore utterly ridiculous, and the assertion that natural gas production should be regulated because it is a monopoly is completely without foundation.

Third. There are more than 8,100 independent producers of natural gas reporting to State agencies. No one producer is responsible for more than 5 percent of the Nation's production.

Fourth. It should be remembered that many producers who make gas sales contracts are gathering and selling gas produced by others. They should, therefore, more properly be called vendors, or sellers, when their sales contracts are under discussion.

THE REGULATORY GAP

Assertion is made in the minority report, page 70, as follows:

In that year Congress passed the Natural Gas Act. It did so because it had become clearly apparent by that time that Federal control of the natural-gas industry had become necessary to secure reasonable rates for natural gas in the consuming areas. For, as the industry had grown, all attempts at effective regulation of the charges for gas at the city gate to distributing utilities had failed because of constitutional inhibitions in the power of the States to deal with such sales (*Missouri* v. *Kansas Natural Gas Company* (265 U. S. 98), and *Public Utilities Commission* v. *Attleboro Steam and Electric Company* (273 U. S. 83)). Under these cases, sales for resale in the field, when the gas is to be transported out of a State, are not subject to regulation by such State. It should be clearly understood, therefore, that if H. R. 6645 is enacted into law, a part of the very gap which Congress intended to close by enacting the Natural Gas Act will again be opened. This is the famous gap in regulation to fill which, at the request of municipalities and State commissions, Congress passed the Natural Gas Act in 1938.

The facts are:

The two cited cases did not involve "sales for resale in the field," as the minority report would lead one to believe. The Missouri against Kansas Natural Gas Co. case involved the sale in Kansas and Missouri by the gas company to local distributing companies of gas which the gas company had transported from Oklahoma. The sale dealt with, in this case, was the sale made by the pipeline company who transported the gas across State lines to a local distributor who in turn distributed and sold the gas locally.

The Attleboro case referred to involved the sale by the Narragansett Electric & Lighting Co. of electricity it manufactured in Rhode Island, transported to the Rhode Island-Massachusetts State line, from where it was carried over connecting transmission lines to the station of the Attleboro Steam & Electric Co. located in the State of Massachusetts, where the electricity was metered.

Each of the companies involved in the above cases admittedly were utility companies and were subject to utility regulation by State authority as to their intrastate or local utility activities. It was the interstate activities of these utility companies which the Supreme Court found were not subject to State utility regulation and it was that gap which the Natural Gas Act occupied.

In February 1928, the United States Senate directed the Federal Trade Commission to investigate both electric and gas utilities and report to the Congress. After more than 7 years' investigation the Commission filed its report on December 31, 1935. This report provided the foundation for the Natural Gas Act of 1938.

The report showed clearly that it was the utility activities of the interstate pipeline companies which constituted the gap which the Congress intended to close by the Natural Gas Act. On page 602 of the report is contained the following statement:

So, broadly speaking, we have in natural gas a situation which no matter how fully and properly integrated will present at both ends problems which are either entirely of local concern, or which are of both local and general public concern, and in between a field of interstate transportation where only through the exercise of Federal jurisdiction can proper solution be obtained.

And on pages 613–614 of the report is the following statement:

The need for Federal regulation of the activities of such interstate pipeline companies appears too evident to require further discussion.

The congressional debate on the bill which resulted in the Natural Gas Act further defines the gap. In the CONGRESSIONAL RECORD, volume 81, part 6, page 6726, it is said:

It gives the Federal Power Commission power to fix the cost of the transportation of natural gas shipped in interstate commerce and the wholesale price which may be charged for it at the consuming centers.

And in the CONGRESSIONAL RECORD, volume 81, part 8, page 9312, Senator Wheeler, chairman of the Senate Committee on Interstate Commerce, said:

Mr. WHEELER. It does not attempt to regulate the producers of natural gas or the

distributors of natural gas; only those who sell it wholesale in interstate commerce.

* * * * * *

Mr. AUSTIN. Is the bill limited in its scope to the regulation of transportation?

Mr. WHEELER. Yes; it is limited to transportation in interstate commerce, and it affects only those who sell gas wholesale.

These are only a few of the numerous statements that show the gap did not include production and gathering of natural gas.

The act itself specifically exempted "production or gathering of natural gas" from its provisions. Justice Douglas pointed out that if rate regulation is fastened on the independent producer this "brings the production and gathering of natural gas under effective Federal control, in spite of the fact that Congress has made that phase of the natural gas business exempt from regulation. Regulating the price at which the independent producer can sell his gas regulates his business in the most vital way any business can be regulated."

For 16 years the Federal Power Commission construed the Act as covering the gap referred to in the cases above mentioned, the Federal Trade Commission report and the CONGRESSIONAL RECORD. This gap was the gap in utility regulation. Production and gathering of gas was recognized as a competitive risk-taking business rather than a utility function and it constituted no part of the gap which the Congress closed by the Natural Gas Act.

H. R. 6645, the Harris bill as reported by the Interstate and Foreign Commerce Committee, does not release from the provisions of the Natural Gas Act or the jurisdiction of the Federal Power Commission any of those activities of the interstate pipeline companies now subject to the act.

THE WOLVERTON ALLEGATION OF ANTICIPATED INCREASES OF FIELD PRICES

At page 73 of the minority report a table is appended showing, according to the gentleman from New Jersey [Mr. WOLVERTON], "by States, what the anticipated increase of 15 cents per thousand cubic feet would add to the consumer cost of natural gas for 1 year's consumption at the 1953 rate of use."

These figures were said to come from "the testimony of consumer witnesses on what the enactment of H. R. 6645 can mean to the consuming public"—page 72.

The gentleman from New Jersey [Mr. WOLVERTON] did not give the specific source of the table showing the alleged effect of increased field prices which would result from enactment of H. R. 6645. However, the table is to be found at page 1183 of the hearings before the House committee. It is contained in the testimony on April 25, 1955, of Mr. Joseph W. Childs and Mr. Donald Montgomery, both witnesses on behalf of the CIO. However, these gentlemen did not disclose the real source of the data. The table was originally set forth at page 45 of a document written by Mr. Leland Olds, and dated April 11, 1955. Mr. Olds was at one time chairman of the Federal Power Commission. He was not reconfirmed as a member of the Commission because of his socialistic leanings, including his writings for the Daily Worker.

The allegation of a 15-cent increase of field prices if H. R. 6645 is enacted, was copied from Mr. Leland Olds but without giving to him due credit.

Mr. Olds based the alleged increase of 15 cents on a letter written to the Federal Power Commission on December 8, 1954, by a petroleum engineer named Thomas D. Bailey. In writing the letter to the Federal Power Commission, Mr. Bailey did not speak for the gas industry but only for himself.

The source of the 15 cents is a computation made by a man who did not appear as a witness before the House Committee and it was based upon a letter which is not in the record before the House committee.

A diligent search fails to reveal any evidence or responsible testimony in the hearings before the House committee on the Harris bill to the effect that the price of gas will increase by 15 cents, by 5 cents or by 1 cent. As the Chairman of the Federal Power Commission said:

No one can predict the future price of natural gas in the field.

The computation sponsored by the gentleman from New Jersey [Mr. WOLVERTON] at page 73 of the minority report applies the 15 cents to a total of 5,376 billion cubic feet of gas. This computation apparently was copied from the testimony of the CIO witnesses and in turn was copied by them from page 45 of the document written by Mr. Leland Olds. But the total interstate movement of gas in 1953 was 4,200 billion cubic feet—Bureau of Mines. Main-line industrial sales by pipeline companies are outside the jurisdiction of the Federal Power Commission. The total of residential sales throughout the United States for 1953 was 1,800 billion cubic feet. The sales that could be influenced one way or another by H. R. 6645 are only a fraction of the 5,376 billion cubic feet.

The figures set forth by the gentleman from New Jersey [Mr. WOLVERTON] are a part of a scare technique being used by opponents of the Harris bill in the hope of preventing its passage. They assert, at the same time, that natural gas is being priced out of the markets even at present prices. They assert that natural-gas prices are pressing against the ceiling imposed by the prices of competitive fuels—coal, oil, and electricity. The gentleman from New Jersey [Mr. WOLVERTON] should not be heard to argue that business will be lost if prices go up and at the same time to accept the Olds' assertion that the average field prices of gas will rise by 15 cents.

THE PRICE SCARE

The minority presents a State-by-State computation of what would be the annual cost to consumers of a 15 cent per thousand cubic feet price increase in the average field price of natural gas—committee report, page 73.

First. The 15 cents has no foundation whatsoever. The opponents of the Harris bill, as logically, might have assumed a rise of one cent or of 40 cents per thousand cubic feet. It would have been equally valid for them to assume a reduction of the average field price. As the chairman of the Federal Power Commission said: No one can predict the future price of natural gas in the field. Prices are competitively determined and depend upon the conditions of supply and demand.

Second. The hypothetical 15 cents is the basis of the assertion, first made by Mr. Leland Olds, that passage of the Harris-Fulbright bills will cost the consumer $806 million. These imaginative and wholly unsupported figures are a part of a scare technique, being used by the opponents of the Harris bill in the hope of preventing its passage.

Third. At the same time, this minority asserts that natural gas is being priced out of the markets even at present prices.

The testimony * * * shows that in many areas of the United States gas has reached a price level where it is in competition with other fuels for industry and space-heating business. No further increases are possible without loss of business. (Committee report, p. 61.)

Fourth. The minority thus asserts the effectiveness of competition. They assert that natural gas prices are already pressing against the ceiling imposed by the prices of competitive fuels—coal, oil and electricity. They assert that no further increases are possible without reduced demands, and declining demands mean declining prices, just as rising demands have meant rising prices. The minority cannot have it both ways. They should not be heard to assert the effectiveness of interfuel competition and at the same time that the average field price of gas will rise by 15 cents, by 5 cents or by any other amount.

THE ALLEGED THREAT TO WITHHOLD SUPPLIES

The assertion is made by the proponents of Federal control that—

The threat that producers will withhold their product from the market in the future if this amendment is not passed has been made before, and yet the interstate natural-gas business continued to develop and expand. (Committee report, p. 77.)

Here are the facts:

First. There has been no threat from any responsible source that gas supplies will be deliberately withheld from the interstate market if this bill fails to pass. There are certain economic realities that must be recognized:

(a) If the producer can get a higher price in the free intrastate market than in the interstate market, that is where he will sell his gas.

(b) A contractual price in the intrastate market is binding and meaningful. Contractual prices on sales in the interstate market are not binding but subject to change by the FPC. Many producers will seek an intrastate market for gas even though the prices stated in the sales agreement are the same.

(c) Regulation is onerous and expensive to the company subjected to control. Many producers will sell in the free intrastate market at prices below those offered in the interstate market to escape this cost as well as other business disabilities associated with regulation.

Second. Over one-half of today's marketed production of gas is used in the States where it is produced. The industrial consumption in the Southwest has grown more rapidly than has the total market for natural gas. In fact, industrial consumption of natural gas in the 7 Southwest States in 1953 reached an aggregate of 2,034 billion cubic feet, which is greater than total residential consumption of natural gas in the entire United States.

It would be a serious mistake to think that this intrastate market will not expand under the extraordinary stimulus of utility-type controls or artificially low prices for gas marketed interstate. Producers naturally would seek to develop new intrastate markets. Industries would seek low-cost energy supplies. A shift to the southwest producing States of just a few large gas-using industrial plants could sharply reduce the flow of gas into interstate commerce.

The attached table shows only a few of these large industrial consuming plants of the Southwest and compares volume with total community requirements.

1954 requirements in billions of cubic feet

Industrial buyer			Community
Public Service of Oklahoma, Tulsa, Okla	96.2	111.2	Colorado Interstate Gas Co. deliveries to total State of Colorado.
Dow Chemical Co., Freeport, Tex	77.3	120.8	Detroit, Grand Rapids, Muskegon, Ann Arbor, and other cities served by Michigan Consolidated Gas Co.
Esso Standard Oil Co., Baton Rouge, La	57.3	51.1	Minneapolis and 21 other communities served by Minneapolis Gas Co.
Houston Lighting & Power Co., Houston, Tex	51.1	46.1	Public Service Electric & Gas Company of New Jersey.
Carbide & Chemicals, Inc., Texas City, Tex	47.5	36.0	Philadelphia Gas Works.
Kaiser Aluminum & Chemical Co., New Orleans, La	40.3	44.9	Kansas City, Mo.
Gulf Oil Corp., Port Arthur, Tex	33.6	31.5	Brooklyn Union Gas Co.
Shell Oil Co., Deer Park, Tex	28.1	30.2	Washington Gas Light Co.
Cities Service Refining Co., Lake Charles, La	25.5	27.0	St. Paul and 11 other communities served by Northern States Power Co.
Texas Power & Light Co., Henderson County, Tex	22.4	24.2	Milwaukee Gas Light Co.
Aluminum Company of America, Port Lavaca, Tex	18.6	15.2	Birmingham, Ala.
Carbide & Chemicals, Inc., Seadrift, Tex	18.3	9.9	State of Connecticut.
Celanese Corp., Bishop, Tex	16.7	10.9	Rochester Gas & Electric Co.
International Paper Co., Louisiana	16.3	9.2	Nashville Gas Co.
Spencer Chemical Co., Kansas	13.6	6.0	Boston Consolidated Gas Co.

THE CAPTIVE MARKET ARGUMENT

Opponents of this legislation claim that natural-gas consumers are a captive market; that due to expensive equipment installed to utilize natural gas they are economically compelled to continue using natural gas regardless of its cost; that they are not free to shop around for cheaper gas or for a cheaper fuel as are consumers of other commodities, and that the pipeline companies do not do a good job of bargaining with producers because whatever price they pay they can pass on to the consumers.

This, they say, is the distinction between natural gas and other competitively produced commodities which justifies regulation of the producers of natural gas as public utilities while leaving free of regulation coal, oil, and other commodities.

This argument will not stand analysis.

First. In the first place, the pipeline companies are regulated as public utilities by the Federal Power Commission. If they pay more for gas than they need to pay, the Commission may disallow the excess in fixing their rates. *In Re Colorado Interstate Pipe Line Co.* (FPC Opinion No. 235, August 8, 1952, Docket No. G-1115, 95 P. U. R. 2d 97, 105), *Acker* v. *United States* (298 U. S. 426, 430, 431), *Humble Oil & Refining Co.* v. *Railroad Commission of Texas* (123 SW 2d 9, 15), *New England Tel. & Tel. Co.* v. *State* (64 Atl. 2d 9, 15, 17, 95 N. H. 353), *Pennsylvania Power & Light Co.* v. *Public Service Commission* (193 Atl. 427, 433 (Pa. Superior Ct.)), as applied to the purchase of gas from an independent producer the rule was stated by the Texas court in Humble Oil & Refining Co. against Railroad Commission, supra, as follows:

It is contended by counsel for the Commission that the power of the Commission to fix the price at which a mere producer of gas must sell his product to a public gas utility, even though such gas is sold at the point of origin, should be upheld because the Commission will be greatly hampered and circumscribed in regulating gas utility rates or prices if it cannot also fix the rates or prices that producers charge such utilities for the gas sold thereto. A full answer to this contention is to point to the fact that no statute has conferred such power on the Commission. Furthermore, the same argument could be used to sustain the power of the Commission to fix prices for all articles, things, and services sold to public gas utilities. * * *

At this point we pause to call attention to the fact that our holding to the effect that the Commission is without jurisdiction to tell a mere gas producer what price he must charge for his product when sold on the premises of production to a public gas utility does not mean that the Commission, in all instances and under all circumstances, in fixing gas utility rates, must allow the gas utility affected full credit for the purchase price of the gas purchased by it. In regard to that matter, we think that, in fixing gas utility rates, it is not only the power but the duty of the Commission to inquire into the reasonableness or unreasonableness of the gas utility's gas contracts. (*Western Distributing Co.* v. *Public Service Commission* (285 U. S. 119, 52 S. Ct. 283, 76 L. Ed. 655); *Smith* v. *Illinois Telephone Co.* (282 U. S. 133, 51 S. Ct. 65, 75 L. Ed. 255).)

This would seem to be all the protection that consumers could ask for. It is just as adequate to protect consumers as is power of the Commission to regulate producers' prices. It is, of course, not feasible for consumers to do their own negotiating with gas producers. Someone must do that for them. If the job were left to the distributing companies, the same charge could be made against them that is made against the pipelines because they too could pass on to the consumers the prices they pay the producers—at least so long as the consumers would buy the natural gas.

Second. The contention that the pipelines do not do a good job of bargaining with producers is unfounded. Natural gas is recognized as a more desirable fuel than coal or oil at the same price. Yet natural gas sells in the field at prices substantially below the price of coal at the mine or oil at the refinery on a heating-unit basis. Even after paying the cost of transporting natural gas a thousand miles or more by pipeline, and the expenses of distribution into the homes of city dwellers, the price of natural gas to the consumers is less in many places than the price of competitive fuels produced in closer proximity to the city, as will be seen from the following table:

Comparison of competitive fuel costs for heating the average house during the 1954 heating season

City	Average cost in cents per thousand cubic feet of natural gas (1) [1]	Cost for coal of equivalent heating value per thousand cubic feet of natural gas (2)	Cost for fuel oil of equivalent heating value per thousand cubic feet of natural gas (3)
Atlanta, Ga	60.5	70.2	110.8
Charleston, W. Va	46.3	53.5	133.3
Chicago, Ill	[2] 90.8	87.1	11..3
Cincinnati, Ohio	73.7	76.1	108.5
Cleveland, Ohio	60.0	71.6	106.4
Denver, Colo	39.0	94.5	111.4
Detroit, Mich	75.5	74.1	109.1
Erie, Pa	[3] 73.8	75.5	116.1
Houston, Tex	70.0	148.4	138.2
Kansas City, Mo	51.5	54.5	86.5
Lexington, Ky	51.7	62.8	128.0
Louisville, Ky	56.1	68.2	105.7
Memphis, Tenn	55.0	68.0	109.6
Montgomery, Ala	57.5	66.2	108.9
Pittsburgh, Pa	67.0	64.7	118.0
Washington, D. C	128.8	150.8	134.7

[1] Col. (1) is the average cost per thousand cubic feet for natural gas used for house heating purposes only for the period from approximately Sept. 1, 1953, to May 31, 1954, for the heating requirements of a typical or average home for the particular community.

[2] Mixed gas is served—price is equivalent for 1,034 B. t. u. straight natural.

[3] Mixed gas is served—price is equivalent for 1,035 B. t. u. straight natural.

Source: Determined from Independent Natural Gas Association of America 1954 Study of Househeating Costs.

Third. The proponents of Federal control tend to disregard these warnings because they say "the threat that producers will withhold their product if subjected to regulation has been made before, yet the interstate natural-gas business continued to develop and expand."

But this development and expansion took place under free competitive conditions; i. e., during the 16 years when producers were completely free of any utility controls under the Natural Gas Act.

Columns 2 and 3 are based on unit prices for coal and oil obtained from local dealers. The average computed cost per season for coal and oil is the lowest priced coal or oil used in the particular city or area unless another grade or type was reported to be more commonly used. In most instances this refers to No. 2 fuel oil and stoker fired bituminous coal.

Quantities of coal and oil equivalent to the gas were determined on the basis of heat contents and thermal efficiencies reported by the various companies. Studies by the American Petroleum Institute show that on the average gas is 74 percent efficient with coal and oil at 53 percent and 66 percent, respectively.

The cost of competitive fuels expressed as an equivalent gas price was determined by multiplying the ratio of the competitive fuel bill for the season to the similar bill for natural gas times the average cost per thousand cubic feet of natural gas.

These figures disprove conclusively that the pipeline companies have not done a good job in bargaining with gas producers.

Third. If this contention were a valid one, it would logically call for regulating the price of steel, labor, and other items entering into the price of gas; these items constitute a greater part of consumers' cost than does the field price of natural gas.

Moreover, by the same token, the price of coal used to generate electricity should be regulated. Electric power consumers are just as much a captive market as are natural gas consumers. Coal used to generate electricity is a substantial part of the cost and that cost can be passed on to consumers. The consumers have no voice in the purchase of coal by the electric power companies.

So, if we regulate the field price of natural gas, why not regulate the price of all items making up the cost of all public utility services?

Fourth. The Harris bill—H. R. 6645—contains special consumer protective provisions. It places new contracts for purchases of gas under control of the Federal Power Commission. It places gas purchases under most escalation provisions in existing contracts under the control of the Federal Power Commission.

What more can self-appointed champions of consumers ask?

CAPTIVE CONSUMERS

The minority urges in opposition to the Harris bill that the natural-gas consumer is captive. He cannot choose between competitive offers of rival suppliers. He cannot switch his patronage as his self-interest may dictate. Consumers have a $10 billion investment that will be rendered obsolete if prices are not controlled—committee report page 76.

First. The captive nature of a consumer of a distributing company has no bearing whatsoever on the competitive condition of natural-gas production. To hold otherwise is like contending that because an individual has a telephone he is a captive consumer of the copper mining industry. The absurdity is apparent.

Second. Of the 24,650,000 residential gas-consumers in 1953 more than one-half had gas service prior to 1932. More than three-fourths had gas service by 1945. It is obvious that a considerable portion of the total consumer investment had been made prior to the widespread introduction of natural gas. The investment was made primarily for manufactured gas service. Conversion of equipment from manufactured to natural gas utilization was done at extremely modest cost. This cost was in most instances made up in a matter of months by the savings associated with reduced rates applicable to natural gas replacing manufactured gas.

Third. The statement has been made that consumer investment in gas-burning equipment is greater than the total investment of producers, carriers, and distributors. If $10 billion be accepted as the consumer investment, this must be marked as untrue propaganda. The investment reported for carriers and distributors alone is in excess of $12 billion. The total investment assignable to producers is unknown. It is known, however, that it is very large.

Fourth. To provide complete protection for the consumer investment in gas-burning equipment, consideration must be given to adequate future supplies of gas. If gas supplies are exhausted, the consumer's total investment in gas-burning equipment is destroyed. Federal control of independent producers will threaten future supplies thereby rendering consumer investment obsolete. Clearly this is not in the public interest.

Fifth. As with all utility service the consumer of natural gas is protected against unreasonable charges by public-utility regulation of both transportation and distributors of natural gas. The wellhead price of gas is so incidental as to make little difference in ultimate costs. Thus, if gas were given to the pipelines free, 90 percent of the consumers' payments would have to continue to defray the cost of transporting.

MINORITY ASSERTION THAT GAS PRICES WILL INCREASE TO COMPETITIVE FUELS LEVEL

A minority of the House committee asserts that producers aim "to raise gas prices to the point where they will be competitive on a fuel basis with the costs of coal"—committee report, page 72.

Charges such as these are scare tactics designed to inflame the consuming public. The charges are false for the following reasons:

First. The charge assumes that there is a monopoly of natural-gas production in the United States, and that through the monopoly, producers can and do manipulate the price. That there is no monopoly has been proved. No evidence to the contrary has been presented by the opposition. In the absence of monopoly, there can be no manipulated pricing, and the normal functions of supply and demand serve to establish prices.

Second. In direct contrast with this position, the same minority simultaneously argues that gas is now competitive with coal, oil, and electricity and is already priced out of some markets. How can it be contended that there is no effective competition and in the next breath contend that competition is so intense as to drive natural gas out of certain markets.

Third. Producers would not be able, even if they sought to do so, to raise field prices of gas to levels "competitive on a fuel basis with the costs of coal" at the mine mouth. Even if they were able to do so, it would be sheer folly for the natural-gas industry to increase prices to unreasonable levels. The industry depends on high volume to effect low unit costs. Unwarranted increases in price that would tend to reduce volume would be a prelude to economic suicide for the industry.

Fourth. The opponents of H. R. 6645 contend that 15 cents per thousand cubic feet increase will take place when natural gas is priced competitively with other fuels. Natural gas moving in interstate commerce is committed by long-term contracts that specify the prices to be paid. These contracts will remain binding after passage of H. R. 6645. Further, it specifically prohibits their termination and provides for controlling and limiting the increases which they provide for. Thus these long-term contracts will prohibit increases of the magnitude discussed during the foreseeable future.

Fifth. In a competitive economy, prices are established by overall conditions of supply and demand for the product. When supply exceeds demand, prices fall; when demand exceeds supply, prices rise. When demand is high, price stimulates development of additional supply. When supply is high, price declines and prevents development of surpluses which are wasteful and burdensome.

Sixth. Had competitive conditions not prevailed, prices for natural gas would have been at much higher levels throughout the past 10 years. Bureau of Labor Statistics figures show conclusively that natural gas prices have resisted postwar inflationary trends far more successfully than most other consumer goods. Natural gas is one of the few consumer items for which price has remained relatively low.

Seventh. What price increases have occurred in recent years have been in line with price rises of other commodities and services. They have been brought about by higher prices for labor, steel, drilling costs, and all other things that enter into the production of natural gas.

MINORITY ASSERTION OF EFFECTIVE COMPETITION

The allegation of ineffective competition, made by Representative WOLVERTON, is unsupported except by illogical and conflicting assertions.

The report described the improvement in the technique of long distance transmission of natural gas, the conversion from manufactured to natural gas, and a growth to a national industry, upon which 60 million consumers and numerous industries depend for their fuel requirements. As a result of these developments:

Natural gas, which was once largely a wasted byproduct in man's search for oil, assumed an even more important role in the national economy. Where once it was flared at the wellhead because it had no utility

to the producer except for limited local purposes, it now began to acquire an intrinsic value for its own sake. (Committee report, p. 69.)

First. In 1940 the average field price in the four largest producing States was 2.1 cents per thousand cubic feet. The field price increased as the demand increased in relation to supplies of gas. In 1954 the average field price in the four largest producing States was 8.9 cents per thousand cubic feet. Natural gas had now acquired, in the words of Representative WOLVERTON, a significant market "value for its own sake." It was no longer "flared at the wellhead because it had no utility to the producer."

Did the minority express satisfaction that natural gas has finally acquired market value that makes it worth conserving in the interests of the national welfare? Did they find the increase in field price in response to rising demands to be evidence of effective competition? Did they find that the prices of gas at points of production followed the course that should have been expected on the basis of the changing conditions of supply and demand? They did not.

Instead they asserted the contrary conclusion:

Obviously, competition in the field has not effectively controlled the price of gas in the past. (Committee report, p. 74.)

Second. The minority asserts the existence of monopoly and of extortionist prices, merely because of the rise from the depressed levels of some years ago, which has given to natural gas an intrinsic value for its own sake and made it worth conserving. The minority does not like competitive prices when the movement is upward, from levels no matter how low. Effective price control is made to mean stable or declining prices regardless of relationship between supply and demand.

Third. At one point of the minority report, signed by Congressman Wolverton and others, it was pointed out that—

Congress requires an understanding of the growth of the natural-gas industry (p. 69).

At another point in the same report it is asserted:

If the vigorous competition * * * were an effective deterrent to higher prices in the field, it would seem that the field price of gas during the past several years might have remained relatively stable. It has not (p. 73).

Why? The economic purpose and function of price could never be served if price were not expected to move upward or downward in response to changing market conditions. If the price had not increased, natural gas in the field would continue to be without the intrinsic value for its own sake that makes it worth conserving.

Fourth. Competition among producers was so keen during the early years of natural-gas marketing, and the price so low, that many producers could not afford to conserve it. Even today the competition remains so intense that natural-gas prices remain low enough that it can be delivered 1,000 to 1,500 miles and still can be delivered to consumers at less than the competitive prices of coal or oil.

Some illustrations are:

Comparison of competitive fuel costs for heating the average house during the 1954 heating season

City	Average season cost for natural gas, cents per thousand cubic feet (1)	Price per thousand cubic feet equivalent to average cost of coal (2)	Price per thousand cubic feet equivalent to average cost of fuel oil (3)
Chicago, Ill.	[1] 90.8	87.1	113.3
Cleveland, Ohio	60.0	71.6	106.4
Denver, Colo.	39.0	94.5	111.4
Detroit, Mich.	75.5	74.1	109.1
Erie, Pa.	[2] 73.8	75.5	116.1
Kansas City, Mo.	51.5	54.5	86.5
Louisville, Ky.	56.1	68.2	105.7
Memphis, Tenn.	55.0	68.0	109.6
Washington, D.C.	128.8	150.8	134.7

[1] Mixed gas is served—price is equivalent for 1,034 B. t. u. straight natural.
[2] Mixed gas is served—price is equivalent for 1,035 B. t. u. straight natural.

Source: Determined from Independent Natural Gas Association of America 1954 Study of Househeating Costs.

OPPONENTS OF H. R. 6645 CONTEND THAT COMMISSION REGULATION WOULD NOT BE UNREASONABLE

No Commission can be imagined that would destroy the industry it is charged with regulating, nor can anyone really believe that the courts would permit such a result. (Committee report, p. 78.)

First. It is not contended that the Commission would deliberately establish rates for natural-gas production that would stifle the industry. What is contended is that the problems involved are so complex that they cannot be resolved by a 5-man board and its staff.

Second. It is impossible to expect that millions of individual decisions made daily in the natural-gas-producing business can be replaced adequately by the judgment of 5 men and their staff, particularly when that group is far removed from the scene of gas production and when it is completely unfamiliar with the conditions surrounding production.

Third. Where the Commission has been charged with regulating 100 gas companies and a few power companies selling electricity at wholesale in interstate commerce, it is now responsible for 5,000 or 6,000 gas producers as well. Where it considered about 1,000 rate applications and applications for certificates of convenience and necessity in the year ended June 30, 1954, it had received as of February 28, 1955, 5,673 certificate applications and 10,042 rate filings by independent producers. The magnitude of this job surely means both a tremendous increase in the Commission's staff and an agonizing delay for all regulated companies.

Fourth. The volume of work thrust upon the Commission will inevitably slow down the activities of the natural-gas industry. Thus hampered, the industry's further development will be retarded and future supplies threatened. In the words of FPC Chairman Kuykendall:

We have not yet reached the point of really coming to grips with all the detailed problems which are involved.

Fifth. Already discrepancies have appeared in decisions of the Commission. In one instance, a one-half-cent increase in the wellhead price was approved for one producer, and denied for others, even though the gas was produced from the same reservoir through the same wells by the same producer for the interest of all, and sold under the same contract to the same pipeline.

In another case involving producers in the same field, one Commission examiner ruled that one producer was subject to the Natural Gas Act, and another examiner ruled that another producer was not subject to the act.

These instances are indicative of the extent of the confusion that surrounds the present situation.

Sixth. It is pointed out that interstate pipelines enjoyed phenomenal growth under FPC regulation. Natural-gas producers have none of the characteristics of public utilities. Regulation requirements have always been imposed on utilities in exchange for the privileges obtained under utility operation. There is no possible way for the Government to grant such privileges to natural-gas producers. To insist upon utility regulation of producers is to impose a further unwarranted financial burden upon the taxpayers of the Nation.

Seventh. It should also be noted that this growth would not have been possible had not tremendous new supplies of gas been developed by independent producers and made available to interstate carriers. This phase of the business was not under FPC regulation. Had it been up to the pipelines to develop their own reserves, the tremendous growth they have enjoyed would not have been possible.

Eighth. As a matter of fact, from 1938 to April of 1954, the Commission used the public utility method in regulating gas produced by pipeline companies. But, after 16 years of experience with the formula, as applied to production the Commission found that (a) the results were delirious and capricious; (b) the public utility method had failed to create an atmosphere favorable to the exploration for natural gas by pipeline systems; and (c) that it is in the interest of consumers for pipelines to engage in production but the pipelines had been discouraged by use of the public utility formula, which gives no regard to the value of gas as a commodity.

The pipelines had withdrawn gradually but steadily from exploration and production activities of their own. After 16 years the Commission changed its method. This experience with utility-type regulation of production by pipelines is indicative of what would happen to future supplies of natural gas if all producers were subject to utility-type regulation. This past unfortunate regulatory experience is offered to show that the judgment of five men cannot be depended upon as can the workings of competition in the market.

Ninth. If the Harris bill should be defeated because, as the minority report says, the FPC would not destroy the industry it is charged with regulating, then for the same reason it can be said that the steel industry, the oil industry, the automobile industry, the cattle industry, and so forth, should be regulated be-

cause the Federal agency charged with their regulation would not destroy them. This theory of socialism is that the Government can regulate all industries for the public good without destroying such industries.

MINORITY ERRONEOUS THOUGHTS ON DEPLETION ALLOWANCE

The public is warned by the gas and oil interests that if you regulate prices you will remove incentives for exploration, development, and production. Gas and oil comes almost entirely from the same well and gas seldom is discovered alone and is usually discovered in connection with the drilling for oil. What more incentive do they want than the 27½-percent depletion allowance tax loophole that they now have?

There is a very short and conclusive answer to this erroneous thought. The answer is that Federal regulation on a utility basis would nullify the depletion allowance on natural gas. Thus utility regulation of natural-gas producers will take away the incentive provided by the depletion allowance and make it even less attractive to produce natural gas by limiting the earnings of the producers to such a sum as would yield 6 percent on the investment. Whatever is saved in income taxes through the depletion allowance is wiped out by the reduction in rates to where the earnings on investment after taxes would not exceed 6 percent.

This truism was recognized by the Federal Power Commission in the Panhandle case wherein it stated:

Finally, under the rate-base approach allowance for taxes on the production property are made in accordance with the actual payments made, thus transferring to the rate payer all the savings of Federal income taxes permitted by statute to be enjoyed by gas producers through the allowances made for depletion and intangible well-drilling expense. * * * To follow this course would, as we see it, clearly contravene the congressional policy and intent. (F. P. C. Opinion No. 269, Apr. 15, 1954, p. 10.)

COMMENTS ON SUBSECTION (F) OF H. R. 6645

Subsection (f) was written, because the Federal Power Commission and other authorities have pointed out that the public interest is served by encouraging interstate pipelines to develop their own gas production.

Subsection (f) insures that an interstate transmission company or an affiliate will be allowed the reasonable market price for gas they have produced. This reasonable market price will be applied at the point where the gas is delivered into the transmission facilities in or near the fields where the gas is produced.

This means, then, that interstate transmission companies will finally be receiving equal regulatory treatment along with other producers of gas. A big step toward this principle of nondiscriminatory, or equivalent treatment of gas produced by pipeline companies was made by the Federal Power Commission in April 1954 in its opinion and order in the Panhandle Eastern Pipeline Co. rate case.

The Chairman of that Commission, supported by 3 of the 4 Commissioners, has urged Congress to write into law its findings in the Panhandle Eastern case. I quote from the Chairman's statement to our committee back in March:

We believe that the proposed legislation would clearly sanction the course which we there took, would result in equal treatment of producers of gas, whether pipeline companies or independent producers, would encourage the ownership and operation by pipeline companies of their own producing and gathering properties, and would definitely and conclusively contribute to the soundness and the security of the sources of gas supply, and the maintenance of adequate service. Those results would, inevitably, redound to the benefit of the domestic, as well as other customers, and it is our belief would achieve in the long run lower rates for natural gas.

In that Panhandle case the commission said that because the pipelines had been up until then receiving little or nothing for the gas they produced there had been "indefensible discrimination." The commission also expressed concern that no new major pipeline companies which had come into being under the previous pricing method was producing any significant quantities of gas and that the amount of pipeline-produced gas in the total gas transported had fallen off sharply.

One of the most important reasons why the public is better served by the reasonable market price principle is that it frees interstate pipelines from complete dependence upon other producers. When a pipeline produces its own gas it naturally is in a better bargaining position when shopping for gas among other producers. Also, by being able to draw on their own gas, pipelines are able to smooth out the peaks and valleys of pipeline throughput as consumer demand fluctuates seasonally. This means that a pipeline can take its purchased gas at more uniform volumes, at high load factor, and thus generally qualify for more favorable gas prices. The Federal Power Commission has asserted that if there is to be natural gas exploration, development and production by pipeline systems themselves—with resultant benefits to the public—it follows that this can only result from regulatory policies which are designed to encourage, rather than to penalize, such activities. The main objective of subsection (f) of the bill is to grant the same treatment to pipeline producers as to independent producers, namely, the allowance of a reasonable market price for such gas, and thereby to encourage the pipelines to expand their production and exploration activities. The net result of this policy will be better service at lower cost to the consuming public.

MINORITY ASSERTION OF WINDFALL WRITE-UP OF RESERVES

It is alleged that use of reasonable market price standard for pipelines' owned gas will permit them to write up their owned reserves to an exorbitant level; it provides an unconscionable windwall to interstate pipeline companies—minority report, pages 61 and 98.

First. Use of the reasonable market price standard will encourage pipelines to expand development of gas reserves of their own, thus reversing the present trend. The pipelines' exploratory effort has been reduced to near the vanishing point by application of the costing formula.

Second. Where pipelines have their own production, they have greater flexibility to handle seasonal and other demand fluctuations. They are thus able to stabilize the volumes of gas they must purchase. In so doing, they strengthen their bargaining position and can generally qualify for more favorable gas purchase prices.

Third. It is no windfall to pipeline companies to get a reasonable market price for natural gas under the American system. This is equivalent to carrying inventories on a replacement cost basis. This system has been recognized by the Bureau of Internal Revenue for all other businesses when it approved the LIFO—last in first out—system of costing inventories for income tax determination. This system which is widely used in many American industries values the inventories on a cost of replacement basis. Is it not equally valid for pipeline companies?

Fourth. To treat the pipelines' owned reserves under the standard utility ratemaking procedures results in some carriers receiving little or nothing for the gas produced by the pipeline company. Where this situation has arisen, carriers have in some instances divested themselves of the property or sold in the intrastate market.

Fifth. Continued adherence to the cost formula will result in higher prices being placed on marginal gas supplies than these supplies would actually be worth on the market. This high-cost gas would inevitably be turned into the regulated, or interstate market, with its higher assured return, while low-cost gas will be sold in the unregulated intrastate market.

Sixth. Use of the reasonable market price standard will help assure continued adequate gas service to all ultimate consumers, and would achieve in the long run lower rates for natural gas service.

ALLEGATION THAT H. R. 6645 IS LEGALLY UNSOUND

Dissenting members of the House committee contend that because section 2 of the Harris bill designates transactions between producers and pipeline companies as not being transactions in interstate commerce:

The majority have foreclosed all possibility of relieving the pipeline company of its contract obligation to the producer. It is clear as a matter of constitutional law that if a transaction is not subject to the jurisdiction of the Commission, and that is what the bill provides as to producer contracts, such transaction cannot be subjected to regulation under the Natural Gas Act. The 'control' over escalation clauses provided by the majority is legally unsound and completely ineffective. (Minority committee report, pp. 82, 64.)

A complete answer to the foregoing allegations is in the June 7, 1954, decision of the United States Supreme Court in the Phillips case itself—*Phillips Petroleum Company* v. *Wisconsin* (347 U. S. 673). In that case the Supreme Court held that the price at which the producer sells his gas is subject to Federal regulation. In other words, the Court held

that it is both constitutional and lawful for FPC to regulate those prices. It follows, therefore, that the control over escalation clauses, as provided in the Harris bill, is legally sound and completely effective. The Harris bill merely retains in FPC, for the protection of consumers, a part of the larger bundle of regulatory powers which the Supreme Court said was entirely constitutional and lawful.

When the minority of the House committee says that the Harris bill "is legally unsound and completely ineffective, that minority is, in effect, saying that the Supreme Court decision in the Phillips case is even more unsound and more ineffective. If, as that Court held, the FPC has the power to regulate producers' prices completely under the Natural Gas Act, then it is certainly lawful for Congress to relieve the producers from some of the burdens of the Natural Gas Act, and at the same time retain some of the regulatory powers of FPC for the purpose of protecting consumers.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. Briefly.

Mr. BENNETT of Michigan. While the gentleman is describing the provisions of this bill I would like to ask a question.

Mr. HARRIS. I am going to get to that section, and when I reach that section I will yield to the gentleman.

Mr. BENNETT of Michigan. The question I have relates to the type of regulation which the gentleman's bill provides.

Mr. HARRIS. Yes; that is what I am going to do, if the gentleman will permit.

The bill (H. R. 6645) to amend the Natural Gas Act proposes, among other things, to add to section 5 of that act the following subsection:

(e) Whenever, in connection with an increase in the price of natural gas under the provisions of an escalation clause, the Commission, pursuant to subsection (d), has made a determination as to the reasonable market price of such natural gas, the natural-gas company shall be obligated to pay only such part of the increase in price as results in a price which does not exceed such reasonable market price; and, except as otherwise provided in this subsection, the contract containing such escalation clause shall continue in effect according to its terms as though this subsection had not been enacted.

The contention has been made that this subsection is unconstitutional. The argument in support of this contention seems to be essentially as follows:

First. That section 1 (b) of the Natural Gas Act provides that the provisions of the act shall apply "to the sale in interstate commerce of natural gas for resale but shall not apply to any other sale of natural gas."

Second. That by section 2 of H. R. 6645 the term "sale in interstate commerce of natural gas for resale" is so defined that it excludes sales by producers.

Third. That since Congress has thus designated sales by producers as not being transactions in interstate commerce, it cannot in another provision of the bill—namely, the proposed subsection (e) quoted above—regulate sales by producers.

There is some ground for contending, as a matter of statutory construction, that there is a conflict between the language of section 1 (b) of the act—which is not being amended by H. R. 6645—and the new subsection (e), and this point is discussed below.

However, there would seem to be no substance whatever to the above-described contention as to unconstitutionality.

What that contention boils down to is that Congress could by statute amend the Constitution, or, in other words, that it could in a statute abdicate part of its power over interstate commerce to such an extent that a later provision of the statute, based on that particular power, would be unconstitutional.

It would seem that the mere statement of this proposition reveals its unsoundness. It is inconceivable that a court would give it serious consideration.

It has been suggested that, aside from the alleged constitutional question discussed above, the provisions of the proposed new subsection 5 (e), quoted above, cannot operate to accomplish anything because of a conflict in language between that provision and section 1 (b) of the Natural Gas Act.

The argument, in substance, is—

First. That section 1 (b) provides that the act shall not apply to any sale of natural gas other than a "sale in interstate commerce of natural gas for resale."

Second. That by section 2 of H. R. 6645 the term "sale in interstate commerce of natural gas for resale" is so defined that it excludes sales by producers.

Third. That the combined effect of those two provisions is to remove sales by producers from the regulatory scope of the act.

Fourth. That therefore the provisions of the new subsection (e) can have no effect insofar as it would impose certain requirements with respect to sales by producers.

It may be conceded that the proposed new subsection (e) is, as a matter of language, somewhat inconsistent with section 1 (b). But it cannot be conceded that because of this inconsistency section 5 (e) cannot be given effect. To the contrary, it seems clear that just the opposite result would follow from the enactment of H. R. 6645.

It is a well-settled principle of law that a statute will be given the meaning and effect which Congress intended it should have. If H. R. 6645 is enacted into law, no one could doubt but that Congress intended section 5 (e) to take effect. What justification can there be then for an interpretation which would ignore the clear congressional intent expressed in the bill and specifically stated in the committee report?

It would seem that this is simply a situation where a specific amendment to an act conflicts to some extent with a general statement in the act as originally enacted. In such a case, the earlier provision will be considered as having been superseded or impliedly repealed to the extent of any conflict with the later provision. No provision of statutory construction is more firmly established than this.

Mr. BARRETT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BARRETT. Mr. Chairman, we have before us today a bill to amend the Natural Gas Act, H. R. 6645. I am vigorously opposed to the passage of this legislation and from the mail I have been receiving in my office it seems I am not standing alone. My constituents are also voicing their objections to the bill as they should because it definitely affects them—the consumers. At the present time there are approximately 20 million natural gas consumers in the United States who, if this legislation is passed, will donate, let us say, several hundred million dollars to the already rich oil companies. Why should my constituents or yours be required to increase the profits of these companies? We, as Members of Congress, must protect the consumer and this can be accomplished by defeating this bill.

It has been contended that this legislation is needed to insure the continued production of petroleum products in the United States. This, of course, includes natural gas which is but an incident to the production of oil since comparatively little drilling is necessary for gas alone. The price of gas as related to the price of oil is like the price of accessories in the total cost of an automobile. Yet the oil industry contends that unless this bill is enacted into law there will be a serious curtailment in its production rates.

In the years since the end of World War II, where there has been little more than a faint threat of producer regulation, drilling activity in the gas fields has gone forward at a great rate. The oil companies did not cease drilling when the Kerr bill failed to become law; neither have they been stopped by the Phillips decision. The forecast for drilling for this year is the highest on record and there is certainly no evidence that regulation—the lack of it or the threat of it—plays a key part in the overall drilling plans of the 174 large companies that produce 90 percent of our natural gas.

These large oil companies who are pushing for the passage of this bill, if they were completely sincere, would have to admit that the key to petroleum production, including the production of natural gas, is the tax treatment accorded their drilling operations—their depletion allowances. The price they get for gas has very little to do with it. Under existing law they can charge off as expenses a great portion of their drilling costs and thereby escape the payment of vast sums in the form of income taxes.

In 1938, after extensive investigation and debate, the Congress declared that the interstate commerce in natural gas was affected with the public interest. Since that time the natural-gas lines have spread until they cover the entire country. Millions of customers have subscribed to this service and billions of dollars have been invested by them

in equipment on the strength of the promises made by these producers. These consumers looked to us for their protection in 1938, and they are again counting on us today to protect their interest.

Mr. Chairman, we must not lose sight of the fact that the real issue and problem before us now is the price the consumer, the housewife, the small homeowner, in your State and mine, must pay for the fuel used to cook meals and heat homes.

We may not be able to estimate precisely what the increase in cost will be for each individual consumer of natural gas, but if the bill is passed, we certainly know there will be an increase. We should not and must not saddle any consumer with any increase, no matter how small, simply to satisfy the greed of the major oil producers who are supporting this legislation.

This bill should be defeated and Federal control over interstate commerce in natural gas should remain effective.

Mr. WOLVERTON. Mr. Chairman, I yield 7 minutes to the gentleman from Michigan [Mr. BENNETT].

Mr. BENNETT of Michigan. Mr. Chairman, I want to say that I am for the provisions of the bill sponsored by the gentleman from Arkansas insofar as they exempt independent producers of natural gas from Federal Power Commission regulation as public utilities. I do not think that an independent producer of natural gas any more than an independent producer of any other commodity ought to be regarded as a public utility. I do think, however, because of the very peculiar circumstances in which this gas is handled, once it is produced, from the time of its production, when it is put into the pipelines and goes to the city gate and to the distributing company, it is completely a public utility operation and should be regulated.

Now, when a householder buys natural gas, he buys it under the same circumstances and conditions that he buys electricity. He buys it under the same circumstances and conditions that he buys telephone or water service. There is no other place that a consumer, a private consumer, can get natural gas except from the public utility in his own community, and therefore, if this operation of getting natural gas to such consumer is not regulated insofar as its price is concerned, it has a very material effect upon him and one which he is not able to control. If the price of gas gets too high in his home town, he cannot throw his gas furnace out the window and put in an oil furnace or a coal furnace unless he does it at a tremendous cost, $1,500 or $2,000 or more. So, he has to sit by, and some 60 million American consumers have to sit by and get their gas from their own public utilities, and they have to accept the price that is imposed upon them by those public utilities.

Therefore, there must be some regulation of the price the consumer pays. The pipeline is regulated from the time the gas gets into the pipeline until it gets to the distributing company and from the distributing company to the consumer. All of that is admittedly a public utility operation. Even the author of this bill, who represents the thinking and the viewpoint of the producers, admits that there must be some regulation of the price that the producer gets for his gas once he sells it in interstate commerce.

Now, the trouble with the bill presented by the gentleman from Arkansas is that its regulation is of a simulated type. It is absolutely ineffective to protect the consumer from runaway prices, and therefore does not provide adequate protection to millions of Americans who have to get their protection by an act of the Congress or not be protected at all.

When the gentleman from Arkansas was speaking I asked him some questions about the effect of the control which is provided for in his bill. Now, it is true that his bill provides a little control insofar as future gas contracts are concerned. But the formula is very vague and its simulated control only applies to a small percentage of the total gas consumed throughout the country.

It is also true that he provides Federal Power Commission regulation of the price of gas on existing contracts where an increase in rate is requested by a pipeline company based upon the cost of such gas, but only in a very special isolated situation. If there is an existing contract between a producer and a pipeline company which has some fancy escalation clauses in it, which serve to increase the price of the gas under circumstances and conditions which are not controllable under the terms of the contract, but are controlled by the circumstances and conditions which come about by the actions of other people or other prices, as to that special type, he provides for "reasonable market price" regulation, under his bill. But he specifically exempts from any type of Federal Power Commission control any increase in the price of gas to the consumer as long as that price increase is provided for in the contract. And it does not make any difference whether the price increase is 1 percent or 100 percent; if it is set forth and stipulated in an existing contract, the pipe line company can ask for its rate increase and pass it on to the distributing company and then to the consumer, without any control by anyone.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield to the gentleman.

Mr. O'HARA of Minnesota. The gentleman is talking about an amendment which I offered in the committee and which was the result of a policy decision, at the request of the chairman. The gentleman knows the amendment was drawn by the staff and the legislative counsel at the direction of the committee and was rewritten by the committee itself. The gentleman realizes, does he not, that these gas contracts are 20- and 30-year contracts, which start out on a lower base uniformly and then 5 or 6 or 7 years later, or over a period of 5 years, they increase half a cent or a cent. That is the kind of control we are talking about.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLVERTON. I yield the gentleman 3 additional minutes.

Mr. O'HARA of Minnesota. Is it true that these gas contracts are for periods of 20 years or longer?

Mr. BENNETT of Michigan. That is right.

Mr. O'HARA of Minnesota. And my point is that the people who came in and opposed the bill said that they had no objection to those fixed-price increases, and those are the only increases outside of the tax increase provided in subsection (d) in the bill.

Mr. BENNETT of Michigan. Nobody representing the consumers who are paying this bill came in and said anything about the provision. But there is something even worse involved here, so far as the consumer is concerned. It is this: If I have a pipeline and have a contract executed today in which I agree to pay the producer 20 cents per thousand cubic feet, and there are such contracts, hundreds of them, now pending before the Federal Power Commission, in which the price of gas is from 16 to 20 cents per thousand cubic feet. That is about 100 percent above the 10-cent level. If this bill goes into effect, the pipeline can pass that 20-cent increase on to the distributing company, and the distributing company can pass it on to the consumer, and there is not one single, solitary prohibition in the Harris bill against it, or a single bit of regulation concerning it.

The point is this: The vast quantity of gas which is being sold today is under existing contracts. And so the simulated, ineffective regulation provided for in the Harris bill will not take effect until many years in the future, and until that time the price increases which are provided for in these contracts, except in very special circumstances, will be passed on to the consumer without any control whatsoever.

May I ask this? What is the difference, as far as the consumer is concerned, how the price increase comes about? What he is interested in is the fact that his price is increased. The Harris bill only pretends to regulate and control price increases. Actually, it provides no control whatsoever. So let us not be fooled about the type of phoney control that is attempted in this bill. For practical purposes, it affects only a very, very small amount of the total quantity that is being consumed in the United States today or that will be consumed for many years in the future.

Mr. MEADER. The gentleman from Arkansas [Mr. HARRIS] seems to give us two alternatives: Either the gas producers and gatherers are completely free from regulation, or they must be regulated as public utilities. Is there no manner of regulating them without making them public utilities?

Mr. BENNETT of Michigan. The answer is "yes." Gas producers and gatherers can be regulated as to the price of gas sold in interstate commerce without treating them as public utilities. The gentleman from Arkansas [Mr. HARRIS] talks about regulation, but his bill does nothing about it.

Mr. WOLVERTON. Mr. Chairman, I yield 7 minutes to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, I originally intended to speak on the rule for one good reason: There is no doubt that this is a highly volatile bill. In the 5 years I have been in this Congress there has never been any bill on which people have taken such impassioned stands as they have either for or against this bill. I am hoping during this debate there can be some light spread on this issue in order that you may make your decision with some real knowledge of what this question is about.

First of all, I listened to the evidence that came before the committee for some 7 weeks. I took this thing home with me many times at night, just to try to turn over in my mind what are the issues in this legislation. How are they going to affect the people in the respective districts of every Member who sits here today?

To me there were these two problems only, and you have to make up your mind on these two problems if you are going to serve the people in your district well, in my opinion.

First of all, the consumer. There is no doubt all of us want to see the consumer get gas at a fair price. No one has told you here today, so far as I know, and I have listened to all this debate thus far, that there are two classes of consumers. Do not let anyone confuse you by telling you that the welfare of those two classes of consumers have the same remedy, because they do not.

First, there is the consumer who already has gas in his home. That is one consumer. There are a lot of people talking here today about that consumer. They want to get a good price for him. I do, too. That consumer is important and it is important that he have gas at a fair price.

But to many of you who are talking against this bill there is another consumer and that is the consumer who does not have any gas yet. When someone wants to talk to you on the floor about this bill, you ask him which consumer he is talking about. Is he talking about the fellow who turned his burner on this morning and has gas coming out of it, or is he talking about the 20 million homes in this country that do not have any gas today that want gas? Which one of those consumers are you talking about?

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Oklahoma.

Mr. ALBERT. In that connection, may I point out that I have information today that the commitments to the 11 largest pipeline companies during the calendar year 1952 were 5,300,000,000,000 cubic feet; in 1953, 6,397,000,000,000 cubic feet; in 1954, 2,287,000,000,000 cubic feet; so since the Phillips decision went into effect there have been not much more than one-third of the new commitments to these pipeline companies.

Mr. SPRINGER. I thank the gentleman. His figures prove the point I'm going to make in a few minutes—the importance of assuring an adequate supply of gas.

There have been people here from Massachusetts, New York, and New England who have been talking against this bill. I take it that you believe you are talking for the consumer who has gas coming out of his range already. But I know these same gentlemen have been talking to me on various occasions about the fact that they could not get enough gas in those areas to supply the need. When they talk about that consumer they talk about another consumer whose interests are not parallel with the person who has the gas coming out of his range today.

When you talk about the consumer, try to keep those two classes straight. For the consumer who has gas coming out of the gas line at the present time, maybe you are right in voting against this bill if you want to get a cheaper price for him. Maybe you are right, if that is what you figure you want to do. But, you are not talking in the interest of the consumer who does not have the gas at the present time. May I say to the gentleman from Illinois [Mr. YATES] who is sitting here directly in front of me and whose name I mention, that there are over 300,000 people who have signed applications with the Chicago Edison Co., and you can check this, who do not have gas today. When you are talking against this bill, you are not talking, may I say in my opinion, in the best interest of those consumers. You may be talking in the best interest of consumers who already have gas coming out of their gas burners, but you are not talking in the best interests of those who do not have the gas. Let me point out to the gentleman from Illinois that those consumers are never going to get gas until the gas supply is increased. The only way they can get that needed gas is to increase the supply. I have not heard of a single person, either a proponent or opponent of this bill, or anyone else who has produced any evidence or made any reasonable evaluation based upon any evidence, that by making these producers a public utility, you are going to get more gas. In my opinion, from all the evidence that I have heard, I believe you are going to get less gas and I will tell you why. Anyone who is regulated as a public utility, especially the small producers down in the Southwest, in my opinion and I want to say first that the big producers may not do it but the small ones will intensify the use and outlets for gas primarily in those States where gas is now being produced, namely, Louisiana, Texas, Arkansas, Oklahoma, and eastern Kansas. The little fellow is going to try to sell his gas in those areas. I do not think there is any question about the evidence before the committee on that. If there is any limitation of the supply—I am talking about less than there is now—and if there is not more gas produced in the next few years than there is now, there is no place for the price of gas to go except up.

I think the evidence very clearly showed, as it did in the Indianapolis case, if you give a city more gas, the price of gas to the consumer drops. The mayor of Indianapolis testified before the committee in the other body that since they put natural gas in 6 years ago, they had been able to execute new contracts giving them a greater supply in Indianapolis on two occasions, and on each one of those occasions the consumer in Indianapolis got a reduction in his gas price.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. Since I mentioned the gentleman's name, I yield.

Mr. YATES. The gentleman asked the question as to whether I proposed to be speaking for the consumer who already had gas installed in his home, or whether I was speaking for the applicants who want gas for their new residences. My position is that those of us who oppose this bill speak for both of these classes. It seems to me the gentleman's position points out most clearly that the oil producers and pipeline companies are never satisfied. They want more and more incentives. In the first place, in 1926 when the oil depletion allowance was approved by the Congress, the Congress was told that in order to get an expanded oil industry it was necessary to have an oil depletion allowance and Congress gave them the oil depletion allowance. They still possess this major incentive. Today, the oil and gas industry is distinct and apart from any other industry in this country in being given a 27½ percent oil depletion allowance. Twenty seven and one-half percent of all revenues they receive are free from income taxation. They are given special consideration, too, in the allowance of expense for tax purposes. No other industry in the country gets it. This, as I say, is a unique and special incentive.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. SPRINGER], has expired.

Mr. YATES. Mr. Chairman, will the gentleman from Tennessee yield me 1 minute?

Mr. PRIEST. I yield the gentleman 1 minute.

Mr. YATES. The gentleman says we will not get more gas unless we remove regulation.

Mr. SPRINGER. I did not. I beg the gentleman's pardon. I did not say this bill is a removal from regulation. I gave it as my opinion that this bill has regulation in it.

Mr. YATES. How does the gentleman propose to do it?

Mr. SPRINGER. There is regulation in this bill. This does not remove the producer from regulation. He is regulated—but not as a public utility.

Mr. YATES. Let us take a look at the bill. Is not the extent of regulation of producers only indirectly through the pipeline companies? Control of the pipeline company is not control of the producer.

Mr. SPRINGER. That is regulation.

Mr. YATES. Of what? The pipeline company?

Mr. SPRINGER. The Federal Power Commission has the right to set maximums and minimums. That is done through the pipeline companies, it is true.

Mr. YATES. Let us pass over that point temporarily. I will say to the gentleman that in my opinion one result of this legislation, if it passes, will be to reduce consumption. Consumers of the second class will not be as interested in getting gas for their homes, because gas prices will go so high that gas will move into the same competitive price position as coal and oil. With this loss of business there may be no incentive for the producers to do further exploration.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. YATES] has expired.

Mr. SPRINGER. Will not the gentleman yield me a half a minute?

Mr. PRIEST. My time is all allocated, but I yield the gentleman one-half minute, Mr. Chairman.

Mr. SPRINGER. I just want to make this final statement. May I say to my colleagues here today that they consider two things: First, the consumer who has gas—and he ought to be considered—but in considering the consumer, for goodness sake consider what is going to happen, if you do not have this bill, on the question of the supply of gas. As I see the future the question is whether or not you are going to get the increased supply sufficient to take care of the needs of the consumers of this country who do not have any gas.

I yield back the balance of my time.

Mr. WOLVERTON. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. HESELTON].

Mr. HESELTON. Mr. Chairman, I want to have the opportunity right after the gentleman from Illinois [Mr. SPRINGER] has spoken, since he mentioned my name and referred to what he thinks is my position, to try to correct the record even if I cannot impress him.

I do not know whether he knows what the position of the consumers in Massachusetts and New England is, but I think I do, and I think the members of the New England delegation do.

I do not know whether he has taken the time to read the statement of the distributors in eastern Massachusetts who are very fearful as to what will happen if this giveaway piece of legislation passes this afternoon.

I want it clearly understood that the consumers who make up a fairly substantial proportion and a growing proportion of the 20 million people in the United States who are going to have to pay the increases that will inevitably follow this legislation if it becomes law are concerned as to what this House may do.

I want to repeat that I think it is mighty unfortunate that we have to pass on this legislation, complicated as it is, at this particular hour and at this particular time in this session when none of us has an opportunity adequately to explain it. Even the author of the bill, my good friend the gentleman from Arkansas [Mr. HARRIS], did not have time to explain his own bill. I regret it, and only wish we could do what he suggested, take the opportunity to consider the legislation quietly, impartially, without passion, or prejudice. Since I have been given the time at this moment—and I do not expect to ask for any more time during general debate—I want to make one further statement. The chairman of the committee is one of the finest men I have ever served with in this Congress. He takes a diametrically opposite position to that which I take as to this bill. Nevertheless, I respect his complete honesty and his integrity, his impartiality and fairness as our chairman, and regret that anyone, as has been reported to me, has taken the occasion to cast reflection upon him because of the position he has taken. It is neither honest nor decent criticism. I want to repudiate it as emphatically as I can and to say that the gentleman from Tennessee [Mr. PRIEST] represents the finest traditions of his great State and of this House.

I honor him, I respect him, and I know every member of the committee irrespective of the stand they take on this bill holds the same point of view. I hope that those who may speak today will take the opportunity to express that confidence in the gentleman from Tennessee [Mr. PRIEST] and will take that opportunity during the course of this debate.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield to the gentleman from Arkansas.

Mr. HARRIS. I want to concur wholeheartedly in the statement with reference to the distinguished chairman of our committee the gentleman from Tennessee [Mr. PRIEST]. He is one of the fairest, finest, and most honorable gentlemen who ever served in this House. He has shown his fairness in presiding during the lengthy hearings and lengthy consideration of this legislation. We all respect his integrity. He has done, I believe, a marvelous job as chairman of this committee.

Mr. HESELTON. I appreciate the gentleman's remarks.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, I want to commend my colleague from Massachusetts, Mr. HESELTON, for the position he has taken on this highly controversial subject. Because of the great amount of time and effort he has spent in wrestling with this matter, his opinions and conclusions are worthy of considerable weight. I compliment him for his research and join him in opposing the passage of this bill.

Mr. Chairman, this bill directly affects the consumers of natural gas in my district as it does like users, some 60 million of them, throughout the Nation. Estimates of just how costly this legislation will be vary from $200 million to $800 million more each year that the consumers will have to pay. The failure to insure Federal regulation of this industry will be the vehicle by which the producers shove up their price, the transmission pipeline companies will increase their price, the local gas-distributing company ups its take, and the user of gas digs down into his pocket and pays the increase.

Let there be no mistake about it, the individual consumer, the resident user will bear the burden of the increase. The passage of this bill will wipe out the price protection that the gas user now has and is entitled to under the Supreme Court's ruling in the now celebrated 1954 test case of the Phillips' Petroleum Co. That decision conclusively stated that the Federal Power Commission does, indeed, possess regulatory authority over the independents under the existing terms of the Natural Gas Act. To remove the Federal Power Commission's authority to control natural gas prices at the wells could be disastrous to millions of consumers, large and small. The bill now before Congress to end or seriously weaken such controls should be defeated in the public interest.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield to the gentleman from Ohio.

Mr. VANIK. Will the gentleman tell the Members of the House about the bill which he has introduced that would free and release the independent producers?

Mr. HESELTON. I do not know whether I shall have the time to do that. The gentleman from Massachusetts [Mr. MACDONALD] will explain that to the Members. It will release 90 percent of the producers, if it is accepted by this body. It is intended to remove an administrative burden that is almost an impossible one on the Federal Power Commission. It has great merit and I hope this body will support Mr. MACDONALD's motion if he makes it.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield to the gentleman from Illinois.

Mr. YATES. This bill has been represented as being a bill to exempt the independent producer. Does not the bill go far beyond that mere contention in giving a bonanza to the pipeline companies which they did not previously have?

Mr. HESELTON. Without any question and beyond all else, it gives to 29 of the biggest oil companies in this country a throttlehold on the gas business and a throttlehold on the consumers of the gas who are captives under the present situation.

Mr. PRIEST. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. STAGGERS].

Mr. STAGGERS. Mr. Chairman, during debate in committee I repeatedly said I would be for the Harris bill. I voted for most of the amendments that were put in the bill. I had a bill of my own which carried nine separate provisions that I thought should be enacted into law, or if adopted as a part of this bill, it would have made it an equitable one.

I have in my district many small gas producers. From one of the representatives of the industry I recently received a letter saying it is one of the most

promising districts in America for the future development of gas. So, certainly, I do not want to hurt the gas industry. But I am going to vote against this bill because I do not believe as it is now presented it is in the best interests of America, the consumers of this Nation, or of the public welfare.

My colleague from Arkansas [Mr. HARRIS] talked about principles in Government. I believe in them. He talked about the Cabinet report. The Cabinet report, made up of 8 of the Cabinet members appointed by the President of the United States, recommended 2 of the amendments I wanted to put in this bill. Let me just read one of them briefly to show how pertinent it is. It is important to your future and mine.

In the administration of this act, the Federal Power Commission shall consider among other things (1) the maintenance of productive capacity of the several domestic fuel industries sufficient to meet the current and long range fuel needs of the Nation; and (2) the sound principles of conservation in order to preserve the available reserves of natural gas for purposes which will afford maximum long-range benefits to the public, with due regard for the conservation policies and regulations of the producing States.

Now, I would like to have anybody tell me what is the matter with that amendment. It was adopted in the committee. Some of the people who are the proponents of this bill came in the next day and asked for it to be reconsidered, then they took that amendment out of it. The President's Cabinet, consisting of eight of his top Cabinet members, recommended that provision. And another amendment I had regulated all gas for direct sales used in interstate commerce.

Do you want me to read the exact language of these Cabinet members that the President says are the eight most distinguished men he could find to run the executive branch of this Government?

But sales either for resale or direct consumption below actual cost plus a fair proportion of fixed charges will drive out competing fuels, constitute unfair competition, and are inimical to the sound fuels economy.

Now, we are talking about the consumers of the Nation. My colleague from Illinois mentioned something about that. Now let me refer to the figures from the United States Bureau of Mines to see what is happening to our gas. In millions of cubic feet now, 1,685,503 million cubic feet goes to residential consumers in the United States. Six million cubic feet go into industrial use. Why should we not try to conserve it for the people who need gas in residential areas and use other forms of fuel for such inferior purposes as being used under industrial boilers? The life index of natural gas at the present time is 22½ years. That of coal is 2,500 years. Why should not the Federal Power Commission consider, among other things, the conservation of this valuable natural resource?

I hope this bill will be recommitted with instructions to include amendments covering direct sales in interstate commerce as well as conservation of our natural gas supplies.

Mr. WOLVERTON. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I hope that not too much heat is generated in this debate, because there is plenty of heat in natural gas itself and in the other competing fuels to make up for any heat that we might not use in this Chamber.

Actually we are up against a very difficult but I think a relatively simple proposition, and that is, Where are you going to buy heat units that your family uses?

Natural gas has come into general use in the United States at quite a rapidly increasing rate over the past few years, since the war. But, my State of California has had quite a long experience with it. We do not have any fuel except oil and gas other than small amounts of coal that have been found here and there in the State. The nearest big source of coal is in Colorado, and that is quite some miles away. The residential consumers of natural gas in California comprise almost all of the residences. And they use it in considerable volume. The price which is paid at the wellhead, wherever it may be, outside of the State of California, is about the same price as is paid at the wellhead for the gas that is consumed in New York or any place else.

We import something like two-thirds to three-fourths of all the natural gas that we consume. The rest of it is produced in our own State, but it is on a reducing scale at the present time. We are very anxious to find new sources, additional sources of supply to those already available to us. My State, through its various distributing agencies, wants to buy at least 100 million cubic feet of gas per day in addition to that supply which it now has. It is trying to find it.

We pay about 9 or 10 cents a thousand cubic feet for the gas we buy at the wellhead. It is transported to California through a pipeline and delivery at the California State line brings it to about 22 cents a thousand cubic feet. That is about what it is in your State at the city gates. It costs around 20 to 25 cents, depending on how far away you are from the source of supply and at what capacity the pipeline at your city gate is operating. Obviously a transmission line or pipeline that is operating close to 100 percent of capacity can transport gas at a lower figure than one which is operating at, say, 50 percent of capacity, because it has approximately the same expenses regardless of the percentage of capacity with which it is loaded.

In California the balance of the cost to the average residential consumer comes under the control of the State Utilities Commission and amounts to something like 40 cents per thousand cubic feet. That is for transmission across the State and distribution to the homes. So that the ultimate cost to the residential consumer of my State is approximately 70 cents per thousand cubic feet. That is in contradistinction to the situation of the gentleman from New York whose residential consumers pay $2.70 per thousand cubic feet on the average. Why do they pay so much and we pay such a low rate? The reason lies in the fact that they are small consumers of gas. They require all the facilities, the pipelines, the lines through the city streets and the meters, and all the rest of it, for a very few cubic feet of gas per month.

Mr. ALLEN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. ALLEN of Illinois. Is this not true in regard to the bill presently before us: The opponents are using three arguments in being against it. First, is it not true that they do not have a case that the gas producers have a monopoly? There are over 8,000 natural-gas producers.

Mr. HINSHAW. Of course, they do not.

Mr. ALLEN of Illinois. Second, will anyone say that the producers are not being regulated now by the different States? They talk about regulation. The producers are now being regulated.

Third, on the price itself, the record shows they receive but 8.6 cents on each dollar paid by the consumer.

Mr. HINSHAW. I thank the gentleman for his assistance. He has spoken correctly.

The point of the matter is that three-fourths of the price for gas is under the control of your State utility commissions and not under the Federal Power Commission or anybody else.

Let me say this to you, finally: This heating substance, if this bill does not go through, will be the only commodity in the United States to remain under price control at the producing end of the business. Coal is not under price control, oil is not under price control, but gas will be, in accordance with this Supreme Court decision. Never before that Supreme Court decision was natural gas controlled in price at the wellhead. That is the thing that brought about the control. It was never intended by the Committee on Interstate and Foreign Commerce when it first brought in the bill in 1938, and it was never intended at any time while the Commission has been in action since that date until this Supreme Court decision came out and interpreted the act to mean that it should be under control.

Mr. YATES. Mr. Chairman, if the gentleman will yield for a correction, was not gas owned by pipeline companies subjected to regulation at the wellhead?

Mr. HINSHAW. That is different. I was referring to the natural-gas producers.

Mr. YATES. The gentleman said that never before had natural gas been subject to control.

Mr. HINSHAW. I should correct that.

Mr. WOLVERTON. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. BEAMER].

Mr. BEAMER. Mr. Chairman, the consumer is my first interest in the consideration of the amendments to the Natural Gas Act as provided by the Harris bill, H. R. 4560. At the same time, thought should be given to the producers, to the conservation problems involved and, most of all, to all of the citizens of the United States.

This bill was referred to the House Interstate and Foreign Commerce Committee of which I am a member. Hearings were started on March 22 and concluded on May 2 of this year. More than

80 witnesses were given an opportunity to present their arguments for or against the proposed amendments. These witnesses represented practically every segment of the American economy and life. One thousand nine hundred and thirty pages in 2 volumes constitutes the evidence that was heard and taken.

All of this time involved 7 weeks of hearings and 3 weeks of committee executive sessions. Ten amendments were offered—some were adopted, and two substitute bills were offered.

My home State of Indiana is not a gas-producing State, but it has a great interest in the issues involved and in the economic consequences if this legislation is not given its fair opportunity. One of these issues that is dear and close to the philosophy of every citizen of Indiana is the question of how far or to what extent shall the Federal Government control or regulate production of natural resources within a State. In this case it is natural gas, but the same principle could apply to oil, mining, forestry, and agriculture.

Briefly, this bill, first, exempts the producer of natural gas from Federal regulation as a public utility; and, second, provides authority for the Federal Power Commission to regulate and control the price which can be paid to the producers. This is to protect the consumer from unreasonable prices.

In 1938 the Congress previously had passed the Natural Gas Act. It gave the Federal Power Commission—FPC—the authority to regulate gas that was transmitted and sold in interstate commerce for resale. Congress specified that the law was not to apply "to the production and gathering of natural gas."

The Federal Power Commission interpreted the law as denying authority to control prices of producers and gatherers of natural gas—and the majority of the FPC so ruled on 11 different occasions, the last time in 1951. Thus, for 16 years, the intent of the Congress and the interpretation of the FPC was that sales of natural gas by producers should not be regarded as subject to regulation under the act.

House reports in the 80th Congress in 1947—again in the 81st Congress in 1949—confirmed this intention. It has been the consistent view of the FPC that it had no regulatory authority over the production of natural gas. This fact is further borne out in its report made before the House Committee on Interstate and Foreign Commerce on March 21, 1955. As previously stated, the FPC has so ruled 11 times, the last time in 1951.

The last decision of the FPC was in the case of Wisconsin against Phillips. Wisconsin appealed the decision to the courts, and, in 1954, the Supreme Court on a split decision—5 to 3—ruled that the Natural Gas Act does authorize the FPC to regulate the price of independent producers and gatherers.

The effect of this decision is more far-reaching than is readily apparent to the average layman.

First. It would make thousands of gas producers subject to public utility regulation and the producers of natural gas are not in the category of a public utility. There are more than 8,000 producers and thus there is no monopoly as is the case of a public utility. In fact, many producers are small farmers who happen to have natural gas under their land.

Second. It would place an enormous administrative burden on the FPC. After the Phillips case decision in June 1954 and as of February 28, 1955, 5,673 certificate applications and 10,042 rate filings had been submitted to the Commission by independent producers. By this time that workload has increased.

Third. Perhaps the most important issue is the question of States rights against Federal control. In our section of the United States we feel very strongly that the States can do a much better job of regulation and they can do it more cheaply than can be done by a bureau here in Washington, D. C.

Since World War II, the consumption of natural gas has tripled in the 35 gas-consuming States. The number of customers has doubled. Some 25 million families now use this product. Due to the fact that the pipelines can operate more economically when these pipelines are running to full capacity, the result has been cheaper gas to many communities and has held the current prices to all.

One transportation company alone has requests for natural-gas service from 490 communities with a total population of 1,600,000 people.

Some dire predictions have been made by the opponents of this legislation in regard to the future prices of natural gas to the consumer if this bill is passed. Statements varying from $400 million to $800 million have been indicated as possible extra costs to the consumers. Such figures rightfully may be called butterfly statistics because they were picked out of the sky without any foundation of fact.

Evidence presented to the committee proves that gas as sold by producers did not rise in comparison with the cost of living. For example, the Bureau of Labor Statistics cost-of-living index from June 1945 to June 1954 gives the following figures:

	Percent
Cost of living rose	49.7
Price of gas (all types) to household users rose	12.0
Anthracite coal	21.1
Bituminous coal	17.2
Fuel oil	17.7
Natural gas	8.8

And this was during the period when there was no Federal regulation of natural gas at the producers' end.

The BLS index of retail prices further shows the following increases in cost of the several competing fuels since 1938 when the Natural Gas Act first was passed and during which time there was no Federal regulation on its production:

	1938	*1953*
Natural gas	94.3	99.6
Anthracite coal	99.3	233.4
Bituminous coal	101.8	212.9
Fuel oil	105.6	205.5

Thus, the history of 16 years without Federal control has made natural gas the cheapest fuel. Prior to the increased production and use of natural gas, it was considered the most expensive fuel.

History is the best teacher and its lessons should be heeded. All of this is with emphasis on the interest of the consumer.

It is interesting and important to note, too, that the price paid at the wellhead for natural gas is such a small proportionate share of the total cost to the consumer. Looking at my own State of Indiana, and specifically at the city of Kokomo in the Fifth Congressional District, it is noted that this cost is less than 10 percent of the price paid by the consumer:

Kokomo:	*M c. f.*
Paid to producers	$0.075
Cost of transportation	.175
Cost of distribution	.46
Price to consumer (if used for cooking, water heating, and space heating)	.71

If used only for cooking and water heating, the retail price is $1.25 per thousand cubic feet.

Gary (served by another pipeline and a greater distance from the field):	*M c. f.*
Paid to producer	$0.0864
Cost of transportation	.10
Cost of distribution	.7416
Price to consumer (if used for cooking, water heating, and space heating)	.928

If used only for cooking and water heating, the retail price is $1.78 per thousand cubic feet.

Illustrations from practically every community prove that the cost at the wellhead is approximately one-tenth or less of the price paid by the ultimate consumer.

Indianapolis has benefited by the increased production of more natural gas in other States. When the Indianapolis Gas Co. was able to obtain pipeline supplies of natural gas, then not subject to price regulation of producers, the result was an immediate across-the-board cut in Indianapolis gas rates. When a contract for additional supplies was obtained—also before the Supreme Court decision subjecting producers to price regulation—another cut in Indianapolis rates was made possible.

Mayor Alex Clark, of Indianapolis, in his testimony before the Senate committee, said that the city hopes to obtain still larger supplies of natural gas and hopes at the same time to receive the benefits of increased production. Some of the remarkable growth of Indiana's capital city can be attributed to the fact that more natural gas had been made available for that community.

Another important factor that unfortunately is not emphasized as much as it should be emphasized is the question of supply and the problem of conservation. The estimated reserve at the present time is 21 or 22 years. However, if consumption is doubled there would be only a 10 or 11 years' reserve if exploration did not continue. Federal regulation and severe price fixing lessens greatly the incentive of producers and investors to take the financial risks involved in drilling exploratory wells and developing additional gas supplies.

There are thousands of communities in the United States that are not served at the present time who want gas. Their only hope of obtaining gas is for the producers of gas to increase the supply. In the Chicago area alone there are 300,000 applicants that want gas and cannot get it. This area includes northeastern Indiana, greater Chicago, and southeastern Wisconsin.

This same condition exists in most of our congressional districts. In my home city, the gas distributing company is unable to accept more gas customers.

In this connection, it was stated that 48 mayors, led by Mayor Joseph Clark, of Philadelphia, oppose this bill. That means they want Federal regulation and Federal control. There were 123 mayors, including Mayor Alex Clark, of Indianapolis, who support this legislation because they know that it has been to the financial advantage of their communities to have natural gas free of Federal control and Federal regulation.

The encouragement to explore to secure more natural gas is vital. If reserves are cut or if no reserves are left, then the consumer will be forced to resort to more expensive fuels.

It costs an average price of $225,000 to dig a well whether it is a dry well or a producing well. If no encouragement is given then it is evident that risk capital for exploration will disappear.

At the same time this gas can be sold within the boundaries of the State in which it is produced. It is only natural that the producing State will have priority. At the present time approximately one-half of the gas is used in the producing areas.

New industries can and will move to the primary producing States and it is a reasonable assumption that Texas, Louisiana, Arkansas, Oklahoma, Kansas, and the others would welcome these industries.

We want our industries to remain in our State and in the Fifth Congressional District. Dispersal of industry has been proven in the past and various sections of the United States have felt the effect of the loss of their industries to other areas of greater advantage to that industry. Indiana has been growing industrially. The glass industry was large in Indiana when we had a supply of natural gas. The gas supply was exhausted and industry moved elsewhere. In recent years industry has been returning and its return is timed with the increased supply of this product that was made available to our community. But we need more to continue to grow, and industry will stay in my State and in your State if the producers of natural gas in other States can increase their production and increase our supply.

The effect of Federal regulation is felt in another way. Some of the pipelines also own producing wells, but the pipelines are under Federal regulation by the Natural Gas Act of 1938. In 1953 these pipelines drilled only 46 wells while all other producers not under Federal regulation dug 6,925 wells. Thus, the actual restriction of exploration can be seen.

Federal regulation and Federal control is expensive to the taxpayer and costly to the consumer. This is not a threat but it is an economic fact.

Besides the many mayors, cities, public service commissions of most of the States, private industries and thousands of freedom-loving individuals who support this measure, there are many organizations who ask for its approval by this Congress. The Federal Power Commission—the President's Advisory Committee on Energy Supplies and Resources Policy—American Farm Bureau Federation, chambers of commerce in cities from coast to coast, American National Cattleman's Association, National Grange, National Wool Growers Association, United States Chamber of Commerce, American Rice Growers Association, National Council Liquid Petroleum & Promotion, National Association of Manufacturers, National Cotton Council, and so on.

Some of the basic issues involved have been mentioned, but a recapitulation is worthy of consideration.

First. Federal regulation and Federal control in the estimation of some people would be only the first step toward Federal ownership or, shall we be frank, and call it socialism.

Second. It well could be the forerunner of Federal control and Federal regulation of all sources of production—natural gas, oil, coal and all mining—forestry, agriculture. If only you knew how the farmers complain when the Federal Government places them under controls, then you could appreciate their concern.

The principle of free competition is threatened. Several have asked the question whether or not opposition to this principle is being penny wise and pound foolish. We dare not sacrifice a basic principle and endanger our free-enterprise economy that has given us the world's highest standard of living.

Third. The question of who makes the laws also is involved. Is it the Congress of the United States or the Supreme Court? The intent of the Congress and the interpretation of the Federal Power Commission were established for the 16 years after the passage of the Natural Gas Act. Then in June 1954 by a 5 to 3 split decision this small majority of the Supreme Court virtually remade the act.

Justice Douglas, in dissenting, said:

> The power of the Congress to do so is unquestioned * * * the battle should be won in Congress, not here. Regulation of the business of producing and gathering natural gas involves considerations of which we know little and with which we are not competent to deal.

Justice Clark stated strongly:

> Congress provided that the act "shall not apply to the production or gathering of natural gas." Language could not express a clearer command.

Thus, support of this legislation is justified in behalf of the 25 million families who use gas and whose interest is our first concern. It also will be in behalf of some 8,000 producers who are in a presently highly competitive field. It is in behalf of the 165 million Americans living today who have been protected by the free competitive system and finally in behalf of the future generations who are entitled to the same inheritance of freedom from dictatorship that was passed on to us by our fathers.

Mr. PRIEST. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HAYWORTH].

Mr. HAYWORTH. Mr. Chairman, during the past week or two I have been flooded, as I assume many other Members have been, by telegrams and petitions in support of the Harris bill. Now of course, in my Sixth District of Michigan, we are all enthusiastically for free enterprise. But I could not understand why this passion for the American economic system was suddenly inspiring so many householders to invite an increase of several dollars a month to their gas bills. So I wrote my office in Flint, giving the names of some of the signers of these petitions and telegrams. I asked my office to find out who these people were, and how they happened to be interested in the Harris bill. Every single signer was either an employee of an oil company, or has been solicited by an employee of an oil company. On further inquiry we found that not all oil companies were represented—only two. And, you may guess that these two oil companies have vast gas reserves. If you think this flood of telegrams and petitions loosened upon you represents a great upstirring of public sentiment you may be relieved somewhat by the fact that not one person who had sent a telegram or signed a petition showed any personal interest when we went to him. In fact, some of them did not even remember signing any such petition.

The Wall Street Journal published a statement to the effect that the gas industry has raised a million and a half dollars to put this legislation on the statute books. We see evidence of this in full-page advertising in newspapers and magazines. We Members are also fully aware that in this short time the industry has gotten together one of the most powerful lobbies on the Hill. From Teddy Roosevelt to Truman I have heard warnings about the "special interests." Now I know what they were talking about. It is an uncomfortable situation. Because even those who might yield to these pressures, if they come from consumer areas, know that back in the shadows of their districts potential candidates in 1956 are crouched close to the ground ready to spring into action. I know personally of two aspirants for congressional seats who are hoping against hope that this vote will give them the issue they need in 1956.

Proponents of this legislation are quick to admit that the distributors of natural gas—that is, companies in our various cities that deal with us as customers—these distributors, it is universally admitted, constitute public utilites. And these proponents also admit that the pipeline companies that bring the gas from the Southwest are similarly public utilities, subject to the Federal Power Commission. But they fervently declare that the gas producer is not a utility. This was uttered with such conviction that I was first inclined to accept this as true, especially when I was told there were 4,000 producers. But, a little later I began to do some thinking on the subject for myself. I found that the cook-

stove in our kitchen is tied into a highly complex system starting hundreds and hundreds of miles away. It does not begin where the pipeline starts. It actually begins down in the bottom of the oil or gas well. If the cross-continental pipeline is a public utility, so is the pipeline that carries the gas from the well to the start of its journey across the States. So is the very gas well itself. It is all one continuous and completely inseparable operation. This is the finding of the Supreme Court in its interpretation of the Natural Gas Act which became law in 1938.

You see, we gas consumers were drawn into this thing pretty cleverly. To start with, many cities had modest supplies of manufactured gas that was pretty expensive, and used chiefly for cooking. At the same time, billions of cubic feet of gas were being flared off the oil wells in the producing fields. It was inevitable, and certainly highly desirable, that someone should get the idea of building pipelines from these oilfields in the Southwest to the cities in the North. In order to get customers in these northern cities and in order to persuade people to use gas to heat their homes, the price had to be reasonable. And it was. Homes installed gas by the millions. Billions of dollars' worth of gas equipment was installed. Now that the gas equipment is installed and 60 million people dependent on gas for all these services, it is very natural that the producers should want to get all they can out of their product.

That is why we have various controls over the country on public utilities. When a company enjoys a monopoly over a service to the people, we assume that the people should not be in the control of that company without any defense. Now, the people are helplessly in the control of the gas producers. Although there are 4,000 producers, gas is not a commodity like coal or oil. We have two great public utilities in my hometown of Lansing—the Consumers Power Co. that furnishes gas, and the board of water and electric light. We are not asking that coal be made a public utility because the purchasing agency of the light company can get sealed bids from almost any number of sources of coal. But the gas company that furnishes us gas is tied up to certain definite sources of supply and that is that.

If the gas-distributing company is a public utility, if the cross-continental pipeline is a public utility and controlled by the Federal Power Commission, why is not the gas producer also a public utility? Moreover, after we customers have been persuaded into buying gas equipment are we to be told that the producers have a sacred right to charge all they want to charge. Are we to be told that if we do not like what they want to charge, we can take out our expensive gas equipment and put in something else? This is an outrageous denial of the whole theory of the responsibility of a public utility to its customers.

It is generally thought that the gas distributor is private enterprise operating as a public utility and under the public utility controls of the State. It is generally thought that the pipelines are private enterprise operating under the controls of the Federal Power Commission. If so, why in heaven's name cannot we let the gas producer operate as private enterprise in exactly the same manner? The Supreme Court has affirmed that this was the intent of Congress when it passed the Natural Gas Act of 1938. In the opinion of many that was a good act then, and the principle still holds—only even more today.

Up until now the gas producers have been fairly modest about their increases. When the pipelines were first put in most of the gas was sold at 3 to 5 cents per thousand cubic feet. Today it is 2 to 3 times that amount, but still only 10 cents per thousand cubic feet. Much of this increase has been absorbed by the pipelines and distributing companies. But now we see the handwriting on the wall. From the evidence before us it is apparent that the producers are thinking in the very near future of boosting that 10 cents per thousand cubic feet to 25 cents. We read it in their publications and see outcroppings of extravagant price demands. That would mean we consumers would be paying about $800 million more each year in our gas bills. The distributors and the pipelines, normally natural allies of the producers, are also alarmed, and, except for those companies that also own gas fields, they are working with us consumers against the Harris bill. No one will deny there is politics involved in this legislation. When these increases hit the pocketbooks of the voters of the consuming areas—when every month they get sad little reminders, woe betide the hapless Member of Congress who has voted away this protection to his constituents.

The producers widely claim that unless we are willing to pay more for our gas we will soon run out of it. This is as full of fallacies as a chunk of Swiss cheese is full of holes. In the first place, in every single year throughout the history of the gas industry more gas has been discovered than has been consumed. In the second place, I think this Congress has been exceedingly generous in allowing the gas and oil industry a depletion allowance of 27½ percent largely as a plea that it takes a lot of money to drill for oil and gas. You know, I think it would be very interesting to find on the one hand exactly how much the oil and gas industry spends for exploration and on the other hand to find out how much they are saving in taxes due to the 27½-percent depletion allowance. Let them show that their tax savings do not pay for the costs of exploration and I might consider changing my position on the Harris bill.

Then there is another fallacy about this argument that if we do not take the lid off the price of gas we will run out of gas. After all, there is only so much gas in the ground. Some day we are going to run out. And no matter how much we pay for the gas or how much we put into exploration we just simply will not be able to find any more.

If this bill becomes law the reserves of one company are going to be worth $450 million more than their present value. If the public eventually pays that additional $450 million do you think that is going to mean that the life of the gas fields is going to be lengthened? No; it merely means that the present owners are going to get some $450 million in windfall profits. And to call them windfall profits is putting it mildly. Do you know what that company with the prospect of $450 million worth of reserves paid for the exploration of those reserves? Only three million. Now, I do not object to handsome profits. What I do object to is this: That a company or an industry should tell the American public it needs more money for exploration when it put out only three million to explore a field that it wants to sell to us consumers for an additional $450 million on top of about $300 million it is getting at the present price.

When our committee took up this subject we had a different bill—a bill all but completely silent in regard to the consumers. There was so much complaint that the bill was withdrawn and this is the new one. But, although this new bill offers a few thoughtful gestures toward consumers, many of us still fail to find a single substantial protection. The auctioneer may use kinder words and gentler manners, but, nevertheless, we are still being sold down the river. The producers apparently still have the same idea they had when they collected that million and a half to pressure this legislation through Congress. They ask for a "reasonable market price." These words are pleasantly reminiscent of that firmly established and respected phrase, "just and reasonable price" used for many years in utility legislation. But when you put on your glasses and examine these two phrases side by side you see that this new invention actually has no meaning. The phrase we have known for decades, "just and reasonable," means that the earnings should be what capital, conservatively invested, normally earns. But a "reasonable market price" is not tied to anything at all. The report on this bill says—and these are its very words—a reasonable market price is "a price which the Commission, exercising its judgment and discretion in weighing a number of relevant factors, determines is the reasonable market price." But the report names not a single one of those so-called relevant factors.

So, leaving out the verbiage, this majority report says a "reasonable market price" is a reasonable market price—a rose is a rose is a rose. You remember the minister who had used the word "prognostication," and when he was asked to define it, replied, "You wanta know what a prognostication is? Well, when I prognosticates, that's a prognostication." Before we pass this legislation, stuffing the pockets of the gas producers with perhaps $800 million a year, I think they ought to come up with a somewhat better definition. If we are going to be skinned alive, it would be nice to know how they are going to do it.

At every step in the gas business, the buyer is at the mercy of the seller. The producer can force the pipeline to his terms; the pipeline can tell the distributor where to get off. All the way from the bottom of the well clear to the back burner on your gas stove, the buyer is

at the mercy of the seller. It is a closed chain. No wonder we have public utility regulation. No wonder we who represent the consumers do not want to see the time come when the lid is blown off the price of gas at the very source—a thing that will make a shambles of all regulation clear down the line through the transmission companies and through the distributors.

You can put a 10-foot barbed wire fence around a field. But if you leave the gate open, the cows will get out. You can protect the consumer with public utility regulations all the way across the country and in every State. But if you let the producer charge anything he considers a reasonable market price, the gate is open, and the consumer is without protection.

I have the utmost respect for those Members of this body who represent the gas producers. I have been amazed at their resourcefulness and their devotion to the interests of their constituents. But I feel they also respect the position of us who represent the consumers. In fact, one of them said in committee meeting that he did not expect any Member from a consuming area to commit political suicide by supporting the Harris bill. But we consumers are not in this fight to take advantage. If we thought the oil and gas interests were suffering, we would certainly be reasonable. If we thought competition would hold down the price of gas, we would much rather do it that way. Commonsense and experience unite to prove that it just would not work out that way. We expect the oil and gas industry to have their lobbies. That is all right. But, Mr. Chairman, the Members of this body have been elected to constitute a built-in lobby for the common people. We Members from consuming areas should not let them down.

Mr. WOLVERTON. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. DEROUNIAN].

Mr. DEROUNIAN. Mr. Chairman, I want to thank the distinguished ranking minority member of the committee for giving me this time, and at the same time I want to pay my respects to our great chairman, the gentleman from Tennessee [Mr. PRIEST]. He has done a tremendous job in conducting these protracted hearings over a period of many many weeks.

Perhaps today our tempers are a little short. But now is the time when we ought to let them cool off and consider the bill on its merits.

I have always been a stanch supporter of private enterprise. I am not ashamed of it. If a small business has happened to grow into a large organization, I am not disturbed to see that it is successful. I want it to continue to be successful, because that is the American way. I resent some of the statements that have been made by my Democratic colleagues in the past to the effect that the Republicans are giving away the country to big business. They made that charge in the tidelands bill. Maybe the same charge will be made today in the consideration of this bill.

Let them not forget that their majority leader, the gentleman from Massachusetts [Mr. MCCORMACK] voted for a bill to amend the Natural Gas Act back in 1950. This bill is sponsored by a Democrat. If there is going to be a claim of giveaway, the Democrats better try to convert their leader, who is for this bill.

I voted to report this bill out of committee because I thought that in the interim between the reporting date and the time it came to the floor certain compromises could be reached between the producers, the consumers and the distributing companies so that we might not have a fight on the floor and that a beneficial piece of legislation might be effectuated to clarify the confusion resulting from the Phillips decision.

I stated at the time of the vote in the committee that in order to receive my support on the floor this bill would have to be amended in three ways. First, all of these pernicious escalation and like clauses would have to be declared as being against public policy; second, the norm, instead of the "reasonable market price," presently in the bill, would have to be changed to "just and reasonable." Chairman Kuykendall, of the Federal Power Commission was not against the latter phrase; and, third, adequate provision would have to be made so that gas producers could not abandon their wells, once in production, without the consent of the Federal Power Commission. Unless this bill is amended accordingly, I shall be constrained to vote against it.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. DEROUNIAN. I yield to the gentleman from Illinois.

Mr. YATES. I merely want to point out in reply to what the gentleman has stated about the majority leader the gentleman from Massachusetts [Mr. MCCORMACK] and the Speaker, that the gentleman from Arkansas [Mr. HARRIS] stated his bill is predicated upon the recommendation of the President's own fuel Cabinet committee consisting of eight Secretaries appointed by the President.

Mr. DEROUNIAN. I was also thinking that maybe the Speaker is for the bill because he has a lot of gas wells down in his State of Texas. But let us stop calling these bills "giveaways."

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. DEROUNIAN. I yield to the gentleman from Arkansas.

Mr. HARRIS. In view of the colloquy that has just taken place, it will be recalled that on March 2 when I introduced this bill and the gentleman from California [Mr. HINSHAW] introduced a companion bill, I stated to the Congress and to the country that this was a bipartisan bill, that it was fostered by both Democrats and Republicans.

Mr. DEROUNIAN. So was the Tidelands bill.

Mr. HARRIS. Yes.

Mr. ROGERS of Texas. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and six Members are present, a quorum.

Mr. PRIEST. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. MACDONALD].

Mr. MACDONALD. Mr. Chairman, before going into the merits of the pending bill, I should like to join with the gentleman from Massachusetts [Mr. HESELTON] and other members of our committee in paying tribute to our beloved chairman, PERCY PRIEST. This being my first term in the Congress, I know how fortunate I am to serve on this committee and under such a distinguished and fair-minded chairman. Certainly if people were not heard during the long hearings had on this bill it was not the fault of the chairman. If during these long, protracted hearings any interests were not heard it was because they did not appear. Everyone who appeared before the committee received a very full and fair hearing, most of which credit is due, of course, to the gentleman from Tennessee [Mr. PRIEST].

During the hearings the one lack that I noticed was the fact that the public was not adequately represented. There were the public utilities people down there who were opposed to the bill and there were distributing companies down there who were opposed to the bill.

It seems to me that they were there for selfish reasons, as were the producers of natural gas, trying to get out from under regulation imposed upon them by the Supreme Court.

Mr. PRIEST. Mr. Chairman, will the the gentleman yield?

Mr. MACDONALD. I yield to the gentleman from Tennessee.

Mr. PRIEST. On the question of the public being heard, I believe more representatives of cities, councils, mayors, and city solicitors appeared, perhaps, than any other one group. I thought that statement should be in the RECORD at this point.

Mr. MACDONALD. During all of these hearings things got pretty confused, and as you can see from the debate here today, they are still very confused. I think many times we have lost the woods for the trees. Now, it seems to me that the issue is a very clear one, namely, whether we give further protection to the natural gas producers or whether we protect the consumers. And, I must say to the gentleman from Illinois [Mr. SPRINGER] that I find it a little difficult to talk about the potential consumers, since we have never heard from them in committeee, but the public in general has not been well protected up until the time of this Phillips decision. On the other hand, the natural gas producers, it seems clear to me, were and are very well protected, indeed. Now, you hear a lot of talk about public interest, and I know that when I talk about the public interest I am subject to being accused of being a demagog, but I heard a lot of demagoguery on the other side. People hiding behind the words free enterprise and the capitalistic system that has made this country great. I do not think this bill has anything to do with private enterprise. It seems in any large segment of our economy such as this natural gas group, where 29 companies have a monopoly control over 73 percent of the total natural gas we have

here in the United States, that that can hardly be said to be typical of the free-enterprise system. As a matter of fact, I think the main point about these 29 companies that has not been brought out very clearly is the fact that of the first 6 there are 4 companies, Stanolind Oil & Gas Co., Humble Oil & Refining Co., Magnolia Petroleum Co., Gulf Oil Corp. and subsidiaries, who are respectively subsidiaries of Standard Oil Company of Indiana, Standard Oil Company of New Jersey, Socony Vacuum Oil Co., and the Gulf Refining Co. It does not seem to me to be demagogery to point out the fact that at least there would be a suspicion of a type of monopoly in this field.

Now, I am going to introduce, as has been discussed by the gentleman from Massachusetts [Mr. HESELTON] a bill, and if all the people who believe in free enterprise will listen to this bill with an open mind, I think they will be for it. Although you can take your choice of the number of independent producers of natural gas there are reported to be from whatever source you want—one figure that came out at the hearing was 4,000; another was 2,500; and now we hear about 8,000 independent natural producers—but, my bill, which will be introduced as an amendment, will take out from under the jurisdiction of the Federal Power Commission 90 percent of all the independent gas producers in the country and at the same time will keep under control over 80 percent of the gas and in that way see to it that the monopoly which now exists and which is growing and growing will at least have some small brake on its ever spreading power.

Mr. WOLVERTON. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. HALE].

Mr. COON. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. HALE. I yield to the gentleman.

Mr. COON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. COON. Mr. Chairman, I am introducing a bill to repeal the Federal tax on gasoline. The people of the United States are entitled to good highways. It is up to the Members of Congress to do something about this. Yesterday we failed the people.

I voted for a highway bill. First, I voted for recommittal of H. R. 7474. The Dondero bill, with President Eisenhower's recommendations, was my first choice. When that failed I voted for the Fallon bill, H. R. 7474. Then the Democratic leadership lost control of their members. The Fallon bill failed to pass.

Result, we have no Federal highway construction program. Moreover the Democratic leadership has expressed doubt that the 84th Congress will enact highway legislation at all.

Our grandfathers travelled on dirt roads in the so-called horse and buggy day. In our fathers time, one automobile to a family was a luxury. Today everyone has a car. In order to make use of these automobiles we must have a continuous highway construction program.

Besides this our trucking industry is gigantic. There are great fleets of trucks criss-crossing the country daily. A tremendous amount of our freight is hauled by trucks. All of this demands superhighways.

Much of the equipment of our Armed Services is hauled over-land by truck. Therefore, a highway system is vital to the National defense of our country.

As a result of this bill the States can pass laws whereby they will use this money in order to build proper roads. Since the Democratic leadership says that highway legislation is now dead I am introducing this bill.

For the good of our national defense and national economy I ask that we have speedy action on this legislation.

Mr. HALE. Mr. Chairman, I rise in support of H. R. 6645. No bill that ever came before this Congress has been the object of more conscientious work and study than this legislation. No committee ever had a fairer or more courageous chairman than PERCY PRIEST and, whatever the fate of this particular bill, the people of this country owe him a debt of gratitude for what he has done to try to solve the difficult problem of the conflicting interests of producers, pipeline companies, distributors, and consumers of natural gas.

This is legislation in a controversial field as evidenced by its history, the divisions in the Federal Power Commission, the United States Supreme Court, and in various committees of the Congress.

Everybody in support of this legislation knows that it is the target of the fiercest attacks of large and effective pressure groups. My own personal situation in connection with this legislation chances to be a singularly happy one, because there are in my district no producers of natural gas, no consumers of natural gas, no distributors of natural gas, and no pipeline companies. I can therefore come as near being objective as anybody in the House.

I emphatically do not wish to see the producers shackled with restrictions like those imposed on a public utility because he is not a public utility and nothing, not even Congress, can make him one. I emphatically do not wish to see any consumer gouged by reckless or collusive profiteering and a major purpose of this legislation is to prevent exactly that sort of thing. Much of the opposition to this legislation is based on misinformation, misapprehension and apprehensions that I believe will prove unfounded.

I hear it said repeatedly and on all sides that this legislation "removes the producers of natural gas from regulation by the Federal Power Commission." This is a very misleading expression. It should be understood that the producers of natural gas have never been regulated by the Federal Power Commission. The Natural Gas Act which was passed in 1938 exempted producers in terms from such regulation, and the language of the act was always taken literally until sometime in the midforties when one or two members of the Federal Power Commission conceived the idea that the language of the act was not to be taken literally, and that producers were subject to regulation the moment they sold gas to a natural-gas company for transmission in interstate commerce. From that time on there was bitter feeling in the Federal Power Commission, so much so that some members were not on speaking terms with others.

This quarrel was brought very closely into the deliberations of our committee at the time, I think in 1947 or 1948, when we first attempted a solution to this problem. The differences of opinion in the Federal Power Commission as to the construction of the act, might have persisted indefinitely, if it had not been for the 5 to 3 decision of the Phillips case in June 1954, in which the majority of the Court, held—in my opinion erroneously—that the Federal Power Commission did have jurisdiction to regulate producers. In 16 years that was the first authoritative decision of this character.

However, let me repeat that producers never have been regulated. Even now the Federal Power Commission does not wish to regulate them. The Chairman of the Federal Power Commission and at least some of its members appeared before our Committee as ardent supporters of this legislation. If any community in the United States has been getting natural gas at reasonable rates, it is not because the producers of natural gas have been regulated, because they never have been. But competition has regulated the producers, the Federal Power Commission has regulated the interstate pipelines, and State commissions have regulated the distributors.

Ever since the Phillips decision, there has been no regulation of the producer. The Federal Power Commission, as I understand it, has simply frozen prices. However, we ought to remember from the old OPA and OPS days that price freezes afford no really satisfactory solution to any economic problem.

Let me emphasize as strongly as possible that this bill goes as far in the direction of regulating the producers as legislation can possibly go short of declaring the producer a public utility. The producers were strongly in favor of the Harris bill as originally introduced—H. R. 4560—because it contained no provisions whatever for the protection of the consumer. The producers are not enamored of this bill, but, of course, they much prefer it to the more restrictive and, I might almost say, more vindictive legislation that some consumer groups would like to pass.

The great difficulty with the natural gas industry is that the contracts for the sale of natural gas by producers to pipelines are long-term contracts running generally for as long as 20 years. The producer, faced with the necessity of selling a wasting asset over a 20-year period, has protected himself by various devices of which the most familiar are the so-called escalation and most-favored-nation clauses. Time does not permit me to describe in detail how these clauses work except to say that they provide automatic or semiautomatic price stepups, at periodic intervals during the life of the contract. Unless legislation

like H. R. 6645 is passed there is no legislation on the books which will enable the Federal Power Commission to set aside or avoid any of these contractual provisions. The requirement of this bill that the sale from the producer to the natural gas company must be at "reasonable market price" is in my opinion a workable provision and the law books are full of decisions on the subject of what constitutes a reasonable market price. But under the decisions if you require a "just and reasonable" market price, you adopt a public utility terminology which of necessity assimilates the position of a natural gas company to that of a public utility.

Producers of natural gas, like consumers, are human beings. I have heard consumers complain that they are captive consumers. Of course that is true only in the sense that they have elected to become consumers of natural gas instead of some other fuel. Natural gas is an ideal fuel which up to this time has an extraordinarily favorable competitive position with either coal, electricity or oil. No power in the world, however, not even the Congress of the United States, and certainly not the Federal Power Commission, can guarantee the future competitive position of natural gas. The supply is much more limited than the supply of coal, or oil and every consumer should realize the fact. One reason the price of natural gas has gone up is the fact that consumers have flocked onto the distributors and the distributors have flocked onto the pipelines. I doubt if any industry has had a swifter expansion since 1938 than the natural gas industry, unless possibly it be civil aviation which in a sense was born in the same year because 1938 was the year when we passed the Natural Gas Act and the Civil Aeronautics Act.

If this bill is defeated in what I conceive to be the mistaken zeal of the consumer and the consumer representatives, such as mayors, municipal officers and so on, then we are left where the Phillips case leaves the industry with existing producers made captives as public utilities, and no one under any obligation to explore for or produce natural gas and no one with any great incentive to enter into an ultrahazardous occupation other than the 6 percent or, whatever it might be, return which the Federal Power Commission might permit it to earn. I emphatically believe that this situation is not in the consumer interest and that the consumers would be well advised to give their support to a temperate, regulatory measure like that which we now offer.

If this bill does not work there will still be time to take the extreme measure for which some of the consumer groups are so thirsty not to say bloodthirsty.

Mr. PRIEST. Mr. Chairman, I yield such time as he may desire to the gentleman from Kentucky [Mr. WATTS].

Mr. WATTS. Mr. Chairman, I take this opportunity to point out some of the many injurious features of H. R. 6645 to amend the Natural Gas Act, as amended.

Mr. Chairman, I am unalterably opposed to this legislation. There is, it seems to me, very real danger that the Congress, here in the waning days of the session, may inadvertently fail to give the careful scrutiny to this measure which its great importance demands. I ask my colleagues to take a few moments to consider the harm which this legislation may bring to the users of natural gas.

When one cuts through the fog of confusion of claim and counterclaim the basic question which this bill poses for us is: "Shall the Congress abdicate its responsibility to protect the 60 million consumers of natural gas?" This bill asks us to do just that. I am confident that we shall not surrender our responsibility to the people. I am certain that this Congress will not be a party to a second giveaway intended to increase further the generous profits of the oil and gas companies which will be the primary beneficiaries of this legislation.

For some time now there has been a very active campaign in progress, intended, if I am not mistaken, to convince the public of the necessity of exempting gas producers from the authority and the control of the Federal Power Commission. The proponents of such exemption, who are supporting this bill, have presented a number of specious arguments by which they seek to convince us that the producer, the consumer, and even the Federal Power Commission will all benefit by this measure.

The producer, according to this view, is now burdened by regulation, limited in his enterprise, restricted in his exploration, bound up by governmental red tape. Free him from all this the argument goes, and under the spur of competition he will increase productivity and through vigorous competition and greater supply, cheap gas will be assured.

This roseate picture fails to convince me. It failed also, I might add, to convince some 17,000 consumers in the bluegrass area of Kentucky who had occasion recently to write to me when the cost of gas increased. The basic error of this argument lies in the fact that the gas industry, which, of course, is the hand maiden of the oil industry, is simply not as competitive as the supporters of this bill would have us believe. In 1953, for instance, only 29 producers furnished 63.24 percent of the total volume of gas purchased by pipeline companies. There are five producers who alone supplied over a fourth of the gas used by our people. Such competition as exists has not been effective in holding down prices. The cost of natural gas has already increased by an average of 65 percent over the 1947–49 average. This bill will open the way for further increases which, in the long run, will have to be borne by the millions of citizens who have come to depend upon gas as a household necessity. If we here in Congress fall vicitim of the false logic behind this measure and, through passage, permit the producers to charge ever higher prices for their essential product, we must be prepared to answer for our irresponsibility when the inevitable increases are felt by the consumer.

It is the duty of the Congress, in my opinion, to continue such regulatory authority as will protect the consumer—providing, of course, that no especial hardship is unfairly created by so doing. I do not think that the gas producers can accurately maintain that the existing regulatory authority has been a serious handicap. In recent years their industry has grown tremendously.

Now, Mr. Chairman, let us turn briefly to the supposed protection of the consumer contained in H. R. 6645. The bill empowers the Federal Power Commission to establish a reasonable market price criteria by which, theoretically, the Commission could forbid rate increases to natural-gas companies who pay too much for their supply of gas. This provision, it seems to me, would not work at all. In the long run it would have the effect of driving prices up instead of holding them in line. This bill, Mr. Chairman, by abolishing regulation of producers, will, in my opinion, make any effective control of consumer prices a virtual impossibility. It seems clear to me that there is no way by which the price of gas to the consumer can be held within reasonable limits unless all the elements in the process of production at the well, through pipeline carriers and to distributors are adequately controlled. To pretend that any partial control will be workable is unrealistic indeed.

Mr. Chairman, I hope that this measure will be defeated. Its passage would work a great hardship upon the welfare of millions of our country.

Mr. PRIEST. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. DOLLINGER].

Mr. DOLLINGER. Mr. Chairman, I am opposed to H. R. 6645, a bill to amend the Natural Gas Act and strongly urge that it be defeated. The issues of the bill are beclouded and confused to such an extent that intelligent action is precluded. The provisions of the measure would have such stupendous and immeasurable ill effect upon millions of consumers of natural gas that hasty and impulsive action on our part would be unforgivable and a betrayal of the American people.

Let us ask ourselves: Who will profit under the bill and who will be hurt? How many will gain, how much, and at whose expense? We know that 90 percent of the gas sold in interstate commerce is produced by about 175 producers. Of the 29 largest producers, who produce nearly two-thirds of natural gas, 20 are major oil companies. The bill was introduced for the benefit of the producers; the greatest share of the profits will go into the coffers of the very small number of producers who control.

We have been told that the oil companies who are pushing the measure are spending $1,500,000 on their campaign. This is an indication of what they stand to gain, for they know they will get this investment back plus the estimated profits of the increase to consumers which is bound to come—a bonanza of anywhere from $200 million to $800 million a year.

No protection is afforded consumers who have invested billions in cooking and heating appliances and who are at the mercy of the producers. Increases in cost are being steadily passed through to consumers now and contemplated increases which would be granted pro-

ducers if the bill were passed would also fall upon consumers. Those advocating passage of the bill refer to a 2 cents a day increased cost to consumers, but multiply this by the millions of residential customers and you get a hugh profit running into the millions of dollars.

An important well-established national policy is at stake. We have adhered to the principle that whenever a basic commodity or resource essential to national welfare is so used by monopoly control as to force prices up, the monopoly must be broken up or must be regulated by Government. Utilities are monopolistic by nature. Commerce in gas is a monopoly utility, therefore Federal regulation is vitally necessary.

The Supreme Court decision of 1954 clarified the intent of the Natural Gas Act of 1938 and ruled that the Federal Power Commission has power to regulate the price of natural gas at the wellhead. Unless we wish to expose consumers of natural gas to exploitation, it is imperative that the Federal Government continue its authority for the regulation of field prices and that the Power Commission exercise its authority in the public interest. Unless the price is regulated at the point where gas enters the pipeline, no price regulation system can do more than pass on to the consumer any increase in price at point of entry; there can be no real price regulation without power to regulate natural-gas prices at the source.

Who are the proponents of the bill? The producers, the oil companies, who also profited by the tidelands oil giveaway in 1953 and who own the known reserves of natural gas, the legislators from the States which produce natural gas. Who are opposing the measure? The States where natural gas is consumed, mayors of our largest cities representing a total population of 31,600,000, State public utility commissions, gas-distributing companies, and many pipeline transmission companies.

Arguments against the bill are numerous—that it does not provide effective regulation of producers' prices of natural gas, but does legalize effective removal of such regulation; that the direct regulation proposed is of doubtful legality and would be ineffective in practice; that the standard of "reasonable market price" provided in the bill is the go sign for increased costs to the consumers; that the normal competitive forces found in a free market are completely absent in gas commerce and consequently Federal price regulation is a requisite.

As a member of the Committee on Interstate and Foreign Commerce, I attended the hearings and heard abundant, but vague and conflicting testimony on the bill. The Committee was not given sufficient or complete information. There are many facets of the situation which were not touched upon or explored. It is significant that during the hearings, which were long and extensive, not one independent producer appeared to testify in person, although others were there to speak for them. We were given no testimony as to the cost of production of natural gas. We need facts on all elements that enter into the cost to the consumer, production, transportation, and distribution. We also should have complete and detailed information on the many technical questions involved, legal and otherwise, which we lack now and which we must have in order to approach the problem intelligently.

The glaring fact that this bill was voted out of committee by the narrow margin of one vote after an original tie, the fact that resolutions have been introduced by both sides calling for an investigation of the natural gas problem, the fact that so much confusion exists, should be ample and grim warning that any action on the measure now would be precipitate and dangerous. If opinion is so narrowly divided among those who attended lengthy hearings and heard arguments for and against the bill, there is reason to believe that Members of Congress who have not had the opportunity to study carefully this complicated and difficult situation would, in all probability, have at least as much difficulty in reaching a just decision on the conflicting and insufficient evidence at hand. They should not be compelled to take a stand now.

The investigation demanded must be made if we have the best interests of the American people at heart; we must get all the information necessary to give us the true picture as to the complete and full effects upon the consumers and the industry if the bill were to be passed.

It takes only a few minutes to vote and pass a measure—it takes years to correct a law, and during the time it is in effect untold damage can be done and the innocent made to suffer. As legislators, it is incumbent upon us to guard against such mistakes.

I urge that we use the caution the situation demands. Let us insist upon a complete investigation and procure necessary reports upon which to base our conclusions. Let us clarify the issues and scrutinize every proposal and provision with care. There should be no vote on this bill until we know exactly what we are doing and exactly what the results of its passage would mean to all affected by the law.

Mr. PRIEST. Mr. Chairman, I yield such time as he may desire to the gentleman from Oklahoma [Mr. JARMAN].

Mr. JARMAN. Mr. Chairman, a careful and deliberate study of the facts will serve to clear the smoke of confusion and doubt now existing over the natural gas problem. Prior to 1938, regulation of the natural gas industry—both production and distribution—was a matter left to local governments. In that year, Congress passed the Natural Gas Act and put the interstate gas pipeline companies under the control of the Federal Power Commission. This was inevitable since there is no competition to protect consumer prices where a single pipeline serves a community. In that same act, Congress specifically said:

> The provisions of this chapter shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas to the facilities used for such distribution or to the production or gathering of natural gas.

From the passage of this act until June 7, 1954, the sense of the Federal Power Commission, the natural gas industry and the various States was that the producer and gatherer in the field, who was not actually in the business of interstate transportation of gas, was not subject to Federal control.

The Supreme Court decision in the Phillips case on June 7, 1954, changed all this. That case determined that the Federal Government had the right to control prices of natural gas at the wellhead. As a result of this decision, the House of Representatives is now considering H. R. 6645, the Harris bill.

This bill will exempt the production and gathering of gas within a State from Federal control. It does not change the jurisdiction of the FPC with respect to rates charged interstate transmission companies. It affords to consumers protection by:

First, limiting to the reasonable market value of purchased gas, the amount the pipeline can pass along in its charge to the consumer; second, restricting escalator clauses in existing contracts from increasing above the reasonable market value. Such restrictions do not apply to tax escalator clauses nor to step-ups—price increases in specific amounts at definite times; and third, requiring the Commission in passing upon applications for certificates of public convenience and necessity, to determine whether or not the price to be paid for the gas is the reasonable market price at the point of delivery into the interstate pipeline.

The Commission's jurisdiction is extended to cover the sale of gas in foreign commerce to the extent that it takes place in the United States.

My support for this bill stems from the fact that I do not believe in Federal regulation and control of an industry already operating under an efficient and economic, free, competitive standard.

Opponents of this bill deal in scare words and phrases. They seem to imply that by fixing the price of the commodity at the source, the ultimate consumer will benefit—that without this Federal price fixing, the man who pays the family gas bill will be exploited shamelessly. I want to point out why this is scare talk.

Let us look at actual facts and practices—not at some fanciful conjecture. Three things determine the price a customer pays for gas: First, the price of production at the wellhead; second, the cost to the pipelines to transmit the gas; and, third, the cost to the utilities to distribute the gas. Prior to the Phillips case, the first item was not federally controlled. Yet even then with no controls, that first price-cost item accounted for less than 10 percent of the cost of gas to the consumer. In other words, over 90 percent of the customer's bill went to cover the controlled costs of pipeline transmission and local distribution, the former being regulated by the Federal Power Commission and the latter controlled by local agencies of city and State.

To the proposition raised by opponents of this bill, that failure to establish regulation will result in a price gouge by the independent producer to the consumer, I think it interesting to point out that the cost of living in this country rose 49.7 percent from 1945 to 1954, while the price of gas to household users increased only 12 percent. And this happened during a time when the independent producer was held not to be under the jurisdiction of the FPC.

Opponents of the Harris bill also cry out that because of the concentration of the production of natural gas in just a few companies, that Federal regulation is a necessity. This is a strange argument in view of the fact that there are more than 5,000 companies engaged in the production and gathering of natural gas. I do not hear any cries for price regulation of the aluminum industry where 100 percent of the aluminum produced in this country is by only 4 companies; or of the cigarette-manufacturing industry where 4 companies are responsible for over 90 percent of production; or of the automobile industry where 3 corporations produce over 90 percent of the total American output.

Mr. Chairman, all of the arguments marshaled by opponents of this bill can easily be answered. Most of them are based on groundless fears. To date, no one has answered the basic question raised by the Phillips decision—if the Federal Government has the right to fix the price of a purely intrastate competitive industry such as the natural-gas industry, where does that Government power end? What industry is next?

Mr. PRIEST. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. GRANAHAN].

Mr. GRANAHAN. Mr. Chairman, if any major piece of legislation ever came before the House of Representatives under conditions and circumstances dictating its defeat, it is this Harris bill to exempt the producers of natural gas from effective Federal price regulation.

As a member of the House Committee on Interstate and Foreign Commerce, which sat for many weeks of hearings on this measure, I can assure the House that this bill will hurt every consumer of natural gas in the country, and will benefit primarily the big oil companies which control most of the gas which moves in interstate commerce.

I have no objection to the oil companies making as much money as their ingenuity and management skill and good business judgment allow, but I have serious objection to their fattening their already lush profits by gouging the householder on the monthly gas bill for cooking or heating.

Let us recognize that in considering this bill, we are being asked to exempt the producer from effective price regulation for a scarce commodity which moves to market under monopoly conditions of distribution. Let us recognize that passage of this bill would, in effect, exempt the consumer from any effective rate protection.

The price in the field, under this bill—under the giveaway of consumer protection—will go up and up, just as it has in the past few years prior to the Supreme Court decision which this bill seeks to upset. The price in the field has doubled in recent years. This means ever higher prices to the pipelines and in turn higher prices to the local distributors, which must then pass these rate increases right to the consumer.

After the many, many weeks of hearings and executive deliberations on this bill, the Committee on Interstate and Foreign Commerce found itself split right down the middle on this measure. The first vote was 14 to 14. A subsequent vote was 16 to 15. Seldom has a major piece of legislation ever come before the House on such a divided committee vote. Obviously, when 15 of the 31 members of the committee find it so objectionable, this bill cannot be said to be a reasonable compromise on strongly divergent views.

Similarly, in the Rules Committee yesterday, the vote to schedule it for House action in these dying days of the session was also by the inconclusive margin of 6 to 5.

Can anyone say that the 15 members of the House Committee on Interstate and Foreign Commerce who so bitterly opposed this bill and the 5 members of the House Rules Committee who thought it should not be scheduled for action at this time as the House drives for adjournment—can anyone say that these members are "socialistic controllers" anxious to throttle free enterprise? Of course not. The opposition is based only on sincere concern for the consumers—for those who pay the bills, and whose purchases make the gas which comes from Texas and Oklahoma and Arkansas and Louisiana so valuable today to the producers and the oil companies. It is only a few short years since that gas was flared away as useless—there was no market for it and no value in it.

The purchases of natural gas from the pipelines by the local distributing companies throughout the country have made a valuable natural resource, then, out of what was previously a wasted product.

Now, under this bill, the owners of the gas—those who produce it—primarily the big oil companies—say they should be allowed to get every cent the traffic will bear. The pipelines would have no defense against steadily increasing prices; the local distributing companies would have no defense. And the consumer would pay the whole bill.

There is a most significant aspect to this, by the way. The pipelines which produce gas of their own, and which also buy gas from other producers, would have a big stake under this bill in seeing to it that the field price of gas continued to rise. For each time the going price in the field went up, the value of the pipeline's own gas reserves would go up accordingly. So it would be to the advantage of the pipeline owning a lot of gas, as many of them do, to encourage higher prices for the independent producers they buy from. They would pass this higher operating cost on to the consumer, and meantime would make a whole lot more money out of their own gas reserves. This is built-in inflation in gas prices; it is an invitation to profiteering.

Yet it is made possible under this bill.

WHY A BRAND NEW CONCEPT OF REGULATION?

The Supreme Court said the Federal Power Commission had the power, and the obligation, to maintain control over the price of gas sold by the independent producers for interstate transportation. This bill overturns that decision. It says the producers should be considered as not being in interstate commerce—that Federal regulation can begin only after the gas has been delivered into the interstate lines.

Led by a group of mayors of major cities organized by the mayor of my own city of Philadelphia, the Honorable Joseph S. Clark, Jr., assisted by Mayor Robert Wagner, of New York, and Mayor David Lawrence, of Pittsburgh, consumer groups throughout the country voiced their dismay and opposition to such a proposal. It was obviously so raw that it could not go through in that form.

So a sweetener was added to the decontrol bill. It was to the effect that in case a pipeline paid too much for gas—more than the reasonable market price—it could not get a rate increase through the Federal Power Commission for the portion of its expenses which represented such an overpayment for gas. And the bill then says the Commission can instruct the pipeline not to pay this excessive amount.

Now how can a Federal regulatory agency interfere in contracts which by express definition of law are not made in interstate commerce? How can it tell a pipeline to abrogate a contract made in what the bill says is strictly intrastate commerce? That is the meaningless gimmick in this whole thing. It is the form of regulation without substance.

The Chairman of the Federal Power Commission seems just as anxious as anyone in the gas-producing areas to get rid of the consumer protection on field prices of natural gas. His Commission was overruled on this by the Supreme Court. But he is not in sympathy with the decision. He supports legislation to let the producer get free of supervision on prices.

Yet even he had to tell the committee that the words "reasonable market price" as contained in this bill are practically meaningless, and will cause all kinds of trouble if any attempt were made to exercise the indirect control suggested in this bill.

He said—and it is on page 1842 of the hearings—that the term which should be used is more properly "fair and reasonable price" or "just and reasonable price."

I mention that because the point is repeatedly made by the sponsors of the bill that the rather meaningless term "reasonable market price" had to be used because the other terms would call for straight-out, cost-type utility regulation of the producers.

This statement was made repeatedly.

Yet the Chairman of the Federal Power Commission denies that. He said that the term "just and reasonable rate" might mean utility-type regulation of

the producers, but "just and reasonable price" would not require a cost-plus type of regulation. Yet the bill avoids words which have regulatory meaning.

This is one more instance of the determined effort to take care of everyone involved in the gas and oil industry except the natural gas consumer.

This bill will gouge the consumer to pay unnecessary profit windfalls to the few oil companies which control most of the natural gas which moves in interstate commerce.

LIST OF MAYORS OPPOSING BILL

In this connection, Mr. Chairman, I call to the attention of the House the following long list of mayors of American cities who, on behalf of their consumers, went on record in the Senate hearings as opposing this bill. This is the membership list as of June 9 of the committee of mayors formed by Mayor Clark, of Philadelphia, aided by Mayors Wagner, of New York, and Lawrence, of Pittsburgh. I understand more mayors have joined since then. The June 9 list, by States, with the name of the town, the chief official, and the population in each case, is as follows:

Membership of mayors' committee opposing termination of Federal control of the field price of natural gas

Municipality	Mayor	Population
ALABAMA		
Anniston	George T. Morris	31,066
Ashville	Herman D. Little	494
Athens	Elmer Vinson	6,309
Auburn	Louie James	12,939
Bessemer	Jap Bryant	28,445
Birmingham	J. W. Morgan	326,037
Brent	W. T. Wood	1,100
Brighton	J. B. Pegues	1,689
Calera	O. C. Farris	(1)
Childersburg	E. A. Rainwater	4,023
Columbiana	Wales Wallace, Jr.	1,761
Cordova	John Miller	3,156
Dadeville	Grady Leach	2,354
Decatur	H. R. Summer	19,974
Demopolis	N. C. Floyd	5,004
Fairfield	J. T. McLaughlin	13,177
Florence	Walter Harrison	23,879
Fultondale	R. J. Belcher	1,304
Gadsden	Hugh Patterson	55,725
Glencoe	O. H. Sims	1,466
Gordo	J. T. Fendley	952
Graysville	Maurice West	879
Greensboro	W. C. Christian	2,217
Hartselle	John Burleson	3,429
Heflin	John Gaither	1,982
Hobson City	H. H. Flowers	672
Hoke's Bluff	Rufus Floyd	1,158
Homewood	Ray Acton	12,866
Huntsville	R. B. Searcy	16,437
Irondale	Hubert Kilgore	1,876
Jacksonville	J. B. Ryan	4,751
Jasper	George Hiller	8,589
Lafayette	H. D. Huguley	2,353
Lanett	Reid Kent	7,434
Leeds	Bill Dorrough	3,306
Lipscomb	Roland Owen	2,550
Livingston	Allen Tartt	1,681
Marion	Grady Hughes	2,822
Montevallo	W. M. Wyatt	2,150
Montgomery	W. A. Gayle	106,525
Midfield	William Waldrop	(1)
Notasulga	Roy J. Akin	816
Oak Ridge	M. E. Warren	474
Oneonta	John Hendrix	2,802
Opelika	Ealon Lambert	12,295
Oxford	H. G. Whiteside	1,697
Pell City	Joe Kilgroe	1,189
Phenix City	Dr. C. M. Knowles	23,305
Piedmont	W. Y. West	4,498
Pleasant Grove	C. M. Mann	1,802
Ragland	T. F. Adams	1,008
Rainbow City	R. W. Smith	(1)
Sheffield	C. L. Beard	10,767
Sylacauga	Ed Howard	9,606
Talladega	J. L. Hardwick	13,134
Tallassee	R. M. Alton	4,225
Tarrant City	F. E. Erwin	7,571
Trussville	Horace Norrell	1,575
Tuscaloosa	Hal McCall	46,396
Tuscumbia	E. J. Henninger	6,734
Tuskegee	Phil Lightfoot	6,712
Uniontown	Thomas R. Long	1,798
Vestavia Hills	V. L. Adams	(1)
Wetumpka	Merrill Wall	3,813
York	H. L. Williams, Sr.	1,774
CALIFORNIA		
Sacramento	H. R. Hendren	137,572
COLORADO		
Denver	Quigg Newton	415,786
CONNECTICUT		
Bridgeport	Jasper McLevy	158,709
GEORGIA		
Atlanta	William B. Hartsfield	331,314
ILLINOIS		
Chicago	Richard J. Daley	3,620,962
INDIANA		
Gary	Peter Mandich	133,911
KENTUCKY		
Alexandria	Jack Kees	536
Ashland	David Aronberg	31,131
Bellevue	Robert P. Hummel	9,040
Bromley	Charles C. Weber	980
Catlettsburg	City Attorney Adkins	4,750
Cold Springs	Harry Heuerman	518
Covington	John J. Moloney	64,452
Cynthiana	Sterling P. Owen III	4,847
Dayton	Walter G. Pilgrim	8,977
Edgewood	William C. Whitson	(1)
Elsmere	Claude A. Hinton	3,483
Erlanger	O. K. Price	3,694
Fort Thomas	Frank B. Stegeman	10,870
Fort Wright	Irving C. Widemeyer	594
Georgetown	A. P. Prather	5,516
Highland Heights	George M. Winkler	1,569
Irvine	R. W. Smith, Jr.	3,259
Kenton Vale	Joseph H. Rippe	165
Florence	Albert Meinze	1,325
Lakeside Park	Edwin Landmeier	988
Lexington	Fred Fugazzi	55,534
Lookout Heights	J. R. Blumlein	603
Louisville	Andrew Broaddus	369,129
Ludlow	J. E. Crowe	6,374
Mount Sterling	R. L. Barnard	5,294
Newport	Robert Sidell	31,044
Paris	E. W. Glass	6,912
Park Hills	R. A. Steltenkamp	2,577
Ravenna	R. E. Foley	979
South Fort Mitchell	James P. Corcoran	3,142
Southgate	William Blatt	1,903
South Hills	George F. Schulte	412
Winchester	Thomas A. Nunan	9,226
Winston Park	Griffin Fisk	588
Woodlawn	Adolph Lombardo	359
MARYLAND		
Baltimore	Thos. D'Alesandro, Jr.	949,708
MASSACHUSETTS		
Boston	John B. Hynes	801,444
Cambridge	John J. Foley	120,740
Fall River	John F. Kane	111,963
New Bedford	Arthur N. Harriman	108,189
Springfield	Daniel Brunton	162,399
MICHIGAN		
Berkeley	William R. Judy	17,931
Centerline	A. G. Hazen	7,659
Dearborn	Orville L. Hubbard	94,994
Detroit	Albert E. Cobo	1,849,568
East Detroit	Aloysius Kapelczak	21,461
Flint	George M. Algoe	163,143
Garden City	E. W. Schaller	9,012
Grand Rapids	George W. Walsh	176,515
Highland Park	Paul V. Winkler	46,393
Huntington Woods	David Ross Calhoun	4,949
Lincoln Park	William G. Suzore	29,310
Northville	Claude Ely	3,240
Pleasant Ridge	Arthur C. Kuhn	3,594
Riverview	Thomas J. McShane	1,432
Roseville	Glenn Alsip	15,816
St. Clair Shores	Thomas S. Welch	19,823
Trenton	Kenneth J. Dahlka	6,222
Wayne	Duncan R. Miller	9,409
Wyandotte	William E. Kreger	36,846
MINNESOTA		
Austin	M. C. Rolfson	23,100
Belle Plaine		1,708
Bloomington		(1)
Blue Earth		38,327
Brooklyn Center		4,284
Brooklyn Park		148
Chaska		2,008
Cleveland		325
Columbia Heights	John P. Stopka	8,175
Crystal	Harvey H. Heise	5,713
Duluth	George D. Johnson	104,511
Deephaven		1,823
Edina	Dr. Reuben F. Erickson.	9,744
Excelsior		1,763
Faribault		16,028
Fridley		3,796
Golden Valley	C. A. Huebsch	5,551
Hastings	Frank Cahill	6,560
Hopkins	Joseph C. Vesely	7,595
Janesville		1,287
Jordan		1,494
Lake Crystal		1,430
Lakefield		1,651
Le Center		1,314
Le Sueur		19,088
Lewisville		362
Luverne		3,650
Madelia		1,790
Mankato	E. A. Hodapp	18,809
Minneapolis	Eric G. Hoyer	521,718
Montgomery		1,913
Morningside		1,699
Mountain Lake		1,733
New Hope		(1)
New Prague		1,915
New Ulm	Dr. T. R. Fritsche	9,348
Northfield	O. S. Jackson	7,487
Owattona		10,191
Red Wing	H. E. Rardin	10,645
Richfield	Fred O. Kittell	17,502
Robbinsdale	Charles O. Wallace	11,289
Savage		389
Shakopee		3,185
Sleepy Eye		3,278
Springfield		2,574
St. Anthony		1,406
St. James		3,861
St. Louis Park	R. C. Fernstrom	22,644
St. Paul	Joseph E. Dillon	311,349
St. Peter	George W. Anderson	7,754
Waseca		4,927
Wayzata		1,791
Windom		3,165
Winnebago		2,127
Woodland		411
Worthington	H. E. Davidson	7,923
MISSOURI		
St. Louis	Raymond R. Tucker	856,796
NEBRASKA		
Omaha	John R. Rosenblatt	251,117
NEW JERSEY		
Camden	George E. Brunner	124,555
Elizabeth	Nicholas S. LaCorte	112,817
Jersey City	Bernard Berry	299,017
Newark	Leo P. Carlin	438,776
Patterson	Lester F. Titus	139,336
NEW YORK		
Amsterdam	Burtiss E. Deal	33,240
Binghamton	Donald W. Kramer	80,674
Buffalo	Stephen Pankow	580,132
Yonkers	Kristen Kristensen	152,798
Lackawanna	John J. Janiga	27,658
Mount Vernon	Joseph P. Vaccarella	71,899
New Rochelle	Stanley W. Church	59,725
New York City	Robert F. Wagner	7,891,967
North Tonawanda	Myles W. Joyce	24,731
Peekskill	John E. Hayes	17,731
Plattsburg	John J. Tyrell	17,738
Syracuse	Donald H. Mead	220,583
Utica	Boyd E. Golder	101,531
Watertown	John N. Newman	34,350
NORTH CAROLINA		
Charlotte	Philip L. Van Every	134,042
OHIO		
Akron	Leo Berg	274,605
Cincinnati	Carl W. Rich	503,998
Cleveland	Anthony J. Celebrezze	914,808
Columbus	Maynard E. Sensenbrenner.	375,901
Toledo	Ollie Czelusta	303,616
Youngstown	Frank X. Kryzan	168,330

[1] Unincorporated communities of less than 1,000.

Membership of mayors' committee opposing termination of Federal control of the field price of natural gas—Continued

[1] Unincorporated communities of less than 1,000.

Membership of mayors' committee opposing termination of Federal control of the field price of natural gas—Continued

[1] Unincorporated communities of less than 1,000.

Membership of mayors' committee opposing termination of Federal control of the field price of natural gas—Continued

Municipality	Mayor	Population
OREGON		
Portland	Fred L. Peterson	373,628
PENNSYLVANIA		
Altoona	Walter H. Grove	77,177
Arnold	M. F. Horne	10,263
Beaver Falls	Edward C. Corcoran	17,375
Carbondale	Frank P. Kelly	16,296
Clairtown	Kenneth L. Stilley	19,652
Connellsville	Abe I. Daniels	13,283
Dubois	P. B. Dillman	11,497
Duquesne	Frank Kopriver	17,620
Erie	Arthur J. Gardner	130,813
Greensburg	Robert L. Potts	16,923
Harrisburg	Claude R. Robins	89,544
Hazleton	S. Thomas Capparell	35,491
Jeannette	Frank Binda	16,172
Lancaster	Kendig C. Bare	63,774
Lock Haven	Charles E. Herr	11,381
Philadelphia	Joseph S. Clark, Jr	2,071,605
Pittsburgh	David L. Lawrence	676,806
McKeesport	Andrew J. Jakomas	51,502
Meadville	J. Stanley Maxwell	18,972
Monongahela	William A. Polaski	8,922
New Kensington	Raymond E. Gardlock	25,146
Sharon	Myron W. Jones	26,454
Titusville	C. C. Hampton	8,923
Washington	Elmer R. Wilson	26,280
Williamsport	Clifford L. Harman	45,047
RHODE ISLAND		
Providence	Walter H. Reynolds	248,674
TENNESSEE		
Cornwall	William Keaton	(1)
Dyersburg	Page V. Hart	10,885
Hohenwald	M. C. Keaton	1,703
Humbolt		7,468
Knoxville	George R. Dempster	124,769
Milan	John Threadgill	4,938
Nashville	Ben West	174,307
VIRGINIA		
Alexandria	Ira F. Willard	61,787
Charlottesville	W. B. Weinberg	25,969
Lynchburg	Robert D. Morrison	47,727
Newport News	J. C. Biggins	42,358
Portsmouth	I. G. Vass	80,039
Richmond	Thomas B. Bryan	230,310
Suffolk	R. L. Woodward	12,339
WASHINGTON		
Seattle	Allan Pomeroy	467,391
WISCONSIN		
Milwaukee	Frank P. Zeidler	637,392
Grand total		32,644,765

[1] Unincorporated communities of less than 1,000.

Mr. PRIEST. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. BYRNE].

Mr. BYRNE of Pennsylvania. Mr. Chairman, I would like to make a short statement on the subject of the legislation before us today, a bill to amend the Natural Gas Act of 1938, as amended.

This bill has aroused a considerable amount of controversy. Ultimately, its purpose is to negate the decision of the Supreme Court in the case of Phillips Petroleum Co. versus State of Wisconsin. The Court held that jurisdiction over rates charged by gas producers rests with the Federal Power Commission. This decision clarified the extent of the powers of the Federal Government which had been in question since the passage of the Natural Gas Act in 1938. It effectively reiterated the aim of this act as being the "protection of consumers against exploitation at the hands of natural-gas companies." Furthermore, it specifically included independent gas producers as being subject to Federal regulation.

It was hoped that this action by the Supreme Court would write finis to the 20-year dispute. This was not to be. An attempt is being made in the legislation before us to overturn the Supreme Court decision and thereby permit independent natural-gas producers to operate free of the yoke of Federal regulation.

Mr. Chairman, I do not believe that such legislation is in the public interest. These producers and pipeline companies are engaged in sales in interstate commerce for resale and as such cannot be controlled by the individual States. Some control is necessary. The gas industry is a vital one to the people of this country; it is one of the most important public utilities. If this bill be allowed to pass, the price of gas to the public will undoubtedly rise. Is this fair to the millions of our constituents whose homes are heated by gas, whose water is heated by gas, and who do their cooking by gas? Can we in good conscience obligate these fine people in all parts of the country to pay higher rates for the gas they use? In truth, we cannot. Their welfare must be our first concern. Most of the people in our country cannot afford to pay more for their gas than they pay now; far less can they afford to take the more drastic step of converting to another medium of heat—and yet this would be their only recourse.

Let us remember at this time that the gas industry does not operate in a vacuum. It has an obligation to the many, many people who use gas in their homes. This is clearly implied in the first section of the Natural Gas Act of 1938. The present legislation to amend this act would change the very essence of the act.

Mr. Chairman, the integrity of the Supreme Court and of the Congress is at stake. Both these bodies have acted in the past for the good of the Nation. I trust that the action taken on this bill today will uphold their venerable position.

Mr. PRIEST. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, I want to say that it is a matter of great regret that I must join forces against a measure which has the support of my most esteemed friend and colleague, Representative PRIEST, chairman of the House Interstate and Foreign Commerce Committee, which has reported this bill.

He is aware, I am sure, of my deep personal regard, esteem and affection for him.

However, in this instance, Mr. Chairman, I must say to my colleague that I cannot go along with the chairman of the committee on this issue and must and shall oppose this bill as I do not deem it best in the public interest. Further, I feel that I have an obligation to strongly urge that this measure be defeated.

Mr. Chairman, over the course of our history—particularly in the space of the past half century—our Government has, from time to time as the need has presented itself, set up and established so-called regulatory agencies, investing in these agencies duties of a quasi-judicial nature and granting them independence to act in the public interest within the scope of our great free enterprise system.

It was not an idle gesture, some 17 years ago, when Congress enacted the Natural Gas Act and placed in the hands of the Federal Power Commission the jurisdiction in the field of regulation of natural gas rates. At the time, certainly, the public interest was involved in this growing industry engaged in interstate commerce.

Since that time, as we know, the natural gas industry has grown and expanded at a rate which defies the imagination and now more than ever the public interest is involved in the matter of rates to be charged a vast number of dependent consumers.

The growth and rapid development of this virtually new industry can be traced in figures of national scope. But for the purpose of illustration, I should like to pinpoint this matter in terms of my own State of Tennessee—this, to convey some idea of what has developed in my State in the past 17 years and to show the extent to which the public interest is involved.

In the State of Tennessee at the present time some 1,500,000 people are directly concerned in the natural gas situation—this being roughly one-third of the population of the State of Tennessee. In all, some 240,000 families and businesses in Tennessee are dependent upon natural gas.

Some $100 million in plant investment has been made by Tennessee capital to distribute natural gas to consumers in the State.

For some years now, and over the course of the past several Congresses, natural-gas consumers have been apprehensive over the threat implied in this legislation. And with good cause, I may add. The price of natural gas has risen alarmingly since 1948, but the rise has been greatly accelerated since 1953.

Consumers fear that with complete freedom from Government scrutiny and regulation there can be only one result—even higher prices.

Earlier this month, the Tennessee Municipal League, the Tennessee Gas Consumers Association, and other gas consumers assembled in emergency session in my State on this issue and adopted resolutions expressing their grave concern and apprehension.

The members of these organizations attending this meeting were in agreement with the views expressed in the minority report of the House Interstate and Foreign Commerce Committee that this bill would, in effect, give congressional approvel to charge all that the traffic will bear for natural gas. It is estimated that removal of gas producers from some form of regulation would increase the Tennessee natural-gas consumers bill as much as $20 million per year.

This propaganda we have heard that the industry will be forced to curtail production if this bill is not passed is foolish and an illogical threat. This, of course, is a preposterous prediction—and, I may add, is one that has been heard many times before as the public interest over

the years has required Government regulation of certain fields of industry and commerce.

The jurisdiction of the FPC over the entire natural-gas industry has been clearly and firmly established by the Supreme Court. Certainly we should neither be asked nor expected to negate this important decision which has been handed down by the High Court and, by changing the law, excuse the producers of this fuel from any form of regulation.

I cannot, as I have said, go along with that effort. It is not right; it is not in the public interest.

What is proposed here is to exempt a very important segment of the natural-gas industry from any form of regulation. The present control in the public interest is not arbitrary, unreasonable, harsh, or capricious. No one has alleged that the Federal Power Commission has been unfair or unjust in its decisions.

This bill has been twice vetoed, but the threat still returns to haunt the natural-gas consumers of the Nation.

Not one producer, to my knowledge, has made out a case of unjust or unreasonable action by the FPC—or of a dire threat that the return permitted would not be fair and just and reasonable. In the absence of any fear that the FPC would not deal fairly and justly with producers of natural gas, why, then, do we have this tremendous pressure from the gas and oil lobby for this bill? Profits, price, and rate increases to the millions of dependent users and consumers must be the answer. Passage of such a bill would be a backward step.

Furthermore, Mr. Chairman, the method under which this bill is being forced down the throats of the membership during the closing days of the Congress indicates that the proponents of this bill doubt the wisdom of its passage during a period of free and full and well-considered debate. The measure was reported by the committee, as indicated, by a vote of 15 to 14—a 1-vote margin. It is too controversial and too bad a bill to be forced through without proper consideration.

No, Mr. Chairman, the public interest is too deeply involved to permit the withholding of regulation from the gas industry. The FPC should be permitted to exercise its public duty in this instance and I strongly urge that this bill be defeated.

Mr. PRIEST. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, I rise in support of the Harris natural-gas bill. In my judgment the bill is in the public interest. It ought to be passed.

My colleagues on the committee who wrote the bill are better able to discuss the details, but I wanted to raise my voice in support of this much-needed measure. There are compelling reasons based upon highest principle why this measure should be adopted. It is in the best interest of the consumer and producer, but there are even greater considerations involved in this issue.

I am pleased that the rule was adopted by a substantial vote, and I sincerely hope that on the final vote the bill will be passed.

Mr. PRIEST. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. DIES].

Mr. ROGERS of Texas. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred Members are present, a quorum.

Mr. DIES. Mr. Chairman, this bill comes to us in the nature of a compromise. When we began the hearings, I believed that a bill should be passed which would simply exempt the producers of gas. That was the opinion of the Representatives from the producing States. But after we heard the evidence, we decided that some measure of control should be provided to reach the escalation clauses in contracts. All of the witnesses who appeared in opposition to this bill without exception complained that under many of the escalation clauses, those that were termed favored-nation or third-party or spiral clauses, increases in the price of gas were being made irrespective of economic justification.

Therefore, in order to compromise the differences between the extremists on both sides, those who believed in regulation on a utility status and those who believed in no regulation, the majority of the committee, under the able and fair leadership of our great chairman [Mr. PRIEST], finally compromised with this bill.

There have been a great many statements made that are not borne out by the record. For instance, it is said that the gas business is a monopoly. The record does not show that. The record shows 8,100 independent producers. Of course, that comprises the interstate and the intrastate producers, and there are probably 4,600 who would come under this act. But for every producer there are thousands of royalty owners and stockholders in natural-gas companies. There are thousands of people who lease their land and get bonuses. All of these people object to regulation on a utility status. The Phillips decision, therefore, if it were applied, would bring about chaos in the gas industry. I have not found anyone who believes that you can apply the formula of a utility as it has been accepted by our State and by our courts to 8,100 or 4,600 producers in the United States. What would you do with the royalty owner who has one-eighth of the gas produced? What would you do with the people with a working interest in a well? What would you do with the 50 percent of the people who sell intrastate gas? It is not a question of regulation versus no regulation. What we are trying to do is to find some formula that will be satisfactory and workable. We have that formula in "reasonable market price." What I want to ask you is how can you object to the producers and gatherers receiving a reasonable market price for their gas? You, from Detroit, where you are manufacturing automobiles for which we are paying $2,500, $3,000, and $4,000—and every time we pay it we are paying your laborers for guaranteed wages, fringe benefits, pensions, and so on—you who manufacture garments in New York charging our wives a rather high price for them—how in the world can you place yourself in the position of saying that you do not favor our producers and our thousands of royalty owners receiving a reasonable market price for their product? How can you go before the country and say you do not believe in that? This places the power in the Commission to apply the formula. Of course, what we object to is this: If you let the Phillips decision stand and we happen to get an unfriendly Commission—and that could happen, because you could have a group on the Commission who would think solely in terms of the nonproducing States—and they should try to apply the utility formula, what would happen to our producers and the consumers? That is what they tried to do in the Panhandle Eastern case, and they came up with a ridiculous result. In that case the company had four leaseholds valued at $4,600,000, but under the formula—under the cost-basis formula applied—the company would have received less than 2 percent return upon these leases.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PRIEST. Mr. Chairman, through the graciousness of the gentleman from New York [Mr. KLEIN] he is yielding 2 minutes of the time allocated to him, which I now yield to the gentleman from Texas.

Mr. HESELTON. Mr. Chairman, if the gentleman will yield for a question.

Mr. DIES. No, I just want to compliment the gentleman from New York [Mr. KLEIN]. I have always had a very sincere regard for him, but that has been increased.

Mr. HESELTON. Will the gentleman yield for a compliment?

Mr. DIES. I cannot yield now.

So, Mr. Chairman, under that Panhandle Eastern case, when they tried to apply the formula they were unable to do it. Do you know why? Because one-third of your gas is a by-product of oil and 67 percent of it is wet gas which has many other hydrocarbons in it. It is impossible to separate it to reach a cost basis; you could not do it if you wanted to.

Mr. HESELTON. Mr. Chairman, will my colleague yield?

Mr. DIES. No; I do not yield.

If the Phillips decision stands, you will be compelled to reject the formula that is applied to utility companies.

The Natural Gas Act was not written for the producers. From the language of that act it is clear that the authors did not have in mind regulating the producers. Consequently, you have got to have some other formula. We have given you a formula that has been interpreted many times by the courts of the country and that has a well-defined meaning: Reasonable market price. I sent to the library to get numerous definitions, not only in decisions, but in statutes, applying to utilities, and I discovered that nothing is more certain than reasonable market price. Let me say to you in New York, Michigan, and other States we in the gas producing States are paying high wages to your workers, we are swapping you 1 hour's

work for about 30 minutes of work in your factories. We are not pleading for the large companies, for they can take care of themselves, but we have in mind the thousands of little producers in the Southwest, and those people who are dependent upon gas and oil for their livelihood. In fact, during the drought period if it had not been for oil and gas in Texas we would have had economic collapse in some sections.

So in considering this matter think very carefully before you cast your vote.

Mr. ALGER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Chairman, the people of my district realize the vital importance of the free-enterprise principles that made our country great.

My interest in the legislative efforts to correct the Supreme Court's decision in the Phillips case is more than a desire to correct an injustice to one of the large industries of my State. It is a determination to overcome a new and dangerous philosophy announced in the Supreme Court's decision.

Why should natural gas, the product of an intensely competitive and high-risk industry, be singled out as the only commodity so produced to be brought under Federal price fixing while in the hands of the producer?

If a bureau in Washington can fix the price of gas, can it not just as easily fix the price of other products?

If natural gas is singled out for Federal price fixing today, might it not be oil or cattle or cotton or dairy products—or all of them—tomorrow?

If there is any doubt that natural gas is a commodity produced by a highly competitive industry—far removed from the utility status—let us take a look at some of the facts about the demand-supply-price picture. They will show not only that the industry is competitive, but also that the consumer of natural gas inevitably receives his greatest protection from competitive activity.

First, there is a great and growing demand. Natural-gas customers have tripled and natural gas delivered to residential consumers has quadrupled since 1938. Consumption of natural gas has just about tripled since World War II. Today almost 25 million gas customers are residential users. The American Gas Association estimates that an additional 1.2 million users will be added each year in 1955 and 1956 if supplies are available. Countless other potential customers are anxious to see their communities served by natural gas.

Obviously, the efficiency and cleanliness of this fuel contributed to its popularity. Obviously, also, its reasonable prices have been considered among its advantages to the constantly growing gas-consuming public.

Competition between producers of gas—as well as between them and other fuels—has been evidenced by the refusal of prices of natural gas to react to inflationary conditions as sharply as have the prices of other fuels. Natural gas is one of the few items in the family budget for which price has remained comparatively stable.

Based on 1935–39 averages for 50 representative cities compiled by the Bureau of Labor Statistics, natural gas in 1953 had an idex of 99.6, or just under average prices for the 1935–39 period. Contrast this with 233.4 for anthracite coal, 212.9 for bituminous coal, and 205.5 for No. 2 fuel oil. Contrast this also with the 191.3 overall cost-of-living index for 1953.

If the tremendous demand is not matched by a similar rise in supply, the price of natural gas naturally will tend to rise. But this increase will be even larger if the producers' prices are regulated. Supply is the great consideration, and price-fixing regulations will have a tendency to reduce, rather than increase, the search for new supplies. They also will tend to divert more of the supply from the interstate market into the intrastate, which even now represents half of the total marketed production. Intrastate sales were not made subject to Federal control by the Phillips decision.

With the tremendous expansion of the market made possible by the many large interstate lines built since World War II, the ratio of new supply to net production has diminished rapidly. In the first 5 years after the war, new gas supply was proved up at an average of almost 3 trillion cubic feet for each trillion produced. Then the ratio dropped to 2 trillion for each trillion produced. During the past year, new supply barely exceeded actual production.

Which represents the greater need—to fix prices with a hope of keeping costs to consumers down, as long as the present supply lasts; or to rely on time-tested, free competition to encourage wider search for greater reserves to supply the present consuming public and the millions who hope to join today's fortunate consumers?

Developments of recent years clearly show that all reserves possible are essential to meet future needs. Roughly speaking, we have 21 years of supply at the current rate of withdrawal, but that rate of withdrawal may continue to grow.

Certainly an adequate price is essential to prevent waste of casinghead gas, which is produced with oil. Prices for natural gas must be at least enough to pay for the expense of conservation measures. Adequate price also is essential to promote production from wells whose primary product is gas. Leading geologists are convinced that we have not reached the limit in our discoveries of oil and gas. However, the incentive provided will determine to what extent we are able to make additional discoveries.

Because of joint costs and the infinite number of variables, it is impossible to determine a regulated price based on a cost formula, such as would be necessary if gas producing is considered a utility. Gas must be allowed to seek its true price level through free competition with competitive fuels, or it will be found necessary to regulate the prices of these fuels, also, and thus establish a Federal bureau control over all of our energy resources.

If reserves are to keep pace with demand, every producer—not just a few big companies—must have price incentive to search for and produce more gas. The minor or independent producer is the typical wildcatter. He finds the big majority of new fields, and we cannot meet our needs without him. He needs incentive.

There are thousands of these independents in action today. All told, about 8,100 producers of natural gas operate in the country, counting only those who report to the various State agencies. The picture some would paint of a monopoly industry controlled by a few large companies is far from true. Of all the extractive industries, bituminous coal is the only one in which leading companies produce as small a portion of the total as in the natural gas industry. Compared with manufacturers of all kinds, natural gas is less concentrated in the hands of a few companies than 382 out of the total of 452 studied.

The picture for gas production is: First 4 companies, 17 percent; first 8, 28; first 20, 46; first 50, 66; and first 100, 78. There also is a gradual gradation from one size to the next in order, a condition ideal for competitive behavior. Seekers of monopoly can look elsewhere.

The ease of entry into production of natural gas is a sure sign of the absence of monopoly. Natural gas companies even seek additional competitors, frequently looking for partners because of limitation of funds when they spend so much on exploration, title clearance, and leasing.

Competition definitely is present when the producer or gatherer meets the interstate pipeline or transmission company at the bargaining table. The pipeline companies are not so numerous as the producers, but between them they have an interconnecting network of lines covering the large producing areas of the Southwest. With one exception, the various large lines all are connected either directly or indirectly with most of the producing areas of the Southwest. Thus they have widely scattered supply sources to which they can turn if one source prices itself out of the market. Neither the seller nor the buyer has the other "over the barrel."

These active competitive conditions which prevail are pointed up by the price behavior of natural gas. Prices have shown great flexibility and continually have lagged behind the rising cost of living.

Indicating their responsiveness to competitive conditions, prices paid under contracts executed in 1952–53 ranged from 21 to 29 cents per thousand cubic feet in the Appalachian region; from 7 to 18 cents in Panhandle-Hugoton; from 4 to 13 cents in east Texas-north Louisiana; and from 3 to 16 in Louisiana-Texas Gulf Coast.

The increased rates paid by consumers today are not due primarily to higher field prices, but to generally higher prices of everything that enters into the distribution, transmission, and production of gas. These include sharp rises in the cost of steel, labor, taxes, and many other expenses. Only about a tenth of the total cost to the residential consumer is represented by the price received by

the producer for natural gas at the wellhead.

Under free competition, the natural gas producing industry has met every test of service to the consumer. What sound reason is there for fixing the wellhead price that a producer may get for his gas?

Regulating only the larger producers is no answer to the problem. Who is the "larger producer"? What if royalty owners, owners of divided interests, small producers feeding into a single gatherer or natural gasoline plant, and others demand payment in kind and insist on separate sales?

Price fixing is not in the long range interest of the consumer. Putting gas production on a utility status would bring staggering problems and costs, with no benefits and very probably some definite losses.

Consider the staff necessary and the expenses involved if the Federal Power Commission must review 30,000 separate sales transactions, with thousands more each year. Consider the insurmountable difficulties in trying to determine prices on a cost basis. What about loss of incentive to producers? Futility compounded.

No 5 men can solve all of the problems that have been solved by millions of individual decisions from day to day. The vast machinery for regulating prices would be only one of many costs, both tangible and intangible. The consumer will pay the price, both in taxes and in increased charges for the gas itself.

Regulation in the form of price fixing is not the answer. The consumer's greatest protection is competitive activity. His true interest lies with a continuing supply. He deserves the benefit of competition.

Mr. HESELTON. Mr. Chairman, I yield 7 minutes to the gentleman from Iowa [Mr. DOLLIVER].

Mr. DOLLIVER. Mr. Chairman, I have served the major portion of my time in this body as a member of the great Committee on Interstate and Foreign Commerce. I have tried to be faithful in my attendance upon its meetings and have given the best of my ability to try to understand the many and complex problems that have come before our committee. Believe me, they are many and complex. A good illustration of their complexity is to be found in the bill now before us in the Committee of the Whole.

As so often happens when legislation is passed and comes before the courts for interpretation, the courts take a different view of the meaning of the language contained in the legislation than did the Congress that passed it. When the Natural Gas Act was passed in 1938—and I was not here at that time—but I think it is demonstrable that it was thought by everybody in the Congress concerned, that the production and gathering of natural gas was completely outside the purview of the authority of the Federal Power Commission.

There was a time when the Federal Power Commission was rather inclined to get over on the other side and usurp the authority which the committee and the Congress had not granted. Then they shied away from it.

A little over a year ago in the case of the Phillips Petroleum Co. against the State of Wisconsin the Supreme Court of the United States by a 5 to 4 divided opinion held that the Federal Power Commission has authority over the production and gathering of natural gas. So the Congress of the United States is now confronted with the proposition whether the original intent of the Natural Gas Act shall be carried out or whether the Supreme Court's decision interpreting it, or misinterpreting it as some of us think, shall be allowed to stand. That is the basic reason this legislation is before us at all.

The fact is there is a very, very deep-seated difference of opinion in this field. That is illustrated by the Supreme Court decision. It is illustrated by the 15- to 16-vote reporting this bill out of the Commerce Committee.

It is again illustrated by the 6-to-5 vote that brought the rule to the floor of the House which was adopted a few moments ago.

I confess I have had some difficulty in making up my own mind about this bill, but I have come to the firm conclusion, Mr. Chairman, that the Harris bill is a good bill, that the Harris bill ought to pass. It will bring some order out of confusion into which this great natural-gas industry has been thrown by the decision in the Phillips case.

In the first place, I think it should be understood that of the cost of gas to the consumer, only a relatively small percentage is attributable to the cost of the gas at the wellhead. I invite your attention to the report of the committee on this bill beginning at page 18 and going through some 20 pages which shows the amount of the cost to the consumer that is attributable to the cost of gas at the wellhead. In most instances the percentage is less than 10 percent. So if you would double the cost at the wellhead, you would not seriously affect the cost to the ultimate consumer.

The big cost of natural gas to the consumer is the cost of transportation, which is already under control by a public body, the Federal Power Commission, and the distribution cost which in most cases is under the control of a public body at the place where the gas is used. So I suggest to you that the cry that this measure will adversely affect the consumers of natural gas has been exaggerated very greatly.

What is the need as far as the consumer is concerned in my area and in the other consuming areas as far as natural gas is concerned? What we need is more gas. There is a large market for this very fine and efficient fuel. You are not going to get a production of natural gas unless you enable the people who produce the gas to go out and explore for it and give them some incentive for doing that. If you would cripple them by allowing the Phillips decision to stand I daresay that the production of natural gas will decrease and further exploration will decline.

Indeed, that has been demonstrated by the statistics that have been gathered during the last 3 years. Since this decision over a year ago, as I understood it, the exploration for natural gas has declined to a very important degree.

Another reason was alluded to by the gentleman from Texas [Mr. DIES]. The decision of the Supreme Court in the Phillips case has, in my opinion, thrown upon the Federal Power Commission a completely unbearable load. It is literally impossible from a physical standpoint for the Federal Power Commission to deal with these multitudinous problems in connection with the production of gas at the wellheads. They are simply unable to do it. Too many individual producers are involved.

At the present time, there is a very substantial backlog of applications for natural gas by communities not now served. These applications would continue to pile up if we saddle upon the Federal Power Commission the job of determining many, many individual wellhead prices.

Into the Harris bill are written safeguards to prevent gouging by large producers. Objectionable escalation clauses are prevented. A standard of "reasonable market price" is set up to be followed if producer prices get out of line.

The important aspects of this legislation are: It does away with Federal controls; it allows the forces of competition free play; it protects the ultimate consumer against gouging.

I urge passage of this bill.

Mr. PRIEST. Mr. Chairman, I yield 8 minutes to the gentleman from New York [Mr. KLEIN].

Mr. HESELTON. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-five Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 136]

Anfuso	Fascell	Powell
Bailey	Gamble	Prouty
Barden	Gray	Radwan
Buchanan	Gubser	Reece, Tenn.
Celler	Hardy	Reed, N. Y.
Chiperfield	Hillings	Rivers
Clevenger	Hyde	Shelley
Dingell	Kearney	Spence
Donovan	Kilburn	Teague, Tex.
Eberharter	Mumma	Willis
Engle	Perkins	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 6645, and finding itself without a quorum, he had directed the roll to be called when 399 directed the roll to be their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. At the time the point of order was made, the gentleman from New York [Mr. KLEIN] had been recognized for 8 minutes.

The gentleman from New York will proceed.

Mr. KLEIN. Mr. Chairman, I would like to say to the Members who were

brought here from their busy duties that I was not responsible for this call. I do not flatter myself to the extent that I want a large audience present when I speak.

Mr. Chairman, there is a great and honest difference of opinion in our committee and among the membership of the House as to the merits and demerits of this legislation. This is evidenced by the closeness of the vote in our committee and in the Rules Committee. However, on one subject at least there is no difference of opinion, either in the Committee on Interstate and Foreign Commerce or on the floor, and that is as to the fairness and honesty and sincerity of our chairman, the gentleman from Tennessee [Mr. PRIEST]. I have served under many chairmen, both on this committee and other committees, and I have never found anyone who leaned over backward and extended himself as much as the gentleman has in giving every member of the committee an opportunity, regardless of whether his views coincided with the chairman's or not, to present his views.

The gentleman from Iowa [Mr. DOLLIVER], who immediately preceded me, stressed a point that many other proponents of this bill have been making and that is if we permit the Supreme Court decision to the Phillips case to stand we will deplete the sources of gas, and that as a result, the consumers will not be able to get the gas, which they need and want. Let me read you a statement with regard to that particular point:

> It is argued that regulation of sales of natural gas to pipeline companies would discourage producers and gatherers from selling this gas in interstate commerce, and would discourage exploration and development of new wells. This claim rests primarily on the assumption that the Federal Power Commission would apply standards of regulation which did not take account of the peculiar circumstances of natural gas production—such as cost of exploration and development, including the drilling of dry holes. I do not believe this assumption is well-founded. On the contrary, I am confident that the commission will apply standards properly suited to the special risks and circumstances of independent natural gas producers and gatherers.

Mr. Chairman, that statement was contained in the veto message of President Truman at the time he vetoed the Kerr bill, which was practically identical with the bill we have under discussion today. However, you may feel about Mr. Truman, and I personally think, he was one of the greatest Presidents we have ever had, you cannot fail to realize that he had at his command in writing this veto message, every source of information available in the country.

I believe that he has made the inescapable point that this would not have the effect claimed by the proponents of this bill.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. For a question.

Mr. VURSELL. Does the gentleman know that since the decision was made by the Supreme Court, the contracts up to date for gas have been as follows: 5.2 billion cubic feet in 1952, 6.4 billion cubic feet in 1953, and in 1954, because of the confusion brought about by the Supreme Court decision, there was a drop in 1954 under contract to 2.3 billion cubic feet, which means one-third less gas contracted for now than in the 2 previous years?

Mr. KLEIN. Those may be the facts, and I do not differ with the gentleman on that, but that cannot all be attributable to the Supreme Court decision because, as a matter of fact, the Federal Power Commission has testified they have done nothing under the Supreme Court decision, other than freeze the price as of the date of the decision. They are not regulating the producers at this time. So if that has happened—I do not doubt it—it may have happened in anticipation of this bill or perhaps to generate a favorable atmosphere for introduction and enactment of this legislation.

Mr. VURSELL. They are regulated at this time and we are appropriating a lot of money for that purpose.

Mr. KLEIN. Mr. Chairman, as I said some time ago, this question is not a simple one. It is not a matter of one side being black and the other side being white. I think that both sides have a good deal of merit. I think the case of the producers may have some merit. But I certainly think we should consider the consumer, the captive consumer who has no choice whatsoever as to the type of fuel which is fed to him by his local public utility, and very little as to the prices which he is forced to pay.

I have taken the floor on one or two occasions on a farm bill, and I have been joshed about the fact I am a city farmer, and have stated that the economy of our country is interrelated. In other words, what is good for the farmer is good for the city and what is good for the city is good for the farmer. If things are bad in the city, we cannot buy and the farmer suffers. The same philosophy I would think applies in this particular case. If it is good for the producer, if they can produce more gas, and sell it at a cheaper rate, and still make a profit, then the consumers should get a cheaper rate in the cities, which is of course, good for them. I do not believe, however, my friends, that this legislation, if enacted, would have the effect of getting cheaper gas to the consumer particularly where the price of gas is unregulated. I am fearful—nobody knows definitely of course, what the future may hold—but I am fearful that if we exempt independent producers from regulation, we will find that the price at the wellhead will increase. Although it may only increase a penny or two, percentagewise you can see how much that will mean to the consumer.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield to the gentleman from Illinois.

Mr. YATES. This bill incorporates a new theory of valuation for establishing rates of natural gas pipeline companies; does it not?

Mr. KLEIN. I agree with the gentleman. It does.

Mr. YATES. It incorporates into legislation the position of the Federal Power Commission in the recent Panhandle Eastern Pipeline Co. case; does it not?

Mr. KLEIN. That is correct.

Mr. YATES. The Panhandle Eastern Pipeline Co. case was the first case in the history of Federal Power Commission jurisdiction in matters of this type since 1938 that the Commission had not regulated such utilities on the basis of actual legitimate cost; is that not correct?

Mr. KLEIN. The gentleman has made a study of this subject, and I have a great deal of respect for him. I do not doubt that he is correct.

Mr. YATES. Had not the Commission been sustained by the Supreme Court of the United States in four separate opinions previously, it having used actual legitimate cost as the basis of its valuation and ratemaking?

Mr. KLEIN. The gentleman is usually correct, and I believe he is in this case.

Now, Mr. Chairman, I have said that there is some merit on the side of the producers. My particular complaint is that the price is so disproportionate to the consumer from what it is at the wellhead. For example, in New York City we paid in 1953 and 1954 approximately $2.47 per thousand cubic feet when that same gas cost 7 cents or so at the wellhead and approximately 23 or 24 cents to the pipeline company that brought it up to New York. Why? I asked this of almost every witness before our committee. Yet I never got a satisfactory explanation.

Now, I want to make this point. I feel that we should have a thorough investigation, as the gentleman from Arkansas [Mr. HARRIS] has proposed, into all phases of this business. I want to get these distribution companies in here to find out why that big increase to the consumer, and why the State regulatory bodies are permitting these companies, the one in New York, for instance, to write off sixty or eighty million dollars' worth of obsolete equipment in 5 years. That is undoubtedly why our rate is so high. But we ought to know all these facts before we can legislate intelligently.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield to the gentleman from Arkansas.

Mr. HARRIS. I have been wanting to clear up this question about the resolution that I introduced for an investigation. We have gone into the subject of the producing end since 1947, and it developed during the course of these lengthy hearings that the high cost was in the distribution end, and my resolution was to that phase of the industry, which was not covered during the course of these hearings.

Mr. KLEIN. I agree with the gentleman, but I feel that we ought to do something about that phase of it now, before we try to enact this legislation.

Mr. HESELTON. Mr. Chairman, I yield 25 minutes to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, we have heard today well deserved encomiums extended to the chairman of our committee, the gentleman from Tennessee [Mr. PRIEST]. Every one of those expressions, I am certain, has come

from the hearts of those who have expressed those feelings. I am equally certain that whatever they have said in this connection with reference to our distinguished and esteemed chairman represents and echoes the feelings in the heart of everyone in this body who has had close and intimate association with the gentleman from Tennessee. However, if there is anything that has disturbed me more than anything else in the discussion of this legislation by our committee, it has been the criticism that has been directed toward him in his own State because of the views that he has with respect to this legislation.

Before I criticize a person, I endeavor to ascertain whether he is sincere in the views he has expressed. Although we have differing views with respect to this particular proposed legislation, there is no doubt at all in my mind that PERCY PRIEST is sincere in the position that he has taken, notwithstanding the criticism that has been directed toward him. And if the time should come—and I certainly hope it will not—that opposition to him will arise because of his attitude in this matter, it would be a great mistake, for I look upon PERCY PRIEST as one of the most competent, one of the most able, one of the most sincere legislators in this or any other body I have ever had the opportunity to serve in. I wish for him long and continuous service.

If I were not using so much of my time in paying respect to those for whom I have high regard, I should like to take the time to speak also concerning the gentleman from Arkansas [Mr. HARRIS], the sponsor of this legislation. There is no doubt at all in my mind that OREN HARRIS is sincere in what he is offering to this House. I differ with him as to some of the conclusions he has drawn, and I certainly do not agree with him in the way the bill expresses what some have termed a bill in the interest of the consumer. I have not been able to see that. But I know this, that all during the time our committee had this bill under consideration, months of time, the gentleman from Arkansas [Mr. HARRIS] conducted himself in a fair and honorable manner, seeking to satisfy the questions that were raised by some of us. At no time did he show any bad humor, or disappointment that we did not all agree with him, but at all times expressed his confidence in the sincerity of the opponents. And so I consider that what I have said about PERCY PRIEST I should also say about OREN HARRIS: Long life to you in the House of Representatives of the Congress of the United States.

Mr. Chairman, I am sincerely convinced that the issue that presents itself in this bill today is one of big oil versus the consumer. I believe that to be the issue raised by the bill under consideration. This bill seeks to nullify, set at naught, repeal and destroy the decision of the United States Supreme Court that upheld the right of the Federal Power Commission to regulate the producers of natural gas as provided for in the Natural Gas Act of 1938. The Natural Gas Act was passed in the public interest. In the brief time I have at my disposal it is my intention to emphasize the purpose of the act that was passed in 1938, and also to indicate the need there is for us at this time even more so than at the time the act was passed to see that these regulatory provisions shall remain.

It is not my intention in these remarks to enter into a detailed account of the exceptions that I believe could be properly taken to this bill, nor to offer the amendments nor to discuss the amendments that will be offered that would greatly improve it in the interest of the consumer. I will reserve what I have to say in that respect until the House is under the 5-minute rule, and then will express my opinions with respect to the amendments that I am certain will be offered and which I hope will be adopted.

Because I am against this bill that is before us today is not an indication that I am against any legislation of any kind of character dealing with this subject. I am convinced that we can pass legislation that will not do harm to this great industry and at the same time will protect the consumer's interest. It is that for which I have striven through the hearings and for which I shall strive as long as it is in issue in this House, that is, to obtain proper legislation to protect the consumer without doing the harm that some are fearful of with respect to this great industry.

Coming back to the question of the intent with which this legislation was passed, you need only refer to the first section of the Natural Gas Act, which is a declaration of policy. Certainly it seems to me the historical experience upon which that declaration of policy was made, and which resulted in the passage of the legislation, is justified in view of the facts that the Congress at that time had before it as a basis for their action.

I recall to the memory of you who were present when the original legislation was adopted and to inform those of you who were not Members of this House at that time that such legislation resulted from investigations that had been made by the Senate and by the Federal Trade Commission that showed unquestionably that the consumer was being exploited. That was the basic reason for the passage of the legislation.

Now, mark these very significant words. I read a few words from this declaration of policy which emphasizes what I have already said. I am reading now from the first section of the Natural Gas Act:

> It is hereby declared that the business of transporting and selling gas for ultimate distribution to the public is affected with a public interest, and that Federal regulation in matters relating to the transportation of natural gas and the sale thereof in interestate and foreign commerce is necessary in the public interest.

The Supreme Court in the Phillips case had before it the question of the jurisdiction of the Federal Power Commission over rates charged by a natural-gas producer and gatherer in the sale in interstate commerce of such gas for resale.

May I say at this point, if there is any doubt whatsoever in the minds of those who are advocating this bill as necessary to carry out the original intent of the Congress which they claim was to the point as to whether the Federal Power Commission has the right to regulate sales at the wellhead, read the debates that took place in Congress.

That direct question was asked of Senator Wheeler who was the chairman of the committee in the other body at that time. He emphasized in strong words that it did have that effect. Nobody can misunderstand what he said, and he gave that answer to one who was opposed to the bill. So the oil industry has had this knowledge. The fact is that these big oil interests all through the years have been seeking to change this law even before the Supreme Court had rendered its decision. The Rizley bill was passed. The Kerr bill was passed. President Truman in a memorable decision, and I care not what side of the aisle you are on, you cannot help but applaud that decision because of its recognition of the fundamental principle that was involved, which was the necessity to protect the public interest.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield.

Mr. YATES. Was not the purpose of the original Natural Gas Act to fill a gap in the regulation that existed because of the inability of the States to regulate the gas industry and its rates outside their own borders and will not that gap come into existence again if the Harris bill is passed?

Mr. WOLVERTON. The gentleman has stated the situation correctly.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield.

Mr. HESELTON. And has it not been said repeatedly by the Supreme Court of the United States that another important purpose was to prevent the exploitation of the consumers of this country?

Mr. WOLVERTON. That is true. I will come to the decision of the Court and will quote some of the language of the Court, which makes that point plain and which justifies the statement that this issue is an issue between big business and the consumer.

Mr. YATES. If the Harris bill is passed, will not there be an inability on the part of the States still to regulate the sale of gas flowing in interstate commerce?

Mr. WOLVERTON. That is true. Congress alone has the jurisdiction to regulate in that matter.

Mr. YATES. Even though there is a change of language in the Harris bill as to what interstate commerce shall mean for the purposes of the Natural Gas Act, nevertheless the fact will remain that the States will not be able to control the transportation or sale of gas in interstate commerce within their own borders; is that not correct?

Mr. WOLVERTON. That is true.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield.

Mr. HARRIS. The gentleman quoted a moment ago the statement of Senator Wheeler when the original bill was passed. However, I do not think that

matters much now since the Supreme Court has said what the law is. But nevertheless in the debate, Mr. Wheeler said:

It does not attempt to regulate the producers of natural gas or the distributors of natural gas, only those who sell it wholesale in interstate commerce.

Senator Austin asked:

Is the bill limited in its scope to the regulation of transportation?

Senator WHEELER. Yes, it is limited to transportation in interstate commerce and it affects only those who sell gas wholesale.

That is Senator Wheeler's statement.

Mr. WOLVERTON. Does the gentleman have the entire speech of Senator Wheeler there? I have the part to which I referred on my desk, but not right before me at this moment. I say without fear of contradiction, for there is no doubt about it, read the statement in the CONGRESSIONAL RECORD.

Senator Wheeler during that debate was asked by Senator Connally:

Question. If a man should produce gas in my State and ship it in interstate commerce, then he would have to sell it at the price fixed by the Commission?

Senator Wheeler replied:

Exactly, at the wholesale price fixed by the Commission.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from Ohio.

Mr. VANIK. Has the gas industry made any effort at all to really live and operate under the Phillips decision?

Mr. WOLVERTON. No, I think they are crying before they are hurt. The Phillips decision was rendered in June of 1954. Over a year has expired since that time and nothing has been done by the Federal Power Commission that would in any way justifiably create any fear whatsoever in the mind of any oilman. They have certainly had their way so far as the Federal Power Commission is concerned, and if any criticism were to be expressed here today I think the Federal Power Commission could be justiably criticized in that it has not attempted in any substantial way to observe the opinion that was expressed by the Supreme Court in the Phillips case.

Mr. MACDONALD. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from Massachusetts.

Mr. MACDONALD. Is it not a fact that under the Phillips decision the natural gas industry had a banner and record in 1954 and continuing into 1955?

Mr. WOLVERTON. You can substantiate that statement from whatever angle you wish to consider it. More wells were drilled last year than ever before. They found more natural gas last year than we used, over 9 billion cubic feet.

The income statements of these great companies show tremendous earnings. Even the Continental, an officer of which I am told was the head of the gas propaganda committee that is reported to be spending a million and a half by advertising propaganda to defeat this bill, you will find that even that company in the last 6 months had over $22 million of profits, over $2 a share, the greatest earnings it has ever had in its history.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from Massachusetts.

Mr. HESELTON. In last Wednesday's Journal of Commerce the Phillips Petroleum midyear statement was given. Phillips is the second largest producing company, as the gentleman knows; only Humble exceeds its capacity to produce and has more reserves. They had a net income of $42,575,770 for the first half of 1945 as against $37,918,000 for the first half of 1954. I ask the gentleman how much more they must take from the American public to satisfy their greed?

Mr. WOLVERTON. I agree that it would indicate a great desire to take plenty.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield.

Mr. YATES. Do the figures given by the gentleman from Massachusetts come before or after the 27½-percent depreciation?

Mr. HESELTON. After.

Mr. WOLVERTON. I think that would be assumed, that they had the 27½-percent depreciation as part of their profits. I do not think anyone disputes the fact that the 27½-percent depreciation allowance adds materially to the profits of the oil companies; but like those who have, they seek more, and they are seeking legislation of this kind to enable them to get more. And, if this bill is passed, they will get more.

I saw that the statement of one of the big oil companies in their annual report to their shareholders that said the company had paid $3 million for its gas reserves, but that under the present conditions by which they were getting 13 cents a thousand cubic feet that the value had gone up to $450 million. That is a pretty good rise. Just bear in mind that if it goes up another 13 cents, and I have contracts on my table here that have already been entered into which say, in effect, that if the Federal Power Commission does not stop it, the companies parties to those contracts will get 27 cents per thousand cubic feet. If you add 13 more cents per thousand cubic feet to what I have already indicated as an increase in the value of their reserves, then you would have the tremendous sum of $900 million as a result of an investment of $3 million in gas reserves.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from Illinois.

Mr. YATES. The gentleman refers to only one pipeline company. Under the system of valuation that is approved in the Harris bill, will not every other pipeline company which owns its own reserves be entitled to the same consideration in getting increases?

Mr. WOLVERTON. If this bill goes through, it is my understanding, from the testimony of the chairman of the Federal Power Commission, Mr. Kuykendall, the applications that are now pending there amounting to $284 million will become automatically granted and it would thereby cause an additional expense to the consumers and such would automatically become effective.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from Illinois.

Mr. VURSELL. I wonder if the gentleman knows that the Federal Power Commission came before our Committee on Appropriations and said that they were trying to enforce this act but they were having great difficulty and they wanted more money.

Mr. WOLVERTON. You should have given it to them.

Mr. VURSELL. They wanted more money appropriated.

Mr. WOLVERTON. That is sufficient. I have the point. I understand that in the questioning that took place the chairman of the Commission admitted that he needed maybe 50 more to effectively enforce the act in its entirety. When we have over 2 million Federal employees, it strikes me that the Appropriation Committee was very lax in that it did not provide 50 additional employees for this important work.

Mr. YATES. I happen to be on the same appropriation subcommittee as the gentleman from Illinois. We specifically asked the chairman of the Federal Power Commission whether he wanted more money for the purpose and he said he wanted enough money to hire an additional 41 employees in order to take care of the backlog of Phillips decision cases. The Appropriations Committee gave them the money.

Mr. WOLVERTON. Let me get back to the point where I was when I was diverted by my friend. The two companies, the Phillips Company and the Humble Oil Company, own and control one-sixth of all the gas reserves in the area in which they operate. If this bill goes through and these 2 companies get the increases they expect, it will add to their asset value over $5 billion. Is it any wonder they are in favor of this legislation?

Mr. YATES. This legislation has been represented as being a necessary measure to serve those with one gas well in their back yard.

Mr. WOLVERTON. I am glad the gentleman mentions that because it brings to my mind things I would like to say if I have the time to say them. Do you know that less than 200 producers of gas in this country produce over 90 percent, nearly 98 percent, of all the gas produced in this country?

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. HESELTON. Mr. Chairman, I yield the gentleman 5 additional minutes. The gentleman said 200. As a matter of fact there are only 29 that control that amount of gas in this country.

Mr. WOLVERTON. If there is any doubt about the figures, then we ought to adopt the resolution that has been offered by the sponsor of this bill to investigate the situation. Let us go into it and investigate all of these facts.

Mr. YATES. As a matter of fact, the sponsor of the Harris bill thought we

ought to delay consideration of the Harris bill until we had considered the Harris resolution.

Mr. WOLVERTON. He said so in his release, and I think he meant what he said. I favored his resolution and tried to get the Rules Committee to adopt it, with one addition. However, I would have been for it even without that addition.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from Oklahoma.

Mr. ALBERT. If a matter is right, then does it make any difference how many own it or if it is wrong, does it make any difference that 10,000 own it?

Mr. WOLVERTON. No, but this is important, that the fewer hands it is in the easier it is to control the price to the disadvantage of the consumer. That is the reason we have our antitrust laws, to deal with what is in the nature a monopoly.

Mr. BELCHER. Mr. Chairman, if the gentleman will yield, how many aluminum companies in the United States control 93 percent of the production?

Mr. WOLVERTON. I do not know.

Mr. BELCHER. There are less than 29. How many automobile companies control more than 93 percent of the production?

Mr. WOLVERTON. Well, if you object to that, then I assume you are with us on this bill.

Mr. WITHROW. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield.

Mr. WITHROW. I am a bit confused, and I admit it.

Mr. WOLVERTON. I do not wonder.

Mr. WITHROW. But I am under the impression that natural gas at the wellhead had never been controlled up until the time of the Supreme Court decision.

Mr. WOLVERTON. Yes, there is control.

Mr. WITHROW. At the wellhead?

Mr. WOLVERTON. Yes, there has been control, and even this bill before us indirectly controls it, when you are dealing with pipelines and affiliates with pipelines in the producing business. Even this very bill provides a measure of control, but, not in my opinion as sufficiently as it should be.

Mr. WITHROW. But they have had no real control.

Mr. WOLVERTON. Wait a minute. The gentleman asked me a question, and I want to answer it. In all of these gas producing States—just stop and think of it—in all of such States there are laws passed in the name of conservation, but which, in my opinion, is more a question of stabilization of price than anything else. Now, if it is all right for the States to control producing wells within their limited jurisdiction, then it ought to be all right for the Federal Government to have regulatory power when that gas goes into interstate commerce.

Mr. WITHROW. What I cannot understand is why the need for control at the wellhead when, as a matter of fact, there has been no appreciable increase in the cost of gas to the consumer.

Mr. WOLVERTON. You see, there is where you are wrong.

Mr. WITHROW. Probably so.

Mr. WOLVERTON. Yes, absolutely. I realize there is a misconception all through this House in regard to this subject. All kinds of unfair and in many particulars untrue statements have been made in an advertising campaign of the gas industry. When you put out a million and a half dollars worth of propaganda against a bill in all the big newspapers, taking full pages, half pages, and what not, is there any doubt that there would be a lot of misconception as to what the true situation really is? I could take some of those advertisements and show you how absolutely ridiculous they are when compared with the real facts. Now let me show you what I mean. It is claimed in some of these advertisements that the sponsors of this bill are working in the interest of the little producer. The truth is that the big fellows are hiding behind the 4,000 or thereabouts little producers. These larger companies number less than 29, it is stated by the gentleman from Massachusetts [Mr. HESELTON]. These are suggested as trying to hide their real purpose behind the little fellow.

Let me tell you what you will have an opportunity to do. We tried it in the committee. We recognized the tremendous burden on the Federal Power Commission, and a motion was made to eliminate those small producers. They are not the ones who are hurting the consumer, nor can they do so. We were willing to eliminate them from this so-called utility status. I put in a bill myself that would have relieved them, and there were other bills presented that would have relieved them, but when that came before the committee the very people who are asking you today in the name of the little fellow to pass the bill were the ones who voted against taking the little fellow out.

Mr. WITHROW. My good friend from New Jersey has not answered my question. Has there been any rise in the cost of gas to the consumer?

Mr. WOLVERTON. Tremendous.

Mr. WITHROW. I would like to have the gentleman talk about that.

Mr. WOLVERTON. I wish I had the time to give you all the facts I have in my speech here, but I have been endeavoring to let some of you add to the speech I have prepared. The gentleman spoke about price. Of course, there has been a tremendous increase. Only last year the Federal Power Commission increased the cost to the consumer by over $200 million without even giving anybody an opportunity to be heard.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman.

Mr. VANIK. I want to ask just one question. Was there a single independent producer who appeared before the committee?

Mr. WOLVERTON. To my knowledge, there was not a single one who appeared. I am speaking of these little fellows. There were one or two fairly big fellows. They had an attorney who spoke before our committee, one of the most brilliant in the State of Texas, and we could not find out whom he represented. But when we asked him the direct question, "Whom do you represent?" he said in effect, "I am here representing myself."

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield.

Mr. HARRIS. Is it not a fact that the witness to whom the gentleman is referring was Mr. David Searls?

Mr. WOLVERTON. That is the man.

Mr. HARRIS. Who stated to our committee at the outset that he was representing the entire industry, across the board, producers and transporters.

Mr. WOLVERTON. If anyone will look at the statement of the witness on page 194, in answer to a question by Mr. HAYWORTH, he failed to tell whom he represented. That testimony is at page 194 of the hearings, and if you look at that it will confirm what I am saying.

I regret exceedingly that time on this debate has been so short and that the attendance has been so small as not to permit the House to be fully informed. If Members will read the majority and minority reports, particularly the minority report, you will find there answers to every question. I am confident if anyone reads those reports, particularly the minority report, that they will not vote for this bill.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. Even though I have something important to say, and have such limited time, I want to yield to my good friend from New Jersey.

Mr. THOMPSON of New Jersey. I just want to congratulate the dean of the New Jersey delegation on his presentation and to thank him on behalf of all of us for that presentation.

Mr. WOLVERTON. Had I known the gentleman was going to say that, I should have declined to yield the time.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield.

Mr. REES of Kansas. The gentleman suggested a while ago that there had been a considerable increase in the cost of gas at the wellhead.

Mr. WOLVERTON. Yes.

Mr. REES of Kansas. What has been that increase percentagewise in the last 5 years?

Mr. WOLVERTON. I would say that it is now at about 164 as compared to a cost of living figure of about 113.

Mr. REES of Kansas. The increase has been about 164 percent of what it was 5 years ago?

Mr. WOLVERTON. In some instances far more, going over 200 percent. I have one illustration here where it went over 300 percent. I have those figures and the gentleman would be surprised at them.

The Natural Gas Act was passed in the public interest. It so states clearly and emphatically. In section 1 (a) we find this declaration of policy:

SECTION 1 (a). As disclosed in reports of the Federal Trade Commission made pursuant to Senate Resolution 83 (70th Cong., 1st sess.) and other reports made pursuant to the authority of Congress, it is hereby

declared that the business of transporting and selling gas for ultimate distribution to the public is affected with a public interest, and that Federal regulation in matters relating to the transportation of natural gas and the sale thereof in interstate and foreign commerce is necessary in the public interest.

The Supreme Court of the United States had before it for decision in the case of Phillips Petroleum Co. against State of Wisconsin et al. the question of jurisdiction of the Federal Power Commission over the rates charged by a natural gas producer and gatherer in the sale in interstate commerce of such gas for resale.

Mr. Justice Minton delivered the opinion of the Court. In a well stated opinion he set forth clearly and with certainty that the Natural Gas Act of 1938 conferred such power upon the Federal Power Commission. He sustained this interpretation of the act by historical background, committee report and plain use of words used that led irresistibly to the intent of Congress to confer such power on the Commission in the public interest. Without quoting at length from the opinion the quotation is sufficient to sustain the purpose of the act and the congressional intent, as follows:

Regulation of the sales in interstate commerce for resale made by a so-called independent natural gas producer is not essentially different from regulation of such sales when made by an affiliate of an interstate pipeline company. In both cases the rates charged may have a direct and substantial effect on the price paid by the ultimate consumers. Protection of consumers against exploitation at the hands of natural gas companies was the primary aim of the Natural Gas Act. *Federal Power Commission* v. *Hope Natural Gas Co.*, supra, at 610, attempts to weaken this protection by amendatory legislation exempting independent natural gas producers from Federal regulation have repeatedly failed, and we refuse to achieve the same result by a strained interpretation of the existing statutory language.

In recent years, and even preceding the decision in the Phillips case, the oil industry, evidently fearful that the Natural Gas Act did confer upon the Federal Power Commission regulatory power over producers, has sought repeatedly to eliminate such regulatory power. Among the bills introduced in recent Congresses to restrict the existing jurisdiction of the Federal Power Commission over natural-gas producers are: H. R. 4051, 80th Congress, 1st session; H. R. 4099, 80th Congress, 1st session; H. R. 1758, 81st Congress, 1st session; and S. 1498, 81st Congress, 1st session.

In only one instance did the proposed legislation pass both Houses, and this was by a very slim majority. This bill, upon being presented to President Truman, was vetoed by him in a memorable opinion that stated the issue clearly and forcibly. The following quotations from President Truman's veto message are as true today as when he expressed them in connection with the so-called Kerr bill, similar to the one now before us. He said:

I return herewith, without my approval, H. R. 1758, a bill to amend the Natural Gas Act, approved June 21, 1938, as amended.

This bill would preclude the Federal Power Commission from regulating sales of natural gas to interstate pipeline companies, for resale in interstate commerce, by producers and gatherers who are not affiliated with the buyers. After careful analysis and full consideration, I believe that such an action would not be in the national interest.

I believe that authority to regulate such sales is necessary in the public interest because of the inherent characteristics of the process of moving gas from the field to the consumer. Unlike purchasers of coal and oil, purchasers of natural gas cannot easily move from one producer to another in search of lower prices. Natural gas is transported to consumers by pipelines and is distributed in a given consuming market by a single company. The pipeline companies, and in turn the consumers of natural gas, are bound to the producers and gatherers in a given field by the physical location of their pipelines, which represent large investments of funds, and cannot readily be moved to other fields in search of a better price.

To withdraw entirely from this field of regulation, however, impelled only by imaginary fears, and in the face of a record of accomplishment under the present law which is successful from the standpoint of consumer, distributor, carrier, and producer alike, would not be in the public interest. Accordingly, I am compelled to return this bill without my approval.

What I have already said gives a clear picture of the protection given to the public interest by the Natural Gas Act, and sustained by the Supreme Court decision, which the pending bill seeks to repeal and substitute in its place a condition that will enable private interests to improve there financial position and welfare.

Thus, as I said in the beginning of my remarks, the issue today in this matter is one of big oil versus the consumer, or private versus public interest. Where will you stand in the hour of decision when it comes today? Will you be on the side of the private interests or on the side of the public interest? That is the issue, and it cannot be explained away as anything other than one of for or against the consuming public.

We know who wants the passage of the legislation before us. Now, let us consider who is against it. Never have I seen a more formidable array of public and private organizations gathered together in opposition to any proposed piece of legislation. But, before I mention those who are against its adoption, I would like to first mention what I consider a most significant fact, namely, that the bill was passed out of the House Committee on Interstate and Foreign Commerce by the slim majority of 16 to 15. This is the only time in my long service on the committee that I can remember when every member was present and voting. It is also significant that the day before this vote was taken a motion to report the bill favorably was lost by a vote of 14 to 14. Thus, it can be seen that even the members of the committee that heard the testimony are divided as to the advisability of adopting the provisions of the bill and its approval was obtained by a slim majority of one. Surely, legislation as important as this is should have a more substantial majority of the committee in favor of it.

It is also significant, if the information is correct, that the rule reporting the bill to the House by the Committee on Rules was likewise adopted by a slim majority of one. The information I have being that it was adopted by a vote of 6 to 5, 1 member not voting. This again emphasizes the fact that there is something fundamentally wrong with the bill when a group of experienced legislators such as compose the Rules Committee were so closely divided that the rule to bring it before the House could have been defeated if the member not voting had voted against the rule instead of refraining from voting.

In my opinion, the divided action of the Committee on Interstate and Foreign Commerce and the Rules Committee of this House should be sufficient to cause the membership of this House to stop, look, and listen, and refuse to give its approval to the bill. The lack of unanimity in these two important committees of the House should create a degree of caution upon our part that would send the bill back to the committee with instructions to bring back a bill that will not destroy all protection to the public interest.

Now, let us see who is against this bill. As I have already said, it is an imposing array of opponents, the kind that are not carried away by mere emotion. They are experienced in matters of this kind. They know the facts. They can see the dangers that are existent. They know the harm that can come to the public interest in the adoption of the Harris bill.

The National Institute of Municipal Law Officers—NIMLO—is against the Harris bill and, through the appearance of James H. Lee, assistant corporation counsel of Detroit, Mich., presented a statement against the bill that was both logical and devastating.

This organization has a membership of over 900 cities located in each of the 48 States, the District of Columbia, and in the Territories of Hawaii, Alaska, and Puerto Rico. It is supported entirely by tax funds of its member cities. Last September, in San Francisco, it adopted a resolution providing as follows:

Whereas the primary purpose of the Congress in adopting the Natural Gas Act of 1938 was to protect consumers from exploitation by suppliers of natural gas, while at the same time assuring the suppliers of a fair and reasonable price for their products;

Whereas the means whereby the Congress accomplished this purpose was to confer jurisdiction upon the FPC to fix reasonable rates for sales of natural gas in interstate commerce for resale to consumers;

Whereas NIMLO has since the adoption of this act taken the clear and consistent position that this purpose of the Congress should be carried out and that the jurisdiction of the Federal Power Commission thus conferred should remain unimpaired: Now, therefore, be it

Resolved, That NIMLO hereby reaffirms its prior position and opposes the enactment of Federal legislation which would weaken or impair the jurisdiction and functioning of the Federal Power Commission under the Natural Gas Act as now written; and be it further

Resolved, That a copy of this resolution be forwarded to the Cabinet Committee on Energy Supplies and Resources Policy which is now considering natural resources.

Another national organization of great importance that opposes the adoption of the Harris bill in its present form is the National Association of Public Utility

Commissioners. This organization, as its name implies, brings together in a nationwide organization probably the best informed personnel on the question of rates and regulatory procedure that could be gotten together. Its opposition to the Harris bill is most important, as well as significant. The members of this organization are well versed in matters of regulatory legislation. They can see the existing dangers in the provisions of the Harris bill that others less informed might not grasp or understand as readily as they do. They oppose the Harris bill.

Nor should we fail to recognize the fact that the Mayors Association, composed of mayors of our larger cities, as well as the smaller ones, is opposed to the Harris bill; 258 of such mayors, representing a population of 31,600,000 population, are opposed to the Harris bill. What could be more significant. These men are close to the people. They are naturally interested in protecting the consumer population. As an indication of their interest and concern in opposing the Harris bill, I submit the following telegram. It reads:

HON. CHARLES A. WOLVERTON,
House Office Building,
Washington, D. C.:

Mayors Committee opposing the termination of Federal regulation of field price of natural gas was very pleased to see your well written minority report on the amended Harris bill issued on June 28. Your report indicates a full appreciation of the seriously adverse effect which this legislation can have on America's natural gas consumers throughout the United States. Representing 258 cities, with a total population of 31,600,000, we hope you will do everything possible to prevent passage of this legislation by the full House.

JOSEPH C. CLARK, Jr.,
Mayor of Philadelphia.
DAVID L. LAWRENCE,
Mayor of Pittsburgh.
ROBERT F. WAGNER, Jr.,
Mayor of New York.

REASONS FOR OPPOSITION TO HARRIS BILL

The reasons we oppose the Harris bill, H. R. 4560, and all the similar bills, may be summarized as follows:

First. The Harris bill in effect takes an estimated $200 million to $800 million per year out of the pockets of approximately 60 million consumers and funnels these millions chiefly into the coffers of approximately 100 big oil and gas companies. This would be a congressional giveaway—not of public funds but of these consumers' money. Oil and gas companies are not here pleading need, or lack of profits, under the existing provisions of the Natural Gas Act. They are rich and growing richer, in part due to their congressionally granted 27½-percent depletion-tax exemption. The additional exemption or windfall proposed by the Harris bill at consumer expense is inequitable, unjust, and not in the public interest.

Second. The business of selling natural gas in interstate commerce is affected with a public interest which requires the regulation now provided by the Natural Gas Act. Such gas is unique in that it can only be transported economically through a pipeline. Natural-gas consumers are captive customers, dependent entirely upon Federal producer price regulations for protection against price gouging. The producer, transporter, distributor, and ultimate customer are linked together and the freedom of action, or choice of several suppliers, found in the buying and selling of commodities and goods in the open market is not found in the sale of natural gas in the field, at the city gate, or at the consumer's meter.

Third. Natural gas consumers are helpless to protect themselves against price exploitation by the giant oil and gas companies who dominate the natural gas market—too few control too much of the market for it to be competitive—and the Supreme Court of the United States has found that the primary purpose of the Natural Gas Act—which the Harris bill would effectively scuttle—is to protect consumers against exploitation at the hands of natural gas companies. When properly interpreted and administered, this act has provided just and reasonable rates and Congress should not now allow such exploitation.

Fourth. If the Harris bill is adopted, prices will be raised to exorbitant levels by use of escalator clauses, most-favored-nation clauses, spiral clauses, and unjust and unreasonable field price formulas. And no effective power to protect the public interest will exist.

Fifth. The Harris bill recreates the very evils—the exploitation of consumers—which the present act is intended to eliminate, as it allows big oil and gas companies who so dominate the field as to have monopoly powers, to extort unreasonable and exorbitant prices for an essential public service by revoking the power under the Natural Gas Act to require just and reasonable prices.

Sixth. Under the Natural Gas Act the industry has prospered greatly, is now gigantic in size, serving millions of consumers in several hundred cities. The effect of natural gas on the national economy is tremendous. The unique characteristics of the business, the scarcity and monopoly of supply, along with monopoly of transportation and absolute dependence of consumers upon one source, cause the natural gas industry to be affected with a compelling public interest which Federal regulation must protect or no protection exists. The "few pennies" for producers argument advanced by proponents of the Harris bill is unsound, illogical, and contrary to every basic principle of regulation of business affected with a public interest under our system of free enterprise.

Seventh. The Natural Gas Act was passed to close, and did, in fact, close the constitutional regulatory gap which denied the States the right to regulate sales of natural gas when made in interstate commerce. No one can dispute that such sales will continue to be interstate sales. And it is unchallengeable that such sales can only be regulated under the Federal Constitution by the Federal Government. Should the Harris bill be passed, no regulation of such sales will exist, this gap will be reopened and a twilight zone recreated wherein consumers will be at the mercy of unregulated producers with runaway, uncheckable prices certain to result.

Eighth. Emasculation of the Natural Gas Act as provided by the Harris bill thus means no effective protection at all for natural-gas consumers as the States are constitutionally prohibited from protecting consumers on interstate sales prices and intrastate controls are impractical, ineffective, and futile as the States must force onto consumers without question every producer price increase no matter how exorbitant and unreasonable it may be.

Ninth. Due to the lack of producer competition in the field, there is a monopoly sellers' market, competition is only between buyers; not sellers with buyers outbidding each other for this scarce and much needed product. As illustrative of what the elimination of the just and reasonable rate requirement of the Natural Gas Act by the Harris bill means, one need only consider the tremendous increase in producer prices which has occurred in recent years while the Federal Power Commission has stood idly by, under its self-denial of jurisdiction which the Phillips decision reversed. The producers price to pipelines has increased an average of 84 percent since 1947 with some recent contracts jumping from 200 to 300 percent in the past 2 years—about 5 cents in 1947–49, 9 cents in 1953, and recently 20 cents in Louisiana. As another example, 1 pipeline under the field price formula espoused by the Harris bill has written up the value of its natural gas reserves 15,000 percent.

Tenth. The Natural Gas Act's provisions requiring the Federal Power Commission to fix just and reasonable rates is fair to both producer and consumer and should not be eliminated so as to permit producers and gatherers to charge unjust and unreasonable prices.

Eleventh. Consumers relying upon the congressional promise contained in the Natural Gas Act of 1938 of just and reasonable rates have spent millions for gasburning equipment, thus supporting the nationwide expansion of the natural gas industry in recent years. Now that consumers have acted in reliance upon this congressional promise, it would be highly inequitable for the Congress to withdraw that promise by adopting the Harris bill, thus causing millions of dollars of producer rate increases to descend upon them. If the consumer protections are scuttled by the Congress, no effective regulation will exist and producer price increases—already totaling millions—will automatically go into effect.

There is much more that I would like to say in justification of my opposition to the bill now before the House. This legislation if given further consideration with the additional facts that an investigation under the Harris resolution would provide a basis upon which a reasonable and effective bill could be prepared. In my opinion the bill should be recommitted for further study.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. PRIEST. Mr. Chairman, I yield 4 minutes to the gentleman from Georgia [Mr. FLYNT].

Mr. FLYNT. Mr. Chairman, in rising to speak in opposition to H. R. 6645, which is an amendment to the Natural

Gas Act of 1938, as amended, I think it is well that we take into consideration what the primary purpose of the Natural Gas Act was when it was enacted by this Congress.

The primary aim of the Natural Gas Act was to protect consumers against exploitation at the hands of natural-gas companies.

That is quoting from the decision in the case of the *Federal Power Commission* v. *Hope Natural Gas Company* (320 U. S. 591). That basic fact should never be forgotten. It is fundamental that this entire act and every amendment to it should be for one purpose and one purpose only, to protect the consumers, and at the same time be fair and just to all segments of the industry. The consumers have no one to look to for protection except to the Congress of the United States. Whenever we fail to give that protection to the consumers of this basic commodity, then we are failing and we are being derelict in our duty.

There are three closely related segments of the natural-gas industry: First, the producing and gathering segment; second, the transmission lines; and, third, the local distribution companies, which may be privately owned companies or municipally owned distributing plants and systems.

To have the latter 2, the transmission lines and the local distribution companies, regulated and controlled as to the price to the ultimate consumer without having some semblance of regulation and control over the producing and gathering segment of this industry, makes regulation of the latter 2 a farce and a mockery.

When I began studying the testimony and listening to the many witnesses who appeared before our committee I wrote to a representative of each of the two primary consuming groups in the State of Georgia, the Fourth District of which State I have the honor to represent. One was the Georgia Public Service Commission, which in theory and I think in practice represents the residential consumer, and the other was a company located in the Fourth District of Georgia which uses natural gas for industrial purposes.

The reply that I received from the general offices of this company using industrial gas was that this company bought this gas from the Southern Natural Gas Pipeline Co. under a contract which provided for an adjustment based on field prices every 3 months. Let me tell you what happened during the last 15 quarters. In 14 out of those 15 quarters there was a substantial increase in the price of gas to these industrial consumers.

On the question of the residential consumer, in whom I am vitally and greatly interested, there have been requests for increases to be passed on to the people of Georgia since March of 1954 equivalent to approximately $20 million.

The chairman of the Georgia Public Service Commission sent me this telegram in reply to my inquiry on H. R. 4560:

ATLANTA, GA., *March 30, 1955.*

Hon. JOHN J. FLYNT, Jr.,
Member of Congress,
Washington, D. C.:

Thank you for your telegram requesting views of commission on Harris bill, H. R. 4560. This commission is unanimously opposed to the Harris bill, or any other proposed legislation which would eliminate price regulation of gas at the wellhead. A 1954 rate increase to Southern Natural Gas Co., increased cost of natural gas in Georgia by over $3 million per annum. Another rate increase of Southern Natural takes effect on April 1, 1955, which will possibly further increase the cost of natural gas in Georgia by over $4 million per annum. The major justification for these substantial increases is rise in field prices. This commission recommends against enactment of the Harris bill. The change needed is not freedom from regulation, but more effective regulation of the price of gas entering interstate pipeline systems. Will contact you further by letter or in person.

MATT L. MCWHORTER,
Chairman, Georgia Public Service Commission.

After the House Committee on Interstate and Foreign Commerce by a 16 to 15 vote reported H. R. 6645, I received the following telegram from the chairman of the public service commission of Georgia:

ATLANTA, GA., *July 22, 1955.*

Hon. JOHN J. FLYNT, Jr.,
Member of Congress,
Washington, D. C.:

This commission wishes to express to you its opposition to the amended Harris bill H. R. 6645, believing that it would not be in the public interest to legislate restrictions on the regulation of the natural gas industry. Natural gas is brought to Georgia by Southern Natural Gas Co. and Transcontinental Gas Pipe Line Corp. Beginning in March 1953, Transcontinental filed an $8 million rate increase of which $6,650,000 per annum was ultimately granted. Early this year further rate increases for this pipeline company became effective under bond in the amount of an additional $4 million per annum for the sole purpose of offsetting field-price increases. Southern Natural has received two rate increases, one in the amount of $5 million in September 1953 on account of field-price increases and another this year of equal amount. These increases have affected the cost of gas in 49 Georgia cities who own their distribution system, and in another 48 cities who are served by gas distribution companies. It has been necessary to increase residential, commercial, and industrial gas rates each time the pipeline rates were raised to offset the increase in field prices.

MATT MCWHORTER,
Chairman, Georgia Public Service Commission.

I believe the consumer is entitled to a modicum of protection at our hands. For these and many other reasons, I shall oppose this legislation.

Mr. PRIEST. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. ROGERS].

Mr. ROGERS of Texas. Mr. Chairman, I want to first address myself to the situation we are facing insofar as principle is concerned. What we are doing here is deciding whether or not we are going to move into an era of confiscation insofar as the Federal Government is concerned. I say confiscation because if we allow the faulty decision, which was made by the Supreme Court in the Phillips case to stand, we are going to move into confiscation of private property. Do not fool yourselves. The man who owns gas owns it just exactly like you do a piece of land. It is private property. Every time he sells a thousand cubic feet of that gas, it is just like selling a truckload of dirt off your land in any State—New York, Oregon, New Jersey or any place else. When you go in and say to that man, "We are going to take over your property and tell you how much you can produce and how much you can get for it," it is confiscation. There is no other definition for it.

I have been surprised at what has been said here on the floor today about the protection of the consumer and undertaking to make a whipping boy out of the producer of oil and gas in this particular fight. Let me just point out the situation you are faced with if you take the producer and ruin him altogether. Take his product away from him. Do not give him anything for it. Enslave him. Say, "You are working in the salt mines. You are producing gas and we are going to take it away from you." They came before the committee and shed crocodile tears for the consumer. But they will all admit this—that the producer of gas has not caused an increase in the price of gas that has hurt the consumer. You hear all this talk about the percentages—great percentages, 200 percent and so on. Do you know what they are talking about? They are talking about a few pennies—a raise from 2 cents to 4 cents or to 6 cents. They use percentages because the pennies raised have not caused an increase to consumers.

Let me show you what happens in the price of gas. Let us take the gas that goes into New York City and find out what happens there. You heard our beloved Speaker tell you this morning that they got $2.43 a thousand cubic feet for it. I say that he was very conservative and very kind in his statement in using the average price. I want to tell you the true story. The true story is this. The man that produces that gas gets 8 cents for it in Texas. It comes through that pipeline to the city gate in New York and it sells for 34 cents. What does Consolidated Edison get for it, the group that is so interested in the consumer? They get $2.89. That is what they get. That is the first rate that they get—$2.89. And who does that hit? It does not hit the large user. The $2.89 rate hits the little two-room apartment dweller. That is whom it hits. That is whom they are shedding crocodile tears for, and telling you that the consumer is the one that they have to help. Everyone before the committee came in and said, "We are for the consumer." I asked this question: "If you are for the consumer, you are not just for the consumer in Baltimore or the consumer in Philadelphia; are you?" "Oh, no; we are for the consumers everyplace. We have great faith in the consumer. We want to help them out." I guess so that they could continue to

milk them—I do not know. I said, "if you are going to put the producers in Texas, Oklahoma, Louisiana, and New Mexico under Federal control, do you not think you ought to put all of these regulatory bodies under Federal control so that they could fix the same price for the consumer in Philadelphia, New York, Boston, and other places?" "Oh, no," they said, "we do not want to do that." In other words, States rights for them but Federal centralized Government for the rest of us.

We believe in States rights for all.

This bill should pass by an overwhelming majority, and insure those rights.

Mr. PRIEST. Mr. Chairman, I yield 4 minutes to the gentleman from Alabama [Mr. ROBERTS].

Mr. ROBERTS. Mr. Chairman, as have so many of my colleagues, I would like to join in the many fine tributes that have been paid to that fine Christian gentleman who is chairman of the Committee on Interstate and Foreign Commerce. Certainly I would be remiss if I did not do so because, if you will pardon a personal reference, I seriously doubt that I would have been able to walk down to the well of this House had it not been for his quick and alert and intelligent action on my behalf on a day that all of us would like to forget. He has presided over this hearing in the committee with an air of objectivity. He has been fair. He has been impartial and he has been willing to hear all sides.

I hesitate to take a position opposed to that taken by the chairman, but I feel I owe a greater duty to the people to whom I owe the honor and privilege of serving in this body. I feel that this bill, the Harris bill, is not one that will be in the interest of the consumers.

When I first became interested in this proposition it grew out of my experience as a city attorney. I remember back in 1947 when the pipeline companies came into my city and many other cities in my district and promoted municipal distribution lines. Bond issues were floated at the premium rate of about 3½ percent, whereas we were financing the most of our other municipal extensions at the rate of about 2 percent, on the promise that they held long-term contracts and that the price of this gas would be stable. It has been anything but stable. Since I have been in Congress it has been my duty to go down with delegations from my district to oppose many of these increases which have been the direct result, as I understand the proposition, of these infamous escalation clauses in contracts between the pipeline companies and the producers.

It was generally admitted by all who attended the hearings that this was one thing we tried to eliminate, but I do not think the Harris bill eliminates that danger; in fact, if anything, I think we would have a much worse situation under the new formula of reasonable market price than we would have had we stayed with the old well-understood just-and-reasonable price which was set forth in the Natural Gas Act of 1938. The courts have construed that language and interpreted it to mean generally that the producers would be entitled to their operating costs, plus a reasonable return on their investment.

Nobody knows what "reasonable market price" means. I have not been able to find anybody who has quoted a decision of any court to tell us what "reasonable market price" means.

Speaking from my experience as a lawyer, "market price" ordinarily means the prce that would be reached between a willing buyer and a willing seller. That certainly would not be the lowest price, nor might it be the average price. What the "reasonable market price" would be nobody knows, and that may be one reason it is in the bill.

Mr. PRIEST. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Chairman, we have under consideration today in this House the Harris bill, H. R. 6645, known as the Natural Gas Act. I would like to strip away the jungle of argument which has surrounded this legislation and get down, if possible, to the naked facts—to the things that are at issue here today.

Regardless of the speeches that have been made—the tears which have been shed for the so-called small producers of natural gas—the fact remains that more than 90 percent of the natural gas used in the United States is produced by our major oil companies and known reserves of natural gas are presently owned by these same companies. It is also an undisputed fact that there is little or no competition between these companies.

The Federal Power Commission was created to protect the consumer from unwarranted and unreasonable charges, but this bill, if passed, will take away from the Federal Power Commission all authority to regulate the price of natural gas at the source. If the price cannot be regulated at the source, how, then, is it to be regulated at the final point of distribution? To take the lid completely off the price of natural gas, as this bill seeks to do, will cost the consumers an additional one-third to one-half-billion dollars per year more for their gas than they are presently paying. It would give a comparatively few giant corporations a free hand to thrust a greedy finger into every gas range and heating furnace in the country. There are literally millions of housewives who cook the meals for their families on gas-burning kitchen ranges and this bill will leave her to the tender mercies of the oil and pipeline companies without any protection whatsoever.

It was stated by the Wall Street Journal that a propaganda fund had been set aside to finance the greatest lobbying operation ever conducted in behalf of this measure. Of course, one-half billion dollars per year in excess profits is a prize worth fighting for.

This legislation is not new because a similar bill was passed by the 81st Congress and that bill was vetoed by President Truman. While I have the highest regard for my colleagues who are sponsoring this measure, I fail to see on what grounds they can believe that to withdraw entirely from the field of regulation in the face of a record of accomplishment under the present law which has been highly successful from the standpoint of customer, distributor, carrier, and producer alike, would not be in the public interest.

Mr. Chairman, this bill has not changed since it was passed by the 81st Congress and vetoed by that man of great courage, Harry S. Truman. This bill was a polecat then, and was so recognized by the President who vetoed it. Subsequently, this polecat found its way into the lower courts, where they sniffed it and threw it out, one by one. Finally, it reached the Supreme Court here in Washington, and they likewise sniffed it and threw it out. Now, for some reason which I fail to comprehend, the committee has picked it up; called it a "poor kitty"; bathed it; brushed its fur; tied a ribbon around its neck; sprayed it with lilac; and brought it back to the floor of this House—but it is still a polecat and it still stinks.

Let us brand it for what it is, a one-half billion dollar steal which our giant oil companies are trying to put over on the consumers of natural gas, and these consumers include many millions of housewives who have their kitchens piped for natural gas and are unable to change to other fuels even though the price of gas may become exorbitant. Mr. Chairman, I hope the Members of this House will rise up in their might and give this bill what it so richly deserves—overwhelming defeat.

Mr. WOLVERTON. Mr. Chairman, I ask unanimous consent that all Members who desire to do so may have permission to extend their remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. DAVIDSON. Mr. Chairman, there are in New York State more than 3½ million consumers of natural gas, either in its pure form or mixed with manufactured gas. In New York City the number of users of natural gas is increasing steadily and rightly so. These good people in New York State now spend many millions annually for this gas. They deserve the consideration of all the Members of the Congress no less than do the producers, transporters, and sellers of the gas. They are entitled to the protection which the Supreme Court of the United States has said is proper and which the Congress has granted.

The very purpose of the law which is now sought to be amended was consumer protection. Mr. Justice Minton clearly pointed this out in the Phillips case (347 U. S. 672, 685), when he said:

> Protection of consumers against exploitation at the hands of nautral gas companies was the primary aim of the Natural Gas Act. Attempts to weaken this protection by amendatory legislation exempting independent natural gas producers from Federal regulation have repeatedly failed, and we refuse to achieve the same result by a strained interpertation of the statutory language.

The Congress has recognized the need for protecting the ultimate consumer. The Supreme Court has recognized it. Previous attempts in Congress to remove this protection have failed. Now a new, stronger effort is being made. The President's special committee recommended discontinuance of Federal regulation despite past legislative and

judicial determinations that it is a necessity. Despite the compelling needs of our consumers, the producers would be given free rein. The proposed amendments would seem designed largely for the benefit of the business interests involved, and in disregard of the people.

We would be derelict in our duty to the public to allow passage of the present proposals. The Supreme Court, with the Chief Justice concurring, has refused to deprive the public of the protection which the Natural Gas Act provides. I do not believe that the Congress will now do so. I strongly urge the rejection of the proposed amendments.

Mrs. SULLIVAN. Mr. Chairman, during the course of the hearings on the Harris natural gas bill before the House Committee on Interstate and Foreign Commerce, the Honorable Samuel H. Liberman, city counselor of St. Louis, appearing on behalf of Mayor Raymond R. Tucker, said this:

> Now it seems to me, while I am not an expert on the subject, that the whole American system of Government is based upon the premise that the concentration of power, governmental power, economic power, is always subject to abuse. Now, this does not mean that we fear that the producers of gas are greedy or avaricious or grasping as a class. It simply means that we are afraid, sir, of the concentration of power in a situation where the consumer has no countervailing economic measures that he can use to resist the abuse of power. That, sir, is the basis of our objection.

I cite this short paragraph because, according to the chairman of the committee, Mr. PRIEST, of Tennessee, and the sponsor of the Harris bill, the gentleman from Arkansas, our Mr. Liberman, in 5 minutes, made what the chairman called one of the finest statements the committee had heard in weeks of testimony. And this was the nub of his testimony—that under this legislation the consumer had no recourse; he could not take out his gas-burning equipment if the price started to skyrocket for gas; he could not change pipelines or distributors; he could not overcome, through any economic countervailing force, a steady increase in the price of the natural gas he consumes.

The author of the Harris bill was most gracious when I came to the hearing to listen to our city counselor's testimony. He publicly cited my interest in the subject of discussion. It is perhaps ungracious of me in return now to attack his bill. But, Mr. Chairman, I do so because I am truly interested—deeply so—in this matter of protecting the consumer against unwarranted price increases for gas. Let us try the job, at least, of maintaining regulatory authority and give it a fair trial before rushing in with what I fear is hasty and one-sided legislation. We have not given regulation of the producers a fair chance; the Federal Power Commission has not in fact really tried to work out a suitable and fair and reasonable method of price supervision.

Don't you think we should try that avenue before throwing up our hands in failure and saying it cannot be done? Of course it can be done if we desire to see the job done properly.

My interest in this matter precedes by a number of years my membership in the House. My husband, when a member of the House Committee on Interstate and Foreign Commerce, worked tirelessly against similar legislation during his service in the House. It was a major cause with him. Since coming to the House, I have followed his lead on this issue, because my study of it shows how right he was.

Some years ago, Texas came to St. Louis to urge us to find ways of using Texas gas, then going to waste. We were asked to provide the customers for a pipeline, and we did so. Now we are being asked to voluntarily give up the protection of the law of this land on the rates which can be charged for that gas which used to be wasted before we helped Texas find a market for it.

I do not blame those whose constituencies include substantial natural gas production from wanting to see the producers freed of regulation. But we whose consumers are dependent upon the interstate pipelines for supplies would be derelict in our duty if we did not just as vigorously fight this bill and try our best to defeat it.

Believe me, the housewives of this country will let us know in no uncertain terms if their gas bills go up as a result of passing this bill. It may appear merely as a case of a few more pennies a month per household, but that adds up to millions and even billions of dollars, and the housewife knows it. She may not be an economist but she knows when she is paying more than a fair price. Mr. Chairman, I would warn the supporters of this bill they had better look out for the housewives' wrath.

May I suggest it would be the better part of valor not to incite the housewife to anger—but instead to defeat this bill which would raise her household expenses to pay higher profits.

Mr. BELCHER. Mr. Chairman, indescribable turmoil exists today throughout the entire natural-gas industry—a turmoil that can only be resolved by our taking prompt and positive action on this measure to amend the Natural Gas Act. It is almost criminal that a great industry, with such an outstanding record of performance in the face of tremendous odds, should be held in such an uproar of confusion. It is not possible to estimate the damage that will ultimately befall this Nation's energy supplies if we do not act immediately.

More than a year has passed since the Supreme Court handed down its split decision in the Phillips case, insisting that the Federal Power Commission assert jurisdiction over independent producers of natural gas. In the ensuing period, the Commission has studied the problem and has attempted to undertake regulation, but it has found itself dealing with an extremely complex situation. By its own admission, the Commission has "not yet reached the point of really coming to grips with all the detailed problems that are involved." The Commission Chairman has testified that in the cases already handled:

> We had 30 days to act on them, and we simply had to act pretty much like a baseball umpire acts and say "Yes," or say "No."

In short, the agency which is charged with this unnecessary regulation has not yet figured out how to go about regulating. It is looking to Congress for guidance, which this bill provides. Until this bill is passed, the morass of uncertainty will continue.

But if the Commission is in a quandary, imagine the perplexing situation facing the producers, transporters, and distributors of natural gas. Rarely if ever in the history of our industrial economy have normal day-to-day operations in any given industry been so thoroughly disrupted. Producers have no idea of what prices they will be allowed for their gas—even though the contracts under which sales are being made today were signed 5 or 10 years ago. Contracts themselves mean little, for even though a contract has expired, service cannot be terminated without Commission approval. Before making an interstate sale, producers must obtain certificates of convenience and necessity; they are treated as if they were public utilities. The workload on the Commission staff is staggering, and the inevitable delays involved in filing for certificates, filing rate schedules, going through hearings, and so on accomplish nothing constructive. Diametrically opposite decisions handed down by the Commission in cases involving producers in the same field leave them at a loss to understand Commission policy. The inevitable conflict of interests between the Commission and the State conservation agencies is another point of confusion.

Pipeline representatives will tell you they cannot buy additional gas under existing conditions, because producers are unwilling to make firm contracts without knowing what terms or conditions may be approved by the Commission. Thus the pipelines, which have been attempting to expand their operations to bring natural gas to new areas and to get more gas for areas they presently serve, find themselves unable to do either. New pipeline projects are also being held up unnecessarily. The whole future of the interstate gas market is threatened, and there is no reason why it should be. There is plenty of natural gas available, but it cannot go to market as long as the independent producers are harassed in their efforts to develop and sell it.

As long as the pipeline companies cannot get additional gas, the distributing companies cannot expand their systems to fill growing needs. Many distributors are still serving mixed manufactured and natural gas, although they are anxious to convert to straight natural gas as soon as possible. Literally millions of potential customers who have applied for gas service cannot count on getting it at any foreseeable date.

In short, there is complete and utter confusion in the gas industry. No one knows what to expect or when to expect it. In the meantime, valuable time and effort that might be spent in seeking out new gas supplies are being frittered away while we debate the propriety of restoring to independent businessmen basic rights to which they are entitled and of which they presently stand divorced.

The facts are all in the record, and the case is clear-cut. The bill we have under consideration is the best solution that can be devised to meet the requirements of all the parties at interest. Absolutely nothing can be gained by further delay.

It is imperative that this measure be passed immediately, before this session of the 84th Congress adjourns. Otherwise, we will have added a minimum of 6 more months of uncertainty, confusion, and disruption of activities. The Commission asks guidance, but they will not get it if we fail to act. The gas industry wants to know where it stands, but it will not if we defer this bill. I insist that we have no right to tamper so carelessly with such a basic industry, or to regard so casually the effects of any further delay upon this vital source of energy. This bill must be passed, and it must be passed in this session. The future will hold us accountable if we do not do so.

Mr. REES of Kansas. Mr. Chairman, this legislation should be approved. No showing has been made today that regulation in the cost of gas at the wellhead is necessary. The average cost of gas at the wellhead is less than 10 percent of the cost to the consumer. It is approximately an average of 8½ cents per thousand, so if you would increase the cost of gas 50 percent, and that is not being done, it would only be 5 cents on a gas bill that in New York amounts to $2.75 and in other places averages as much as $2 to the consumer. In other words, 90 percent of the gas used by the consumer is controlled. Less than 10 percent is not controlled. In 16 years, during which the Natural Gas Act has been in effect, the average increase has not been more than 5 cents per thousand cubic feet. As stated above, no showing has been made that cost of gas at the wellhead should be regulated. If you regulate at all, then you regulate more than 8,000 independent producers. Not only that—you also regulate thousands of landowners where the gas is produced. This would be a greater chance to employ more people at more cost. As a matter of fact, consumers will pay more for gas if you do not adopt this bill. Pipeline concerns and distribution companies are the ones, if any, that need regulation.

If you regulate gas production, why not apply the same principle to coal or oil or any other mineral that is being produced? Of course, you won't want to do that. Someone has said there has been an increase in gas at the well in the last 3 years amounting to about 30 percent which is 3 cents per thousand feet, but the cost of gas to the consumer because of the increased charges of distributors and others has increased in various localities from 75 cents to $1.50 for the consumer.

Mr. Chairman, if you don't approve this bill, you will take one more step in the direction of bureaucratic control. There is no need for it. It will be difficult to enforce.

I think you should know the increase in the average cost of gas at the well has been an average of about 5 cents per thousand cubic feet during the 16 years in which the Natural Gas Act has been in effect. That is without regulation the opponents of this legislation propose. What about the 90 percent of the cost that is controlled or regulated? The cost of transportation and distribution has increased all the way from 75 cents to $2 during that period.

Without this legislation you stifle the use of risk capital that is used mainly in the discovery and exploration of gas. Thousands of producers risk their capital in drilling for gas. Many turn out to be what are known as dry holes. Drilling for gas is by no means a sure thing. It is a risk business. Let me repeat that thousands of landowners will come indirectly under Government regulation. Why destroy the incentive that needs encouragement right now?

Much has been said about the Phillips Court decision. It seems to me that if Congress intended to put the production of gas at the well under production, it would have said so when the gas act was passed 16 years ago. In any event, we have a chance to decide that question today.

It is my opinion that if we do not approve this bill, the cost of gas at the wellhead will be more, not less, in 2, 3, or 4 years from now.

The bill should be approved. That is my opinion.

Mr. BROOKS of Louisiana. Mr. Chairman, in plain, simple language, the Supreme Court decision in the Phillips Petroleum Co. against Wisconsin case makes every producer of natural gas a public utility. Under the terms of this decision, any farmer, small-business man, lawyer, doctor, or anyone else who owns producing royalties and gas production is now subject to regulation as a public utility. Anyone who has had experience in the regulation of public utilities knows that the amount of regulation and redtape attendant upon the operation of a public utility knows no bounds and will be intolerable for the small-business man, or small farmer owning gas interests to comply with.

I practiced law in Louisiana and had many oil and gas cases during the course of my practice. I know something of the operation of this industry and I know how the people, especially the farmers in producing areas, become involved in production operations for oil and gas. There are six or eight thousand of these people throughout the United States and they are located in many States throughout the country.

The purpose of H. R. 6645 is simply not to require these people to be a public utility. It is to let free competition run its course in the oil industry, the coal industry, the automobile industry, and other normal industries throughout the United States.

In other words, its purpose is to prevent what is, in effect, the socialization of a great industry.

When Congress first passed the Natural Gas Act years ago there was no intention to control the production of natural gas. As a matter of fact, I am sure there was discussion at that time regarding the scope of the act and my recollection serves me to the effect that the Congress actually refused to go so far as to attempt to control the production of natural gas at the wellhead. I thought this matter was settled and for 16 years it was settled in the minds of most people throughout the country, including officials with the Federal Power Commission. Now after this long period of time, the Supreme Court of the United States suddenly conceives that there is a vagueness in the law and interprets the law to cover the gathering of natural gas at the wellhead to make it a public utility.

I can distinctly recall the time when natural gas was flared from the wells as waste matter. In other words, the gas was taken off to the side and burned as a flare. I can recall the time when the waste of gas in this manner was such that one could drive his car at night over roads in the Southwest for 50 and 60 miles away from the flaring gas wells by the light which these flares created. The waste of natural gas was terrific.

It has been used locally for many years in areas of production. It was only during the course of World War II when the Government stepped in to build the mighty Big Inch pipeline and the Little Inch pipeline from the Southwest to the eastern seaboard that the value of our rich natural gas deposits was recognized by the people of this country. Since World War II, the use of natural gas has leaped to formidable proportions and now we find that there are about 20 million natural gas users in this country. Natural gas now accounts for almost one-fourth of the mineral energy consumed in the United States. My State alone supplies 15 percent of the total amount of natural gas consumed in this country.

Contrasting the waste in natural gas in the early days, we now find every effort is made to husband this gas. The flaring, except for the amount of gas needed in lifting oil, is barred by State conservation rulings in all jurisdictions where natural gas is produced in quantities. Waste is being kept to the minimum and every effort is made to channel into commerce every available amount of natural gas produced.

From a period when natural gas was capped in the gas well, considered to have no value, we have come to a period when every cubic foot of natural gas is taken for useful purposes. There has been a tremendous change in the psychology of this country. While there has been much change in the psychology of the people of the country, there has been very little change in the method of actually collecting natural gas. In the olden days, natural gas was a byproduct. At present, natural gas is the major commodity sought in a great many of the oil and gas explorations.

The very nature of this business of locating and gathering natural gas is highly competitive. It is in no sense a monopoly operation. You might assume for argument's sake that the business of producing automobiles is largely monopolistic for the reason that the production of passenger cars is in about three major automobile companies. On the other hand, the nature of this natural gas operation is such as to invite large numbers of people into this industry and to place

them in distinctly competitive positions. They are constantly fighting one another for the opportunity to produce natural gas and then are fighting for an opportunity to sell it at the present time. During all of these operations they are under control of the State conservation commissions which oversee the operation and the production and assure themselves that gas is not wasted but is used for our common good.

For years this operation has produced good results. It has not been controlled but has been entirely independent and competitive. Under this situation of competitive enterprise the gas business has developed and the people of the United States by the tens of millions have benefited from this competitive enterprise. The expansion period is still on and full opportunity for expanding this great industry should be permitted. During the growth of this industry nothing should be interposed to prevent its natural and orderly expansion and the service which it is trying to render to the people of the United States by providing them with a clean, useful mineral as fuel.

Mr. Chairman, this bill is a good bill and should be passed. I hope that it is passed by an overwhelming vote.

Mr. REUSS. Mr. Chairman, my opposition to H. R. 6645 is based on the bipartisan sentiments expressed very well in a telegram received by me today from Gov. Walter J. Kohler, Jr., of Wisconsin.

Governor Kohler, speaking for the good of Wisconsin's natural gas consumers, has warned that the present safeguards in the Natural Gas Act of 1938 will be damaged if H. R. 6645 is adopted.

I would like to quote for the RECORD the excellent telegram from Governor Kohler:

Hon. HENRY S. REUSS,
Congressman, Fifth District, Wisconsin,
House Office Building,
Washington, D. C.:

I am advised that the amended Harris natural gas bill may reach a vote in the House this week. The amended bill will exempt producers of natural gas from existing Federal regulation of gas sales for resale in interstate commerce. It would again open the wide gap in regulation which the Supreme Court said Congress intended to close by the present Natural Gas Act. The Harris bill would also restore to the Phillips Petroleum Co. all of the monopolistic advantages it exploited in Wisconsin prior to our victory in the Phillips case. The Legislature of Wisconsin, our attorney general, our public service commission, and I, as Governor, have consistently opposed any such legislation as contrary to the best interests of our State and our 400,000 natural gas consumers. I strongly urge that you vote against the Harris bill as presently amended.

WALTER J. KOHLER,
Governor of Wisconsin.

Mr. McCARTHY. Mr. Chairman, the following information has been submitted to me by the city attorney of St. Paul, Minn. In order that the record on the gas bill may be corrected I ask that this letter be included in the RECORD:

The Honorable EUGENE J. MCCARTHY,
Member of Congress,
Old House Building,
Washington, D. C.

DEAR REPRESENTATIVE MCCARTHY: I refer you to my telegram of July 19, 1955, in reference to errors discovered in the transcript of hearings before the Committee on Interstate and Foreign Commerce, House of Representatives, on H. R. 4560, Natural Gas Act, on pages 1368 and 1369 thereof. Said pages referred to consist of exhibits introduced into the record, and the exhibits on said pages specifically refer to the city of St. Paul, Minn. These exhibits were introduced into the record by Mr. HARRIS, and the reference thereto is to be found on page 1258.

We believe that these exhibits are referred to commonly in Washington as the Dr. Boatwright statistics. I cannot pin this down by casually going through the record. I have found no reference to these exhibits as such, but I am sure that you will easily be able to have this particular question answered at your end of the line, and perhaps you may know the answer already.

Attached hereto you will find a letter dated July 26, 1955, from the vice president and manager of the Northern States Power Co. here in St. Paul. This letter was sent to me by reason of a demand being made by myself upon the company officials for price and volume records to be obtained from the actual books of record of the company, because there appeared to be a discrepancy in the figures of price and volume as produced on pages 1368 and 1369 and the actual figures as to price and volume on company records filed with the city of St. Paul.

I do not send this letter from the company with the corrected figures as to price and volume to you with any suggestion or opinion expressed on my part as to the manner in which you should or might use them. This, of course, is a matter solely for your own discretion in the course of the congressional debates upon the bill.

I am attempting here to give you an explanation of the discrepancies as I see them from this point of view. First of all, there is no question of my assigning to the discrepancies any color of design on the part of proponents of the bill to load the record with erroneous figures; nor likewise am I attempting to say that it was purely by error that these figures were offered. But here is a possible explanation with respect to the unit costs of gas. I refer you to the third caption on page 1368, "Average cost per M c. f. of natural gas delivered to city gate, cents per thousand cubic feet," which figures you will find in the first column of figures on page 2 of the company's letter. Opposite these figures are the figures for the unit cost of gas obtained directly from the company records. My understanding is that the first column of figures was obtained by the statistician from the figures filed with the Federal Power Commission by the Northern Natural Gas Co., and these figures as shown may reflect the reports of the pipeline company. However, for the past 5 years there has been a constant recurrence of price increase applications on the part of the pipeline company which have been put into effect under bond, and it is entirely possible that the cost of gas as reported by the pipeline company does not reflect the amount of charges which were actually made under bond, nor directly reflect the disposition of these charges following settlement by the Federal Power Commission or the courts, but only reflect the amount of charges made on the basis of rates in effect previous to the applications filed by the pipeline company.

In any case, the records of actual costs to Northern States Power Co., after the settlement by the Federal Power Commission and by the courts, as reflected on their books, is, as reported by the company, the amount of the figures shown by the second column on page 2 of the company letter.

Insofar as we in the city of St. Paul are concerned, the import of this is shown by the ratio of the figure for the average cost of gas in 1954 of 29.6 cents, as compared with the cost in 1950 of 15.2 cents, which is an increase of practically 100 percent.

In other words, if we should take the statistics offered on pages 1368 and 1369, it would appear that the distributing company, the Northern States Power Co., in St. Paul, is paying far less to the Northern Natural Gas Co. for the provision of gas than is actually the case from the years 1951 to 1955.

You will note in the last paragraph of the company letter that attention is called to the fact that the chart on page 1369 is in error because it relates the price for all gas purchased to the average price to a residential customer in the city of St. Paul using a specific volume of gas. The casual reader might infer from this statement that a multiplication of the total amount of gas sold in St. Paul in 1953 by the average price indicated on page 1369 of 75.1 cents per thousand cubic feet would bear some reasonable relationship to the total revenue of the distributing company.

Interruptible sales for offpeak service of gas produces a revenue to the distributing company with a relatively small margin between purchase price of gas and resale price of gas, and as a result the illustration given of the residential customer does not truly reflect the overall revenue to the distributing company.

Records on file with the city of St. Paul, which have been carefully checked and analyzed by Mr. Edwin F. Jones, utilities engineer for the city of St. Paul, indicate that the total sales of natural gas in the city of St. Paul proper for the year 1953 were 10,964,190 thousand cubic feet, and the total revenue derived from such sales was $6,917,812, resulting in an average revenue per thousand cubic feet of 63.09 cents. In comparison with this, sales for the year 1954, with no changes in existing rates for resale, amounted to 15,483,556 thousand cubic feet; the revenue from such sales amounted to $8,920,808, making an average revenue of 57.61 cents per thousand cubic feet. This decrease in average revenue is largely due to increased interruptible sales. Inasmuch as the purchase cost of the gas is based upon a combination demand and commodity rate, the average purchase cost of this gas would be much higher than that actually expressed, as these interruptible sales were not a part of the total picture.

The foregoing figures do not include the volume of gas used by the electric generating plants of the Northern States Power Co. in St. Paul for generating electricity, which is not considered as purchase of gas for resale.

In no manner do I want to insert myself into the Minneapolis case. However, I might also point out that in reporting the average cost of natural gas delivered to the Minneapolis Gas Co., there is a discrepancy between the figures shown on page 1339, part 2, of the hearing record and the figures shown in table 7 on page 862, part 1. The figures on page 862 were presented by Minneapolis Gas Co. at the hearing. The following table illustrates this discrepancy:

Year	Average cost per thousand cubic feet of natural gas	
	Pt. 2, p. 1339	Minneapolis Gas Co. records pt. 1, p. 862
	Cents	*Cents*
1949	17.9	17.98
1950	17.4	17.93
1951	17.4	20.69
1952	18.9	25.86
1953	20.2	24.30
1954		32.33

Thanking you for the consideration which I know that you will give to the matter set out above, I remain,

Yours very truly,

MARSHALL F. HURLEY,
Corporation Counsel.

Mr. THOMPSON of New Jersey. Mr. Chairman, this afternoon we have listened to impassioned oratory concerning the plight of the little producer, the royalty and landowners who would continue to be subjected to Federal bureaucracy unless the Harris bill is passed.

I do not challenge the sincerity of such oratory in behalf of these several thousands of producers, but now is the time to substitute deeds for words. Now is the time to demonstrate whether such oratory was truly in behalf of the little producers or the giant oil companies who sell 90 percent of the natural gas sold in interstate commerce.

We have before us a substitute bill offered by my colleague from Massachusetts [Mr. MACDONALD], which would exempt from Federal regulation more than 96 percent of the independent producers—all of those producers who sell less than 2 billion cubic feet of natural gas in 1 year. According to the official figures of the Federal Power Commission for 1953, such a dividing line would have exempted from regulation under the Natural Gas Act 4,191 producers and would leave subject thereto 174 producers. The 4,191 producers sell less than 10 percent of the gas sold in interstate commerce while the 174 producers sell the balance.

It is said that to make such a division would amount to discrimination—that it is an attack on figures and that it is administratively difficult. In answer to these assertions I just want to call to your attention the fact that size classification for regulatory purposes has been prescribed by Congress with respect to other industries and their legality has been upheld. We now have size classifications as to railroads, wages and hours, and other laws. The FPC is now using a size classification for the independent producers who are complying with the regulations of the Commission.

I say to you that there is no legal bar to such a classification of producers nor would it be difficult to administer.

It has also been contended that it would be possible for the larger producers to evade regulation as to their 90 percent ownership of the Nation's gas reserves by subdividing their interests. I do not share any such concern. In my opinion these arguments demonstrate that the opponents are more concerned with protecting the interest of the major oil companies rather than the little producers in overalls. They are afraid that if this amendment passes these large oil companies will no longer have the little producer behind which to hide.

I urge the adoption of the substitute offered by the gentleman from Mississippi [Mr. MACDONALD].

Mr. DONOHUE. Mr. Chairman, although recognizing and appreciating the sincerity of the proponents of this bill to amend the Natural Gas Act, I have yet heard no facts, figures, or arguments to convince me that this measure is the best that can be devised in protection of the public interest and the equitable regulation of natural gas prices.

As we all know, there were real and serious differences of opinion on the reporting of this bill among the committee members who heard the evidence of competent witnesses through many days of hearings. As a fact, committee records show that the bill was reported to the House by a committee vote of 16 to 14, after it had previously failed being reported by a vote of 14 to 14.

This, in itself, clearly demonstrates that a very large minority of those members in the best possible position to judge are very dubious about the merits of this measure. It would seem almost obvious that for the best interests of all parties concerned in this subject, the bill should not have been permitted to come out here, but would better have remained in committee for further study and investigation, so that at the very least, a proposal could be presented to the House having a real majority of the committee members approving it.

Let us further realize that the mayors' committee, representing 258 cities with a total population of 31,600,000, registered opposition to this proposal before us. Also, State public utility commissions generally, the majority of gas-distributing companies, and nearly all the pipeline-transmission companies are opposed to it. These people are experts on the subject and their predictions and opinions on the worth of this measure should be accorded the most careful consideration.

Finally, let us briefly dwell upon the problem we are here called upon to legislatively solve in the best interest and protection of all Americans. The inherent question is solely whether Government regulation of the pricing of gas, which so-called independent producers sell to interstate pipelines, is required in the public interest. Some advocates claim that competition will suffice without any regulation. A brief but close look at the figures will serve to disperse that claim. Statistics show there are 4,365 companies producing natural gas for sale in interstate commerce. The vast majority of these firms are so small that they have but an insignificant impact upon the industry. According to Federal Power Commission figures, 3,736 producers, or 85 percent of all producers together, furnished only 2.1 percent of the gas sold to pipelines in 1953. On the other hand, 174 companies sold more than 90 percent of all the gas the pipelines bought. The 5 largest producers accounted for 27 percent of the total sales. It is obvious, therefore, that the area of competition is, indeed, small and would provide no adequate answer to this problem of regulation.

As a matter of financial history and experience of such contained competition during a period of short supply, as gas is today, that sort of competition too often has but one effect, an increase in the price of gas. There are other advocates who claim a disastrous result of Government regulation would be the destruction of the industry's incentive to search for new sources of gas supply. However, there is actually but little likelihood that such will occur, for the simple reason that natural gas is generally found mixed with oil. So long, therefore, as the major oil companies continue, as we know they will, their relentless search for new sources of crude oil, they will automatically continue the search for gas.

In my opinion, the only criticism of reality that has been made in question of Government regulation is the potentiality of difficulties and complexities that may arise in the administrative functions of supervision. The sensible and practical reply to that criticism, it appears to me, is legislative action to exempt from the rules of the Federal Power Commission the 85 percent of small firms which produce only an infinitesimal part of the gas in interstate commerce. It is my information that such legislative proposals have already been introduced in the Congress, and I hope they will be acted upon favorably.

In conclusion, may I say that after careful study and deliberation, it is my firm conviction that this bill, H. R. 6645, is inadequate in protection of the great public interest that is at stake, and it therefore becomes my moral duty, as well as legislative obligation, to vote against it on behalf of the millions of American gas consumers.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the legislation before us, which would amend and revise the Natural Gas Act.

My position on this legislation is based on the belief that Congress should not act to exempt independent producers of natural gas from Federal regulation until a more complete and thorough study is made of the entire natural gas situation. Such an investigation has already been proposed and will undoubtedly be conducted. In the meantime, we should abstain from taking any action which could adversely affect the consumers of natural gas.

During the 17 years since the enactment of the Natural Gas Act, the production, sales, and consumption of natural gas have increased tremendously. The sales of natural gas, for instance, have increased from 1,200 billion cubic feet in 1938 to 5,319 billion cubic feet in 1953. The number of customer connections increased from about 7 million in 1938 to about 20 million in 1953. All in all, about 60 million residential natural gas users stand to be affected today by any decision that Congress may render on the legislation pending before the Committee.

The average consumer of natural gas is today very dependent on those who sell natural gas in interstate commerce for ultimate distribution to residential patrons. These consumers have invested in gas appliances such as ranges, stoves, heating units, and hot water heaters. A considerable amount of money has been paid for this equipment—I understand that the total consumer investment in gas-burning equipment is estimated at $10 billion. This is a tremendous amount of money, and it probably exceeds the value of all other investments in the natural gas industry.

Gas is the only fuel that can be utilized by this equipment. Then, too, consumers cannot choose or change suppliers of natural gas if the particular company upon whom they have become dependent increases the price. This is so because distributors of natural gas are committed under long-term contracts to buy gas from the pipeline which

serves them at a price fixed by the Federal Power Commission.

There is only a single pipeline supplying natural gas to the city of Milwaukee and to some of the other areas in the State of Wisconsin. If the cost of the gas brought into our State through that pipeline increases, the consumers have little alternative but to pay the higher price. They cannot go to another supplier, and they cannot change to another fuel—such as coal, oil, or electricity—without losing their investment in gas-burning equipment.

The producer's price of natural gas is very important to the average consumer. Any increase in that price is bound to be passed on to him, and to be reflected in the monthly gas bill which he has to pay. In the decision in the Interstate Natural Gas Co. against Federal Power Commission case, the Supreme Court said this about the price of natural gas at the producing and gathering stage:

> Unreasonable charges exacted at this stage of the interstate movement become perpetuated in large part in fixed items of cost which must be covered by rates charged subsequent purchasers of gas, including the ultimate consumer. It was to avoid such situations that the Natural Gas Act was passed.

In the Phillips Petroleum Co. case in 1954, the Supreme Court ruled that the Federal Power Commission must exercise jurisdiction over the so-called independent natural-gas producers. In the light of that decision, it has become the duty of the Federal Power Commission to include such independent producers within the scope of its regulation. It appears from the testimony presented earlier during these hearings that the Commission has been fulfilling that responsibility.

Now some of the proponents of the legislation being considered have argued that, until the time of the Phillips Petroleum Co. case, the Federal Power Commission has not regulated the sales of natural gas in interstate commerce for resale made by the so-called independent natural-gas producers. For that reason, they want to have those independent producers permanently and clearly exempt from Federal regulation.

The fact remains, as the Supreme Court pointed out in the above-mentioned case, that there is no essential difference between the sales made by the independent producers who supply about 80 to 85 percent of the gas in interstate commerce and the sales made by affiliates of interstate pipeline companies which have been subject to Federal regulation for many years. In both cases, the rates charged may have a direct and substantial effect on the price paid by the ultimate consumer.

Now the Congress, in passing the Natural Gas Act, expressed its desire to protect consumers against any possible exploitation at the hands of natural-gas companies. That was the intent of the law, as it has been interpreted by the Supreme Court and enforced by the Federal Power Commission. It does not appear that there are any compelling reasons for changing the law as it stands today. On the contrary, the proposed changes give rise to serious concern for the ultimate well-being of the consumer, who may be adversely affected by the repeal of Federal control over the prices charged by the so-called independent natural-gas producers.

I full well realize that other factors enter into the consideration of this issue. For that reason I am in favor of a thorough investigation of the entire natural-gas situation. Until that investigation is completed and we have the opportunity to study the recommendations of the investigating committee, I feel that we should take no action on this subject.

Mr. Chairman, it is my hope that the bill before us will not receive the approval of this House.

Mr. THOMSON of Wyoming. Mr. Chairman, in many parts of the world, the people of Wyoming, whom I have the honor to represent, would be considered quite old fashioned. For one thing, we believe—and believe strongly—in free competitive enterprise. We believe in States' rights. We also believe in fair play. And these three beliefs, basically, are what underlie my advocacy of freedom for America's gas producers and my support of the Harris bill.

It is true, of course, that Wyoming is an oil- and gas-producing State. Our first oil discovery was made in 1894, and since then the growth of our petroleum industry has been steady if not spectacular. We are now producing close to 90 million barrels of oil a year. As for gas, our total production, for all uses, was 91 billion cubic feet in 1953. Of this amount we exported 36 billion cubic feet. So we in Wyoming know oil and gas production, and we know something about the problems faced by producers.

Ours is also a gas-consuming and gas-importing State. Of our total marketed production in 1953, we consumed 53 percent at home. At the same time, we imported 3 billion cubic feet of gas, most of it into the Cheyenne area. So we also know something about the gas problem from the consumer's viewpoint.

There is no denying that this dual role for Wyoming—as gas producer on the one hand and gas consumer on the other—has had a bearing on our support of the Harris bill. We have an overall surplus of gas, and we want to sell that gas. We are no more eager to see one of our leading products cut off from interstate commerce by a fence of redtape and Federal control than the people of Michigan would be if the same thing happened to automobiles. We also want to see the gas we import move into our transmission and distributing lines just as freely as out-of-State cattle move into the stockyards of Kansas City and Chicago.

Over and beyond these factors, however, our support of the Harris bill is based on experience and knowledge—experience and knowledge as to what is best, in the long run, for producers, for consumers, and for the Nation as a whole. For as producers, we in Wyoming know that it is free and vigorous competition, not Federal control, which has sparked the advance of our petroleum industry. As consumers, we know that this competition has been largely responsible for keeping our gas bills far behind the rising cost of living. And as citizens, we are firmly convinced that America's economic strength has always depended, and will continue to depend, upon the preservation of private competitive enterprise.

Today, however, because of the Phillips case decision in June of last year, one important segment of our competitive enterprise system—that of producing natural gas—is threatened with Federal control. In ruling on the Phillips case, five justices of the Supreme Court declared it was the intent of Congress, in passing the Natural Gas Act, to give the Federal Power Commission jurisdiction over certain field sales by producers. Three other justices said it was the intent of Congress to exempt the production and gathering of gas, including those first field sales, from Federal utility control.

Now, when I first came to Washington, one of the things that impressed me most was the grandeur of the architecture. Another thing that impressed me was the sharp contrast between this grandeur of architecture and the fallibility of the human beings officed therein. So it reflects not at all on the prestige of our judiciary to suggest that out of the imposing edifice which houses the Supreme Court may also come mistakes. And it is in interpreting the intent of Congress that the Court may most easily err.

Such a mistake, I am convinced, has been made in the Phillips case. I cannot believe—and the legislative history of the Natural Gas Act backs me up—that Congress ever intended to make public utilities out of America's gas producers. As we in Wyoming well know, there is no more highly competitive business than that of exploring for and producing natural gas. There are few, if any, businesses that are more risky. In 1953, for example, there were 189 wildcat wells drilled in Wyoming. Of these, 158—or 83.6 percent—were dry holes. Gas at its point of production, today as well as when the Natural Gas Act was first passed, no more falls into a public utility category than does the coal used in making manufactured gas or the diesel oil used to fuel locomotives.

It has also been proved—and those of us living in Wyoming have long known this from personal knowledge—that no semblance of a monopoly exists in the production of gas. Hundreds of other enterprises, from the manufacturing of automobiles to the making of steel, are much more highly concentrated. So Congress certainly did not intend to make gas production a public utility on this score.

This transformation, grotesque and completely unprecedented, took place solely because of a new and sharply split decision of the Supreme Court. It took place 16 years after the passage of the Natural Gas Act. It took place after a 16-year period during which producers, operating under free competitive conditions, greatly increased our supply of gas and made this gas available at prices no one can say were unreasonable. Yet there are those who claim that Congress intended all along

to make a public utility out of gas production.

In such a case, in a case which clearly hinges on the intent of Congress, the court of last resort can only be Congress itself. It becomes our clear-cut duty to decide, here and now, what the intent of Congress is with regard to the future of natural-gas production in America. This duty devolves upon us with all the more force because the issue posed here goes straight to the heart of our economic system. It goes straight to the heart of our entire way of life. This issue, reduced to its simplest terms, is hardly a complex one. It is simply this: Which is more in the public interest, an economy of free and vigorous competition or one controlled and dictated to by a strong central government?

Or, to put it another way: Is the overwhelming might of the Federal Government to be used to handcuff one important segment of our competitive enterprise economy, thus setting a precedent for similar treatment, at some future date, for other key industries? Is this to be done when there is no valid reason or evidence to warrant such a drastic action?

To me, it is a source of considerable amazement that anyone could seriously advocate such a course. I must admit, however, that I cannot read the minds of such people as Mr. Leland Olds, formerly of the FPC, who has long been an unrelenting exponent of Federal control. I cannot read the minds of the ADA leaders, who have been part of the spearhead in this move to extend Federal power. I cannot read the minds of such people as Mr. James Lee, of Detroit, who, in a radio broadcast shortly before he descended on the Washington hearings, indicated that he believes that mineral resources should belong to "all of the people"—that is, to the Federal Government—and not to the landowners of America.

Let me read one excerpt from Mr. Lee's revealing broadcast:

> The MODERATOR. Jim, many of the founders of this Republic felt and felt rather keenly that all of our subsoil resources, minerals included, should belong to all of the people, and not to the person, the private owner, who might own the surface of the soil, and they felt that their exploitation should be regulated in the public interest. Do you think this concept is hopelessly lost or can it be resurrected?
>
> Mr. LEE. No; I do not. The Natural Gas Act spells it out.

No; I cannot read the minds of people who talk like that, but it seems increasingly clear that their ultimate goal is Government ownership of all our subsoil resources—first the gas and oil of 29 producing States and later the coal of West Virginia and Illinois, the iron ore of Minnesota, the nonferrous minerals of the Western States, and so on. What these people are proposing, wittingly or unwittingly, is socialization of our subsoil natural resources. And once the subsoil goes, can those enterprises that depend or rest on the topsoil long remain free?

If Mr. Olds, Mr. Lee, and the ADA would take off their master-state blinkers, they could see in many another country the results of exactly the kind of policy they advocate. They could see that the so-called planned economies and government ownership of natural resources cannot begin to match the productivity of our system of private property and private enterprise. They could see that production declines in inverse ratio to the increase in bureaucratic controls and redtape.

The same thing will happen to the production of natural gas, I am convinced, unless Congress acts to correct the present unhealthy situation. The supply of gas going into interstate commerce will steadily dwindle as the incentive to find, produce and develop gas for that use is stifled by Federal utility controls. This will benefit no one—neither the producers, nor the consumers, nor the landowners, nor even the Federal Government which, in my State, owns over half the land and thus is one of our largest royalty owners.

It seems quite clear to me that if you believe in free competitive enterprise, if you believe in States' rights, if you believe in fair play, there is only one way to vote on the Harris bill—for it.

HIGHER GAS RATES INEVITABLE IN BALTIMORE IF HARRIS BILL PASSES

Mr. GARMATZ. Mr. Chairman, I am firmly opposed to the Harris bill to remove Federal jurisdiction over the price of natural gas in the field. The Supreme Court said in the Phillips decision that the Federal Power Commission had the authority to regulate the price charged to the pipelines. This bill says the FPC should not exercise that authority; in fact, that Congress should end the authority entirely. The result would be inevitable price increases for consumers of natural gas in Baltimore and in surrounding areas.

Our distributing firm in Baltimore, the Baltimore Gas & Electric Co., has been hit by a series of price increases for the gas which it purchases from the pipeline, the Atlantic Seaboard Corp. These price increases, we are told, were based primarily on transportation costs rather than the higher price of gas in the field.

But gas is definitely costing more in the field. The price has been going up steadily. The whole trend has been up. The price has pretty much doubled on the average during the past 7 years or so. This is particularly true in the Southwest, from where we get nearly 80 percent of the gas we use in the Baltimore area.

This leaves us no choice but to oppose with all the strength we can muster a bill such as this to turn loose—for that is what would happen—the prices in the field. The 340,000 gas customers in the Baltimore area serviced by our distributor are pretty much at the mercy of producers if this bill becomes law.

It is true, of course, that the Harris bill is supposed to provide some sort of indirect protection for the consumer. But it is interesting to note that half of the members of the House Committee on Interstate and Foreign Commerce say these indirect protections are meaningless and would not work, while the other half of the members say the most important thing is not the consumer angle but the freeing of the producers from controls.

Under these circumstances, I cannot have any faith in the proposals for indirect control over producer rates through this device for review of the so-called reasonable market price for gas the pipelines buy.

The hearings and the reports show complete disagreement, and general confusion and uncertainty, over what is meant by the term "reasonable market price." Furthermore, there is serious question raised about the constitutionality of the whole idea, of this kind of indirect regulation, since the bill says the producers affected by the bill are not even engaged in interstate commerce.

Mr. Chairman, we in Baltimore do not want to see millions of dollars worth of investment in natural gas-burning equipment made uneconomic by a surge in gas prices in the field, which then are passed on to the distributor and to the consumer.

If this bill is passed and becomes law, there is no doubt at all that the monthly bills of Baltimore Gas & Electric Co. will have to go up, for their cost—already boosted more than 50 percent on gas since natural gas came in 5 years ago—would certainly go much higher. The whole idea behind this bill is to make possible higher prices in the field than fair and effective Federal regulation would permit. That is why we have the drive to eliminate direct regulation.

I cannot support a bill to raise consumer costs so needlessly.

Mr. DEMPSEY. Mr. Chairman, it is evident that the greater part of the opposition to this legislation, which proposes to amend the Natural Gas Act, is due to a lack of understanding of the true facts concerning the production and marketing of natural gas. I want to present just a few of the many facts which, I believe, are not fully understood.

During the debate argument has been advanced that the reason consumers in New York pay $2.40 per thousand cubic feet for gas is largely because of the cost of natural gas at the well. The record shows that the gas consumed in New York costs 8 cents per thousand cubic feet at the well. If that gas were to be delivered free of any cost into the pipeline and that item were to be entirely removed as a factor in the price to the consumer, the people in New York would still pay $2.32 per thousand cubic feet. The price paid to the producer is only 3⅓ percent of the price paid by the consumer.

There are about 8,000 independent producers of natural gas now supplying the various pipelines which carry the gas into the consuming areas. It is a highly competitive market, which means that no producer can demand and get an excessive price. During all of the years when there has been no Federal regulation of the price of gas at the well the cost has not been increased in proportion to the advance in price of the consumer. The records bear this out fully.

The reason for the close vote on this measure can be attributed mainly to the opposition voiced by governors and

mayors in the gas consuming populous eastern States who fail to take into consideration what Federal control of this gas production at the well could involve. In the first place, exploration and production of natural gas is strictly a risk enterprise. Exploration and drilling are the only ways to develop fields which will insure a continued adequate supply for the Nation's consumers. A considerable portion of the money invested is expended in what is termed wildcat operation—searching for new supply sources—and brings no return when the operator fails to find gas. That happens frequently in wildcat operation. If this search for and development of new fields is continued the producer must receive a price for his gas which will at least in part justify the chance he takes. That is true of any risk business. When a fair and equitable return is not possible, these wildcat operations, which insure a gas supply, will cease. In fact the decision of the United States Supreme Court in the Phillips case already has materially cut down this necessary exploration.

It is significant that the Federal Power Commission has pointed out that it has taken the position that Federal control of natural gas production was not intended by the Congress, is impracticable and very difficult to administer. Until the Congress acts to correct the law so that the divided and dubious interpretation made by the Supreme Court is nullified there will be continued and more serious curtailment in development of our natural gas resources.

From the purely fiscal standpoint of the Federal Government and the State governments in the natural gas producing areas this curtailment of exploration and development of our natural gas resources is a serious matter. A considerable part of the gas producing fields are in the public lands States, where Uncle Sam owns from two-thirds to three-quarters of the lands overlying the gas fields. In addition the States themselves own a portion of these lands. The royalty return, therefore, goes into the public treasuries as a benefit to the taxpayers.

If these facts were generally understood I believe most of the opposition to this legislation would end. It certainly is not wise for the Congress to take any action which will jeopardize the future natural-gas supply for the millions of consumers. That would be an economic disaster. Unless we approve this legislation and insure an adequate natural-gas supply we are inviting that disaster.

Mr. FRIEDEL. Mr. Chairman, I am opposed to H. R. 6645, a bill to amend the Natural Gas Act, and strongly urge that it be defeated.

As a member of the Interstate and Foreign Commerce Committee, I attended the many hearings that lasted for more than 3 months which were held on the bill we are considering today, namely, a measure to exempt natural-gas producers from control by the Federal Power Commission.

While I do not claim to be an expert on this subject, after listening to the voluminous testimony produced, both pro and con, it is my considered opinion that passage of this bill would not be in the best interest of the consumers. I voted against the measure in committee and shall do so again on the floor today.

Testimony before our committee has revealed that regulation of the natural-gas industry is necessary. It was developed that an urgent need exists for a study of the operations of the pipeline companies, the distributors, as well as the producers. My constituents and most of the people of the great city of Baltimore feel that if the producer is not controlled, prices charged to the consumers would then be substantially increased.

I am personally very much alarmed by the great variations in the price of natural gas at the consumer level. I should very much like to know why the distributor in Baltimore charges $1.14, while in Chicago the price is only 89 cents, in Detroit 55 cents, and in Cleveland only 27 cents.

Until such studies can be accomplished, I deem it our duty to protect the consumers by voting against this bill. After such a thorough inquiry will have been completed, we will then be in a much better position to regulate the industry in the best interests of all concerned.

Mr. WOLVERTON. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. AYRES].

Mr. AYRES. Mr. Chairman, prior to coming to Congress I made my living selling heating equipment, primarily gas heating equipment. I could not help but think as I listened to the debate here today how times have changed since back in 1937 and 1938. You know, in 1938, when you took an order for the gas company we got a bonus for selling a gas furnace. The reason for that was that then coal for stokers was selling for $3 a ton. It made it practically impossible to convince the consumers that they should heat their homes with gas. Then the war came on, and John L. Lewis got active, and those people who were heating with coal found it rather uncertain as to whether or not they were going to get fuel, and there came a great demand for gas. Then after the war, as the price of coal went up, gas became the premium fuel. Prior to that time there was not any drive by any of the transmission companies or utility companies to fight for gas, because there was not the demand. Now, at the present time you can buy 24 million B. t. u.'s for $16 if you are using coal. You can buy those same 24 million B. t. u.'s of gas in my hometown of Akron, Ohio, on the East Ohio system, for $14.40. The average coal furnace operates at about 50 percent efficiency; the average gas furnace operates at about 70 percent efficiency.

Now, our beloved Speaker—being a salesman, I always appreciate it when he takes the well of the House and puts forth his able sales talk. I only wish he had seen fit to make some of those fine pleas yesterday when we were trying to get a highway bill through. But, this morning I was quite interested in his comment stating that in the city of New York they have nearly a $2.50 rate per thousand B. t. u. for gas and the producer gets less than 10 cents at the wellhead.

Now, the point I want to leave with the committee this afternoon is this. In the distribution of gas, unlike practically every other commodity, the price to the consumer is dependent upon consumption and not production. You are not going to reduce the price of gas to the consumer in New York, in my judgment, in our lifetime, because the city of New York is not equipped to handle house-heating loads. There is no shortage of gas except on a cold day. I talked to the Ohio Gas Co. not more than 2 hours ago in Cleveland. Today they are buying 10 million cubic feet of gas from the line that goes into New York because that company that has purchased it on a yearly basis does not have any place to put it today. In order to have a house-heating load, you have to have an underground storage system. The reason we have a 60-cent system in the Akron-Canton-Youngstown district is because we have storage wells in which we can put that gas under pressure of 1,400 pounds per square inch, which is 700 pounds more than through the pipeline, which is a higher pressure than comes out of the well. We have billions and billions of cubic feet of gas stored so that when that zero day comes no one will suffer.

This bill cannot possibly reduce the price of gas to the consumer—but it can raise the price.

Mr. PRIEST. Mr. Chairman, I yield myself the remainder of the time.

Mr. Chairman, first of all I must express my very sincere appreciation to those members of the Committee on Interstate and Foreign Commerce, regardless of their views on the proposed legislation, who have today said some kind, personal things about me as chairman of that committee.

I appreciate all of them very much. Particularly I appreciate the statement of the gentleman from New Jersey [Mr. WOLVERTON], who is the ranking member of that committee. He and I have agreed so many times on so many things that it seems rather strange that we sincerely disagree on this particular question.

Mr. Chairman, on June 7, 1954, when I stood by the ticker out in the reading room and read a news report of the Supreme Court decision in the Phillips case, I realized immediately that the situation called for legislation that our committee would have to consider during this session, because, in my opinion, there must be some clarifying legislation.

Regardless of their opinion with respect to the pending bill, I doubt if there are many Members of this House today who do not agree with me that ultimately, if not today, there must be some clarifying legislation of the Natural Gas Act of 1938. My interest in this particular phase of the subject was first aroused in 1947. I believe the gentleman from Indiana [Mr. HALLECK] referred this morning to a bill that I introduced in that year. I introduced that bill to make it clear that the independent producers should be exempted from regulation by

the Federal Power Commission. That was done at the request of the Federal Power Commission. They came to my office and asked me to introduce the bill. Subsequently, two members of the White House staff, when President Truman was in office, came to my office and added their pleas that I introduce that particular bill. I studied it for some time and I came to the conclusion, which has grown into a very firm conviction, that we cannot apply the public-utility theory at the production point of a commodity without departing from a basic concept that we have held since the founding of this Republic.

I introduced that bill at that time, and I have been studying the subject ever since. I do not claim to be an expert on the subject. First of all, it deals with a very complex operation in the field itself, and then the regulatory functions are rather technical, and it is not easy quickly to explain a technical bill that deals with regulatory functions, particularly when the regulation applies to a Federal regulation of interstate operation, and is correlated with Public Service Commission regulation in the States. But I am so firmly convinced that if we make a public utility out of a commodity that is not a monopoly at the production point that we are departing from all of our basic concepts in this field, that I feel very strongly that the time will come when we would regret that action.

In other words, Mr. Chairman, having the opportunity here in 1955 as chairman of a great committee of this House to do something about this matter, if I did not follow up that opportunity, I feel I would be neglecting a responsibility resting squarely upon my shoulders as chairman of that committee. We held long hearings on this bill and drastically changed it in committee.

Mr. Chairman, I believe that the bill before us—granting that no bill is perfect—will afford the consumers in my district and in your district and all over the United States better protection now and in the years to come than the existing law under the Phillips decision because I do not believe we can apply the public utility theory of cost, plus a reasonable return on investment, to the production of natural gas. I think there is no formula by which it can be applied. When a man takes money to drill a hole for gas, he is not making an investment in natural gas. He is spending his money to drill a hole in the ground, hoping that out of that hole there will come natural gas.

This bill seeks first of all to prevent application of the public-utility theory to a commodity. If it is applied to a commodity as it is under the Phillips decision it will be the first time in the history of this country that we have taken that course. Now, I am not adverse to doing something we have never done before if it is in the public interest and is legally and morally sound.

The second thing I want to emphasize is that underneath a ceiling of a reasonable market price to be established by the Federal Power Commission there is regulation of prices that the interstate pipelines can pay to producers.

Mr. Chairman, throughout the hearings on this bill question after question was asked by committee members with reference to the escalation clauses, and nearly every witness responded by saying, "If you can deal with escalation clauses, particularly 2- and 3-party and spiral escalation clauses, you will solve most of our difficulties."

The very first question I presented to the committee in executive session was in substance like this: "There is a policy matter here to be settled. Shall the committee attempt as a consumer protection to go into the question of regulating escalation clauses not only in future and renegotiated contracts but in existing contracts as well?"

The motion to do that very thing was adopted by a vote of 17 to 4. It was my feeling we had to go in to give some control over those clauses not only in new contracts but even in existing contracts.

I wanted this bill to meet the test of fairness to all segments of the industry, so I offered an amendment that provided that if a pipeline applied for a rate increase as a result of an escalation clause that was beyond what had been determined as a reasonable market price, only that portion of the price that did not exceed a reasonable market price could be allowed, but that the pipeline would not be required to pay to the producer any more than the pipeline was allowed to charge as a part of his cost basis for rate fixing, but that the contract should remain in full force and effect otherwise. The producers were not happy over this amendment, which followed the amendment offered by the gentleman from Minnesota [Mr. O'HARA], giving the Federal Power Commission control over spiral escalation clauses in existing contracts.

Mr. Chairman, this bill gives to the Federal Power Commission more authority than any Federal agency has ever been given over any commodity except in times of war.

I am aware that there is a wide difference of opinion with reference to this legislation. I am sure it is an honest difference of opinion.

It is my own opinion that passage of this legislation will protect consumers now, and assure that in the future there will continue to be an adequate supply of this clean, cheap fuel, at reasonable prices. If I did not believe that the bill would achieve those objectives, I would not be giving it my support.

The CHAIRMAN. All time has expired.

The Clerk will read the bill for amendment.

Be it enacted, etc., That paragraph (7) of section 2 of the Natural Gas Act, as amended, is amended to read as follows:

"(7) 'Interstate commerce' means commerce between any point in a State and any point outside thereof, or between points within the same State but through any place outside thereof, or between any point in a State and any foreign nation, but only insofar as such commerce takes place within the United States."

Mr. KEATING. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. KEATING moves that the Committee do now rise and report the bill H. R. 6645 back to the House with the recommendation that the enacting clause be stricken out.

Mr. KEATING. Mr. Chairman, this motion is made, unlike some of this kind, in all sincerity and seriousness because it seems to me this debate has progressed to the point where we can decide this issue and either vote the bill up or down at this time.

During the discussion of the rule, while I voted against the rule, the argument was made that we should have a full discussion of this bill and should hear both sides. We have done that. We have had a very full and complete debate. Those who favor the bill will of course want to vote against this motion and will want to vote for the bill.

However, there is no amount of amendment to this bill which in my view can make a silk purse out of a sow's ear.

This legislation is not needed in order to clear up the legal situation surrounding this problem. The argument has been made here that we must legislate in this field, else chaos will result. The Supreme Court has set forth in clear language what the law now is. So long as that remains in effect, the Federal Power Commission has the authority to protect the consumers of this country by passing upon the rates at which this gas will enter these pipelines in interstate commerce.

You must remember that because the Federal Government has legislated in this field, the State regulatory bodies have no jurisdiction to deal with what is a fair rate for this gas. The Supreme Court has held that this is a business affected with a public interest; that it is in interstate commerce; that it hence becomes a Federal responsibility. Congress has established the Federal Power Commission to regulate the business and the Supreme Court has simply upheld the power of the Federal Power Commission to regulate the business.

It seems to me in voting for this motion to strike out the enacting clause and dispose of this matter now, all we would be doing is to say, "Let us wait until the resolution introduced by the distinguished gentleman from Arkansas to investigate this whole problem has yielded constructive results in the way of information. Then, at the next session, if it is appropriate to bring in legislation of this kind, we can meet this issue at that time." Let no one be fooled. The line of cleavage here is clear. The issue is between the special interests—and I do not like to call them selfish interests as some of those allied with me in my feeling on this bill have designated them—but special interests are back of this legislation. They, and they alone, will benefit by it. They are in a legitimate business and they are pursuing a natural and understandable course in trying to push through this bill, but they will benefit by it at the expense of every gas consumer in the land. Nearly every mayor of every metropolitan area throughout this country opposes this bill because he knows, and we know in our own hearts, that it will raise the gas

bill for every consumer in the land. I am opposed to it and I hope the committee will support this motion to dispose of the matter at this time.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WILLIAMS of Mississippi. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Mississippi. I am delighted to yield.

Mr. HALLECK. Frequent reference has been made to the fact that by this legislation we are seeking to overrule the Supreme Court. Is it not true, first of all, that this legislation was enacted in 1938 by the Congress, and that the Congress could repeal it or change it in any way it wanted to without any regard to any interpretation by the courts?

Mr. WILLIAMS of Mississippi. As I understand it, it was an interpretation of the Court which went far afield from reason which, in effect, brought on this entire problem. Therefore, it is necessary now for the Congress to clarify the law with regard to the status of natural gas production.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Mississippi. I yield.

Mr. PRIEST. In line with the exact thought expressed by the gentleman from Indiana, Associate Justice Douglas, in his dissenting opinion, dissented on that very ground, that it was a national policy and that it was a matter for the Congress to decide.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Mississippi. I yield.

Mr. HALLECK. In past years, when I have debated this matter, I have urged that it is a matter of policy to be determined by the Congress of the United States, and I think that is a sound principle.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Mississippi. I yield.

Mr. VANIK. May I ask the gentleman from Indiana whether the President is supporting this bill?

Mr. WILLIAMS of Mississippi. May I answer that for the gentleman from Indiana? This bill is not before the President; at the moment it is before the House of Representatives. If the preferential motion offered by the gentleman from New York is approved, even the House of Representatives will not have a chance to consider it.

I have sat as a member of the Committee on Interstate and Foreign Commerce during all these hearings. I have been as regular in attendance at the hearings and at the executive sessions of the committee as it was possible for me to do. I attended approximately 90 percent of the hearings, and I can say truthfully that I have never known a bill to be more thoroughly considered by a committee of this body. I would like to point out further that the bill which is before you now is not an exemption bill, in spite of the language in section 2. As a matter of fact one page of language exempts natural gas production from Federal regulation, and the 6 pages which follow bring it back under regulation. As a result, the gentleman from Texas [Mr. ROGERS] and I did not feel that regulation of natural gas was necessary, and could not endorse all of the regulatory features of this bill. We felt that perhaps the committee, in compromising the principle of exemption, was taking an indirect approach and was not meeting the issue head on, we found it incumbent upon ourselves to file separate majority views taking exceptions to section 3 of the legislation. Even so, we recognized the fact that this bill, as imperfect as it is, does correct many evils that were brought about by the Supreme Court decision.

We are not fully satisfied with the bill. I do not think we are being completely fair with ourselves when we say this is an exemption bill; it is not, it is a regulatory bill.

About the only thing this bill does is to remove the production and gathering of natural gas from a utility status, and it provides some workable regulations by which it can be controlled by the Federal Power Commission.

For that reason, Mr. Chairman, I hope that the motion offered by the gentleman from New York will be voted down.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

The question is on the preferential motion offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. KEATING) there were—ayes 58, noes 93.

Mr. YATES. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PRIEST and Mr. KEATING.

The Committee again divided, and the tellers reported that there were—ayes 73, noes 131.

So the motion was rejected.

Mr. MACDONALD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MACDONALD: Strike out all after the enacting clause and insert in lieu thereof the following:

"That subsection (b) of section 1 of the Natural Gas Act, as amended, is hereby amended by inserting before the period at the end thereof the following: 'or to any transportation or sale of natural gas for resale in interstate commerce which occurs at or prior to the completion of production or gathering by a person whose total sales of natural gas for resale in interstate commerce alone or in the aggregate with affiliated producers and gatherers in the calendar year 1954 or in any subsequent calendar year do not exceed 2 billion cubic feet computed at 14.65 pounds per square inch absolute at 60 degrees Fahrenheit: *Provided*, That such person is not a natural-gas company by reason of other transportation or sale of natural gas for resale in interstate commerce or is not affiliated with a natural-gas company: *And provided further*, That if the sales of any producer or gatherer for resale in interstate commerce are in excess of 2 billion cubic feet for the calendar year 1954 or in any subsequent calendar year and such annual sales volume thereafter becomes less than 2 billion cubic feet for 2 consecutive years, such person shall upon application to the Commission and after hearing, be exempted from the provisions of this act, if the Commission finds that the sales by such person alone or in the aggregate as described above did not exceed on an annual basis 2 billion cubic feet as represented'.

"Section 2 of such act is amended by adding at the end thereof the following new subsection:

"'(10) A person shall be deemed to be affiliated with a producer or gatherer if such person directly or indirectly controls, is controlled by or is under common control with such producer or gatherer by reason of voting stock interest, common officers, directors, or stockholders; voting trusts or by any other direct or indirect means.'"

Mr. MACDONALD. Mr. Chairman, as I stated here this afternoon, this is one of the very few uncomplicated matters that has come out of our committee dealing with this bill. To those who were not listening or did not hear the bill read, I will say that it is a very simple one. It separates, in my opinion, the sheep from the goats.

The gentleman from Mississippi called the Harris bill a regulatory bill. I say to you that my bill is an exemption bill. My bill, if adopted, will exempt from present control over 90 percent of all the independent gas producers in the United States. To the Members on both sides of the aisle who have been talking about free enterprise versus Federal control, I say to you in this bill we have a clear-cut choice: Either choose to protect the people that all speakers on both sides have been dying and bleeding for here today or to vote for the monopolists. There has been much oratory about the poor independent in Texas and the Southwest who goes out and discovers natural gas and thereby under regulation becomes a public utility. I, too, have a good deal of sympathy for the people who have the guts and the know-how who try to make something for themselves in that field.

Because I do have respect and admiration for them, I want to take them out from under Federal regulation which would be onerous to the true small independents. My bill does exactly that.

When you raise the question of public interest you hear someone say, "Well, that is being a demagog." I point out two things: One is that the figures I am going to read from, unlike many figures you have heard on both sides today, are official figures. These figures come from the Federal Power Commission study made in 1953. It names names. It shows clearly that out of 4,250 producers, my bill would take out from regulation 4,191 of those producers, which is 90 percent, and leave in 174 producers.

I should like to point out what these 174 producers are like. I have some figures here which are also from the Federal Power Commission and which show that of the 29 independent producers who sell natural gas to natural-gas pipeline companies, whose sales exceeded 35 trillion cubic feet, of the first 10, the following are the figures.

Phillips Petroleum Co. produced 457 billion cubic feet in 1953.

Stanolind Oil & Gas Co., which is a subsidiary of the Standard Oil Company of Indiana, produced 202 billion cubic feet in the same period.

Humble Oil & Refining Co., which is a subsidiary of Standard Oil of New Jersey, produced 175 billion cubic feet.

Magnolia Petroleum, which is a subsidiary of Socony Vacuum Oil Co., produced 157 billion cubic feet.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. MACDONALD. I yield to the gentleman.

Mr. EDMONDSON. Is it the feeling of the gentleman that the mere fact of bigness is justification in itself for regulation?

Mr. MACDONALD. No, sir. I recognize the position of the gentleman from Oklahoma, and I am glad he asked me that question. Bigness in itself, of course, is good in many ways. Look at General Motors. I know many people here are very fond of General Motors, as I am. But when bigness is coupled with a captive market, which is true in the natural-gas business, you have the present unhealthy situation. A natural-gas company comes into my kitchen and says, "Where is the pipe? I want to put in the natural gas." I ask him, "What is natural gas?" He says, "Do you want gas or don't you want gas?" And I say, "Sure, I want gas." So I get natural gas. Where is the lack of captivity in that situation.

Mr. EDMONDSON. I fail to see the point in the instance of the companies that do not have the pipelines.

Mr. MACDONALD. In the Northeast section of the country, with which I am most familiar, one pipeline goes in there and you either take their gas or you go back and do as General Thompson, representing the Texas oil interests said what we in Massachusetts should do in answer to a question I put to him—"General Thompson, what happens at the time when the price gets so high in my congressional district that you just cannot pay for the natural gas?" And he said to me and to the committee, "Well, they can always go back to burning wood in stoves, or use oil."

Mr. EDMONDSON. In relation to these big companies, where they have pipeline companies and distribution systems, I can see the point about a captive market, but where they distribute to the pipeline companies or independent distribution companies, I do not see the point.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. MACDONALD] has expired.

(By unanimous consent (at the request of Mr. YATES) Mr. MACDONALD was granted 5 additional minutes.)

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. MACDONALD. I yield to the gentleman, a member of the committee.

Mr. O'HARA of Minnesota. I think this is the same amendment and the same language that was in the bill introduced by the gentleman speaking?

Mr. MACDONALD. That is not quite correct.

Mr. O'HARA of Minnesota. I mean, in substance.

Mr. MACDONALD. After I saw what happened to the amendment in the committee, and realizing that the oil people would be clever enough to get out from under this regulation by breaking up into smaller groups, I added a section which at least will try temporarily to prevent the oil lawyers from doing just that.

Mr. O'HARA of Minnesota. The point I make is that the substance of the gentleman's amendment was offered in committee and overwhelmingly defeated.

Mr. MACDONALD. That is a fact. I do not know what meaning it has here today, but it is a fact.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MACDONALD. I yield.

Mr. BENNETT of Michigan. Is it not true that under the gentleman's amendment approximately 20 or 25 percent of the total quantity of gas which is sold to the public would be exempt from any regulation whatsoever, even in the time provided in the Harris bill?

Mr. MACDONALD. That is not so.

Mr. BENNETT of Michigan. How much would be exempt?

Mr. MACDONALD. Roughly 10 percent.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. MACDONALD. I yield to the gentleman from Ohio.

Mr. VANIK. Is it true the gentleman's amendment will exempt all but about 200 producers of natural gas?

Mr. MACDONALD. That is correct.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. MACDONALD. I yield to the gentleman from Illinois.

Mr. YATES. Is it not true the gentleman's bill is really in the nature of stopgap legislation to enable the Federal Power Commission to deal with the load it has at the present time and do away with the necessity of observing the rigid restrictions of the present natural gas law by the so-called individual well owners?

Mr. MACDONALD. That is correct.

Mr. YATES. In the interim it will permit the investigation covered by the Harris resolution to go through?

Mr. MACDONALD. That is true.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. MACDONALD. I yield.

Mr. ROGERS of Texas. The gentleman said they might make the price so high they could not pay it. The gentleman understands that the Harris bill provides the price shall be the reasonable market price?

Mr. MACDONALD. Yes, I do. I also understand what a reasonable market price will be. It will be the highest price paid in the field.

Mr. ROGERS of Texas. The Federal Power Commission fixes that reasonable market price. I assume the gentleman is willing to let the Federal Power Commission fix that reasonable market price if he is willing to let them regulate the entire industry?

Mr. MACDONALD. I would be willing to let the Federal Power Commission regulate what a reasonable market price was if anyone in the country, including the gentleman from Arkansas [Mr. HARRIS] could really point out what a reasonable market price is to the satisfaction of the consumers.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. MACDONALD. I yield to the gentleman from Illinois.

Mr. MASON. I am serving notice that my colleague from Illinois put this over on me, and from now on there will be no extensions and no transfers of time.

Mr. YATES. Will the gentleman make an exception in view of the fact that the gentleman from Massachusetts yielded to him?

Mr. MASON. Oh, yes, he got his time.

Mr. MACDONALD. I thank the gentleman.

In conclusion, I would just like to say this again, because this is a simple amendment. You cannot be confused by counterclaims and figures picked out of a hat. We have heard about 8,000 natural gas producers. To my ears, at these hearings, which I attended religiously, the highest estimate made to us before the public relations boys from Texas and the Southwest got on this matter was 4,500. Take a look at who is backing the bill—I mean outsiders, not people here in Congress—and take a look at how best can the public interest be protected. The Federal Power Commission was established to protect the public interest. It seems to me we will be derelict in our duty if we do not give them the authority and the money to do it. They claim they have applications presently, since this Phillips decision in June of 1954, amounting to over 5,000 that they have not even touched. I think that this is a disgrace. I think that we are to blame for not having done something about the Federal Power Commission. But be that as it may, let them now do their duty and control with just 200-odd producers, and we will get some order out of what is now chaos.

Mr. O'HARA of Minnesota. Mr. Chairman, I rise in opposition to the amendment. With reference to the amendment offered by my colleague, the gentleman from Massachusetts, at least the substance of this was a bill which was presented in committee by both the gentleman from Massachusetts [Mr. HESELTON] and the gentleman from Massachusetts [Mr. MACDONALD]. During the course of the hearings, and you will find on pages 1844 and 1845 of the hearings on the legislation, Mr. Kuykendall, Chairman of the Federal Trade Commission was asked a question by me with reference to this proposed legislation. I would like to read briefly to you the question and his answer with reference to this problem.

My question was this:

> The suggestion has been made by some—and I believe there is legislation before this committee, I suppose in recognition of the problem which the small independent gas producers are confronted with, that we should control the large ones and leave the small ones out.
>
> Now, do you recommend any such provision as that, Mr. Kuykendall, or do you think it ought to be all fish or all fowl?

Mr. Kuykendall answered—he was speaking of the majority of the Commission:

I think, and the majority thinks, that it ought to be all fish or all fowl. We have submitted a written report on Mr. HESELTON's bill which would provide for exempting small producers.

Now, may I call your attention particularly to this testimony:

We also point out that we do not think that it would work in many fields. Where the field is unitized, and there is one unit operator, who delivers the gas in interstate commerce and handles the sales and collects for the sales, the gas he sells includes that owned by many owners—some small and perhaps some large—and in those cases you cannot separate the big fellow from the little fellow.

The same is true in cases where the gas must be processed and goes through a processing plant and then the operator of a processing plant delivers the gas into interstate commerce, and collects the money. You cannot segregate the big fellow from the little fellow there.

Mr. MACDONALD. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. MACDONALD. Did he give any reasons why?

Mr. O'HARA of Minnesota. No, I think his answer is self-explanatory.

Mr. MACDONALD. Does it not seem obvious that if 5,000 or 8,000 independent producers, that it is claimed, are filing applications, it would be much simpler to take care of 200 than 8,000?

Mr. O'HARA of Minnesota. I do not know that it would, and I do not know that it would not, because it is a complex operation. Mr. Chairman, I do not want to take any undue time, but I do say to you this is important. This is a recognition of the terrific problem by even those who oppose this legislation of the great burden or handicap that is put on the small, independent gas producer. But I say to you in complete candor, if we provide regulation as we do in the control of prices of the independent producers at the wellhead, it should apply to all of them or it should apply to none of them. I say to you it would be an impossible administrative matter for the Federal Power Commision to first determine who is the little fellow and who is the big fellow, and who is the bad boy and who is the good boy. You would have an impossible situation there. I hope this amendment will be defeated.

Mr. BEAMER. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. BEAMER. Would the gentleman not say that that would be a case of discrimination?

Mr. O'HARA of Minnesota. That is what I would call it, but I do not know whether it is judicial discrimination but it is certainly legislative discrimination.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. BELCHER. Would it not be absolutely impossible in a field where there are, say, three little producers and one big producer to determine what the cost of the gas was to the distributor when they were paying three or four different prices for the same gas going into the same line?

Mr. O'HARA of Minnesota. The gentleman is exactly right.

Mr. HARRIS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I know the gentleman from Massachusetts in proposing this amendment does so with the conviction and in all sincerity that this will help solve this problem.

In the first place he admits by his amendment that there is something that should be done, that there is a condition that exists in the industry now that requires some relief; consequently he proposes an amendment to take part of them out and leave part of them under. That is precisely what the amendment will do.

If the gentleman knew anything at all—and I do not say this as any reflection—if he knew anything at all about the difficulties of exploring, finding, and producing gas he would then come to an immediate decision that such an operation just simply cannot work. Here is the reason why.

In exploration there are many companies that will enter jointly in an undertaking for wildcatting; you have big ones and little ones that join together. They find oil or gas and in the States which have conservation laws most of them have unitization practices where maybe 20, 50, big and little, small and large companies go together in the same operation in the same well. Then how can you control 20 percent of the gas that comes out of the well and let 80 percent of it go uncontrolled out of the same well? It just simply does not work that way; it cannot work that way.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. BELCHER. It would mean they would pay one price for 20 percent and another price for the remaining 80 percent.

Mr. HARRIS. Exactly. You would have maybe half a dozen receiving one price and the rest receiving another price, an entirely different price.

Mr. BEAMER. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. BEAMER. Does not the gentleman think it would have the effect at least of breaking up a large number of small companies that would no longer be exempt?

Mr. HARRIS. Certainly. What it would do is that it would ruin the small companies, drive them out of business, increase the activities of the large companies and bring monopolistic practices into this field.

Mr. DIES. If the gentleman will yield, not only that, but there is the royalty owner who would take one-eighth, and that is not a producer. So when it came to the matter of price, the royalty owner would get one-eighth, certain members of the group would get 20 percent of the remainder and a certain number of the group 80 percent.

Mr. HARRIS. Of course that is true. The plan just will not work.

Mr. ALBERT. There would be one return to the royalty owner and differing returns to the others.

Mr. HARRIS. Of course; it would be ridiculous.

Mr. MOULDER. Might it not possibly result that some producers would reduce their supply in interstate commerce with a resulting loss of a needed product?

Mr. HARRIS. Of course. It would mean practical abandonment by many of these exempted producers. I think the committee bill takes care of the situation adequately.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. RHODES of Arizona. Does not the gentleman think that if these big companies are subject to the antitrust laws that if a situation of monopolistic practice should develop the antitrust laws would be applied.

Mr. HARRIS. The first four companies produce 17 percent of the natural gas, the first eight 28 percent, the first hundred 78 percent.

In the case of iron ore the first 4 own 62 percent; in the case of lead, 56 percent; coal, 42 percent; bituminous coal, 16 percent; natural gas, 17 percent.

There is a comparison of how the oil industry runs.

Mr. THOMSON of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. THOMSON of Wyoming. Coming from a State that does not have conservation laws and always having an interest in the little independents, would not this have the effect of destroying many companies and make it so that the big producers be the only ones that could operate?

Mr. HARRIS. It would confine the finding of oil to the people who were able to go out and locate it. I am sure the gentleman would subscribe to that.

Mr. HESELTON. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, at the outset I want to say that some of my good friends are anxious to speak on this particular amendment and other parts of the bill. I hope they will have time to speak. This is only the second time I have spoken on this bill or any amendment. The first time was for 5 minutes, during which I gladly paid tribute to our excellent chairman, the gentleman from Tennessee [Mr. PRIEST].

Mr. Chairman, I regret very much that we have this bill before us under these conditions. I do not think there can be any better illustration of the confusion, the difficulties, and the complexities of the whole matter than the discussion that has just taken place when my good friend from Arkansas [Mr. HARRIS] had the floor. Some of these gentlemen know something about the oil and gas business. The gentleman from Arkansas [Mr. HARRIS] said he did not maintain that he knew all about it. I certainly do not claim to know very much about it, but I do know a little something about it.

We reported this bill out of the committee by a vote of 16 to 15, after hav-

ing defeated it by a vote of 14 to 14 the previous day. The matter was reconsidered and it was reported by one vote. A rule was granted by a vote of 6 to 5.

The gentleman from Arkansas [Mr. HARRIS] said in behalf of his own resolution the following:

It is quite obvious to me, as illustrated by the closeness of the vote by which the bill was reported, that before this situation is cleared up in the interest of the industry as well as the consumer, other factors are going to have to be considered.

To me from the limited information I have on this overall problem, this is one of the most important problems in the interest of the people of America, and I hope that we can have early consideration by the Rules Committee of this resolution.

I shall not recite all of the facts bearing on this amendment. I placed them in the RECORD. According to the latest available information, in 1953, 97 percent of the production that went through interstate lines to our communities and to our constituents came from 29 oil companies—not gas companies, oil companies. I want to say that the bulk of the gas reserves in this country is controlled by those companies. I honor the gentleman from Arkansas [Mr. HARRIS] for pointing out that there may be some interconnection, some relationship between directors and others, that should be investigated either by this committee or by a special committee. However, we are brought here on the second day before a proposed adjournment of this Congress to consider a bill with an incomplete report, with confusion and misunderstanding rampant, when the bill was reported by a vote of 16 to 15 out of the committee and the Rules Committee reported a rule by a 6 to 5 vote. If you can get any closer divisions than those 2 votes I do not know how.

The gentleman from Massachusetts [Mr. MACDONALD] is seeking to provide a remedy here so that these people who are small producers, who cannot conceivably affect the price of interstate gas to our consumers, will be relieved of the burden of Federal regulation.

That will assist the Federal Power Commission in trying to perform its duty. It is a cleancut choice, as I see it, as to whether we want to support the claim of these few large companies who have spent, according to the Wall Street Journal, $1.5 million on an educational campaign for our benefit or whether we want to try to take into consideration the legitimate interests of 40 to 45 million people who are taking gas into their meters to heat their houses and to cook their food. I suggest that over 40 million people are entitled to some consideration this afternoon, at this late hour, from this Congress, regardless of the lobbies which are active and which have been active for weeks and irrespective of any pressures placed upon us by anyone. We have our own individual responsibilities and self-respect to consider and need not accept dictation from any source. I hope a clear majority here will support this sound amendment. It will improve somewhat this giveaway bill and should be supported.

Mr. PRIEST. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 25 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. WOLVERTON. I object, Mr. Chairman.

Mr. PRIEST. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 35 minutes.

The CHAIRMAN. Is there objection to the request of this gentleman from Tennessee?

Mr. WOLVERTON. I object, Mr. Chairman.

Mr. SPRINGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when this legislation was first introduced earlier this year, there were some bills which would have exempted gas producers and gatherers entirely from Federal control by the Federal Power Commission. At that time I said I would not vote for that kind of a bill; that there would have to be some regulation in the bill to assure me that the consumers of this country were going to get a fair price at the burner in their apartments. And, when I said that, I did not mean there was going to be an exception of 20 percent of the gas produced that was not going to be regulated. I meant that when I said it. I mean it now—that all 100 percent of the gas produced in this country that goes through interstate pipelines is going to be regulated if this bill gets my support. Even though I voted this bill out of committee, I mean that unless there is 100 percent control of all of the gas that goes into interstate shipment, I do not intend to vote for the bill on the floor of this House.

Now, I have been for this bill, but I am not in favor of exempting anyone from Federal regulation where it is going to affect the price to the consumer. These people who have been talking about being for the consumer—are they for 80 percent of the consumers and against 20 percent of the consumers, or are they for all 100 percent of the consumers? That is the question to be asked.

I do not intend to support the bill or any bill which is designed for regulation of only a part of the industry. That is the objection I had to the bill offered by the gentleman from Massachusetts in committee, and it is the objection that I have to it today. There must be regulation of 100 percent of the gas if you are going to have a uniform fair price to the consumer. There is a regulation in the Harris bill, in my estimation, which will provide for a fair price to the consumer, and I want to be sure that all of the gas that is going to be consumed in this country is subject to the regulation in that bill, and I do not intend to vote for any bill which exempts any part of it.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Indiana.

Mr. HALLECK. As I understand, the regulation here contemplated would be the same as any utility regulation. Now, in the utility field, is it not true that small telephone companies are regulated as well as large ones and so on all the way through the utility field?

Mr. SPRINGER. This would be the only example I know of where there would be an exception of anybody where you are applying the utility theory.

Mr. MACDONALD. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman.

Mr. MACDONALD. For the gentleman's information, if he will look at the figures for the electrical field he will find that the very same thing is done there, that those companies who produce under a certain quantity are not regulated.

Mr. SPRINGER. If the gentleman says that is so, I accept his statement. I do not think it is good practice and I will not support the bill unless all the gas is regulated that is going to be consumed.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Illinois.

Mr. YATES. Under the Harris bill are not all independent producers freed from regulation?

Mr. SPRINGER. They are not.

Mr. YATES. They certainly are.

Mr. SPRINGER. Let me say this. I do not intend to argue with the gentleman on the point, but I will say that there is a difference of opinion between him and myself. I am a lawyer, as he is, too, and I say that there is regulation in this bill. I helped to prepare a part of this bill. I believe it regulates and will regulate producers fairly so that the consumers of this country, through action by the Federal Power Commission, will get a fair price.

Mr. YATES. Mr. Chairman, will the gentleman yield further?

Mr. SPRINGER. I yield further.

Mr. YATES. Is the regulation directly of the independent producer or through a pipeline company which purchases from the producer?

Mr. SPRINGER. No; it sets maximums and minimums. We discussed that when I was on the floor a little while ago. That is done through the pipeline companies. I believe there is no use in arguing about this any further. There is just an honest difference of opinion.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman.

Mr. BROOKS of Louisiana. Even though there is halfway regulation under the proposal, is not that far better than having no regulation at all?

Mr. SPRINGER. I am not sure that I understood the gentleman's question.

Mr. BROOKS of Louisiana. The gentleman may take the position—I do not take that position, on the contrary, I take the position that there is ample authority in the bill—but the gentleman may take the position that there is insufficient regulation under this bill. In that event, is not that far better than the proposal here presented to us under which you would not regulate some production at all but would get complete regulation of the other part of production, out of the

same well or out of the same field or from the same source?

Mr. SPRINGER. You take a large company which the Federal Power Commission would regulate. Say they charge 10 cents. Under the McDonald amendment there would not be anything in the world to prevent a small company charging 15 cents for the same gas that might have been produced in the same territory.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GAVIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am certainly pleased that the discussion which we have heard in the last half hour has taken place because it gives Members some kind of an idea of the arguments that would prevail and the difficulties would ensue if an attempt were made to regulate the gas industry. Any attempt to regulate the gas industry in my opinion would wreck it and before they got through, there would be no one looking to find new sources of gas. The result would be a rapid decrease in our available supply and the exhausting of our reseves so necessary to the continued growth and strength of our Nation.

You all recall the NRA, which was the National Recovery Administration, back in 1934. At that time an attempt was made to regiment the whole economic structure of America. The whole industrial and economic life of the country was fouled up. Well, that program ran into a snag. The Supreme Court threw it out and we well rid ourselves of the NRA, which was quite a troublesome show while it lasted. Then bureaucracy was in power so next we got the OPA, the Office of Price Administration. They moved in on every branch of our economic and industrial life. Confusion was rampant everywhere and after several years of the OPA it became so objectionable that the American people rebelled and we threw out the OPA. The bureaucrats made a great fight to save it but it was finally abolished and we had no trouble after that. With no restrictive regulations to strangulate the free flow of trade business picked up, developed, expanded, and we went steadily forward and built the greatest industrial and economic prosperity this country has ever known.

What I am concerned about now is this: That an attempt is being made to get their foot in the door on regulation of the gas industry, and after they get their foot in the door on the gas industry, an attempt will be made to regulate the oil industry, and after regulation of the oil industry the next step will be to regulate the coal industry, and then into all the other natural resources of the Nation. Why these attempts are made I cannot understand.

I think we are doing pretty well. I remember several years ago attending a meeting of the then Petroleum Administration where they had developed a program to conserve tetraethyl lead. I attended to listen to hear what it was all about, and after listening to the discussion of their program to conserve tetraethyl lead, I could not understand why, if they wanted to conserve tetraethyl lead for stockpiling purposes, they did not go to the source of supply, conserve what was needed for stockpiling purposes and pro rate the balance to refineries using the material. But no, that would have been too simple.

Mr. GAVIN. They were going to conserve tetraethyl lead by controlling the octane content of gasoline, and such controls would have played havoc with the refining industry. However, they finally rejected the idea.

It then occurred to me, "Well, if they attempted to control the octane content of gasoline, what would stop them from controlling the content of lubricating oil, and, if successful, all of our great brands of oil would go out the window? Then you would have Federal A, B, C oil, or you would have Blue Eagle No. 1, 2, 3 oil, and by standardization, regiment the petroleum industry." Let me tell the House that if the gas industry is regulated the oil industry will be regulated.

We did not build America by regulating and regimenting our industrial and economic life. We built America on unrestricted trade. To me, America is a land of opportunity, and anybody with ambition, willingness, resourcefulness, and energy can go anywhere in America. There are no roadblocks to stop them. And let me state that if we fail to pass this legislation we have before us today, the road to opportunity for the oil and gas industry is becoming blocked. The system we have has worked well. Let us not attempt to wreck it with regulations restricting any branch of our economic life. This is a great system we have built, this is a great Nation. Do you realize we have an income of $400 billion a year? We have 64 million people employed. If the Government starts regulating our basic industries, watch the economy go down, down, down, rather than up, up, up, as we have been going.

So I just want to say to you that this little colloquy we listened to indicates the confusion that would exist in the gas industry with regulation of the producer. Unless this legislation is passed you will kill the incentive of the American wildcatter who produces gas and builds up our gas reserves. You take that incentive away and we are heading for trouble. You hear about the great wells that are brought in but you do not hear about the dry holes, and many, many of them are dry holes. You hear about the profits that are made but you do not hear about the losses. Clutter up this legislation with a lot of amendments and you will have trouble. This legislation should pass as it is. I support and will vote for the bill.

Mr. HARRIS. Mr. Chairman, I wonder if we may arrive at an agreement on some time to close debate on this amendment and all amendments thereto.

Mr. WOLVERTON. Mr. Chairman, I would like to make plain to the Members of the House that the objection I made when our chairman earlier asked for a limitation of time was because of this fact: Under the rule that was adopted today, there were 3 hours of general debate. That was utilized in connection with the bill introduced by the gentleman from Arkansas [Mr. HARRIS].

The amendment now pending is in effect a substitute bill that is just as broad in its effect, although not having the details that the bill of the gentleman from Arkansas has. This bill that has been offered by the gentleman from Massachusetts [Mr. MACDONALD] is one that does deal with the situation. It does seem to me that the time is not so short that we cannot give him the opportunity to have a full discussion of his bill.

We have all day tomorrow. This bill does not have to be finished today. It is unfortunate that it is brought up at this late time in the session, when time seems to be so important, but limitation of time is not so important that the Members should be denied the opportunity of discussing a bill of this importance as fully as is necessary to enable them to have all the facts.

Mr. HARRIS. Mr. Chairman, I do not desire to cut off anyone but I do think we should get some idea of how much more time is required to discuss this amendment.

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 35 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, in speaking on this amendment, I want to call the attention of the House to a very critical problem that is raised by this particular legislation. As a matter of fact the integrity of the legislative process is in jeopardy. On our statute books there is law after law which prohibits contribution by corporations to the elections of Members of Congress, and these laws have had a desirable effect. I have with me this afternoon a stack of advertising material which has been published and paid for by all branches of the Standard Oil Co., all branches of the Gulf, Atlantic, Phillips, and Humble and all the other oil companies. This literature has flooded the mails urging passage of the Harris bill. All of this literature urges Congress to release the independent producers from Federal control. Now what kind of fantasy world is this becoming to be. Just imagine the Standard Oil Co. and the others urging something for independent producers. I have never believed them to be for independents in anything as far as competition is concerned.

But the important question is this. How much money should industry or corporations be permitted to spend to influence Congressional action on a political question? They admit that $1,500,000 was spent, but I believe that amount was spent on newspaper space alone. Why they spent so much money for newspaper space that other advertisers complained about a space shortage. I heard a story that one big midwestern newspaper got such a large check for the Harris bill advertising and editorial space that he mailed back a bill of sale because he thought they were buying out the paper. Congress should investigate

this spending and consider whether laws should be passed to limit expenditures made to influence Congress on political questions. Is it fair that the advertising and lobbying expenditures should be charged off on the company books as legitimate advertising and then passed on to the consumers.

I am opposed to the Harris bill. The bill in its present form was drawn to lure unsuspecting areas of support by inserting inuendos of regulation where better and legally tested language formerly existed. I contend that this legislation without the Macdonald amendment is discriminatory. It favors areas of gas production against areas of gas consumption. City will bid against city and the gas prices will rise everywhere. This bill without the Macdonald amendment would create voluminous and protracted litigation. It contains more inherent ambiguity than has been allowed to appear in any legislation in recent years. There is no overpowering or overwhelming demand outside of the industry itself for the enactment of this legislation.

Without the Macdonald amendment, the Harris bill is a private bill, conceived, nurtured, and advanced for the benefit of 200 oil companies. It belongs on the private calendar. I support the substitute bill offered by my colleague, the gentleman from Massachusetts [Mr. MACDONALD]. I think it represents a sensible solution of the natural gas problem which is confronting this Congress.

It has been said that the Harris bill is a compromise bill, that it protects the interests of the consumers and at the same time relieves the producers from necessary regulation. This bill is no compromise. Only the consumers are compromised. If the Members of this Congress are sincere and conscientious in their efforts to do something for the small producer of natural gas and at the same time protect the consumer, they will support the provisions of the Macdonald amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, the pending amendment is offered by a gentleman who has not made any study of the oil fields and has not had any experience as to how they operate. This amendment in theory seems fine, but in practice it would not work at all. Scrambled oil and scrambled gas become much worse than scrambled eggs; you never can make any sense out of them.

Mr. MACDONALD. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I will yield later if I have time.

The facts are that you have done enough damage through Federal control and through the Supreme Court decisions to the gas industry already. To show you what I am driving at, in 1952 there was committed and contracted 5.2 trillion cubic feet of gas; in 1953, 6.4 trillion contracted; in 1954 after this Phillips decision came and threw everything out of gear there has only been contracted 2.3 billion.

Mr. Chairman, if you adopt this amendment or do not take off these controls as the Harris bill proposes, I predict that some of these gentlemen from the Northeast and places far away from the gas fields will be shivering because of the shortage of gas and will be converting back to coal.

There are 76,000 miles of gas pipeline throughout this country. It takes money to build them, and it takes money to maintain and operate them and to deliver the gas. When they deliver it to the gates of the city the producers generally receive less than 10 percent of the consumers gas bill. Nine-tenths is already controlled; one-tenth is not controlled. Now those who oppose the Harris bill want to control the little amount the consumer receives.

I have some figures before me which show that in 1954 the average consumer's bill in New York was $54.64. Who took nearly all of that $54.64? It was those who controlled the Consolidated Edison Co. They and the pipeline that carried it took $48.93 and left only $1.71 gross, mind you, for the people who invested their money and labor to produce the gas at the wellhead.

We have heard much opposition to this bill today from New Jersey. Let me tell you something about the public service companies up there and what they charge for gas to the consumers. The average consumer's bill in the whole State is $59.86. The public service organization and the pipeline take $57.02, nearly all, leaving only $2.84 for the gross return to the person who has yet to get his profit out of it, the person who made it possible to deliver the gas to be shipped up there. The person who drills the well and pays his labor bill, then has to pay income taxes on the little he has left.

Mr. Chairman, the gentleman from Indiana [Mr. HALLECK] this morning said something that struck deep and should stick deep in the minds of everyone: Why can we not be for the things that are right, stand for principle and good business methods first and put the pressure groups second? You know who some of the pressure groups are—the CIO and the ADA. I do not want the CIO to control all the legislation that is passed. They are the ones who want to fasten these OPA and other controls on the gas industry.

I am supporting the Harris bill, with deep conviction, for two principal reasons:

First, I am supporting it in the interest of the consumers. I know, and everyone should know, that the controls recently extended over the production and gathering of gas at the wellhead will make it more difficult for the over 4,000 producers, big and little, and that it will definitely result in the production of less gas.

I know, and you know, it will mean less gas and higher prices to the consumers.

It will weaken our economy and will weaken our national defense. An economy of scarcity always means less production and higher prices.

Many Members of this House remember how OPA price controls during the war years stifled and lowered production in hundreds of instances. Everybody was relieved when controls were finally taken off, and production in such instances increased by leaps and bounds. Now, unfortunately, some Members of this House are willing to make the mistake of continuing these controls on the production and gathering of gas that is bound to cause less gas to be produced and bound to penalize, with higher prices, the gas consumers of the Nation.

FREE ENTERPRISE

If we believe in the free enterprise system—yes, if you are opposed to the socialistic philosophy of government controls, you have a chance to demonstrate the sincerity of your belief in voting to take these controls off, which the Harris bill provides.

Gas for heat and power is competitive, throughout the Nation, with coal and oil. Can you bring your conscience to the conclusion that it is wise, or that it is fair, under our free enterprise system, to hamper and retard the gas industry with these controls when it is competing with coal and oil, which are not controlled, as to production and price.

FEDERAL POWER COMMISSION

The Federal Power Commission, through its Chairman, Jerome Kuykendall, on March 21, when the Harris bill was being considered before the Interstate and Foreign Commerce Committee, wrote its chairman, Mr. PRIEST, a letter from which I quote briefly:

> We support this proposed legislation because we firmly believe that such legislation will, in the long run, result in the greatest good to the largest number of people of this country.
>
> We are firmly convinced, from every aspect of public interest, and particularly that of national defense, that Congress should not single out natural gas as the only one among those fuels over which an artificial ceiling should be placed.

I believe the Members of this House would be justified in following the recommendations of this agency, which has the most intimate knowledge of this entire problem—rather than to follow the recommendations of the CIO, which has been wiring the Members of Congress urging them to vote against removing these controls.

PRESIDENT EISENHOWER'S COMMITTEE

Realizing the importance of oil, gas, coal, and other minerals to the defense of our Nation and to its industrial strength, President Eisenhower, in July of last year, appointed a Cabinet-level committee to make a careful study and analysis of these minerals, and other resources, known as the President's Advisory Committee on Energy Supplies and Resources Policy, better known as the Cabinet Committee.

Now, this Committee had various task forces studying this problem for many months, and they strongly endorse the principle behind the Harris bill on the grounds of national defense. This so-called Cabinet Committee was headed up by Dr. Arthur S. Flemming, Director of the Office of Defense Mobilization. The Committee retained the services of some of the most outstanding scientists, economists, and industrialists and some of the ablest leaders in the gas and petroleum field to make this important study.

On February 26 of this year the Cabinet Committee issued a report, in part, stating:

> The Federal Government should not control the production, gathering, processing, or sale of natural gas prior to its entry into an interstate transmission line.

Mr. Chairman, it would seem to me, and I believe you will agree with me, that when this comprehensive study was made under the direction of the members of the Cabinet, assisted by task forces selected for their experience and ability in these fields, that the recommendation of this Committee ought to be accepted by the Members of this Congress, as a factual verdict, clear of any influence or prejudice, and should cause the Members of this House to feel, as the Cabinet-level Committee recommended, that in the interest of national defense and the building up of the industrial strength of our country, we should take their advice, along with our own good judgment, and remove these controls that are stifling, and will continue to stifle, the gas industry of the Nation.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS of Louisiana. Mr. Chairman, I take this time to clear up a matter that I think it would be well to clear up. Some of our trouble today is due to lack of information and knowledge about the occupation of drilling for gas or oil. If we had a better understanding of the basic principles we would have less trouble with this legislation. We would understand it better.

For instance, when a man undertakes to drill a gas well, he does not necessarily undertake to finance that oil or gas well himself. It may be financed by 50 people or a hundred people. In some instances it may be financed individually. After the well is drilled, if it produces natural gas, that natural gas does not necessarily belong to one individual. It may belong to a hundred individuals, it may belong to 50 individuals, or to 50 companies. The division of ownership is going to be quite divergent.

Then, too, what we do not understand, at least some do not, is the fact that basically there is an operating and a royalty interest which may belong to an individual other than he who does the drilling. I mean, for instance, the farmer who owns the farm, the businessman who may own a few acres out in the country that are being drilled by a gas operator, the widow perhaps who owns a small interest, or individual companies—they may be large or small—that own an interest in the operation.

If that well comes in as a gas well you may find the division of interest widely separated. In checking titles to oil and gas property, I have seen instances where you may have a division of 100 different interests in the operation of a gas well. I have seen the division of gas interests, for instance, broken down to one-eighth of one-eighth, or one-eighth of the royalty. I have seen it broken down to one sixty-fourth, to one one-hundred-twenty-eighth, one two-hundred-fifty-sixth interest in the royalty interest. And ad infinitum.

What I am getting at is that when you have such a wide diversity of interest in the ownership of a product coming out of a single well you cannot in any way conceivably hope to control under law the big fellow who owns a small interest in that operation and release the little fellow from control, or vice versa. What I am speaking about is the amendment that has been suggested by the gentleman from Massachusetts. There is no way that you can release as a utility the production of the little fellow with a one one-hundred twenty-eighth interest in the product that comes out of the gas well and at the same time control the big one who has a fractional interest. You cannot control the big one and release the little one. They must be together. There must be the same control of the operation, if it is going to be a unified operation, in the production of oil and gas.

The amendment offered in this instance is entirely unworkable. Anyone who knows about the operations of a gas field knows it would not work. It would not help the consumer in any part of the United States. It certainly would in no way help the producer. I do not think it would add anything to the legislation now being considered which seeks to produce order and equity in the handling of a great industry, the gas business.

Mr. Chairman, much has been said about the need of protecting the little fellow with a small interest in gas. Those who so ardently espouse the cause of this man should certainly alertly fight the amendment before us and bring about a severe defeat of something which we know will not work.

The CHAIRMAN. The Chair recognizes the gentleman from Wyoming [Mr. THOMSON.]

Mr. THOMSON of Wyoming. Mr. Chairman, in connection with this amendment, I think it is particularly significant to note that none of us that I know of who are representing these small independent producers are here asking for this amendment. Now, that, I think, is something to stop and dwell on.

A lot has been made of the point that no one appeared before the committee who represented the small independent producer. Well, I am here to tell you right now that I do, and I represent them, together with all of the people of the State of Wyoming, as their duly elected Representative, and have the responsibility of representing all interests.

Let me point out to you the picture in my State. We do have substantial gas production. In the northern and western part of the State we produce about 90 billion cubic feet and upwards per year. In my home town of Cheyenne, where I buy my gas and pay for it, my gas is imported from Texas. We have been importing it for some 30 years. I think this is a good bill for me as a consumer and for my people as consumers, and if I wanted to be politically conscious, one-sixth of the vote of the State is wrapped up right there in this community. This amendment is not in the interest of the small independent. His rates are being fixed for him by a commission which he has no right to appear before. The big producer makes a case, and the rates are fixed. Maybe it is a rate that the big man can live with. I know two trick operators on the railroad that are working their way into the gas business in my State. They are not heard. They cannot compete with rate. Then, when it comes time to purchase their gas, the purchasing company says, "If I am going to buy your gas, this is all I will give you, otherwise I will buy it all from the big producer." The effect is to put them out of business. A good many of them borrow money, and if they cannot pay the bank, they are foreclosed. Does that not make a perfect set-up for collusion and then for the big operators to buy at foreclosure sale the resources of the little independent? That is just the trouble with the thinking that we have here in opposition to this bill. The people that have been speaking against it are conscientious, but on the other hand they have not lived with this industry. They do not understand this problem, and here they are purporting to help out the little independent. But really, they are setting out to destroy him, and that is the main thing I think we should think about on this amendment.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. I want to commend the gentleman for his comment on what this will do to the little independent.

Mr. THOMSON of Wyoming. I thank the gentleman.

In connection with this, I just want to mention this at this time, that when I received the first of these letters from the mayor of New York and the mayor of Philadelphia and other mayors, that you all received, I immediately wrote an answer. I do not think they know too much about the oil business. Let me tell you, I do have an interest in the oil business. It is not in production. I own a small portion of one independent pipeline. But I have no interest in natural gas or the production of oil. I sat down and wrote them a letter, and I said:

> I know you are trying to look after your constituents, the same as I am interested in mine. This bill is actually for the benefit of the consumer.

I wrote that letter right after receiving their letter July 12, but I have not heard from them in response to it, why my thinking was wrong or anything else, but I continue to receive their mimeographed propaganda against the bill.

Mr. ROOSEVELT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Chairman, all afternoon, as a layman, I have striven to understand the basic issues involved in this legislation. The proponents urge that natural gas, as a commodity, should not be regulated at the source any more than coal or wheat. That is a basic phi-

losophy. On the other hand no one has shown any damage inflicted upon the gas producers, most of whom are the big oil companies in respect to the largest production of the total gas produced. Why they need this bill is not explained in terms of damage now occuring to them, or in any lack of profits.

I am concerned, therefore with the people of my district who buy gas to cook their food and to heat their homes. Gas is cheap fuel, in comparison to some others. We must continue to be so even if a reasonable degree of Federal regulation is necessary to accomplish it. These gas companies now have a special tax reduction and protection. This is a public utility field and therefore the people are entitled to protection from unreasonable gas prices at the well which would be multiplied many times over to the consumer in their homes. I urge the defeat of the Harris bill and the adoption of the Macdonald substitute.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, in my judgment the Harris bill is premature. If the Harris bill is passed by the House, it will be a come-and-get-it bill for the oil industry.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Arkansas.

Mr. HARRIS. The gentleman recalls that he participated in the discussion on this very same question in 1949.

Mr. YATES. On the Kerr bill.

Mr. HARRIS. On the Harris bill.

Mr. YATES. Was it the Harris bill then, too?

Mr. HARRIS. Before the Kerr bill.

Mr. YATES. I think Senator Kerr introduced it in the Senate.

Mr. HARRIS. The gentleman thought it was premature at that time, too.

Mr. YATES. Those were not the words I used, but it was premature then as it is now. The gentleman from Arkansas had not then introduced his resolution for the purpose of investigating the distribution and production——

Mr. HARRIS. The distribution and the transportation.

Mr. YATES. Yes; transportation in the natural-gas industry. But in reading over the gentleman's resolution, many of us were convinced that it was wide enough in scope to cover production as well. I am sure the gentleman would not want to limit it so that it did not include production, for I am sure he wants to study the entire industry. But regardless of that point, the fact remains that we are considering a bill today that came out of the Committee on Interstate and Foreign Commerce by a vote of 16 to 15, after it had been defeated by a vote of 14 to 14. We are considering a bill that came out of the Committee on Rules by a vote of 6 to 5, with one of the members of the Committee on Rules not voting, but stating that he was going to vote against the bill on final passage.

We are considering a bill today which, if it is enacted at this time, will not be considered by the other body until Congress reconvenes next year.

What harm is there, I ask the Members, in accepting as stopgap legislation the substitute offered by my friend the gentleman from Massachusetts [Mr. MACDONALD] to permit an investigation to take place during the next 6 months, to permit the so-called small independents whose applications and whose papers are clogging the warehouses, according to the statements made by gentlemen on the committee and the Federal Power Commission—what is wrong in enacting this stopgap legislation and deferring until a future date consideration of the major changes that are contained in this bill? And they are major changes.

This bill, the Harris bill, it must be remembered, is an amendment to the basic law, the Natural Gas Act. That act was passed for a purpose—to protect the consumer from gouging. There will still be present section 1 of the Natural Gas Act, which reads as follows:

> As disclosed in reports of the Federal Trade Commission made pursuant to Senate Resolution 83 and other reports pursuant to the authority of Congress, it is hereby declared that the business of transporting and selling natural gas for ultimate distribution to the public is affected with a public interest.

That is the law today, even with this bill—that Federal regulation in matters relating to the transportation of natural gas and the sale thereof in interstate commerce is necessary in the public interest.

You ask, Why is it necessary today? It was necessary in 1938, according to the gentleman from Indiana [Mr. HALLECK]. He said at that time:

> We have heretofore enacted in the Congress a bill to regulate the bituminous-coal industry. We have Federal regulation of the interstate transportation and sale of electrical energy. They all deal with public utilities or businesses said to be charged with a public interest. That is the reason this bill, dealing as it does with a competing commodity and a competing service, in my opinion, be passed, to the end that the natural-gas industry shall be brought within the realm of Federal regulation so that the public interest and the interest of the ultimate consumer generally should be protected.

What was necessary in 1937 is just as necessary today. The House bill should be deferred for further study.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. ASHLEY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ASHLEY. Mr. Chairman, I am most anxious to associate myself with my colleague from Massachusetts and to support his amendment.

It seems to me, Mr. Chairman, that the issue before us is clear cut, namely, whether or not regulation of independent gas producers is an unwarranted interference with our free-enterprise system, whether or not regulation of independent gas producers is warranted by the necessity of protecting the average American consumer against arbitrary and unjustified rate increases.

I am far from an expert on the subject before us, but I have been very deeply interested in this legislation during the months of hearings before the House Committee on Interstate and Foreign Commerce and in the other body. On the basis of the knowledge which is available to me, I do not feel that the average American gas consumer, of which there are some 32 million in the United States, is adequately protected under the Harris bill.

The Harris bill exempts gas producers from the just and reasonable standard of regulation in the Natural Gas Act.

It purports to replace that standard with a "reasonable market price" standard.

I am compelled to believe that this new standard will not regulate producer prices, is not intended to regulate producer prices, and will result in rubberstamp approval by the Federal Power Commission of higher and higher contract prices, for the following reasons:

First. There is no precedent in court decisions to give meaning to the term "reasonable market price."

Second. The three considerations with respect thereto, as contained in the bill itself, are all considerations that look toward the acceptance as reasonable of any contract price the oil companies can make pipelines agree to—except where collusion might be shown, or where automatic escalators are included.

Third. The six additional considerations written into the majority report further confuse the mandate that this bill would give to the Federal Power Commission. And where do these six new considerations come from? Would they become part of the law? Who voted to add them to the proposed law?

Fourth. One of the six additional considerations in the majority report reveals exactly what is intended. Consideration No. 5, at the bottom of page 14, says:

> Market prices in the vicinity arrived at in arm's-length bargaining would appear to be reasonable in the absence of clear and convincing evidence to the contrary.

Fifth. Mr. David T. Searls, of Houston, Tex., star witness for gas producers before the House Committee, testified on January 11, 1955, before the Federal Power Commission. At that appearance he urged the Commission to accept as representing per se the "just and reasonable" rate prescribed by the Natural Gas Act all prices named in producer pipeline company contracts where they are negotiated at arm's length.

Sixth. If FPC were to interpret "reasonable market price" as anything less than the price a pipeline had contracted to pay, then, under the Harris bill, it could not allow the pipeline to include the full contract price in its cost calculations for ratemaking purposes. Does any Member of the House believe that FPC would deliberately forbid the recovery through rates of lawful payments made by a pipeline utility in good faith under contracts entered into at arm's length? Or that the courts would permit such confiscation? The fact is, of course, that no such dilemma is expected to confront FPC because FPC is expected to

approve as a reasonable market price any contract prices that have been agreed to. Why not? What better evidence of reasonable market price can there be than that a buyer is willing to pay it and a seller is willing to sell at it?

Reasonable market price is not regulation. It will have no effect on field prices. Field prices will continue along their rapidly rising course if this bill is approved.

Mr. Chairman, I very strongly urge the adoption of Congressman MACDONALD's amendment. I believe that this amendment reflects a commendable flexibility of approach in that it protects the average American gas consumer from the position of economic strength, which is almost monopolistic on the part of the large gas producing corporations, and at the same time relieves from Government regulation the nearly 4,000 producers of natural gas whose total production for interstate commerce is not significant.

I commend Mr. MACDONALD on his amendment and I urge its passage by this body.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey, [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, I have risen to address the committee at this time for three purposes. My first purpose is to state that I am in full accord with the amendment that has been offered by the gentleman from Massachusetts [Mr. MACDONALD]. It seems strange to me that those who argue that all producers should be taken from under the law as provided for in the Harris bill should object now when an amendment such as this is offered to take only part of them from under the bill.

Furthermore, after the sympathy that has been expressed in the committee and in the House for the small producers, why is it that they now are willing to put them on the block, as they would term it, of Federal control?

The purpose of this amendment is very plain. It is very helpful to the small producers as well as to the Federal Power Commission, to enable it to meet its responsibilities on those matters that have a direct and a great bearing on the public interest and the right of the consumer.

The second purpose for which I am addressing you at this time is that there will be other amendments offered. I know there are amendments on the desk. There is one of extreme importance that will be offered by the gentleman from Michigan [Mr. BENNETT].

I want to take this opportunity of saying that notwithstanding the desire of one individual to curtail this House's having information by curtailing the opportunity of Members to express themselves on the floor of this House as fully as the circumstances justify. I will do everything I can to see that those who have these amendments on the desk, particularly this important one of which I speak, shall have an opportunity to present them to the House. It is not our fault that this bill was taken up at a time when time is so important that you cannot even exchange your time with some other Member of the House, a procedure and a courtesy that I have never known anyone to object to but one individual in this House.

I also want to notify the House that I will make a motion to recommit this bill before it is passed, for the reason that I believe we should have all the information that an investigation or a study as contemplated by the gentleman from Arkansas in his resolution would enable the House to have. This House could not have too much information on this subject. As we go into recess, with the time that is ahead of us before the next session, there is abundant opportunity to conduct an investigation which he, as I have already referred to, has said is so necessary if we are to have all the facts on all the elements that enter into this important matter.

The CHAIRMAN. The gentleman recognizes the gentleman from Michigan [Mr. HAYWORTH].

Mr. HAYWORTH. Mr. Chairman, at this late moment just before we go into the vote on this amendment I should like to draw your attention to the key idea in the amendment offered by the gentleman from Massachusetts [Mr. MACDONALD]. It is that we eliminate from the Natural Gas Act all those producers who sell less than 2 billion feet per year. This will remove from the consideration of the Federal Power Commission 90 percent of the producers in the old, tired areas, producing gas at the present time.

I am from the State of Michigan, and we do produce gas there. But we have only small producers. Many of you come from States similarly situated, such as Virginia, Pennsylvania, and Ohio. You have there the problem of people already in the habit of using gas, but the fields that have been furnishing gas there are no longer capable of filling the need. Therefore, they are looking to gas coming from afar.

The regulation as proposed under the suggestion of the gentleman from Massachusetts [Mr. MACDONALD] will be much simpler than that which is in operation under the present Natural Gas Act. Anyone surely would admit that it would be possible to control a few hundred gas wells, even though most of us believe it would be possible to control all the producers.

I was surprised earlier this afternoon to find one of the very fine Members from Texas actually talking in the well of the House for Mr. MACDONALD's suggestion. He wept copious tears here over the little producers, and he even went so far as to say that down in Texas they did not worry about the big producers because the big producers could take care of themselves. According to his statement what they were trying to do was to protect the little producers. I think that was very fine background for this amendment offered by the gentleman from Massachusetts [Mr. MACDONALD]. I hope that the gentleman who made that statement will follow Mr. MACDONALD's suggestion and vote for his bill.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, if my figures are correct, 2 billion cubic feet of gas per year, which is the amount the gentleman from Michigan [Mr. HAYWORTH] just stated, would be the minimum which would be under control, and anything less than that would be out from under control, is 2 thousand million cubic feet, and at the rate of 10 cents per thousand cubic feet, it means $200,000. In other words, the producer of less than $200,000 worth of gas a year is going to be exempt from regulation under this amendment. I might say it is not an amendment—it strikes out all after the enacting clause. I just went to the desk and read the amendment. It simply exempts from all regulation those producing $200,000 worth of gas per year or less. Well $200,000 in my language "ain't hay."

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. HESELTON. It should be 200,000 cubic feet, not dollars.

Mr. HINSHAW. Two billion cubic feet is 2 thousand million cubic feet and at 10 cents per cubic foot, it amounts to $200,000 worth of gas. If I am wrong, I would like to be shown where. I do not see why any such person who gets $200,000 a year from his gas well should be exempted from regulation any more than the big one who produces a couple of trillion cubic feet per year. It is perfectly silly. All my friend is trying to do is to offer you bait to knock this bill in the head, and I do not think you want to do that. The committee, the majority of the committee, and a very small majority at that—and the minority, and a very large minority at that—have considered this bill long and carefully. I will say to you—you talk about lobbies—one of the biggest lobbies against this bill is the CIO lobby and they do not know any more about it than you do; and the other one is the so-called Americans for Democratic Action. Those are the two big lobbies who are opposed to this bill. If you want to find out what they think, all you have to do is to read the newspapers or any of their many publications coming in the mail. They have spent a large amount of money in lobbying against this bill. They, I believe, are in favor of the viewpoint that regulation should cover all things. They were opposed to the repeal of price control. They have been opposed to everything that would free the economy of the United States so that it could operate in the free enterprise way.

Mr. BEAMER. Mr. Chairman, I wonder if the chairman would care to repeat to the committee the number of organizations that are fighting for and vigorously supporting the measure such as the American Farm Bureau and many others of that type. I think it would be very much worth while.

Mr. HINSHAW. I do not have the opportunity to do so right now. But I hope the gentleman will read the list later. Practically everybody in the United States who believes in free enterprise is in favor of this bill. I want to tell you that the oil companies do not like it and they do not like it because of

the provisions in the bill which place the production of gas under regulation provided an increase of price is sought.

That originated in the committee; it originated with the gentleman from Minnesota [Mr. O'HARA] and I want to tell you that there was an awful lot of objection to that on the part of many members of the committee who are in favor of the bill, among them the gentlemen from Texas, two of them, who thought that should not be in the bill. But they have gone along with the bill even though it does not suit them entirely.

This amendment offered by the gentleman from Massachusetts [Mr. MACDONALD] would strike out all after the enacting clause. Then it would exempt from the Natural Gas Act provisions all of the producers who produce less than $200,000 worth of gas per year.

Mr. YATES. Mr. Chairman, if the gentleman will yield, it would exempt them from those provisions only for the time being. It is temporary legislation only.

Mr. HINSHAW. No, it is not temporary. I am sorry to have to disagree with the gentleman.

The CHAIRMAN. The time of the gentleman from California has expired; all time on this amendment has expired.

The question is on the amendment offered by the gentleman from Massachusetts [Mr. MACDONALD].

The question was taken; and on a division (demanded by Mr. MACDONALD) there were—ayes 60, noes 125.

So the amendment was rejected.

Mr. METCALF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. METCALF: On page 1, line 3, strike out all of section 1 beginning with the words "That paragraph" in line 3, through and including the words "United States" in line 10.

Mr. METCALF. Mr. Chairman, it may sound startling to strike out all of the first section from lines 3 to 10, but the committee thought so little of section 1 that they spent 14½ pages of a 15-page report discussing other sections of the bill; then on page 15 they said "other provisions," and in one paragraph discussed section 1.

All this amendment does is delete the language in line 8 "or between any point in a State and any foreign nation" from the present law.

On page 42 of the report that phrase is in italics.

We have heard a lot today about the Phillips case; we have heard a lot about supporting, and overruling and vetoing the Supreme Court decision. Mr. Chairman, those Members who would support a Court decision will support my amendment, because my amendment will put the law back to where it was when the Border Pipeline case was decided.

If you do not support my amendment you overrule and veto a decision of the circuit court of appeals.

Now I want to show you practically what this amendment will do. In my State the Montana Power Co. imports gas from Canada. As far as I know, we are the only State in the whole northern tier of States bordering on Canada that does at the present time import gas from Canada.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from Minnesota.

Mr. O'HARA of Minnesota. It is true that the gentleman's State, I believe, is the only State at this time importing gas from a foreign country, Canada. But it is also true that my own State of Minnesota, and this also may affect Michigan, will be affected by a gas line to be constructed from Canada down through Minnesota over to Michigan during this next year. So the gentleman's amendment is important to not only the State of Montana and to the State of Minnesota but to the other border States.

Mr. FJARE. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from Montana.

Mr. FJARE. I want to compliment my colleague from Montana. My district is perhaps the only district in the United States that is involved in the importation of gas from Canada. Is it not true that to fail to accept this amendment will mean that you will in effect be doubling the regulatory authority in our State, which is in violation of the purpose and purview of this act itself?

Mr. METCALF. That is correct. If the bill is passed as it is presently written, and if my amendment is not adopted, the Montana Power Co. will be subjected to dual regulation; that is, regulation by the Federal Power Commission and to regulation by the Public Service Commission of Montana. It is amply regulated at the present time by the Public Service Commission of Montana, an able, bipartisan, elected commission. If this amendment is not adopted, hundreds of consumers of natural gas in western Montana will be denied the opportunity to import Canadian gas.

Mr. FJARE. Is it not also true that the adoption of this amendment will in no way affect the virtues of this bill that has been discussed at great length this afternoon?

Mr. METCALF. It will not at all add to or detract from the bill.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from Illinois.

Mr. YATES. The gentleman does not agree that there are other virtues to this bill, does he?

Mr. METCALF. I am trying to point out this section has nothing to do with the rest of the bill. This section is entirely separate and apart from the other sections of the bill. Those of you who would like to go along with the status quo and would like to maintain the present situation should agree with my amendment. It will be recalled that last year this body passed a bill offered by the gentleman from California [Mr. HINSHAW] which provided that this same sort of regulation, this dual regulation, should be prohibited. It will be recalled that in the electric-energy field, Public Law 210, passed by this Congress last year, said that when electric energy is imported from a foreign nation and does go into another State, it will not be regarded as interstate commerce.

Mr. HARRIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think we can expedite this matter, but I do want to explain the amendment and how it came to be a part of the bill. It was offered by our very esteemed colleague from West Virginia as one of the amendments during the course of the consideration of this bill in committee. What the amendment does is to make exported or imported natural gas subject to Federal regulation and the price and the sale thereof insofar as it takes place within the United States.

I did not agree with the amendment in the committee, and, therefore, I opposed it, because I did not think it was relevant to this subject that we now have under consideration. I further opposed it because it involves the powers and the authority of the President of the United States in his dealings with other countries and, of course, affects the operation of the State Department. But the committee adopted the amendment, and consequently it became a part of the bill. There are some who have very grave and serious doubts about the effect of it, and so far as I am personally concerned, Mr. Chairman, and because of the situation, I am willing to accept the amendment offered by the gentleman from Montana.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana [Mr. METCALF].

The amendment was agreed to.

Mr. HESELTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HESELTON. Is a motion that the Committee do now rise in order at any time?

The CHAIRMAN. Yes; a motion that the Committee do now rise is in order at any time.

Mr. HESELTON. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. The question is on the motion offered by the gentleman from Massachusetts [Mr. HESELTON].

The motion was rejected.

Mr. ALBERT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, throughout our history, the press of America has been a bulwark of our freedom and a defender of our rights. Its voice is not that of one person or a collection of voices speaking a single thought. Its members, ranging from small one-man operations to great metropolitan dailies and magazines, speak individually for their own towns, cities, and areas in every section. They represent all views, from far left to far right. Collectively, their beliefs and opinions blend into a message which comes very close to saying what the Nation's citizenship is thinking at any given time.

Today the American press is urging that independent producers of natural gas be freed from Federal utility control,

and is saying it in unmistakable terms. The vast majority of American newspapers, both large and small, agree with the principles of the Harris bill to exempt independent producers from Federal regulation as public utilities. As of July 27, there were 811 favorable editorials noted as compared to 194 unfavorable.

Most newspapers were for the bill from the start. They recognize that natural gas is not a utility of itself, but a commodity. They also see that regulation of one commodity might lead to regulation of others. They realize that natural gas production is a highly competitive industry for whose operations effective and fair regulation on a utility basis would be an impossibility. Many of them see that such regulation could lead to reduced supply, which would make low prices a mockery and even an impossibility.

Others, while believing in free enterprise in general, feared that lack of regulation did endanger the gas consumer's position. Now that the Harris bill offers safeguards to protect the consumer from unusual price situations, many of those who at first hesitated now fully endorse the measure. Included among these are great papers in sections from which the heaviest opposition has come. Here, in the Capital City, the Washington Post and Times Herald recently declared that "it seems to this newspaper, as it did to the committee majority, that it is as satisfactory a solution as is possible under the extremely complex circumstances." And even the Boston Herald, though questioning the prices paid in Boston by residential consumers, declared:

> The House Commerce Committee has worked up a bill by which the Federal Power Commission could control the operation of these escalator contracts, present and future. That is one move Massachusetts ought to support.

SUPPORT COMES FROM ALL FOUR CORNERS

The swelling chorus of support for the Harris bill and its provisions comes from the four corners of the Nation and practically every State in the Union.

In New England, the Dover (N. H.) Independent says:

> Continued Federal regulation of gas at the wellhead would discourage producers, and result in less searching and wildcatting—which means we ultimately would have less gas and more costly gas.

At the opposite corner of the country, California papers in considerable numbers and in overwhelming majority say: "Free the producers." The Los Angeles Times, for instance declares that "in time of peace, there is no justification of Federal regulation of the price of any commodity."

In the southeast corner of the country, Florida's Panama City Herald recently expressed an opinion shared by many others in that State when it said:

> Far more than natural gas production is involved here. The free-enterprise principle, which supports all the freedoms, is the thing at stake.

The Tampa Tribune calls regulation of gas producers "unnecessary control."

It is the same story in the other corner, the Pacific Northwest. "Why stifle incentive?" asks the Tacoma (Wash.) Tribune. The Aberdeen World asks:

> If such production is regulated, why not the production of lumber, the fisherman's price for fish, the grower's price for almost every crop, and the manufacturer's price for every article turned out?

Other Washington papers, like the Mount Vernon Herald, the Bellingham Herald, and the Olympia Olympian, point out that the Pacific Northwest has a stake in the issue, since it hopes to get gas soon. Oregon papers join them. Calling Federal gas controls un-American, the Oregon City Enterprise-Courier concludes:

> We want price controls at the wellhead removed so that we will be assured a constant supply of the fuel.

"HAVE NOTS" ALSO WANT GAS

This concern of those who do not have gas yet and want it, such as expressed in the Pacific Northwest and in Florida, is echoed from numerous places around the country. It emphasizes an important point which those urging full regulation of wellhead prices either ignored or glossed over. Those who have supplies for their cities assured for 20 years perhaps could feel safe in urging price regulation at the risk of discouraging the search for expanding supplies. But it is a different story with the "have nots," who also would like the advantages of this clean and efficient fuel. The "have nots" realize that only new supplies can make such service available to them, and they know that free competition is the answer.

In sections from which the heart of the opposition has come, many discerning papers point out the fallacy of regulation. In Wisconsin, the Waukesha Daily Freeman declares:

> The fact that coal and oil are more expensive than natural gas in Wisconsin seems to concern the price regulators not at all.

Michigan, which with Wisconsin helped bring on the Supreme Court decision resulting in regulation, also has many voices asking that question. The Jackson Citizen-Patriot comments:

> Price controls often have the effect of producing beautiful price tags—but no merchandise.

These are but a few examples. There are many of them from towns and cities all over the country. Section by section, free enterprise still has its supporters and in great quantity. It was expected, of course, that papers in Texas, Oklahoma, Louisiana, Arkansas, Kansas, and New Mexico would support the effort to exempt producers. They are close to production operations and they know that natural gas production is no utility function, that it is a highly competitive and risk-taking operation, and that controls simply would not work. They also know the probability of clashes between State and Federal regulatory agencies if the unfortunate Supreme Court decision in the Phillips case should be allowed to stand unchallenged. The fact is that papers in the Southwest have expressed their opinions in large number and with unanimity.

CONSUMER AREAS RECOGNIZE ECONOMIC FACTS TOO

In the midst of all the hue and cry in some sections from organized opposition to the Harris bill, with their claims that they represent so many millions of people, it might be interesting to take a look at what is being said in some of these so-called consuming areas.

For instance, Wisconsin's Ripon Press declares:

> Whether it's gas, groceries, or galligaskins, Americans who have become accustomed to the privilege of minding their own business are beginning to see the need of reminding Washington that in the United States, government is traditionally the servant—not the master.

The Wausau Record Herald says:

> Competition under the free enterprise system is a better means of keeping prices at reasonable levels than Government controls. History and experience have proven this to be the case.

Another center of opposition has been in Ohio, if all the hubbub can be believed, but here again a look at the papers is interesting and revealing. Here also the Harris bill's provisions get strong support. The Cincinnati Times-Star says:

> "Controls beget controls," as the saying goes, and this (Federal regulation of gas producers) strikes us as a possible first step toward Federal price controls over other commodities, such as oil, coal and lumber.

The Cleveland Plain Dealer says:

> Regulation would mean higher gas bills.

Almost two score other papers in that one State had expressed themselves along similar lines by early June.

MIDWEST FOR HARRIS BILL

Throughout the great Midwest, there is a strong trend toward the Harris bill. In Illinois, the Chicago Sun-Times on June 16 discussed the situation editorially and concluded:

> We believe consumers will be better off if Congress passes H. R. 6645 to restore free enterprise in the field and to exempt independent producers from control.

Numerous Indiana papers have expressed their opinions, and they are almost unanimous in support of the measure. "Let's go easy on those Federal controls," says the Shelbyville News. Another case of "too much papa," adds the Indianapolis News.

In Minnesota, the Red Wing Daily Republican Eagle declares:

> Unless this situation is clarified, communities like ours, far removed from the gas fields, may have difficulty in obtaining all the gas they want as the demand increases.

Several others share this view. Many in Iowa join in the opinion. The Pocahontas Record-Democrat says:

> Natural gas, of course, hasn't come to Pocahontas County on any large scale yet. Indications are, however, that it will within the next few short years, and we don't want the proposed expansion program of that industry hamstrung by Government controls.

DO MAYORS REALLY REPRESENT THEIR PEOPLE?

What about the Atlantic seaboard where the opposition is supposed to be so strong? More papers support than oppose the bill in Massachusetts. In

Rhode Island, the Pawtucket Times commented:

To argue for control of natural gas prices because the gas is a natural resource is to advocate control of coal, copper, lead, oil, and timber.

In Connecticut, the Thompsonville Press said:

The present discriminatory controls can only reduce gas supplies by removing incentive, and establish a precedent for Government price-fixing of every other commodity you can think of—Heaven (or Congress) forbid.

On July 5 the New York World-Telegram and Sun examined the question from the standpoint of the price situation and found that "the lion's share of the public's gas bill goes not to the producer but to the distributor." After relating how gas for which the producer gets only 7.8 cents per thousand cubic feet at the wellhead ultimately costs New York residential consumers $2.48 per M c. f., this great New York paper concludes:

Consumers opposing a bill to free natural gas producers from Federal regulation would appear to be concentrating on a molehill and ignoring a mountain.

In Pennsylvania, to mention only a single newspaper, the Beaver Falls News Tribune says:

Gas is vital to the general well-being of Beaver County and we want at all times an assured and ample supply, at a fair price. We want no Federal regulation or taxing that will hamper the development of additional gas supplies and its transmission to our local industrial and householder users.

The Dover State News in Delaware says:

From the consumer's point of view, the operation of America's free-enterprise system can be summed up pretty well by the old saw, "You pay your money and you takes your choice." Let's keep it that way.

New Jersey papers like the Dover Lake Land News, the Linden Observer, the Toms River Sun, the South Amboy Citizen, and others agree that "the case for freeing natural gas producers from Federal controls is overwhelming." In West Virginia, the Charleston Mail asks, "To help or ruin?" as it discusses controls. The Wheeling Intelligencer concludes:

Inasmuch as there is nothing in the record to indicate that free enterprise in gas production has operated against the public interest, and less to indicate that regulation will result in lower prices to the consumer, it would seem that the sooner Congress writes clear exemptions into the law the better.

SOUTH CHOOSES FREE ENTERPRISE

In some States of the South, certain distributors and even some papers have voiced loud opposition to the Harris bill. But here again many choose free enterprise in preference to whatever temporary price benefits regulation might promise. Florida's press already has been mentioned. Mississippi papers are almost unanimous. "Needless controls are a menace," declares the Jackson Clarion-Ledger, and the Itawamba County Times advises the big city mayors to "think it over."

In Georgia, the Waycross Journal-Herald expresses its belief that "the prospective control of gas at the production level is both unjustified and unwise." In Kentucky, Louisville's protests against the bill are not going unchallenged. The Owensboro Inquirer, for instance, counters with a declaration that "natural gas production is no utility" and calls for an end to regulation.

Numerous South Carolina papers see regulation as an attempt of the Government to "go whole hog." In North Carolina, the Charlotte Observer comments:

The Federal Power Commission's request to be relieved of the power to fix the price of natural gas at the wellhead is just a matter of commonsense.

It adds:

Competition will keep the price to consumers down to a reasonable level.

In a dispassionate editorial some time ago, the Montgomery Advertiser in Alabama found that the "question is hardly simple, but perhaps equity lies in a solution somewhere between all or none." Then it outlined a possible solution quite close to what the Harris bill, with its later amendments, now calls for. In Tennessee, the Jackson Sun concludes after reviewing the gas situation:

Action by the Congress along the lines recommended by the President's committee is clearly in the national interest.

Virginia's Richmond News Leader asks:

Must we regulate everything? Must we tinker and fix and order and decree?

Then it answers:

It seems to us that public regulation of utility rates should be limited severely to the absolute minimum necessary in the public interest. If there is even a strong chance that regulation may not be necessary, that chance should be taken.

Others from Virginia, including the Orange Review and the Central Virginian, agree that price fixing will not produce natural gas, and the Roanoke Times declares "rate fixing goes too far."

WEST SAYS PRINCIPLE AT STAKE

Throughout the Rockies and the West, except for a few spots, there is almost unanimous support of the free-enterprise way. While the Denver Post has spoken out long and often in support of regulation, the Craig (Colo.) Empire Courier contends:

Price fixing by the Federal Government will kill free enterprise, and free enterprise is the one thing which makes Americans, big and little, produce more at a lower price.

Other western papers join in the chorus. The Reno (Nev.) Gazette says:

Production of gas is not a monopoly, but a highly competitive business.

The Tucson (Ariz.) Daily Citizen describes the Harris bill as "like a blow being struck in defense of American free competition and private enterprise." Papers of Utah, Idaho, Wyoming, and Montana have taken the same stand.

WISHES OF COUNTRY ARE SELF-EVIDENT

Here you have a sampling—and a sampling only—of the reactions of members of the American press to the gas issue. We have figuratively climbed to a vantage point from which we could survey the thoughts of the Nation on this important question. Away from the sound and fury of this "tempest in a teapot" stirred by those who would clamp producers of a basic commodity in a straitjacket, we find a refreshing view. The press of America is for the Harris bill.

Mr. CANFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am opposing the Harris bill today, even as I have opposed like legislation in the past.

I am, however, disturbed no end that somebody, somewhere, is casting aspersions on the very distinguished chairman of the House Committee on Interstate and Foreign Commerce, the gentleman from Tennessee [Mr. PRIEST], because of his attitude in favor of this legislation. I have worked on Capitol Hill for 31 years, and I have watched hundreds of Members of Congress in action, and in my book the distinguished gentleman from Tennessee is a stand-out. He is big in character; he is big in ability; and he is big in his dedication to serving the best interests of our Nation. Davy Crockett used to say "Shoot straight." That is the only way the gentleman from Tennessee shoots.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from New York.

Mr. KEATING. Mr. Chairman, I, like the gentleman from New Jersey, am opposed to this bill and I shall vote against it. But, I join with the gentleman completely in the remarks which he has made about the gentleman from Tennessee who is the chairman of this great committee. There has been nothing in his conduct, either on this bill or on the floor, which would be subject to the slightest criticism. There certainly was nothing intended in any remarks which I might have made—and I feel sure that is reflected in the remarks of others opposing this bill—which could be in the slightest degree critical of our distinguished colleague. He is all that the gentleman from New Jersey has said, and if I had the power to say it, he is more than that.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Tennessee.

Mr. BAKER. Mr. Chairman, I, too, am opposed to this bill, but I want to pay my highest respects and regards to the chairman of the committee, the gentleman from my State of Tennessee [Mr. PRIEST]. He is a Christian gentleman; one of the finest men that ever lived.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think that people generally know my position in regard to utilities as such. I come here today to support the Harris bill for some different reasons, and I would like to make a few comments about the basis of my support. To start with, I would like to make one comment about the statement that we are trying to overrule a decision of the Supreme Court.

I am not a lawyer, but I have observed that at times it becomes necessary for

Congress to restate its intention when the Supreme Court, after years, places an interpretation upon an act of Congress which was not intended at the time the act was passed. I think Congress is entirely within its right to do this at this time, particularly when the Supreme Court appears to invade the legislative field.

I do not agree with the argument that only if we pass this bill the price of gas is going up. I think it is true that the price of gas is going up, whether this bill is passed or is not passed. I think that is in line with everything else today. It has been going up even under regulation and it is going to continue to go up. In that connection I should like to call attention to the fact that in most of our municipalities, in most of the places at least in my district, where waterworks are owned by the municipality, the water rate has gone up and it will probably go up some more, due to cost factors involved in the distribution. And they are not paying anything for the water.

Also, I want to call attention to the fact that the same thing holds true with our municipally operated electric light plants. In my community those rates have gone up, but we have not made a whole lot of complaint about that, because we realize that we are living in an economy where all costs of living have been advancing.

My hometown, which is not a very large town, has a good semiweekly newspaper, operated by a brilliant young newspaperman, who writes some well-thought-out editorials, and who does not hesitate to state his position on most subjects of public interest. During the past week he published an editorial in his paper which to me is one of the best comments on why the Harris bill is fair and why it will tend to preserve the free-enterprise system. He calls attention to some of the dangers that we are faced with if we do not pass this bill and restate the intention of Congress at the time the original act was passed, when Congress expressly stated that it was not intended to regulate gas at the wellhead.

I shall insert as part of my remarks, under leave to extend, this editorial published in the twice-a-week Dunklin Democrat, published in my hometown of Kennett, Mo., where we do have gas consumers, served from a natural-gas distribution system. Let me read from this editorial:

RETURNING FREE ENTERPRISE

In Missouri there are more than 1,750,000 homes which use gas for cooking or heating purposes. A large number of Missourians should therefore be interested in a question now before Congress: Should the Federal Power Commission regulate the price of natural gas at the wellhead, where it is taken from the ground?

For many years it was assumed that Congress should no more set the price at which gas should be sold at the well than it should regulate the price of coal, iron, and other basic commodities at the mine.

Last June, however, the United States Supreme Court declared that by the 1938 Natural Gas Act, Congress really intended that there be Federal regulation of independent natural gas producers.

The Federal Power Commission, which 11 times previously had ruled it had no power to fix prices at the field, reluctantly took over and froze prices. This had never occurred before in peacetime.

Many Democratic legislators oppose a bill which would specifically exempt natural gas producers from Federal control. Frankly, we favor it.

The fact is that the price paid to the producer of gas is a small part of the price paid by the consumer. Out of each $1 paid on a gas bill by a consumer, only a little more than 8 cents goes to the independent producers in the field. The rest goes for transportation, distribution and mixing in manufactured gas.

Because of the great increase in gas consumption, average cost to homeowners in Missouri actually decreased about 7 percent from 1945 to 1954 while the cost of living increased more than 50 percent.

Competition works to keep prices low at the wellhead just as competition works to keep any price low. The argument that a monopoly exists in the gas well industry is not valid. There are 8,000 producers, and most certainly they are not all members of monopolies.

For the past several years Americans have been concerned about what has commonly been called "creeping socialism" and "Government control." Passage of this bill will help restore some the the lost free enterprise which has been so important to the progress of this Nation.

And we're all for it.

Mr. McCARTHY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am opposed to the passage of this legislation. Evidence developed in the course of this debate does not, in my opinion, sustain the argument that competition will take care of any difficulty in the process of collecting natural gas and getting it into the pipelines. Moreover, there is little substance to the threatening arguments that defeat of this measure will open the way to control of price on the farm of oats or barley, or control of prices of oranges at the orchard. The physical properties of gas, the manner of collection and distribution, and the use are so different as to make it subject to regulatory treatment. The committee members have made efforts at compromise, they have made concessions; they have not—in my opinion—come far enough. I commend them, however, for their effort, but urge the defeat of this bill.

In conclusion, Mr. Chairman, I wish to add my voice to the voices of those who have spoken regarding the character and reputation of the gentleman from Tennessee [Mr. PRIEST]. The gentleman has been subjected to unwarranted and unjustifiable criticism, some of it—I am sure—generated from sources which supported legislation similar to this just a few years ago.

Although the gentleman and I are in disagreement as to the effects of this bill and the desirability of its passage, there is no question in my mind regarding the integrity of the gentleman from Tennessee. On this issue, as on others, he has demonstrated his characteristic dedication to the work of his committee, and his basic fairness and continuing integrity and honesty.

Mr. CHATHAM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am ending my seventh year as a Member of this body. When I came here I met PERCY PRIEST immediately through a very dear mutual friend of ours, Mr. John Sloan, who heads the great Sloan Department Store in his home city of Nashville. Since the first few weeks I have been here I have called him my leader, because I have found that when I followed his leadership I was hardly ever wrong. He is able, intelligent, and honest. He represents his district and this country in a way that few people can do. He is a fine Christian gentleman. I think he has the ideal qualities of leadership.

Congressman PRIEST was appointed Democratic whip of the House by the gentleman from Massachusetts [Mr. McCORMACK], and that selection was concurred in by our Speaker [Mr. RAYBURN]. He voluntarily gave up his position as whip, a great honor, when he came to the chairmanship of the Committee on Interstate and Foreign Commerce, one of the most important of the Congress. I honor him for devoting all of his time to the work of this committee.

I want to add my word of praise, and say that he is one of the great men of the United States House of Representatives.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. CHATHAM. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I want to add my word of commendation for our friend from Tennessee [Mr. PRIEST]. It was my honor, after Speaker RAYBURN and I had discussed the question of the appointment, to appoint him as Democratic whip not so many years ago. I had complete confidence in his ability to perform the arduous duties of whip of the Democratic Party in a faithful, effective, and loyal manner. He voluntarily gave up this responsible position in this session of the Congress when he assumed the very important position of chairman of the House Committee on Interstate and Foreign Commerce.

We may differ on bills but we respect one another. Members sit here and vote in accordance with their judgment and their conscience. This great deliberative body represents a cross-section of the American people.

I have complete confidence and faith in my dear friend from Tennessee [Mr. PRIEST]. He is one of the outstanding legislators of this time. Not only is he a great American, he is one of the sweetest-minded gentleman I have ever met.

The Clerk read as follows:

SEC. 2. Section 2 of the Natural Gas Act, as amended, is amended by adding at the end thereof the following two new paragraphs:

"(10) 'Transportation of natural gas in interstate commerce' means only such transportation of natural gas in interstate commerce as occurs after the completion in or within the vicinity of the field or fields where produced of all production, gathering, processing, treating, compressing, and delivering of such natural gas into the transportation facilities of a person engaged in transporting, in such transportation facilities, natural gas in interstate commerce beyond the vicinity of the field or fields where produced.

"(11) 'Sale in interstate commerce of natural gas for resale' means only such sale in interstate commerce of natural gas for resale as occurs after the commencement

of the transportation of such natural gas in interstate commerce as defined in paragraph (10), but does not include any sale which occurs in or within the vicinity of the field or fields where produced at or prior to the commencement of such transportation in interstate commerce of the natural gas."

SEC. 3. Subsection (b) of section 5 of the Natural Gas Act, as amended, is hereby redesignated as subsection (h), and such section 5 is further amended by inserting immediately after subsection (a) thereof the following new subsections:

"(b) When an increase in any rate or charge for natural gas is filed with the Commission by a natural-gas company and is based in whole or in part upon any contract, executed or renegotiated after the date this subsection takes effect, for the purchase of natural gas from a person other than an affiliate, the Commission shall determine, unless there has been a prior determination under subsection (c) of this section, whether the price at which the natural-gas company has contracted to buy such natural gas is the reasonable market price thereof at the point at which the gas is delivered into the transportation facilities of the natural-gas company in or within the vicinity of the field or fields where produced. After such determination, the natural-gas company shall be allowed to charge as an operating expense for natural gas purchased under the contract only such part of the contract price as does not exceed such reasonable market price. In determining the reasonable market price of natural gas under the provisions of this section 5, the Commission shall consider, among other things, whether such price has been competitively arrived at, the effect of the contract upon the assurance of supply, and the reasonableness of the provisions of the contract as they relate to existing or future prices.

"(c) The Commission shall determine upon application by a natural-gas company, or may determine upon the Commission's own motion, after notice and opportunity for hearing, whether the price to be paid for natural gas under the provisions of any contract executed or renegotiated after the date this subsection takes effect is the reasonable market price thereof at the point at which the gas is to be delivered into the transportation facilities of the natural-gas company in or within the vicinity of the field or fields where produced. After such determination, the natural-gas company shall be allowed to charge as an operating expense for natural gas purchased under the contract, for the purposes of rates or charges thereafter filed by it under this act, only such part of the contract price as does not exceed such reasonable market price.

"(d) When an increase in any rate or charge for natural gas, filed with the Commission by a natural-gas company after the date this subsection takes effect, is based in whole or in part on an increase in price under the provisions of an escalation clause in any contract, other than a contract to which subsection (b) applies, for the purchase of natural gas from a person other than an affiliate, the Commission shall determine whether the price as so increased is the reasonable market price of the natural gas at the point at which the gas is delivered into the transportation facilities of the natural-gas company in or within the vicinity of the field or fields where produced. When the Commission has made such determination, the natural-gas company may charge as an operating expense for natural gas purchased under the contract only such part of the increase in price as results in a price which does not exceed such reasonable market price. As used in this section 5, the term 'escalation clause' means any provision in a contract for the purchase of natural gas the operation of which may result in an increase in the price of the natural gas sold under the contract, but such term does not include (1) any provision for increases, by specific amounts, in the price of the natural gas at definite dates in the future, or (2) any provision under which the natural-gas company agrees to reimburse the seller of the gas for any increase in taxes which may be levied upon such seller after a specified date.

"(e) Whenever, in connection with an increase in the price of natural gas under the provisions of an escalation clause, the Commission, pursuant to subsection (d), has made a determination as to the reasonable market price of such natural gas, the natural-gas company shall be obligated to pay only such part of the increase in price as results in a price which does not exceed such reasonable market price; and, except as otherwise provided in this subsection, the contract containing such escalation clause shall continue in effect according to its terms as though this subsection had not been enacted.

"(f) In regulating the rates and charges of a natural-gas company, the Commission shall allow as an operating expense of such natural-gas company, for natural gas produced by it, the reasonable market price of such natural gas at the point at which the gas is delivered into the transportation facilities of the natural-gas company in or within the vicinity of the field or fields where produced, and for gas purchased from an affiliate, the amount paid to such affiliate for such gas up to but not in excess of the reasonable market price of such natural gas at the point at which the gas is delivered into the transportation facilities of the natural-gas company in or within the vicinity of the field or fields where produced.

"(g) For the purpose of this section 5, a person shall be held to be an affiliate of a natural-gas company if such person controls, is controlled by, or is under common control with, such natural-gas company."

Mr. BENNETT of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENNETT of Michigan: Page 3, strike out line 1 and all that follows down to and including line 25 on page 5, and insert the following:

"(b) When an increase in any rate or charge for natural gas is filed with the Commission by a natural gas company and is based in whole or in part upon the price paid or to be paid under any contract for the purchase by such company of natural gas from a person other than an affiliate, the Commission shall determine, unless there has been a prior determination under subsection (c) of this section, whether the price at which the natural-gas company has contracted to buy such natural gas is the just and reasonable price thereof at the point at which the gas is delivered into the transportation facilities of the natural gas company in or within the vicinity of the field or fields where produced. After such determination, the natural gas company shall be allowed to charge as an operating expense for natural gas purchased under the contract only such part of the contract price as does not exceed such just and reasonable price. In determining the just and reasonable price of natural gas under the provisions of this section 5, the Commission shall consider, among other things, whether such price has been competitively arrived at, the effect of the contract upon the assurance of supply, and other relevant factors.

"(c) The Commission shall determine upon application by a natural gas company, or may determine upon the Commission's own motion, after notice and opportunity for hearing, whether the price to be paid for natural gas under the provisions of any contract executed or renegotiated after the date this subsection takes effect is the just and reasonable price thereof at the point at which the gas is to be delivered into the transportation facilities of the natural gas company in or within the vicinity of the field or fields where produced. After such determination, the natural gas company shall be allowed to charge as an operating expense for natural gas purchased under the contract, for the purposes of rates or charges thereafter filed by it under this act, only such part of the contract price as does not exceed such just and reasonable price.

"(d) Whenever, pursuant to paragraph (b) or (c), a determination has been made as to the just and reasonable price of natural gas purchased or to be purchased under any contract, the natural gas company shall be obligated to pay only such part of the contract price as does not exceed such just and reasonable price; and, except as otherwise provided in this subsection, the contract shall continue in effect according to its terms as though this subsection had not been enacted."

And reletter the following subsection accordingly.

Mr. BENNETT of Michigan. Mr. Chairman, the purpose of this amendment is to bring under Commission control all future increases in the rates for gas based upon increases in price paid to the producer. Under Mr. HARRIS' bill only a very small percentage of the gas that is now being consumed by the American people would be subject to the futile, ineffective and simulated regulation which is provided in his bill. The basis for this amendment is simple. The author of the bill, and those who are sponsoring it, admit that something must be done to control increases in the price of gas. Something must be done to regulate the price which the producer gets, and so Mr. HARRIS has set up a formula that in respect to a few contracts which contain escalation clauses, pretends to control the price. But the major quantity of gas that is going to the public will not be subject to any regulation under Mr. HARRIS' bill for many years in the future. I want to give you one example of what I mean. If a contract entered into today by a pipeline company and a producer and the price paid the producer under a contract is 25 percent per thousand cubic feet and this bill becomes a law tomorrow, the pipeline having that contract may file an application to increase its rates based upon the 25 cents per thousand cubic feet price, although 25 cents per thousand cubic feet may be found to be an unreasonable price and may be considerably above the reasonable market price as defined in the Harris bill.

Under the provisions of the Harris bill there is absolutely no control of the price of that kind of gas. There are hundreds of contracts before the Federal Power Commission this very minute which provides for increases in price from 16 to 20 cents per thousand cubic feet. If this bill goes into effect not a single solitary one of those contracts will come under even the very loose and ineffective type of regulation that is provided in this bill. And rate increases, based upon such contracts, must be automatically granted.

There is one other change I have made and that is in respect to the price formula. Nobody knows what "reasonable market price" means, and everybody knows what a "just and reasonable price" means. I call your attention to the fact

that the Chairman of the Federal Power Commission in testifying before our committee said that he favored the use of the phrase "a just and reasonable price" as against the Harris bill phrase "a reasonable market price."

Here is what he said in answer to a question I asked him:

"To summarize, I think to overcome any fears that some people may have—and there again it is difficult to discuss all of this, because as I say I may have the problem finally before me in a case some time—I would suggest that the term 'market value' is a new phrase which does not have any particular usage in the utility regulatory field that I know of. I would suggest either the use of 'just and reasonable price' or 'fair and reasonable price' as Mr. O'HARA has suggested."

No one who testified before our committee was able to say what "reasonable market price" meant; but it has to be one thing, there is only one purpose for putting in the word "market" in this definition, namely to tie it up and directly associate it for ratemaking purposes to the actual market price.

We know as a practical matter that it would be very difficult in the absence of fraud and collusion to interpret this phrase, to mean anything except the actual market price.

I hope this amendment will be adopted. It will simply make effective the provisions of the Harris bill so far as any reasonable control over price increases is concerned.

Mr. DIES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the adoption of the gentleman's amendment would destroy the Harris bill and affirm the Phillips decision.

What he proposes to do is to use the utility formula of "just and reasonable" which would simply mean that under the interpretations of the courts we would be right back to cost basis plus a reasonable return. But we are dealing with 4,600 producers in interstate commerce and 8,100 producers in interstate and intrastate commerce, and you cannot deal with them as a utility. How can you deal with a producer as a utility? Any person can enter the field at will, can lease 5, 10, or 100 acres, can get together money and begin to drill and associate with himself numerous other people who want to put some money in it. He may be here today and gone tomorrow. What the gentleman proposes to do is to apply to him the utility formula.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. DIES. I do not have time.

Mr. Chairman, the only justification for the regulation on a utility status of any industry is that it is a natural monopoly. If it is a natural monopoly you can regulate; if it is a monopoly as a result of combinations in restraint of trade then your recourse is enforcement of the Sherman antitrust law.

How can anyone say that the gas industry is a monopoly when all of the facts submitted to our committee show that out of 452 manufacturing industries in the United States studied by the Department of Commerce, 382 of them are more closely held an more concentrated in ownership than the gas industry?

And when you examine the field prices of gas that obtain in producing areas and in producing fields you find a marked flexibility and wide range and variety. For instance, in the Hugotan field and in the Panhandle field the prices range from 21 to 28 cents. In the East Texas field and north Louisiana fields, they range from 4 cents to 13 cents. In other fields there is an equally wide variety of prices. How can there be a monopoly when the companies are widely held, when the prices vary from field to field, dependent upon the location? In the Appalachian field it is higher than any other place.

So, Mr. Chairman, to adopt a utility formula would simply destroy this bill. We have given you a formula of "reasonable market price." If I had time I could read you numerous definitions of reasonable market price from different decisions of our State and Federal courts. Who is there that can object to our producers receiving a reasonable market price? Do you not want it for your wheat, for your automobiles, for everything your constituents manufacture? Suppose we tried to deny you a reasonable market price for automobiles; what would you say? Yet the automobile industry is more closely held than the gas industry or the cigarette industry. I wish I had time to read you the figures from our hearings to show you how many companies are held more closely and are more vulnerable to the charge of monopoly than the natural-gas producers. The effect of this amendment is simply to ignore the testimony.

We were guided by the facts. We listened to everyone. What the distributors wanted us to do was to outlaw all increases in gas. They wanted billions of dollars by way of windfall. It was so ridiculous that no one entertained seriously their proposal to strike down all escalation clauses. The only complaint I heard was that some of the escalation clauses are not fixed, not known, not defined. That was the cause of the trouble. We sought to reach that. In the first place this deals with all new and negotiated contracts. They are covered and also all existing contracts are covered where they contain clauses that provide indefinite and uncertain price increases.

Mr. HESELTON. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, while I had not felt it would be necessary to support the amendment offered by the gentleman from Michigan [Mr. BENNETT] I think it is entirely meritorious and most important if we are to pass any legislation that is beneficial to forty-five-million-odd people who will be affected by our action this afternoon. I felt I would not do so until my good colleague from Texas [Mr. DIES] took the floor again to beg us to give the people of Texas and the handful of other States who are producing this gas what he called a fair price. As I understand the gentleman from Michigan, he is taking this out of the utilities category which the proponents of the bill have stated repeatedly and emphatically this afternoon was unfair and improper. The gentleman from Michigan is using the same standard that has been used in every case of ratemaking we have had for years and years.

What those who will get this windfall want to do is to foist upon us, make us vote for something called a fair market value. What is it? You cannot find any reasonable definition in the law books; you cannot find any reasonable definition in the decisions of the courts. It is altogether new and could well be described as a "special interest booby-trap."

I suggest that you may wake up tomorrow, if you vote to support this bill and not to support this amendment, to find that what you have voted for is a price in the field which is the highest price that is being charged in that field. That, in effect, is exactly what would happen. It would be an all-out bludgeoning of the consumer. Moreover, there is in this bill a hidden situation by which these pipeline companies that are so well represented in our galleries today, will find themselves receiving another give-away.

The attendance has been slim today. That is not the fault of the Members who have many other pressing duties in these few hours before adjournment. Rather, the whole situation in which we find ourselves is the obvious result of hasty action forced upon the House.

I am very, very sorry to find so many of my colleagues on my left supporting what I think they will find before the summer is over being called a give-away piece of legislation, and very properly so, by our colleagues on the right who ably represent these consumer districts.

I wish I could ask the question, but I do not have the time to obtain the answer, so I will simply ask the question and leave it for each of you to look for the answer. When the consumers receive the increased gas bills they will demand a satisfactory answer as to why they have to pay more and more.

How much more does the Phillips Petroleum Co. need in order to make a fair profit in the first half of 1955 than $42,575,770 net as against $39,918,000 in the first 6 months of last year?

How much more than the $91,871,000 does the Gulf Oil Co. need as against $80,796,000 they received in the last 6 months?

How much more does the Socony Mobil Oil Co., Inc., need than the $97 million they received as against the $88 million they received last year?

I suggest that the consumers of this country have a right to know the facts from some responsible source. I doubt if they will receive these facts from the Federal Power Commission which apparently does not want to concern itself much with the consumer. I suggest that the Committee on Interstate and Foreign Commerce could do that job, if permitted to do so; that the gentleman from Arkansas has suggested to the Committee on Rules and that we ought to do the job or that some special committee ought to do the job.

But, if we act this afternoon in the haste that has been forced upon us without reason or consideration for the best interests of the Members of this House or their constituents, I am quite sure some persons will live to regret it.

Mr. HARRIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as the gentleman from Texas [Mr. DIES] said a moment ago, this is the heart of the legislation. Section 2 of the bill by the two definitions exempts the independent producers of natural gas from regulation by the Federal Power Commission, but section 3 sets up a standard and a criterion with relation to the price the producer can be paid by the interstate transmission company when an increase in the price of gas is requested that will be passed on to the consumer.

The term "just and reasonable" was applied to the Natural Gas Act of 1938 to apply to the utility functions. It has been the term used applicable to utilities since utilities were first established some 80 years ago. Precedents throughout these years established the term for utility practice "just and reasonable." A long line of decisions of the courts recognize the term "just and reasonable" as applicable to utilities.

Therefore, the committee, in establishing a criterion and setting up standards—a rule which the Federal Power Commission should follow—used the term "reasonable market price." Now, if we strike out this method or this term and use the term "just and reasonable," we put them right back into the utility status, and the courts, in my opinion, would so hold because of the long line of decisions. "Just and reasonable" as a method is applicable to utilities and cannot be applicable to the producing end of this industry. Objections have been raised to the bill as it was originally presented. During the lengthy and exhaustive hearings those objections were explained, and your committee has met those objections. We provided that existing contracts should be brought under the supervision or regulation of the Federal Power Commission, and we set up the criteria by which that should be done.

Now, those who objected, what do they do? They come in and say, "I know you have met my objections, but it just does not mean what it says. I know you say that is what it does, but, I am sorry, I am against the bill, and therefore what the committee says you have done, we say, as opponents, you have not done it."

What prevails? The history and the language prevail. Read the language in the bill and read the language on page 12 of the report. It says with reference to the term "reasonable market price" that—

> It should be understood that the reasonable market price is not the price of the last sale.

That is what your committee says.

> Nor is it the highest price—

That is what your committee says.

> The weighted highest price, the average field price, or other price arrived at by the mechanical application of a single criterion. Instead, it is a price which the Commission, exercising its judgment and discretion in weighing a number of relevant factors, determines is the reasonable market price.

What are these relevant factors? They are set out on page 13 of the report. One, the quality of the natural gas being purchased. Is it dry gas? Is it wet gas?

And there are five others which must be considered and the Commission must take into consideration those factors in determining the reasonable market price.

FACTORS TO BE CONSIDERED IN DETERMINING THE REASONABLE MARKET PRICE

First. Quality of gas being delivered: Gas varies substantially as to pressure, B. t. u. content, proportion of liquid hydrocarbons, sulfur, and other quality factors. These variations must be recognized; comparisons must be made among products of like quality, or proper adjustments must be made.

Second. Conditions of delivery: Dry gas delivered in large volumes at the tailgate of a gasoline plant is more valuable than small quantities of gas that must be gathered and processed by the buyer. These variations must be recognized.

Third. Current level of competitively determined prices: A reasonable price will reflect the conditions of supply and demand at the time the contract is executed. It cannot be based exclusively on (a) low prices existing to attract transportation when a new field is opened, or (b) high prices existing for remnants of gas in field nearing depletion, or (c) distress prices existing during period of surplus. Money comparisons are not always valid because of fluctuations of purchasing power.

Fourth. Prices in different fields and producing areas:

Natural gas prices among fields are related recognizing geographical differences. Distance to market affects price, reflecting costs of transportation. Reasonable market price is a field concept but prices in adjacent fields or areas must be recognized.

Unregulated field prices for intrastate markets are guides to reasonableness of prices for interstate markets.

Fifth. Arm's-length bargaining: Prices determined in arm's-length bargaining are presumed reasonable unless proven otherwise. Exception: The presumption does not exist in purchases by a company from an affiliate.

Sixth. Variation of competitive market price: Pressure on buyers to secure additional supplies may temporarily bid up the price. Conversely, pressure on sellers to dispose of gas may temporarily depress the price. Neither price may be significant evidence as a later test of reasonableness for other contracts.

Seventh. Effect of price on exploration and development: "Reasonable prices" that are too low will retard exploration and development: "Reasonable prices" that are too high will impede the growth of the market and will encourage surpluses. Effect of price on future supply should be considered.

Eighth. Willingness of consumers to pay: Potential customers not now receiving gas service are willing to pay prices that will bring them that service—as evidenced by petitions filed with FPC. What they are willing to pay should be considered in any test of reasonableness.

REASONABLE MARKET PRICE VERSUS REASONABLE PRICE

If an amendment is offered to change "reasonable market price" to "reasonable price," the following points can be made in opposition:

First. The meaning of the term "reasonable market price" is more definite and certain than "reasonable price." The words "market price" have a definite and well-established legal meaning. It is the price at which a commodity is currently selling, or has been recently sold for. The term "market" gives the Federal Power Commission a yardstick to use in fixing, in rate proceedings, the price which pipeline companies can pass on to consumers for gas purchased from independent producers, or gas produced from their own leases. When the word "reasonable" is added as a modifier to the words "market price," it signifies that in arriving at the market price the Commission is to consider many factors which go into making up the market. Several of these factors are enumerated in the report—see page 13.

Contrariwise, "reasonable price" has no legal meaning, but could be any price which the Federal Power Commission, in its own opinion, thought was reasonable.

Second. The Federal Power Commission will be the ultimate judge of what constitutes "reasonable market price." Neither the producer nor the pipeline company can determine such prices. Thus, the Federal Power Commission decision will assure the producer that the price set forth in the interstate sale contract will be meaningful and that he will receive the reasonable market price.

Under our system of a free economy, it is only fair that those who have commodities to sell should be permitted to sell them at the market price, whether the commodity be gas in the field, wheat in the bins, corn in the crib, or merchandise on the shelves. As regards gas, however, a governmental agency will have the power to determine what is the reasonable market price if the producer sells the gas to an interstate pipeline company. Such power does not exist with reference to other commodities. If the Government is to regulate the price which the producer receives for gas sold to an interstate pipeline, it should not regulate the price below what the gas will bring as a commodity in the open market. To reduce the price below the market would be unfair, and would be a discrimination against the producer who had gas to sell instead of steel, automobiles, or other commodities.

Third. If the term "reasonable price" means a price below the "reasonable market price," the consumer who is dependent upon the interstate pipelines will have his supplies of gas jeopardized. We know from our experience in the recent world war that price controls are no good if there is no supply. It can be stated as an absolute fact that the interstate pipeline companies must buy their supplies of gas on the same markets that

the intrastate pipeline companies and local industrial users buy their supplies. It would be folly to think that the interstate lines can buy their supplies at prices below the market. If the consumers in the nonproducing States are to have any assurance that they will have adequate supplies, the pipeline companies who purchase the supplies must be permitted to enter the competitive markets and pay the reasonable market price for the gas. If they are not permitted to enter the markets, they will be shackled with a regulation that will mean their ultimate death. More than 50 percent of all gas produced never crosses State lines—it is sold in the local markets at unregulated prices. These local markets are growing. Is it reasonable to believe that the interstate lines will be able to buy gas at prices below the market when more than 50 percent of the gas produced in the seven southwestern States is being sold in unregulated markets? Is it reasonable to think that the supplies of gas which go to the consumers in the nonproducing States can be bought at prices below that being paid for the supplies which go to the consumers in the producing States? Should not the consumers in the nonproducing States be willing for their supplies to be purchased at the reasonable market price, if the supplies which go to the consumers in the producing States are purchased on the same market with no State or Federal agency reviewing the prices paid for the supplies going to the local consumers?

Do not, by an amendment to the Harris bill, place the pipeline companies who transport gas to the consumers in the nonproducing States at a disadvantage. Do not tie their hands, and at the same time expect them to have enough gas for the consumers who must depend upon them for this clean and economical fuel. Let them enter the markets in any State where gas is produced, and buy enough gas for their customers at prices which do not exceed the reasonable market price. The price which gas brings in the local markets will help create and establish the reasonable market price for gas purchased for interstate movement. All sales will go into making up the markets, and will reflect the market price. Should gas sold in local markets bring low prices, these low prices will be reflected in the market price for gas sold in interstate commerce.

If the commerce clause in the Constitution is to work as it should, then this Congress should not create a barrier which will cause less and less gas to move in interstate commerce, and more and more gas to remain in local commerce. Congress should use its powers to stimulate commerce between States, not to stifle commerce. It should protect the consumers in the nonproducing States from discrimination by the producing States on gas moving in interstate commerce, but if it passes this amendment it will create a disastrous discrimination by prohibiting the interstate pipeline companies from buying gas on the open markets in competition with those buying gas for local consumption.

The assurance to the consumers that their supplies will be purchased at the reasonable market price is all the protection they need. Congress cannot assure them adequate supplies, and at the same time assure them that the pipeline companies, on whom they depend for supplies, will be able to buy gas at prices below the market. Do not tie the hands of the pipeline companies so that they cannot buy gas on the open market at prices competitive with gas being sold in local commerce. Do not try to make the producer sell his commodity at a price below the market. Let him sell his gas to interstate pipelines at the reasonable market price, because he will be able to sell to local consumers on this basis. Treat him fairly, let him have the market price, and all consumers, whether interstate or local, will be on equal footing.

"REASONABLE MARKET PRICE" ALLEGED TO INCREASE COST TO CONSUMERS

The assertion is made by proponents of Federal control that "Misleading, illusory language of 'reasonable market price' will result in rate increases to consumers"—committee report, page 62.

First. These proponents of Federal control claim that the Harris bill would, in essence, require the FPC to use the field price or "weighted average price" of gas sold in a particular field or fields.

This is not true. The Harris bill neither says nor implies that the "weighted average price" shall be synonymous with the reasonable market price.

Second. It is asserted at the same time that the Commission is required to use the "highest available price." This is not true, any more than it is true that the Commission is required to use the lowest available price.

Third. The proponents of Federal control also claim that a "reasonable market price" would mean a constantly fluctuating price.

If the value of the American dollar should start going up and down like a yo-yo, this bald assumption on the part of the devotees of Federal control might become a reality. It might also become a valid assumption if a new Hugoton gas field were discovered every 6 months or so. But who else other than diehard advocates of Federal control would use such flimsy assumptions to justify their proposed encroachment into the field of free enterprise?

The hard, cold fact of the matter is that constantly fluctuating prices would result, not from the Harris bill, but from the utility-type controls proposed by the bill's opponents. Under the cost method, favored by these people, each producer would have a different price placed on his gas, and this price would go up and down as he drilled successful wells or dry holes. The end result would be price chaos—and the more unsuccessful a producer might be, the better price would he get for his gas.

Fourth. The objectors to reasonable market price as the standard contend that gas producers have the characteristics of public utilities and that field prices should be fixed on a cost basis.

Actually a producer of natural gas bears no resemblance to a public utility. There is no monopoly involved, no franchise, no right of eminent domain, no restriction on competition, no minimizing of risks. Nor is the Federal Government empowered to extend any of these privileges to the producers of natural gas. Only under socialism or some similar totalitarian economic concept can such an enterprise as natural gas production be converted into a "public utility." Does anyone seriously contend that this is what the people of America want?

Fifth. Reasonable market prices will prevail in the competitive, intrastate markets, even if the opponents of the Harris bill should succeed in forcing the Federal Power Commission to use the cost formula for pricing gas offered for interstate movement. If these opponents of the Harris bill should prevail, the interstate consumers whom they represent will be offered gas by high-cost producers, because they would thereby obtain a higher price, but not by low-cost producers. The opponents of the Harris bill are unknowingly proposing a scheme for extracting hundreds of millions of dollars a year from the pockets of their own constituents as an unnecessary indirect subsidy to the high-cost producers of gas.

Sixth. Only one valid assumption can be made as to the results emanating from the Harris bill. That assumption is not that the bill would immediately result in higher prices, or that the bill would immediately result in lower prices. It is that the bill would result in reasonable market prices.

And reasonable market prices will in the long run result in more gas for consumers and at an ultimately lower overall cost than would otherwise be possible.

Seventh. No fair-minded consumer who believes in our competitive enterprise system wants the producers of natural gas to get anything below the reasonable market price for their gas.

ASSERTION THAT FIELD PRICES SHOULD BE DETERMINED ON A COST BASIS

The advocates of this school of thought would apply the standard public utility rate regulation procedure to the natural gas producing industry. The impracticality of this approach is based upon the following:

First. "Cost," as used in this connection, means "cost of operations" plus profit and related income taxes. The formula works in the case of public utilities because (a) the utility is a single-purpose industry supplying one service permitting the determination of costs on a reliable basis not clouded by joint product and cost problems; (b) the risk element is reduced to a minimum, resulting in a dependable relationship between cost incurred and value of service to society; (c) the utility is given exclusive possession of the market so that there are no other suppliers of the same service; and (d) the utility is given rights such as eminent domain which tends to control some costs.

None of these privileges or conditions applies to the production of natural gas nor is it within the power of the Federal Government to extend them.

Second. Production of natural gas is not a single-purpose industry. It is produced jointly with an infinite number of ratios of liquid hydrocarbons. There is

no valid or rational method of allocating the costs jointly incurred.

(a) The costs of exploring and well drilling are incurred without knowledge of whether the product, if any, will be oil, gas, or both. How are these costs to be allocated as between oil and gas for the purpose of applying the cost formula to the pricing of gas?

(b) About one-third of the existing "proved" reserves of natural gas are associated with or dissolved in oil. For this gas all costs of exploring, developing, producing, gathering, and processing are joint. Allocation of all properties engaged in these functions—or of the related investments—and of all expenses of these several functions would be required. No rational or valid method is available for any such allocation.

(c) About two-thirds of the estimated "proved" reserves are nonassociated, but liquid hydrocarbons and other products are extracted from much of this gas before delivery for use as a fuel. The costs of the processed gas and of the other products are joint, and no rational or valid method of allocation is available.

Any ultimate decision on costing policy would have to be arbitrary.

Third. The business of producing natural gas is subject to great risk and uncertainty. The inducement for commitment of savings has been the possibility of discoveries having great value in relation to cost. How is the regulatory authority to measure the rate of return on investment that would provide an equivalent incentive? The losses to those who are unlucky and unsuccessful are a part of the cost of the supply of gas. How are these costs to be reflected in the rate of return on investment made by those who more or less successfully explore for gas and are subjected to the public utility formula?

(a) Where a well or producing property is owned by two or more interests and the costs incurred for producing natural gas by the several owners do not have an identical relationship with their claim on output from the operation of the property as a whole, the public utility formula would result in different prices for gas from the same well or producing property.

(b) The prices fixed for different producers would vary widely above and below the reasonable market price. One producer may drill half a hundred wells, all dry, before he is successful. His cost would mean high priced gas, often several times higher than the reasonable market price. Another may strike on the first attempt. His costs would be insignificant in relation to the supply he makes available.

(c) The recoverable reserves owned by any producer are never known until the supply is exhausted. At a given time the volume of owned gas can only be estimated. The knowledge of some fields permits useful estimates. In relatively unexplored and undeveloped areas estimates are made with great uncertainty. How is cost to be related to gas supply for the purpose of pricing? If the reserve estimates are conservative and the supply proves to be large, will future consumers be entitled to receive gas at a lower price or at no cost to them? Or, if the supply proves to be less than anticipated, how is the producer to recover his cost?

(d) Where a producer owns wells in different gas fields, different producing areas, or in different States, and supplies to different pipelines, it would be necessary for the regulatory authority to decide what is to be the unit for applying the utility formula. If the production in each separate field or in each different producing area is made the unit for pricing, allocation of all costs incurred by the company, including general and administrative costs, common to the several pricing areas would be necessary.

All of these problems would have to be resolved by arbitrary decisions.

Fourth. Whereas it is not believed that it is possible to solve these cost uncertainties, if it were done by arbitrary means then the interstate consumer would face very substantially increased costs. About one-half of marketed production of natural gas is sold in interstate commerce while the other half is sold locally and would not be subject to the jurisdiction of the Federal Power Commission. Producers with high-cost gas for whom prices fixed by use of the cost formula would be above the going price in the free market, would have every incentive to offer their supplies to the interstate market. Low-cost producers, on the other hand, would seek to sell in the intrastate market at the competitively established prices. Thus, the cost formula would result in a windfall to many gas producers at the expense of interstate consumers. The average price of natural gas moving in interstate commerce, at points of production, would be increased.

Fifth. There is no means available to the Government of granting exclusive privileges to the producer unless production is on public domain. Nor can the right of eminent domain be extended to the natural-gas producer by Government.

This utility characteristic and according influences on cost are completely absent.

Sixth. Application of the utility-cost formula to independent producers supplying gas in interstate commerce would be an administrative task greater in magnitude than has been performed by any regulatory commission.

The CHAIRMAN. The time of the gentleman from Arkansas [Mr. HARRIS] has expired.

Mr. HESELTON. Mr. Chairman, I ask unanimous consent that the gentleman be allowed 2 additional minutes to answer a question by the sponsor of the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. MASON. Mr. Chairman, I object.

Mr. WOLVERTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there has been nothing said in this whole debate that was more true than the words that were uttered by our distinguished colleague from Arkansas [Mr. HARRIS] as he opened his remarks by saying, "This amendment goes to the heart of the bill."

It is the heart of the bill. This is the hidden gimmick in this proposed legislation that will do the real job for the oil interests and operate against the consumers. Anyone who gives this bill before us the study that it is entitled to have and will maintain an open mind, cannot help but come to the conclusion that these three words are really the heart of the bill. Strike out the words "market price" and substitute "just and reasonable" and then you begin to have a bill that can be used in the interest of the consumer. Leave these words "market price" in the bill and you have destroyed, in my opinion, any effective regulation that would be helpful to the consumers of this Nation.

Never have I seen so few words that could mean so much and produce such great results as these words, "market price," that have been put into this bill. I will venture to say that the sponsors of this bill would rather have any part of it changed than to change those words, "market price," and leave in the statute the words that have existed through the years, "just and reasonable."

Can gentlemen give any instances where a regulatory body that has been bound by these words, "just and reasonable," has done anything at any time or in any way that has been detrimental to any regulated industry? These words have been used in all regulatory legislation. It has been interpreted by the courts all over this land. They are well understood. The words "market price" have never been used. We do not know what they will mean or how they will be interpreted. The use of such words will produce uncertainty. They are not intended to help the consumer, nor can they do so.

We in this country are familiar with regulation. We have had a lot of it. We have had abundant opportunity to see whether or not the use of the words "just and reasonable" would do harm. I challenge anyone to tell me where or when the use of these words has ever done wrong to any legitimate industry.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from Michigan, the sponsor of the amendment.

Mr. BENNETT of Michigan. The gentleman from Arkansas, the author of the bill, declined to yield on a very important question which he did not answer either during the general debate or in his opposition to my amendment, and that is this: The regulatory jurisdiction and control which is provided for in his bill is so worded that it applies only to a very small portion or quantity of the gas being sold to the public today. All other price increases, which are applicable, and will become applicable to the great bulk of the gas being sold, are exempt from any and all regulation under the Harris bill, regardless of how high the price may go.

Mr. PRIEST. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

Mr. WOLVERTON. Reserving the right to object, Mr. Speaker, I should

like first to ascertain who has the desire to speak on this important amendment, the most important that has been offered today.

Mr. PRIEST. Mr. Chairman, I modify my request and ask that all debate on this amendment and all amendments thereto close in 30 minutes.

Mr. WOLVERTON. May I inquire how many Members are standing?

The CHAIRMAN. A moment ago the Chair observed nine Members on their feet: Mr. PRIEST, Mr. GARY, Mr. YATES, Mr. O'HARA of Minnesota, Mr. STAGGERS, Mr. MEADER, Mr. MACK of Illinois, Mr. HALE, and Mr. THOMSON of Wyoming.

Mr. WOLVERTON. Having already had my opportunity to speak I will not make any further objection, leaving it to those who wish the opportunity to speak as to whether they are satisfied with aproximately 3 minutes of time per person.

Mr. PRIEST. Mr. Chairman, I do not want to crowd anybody. Will 35 minutes accommodate those who wish to speak?

The CHAIRMAN. Permit the Chair to say that, if his mathematics is right, this is about 3⅓ minutes each to those whose names were read.

Is there objection?

Mr. WOLVERTON. Mr. Chairman, still reserving the right to object, in order that I may be informed, if possible, as to the objection if any of those who do wish to speak. Personally, I will not press my objection.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. GARY].

Mr. GREEN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. GREEN of Pennsylvania. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GREEN of Pennsylvania. Mr. Chairman, the legislation which we are considering today, H. R. 6645, to amend the Natural Gas Act, is unquestionably against the public interest and should be defeated. In effect, it would repeal the Supreme Court decision in the Phillips Petroleum case and destroy the Federal Power Commission's jurisdiction over sales for resales in interstate commerce by the so-called independent producers and recoverers.

It has been estimated that if the effect of this legislation is to raise the field price of gas by 15 cents per thousand cubic feet, a result which is practically a certainty, about $800 million per year will be added to the consumers' gas bill. It might be added, parenthetically, that the increase in gas prices which has already taken place in the past few years as a result of the escalation clauses in the gas supply contracts has already cost the consumers over $200 million per year.

The general public is opposed to this legislation. I have recently received a communication from a spokesman of a committee of mayors stating that it is strongly opposed to the Harris bill and is convinced that its enactment would be a serious blow to the natural-gas consumers in all our cities and would be counter to the public interest. In passing, it is worthy of note that this committee of mayors consists of mayors of 259 cities comprising a total population of 31,600,000 distributed throughout 21 of these United States.

The gas consumers, in their millions, are the persons out of whose pockets the increased costs assured by the Harris bill must come. Any legislation which so substantially increases the financial obligations of so many million people is bad legislation. I am opposed to the Harris bill and I urge the Members of this House to defeat this measure. Reminding you in closing that the eyes of some 35 million gas consumers are upon you.

Mr. GARY. Mr. Chairman, one of the great foundation stones of our free enterprise system is the profitable, privately owned and operated public utility whose rates are regulated by an agency of government, in the public interest. Here in America, the price of products which move in healthy competition is set by the normal economic laws of supply and demand. It is competition itself which is the regulating factor, and protects both buyers and sellers from exploitation. In utilities, of course, competition cannot regulate, since power, water, telephone, gas and transportation lines are granted franchises which protect the heavy investment of the seller from competitors. We all understand the principle of utility rate regulation, whether carried out by municipalities, the States, or the Federal Government. It is based upon designation of a rate which allows a fair return on investment in the franchised utility, at the same time protecting the captive consumers from exploitation by the monopoly.

The tremendous controversy over the bill being considered by the House today, H. R. 6645, generally known as the Harris bill in respect to its sponsor, my good friend, the gentleman from Arkansas, has focused national attention upon a great, rapidly-expanding industry, which has strong utility aspects. I am not a member of the great committee of the House which has been studying this matter intensively, the Committee on Interstate and Foreign Commerce, but I went into the subject a few years back at some length, when the so-called Kerr bill was before the House. I voted against the bill at that time, because of my conviction then that legislation to remove natural gas from rate regulation was not in the best interest of America, and not in the best interest of free competitive enterprise. This year the matter was brought most forcefully to my attention by a number of earnest constituents, who wrote me very serious and thoughtful letters in support of the original Harris bill, H. R. 4560. They expressed a belief that a vote for the bill was for free enterprise and a vote against it was for socialism.

There is a very strong difference between regulation and socialism. A city in Virginia which owns its own power plant distributes socialized electric power to its citizens. My home city of Richmond, served by the Virginia Electric & Power Co., uses privately produced but rate-regulated power. The point on socialism is easily answered by the simple fact that the Federal Government is not planning to operate natural gas lines. However, I was disturbed by the many allegations that destruction of free enterprise would result if the Harris bill were not immediately enacted.

It is natural, of course, that I would be more inclined to protect the interests of Virginia consumers than the interests of Texas producers, in my work as a Representative in the Congress. However, I always try to rise above local or regional thinking on issues which affect our great country, and therefore I have made a specific effort to understand the plight of the producers in this matter, and the effect of the proposed legislation upon the cause of free enterprise in the Nation as a whole.

This bill has come before the House by the razor-thin margin of 16 votes to 15 in the Committee on Interstate and Foreign Commerce. This fact in itself is cause for concern, since the function of committees is to compose differences and come to the floor with legislation generally acceptable to a strong majority, if at all possible. I learned many new things from study of the committee's hearings and its report. I must state that I have found answers to every substantial argument raised for H. R. 6645. Therefore, I shall vote against it.

Not only do I believe that the avowed purpose of the bill is unsound, in that it would leave 30 million captive consumers of natural gas at the mercy of natural gas producers whose sale price has absolutely no relation to investment in what is now a utility; I believe the bill itself is inconsistent. One section exempts the producers from rate regulation but another section, apparently inserted to lull consumers, sets up criteria for an indirect regulation which would be absolutely ineffective.

TESTIMONY OF PRODUCERS

To me, one of the most amazing things about the extensive hearings held by the committee is the fact that although the publicity campaign involving this bill indicates it is to relieve natural gas producers from an onerous Federal regulation, not one single producer testified before the committee during 6 weeks of hearings. Representatives of consuming cities and States, whose citizens could expect their gas utility bills to jump to new heights with enactment of the bill, came before the committee in droves. My home city was heard from through testimony of the representatives of the League of Virginia Municipalities, and the great Commonwealth of Virginia was represented by the able chairman of our State corporation commission, Judge H. Lester Hooker. Representatives of the pipeline companies and the distributors, as well as the consumers, were anxious to testify about the catastrophe which would befall them if the Harris bill were enacted. Congressmen and oil company economists and State officials testified, but where were the producers? We could legislate better if we knew,

firsthand, the producers' side of the story.

FREE ENTERPRISE

What are the free enterprise aspects of this issue? In many of these letters sent to me, and in the little propaganda pamphlets we often receive with our monthly bills from our favorite oil companies, the rate regulation of natural gas by the Federal Power Commission is likened to the possible rate regulation of coal, farm products, automobiles, and many other American commodities. The testimony shows the natural gas industry to be quite different. It does not have the true competitive conditions characteristic of other industries. If you do not like the price at which one dealer sells your coal, you can get your next ton from another source. But, as is true with the rate-regulated water that comes through the main, the rate-regulated power that comes from VEPCO, and the rate-regulated telephone service we get from the C. & P. we are captive consumers when it comes to natural gas. The pipelines have laid, halfway across the continent. They lead from the new gas burner in the Richmond home all the way to the gas fields of Texas and other distant States. Once the expensive interstate gas pipeline has been connected to the wellheads of a particular gas field it is there to stay. The producers, as well as the pipeline companies, know that the cost of moving it would surpass any saving which the pipeline might make by buying in another, more distant field. The pipeline made its heavy investment only because it was protected, by a franchise, from wasteful competition. It was thus with the distributor. In natural gas, the buyer does not have the flexibility of choice characteristic of a true competitive market.

A related part of the free enterprise argument, as it was presented to me, is the possibility that rate regulation will discourage natural gas producers from prospecting for new gas fields. Testimony before the committee indicated that gas is usually discovered in connection with drilling for oil. With the 27½ percent oil and gas depletion allowance used in determining income taxes, explorations which discover gas are continuing at a rapid pace. Whether oil drillers want gas or not, they find it and they sell it. We are engaged in a great legislative battle to let gas producers charge what the traffic will bear for a great natural resource they once burned off as useless, when there were no expensive pipelines from the East to convey it to consumer markets.

I am opposed to Government regulation of prices where freedom of competition, both in supply and demand, assures a fair price to both producer and consumer through the normal process of free enterprice. In natural gas, we do not have such competition. Therefore, I do not believe that the American free-enterprise system is involved in any way in this legislation.

PRODUCER'S SHARE OF CONSUMER COST

Many of the people who wrote me on this subject mentioned the fact that the producer's part of the present natural-gas bill being paid by residential customers is small. I do not believe they realize that tremendous volumes of natural gas must be sold at very low rates for industrial purposes at the time of the year when residential consumers have cut back their use of fuel for heating.

In these cases, the price must be sufficiently low to induce the industrial consumer to shift his oil or coal boilers over to gas for the warmer months. In such cases the producer's share of the retail natural-gas dollar can be half the retail price, although it was only a tenth of the retail price to the residential consumer. A price hike by the producer, if passed on to the industrial consumer, would drive natural gas out of that summer market. So it is obvious that most of the producer's increased price would be pushed right on to the residential consumer rather than the large-volume industrial consumer. The residential consumer would be pushed to pay to the very point where he feels he must rip out his natural-gas burning equipment and turn back, at great cost, to another means of heating. Is this fair?

Let me quote excerpts from a letter recently written by the mayor of Richmond, the Honorable Thomas P. Bryan:

> For all intents and purposes there is but one line carrying gas to Richmond. We receive our gas from Commonwealth Natural Gas Corp., which, in turn, receives it from the Atlantic Seaboard Corp., at Stanardsville, Va., a subsidiary of the Columbia system. Richmond takes an annual volume of more than 3½ billion cubic feet, for which it pays an average cost of $0.528 per 1,000 cubic feet. There has already been an increase of approximately 57 percent in the cost of gas to the city since the introduction of natural gas in 1950.
>
> This increase in cost to the city, however, has not been entirely passed on to the local consumers who upon the introduction of natural gas enjoyed a weighted decrease in rates of 26 percent. Retail rates of natural gas have been increased only once in Richmond since 1950. This was in April 1953, when house heating rates were increased approximately 30 percent.
>
> Only through expansion of our utilities and in increase in the volume of sales has Richmond been able to avoid more than this one increase in retail rates.
>
> There are 48,212 residential customers, 3,697 commercial customers, and 21 industrial customers of natural gas in Richmond. It is estimated that in gas-burning appliances there is a total customer investment of $24,743,400. These people in Richmond do not have the choice of shifting from one gas supplier to another and if it becomes necessary for Richmond to increase its gas rates to its customers because of uncontrolled fixing of gas prices at the wellheads by the major companies which own them, these customers will be put to a terrific cost and loss in undertaking now to shift to another source of heat or power.

Mr. Chairman, we are not here today to argue about what percentage of the consumers cost should be payable to the producer. We are discussing the principle of rate regulation of utilities. Recent advertisements by the promoters of this bill state that the producer receives only 2 cents per day per consumer. What difference does this make? What is the fair price, to give a monopoly a fair return? Perhaps it is only one cent. I am reminded of the famous American phrase "millions for defense but not one cent for tribute."

FAIR REGULATION BY FPC

It seems to be automatically assumed, in much of the literature and advertisements and letters I have received, that rate regulation by the FPC would be unfair and would amount to the destruction of the natural gas industry. I should like to point out that our Federal regulatory commissions have a long record of proper administration of public responsibility. The Federal Power Commission is responsible to the Congress, which is elected by the people, and if it uses this regulatory authority to destroy any segment of American business, the Congress will act promptly to correct it. No claims have been made by the producers that the Federal Power Commission has yet been unfair. All we get is dire prophesies. There is no reason that the Federal Power Commission cannot develop a suitable regulatory formula to meet the needs of this growing natural gas industry.

In this controversy, we have even been told that natural gas should be regulated under State laws. It is clear, however, that rate regulation on gas moving in interstate commerce, by a State agency, would be absolutely unconstitutional. State regulatory bodies already set the rates for intrastate distribution of natural gas. The FPC already regulates the rates for interstate transmission, and no one challenges such regulation. The problem is now this: If the producers are removed from rate regulation, the regulatory bodies in the various States can do nothing but jack the rates up, all along the line, every time the producers raise their prices. What kind of regulation would this be?

Having discussed that portion of the bill which would remove producers' prices from rate regulation, let me now turn briefly to that contradictory portion of the bill which purports to regulate prices in the interest of the consumer. We find a new term invented for this bill, "reasonable market price." The bill would establish this as a basis for rate regulation by the FPC. Yet, the testimony before the committee indicates that "reasonable market price" means nothing more than the going rate in the field. And, as the testimony has shown, the going rate in the gas fields is subject to the most amazing elastic contracts and rate-jumping formulas. In many gas fields, pipelines are buying gas through contracts which provide for automatic rate increases if other wells in the same field get contracts for higher prices. For example, the pipeline which contracts with producer A, for the purchase of gas at 3 cents, can be charged 10 cents if another pipeline contracts with producer B at 10 cents. What, then, is a reasonable market price? Is it double, triple, quadruple, or quintuple the price you have been paying? It is nothing but "what the traffic will bear."

Let me quote briefly from Judge Hooker's comments on H. R. 6645:

> The proposal cannot protect the consumers, for two reasons: (1) The rates charged by the pipeline companies are presently fixed by the Federal Power Commission at levels

that will allow them to earn enough money to cover their expenses and attract capital. Unless the rates are too high now, any disallowance of actual expenses would make it impossible for the pipeline companies to stay in business; (2) the words "reasonable market price" have no ascertainable meaning.

The words "market price" have a fairly definite legal meaning. They mean the price at which goods are actually sold by sellers under no special compulsion to sell to buyers who are under no special compulsion to buy. The insertion of the word "reasonable" suggests that the bill means something different from actual market price, and since the bill thus introduces a new concept into the law, it has to make an effort to define it. The definition is in the form of a statement that the Commission is to determine the reasonable market price by considering:

1. Whether the price has been competitively arrived at.

2. The effect of the contract upon the assurance of supply.

3. the reasonableness of the provisions of the contract as they relate to existing prices.

4. the reasonableness of the provisions of the contract as they relate to future prices.

Each of the words in the definition is a familiar English word, but even if they were addressed to a commission zealous to understand them and apply them for the benefit of the consumers, that commission would be unable to make heads or tails of them.

There is no doubt that the price has been competitively arrived at. But the competition is all between buyers, and each of the buyers is under a special compulsion to buy. A pipeline company that has invested millions of dollars in a pipeline is under the same compulsion to buy gas regardless of cost as a housewife who has invested $399.99 in a new gas range.

OPPOSITION TO BILL

Therefore, Mr. Chairman, I oppose the pending bill because its basic intent as set forth is to remove the production of natural gas from proper rate regulation which is in the public interest. Also, this bill is self-contradictory in that it provides for an indirect and meaningless form of regulation, apparently in an effort to convince some consumers that their interests actually are being protected. They are not. The interest of the consumer, and of free enterprise under the American system which properly regulates utility monopolies, lies in defeat of the pending bill.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, I want to add my words to those of the gentleman from New Jersey [Mr. WOLVERTON] in urging your consideration for this most important part of the bill.

This is not an easy bill to discuss. It is highly technical. This is not the type of bill that can be taken up and disposed of quickly, yet that is what we are doing today.

Contrary to what you have been told, this is not a bill for private enterprise; it hurts private enterprise. It gives special competitive advantages to a limited number of companies. This is a special privilege bill; it is a bill completely in the interest of the oil industry. It will remove all curbs which the natural gas act now imposes on the gas industry as a public utility under the provisions of the Natural Gas Act. It will permit the application of the 27½ percent depletion allowance to higher and higher earnings for the oil companies.

The House should consider just what effect the Harris bill has. You do not, I am sure, favor the removal of all safeguards and restraints imposed upon predatory business practices in the public interest.

Do you favor the elimination of regulation in your home comunities by your public utility regulatory commission of the gas industry? Do you favor freedom from regulation of local distributors who are selling gas to you? I doubt that there is one person in this House who would say he is in favor of removing such controls. Yet the company which sells gas in interstate commerce to your community is of just as much importance to your community as the local distributor of gas.

Would you favor removing controls from the pipeline companies that furnish natural gas to your community? This bill removes such controls over the reserves that the pipeline companies own, and on them they will be able to fix their charges on the basis of whatever the market will bear.

Are you willing to destroy all the safeguards that have been created to make private enterprise operate successfully in this field?

Do you favor the repeal of the Sherman Act? It imposes certain restraints on private enterprise. Do you favor the repeal of the Clayton Act? It imposes restraints on business, too. Destroy these things and you go back to the excesses that existed in the days of the robber barons. That is exactly what is proposed in this Harris bill.

Some element of protection will be afforded in the amendment offered by the gentleman from Michigan.

I urge that the gentleman's amendment be accepted.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. STAGGERS] for 3½ minutes.

Mr. STAGGERS. Mr. Chairman, I do not intend to take the full 3½ minutes.

I rise in support of the amendment offered by the gentleman from Michigan because it will help to better a very, very, very poor bill in the interest of the United States.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. Yes; I shall be glad to yield to the author of the amendment.

Mr. BENNETT of Michigan. The effect of my amendment upon control is simply this: I call your attention to subsection (d) on page 4 of the bill; that is the section which gives the only type of regulation available in the Harris bill so far as increases in prices in existing contracts are concerned. Here is the way it reads:

When an increase in any rate or charge for natural gas, filed with the Commission by a natural-gas company after the date of this subsection takes effect, is based in whole or in part on an increase in price under the provisions of an escalation clause in any contract.

In other words, if you have an increase in price that comes as the result of an escalation clause, that is bad, and the gentleman from Arkansas [Mr. HARRIS] would regulate it; but if you have the same kind of increase exactly in form and in amount under an existing contract made before this bill goes into effect, the Harris bill attaches no regulation to it whatsoever.

Now, if you are looking to give the consumer any break at all, and this is no penalty to the producer—if his increases should be regulated in one aspect, why should they not be regulated in every other aspect if they serve to increase the rate? And that is what this amendment does.

Mr. STAGGERS. I thank the gentleman from Michigan for his explanation. It is a very good amendment that will help to some extent a very, very bad bill in the interest of the United States.

I say this bill should be recommitted to the Committee on Interstate and Foreign Commerce for further study. Let them put in the bill some of the amendments which would make it an equitable bill to regulate these direct sales, these great windfalls, and also to direct the Federal Power Commission to take into consideration the conservation of natural gas.

In 1946 according to the life index we had a 32½-year supply. It has diminished until at the present time it is 22½ years. At this rate we are going to be out of natural gas pretty soon and all of these consumers across the Nation will not be able to get natural gas. It will be because this Congress would not put in a regulation to see that conservation was practiced.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, I should like to clarify, if it is at all possible, the difference between the two terms involved here: The term "reasonable market price" contained in the Harris bill and "just and reasonable price" as appears in the amendment offered by the gentleman from Michigan [Mr. BENNETT].

I would like to say, first, that market price means to me that price which is arrived at by the free operation of the laws of supply and demand. Market price is the price at which this gas is now being sold under no regulation whatsoever.

The term "just and reasonable price" is not a term which is applied to utilities alone. It is the kind of compensation a citizen gets when his property is taken by eminent domain. Our Constitution requires that just compensation be paid. It is the kind of price arrived at by a jury in condemnation proceedings. It is the kind of price which is fixed by a court in determining just and reasonable compensation for attorneys in cases where the court determines legal fees.

It seems to me the Harris bill leaves things precisely as they are. If we are going to do something, let us not do something that is illusory. The amendment offered by the gentleman from Michigan puts real meaning in the prices the producers and gatherers are permitted to charge.

Another thing that has concerned me about this measure is the statement by its sponsor that there is no way to regulate the price charged by producers and gatherers unless you make them public utilities. According to the gentleman from Arkansas, as I understood him, you have two alternatives. Either you take these gatherers and producers of natural gas and make them public utilities or you leave them free from regulation.

I think the history of our country in times of emergency, during the days of OPA regulations and other price ceilings, has demonstrated that there are other alternative ways in which gouging can be prevented without making the public utility complicated accounting process applicable to that price regulation.

It seems to me that if the committee has not found such a way it should give further study to the problem because I am of the opinion that we should not make public utilities out of them. Certainly for the intrastate sales they are completely free from regulation.

Gas is not something you can put in your pocket and take away. It has to go through a pipeline, therefore it is clothed with the public interest because every other phase of that whole industry is clothed with a public interest and is regulated. It seems to me that the public is not adequately protected unless some kind of prevention against gouging by gas producers and gatherers is provided.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. MACK].

Mr. MACK of Illinois. Mr. Chairman, this pending amendment is the important amendment of the day. It is in the public interest and would provide a degree of protection for the consumers who have invested billions of dollars in gas-household appliances and equipment. I come from an oil-producing area and am, therefore, interested in the gas producers, as well as, in the gas consumers. I represent the second largest oil-producing district in the Illinois oil fields. I am sincerely interested in the welfare of the producers, but I am also interested in the welfare of the consuming public.

The phrase "reasonable market price" is ambiguous and the meaning definitely uncertain, which would make it ineffective from the standpoint of practical application. In my opinion and, I believe, in the opinion of the majority of the committee, "reasonable market price" has no meaning and would merely serve as a favored-nation clause for the payment of the highest price in any gas-producing field.

Most of us have tried to determine what a reasonable market price is. We have done considerable research on it. We have looked in dictionaries. We have inquired of the Chairman of the Federal Power Commission and we have asked all of the oil authorities what "reasonable market price" means. We have been unable to find a clear definition. We have found many interpretations as to what "reasonable market price" does not mean, but we have been unable to find what "reasonable market price" really means. And there is no interpretation in the section on definitions in this bill to clearly define the phrase "reasonable market price."

Mr. Chairman, I favor the amendment offered by our colleague the gentleman from Michigan [Mr. BENNETT]; and if his amendment is adopted on the floor, I will support this legislation, because I believe that we can accomplish considerable in eliminating the administrative difficulty by removing the producers from direct control of the Federal Power Commission. As I understand the amendment offered by the gentleman from Michigan, it merely substitutes "just and reasonable price" for "reasonable market price." Surely no one who is remotely interested in the welfare of our consumers could object to this amendment.

If I have time, Mr. Chairman, I want to read you what Chairman Kuykendall, of the Federal Power Commission, had to say about the term "reasonable market price." He says it is important for the Commission to know the interpretation of this wordage. He said:

> I would suggest that the term "market value" is a new phrase which does not have any particular usage in the utility regulatory field that I know of. I would suggest either the use of "just and reasonable price" or "fair and reasonable price," as Mr. O'HARA has suggested.

I appeal to you to adopt this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Maine, [Mr. HALE].

Mr. HALE. Mr. Chairman, those of us who serve on the Committee on Interstate and Foreign Commerce spent more than 3 months in the consideration of this bill and, of course, we have had very little opportunity to discuss it as we should like to do.

A good deal has been said on the floor this afternoon about propaganda. I may say that not a day goes by but that a lot of propaganda is laid on my desk about this bill. I do not think I ever got a single piece of propaganda in favor of this bill, but I have had and continue to get an enormous amount of propaganda against the bill, all of it coming from consumer groups who are either misleading themselves or very much want to mislead other people, because they simply do not understand the complicated situations which underlie this legislation.

Now, I want to say a very few words about the amendment offered by my friend, the gentleman from Michigan, [Mr. BENNETT]. If you are opposed to this legislation and want to leave the producers of natural gas under the regulation which the Phillips decision prescribes, that is to say, regulation as a public utility, then vote against the Harris bill in toto. If you want a reasonable compromise regulatory piece of legislation, then vote for the Harris bill. But do not under any circumstances vote for the amendment offered by the gentleman from Michigan [Mr. BENNTTT], because it is a deceptive and illusory amendment which is designed to make you believe that you are not making the natural gas company a public utility, and yet you are regulating it as such; because the very expression "just and reasonable" as the gentleman from Michigan [Mr. MEADER] has pointed out, is an expression used in public utility regulation and in condemnation proceedings.

We are not exercising any right of eminent domain over these producers. Certainly we should not be condemning the property of these producers and gatherers of natural gas.

Take the phrase "ratemaking." When you talk about ratemaking, you have reference to a public utility. You do not make rates for the corner drugstore. You do not make rates for selling cotton or for selling wheat. When you are talking about rates charged by a producer of natural gas, you are making a basic assumption that the producer is a public utility, and we say the producer is not a public utility. And neither the United States Supreme Court nor the Congress can make him one.

The CHAIRMAN. The time of the gentleman from Maine [Mr. HALE] has expired.

The Chair recognizes the gentleman from Wyoming [Mr. THOMSON].

Mr. THOMSON of Wyoming. Mr. Chairman, it has been well stated here that the effect of adopting this amendment would be to legislatively enact the Phillips case.

I think also that it was very interesting to note what the gentleman said who tried to explain just and reasonable and used the case of eminent domain to explain it. I think he is right in his choice for that is the ultimate end if this amendment is adopted. Eminent domain is the process used when the Government takes private property into public ownership. Just and reasonable compensation is the proper test then but is that what we propose to do to our gas-production industry?

I agree with him on the term if that is what this body wishes to do. Without the Harris bill, under the Phillips case the Court inserted just and reasonable in the act. In my humble opinion, this will eventually lead to Government ownership not only of gas but of all our subsurface resources. Mr. James Lee, from Detroit, who appeared on this, made that statement over a radio program not so long ago.

In connection with this, there was some caution suggested by a gentleman from my side of the aisle to the gentlemen on the other side of the aisle. I should like to caution the gentlemen on our side of the aisle. You had better stop and think about this, because this is one that can get you and get you bad.

We are all interested in the consumer. I am interested in the consumer. But what does the consumer want? The consumer wants two things. He wants an adequate supply of gas and he wants it at reasonable prices. The people who throw out bogey-men for us to fight say you are not going to get an adequate supply. They say we are about to run out of reserves. You can knock that into a cocked hat when you remember that from the time the first internal combustion engine was put into a Ford motor car, the people who wanted public control and public ownership were saying that we were about to run out of oil. History has proved that under private enterprise we have had greater and greater oil reserves here in the United

States. The gas industry operating under free, competitive, American private enterprise has shown that it has the know-how and ability to give us a continually greater reserve supply. Can you name another industry that is carrying a 22 year supply as an inventory.

In the second place, how about your price? I wish time permitted so that I could tell you, as a utility attorney, which I have been, some of the gimmicks that they could come up with if the industry wanted to submit to regulation instead of fighting for the principle of private enterprise. These could result and have resulted in increased prices to the consumer already under the Phillips case.

In the first place, there is a tendency on the question of rates throughout the country for a rate base that is computed on the theory of reconstruction new less actual depreciation, instead of historic cost. That is true in the home States of the gentlemen who argue against the Harris bill. Let me show you what this would permit. A well that cost $30,000 in 1930 to drill and equip today can cost $100,000 or $125,000. Say that well is on a gas company's books at $10,000 after depreciation. Under this theory it could be capitalized into the rate base at from $90,000 to $100,000 and the company would be allowed to earn a rate of from 6 to 10 percent on the larger base. That money will come out of the consumers' pockets.

Also, it will capitalize the expense of dry holes. We have a little company in our State that has intrastate operations. Our Public Service Commission allows them, I believe, $800,000 a year for exploration. When they happen to get an oil well, even an attorney from Wyoming can tell them to spin it out into a separate company that is not regulated. They can get that money free of regulation but the consumer pays for the dry holes.

I am sorry my time has expired, but I sincerely believe that this bill is in the best interest of the consumer. I could give you many other practical and sound reasons to prove this is actually true.

The CHAIRMAN. The time of the gentleman from Wyoming [Mr. THOMSON] has expired.

The Chair recognizes the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA of Minnesota. Mr. Chairman, I want to say that my good friend from Michigan [Mr. BENNETT] has just tried to rewrite this bill, because he strikes out of this bill of 6¼ pages from the top of page 3 down through and including page 5.

I want to call attention to the fact that we spent about 5 weeks in executive session upon this bill. Subsection (d) was written, as the chairman of the committee said, when we went into executive session. The first thing he asked was a policy question, what we were going to do on certain policy questions. I said, "I have a policy question to submit. I move that it is the sense of the committee that we make current contracts applicable under this bill with two exceptions, the fixed-price increases and the tax-increase provision."

The staff and the legislative counsel spent considerable time writing that up. Then the committe took it up and we combed it over and rewrote it, and so it went on in the terms and provisions of this bill.

The gentleman's amendment rewrites this bill, and here is the foxiest piece of business in here, that has never been determined by the courts. They have never determined what "just and reasonable prices" are. They may have determined what reasonable prices are, but I do not know of any court decision that has ever said what is a just price. When you are talking about rates and prices, you are talking about two complex and different things.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. BENNETT of Michigan. The gentleman disagrees then with the chairman of the Federal Power Commission, who says that this reasonable market price formula is something new in industry regulation and something they do not understand.

Mr. O'HARA of Minnesota. No. He says that "just and reasonable rates" have been used in utilities. If you will refer to page 1841, you will find his answer to my question when I asked if it was not true, speaking of "just and reasonable rates" when used as a measure of damages in law, that it is used interchangeably with "reasonable and just rates." So that it is used, as the gentleman from Michigan brought out, in condemnation proceedings.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. PRIEST] to close debate.

Mr. PRIEST. Mr. Chairman, I believe this amendment has been adequately discussed both pro and con. I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. BENNETT].

The question was taken; and on a division (demanded by Mr. BENNETT of Michigan) there were—ayes 65, noes 89.

Mr. BENNETT of Michigan. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. BENNETT of Michigan and Mr. PRIEST.

The Committee again divided, and the tellers reported that there were—ayes 85, noes 152.

So the amendment was rejected.

Mr. DELANEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DELANEY of New York: On page 6, line 4, after "it," strike out the rest of line 4 through line 13 and insert the following after "it", "only the cost of producing such gas: *Provided*, That it shall be hereafter unlawful for any natural-gas company to transport from any State, Territory, or the District of Columbia, to any other State, Territory, or the District of Columbia, or to any foreign country, any natural gas produced by it, or under its authority, or in which it may have any interest, direct or indirect: *Provided, however*, That no natural-gas company owning gas-producing properties or reserves may alienate such properties or reserves to the detriment of consumers now supplied by the natural-gas company and under such terms and conditions as the Federal Power Commission may after hearing provide."

Mr. WILLIAMS of Mississippi. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WILLIAMS of Mississippi. How far has the Clerk read, Mr. Chairman?

The CHAIRMAN. The Clerk has read though section 3 of the bill, page 6, line 17. All of section 3 is now open to amendment.

The gentleman from New York [Mr. DELANEY] is recognized.

Mr. DELANEY. Mr. Chairman, the purpose of this amendment is to take the transmission lines out of the production business. We have heard repeatedly that in order to get gas from the field where it is discovered to the ultimate captive consumer, there are three steps: The producer probes the earth and finds the gas; the transmission lines carry that gas to the utilities who are the distributors. The distributors are under regulation in most instances by public service commissions of the States.

As for the pipelines it is agreed by the proponents and opponents of this bill that it should be regulated. It is my opinion that under this bill the producers are not regulated although some people differ with me and believe that there is sufficient authority in this bill to regulate the producers. In my opinion they have a blank check.

There is no question but that transmission lines are a monopoly, and as a monopoly they should be regulated. If we are to permit transmission lines to go into the field of locating gas and they become producers you can imagine what kind of a break the ultimate consumer will get. It is the duty of transmission lines to bargain for the best price they can get on gas.

had so far today. The phrase "fair and reasonable" in the debate that we have had so far today. The phrase "fair and reasonable" means bargaining between two parties; the producer meets the pipeline man and they agree upon a price that they consider "fair and reasonable."

I think much better language would have been the phrase "just and equitable," because it would have taken into consideration everyone along the line. Now, just follow me on this point: The transmission lines are going to be regulated, and under this bill the producers are not regulated, but the transmission lines are now in the production business. What happens? Do they transport the gas they have discovered? Are they transporting it at the present time to the captive consumer? As a matter of fact they are holding it in reserve until such time as this bill is passed. It is the duty of the pipeline to make the best deal possible. You can imagine how much they can earn because they are a monopoly; having a free and open field when they bargain for the price of gas they are not going to be too much interested in the price. They will bargain at arm's length on a "fair and reasonable" price and when the "fair and reasonable" price is sufficiently high they will begin to put their own gas on the market at

the so-called "fair and reasonable" price. I say that this is dangerous, I say that the people who wrote this bill recognized the fact that there are three different units, and that these units should be separate and apart.

The railroads in 1906 were forbidden and prohibited from engaging in any other business. You can appreciate the reason why. If they were in the manufacturing business it would be unfair to any other manufacturer. Here it is also unfair.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from Massachusetts.

Mr. HESELTON. The gentleman might be interested, if he has not seen the figures, to know that the latest official information indicates that the El Paso Natural Gas Co. is the eighth largest in holdings of reserves. It holds 500 million cubic feet of gas. And that the Panhandle Eastern is the 14th largest and holds 3 billion 500 million cubic feet.

Mr. DELANEY. Mr. Chairman, I urge the adoption of my amendment. It will afford the ultimate consumers limited protection.

Mr. HARRIS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. DELANEY].

Mr. Chairman, frankly, in reading over the amendment I cannot very well understand what the gentleman intends, therefore I should like to ask him a question. It is stated in the first part of the amendment:

Provided, That it shall be hereafter unlawful for any natural-gas company to transport from any State, Territory, or the District of Columbia, to any other State, Territory, or the District of Columbia, or to any foreign country, any natural gas produced by it, or under its authority, or in which it may have any interest, direct or indirect.

Do I understand the gentleman means by that that no natural gas company is permitted to transport to the consumer from one State to another State any gas that it may own or produce itself?

Mr. DELANEY. The transmission lines are not permitted to transport any gas produced by themselves after the enactment of that clause.

Mr. HARRIS. That is precisely what I thought the gentleman had in mind.

In the second proviso it is stated:

Provided, however, That no natural-gas company owning gas-producing properties or reserves may alienate such properties or reserves to the detriment of consumers now supplied by the natural-gas company and under such terms and conditions as the Federal Power Commission may after hearing provide.

What are they going to do with the gas that they own if they cannot transport it themselves to the consumers and they cannot sell it to anybody else?

Mr. DELANEY. They would dispose of their holdings.

Mr. HARRIS. You say they cannot alienate such properties.

Mr. DELANEY. Under regulations of the Public Service Commission they have an opportunity to dispose of what gas they have. It is not to be disposed of to the detriment of the ultimate consumer.

Mr. HARRIS. I thank the gentleman.

It appears to me, Mr. Chairman, that this would be an unusual situation. I recognize, as the gentleman mentioned a moment ago, that railroads some time back were prohibited from going into other type of transportation or business or operation.

It is thought, however, that the network of pipelines throughout this country is not sufficient to carry as a common carrier gas to verybody who wants it in the United States. We just do not have it. That is all there is to it. Therefore, it is in the interest of the consumer for the natural-gas company to have some of its own produced gas, because when they run short or low on gas purchased from independent producers, then they can put their own gas in the pipeline, they can bring the volume up, the pressure up, and, therefore, be able better to serve the consumers.

Now, if you adopt this amendment, you say they cannot do that, and then at the same time you say they cannot alienate themselves from those reserves. Well, it means they have to dispose of it within the State where the properties are located, and that is an intrastate operation.

Mr. DELANEY. That is exactly what the amendment proposes to do.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Texas.

Mr. DIES. Is it not a fact that the ownership of reserves by the transmission company strengthens the bargaining power of the company?

Mr. HARRIS. Of course it does, tremendously.

Mr. DELANEY. Mr. Chairman, will the gentleman yield further?

Mr. HARRIS. I yield.

Mr. DELANEY. How can they possibly represent two masters? If on the one hand they are a pipeline company and on the other they are producers, it is their duty as a pipeline to go out and bargain with the producer. They bargain with him at whatever price they consider a fair and reasonable price, and when they get the price up to where they want it, they simply take their own gas and sell it to the consumer at the highest possible price.

Mr. HARRIS. Mr. Chairman, I think it would be a serious detriment to the consumers of America.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. DELANEY].

The question was taken; and on a division (demanded by Mr. DELANEY) there were—ayes 58, noes 97.

So the amendment was rejected.

Mr. HARRIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARRIS: Page 5, line 25, add the following sentence:

"No provision of any such contract shall be construed to authorize its cancellation because of the enactment of this subsection or subsections (d) or (f)."

Mr. HARRIS. Mr. Chairman, I will take just a moment, because I think it is a foregone conclusion that the amendment will be accepted. What it does is it makes certain, without any doubt, that there can be no abandonment of the service to consumers in certain areas because of the provisions of the section with reference to the adjustment of contracts that might be priced higher than the reasonable market price. This is carrying out precisely the explanation of the committee report on page 9, and I ask that it be adopted.

Mr. WILLIAMS of Mississippi. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS of Mississippi as a substitute to the amendment offered by Mr. HARRIS: On page 5, line 15, strike out all of subsection (e) of section 3.

Mr. WILLIAMS of Mississippi. Mr. Chairman, as I stated a few minutes ago on the floor, I do not believe that we can exempt the production of natural gas from Federal control, and place controls on it at the same time. However, I have been willing to go along with section 3, in the interest of attempting to clarify the situation with regard to the status of natural-gas production. I have been willing to go along with most of these controlling amendments. However, when we reach the language in subsection (e) on page 5 of this bill, we find that we are going further than Congress actually has a right to go.

What we are doing in subsection (e) of this bill is placing a ceiling on existing contracts. Let us read the language for just a moment:

Whenever, in connection with an increase in the price of natural gas under the provisions of an escalation clause, the Commission, pursuant to subsection (d), has made a determination as to the reasonable market price of such natural gas, the natural-gas company shall be obligated to pay only such part of the increase in price as results in a price which does not exceed such reasonable market price.

As far as that goes, certainly I have no objection to the language in subsection (e). However, the language goes further:

And, except as otherwise provided in this subsection, the contract containing such escalation clause shall continue in effect according to its terms as though this subsection had not been enacted.

That is, in effect, ex post facto. I think perhaps we would have a right to declare those contracts null and void, certainly voidable at the option of either party to the contract, in the event the price should rise above a reasonable market price.

However, I do not believe the Federal Government has the right under an existing contract to change its terms so as to force one party to discharge his obligation unless he receives the contract price for his commodity.

This, in effect, puts the production of natural gas right back in a utility status. It is confiscatory in the sense that it refuses the producer a price that he has previously contracted for and forces him to sell at a price less than he had agreed

upon previously. I think that this language should be taken out of the bill.

I think perhaps we should have written language into the bill, if we wanted to write this into the bill, which would have made these contracts terminate under these conditions and provide for their renegotiation. I do not believe that we can enforce the terms of a contract under any condition unless both parties to the contract agree to change that contract.

I hope the substitute amendment will be accepted in the interest of protecting contractual rights.

Mr. PRIEST. Mr. Chairman, I rise in opposition to the substitute amendment.

Mr. Chairman, I am always reluctant to disagree with my good friend from Mississippi, for whom I have a very high regard, and I think he has expressed here some fundamental philosophy. It so happens that in the consideration of this bill I felt all along that we should write in every possible protection to the consumer. I felt at the same time that it should meet the test of fairness, as far as the committee was able to do that, to all segments of the industry.

After the amendment offered by the gentleman from Minnesota [Mr. O'HARA] which gave the Federal Power Commission the right even insofar as existing contracts are concerned to determine whether a rate increase request brought about as a result of an escalation contract exceeded a reasonable market price that previously had been adopted, I felt very strongly that that would create a situation or might easily create a situation in which a pipeline would be put in a squeeze that in some cases might be one that they would not be able to sustain because they could not pass on any increase as a result of an escalation clause that exceeded a reasonable market price.

However, if that price had been triggered off by an escalation clause that would cause them to have to pay the producer an amount in excess of what they could charge as an operating cost, certainly it would put them in a squeeze. And in order to meet the test of fairness, I offered this amendment which became section (e) of the bill:

"Whenever, in connection with an increase in the price of natural gas under the provisions of an escalation clause, the Commission, pursuant to subsection (d), has made a determination as to the reasonable market price of such natural gas, the natural-gas company shall be obligated to pay only such part of the increase in price as results in a price which does not exceed such reasonable market price; and, except as otherwise provided in this subsection, the contract containing such escalation clause shall continue in effect according to its terms as though this subsection had not been enacted."

Mr. Chairman, let me say that when I offered that amendment and it was adopted I realized that many of the producers were very unhappy over it, but I felt that it did meet the test of fairness in connection with the rest of the bill. I was happy that the committee adopted the amendment. I believe it would be a great mistake to strike that section from the bill at this time.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Alabama.

Mr. ROBERTS. Assuming that that language is constitutional, and some doubt has been expressed about that feature of it, would it not allow a pipeline company that is also a producer to write-up its own reserves, not on the basis of what the reserves cost but on the basis of that ceiling of the reasonable market price?

Mr. PRIEST. This amendment would not permit that necessarily. The provision we discussed before, which allows a pipeline owning reserves to have a reasonable-market-price value placed on its own gas as an operating expense for ratemaking, would permit it to be done; not necessarily this portion here. However, once again let me say that to me that provision meets the test of fairness. Gas is gas. When it enters an interstate pipeline from whatever source it comes it is all the same gas. It seems to me that it is most difficult in the interest of fairness to separate it into different kinds of gas prior to that time.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Connecticut.

Mr. MORANO. As I understand it, this section gives protection to a pipeline company that has a contract with an escalation clause in it.

Mr. PRIEST. To an interstate pipeline company; yes.

Mr. MORANO. Does the Harris amendment give further protection to the pipeline company?

Mr. PRIEST. That simply extends a little bit further this provision. This paragraph here would provide that the contract otherwise shall remain in full force and effect. In other words, the gas could not be withdrawn. The amendment offered by the gentleman from Arkansas [Mr. HARRIS] simply strengthens that provision by adding one sentence to it.

Mr. MORANO. Is there also protection for the local distributing company in the escalating contracts?

Mr. PRIEST. The distributing company is regulated entirely by the State commission. But the distributing company is protected by this bill in that the Federal Power Commission determines the reasonable price that can be paid. The distributing company is further protected by preventing abandonment of the service.

Mr. ROGERS of Texas. Mr. Chairman, I move to strike out the last word.

Mr. PRIEST. Mr. Chairman, will the gentleman from Texas yield for a unanimous-consent request?

Mr. ROGERS of Texas. I yield.

Mr. PRIEST. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and substitute amendment, and all amendments thereto, close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. ROBERTS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ROBERTS. Mr. Chairman, I rise to address the House of Representatives on behalf of the 20 million unorganized natural-gas consumers in Alabama and the entire Nation, and to speak in opposition to H. R. 6645—a bill to amend the Natural Gas Act. The enactment of H. R. 6645 would amend the Natural Gas Act of 1938 and remove the right and duty of the Federal Power Commission to regulate a fair and reasonable price for natural gas at the wellhead. I believe the nullification of this authority will result in increased rates, possibly reaching $300 million annually, to the consumers of natural gas, while the vast financial benefits will accrue to the very few large companies now controlling the major portion of the natural-gas production.

The enactment of the Harris bill would destroy consumer protection in the price of natural gas. It would exempt the producers and gatherers of natural gas from control by the Federal Power Commission and would permit them in effect to charge "whatever the traffic will bear."

How can a "fair price" be established if there is no disinterested regulatory body to govern the price setting? The proponents of the bill claim that competition will set a "fair price." This does not seem very probable, however, first, when some of the statements made by industry spokesmen are read; second, when it is realized that several very large oil companies are also producers of natural gas; and, third, it is realized that a very select few large corporations control most of the Nation's natural-gas reserves and production. This unique combination of factors virtually gives these few large corporations uncontrolled power to set the rate of gas going into interstate transmission lines at "whatever price the traffic will bear."

The proponents of the Harris bill feel that coal and oil are not regulated and therefore the price of natural gas should not be federally regulated. The proponents say competition effectively regulates the prices of coal and oil and would do the same in the case of natural gas. This, unfortunately, is false analogy and thus the conclusions are false. The normal competitive economic forces in the consumer purchase of natural gas simply do not exist. Natural gas is not transported like coal or oil by motor, rail or water. Natural gas must be transmitted through an expensive pipeline which has to extend from source to consumer. Natural gas thus acquires some of the peculiar characteristics of a utility; of a monopoly; and thus makes it a seller's market. Once a pipeline is built, it simply cannot be picked up and cast about like a garden hose in search of a supply of cheaper, more economical gas.

There is little doubt but that the industry's desire in the removal of FPC

regulation is to increase rates. We have even had expressed before the House Committee on Interstate and Foreign Commerce, the thought that: "They could always go back to coal anytime they think gas is too high. There still would be a free choice to using coal, oil, or gas." This is a statement that fails to recognize the investment made by the more than 20 million consumers of natural gas who have already expended over $3 billion in gas-burning equipment. The entire producing end of natural gas industry has scarcely more than one-half this amount invested.

In numbers there are over 4,000 natural gas producers. The reason why competition will not handle the problem is because almost all of these producers are extremely small. Of all 4,000 producers, seven—mostly big oil companies—produce one-third of the supply. Less than 100 of these companies, 2½ percent of the total companies, produce 85 percent of all the natural gas used in the United States and the remaining 3,900 produce only 15 percent. This means the big producers can set the rates once the FPC authority is removed.

The ceiling on natural gas field prices, if they were to become unregulated, would probably be the cost of competitive fuels, such as fuel oil and coal. Mr. Thomas D. Bailey, petroleum engineering consultant of Oklahoma City, Okla., made a study which showed that wellhead natural gas prices might increase from their present 8 cent to 10 cent per thousand cubic feet level to 25 cents per thousand cubic feet or more if regulated only by the competition of other fuels.

One of the very real motives in the drive to end FPC control, is the preservation of monopoly pricing of both natural gas and oil. The big oil companies control the big blocks of natural gas reserves. Certainly the oil-producing companies, as also gas-producing companies, do not want prices of natural gas to be so low as to force a reduction in competing oil prices. These combined oil-gas companies would not have to worry if there were no FPC control over natural gas prices.

The Phillips Petroleum and Humble Oil Co.—a subsidiary of Standard Oil Company of New Jersey—hold one-sixth of the country's total natural gas reserves—about 34 trillion cubic feet. With each 5 cents added to the fuel price, the value of their combined reserves increases at the rate of $1,700,000,000.

There is good reason to assume that once unregulated, the gas rates will rise. Let us look at the recent history of natural gas prices. The field price for natural gas bought by pipelines in Texas ranged from 3.51 cents per thousand cubic feet to 4.39 cents per thousand cubic feet in 1947. Last year the range was from 10.52 cents per thousand cubic feet to 15 cents per thousand cubic feet. Most of this increase has occurred since 1950. Consumers paid $374 million more for gas in 1953 than they would had to pay if they had been charged at the 1950 rates.

The proponents of the Harris bill lay great stress on their support of the principle of free enterprise. The proponents seem to have a very convenient memory and a very flexible attitude toward the Government—always willing to receive but never to be regulated. They forget that the oil industry has been given a 27½ percent depletion allowance. This benefit the industry seeks from the Government for the few, but it resents any regulation at the wellhead by the Government which would be done in behalf of the many millions of consumers. What industry has a greater subsidy or incentive?

The supporters of the Harris bill, in order to make it more palatable, have included provisos introducing a new price-regulation concept, known as "reasonable market price," to be included with reference to the escalation clauses of the contracts, and supposedly all done to protect the consumer. So far as I can determine, it is anyone's guess as to what "reasonable market price" means, as it has never been used before and has never been construed by the courts. Mr. Chairman, the only way and the only place to protect the consumer's interest is to regulate the price at the wellhead. If we sacrifice the consumer's interest at the wellhead, it seems to me that relying upon the nebulous language of the escalation clauses for protection, as our opposition wants us to do, it is somewhat like arguing the price of a coffin after we have already killed the victim—in this case the consumer at the wellhead.

Mr. Chairman, I hope that this House of Representatives, of which I am proud to be a Member, will not fail, in my opinion, to perform its responsibility and protect the unrepresented consumer from being overcharged by a few powerful gas and oil concerns. The Federal Power Commission must have the authority to regulate gas at the wellhead if the consumer is to be protected. It is this wellhead price which is passed to the pipeline company, which is passed to the distributing company, and which is borne on the back of the consumer. The only way to effectively protect the unorganized consumer is to regulate the field price of natural gas. This is not a rate-regulation practice which can be instituted by State governments. The Supreme Court has held this rate-regulation authority to be "subject to the exclusive regulation of the Federal Power Commission."

We, as Federal Representatives, must act in behalf of all the people and cannot expect the local or State governments to assume this burden for us. It is up to us to protect the more than 20 million consumers whose capital investment in natural-gas-burning equipment actually exceeds that of the oil companies who happen to have obtained control of the natural-gas reserves which the Creator put here for the benefit of all.

Defeat of the Harris bill would not mean hardship on the companies or the consumer. Defeat of the Harris bill would mean continued FPC authority, which would result in a satisfactory balance between production and profits and consumption at a reasonable price.

Enactment of the Harris bill, now before us, would mean hardship and exorbitant increased costs to the many consumers now dependent upon natural gas.

I urge the House of Representatives to defeat this bill, H. R. 6645.

Mr. ROGERS of Texas. Mr. Chairman, I think it is a well-known fact that I have long supported and advocated complete exemption of the production and gathering of gas. I think it should have been spelled out in as few words as possible and to stop there. When we started hearings on this bill and all these people came before the Committee on Interstate and Foreign Commerce, they came asking for protecting the consumer. Protecting the consumer—that is all we heard in the committee. All of these provisions which were added to this bill or were changed were provisions which were intended to protect the consumer. We fought this out in committee, and I will tell you frankly that the gentleman from Mississippi and I made attempts to keep some of these other provisions out of this bill, because the consumer has always been protected by the producer. But we lost. We lost, and we accepted our defeat. But this particular provision which went into this bill is one that I would feel derelict in my duty if I did not get up here and try to strike out. Here is what it does in plain and simple language. It should not be in this bill, because it takes away contractual rights that are presently in existence. It simply means this: that if you have a contract in existence today with an escalation clause, and that escalation clause carries the price at the production level to 12 cents a thousand cubic feet, but the Federal Power Commission finds that the reasonable market price of that gas is only 10 cents, then the company you have the contract with is only obligated to pay you 10 cents and not the 12 cents that your contract calls for. But you cannot get out of any other provision of that contract. If that contract is for 30 years, you have to be bound by it for 30 years. The only thing it does is to change the price that the man who is producing the gas and owns the gas can get for it. If that is not confiscation, I do not know what it is.

A contract entered into it at arm's length, by an independent producer cannot be enforced so far as that part of the contract that has to do with price is concerned, if this language is allowed to stay in the bill. But the other party can enforce the contract insofar as the length of term is concerned or insofar as deliveries are concerned. I think that man ought to be allowed either to withdraw from that contract if the price he has contracted to get for his gas is not going to be paid by the pipeline company, or else the pipeline company ought to be made to take that gas and sell it some place where they can get the price for it that will not affect the ultimate consumer, and there are such places where they can sell the gas where it will not affect the ultimate consumer.

It just is not fair to say to a man: "Here is your contract; we will wipe out

part of it but bind you to all the rest of it."

I think the substitute offered by the gentleman from Mississippi [Mr. WILLIAMS] should pass.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HINSHAW] to close the debate on the amendment and on the substitute.

Mr. HINSHAW. Mr. Chairman, I think it should be obvious to all the Members of the House that we have been attempting to be entirely fair to all sides in drawing this bill. Nobody likes it very much. I said a moment ago that there were a couple of members on our committee who objected to any kind of bill which put any kind of regulation on gas producers at all. You have heard from some of these gentlemen. They do not want regulation at all.

My friend, the gentleman from Tennessee [Mr. PRIEST], offered this amendment to the bill. He offered it in good faith, and we accepted it in good faith because it further protected the consumer. This is one amendment that I am sure goes the opposite direction from those that have heretofore been offered because this tends to remove regulation and the others tended to impose regulation. The committee therefore in attempting to be fair to all concerned added this amendment by the gentleman from Tennessee [Mr. PRIEST]. I hope the amendment striking it from the bill just offered by the gentleman from Alabama will be voted down and the amendment further strengthening the section offered by the gentleman from Arkansas should be approved by this House.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Mississippi to the amendment offered by the gentleman from Arkansas [Mr. HARRIS].

The substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Arkansas [Mr. HARRIS].

The amendment was agreed to.

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows: Amendment offered by Mr. YATES: On page 6, line 1, strike out lines 1 through 13.

Mr. YATES. Mr. Chairman, this amendment has one purpose. It recognizes that pipeline companies are public utilities, that they occupy a different status than the so-called independent producers, and that they should be regulated under the present law.

This section of the Harris bill provides that pipeline companies shall be permitted to charge as an operating expense on the basis of a market price fixed by itself, the gas that it purchases from its own affiliate or from itself. It seems to me it goes much too far to permit the pipeline companies as regulated companies to establish the basis for their own charges almost as they please in this way.

On page 10 of the report is this statement:

It is provided that for gas which it produces itself it will be allowed, as an operating expense, the reasonable market price of the gas, and for gas which it buys from an affiliate it shall be allowed, as an operating expense, the amount paid to such affiliate up to but not in excess of the reasonable market price.

Pipeline companies are public utilities. They should be regulated as public utilities. They should be regulated on a net investment rate base, on the basis of actual cost plus a fair return. That is what the Federal Power Commission has been doing until this last year when the Panhandle Eastern Pipeline case came up. That provided for an average fair field value as being the basis for valuation of the reserves owned by the pipeline company.

Nobody knows what "reasonable market price" means. The bill says what reasonable market price is not. It does not say what it is. I should like to ask the chairman of the Committee on Interstate and Foreign Commerce, Mr. PRIEST, a question. He stated that in his opinion under this bill in evaluating property owned by a pipeline company, the reserves owned by the pipeline company were to be valued on the basis of reasonable market price rather than on the actual cost formula now in the act. I do not find anything in the bill that says that. The section which I seek to delete says only that the Commission shall allow it as an operating expense. There is nothing in the bill that says that in the valuation of the company's properties they shall be valued on the basis of reasonable market price.

Mr. PRIEST. If I may reply to the gentleman from Illinois, I must have misunderstood the question because what he says is true. It is an operating expense, that is true. I must have misunderstood the question asked.

Mr. YATES. So that in the valuation of the properties of a pipeline company they would be valued on the same basis as any public utility by the Federal Power Commission. All that this bill does is to allow the purchases of gas by a pipeline company from its own reserves to be treated as an expense, is that correct?

Mr. PRIEST. That is correct.

Mr. YATES. That merely points up the value of my amendment, here you have two standards. On the basis of what the gentleman from Tennessee has stated, in a valuation of the assets of the pipeline company they will be considered on the basis of the usual standards normally employed for public utility valuation. Secondly, pipeline companies will be permitted to charge as an operating expense the amount of gas purchased from itself or from an affiliate, is that correct?

Mr. PRIEST. That is the way it would operate. Along with all other operating expenses, the pipeline would be allowed the price it pays for gas under a reasonable market price or up to that amount and for any gas that it might own itself or purchase from an affiliate.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. YATES].

The question was taken; and on a division (demanded by Mr. YATES) there were—ayes 41, noes 101.

So the amendment was rejected.

The Clerk read as follows:

SEC. 4. Subsection (e) of section 7 of the Natural Gas Act, as amended, is amended by adding at the end thereof the following new sentence: "Notwithstanding the foregoing provisions of this subsection, in passing upon an application for a certificate which is supported by a natural gas purchase contract, the Commission shall consider whether the price to be paid for such natural gas is the reasonable market price thereof at the point at which the gas is to be delivered into the transportation facilities of the natural-gas company in or within the vicinity of the field or fields where produced, considering, among other things, whether such market price has been competitively arrived at, the effect of the contract upon the assurance of supply, and the reasonableness of the provisions of the contract as they relate to existing or future prices."

Mr. FLYNT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FLYNT: After line 7, insert an additional section 5, as follows:

"SEC. 5. Subsection (e) of section 4 of the Natural Gas Act is amended by striking therefrom the following: ": *Provided*, That the Commission shall not have authority to suspend the rate, charge, classification, or service for the sale of natural gas for resale for industrial use only'."

Mr. FLYNT. Mr. Chairman, this is an amendment which I feel is necessary to correct an injustice in the ratemaking section of the Natural Gas Act. Section 4 of the Natural Gas Act of 1938, as amended, provides that all rates and charges made, demanded or received by any natural gas company for or in connection with the transportation or sale of natural gas subject to the jurisdiction of the Commission, and all rules and regulations affecting or pertaining to such rates or charges shall be just and reasonable and any such rate or charge that is not just and reasonable is hereby declared to be unlawful.

Now, down in the protest section of section 4 there is a provision which up until now has not given all users of natural gas the same right of protest. For example, there are a great many pipelines who sell to local distributing companies gas which is used on an uninterruptable basis for residential and commercial users. There is another and a very great portion of this gas which is used by industrial users on an uninterruptable basis.

Up until this time, under the law as it now stands, if an increase is passed on to a local distributing company and in turn passed on to an industrial user, no matter how unlawful that increase may be and even though the Federal Power Commission subsequently declares that increase to be unlawful, the person who is charged this unlawful rate, which we seek to eliminate by this amendment, has no redress and no right of protest.

This amendment would simply give the Federal Power Commission the right to suspend the enforcement of this new rate structure if it is, in the final analysis and on an evidentiary hearing, held

to be unlawful. This does not affect in any way whatsoever a protest which is not allowed. It does not in any way affect an increase in the rate which is held to be lawful, proper, and just by the Federal Power Commission, but it does give to every user of gas the same right of protest, the same privileges, and the same protection under the law which is afforded to all other users of natural gas. This is a good amendment, which will correct a present injustice, and I hope the amendment will be adopted.

Mr. LANHAM. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this amendment affects in no way the bill before you today. It will not improve it or make it any worse, because it simply does not affect it in any way.

What it does is to repeal a provision of subsection (e) of section 4 of the present law which permits the Commission to suspend an increase in rates, for commercial users and for domestic users but provides that it may not suspend the rate, usually to permit the consumer to adjust to the rates, or for any protest against the rates. It will not permit the Commission to suspend the rate for an industrial user. Now, it has proven very discriminatory because some of the distributors do not classify the gas that they sell.

In those cases the industrial consumer gets it suspended just the same as a commercial or a domestic user does. While in the case of a distributor which classifies its users, the industrial user does not get the suspension.

Mr. PRIEST. Mr. Chairman, will the gentleman yield for a question?

Mr. LANHAM. Gladly.

Mr. PRIEST. The sales the gentleman is discussing are confined entirely to those by local distributors for industrial purposes?

Mr. LANHAM. That is correct, sir. It applies only to local distributors who sell to industrial users.

Mr. PRIEST. May I ask the gentleman if, in the State of Georgia, all of those sales by local distributors, for whatever purpose they are made, are not under the jurisdiction of the State's Public Service Commission?

Mr. LANHAM. No, sir; they are not. The Federal Power Commission has the right to suspend the operation of the increases. I have a letter here from industrial users in Georgia showing that in some cases the industrial users over a period of 5 months have paid around $2,000, we will say, more than commercial users and domestic users have paid.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman.

Mr. HARRIS. Is the gentleman referring to industrial sales by a local utility?

Mr. LANHAM. That is right; gas sold by a local utility to a cotton mill, for instance, or a steel mill.

Mr. HARRIS. Does the gentleman mean gas sold by the natural-gas company, the interstate natural-gas company?

Mr. LANHAM. No; by the local distributor.

Mr. FLYNT. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman.

Mr. FLYNT. If I may answer the gentleman from Arkansas [Mr. HARRIS], the sales referred to are the sales which are from the interstate pipeline company to the local distributor, then to the industrial user. These are absolutely subject to the control of the Federal Power Commission, and to no other body.

Mr. LANHAM. That amendment is the way I understand it. This simply removes the discrimination against the industrial user. At the time it was intended to discourage the use of natural gas by industrial users. But the reason for that no longer exists and it has proven very discriminatory in its administration.

It is my hope that the committee will agree and then, if you find when it gets to the other body that I have not presented it correctly or I have misunderstood it, it can be corrected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. FLYNT].

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6645) to amend the Natural Gas Act, as amended, pursuant to House Resolution 317, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. WOLVERTON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WOLVERTON. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. WOLVERTON moves to recommit the bill to the Committee on Interstate and Foreign Commerce for further study.

Mr. PRIEST. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on motion to recommit.

Mr. WOLVERTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 203, nays 210, answered "present" 1, not voting 20, as follows:

[Roll No. 137]

YEAS—203

Abbitt	Frelinghuysen	O'Brien, N. Y.
Addonizio	Friedel	O'Hara, Ill.
Andersen, H. Carl	Fulton	O'Konski
	Gamble	O'Neill
Andresen, August H.	Garmatz	Ostertag
	Gary	Patterson
Andrews	Gordon	Pfost
Ashley	Granahan	Philbin
Ashmore	Green, Oreg.	Pilcher
Ayres	Green, Pa.	Pillion
Baker	Gregory	Poff
Barrett	Griffiths	Polk
Bass, N. H.	Gross	Powell
Bass, Tenn.	Hagen	Price
Baumhart	Hand	Prouty
Becker	Harrison, Va.	Quigley
Bennett, Mich.	Hays, Ohio	Rabaut
Blatnik	Hayworth	Rains
Blitch	Heselton	Ray
Boland	Hess	Reuss
Bolling	Hoeven	Rhodes, Pa.
Bosch	Holmes	Richards
Bowler	Holtzman	Riehlman
Boyle	Huddleston	Roberts
Broyhill	Hull	Robeson, Va.
Buckley	Jensen	Robsion, Ky.
Byrne, Pa.	Johnson, Wis.	Rodino
Byrnes, Wis.	Jones, Ala.	Rogers, Colo.
Canfield	Judd	Rooney
Cannon	Karsten	Roosevelt
Carlyle	Kean	Sadlak
Carnahan	Keating	Saylor
Celler	Kee	Schenck
Chelf	Kelley, Pa.	Scherer
Christopher	Kelly, N. Y.	Schwengel
Chudoff	Keogh	Seely-Brown
Clark	Kirwan	Selden
Cooper	Klein	Sieminski
Corbett	Kluczynski	Siler
Coudert	Knox	Simpson, Ill.
Cretella	Knutson	Sisk
Davidson	Laird	Smith, Miss.
Davis, Tenn.	Lane	Smith, Va.
Davis, Wis.	Lanham	Smith, Wis.
Dawson, Ill.	Lankford	Spence
Deane	Latham	Staggers
Delaney	Lesinski	Sullivan
Denton	McCarthy	Taber
Derounian	McCormack	Taylor
Diggs	McDowell	Thompson, N. J.
Dodd	Macdonald	Tollefson
Dollinger	Machrowicz	Tuck
Donohue	Mack, Ill.	Tumulty
Donovan	Madden	Udall
Dorn, N. Y.	Magnuson	Vanik
Elliott	Mailliard	Wainwright
Engle	Marshall	Watts
Evins	Meader	Weaver
Fallon	Merrow	Wharton
Feighan	Metcalf	Wier
Fine	Mollohan	Wigglesworth
Fino	Morgan	Williams, N. J.
Flood	Moss	Williams, N. Y.
Flynt	Multer	Wolverton
Fogarty	Murray, Ill.	Yates
Forand	Murray, Tenn.	Zablocki
Ford	Natcher	Zelenko
Fountain	Norblad	
Frazier	O'Brien, Ill.	

NAYS—210

Abernethy	Bonner	Crumpacker
Adair	Bow	Cunningham
Albert	Boykin	Curtis, Mass.
Alexander	Bray	Curtis, Mo.
Alger	Brooks, La.	Dague
Allen, Calif.	Brooks, Tex.	Davis, Ga.
Allen, Ill.	Brown, Ga.	Dawson, Utah
Arends	Brown, Ohio	Dempsey
Aspinall	Brownson	Devereux
Avery	Budge	Dies
Bailey	Burdick	Dixon
Baldwin	Burleson	Dolliver
Barden	Burnside	Dondero
Bates	Bush	Dorn, S. C.
Beamer	Byrd	Dowdy
Belcher	Carrigg	Doyle
Bell	Cederberg	Durham
Bennett, Fla.	Chase	Edmondson
Bentley	Chatham	Ellsworth
Berry	Chenoweth	Fascell
Betts	Church	Fenton
Boggs	Cole	Fernandez
Bolton, Frances P.	Colmer	Fisher
	Cooley	Fjare
Bolton, Oliver P.	Coon	Forrester
	Cramer	Gathings

Gavin	Landrum	St. George
Gentry	LeCompte	Scrivner
George	Lipscomb	Scudder
Grant	Long	Sheehan
Gray	Lovre	Sheppard
Gubser	McConnell	Short
Hale	McCulloch	Shuford
Haley	McDonough	Sikes
Halleck	McIntire	Simpson, Pa.
Harden	McMillan	Smith, Kans.
Harris	McVey	Springer
Harrison, Nebr.	Mack, Wash.	Steed
Harvey	Mahon	Talle
Hays, Ark.	Martin	Teague, Calif.
Hébert	Mason	Teague, Tex.
Henderson	Matthews	Thomas
Herlong	Miller, Calif.	Thompson, La.
Hiestand	Miller, Md.	Thompson, Mich.
Hill	Miller, Nebr.	Thompson, Tex.
Hinshaw	Miller, N. Y.	Thomson, Wyo.
Hoffman, Ill.	Mills	Thornberry
Hoffman, Mich.	Minshall	Trimble
Holifield	Morano	Utt
Holt	Morrison	Van Pelt
Hope	Moulder	Van Zandt
Horan	Nelson	Velde
Hosmer	Nicholson	Vinson
Hyde	Norrell	Vorys
Ikard	O'Hara, Minn.	Vursell
Jackson	Osmers	Walter
James	Passman	Westland
Jarman	Patman	Whitten
Jenkins	Pelly	Wickersham
Jennings	Phillips	Widnall
Johansen	Poage	Williams, Miss.
Johnson, Calif.	Preston	Willis
Jonas	Priest	Wilson, Calif.
Jones, Mo.	Reed, Ill.	Wilson, Ind.
Jones, N. C.	Rees, Kans.	Winstead
Kearns	Rhodes, Ariz.	Withrow
Kilday	Riley	Wolcott
Kilgore	Rogers, Fla.	Wright
King, Calif.	Rogers, Mass.	Young
King, Pa.	Rogers, Tex.	Younger
Krueger	Rutherford	

PRESENT—1

Scott

NOT VOTING—20

Anfuso	Gwinn	Perkins
Auchincloss	Hardy	Radwan
Buchanan	Hillings	Reece, Tenn.
Chiperfield	Kearney	Reed, N. Y.
Clevenger	Kilburn	Rivers
Dingell	McGregor	Shelley
Eberharter	Mumma	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Dingell for, with Mr. Rivers against.

Mr. Auchincloss for, with Mr. Gwinn against.

Mr. Hardy for, with Mr. Chiperfield against.

Mr. Anfuso for, with Mr. Mumma against.

Mr. Radwan for, with Mr. McGregor against.

Mrs. Buchanan for, with Mr. Kearney against.

Until further notice:

Mr. Shelley with Mr. Hillings.

Mr. HARRISON of Virginia changed his vote from nay to yea.

Mr. SCOTT. Mr. Speaker, I disqualify myself under rule 8 and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. WOLVERTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WOLVERTON. Would it be in order to ask for a recapitulation?

The SPEAKER. Not when there is that much difference between the votes, no. If the number were less than 4, the Chair would consider a recapitulation, but not on a vote where there is this much difference.

The question is on the passage of the bill.

Mr. WOLVERTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 209, nays 203, answered "present" 2, not voting 20, as follows:

[Roll No. 138]

YEAS—209

Abernethy	Fascell	Minshall
Adair	Fenton	Morano
Albert	Fernandez	Morrison
Alexander	Fisher	Moulder
Alger	Fjare	Nelson
Allen, Calif.	Forrester	Nicholson
Allen, Ill.	Gathings	Norrell
Arends	Gavin	O'Hara, Minn.
Aspinall	Gentry	Osmers
Avery	George	Passman
Bailey	Grant	Patman
Baldwin	Gray	Pelly
Barden	Gubser	Phillips
Bates	Hale	Poage
Beamer	Haley	Preston
Belcher	Halleck	Priest
Bell	Harden	Reed, Ill.
Bennett, Fla.	Harris	Rees, Kans.
Bentley	Harrison, Nebr.	Rhodes, Ariz.
Berry	Harvey	Riley
Betts	Hays, Ark.	Rogers, Fla.
Boggs	Hébert	Rogers, Mass.
Bolton, Frances P.	Henderson	Rogers, Tex.
	Herlong	Rutherford
Bolton, Oliver P.	Hiestand	St. George
	Hill	Scrivner
Bonner	Hinshaw	Scudder
Bow	Hoffman, Ill.	Sheehan
Boykin	Hoffman, Mich.	Sheppard
Bray	Holt	Short
Brooks, La.	Hope	Shuford
Brooks, Tex.	Horan	Sikes
Brown, Ga.	Hosmer	Simpson, Ill.
Brown, Ohio	Hyde	Simpson, Pa.
Brownson	Ikard	Smith, Kans.
Budge	Jackson	Springer
Burdick	James	Steed
Burleson	Jarman	Talle
Burnside	Jenkins	Teague, Calif.
Bush	Jennings	Teague, Tex.
Carrigg	Johnson, Calif.	Thomas
Cederberg	Jonas	Thompson, La.
Chase	Jones, Mo.	Thompson, Mich.
Chatham	Jones, N. C.	
Chenoweth	Kearns	Thompson, Tex.
Church	Kilday	Thomson, Wyo.
Cole	Kilgore	Thornberry
Colmer	King, Calif.	Trimble
Cooley	King, Pa.	Utt
Coon	Krueger	Van Pelt
Cramer	Landrum	Van Zandt
Crumpacker	LeCompte	Velde
Cunningham	Lipscomb	Vinson
Curtis, Mass.	Long	Vorys
Curtis, Mo.	Lovre	Vursell
Dague	McConnell	Walter
Davis, Ga.	McCulloch	Westland
Dawson, Utah	McDonough	Whitten
Deane	McIntire	Wickersham
Dempsey	McMillan	Widnall
Devereux	McVey	Williams, Miss.
Dies	Mack, Wash.	Willis
Dixon	Mahon	Wilson, Calif.
Dolliver	Martin	Wilson, Ind.
Dondero	Mason	Winstead
Dorn, S. C.	Matthews	Withrow
Dowdy	Miller, Calif.	Wolcott
Doyle	Miller, Md.	Wright
Durham	Miller, Nebr.	Young
Edmondson	Miller, N. Y.	Younger
Ellsworth	Mills	

NAYS—203

Abbitt	Bowler	Davis, Wis.
Addonizio	Boyle	Dawson, Ill.
Andersen, H. Carl	Broyhill	Delaney
	Buckley	Denton
Andresen, August H.	Byrd	Derounian
	Byrne, Pa.	Diggs
Andrews	Byrnes, Wis.	Dodd
Ashley	Canfield	Dollinger
Ashmore	Cannon	Donohue
Ayres	Carlyle	Donovan
Baker	Carnahan	Dorn, N. Y.
Barrett	Celler	Elliott
Bass, N. H.	Chelf	Evins
Bass, Tenn.	Christopher	Fallon
Baumhart	Chudoff	Feighan
Becker	Clark	Fine
Bennett, Mich.	Cooper	Fino
Blatnik	Corbett	Flood
Blitch	Coudert	Flynt
Boland	Cretella	Fogarty
Bolling	Davidson	Forand
Bosch	Davis, Tenn.	Ford
Fountain	Lanham	Richards
Frazier	Lankford	Riehlman
Frelinghuysen	Latham	Roberts
Friedel	Lesinski	Robeson, Va.
Fulton	McCarthy	Robsion, Ky.
Gamble	McCormack	Rodino
Garmatz	McDowell	Rogers, Colo.
Gary	Macdonald	Rooney
Gordon	Machrowicz	Roosevelt
Granahan	Mack, Ill.	Sadlak
Green, Oreg.	Madden	Saylor
Green, Pa.	Magnuson	Schenck
Gregory	Mailliard	Scherer
Griffiths	Marshall	Schwengel
Gross	Meader	Seely-Brown
Hagen	Merrow	Selden
Hand	Metcalf	Sieminski
Harrison, Va.	Mollohan	Siler
Hays, Ohio	Morgan	Sisk
Hayworth	Moss	Smith, Miss.
Heselton	Multer	Smith, Va.
Hess	Murray, Ill.	Smith, Wis.
Hoeven	Murray, Tenn.	Spence
Holifield	Natcher	Staggers
Holmes	Norblad	Sullivan
Holtzman	O'Brien, Ill.	Taber
Huddleston	O'Brien, N. Y.	Taylor
Hull	O'Hara, Ill.	Thompson, N. J.
Jensen	O'Konski	Tollefson
Johansen	O'Neill	Tuck
Johnson, Wis.	Ostertag	Tumulty
Jones, Ala.	Patterson	Udall
Judd	Pfost	Vanik
Karsten	Philbin	Wainwright
Kean	Pilcher	Watts
Keating	Pillion	Weaver
Kee	Poff	Wharton
Kelley, Pa.	Polk	Wier
Kelly, N. Y.	Powell	Wigglesworth
Keogh	Price	Williams, N. J.
Kirwan	Prouty	Williams, N. Y.
Klein	Quigley	Wolverton
Kluczynski	Rabaut	Yates
Knox	Rains	Zablocki
Knutson	Ray	Zelenko
Laird	Reuss	
Lane	Rhodes, Pa.	

PRESENT—2

Engle Scott

NOT VOTING—20

Anfuso	Gwinn	Perkins
Auchincloss	Hardy	Radwan
Buchanan	Hillings	Reece, Tenn.
Chiperfield	Kearney	Reed, N. Y.
Clevenger	Kilburn	Rivers
Dingell	McGregor	Shelley
Eberharter	Mumma	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Rivers for, with Mr. Engel against.

Mr. Gwinn for, with Mr. Hardy against.

Mr. Chiperfield for, which Mr. Perkins against.

Mr. Mumma for, with Mr. Dingell against.

Mr. McGregor for, with Mr. Auchincloss against.

Mr. Kearney for, with Mr. Radwan against.

Until further notice:

Mr. Anfuso with Mr. Hillings.

Mr. Shelley with Mr. Kilburn.

Mrs. Buchanan with Mr. Reece of Tennessee.

Mr. ENGLE. Mr. Speaker, I have a live pair with the gentleman from South Carolina, Mr. RIVERS. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. SCOTT. Mr. Speaker, I disqualify myself under rule 8 and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to

extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. JOHANSEN. Mr. Speaker, the legislator's task is always easier and pleasanter when he can cast his vote on the basis of strong, affirmative convictions.

Sometimes, unfortunately, it is necessary for him to base a vote on his misgivings, and even worse, to be forced to choose between opposing misgivings.

I voted, along with 66 other Republicans, against the Harris natural gas bill. This bill—which passed the House 209 to 203—would exempt producers of natural gas from Federal rate regulation. In doing so I was compelled to choose between opposing and serious misgivings.

On the one hand were the basic misgivings which I have with respect to Federal controls, particularly price or rate controls—including my fundamental distrust of bureaucratic control of the free-enterprise system, opposition to the malicious anti-business bias so often exhibited in Washington since 1933, and a fundamental belief that competition rather than government is the best economic policeman.

On the other hand, on this particular issue, I have serious misgivings as to whether, in the case of production of natural gas, competition can be an adequate policeman of rates and an effective guardian of the interests of the consumer—both the home user and the industrial user of natural gas.

State control of rates charged for natural gas sold by producers and gatherers in the field to pipeline companies for interstate distribution is barred by court decisions. Moreover in this case the competition is between buyers—the pipeline companies—and not between the sellers—the producers. Competition between buyers tends to increase the price to the buyer, and therefore to increase the price to the ultimate consumer, and so is not an effective policeman, as is the case when the competition is between sellers.

Federal rate control is generally accepted by all parties to this dispute as necessary and unavoidable so far as the pipeline companies are concerned. Even the Harris bill, which seeks to remove the producers from rate control by the Federal Power Commission, contains a provision designed to limit the amount which the pipeline companies could pay the producers. But there was deep divergence of opinion as to whether the provisions in the bill provide an adequate restraint on prices which can be paid to producers and passed on to the consumer. And there were serious doubts as to whether these provisions offered safeguards against a markup in the price of the accumulated natural-gas reserve of the pipeline companies—a markup which could yield a rich bonanza to these companies.

The closeness of the vote in the House indicated the grave uncertainties, pro and con, in this highly controversial issue. It is worth nothing that the bill was reported out by the House Committee on Interstate and Foreign Commerce by a margin of only one vote. Moreover the Rules Committee voted to send the bill to the floor of the House by only one vote. In every instance, there was a sharp cleavage of sentiment among both Republicans and Democrats.

Since the basic principle of Federal rate control of the cost of natural gas to the ultimate consumer is generally accepted as necessary and sound, and since there was serious doubt in my mind as to whether adequate control and protection of the consumer against price gouging is provided in the Harris bill, I resolve my conflicting misgivings in favor of what I believe to be the legitimate interests of the consumer.

During the campaign last year I repeatedly said that I was deeply concerned about two kinds of human greed—the greed for unconscionable financial gain and the greed for political and governmental power. The issues posed by the Harris bill controversy touched on the human possibilities of both kinds of greed. Striking a balance of proper controls on each of these kinds of greed is a difficult, trial-and-error process.

Mr. HESELTON. Mr. Speaker, now that the House has been forced to make its decision on the natural gas exemption bill (H. R. 6645) under unusual circumstances, the question as to its future is an important one—not only to Members of the House, but to the producers of this gas, who have waged such a vigorous fight to be exempted from Federal regulation, and to the scores of millions of users of this gas.

In my opinion, it is crystal clear that so far as the opponents of this bill are concerned, a battle was lost by the thinnest of margins, but the war can and should be won.

When a controversial bill of this nature is first defeated by the legislative committee on a vote of 14 to 14, after weeks of hearings and executive sessions, that is significant.

It is even more significant that, upon reconsideration, the bill was reported by the committee by the margin of only a single vote, 16 to 15, with the full committee voting.

I think everyone here is fully aware of what followed, culminating in a hearing before the Rules Committee almost on the eve of adjournment, after weeks of jockeying for position. Yet a rule was reported, again by a 1-vote margin, 6 to 5.

The haste with which floor consideration was scheduled after the rule issued indicated considerable confidence that the House would pass the bill by a safe margin.

It must have been most disappointing that the motion to recommit was defeated by only 7 votes, 210 to 203, and very discouraging that on final passage the margin of victory was only 6 votes, 209 to 203.

These exemption efforts have been before the House committee and the House for years but no defeat has been accepted by the producers who apparently are determined to have their way.

It will be recalled that in 1950 an exemption attempt passed the House by a 2-vote margin, 176 to 174. Whether this accounted for the fact that no move was made to override the Presidential veto which followed is a matter of opinion. But it cannot be disputed that it did not end the determined drive for exemption from regulation. It would be folly to assume that the House action this week would have any such effect.

I do not believe that any useful purpose would be served by reviewing the arguments pro and con. They are set out fully in the majority and minority reports of the House committee and in the debate in the House on July 28, which will be supplemented by any debate in the other body where the bill is considered there. It was finally and conclusively shelved for this year today, just as was predicted frequently during the House debate. In the light of this, and particularly of the repeated statements during the House debate that adequate information was not available, it seems more regrettable now than it did before the vote on July 28 that the Members of the House were not given the benefit of the results of the Harris resolution, amended by the Wolverton resolution, for an investigation of the facts.

Therefore, two immediate courses of action seem to be vitally important.

First, Members of the House can make a most important contribution toward an ultimate and sound solution of this vexing and complex problem by securing the fullest possible reliable information as to the situation in their respective areas. I believe that such information would be welcomed by the House committee, irrespective of the fate of the Harris-Wolverton resolutions at the hands of those who control such matters.

Second, I hope every Member of the House will see to it that any action directed toward increasing the prices of natural gas to the users of such fuel in his area is examined as fully as possible and the results reported promptly to the House committee. Again, I feel confident that such information would be welcomed by that committee.

I am certain that the vast majority of Americans want and will demand a fair, open, and intelligible solution of this problem by Congress. That cannot be brought about unless all the available and pertinent facts are presented. Certainly the industry has a very real obligation to make that possible.

CLERK AUTHORIZED TO CORRECT SECTION NUMBERS

The SPEAKER. Without objection, the Clerk will be authorized to correct section numbers in the bill just passed.

There was no objection.

BOARD OF EDUCATION OF THE DISTRICT OF COLUMBIA

Mr. ABERNETHY submitted a conference report and statement on the bill (S. 1093) to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes.

FAIR LABOR STANDARDS ACT OF 1938

Mr. BARDEN submitted a conference report and statement on the bill (S. 2168) to amend the Fair Labor Standards Act of 1938 in order to increase the national minimum wage, and for other purposes.

LEGISLATIVE PROGRAM

Mr. MARTIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN. Mr. Speaker, I would like to ask the acting majority leader when the House will meet tomorrow and, if he knows, what the program will be.

Mr. ALBERT. It is planned to convene tomorrow at 11 o'clock.

Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that it may be in order to call the Private and Consent Calendars and for the Speaker to recognize Members under suspension of the rules on Saturday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. I announce further that it is the plan to call up the Private Calendar first on Saturday.

INDIAN LANDS

Mr. ENGLE submitted a conference report and statement on the bill (S. 34) to authorize the leasing of restricted Indian lands for public, religious, educational, recreational, residential, business, and other purposes requiring the grant of long-term leases.

BRIG. GEN. EDWIN B. HOWARD

Mr. MADDEN, from the Committee on Rules, reported the following privileged resolution (H. Res. 325, Rept. No. 1564), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1271) to authorize the appointment in a civilian position in the Department of Justice of Brig. Gen. Edwin B. Howard, United States Army, retired, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

MAJ. GEN. FRANK H. PARTRIDGE

Mr. MADDEN, from the Committee on Rules, reported the following privileged resolution (H. Res. 324, Rept. No. 1563), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1272) to authorize the appointment in a civilian position in the Department of Justice of Maj. Gen. Frank H. Partridge, United States Army, retired, and for other purposes. After general debate which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

HOUSING AMENDMENTS OF 1955

Mr. MADDEN, from the Committee on Rules, reported the following privileged resolution (H. Res. 326, Rept. No. 1565), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2126) to extend and clarify laws relating to the provision and improvement of housing, the elimination and prevention of slums, the conservation and development of urban communities, the financing of vitally needed public works, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read and after the reading of the first section of such bill it shall be in order to move to strike out all after the enacting clause and insert as a substitute the text of the bill H. R. 7473, and all points of order against such substitute and the committee amendments printed in the bill S. 2126 are hereby waived. At the conclusion of the consideration of the bill S. 2126, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

TO STRENGTHEN AND IMPROVE THE ORGANIZATION OF THE DEPARTMENT OF STATE

Mr. DELANEY, from the Committee on Rules, reported the following privileged resolution (H. Res. 327, Rept. No. 1566) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2237) to amend the act of May 26, 1949, to strengthen and improve the organization of the Department of State, and for other purposes, and all points of order against such bills are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Foreign Affairs now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

BONDING OF CIVILIAN AND MILITARY PERSONNEL OF FEDERAL GOVERNMENT

Mr. MURRAY of Tennessee submitted a conference report and statement on the bill (H. R. 4778) to provide for the purchase of bonds to cover employees and officers of the Government.

AMENDING AND EXTENDING THE SUGAR ACT OF 1948

Mr. TRIMBLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 328, Rept. No. 1567) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, and all points of order against such bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Agriculture now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amend-

ments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

RESERVE BILL

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, on yesterday I presented some views on the Military Reserve bill recently adopted by the House.

This morning in the New York Times, Mr. Hanson W. Baldwin, noted military authority of that celebrated publication, presented a very penetrating analysis of this measure.

It is to be observed that Mr. Baldwin touched upon most of the points which I touched upon in my recent remarks. He is evidently of the view that the manpower goals set by the bill probably cannot be reached. Very significantly, he also stressed the qualitative deficiencies of the bill which he referred to as "the qualitative gap." He was referring, of course, to the fact that the bill will recruit a Reserve which will be "green," and as he directly states "composed of a much higher proportion of men with very short active duty training periods than is considered desirable."

Mr. Baldwin further asserts that in event of M-Day—mobilization day—these Reserve units of divisional size will require "from 3 months to a year of training before engaging in active field combat."

Very pertinently, he points out that the National Guard is supposed to be our basic Reserve strength on M-day, but that, as I previously stated in substance, the National Guard may get the "short end of the horn" as compared to the new Reserves set up by the bill, and that because most men will be channeled into the Reserves, hence the Reserves in time will "replace the National Guard as our chief Reserve force."

He also comments that the bill makes no provision for the creation of military forces for civilian-defense purposes, since permissive authorizations for State militia were stricken from the bill. I had referred to the National Guard as not only a Reserve but also an arm of civilian defense; in fact, in my humble opinion, the Guard is admirably designed for training and use for civilian defense just as it has been utilized in the past to cope with many types of emergencies. Mr. Baldwin fully bears out my previously expressed views on the responsibility of the Federal Government and its military units for meeting the problems posed by atomic-hydrogen attack.

It is noteworthy, too, that Mr. Baldwin deals with considerable force and persuasiveness with the inequities and unfairness of the services required by the Reserve bill. The generally inequitable character of the effects of the bill, the astonishing lack of comprehensive coverage of major and basic situations which characterize it, and the grotesque discriminations it imposes or affords tend fully to bear out his statement that the bill "leaves much to be desired," "will be difficult to administer, and public opposition to it may increase." Personally, I believe that it will be an administrative nightmare even for the Pentagon bureaucracy, which is so accustomed to living with imponderables and contradictions.

Mr. Baldwin bemoans, as I do, and as many in this body do, the sad and sorrowful failure to install the principle of professionalization in building all our Armed Forces. Until that is done, we must lumber along with caissons and military novices at a time when we need jet planes and nuclear technicians.

I ask unanimous consent to include Mr. Baldwin's splendid article as part of my remarks:

THE RESERVE BILL—AN ANALYSIS OF POSSIBLE EFFECTS OF COMPROMISE MILITARY MEASURE

(By Hanson W. Baldwin)

The new Military Reserve bill, which will now be the law of the land for the next four years as soon as the President signs the congressional-approved legislation, is frankly a compromise, satisfactory in all its provisions to none.

Its provisions are complex. Many of them still are subject to legal interpretation and no one can yet be sure what final effect the bill will have upon our military structure.

But a number of tentative conclusions already can be reached:

The services had hoped to build a Ready Reserve of trained troops in first-line organized units, totaling 2,900,000 (there are now 812,000 participating in paid training) by 1959. An unspecified number, possibly 2 million strong, was to form the second-line nonorganized Standby Reserve of trained personnel available for selective callup in the secondary phases of mobilization. These goals probably cannot now be reached.

A QUALITATIVE GAP

The qualitative gap between plans and legislation will be greater, however, than the quantitative gap. The new Reserve, like the present one, will be "green"—composed of a much higher proportion of men with very short active-duty training periods than is considered desirable.

It has been said of the present Reserve that "trained men in reserve are not young and young men in reserve are not trained." There will be more young men under the new legislation but they will not be really trained. However, some of them will be better trained than present Reservists. The overall level of training in Reserve units (including National Guard) may be a little higher than it is today, but not much.

Neither the National Guard nor the Reserve units to be organized and "fleshed out" by the existing legislation can possibly be M-Day (mobilization day) units. Virtually all these units, certainly all of divisional size, will require from 3 months to a year of additional training after mobilization before engaging in active field combat.

The National Guard as now organized is supposed to provide by far the largest number of combat units on M-Day. However, it may get the "short end of the horn," as compared to the Reserves in this legislation. The services are empowered to assign draftees who have served 2 years on active duty (or men who have voluntarily enlisted in the Regular services for longer periods) to organized Reserve units for compulsory Reserve training, but they cannot assign such men to the National Guard.

DEPENDS ON VOLUNTEERS

The Guard, in other words, must depend upon voluntary enlistment, not upon compulsion, to maintain its strength. Some observers believe that if the current law is continued beyond its expiration date of 1959 that the Reserves will replace the National Guard as our principal Reserve force.

The new bill makes no provision for the creation of military or paramilitary forces for civilian-defense purposes. The permissive authorizations for the creation of State militias were stricken out. Similar separate bills are, however, under consideration by Congress now. But such permissive legislation is not in any way adequate to the need.

The organization, training, and equipment of specially designated military units for mobile civilian defense duties to meet the enormous emergency of nuclear attack must be the responsibility of the Federal Government. Some of the 3-to-6 months' trainees authorized by the Reserve bill could be usefully employed in such tasks but there is no provision for such use.

The bill does not provide either for universality for service or equitable service. Some men will volunteer for 3 or more years active duty. Some will be drafted for 2 years. Some will volunteer for 3 to 6 months' active duty for training. Some will serve their entire time in the Reserves with no extended period of active duty at all. Some will receive one rate of pay, some another. And some will not wear the uniform at all—either in active or Reserve service.

DIFFICULT TO ADMINISTER

The law will be difficult to administer, and public opposition to it may increase, given the new Russian policy of "sweet, new, and light."

Thus, it is clear that the Reserve Forces Act of 1955 leaves much—very much—to be desired. The Reserves are intended to occupy an important secondary role in our Defense Establishment. It is certain in the age of jet aircraft and nuclear weapons that regular, full-time professional forces, ready instantly to fight, must have the major emphasis and the highest priority. But the irony of the present situation is that the overall size and the overall capabilities of our Regular forces are being reduced—with further reductions scheduled—at the very time when Congress has passed a hybrid and unsatisfactory Reserve bill.

PROGRAM FOR TOMORROW

Mr. ALBERT. Mr. Speaker, supplementing my remarks of a few minutes ago, I desire to announce that the House will consider tomorrow the housing bill.

SPECIAL ORDERS GRANTED

Mr. MERROW asked and was given permission to address the House for 10 minutes tomorrow, following the legislative program and any special orders heretofore entered.

Mr. HAND asked and was given permission to address the House tomorrow for 10 minutes, following the legislative program and any special orders heretofore entered.

CATHERINE SULLIVAN VERSUS KILGORE MANUFACTURING CO.

The SPEAKER laid before the House the following communication from the Clerk of the House:

JULY 27, 1955.

The Honorable the SPEAKER,
House of Representatives.

SIR: From the District Court of the United States for the District of Columbia, I have received a subpena duces tecum, directed to me as Clerk of the House of Representatives, to appear before a notary public in

reference to a civil action pending in the United States District Court for the Southern District of New York, and to bring with me certain and sundry papers therein described in the files of the House of Representatives.

The rules and practice of the House of Representatives indicates that the Clerk may not, either voluntarily or in obedience to a subpena duces tecum produce such papers, is further indicated that he may not supply copies of the documents and papers requested without such consent.

The subpena in question is herewith attached and the matter is presented for such action as the House in its wisdom may see fit to take.

Very truly yours,

RALPH R. ROBERTS,
Clerk of the House of Representatives.

The SPEAKER. The Clerk will read the subpena.

The Clerk read as follows:

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA—CATHERINE SULLIVAN, AS ADMINISTRATRIX, ETC., ET AL., PLAINTIFFS, *v.* KILGORE MFG. CO., ET AL., DEPENDENTS, NO. FS 581

The President of the United States to Honorable Ralph Roberts, clerk of the United States House of Representatives, Greeting:

You are hereby commanded to appear before D. F. King, notary public, at 1100 Shoreham Building, 15th and H Street NW., Washington, D. C., at the office of Steptoe and Johnson, on the 12th day of September 1955 at 10 a. m., e. s. t., to testify on behalf of defendant Baltimore & Ohio Railroad Co. in Civil Actions Nos. 75–279, 71–76, 75–363, 75–273, 75–277, 75–282, and 80–35 now pending in the United States District Court for the Southern District of New York and bring with you two photographs showing boxes of anti-tank mines which were produced and marked as exhibits C–17 and C–18 in hearings conducted during November and December 1950, before the Special Subcommittee To Investigate the Explosion at South Amboy, N. J., of the Committee on Merchant Marine and Fisheries of the House of Representatives, 81st Congress, 2d session, and which are believed to be located in the House of Representatives files in room 521 of the Old House Office Building, Washington, D. C., and not depart without leave.

HARRY M. HULL, *Clerk.*
By JOHN J. FLANNERY,
Deputy Clerk.

Date: July 22, 1955. Steptoe & Johnson.
Attorney: Laidler M. Mackall.

Mr. ALBERT. Mr. Speaker, I offer a privileged resolution (H. Res. 329) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Whereas in the case of Catherine Sullivan, as Administratrix, versus Kilgore Manufacturing Company (civil actions numbered 75–279, 71–76, 75–363, 75–273, 75–277, 75–282 and 80–35) now pending in the United States District Court for the Southern District of New York, subpena duces tecum having issued by the clerk of the United States District Court for the District of Columbia and addressed to Ralph R. Roberts, Clerk of the House of Representatives, directing him to appear as a witness and to bring with him certain documents in the possession and under the control of the House of Representatives: Therefore be it

Resolved, That by the privileges of this House no evidence of a documentary character under the control and in the possession of the House of Representatives can, by the mandate of process of the ordinary court of justice, be taken from such control or possession but by its permission; be it further

Resolved, That when it appears by the order of the court or a judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that documentary evidence in the possession and under the control of the House is needful for use in any court of justice or before any judge or such legal officer, for the promotion of justice, this House will take such action thereon as will promote the ends of justice consistently with the privileges and rights of this House; be it further

Resolved, That Ralph R. Roberts, Clerk of the House, be authorized to appear at the place and before the court named in the subpena duces tecum before mentioned, but shall not take with him any papers or documents on file in his office or under his control or in his possession as Clerk of the House; be it further

Resolved, That when said court determines upon the materiality and the relevancy of the documents called for in the subpena duces tecum then the said court through any of its officers or agents shall have full permission to attend with all proper parties to the proceeding at a place under the orders and control of this House and take copies of the said documents and the Clerk is authorized to supply certified copies of such documents in possession or under control of said Clerk that the court has found to be material and relevant, except that under no circumstances shall any minutes or transcripts of executive sessions, or any evidence of witnesses in respect thereto be disclosed or copied, nor shall the possession of said documents and papers by the said Clerk be disturbed or removed from their place of file or custody under said Clerk; and be it further

Resolved, That a copy of these resolutions be transmitted to the said court as a respectful answer to the subpena aforementioned.

The resolution was agreed to; a motion to reconsider was laid on the table.

NORTH CAROLINIANS MUST ASSUME PERSONAL RESPONSIBILITY FOR OUR LOW PER CAPITA INCOME

The SPEAKER. Under previous order of the House, the gentleman from North Carolina [Mr. DEANE] is recognized for 15 minutes.

Mr. DEANE. Mr. Speaker, it may seem strange that I would take the floor of the House this afternoon to discuss the unenviable position of my State of North Carolina in being ranked 48th among the States last year in the average weekly earnings of manufacturing employees. This ranking is based upon figures compiled by the United States Department of Labor. My objective in presenting an analysis of the problem is to indicate that there is reason to feel that the Department of Labor's figures are misleading in some respects. On the other hand, the Winston-Salem Journal and Sentinel in an editorial of July 17 stated—

that while the rank given in North Carolina on weekly wage averages is misleading in not taking into consideration certain economic factors involving a slump in the textile industry, severe freeze, and drought conditions and the several thousand seasonal workers in tobacco warehouses and redrying plants, the Government statistics do reveal a situation which challenges the State.

The editorial goes on to say:

Regardless of extenuating circumstances North Carolina cannot be proud of a weekly wage average of $48.88 which is only two-thirds as high as the national average of $71.86.

NORTH CAROLINA ACCEPTS RESPONSIBILITY

During recent weeks I have brought together certain data which, in my opinion, significantly affects the average wages of employable people in North Carolina. I propose to make this information available to the Governor of our State, the press and various and sundry groups to the end that we may come to grips with the problem. What is true of an individual is applicable to an individual State or the Federal Government, namely, the person who is unwilling to talk about his weaknesses is the man who has no cure for the weaknesses that exist.

WE HAVE CLIMBED OUT OF THE CELLAR

Latest data for earnings in manufacturing by States are available for May 1955. Aided by the pickup in textiles—average weekly hours 38.2—North Carolina has climbed out of the cellar with weekly earnings of $50.94. In view of the large number of textile workers in North Carolina, the uncertain curve of textile production and the various competitive forces within the industry we cannot rest on our oars. Since we know that North Carolina has occupied lower league standing for a number of years we must admit that a problem exists. We propose to come to grips with the problem. North Carolinians working together will find an answer.

NORTH CAROLINA'S OBJECTIVE IS A STABLE AND SOLID GROWTH

North Carolina welcomes new industries. The State has made tremendous strides during recent years in attracting new industries. I mention only a few representative groups, such as the meter plant of the Westinghouse Electric Corp. at Raleigh; the transformer plant of General Electric near Hickory; the outdoor lighting department of General Electric near Hendersonville; the Charlotte ordnance missiles plant at Charlotte; the Lorillard cigarette plant at Greensboro; the dacron plant of Dupont Corp. near Kinston; a large branch of Western Electric in Winston-Salem.

The counties, cities, and towns in North Carolina do not believe it is in the best interest of sound economic development to grant tax concessions in order to obtain new industries. North Carolina local government units take the position that all North Carolinians and industries will prosper alike as they share their part of the tax load. It makes for solid growth. Tremendous industry benefits accrue because of the progress in the social, educational, health, recreational, and service programs made possible when a sound fiscal tax policy is followed.

Consider these stable elements that contribute to solid growth. North Carolina ranks high in the expenditure per pupil for public education. North Carolina transports more pupils by bus to and from school than any other State in the

Union. In the field of higher education, North Carolina ranks 16th among the States in expenditures for such purposes. In the field of transportation few States can boast a better highway system with over 30,000 miles of hard-surface roads.

What about health facilities? North Carolina has made great progress in the construction of hospitals since the inception of the Hill-Burton Act of 1948. Since 1948, 191 hospitals and health projects have been approved at a total cost of $78,055,617. A total of 5,457 new hospital beds have been provided in the State since 1948. Under the provisions of the Hill-Burton Act, North Carolina has constructed more public health centers than any other State. Only 3 States, Texas, New York, and Ohio, have constructed more general hospital beds. Approximately one-fourth of the States have greater unmet need for hospital beds than North Carolina. These hospitals are being staffed by splendidly trained doctors, surgeons, nurses, and technicians that come from the 3 outstanding 4-year medical schools located in North Carolina.

Over the long pull no industry can expect smooth sailing unless the State of domicile is looking ahead, planning and taking care of the extra services that make for sound and healthy public relationships.

FACTORS INFLUENCING THE DEPRESSED PER CAPITA INCOME IN NORTH CAROLINA

Wide income differentials exist among the various regions in the United States. Measured in terms of per-capita income, the well-being of persons in the poorest States is only half that of those with the highest income. In 1953 North Carolina stood 44th among the States in the Union. In 1954 North Carolina declined to the bottom.

The average per-capita income payment in North Carolina in 1953 was $1,097 compared with the United States average of $1,709. The average person in the Tarheel State could buy about a third less of goods and services than the average American.

During the last 4 years for which data are available the comparable per-capita income pay units for the United States and North Carolina were as follows:

Year	United States	North Carolina	North Carolina as a percent of United States
1950	$1,440	$947	66
1951	1,581	1,045	66
1952	1,644	1,058	64
1953	1,709	1,097	64

These wide income differentials are due to the industry-mix in each region, the degree of the population's participation in labor force, extent of urbanization, percentage of white and nonwhite population, the level of education, labor productivity and, in recent years, the contribution of the Government to individuals living in each State or region.

INDUSTRY DISTRIBUTION

An examination of the occupational distribution by broad industry groups of persons in the labor force in North Carolina and the Nation will show some significant variances. The percentage of persons engaged in agriculture is twice as high in North Carolina than in the United States. Almost the same ratio of persons are engaged in manufacturing in the United States and North Carolina, but in the latter, the employment is largely concentrated in nondurable industry. In the United States the majority of manufacturing employees are engaged in durable goods industries.

TABLE 1.—*Percentage distribution by industry groups of employed persons, 1950*

	United States	North Carolina
Total employed	100.0	100.0
Agriculture	12.1	24.6
Forestry and fisheries	.2	.3
Mining	1.6	.2
Construction	6.3	5.9
Manufacturing	25.7	27.9
Durable goods	13.7	7.4
Nondurable goods	11.8	20.5
Transportation, communication, other public utilities	7.7	4.5
Wholesale trade	3.5	2.2
Retail trade	15.1	12.1
Finance	3.3	1.7
Business repair service	2.5	1.8
Personal service	7.2	8.0
Professional and entertainment	8.0	6.7
Public advertisement	4.4	2.6
Industries, not reported	2.6	1.5

AGRICULTURE

It is a well established fact that under modern conditions of industrialization the income of a region varies inversely with the percentage of the labor force engaged in agriculture. In North Carolina almost every fourth person gainfully employed is engaged in agriculture. This is double the comparable ratio for the United States. While the average per capita income for 1950 in January was $2,466, the comparable figure in manufacturing was $3,570 or 45 percent higher.

As in other sectors of the economy, farm income in North Carolina compared unfavorably with the rest of the United States. High ratio of labor to land and capital is responsible for the low per capita income of Tarheel farmers. The failure to develop labor-saving methods in the production of tobacco and cotton suitable for small units is another factor for the low income level of North Carolina farmers. According to the 1950 census the average value per United States farm was $14,000, or more than double the value of the average farm in North Carolina which was priced at $6,600. But while the trend in the rest of the country was toward larger and more efficient farming, North Carolina was the only State where the number of farms increased between 1940 and 1950. During this decade the average acreage in North Carolina declined from 67.7 to 67.0; the increase for the United States was from 174.3 to 215.3 acres.

The harvested cropland in North Carolina during 1949 was limited to less than 30 acres on almost every 3 out of 4 farms, while the comparable ratio for the United States was 4 out of 10.

TABLE 2.—*Distribution of farms by acres of cropland harvested, United States and North Carolina, 1949*

[Percent]

Number of acres	United States	North Carolina
1 to 9	16.5	26.1
10 to 19	14.3	27.9
20 to 29	10.7	18.7
30 to 49	12.8	13.8
50 to 99	15.1	4.8
100 to 199	11.5	.9
200 to 499	6.0	.2
500 and over	1.2	
Not reporting	12.0	7.5

The average value of farm products sold per farm in 1950 was $2,119 in North Carolina; for the United States the figure was more than double, $4,440 per farm.

In only 6.8 percent of the North Carolina farms did the value of the products exceed $5,000 in 1950. In the rest of the country that value was exceeded by almost a fourth of the farm.

TABLE 3.—*Distribution of farms by economic classification—1950*

[Percent]

	United States	North Carolina
All farms	100.0	100.0
Commercial	68.9	67.1
Class I—$25,000 and over	1.9	.1
Class II—$10,000 to $24,999	7.1	.9
Class III—$5,000 to $9,999	13.4	5.8
Class IV—$2,500 to $4,999	16.4	21.5
Class V—$1,200 to $2,499	16.8	24.1
Class VI—$250 to $1,199	13.3	14.6
Noncommercial	31.1	32.9
Part-time	11.9	9.8
Residential	19.2	23.0

Many farmers supplement their income with outside nonfarm work. But while agricultural income of North Carolina farmers was lower than that of the farmers in the rest of the country, it appears that their supplemental income was also lower. According to the last census the nonfarm income of 9.1 percent of commercial farmers exceeded the total value of their agricultural products; the comparable percentage of North Carolina farms was 7.7.

As might be expected, the ratio of farmers who could afford hired hands was less in North Carolina than elsewhere. During the week preceding the last census 9.1 percent of North Carolina farmers used farm laborers, the comparable percentage for farms using hired hands in the rest of the country was about 40 percent higher. The wages paid to the farmhands in North Carolina was significantly lower than in the rest of the country.

TABLE 4.—*Average rates for agricultural labor, 1950*

	United States	North Carolina	North Carolina as percentage of United States
Farms reporting—			
Hourly rates	$0.67	$0.46	69
Weekly rates	28.0	20.0	71
Monthly rates	118.0	74.0	63

INCREASING AGRICULTURAL INCOME IN NORTH CAROLINA

With respect to possibilities for increasing per capita farm income in North Carolina, the following are offered as modest suggestions:

First. Neither cotton nor tobacco appear to offer any optimistic possibilities of expansion for the visible future. Peanuts are not in oversupply at present, but will continue under control.

Second. Livestock development appears to afford new opportunities for those who have or can acquire know-how and obtain a sufficiently large land base (even of low-grade land) for this type of farming. Unfortunately, recent drought and deflation in the cattle market have discouraged some. Yet it seems clear enough that the long pasture season and the mild winters are permanently advantageous with respect to both beef and dairy cattle as well as hogs. Some pastures have been improved—that does take capital. Under some conditions irrigation may prove advantageous. But even more acute is the need for adequate know-how in building up herds and managing them effectively, particularly to free them from and keep them free of parasites.

It is anticipated by some careful observers of American agriculture—such as the Doane Agricultural Service of St. Louis—that feeder cattle and calves for finishing in the East and Midwest will come increasingly from well-watered South and Southeast. This is in part because it would appear to be a low-cost production area, once it is well organized for such production, and partly because the present supply area, the Great Plains and Mountain States, seem to be approaching capacity production.

With respect to dairy production, the area may have less advantage, except as local needs for grade A milk may be served.

Third. There would appear to be considerable opportunity for the increased production and marketing of special fruits and berries, both to growing cities in the area and to early-season northern markets. Again, this may involve sprinkler irrigation and certainly involves some fairly long-term investment and much alert production and marketing management. The recent developments with respect to blueberry production in the eastern part of the State may well serve as an example. It does take an idea, know-how, and some capital.

Fourth. The broiler industry might well be reexamined to see whether it affords in some degree the opportunities to rural North Carolina which have accrued to Georgia and the Delmarva Peninsula.

MANUFACTURING

The extent of manufacturing employment as a percent of the total labor force is normally regarded as a good measure of the economic well-being of an area. This overall measure may, however, be grossly misleading since the income of a given State and region demands upon its industry mix—the composition of activity in terms of production worker manhours in each industry. The State's income from manufacturing is affected by its industry mix, since hourly rates vary from industry to industry. Based on this criterion, North Carolina's industry ranks very low. A study based on the 1947 census of manufacturing placed the wealth produced per person engaged in manufacturing by North Carolina's industry as the lowest among the States, 19.1 percent below the national average.

The best gauge for the relative contribution that a given industry makes to the income of a region is the value manufacturing adds per full-time production worker engaged in the industry. The census of manufacturing divides American industry into 20 major industries. The value added per production workers in these industries varied in 1953 between $17,400 in chemicals to $4,900 thousand in apparel. In terms of number of production workers employed, the three major industries in North Carolina according to the census were: textile mill products, lumber and products (except furniture), furniture and fixtures. These industries accounted for more than 7 out of every 10 production workers in manufacturing. The relative position of these industries as valued in terms of value added per manufacturing production workers was 18, 17, and 16 out of the 20 industry groups. It can, therefore, be readily seen that the industries which flourished in North Carolina were relatively among the least productive.

Industries, like persons, appear to be gregarious and the predominance of low-productivity industries seem to attract more of the same. Some concrete advantages explain this behavior. These are manifested in established materials, supplies, and markets as well as the availability of trained personnel.

TABLE 5.—*Value added by manufacturing per production worker, United States and North Carolina, 1953*

[In thousand dollars]

Industry	Value added per worker				Percent of manufacturing production workers in North Carolina
	United States rank	United States	North Carolina	North Carolina as percent of United States	
All industries		9.0	5.7	64	100.0
Food and kindred products	5	11.3	10.1	89	2.9
Tobacco manufactures	4	11.3	18.4	162	5.3
Textile mill products	18	5.1	4.2	83	54.9
Apparel and related products	20	4.9	4.3	87	4.2
Lumber products (except furniture)	17	5.3	3.3	62	9.8
Furniture and fixtures	16	6.6	4.4	66	6.6
Paper and allied products	8	10.1	11.1	108	1.9
Chemical products and allied products	1	12.4	11.5	66	1.9
Primary metal industries	9	10.0	6.1	61	.5
Transportation equipment	10	9.5	6.4	67	.2

The value added by United States manufacturing per production workers in 1953 was $9,011, or 57 percent higher than the $5,749 for North Carolina. The 1953 data covers a total of 10 out of the 20 industry groups in manufacturing, but the 10 industries employed 88 percent of the total production workers. The average added value per worker in North Carolina exceeded the United States average in two industries, employing less than a twentieth of the workers. In all other industries the value added by manufacturing in North Carolina was considerably below the comparable figures in the United States.

WAGE DIFFERENTIALS

But differences in industry mix alone do not fully account for the comparatively low wages of North Carolina. An examination of hourly wage rates in the manufacturing industries listed in table 5 disclosed only a loose relationship between value added and wage rates. Only in tobacco did average rates in North Carolina exceed the comparable national rates. In the other main industries average hourly rates in North Carolina were as much as a third lower than nationally.

TABLE 6.—*Average hourly rates in manufacturing, United States and North Carolina, 1953*

Industry	United States	North Carolina	North Carolina as percent of United States
All industry	$1.81	$1.28	70.7
Food and kindred products	1.59	1.08	67.9
Tobacco manufactures	1.29	1.42	110.1
Textile mill products	1.40	1.28	91.4
Apparel and related products	1.28	1.16	90.6
Lumber products (except furniture)	1.46	1.05	71.9
Furniture and fixtures	1.55	1.11	71.6
Paper and allied products	1.73	1.71	98.8
Chemicals and allied products	1.92	1.47	76.6
Primary metal industries	2.16	1.68	77.8
Transportation equipment	1.49	1.26	84.6

Ample evidence exists showing that wages in North Carolina are considerably lower than in the Nation for similar or even identical work. The best occupational wage data in North Carolina are available for Charlotte, the largest labor-market area in the State.

Several illustrations comparing union rates in Charlotte with comparable urban centers appear in table 7.

INCREASING MANUFACTURING INCOME IN NORTH CAROLINA

During 1954 the average weekly income of Tar Heel production workers in manufacturing declined to the bottom position among the 48 States. Many States suffered a drop in weekly earnings due to the 1954 recession. The Federal Reserve Board index of production for the Nation as a whole dropped 7 percent below the previous year.

Manufacturing production in North Carolina appears to have suffered a more severe setback than in other States. The decline in average weekly earnings was due to a drop in the number of hours worked, which averaged 38.3 per week in North Carolina and was the lowest for any State. Average hourly earnings continued to increase and in North Carolina to $1.25, or 2 cents per hour over the previous year.

Textiles accounted for the bulk in the drop of number of hours worked. In North Carolina the average number of hours worked per week was 36.9, a drop of 1.2 hours from 1953. Textiles ac-

counted for over half of total manufacturing employment in the State. In addition, tobacco manufactures and apparel also registered declines in number of hours worked.

MINIMUM WAGE

An increase in the minimum wage to $1 per hour will have a salutary impact upon North Carolina rates in manufacturing.

A frequency distribution of wage rates as of April 1954 showed that a considerable proportion of Tar Heel wage earners stand to gain by an increase in minimum wages.

TABLE 7.—*Selected union hourly wage rates in North Carolina and United States, comparable cities*

Occupation and industry	Date	Average United States	Average Charlotte, N. C.	Relative position of Charlotte
Bread and cakemakers shops	July 1953	$1.50	$1.14	66th out of 73 cities.
Motortruck drivers	do	1.70	1.24	19th out of 19 cities.
Newspaper printing trade	July 1954	2.74	2.60	17th out of 19 cities.
Journeyman building trade	do	2.77	2.39	19th out of 19 cities.
Helper, building trade	do	1.84	1.10	Do.
Operating employees, local transit	do	1.64	1.34	Do.
Motortruck drivers	do	1.79	1.32	Do.
Motortruck helpers	do	1.63	1.11	Do.

Number of employees receiving less than $1 hourly rate in selected North Carolina manufacturing, April 1954

Product	Total number of employees	Below 90 cents		Below $1	
		Number	Percent	Number	Percent
Cotton	99,000	2,709	2.7	14,800	15.0
Synthetics	15,698	177	1.1	1,295	6.3
Furniture	14,936	2,184	14.5	4,832	32.4
Sawmills	18,777	12,650	67.4	15,472	82.4

The above data clearly indicate that a dollar minimum hourly rate would affect a relatively large proportion of production workers in North Carolina manufacturing. The employment effect in each of these industries cannot be accurately forecast.

It has, however, been argued that in an expanding economy such as we are enjoying today industry will not have too much difficulty in absorbing the increasing labor costs much of which will be passed on in higher prices to the consumers of these products. This would be tantamount to pulling up the income of the employees at the bottom of the economic ladder at the expense of the more comfortable consumers. At least that seems to have been largely the effects of the 1950 raise in minimum wages. That increase had relatively little effect upon employment.

UNDERLYING FACTORS ACCOUNTING FOR LOW PER CAPITA INCOME

But at best increases in minmum wages can have only a limited effect upon the rise in income of working people. Except for some rise in textile activity and the rise in minimum wages there are no signs on the horizon that would indicate appreciable immediate rises in North Carolina income if the agriculture and industry-mix of the State is to continue without radical change.

The factors contributing to the low per capita income in North Carolina have been previously mentioned. Underlying the forces which depress income in North Carolina is the basic fact that the bulk of the output of the State is produced under highly competitive conditions. All agricultural products, textiles, lumber and apparel are produced by a multitude of relatively small producers, none of whom has any significant control of the market. In most of these products differentiation such as characterizes the automobile and television industries is not attainable. Competition consequently is in terms of price. Furthermore, the available supply capacity of most of the Tar Heel products exceed the demand. This is certainly true in agricultural production, which is also limited by governmental restrictions. The country's capacity for textile production has been far in excess of demand in recent years, and this has had a depressing effect upon the profit position of the industry and its ability to pay higher wages and salaries.

The excess of capacity results in underemployment. This is clearly manifested in textiles, where production has been below the normal 40-hour week. In agriculture the underemployment is not as clearly detected, but it exists there even to a greater degree. A small submarginal farm provides only seasonal employment and its operation involves of necessity a great deal of inefficiency, wasted time, and consequently low returns.

Industries which are characterized by a high degree of technological progress and by a limited number of suppliers normally retain a high ratio of the benefits of increased productivity in higher returns on capital and increased wages and salaries. This can be achieved particularly in those industries which require a large amount of resources, both capital and skills, which effectively restrict entry into the business. This is not true of the industries which are concentrated in North Carolina, where the amount of capital required to start business is relatively low, and where labor supply is plentiful. This further makes possible a high degree of competition.

URBANIZATION

The degree of urbanization is another significant factor affecting the per capita income level. Detailed studies by the Bureau of Economic Research indicate that significant per capita income differences exist in direct relationship to the size of the communities. A major factor accounting for this is that better-paid occupations seem to concentrate in larger cities.

It is a well-known fact that urban income level is higher than rural income. According to the 1950 census of population, the median United States annual urban-family income at $3,431 per year just double the farm-family income, and a third higher than rural non-farm-family income.

The comparable data for the United States and North Carolina are:

Median family income, 1949

	United States	North Carolina	North Carolina as percent of United States
Median family income	$3,073	$2,121	69
Urban	3,431	2,823	82
Rural nonfarm	2,560	2,187	85
Rural farm	1,729	1,304	70

A detailed examination of seven Southeastern States disclosed a direct relationship between size of community and per capita income.

TABLE 8.—*Mean per capita income by size of city included in county*

Size of city, census of 1950:	*1947 per capita income*
10,000 to 24,999	$795
25,000 to 49,999	946
50,000 to 99,999	1,072
100,000 and over	1,276

According to the 1950 census, 22 percent of North Carolina's population lived in metropolitan areas, while for the United States the corresponding ratio was 56.1 percent.

AGE DISTRIBUTION AND PARTICIPATION IN LABOR FORCE

The percent of total population employed has been held as a significant factor in explaining differences in income. North Carolina had at the last census a smaller percentage of its population than the Nation either in the labor force or actully employed.

United States:	
Percentage of population in labor force (1950)	39.9
Percentage of population employed (1950)	37.3
North Carolina:	
Percentage of population in labor force (1950)	36.0
Percentage of population employed (1950)	33.8

The relative low ratio of North Carolinians in the labor force is explained by the fact that North Carolina had a smaller percentage of persons in what is normally considered labor force age. According to the 1950 census persons between 20–64 years of age accounted for 57.9 percent of the total United States population; in North Carolina this group accounted for 49.6 percent or 8.3 percent less than the national average. Similarly, if we should consider the population of 15 years and older, we find that 65.7 percent of North Carolina population were in that age group compared with 73.1 percent for the United States.

It has been estimated that differences in State population composition account for from one-eighth to a quarter of the differences in State per capita income.

NEGRO POPULATION

There appears to be a strong correlation between per capita income and the predominance of Negro population. The average annual earnings of Negro workers are lower than that of the whites in North Carolina and in the Nation. The comparable figures, according to the 1950 census, for average family income in 1949 for North Carolina were as follows:

	White	Negro	Negro as percent of white
Total	$2,476	$1,056	43
Urban	2,845	1,314	46
Rural nonfarm	2,178	1,040	48
Rural farm	1,449	865	56

An examination of per capita income in 1939 by percentage of Negro population in 733 counties of Southeastern States shows that the percentage of Negro population increased.

TABLE 9.—*Mean per capita income by proportion of Negroes in population, 1939*

Percent of population Negro:	Per capita income
0–9	$199
10–19	271
20–29	249
30–39	238
40–49	210
50–59	195
60–69	176
70–79	171
80–89	159

It would be incorrect, however, to assume a causal relationship between the proportion of Negro population and per capita income. The resulting low income of counties inhabited by a larger proportion of Negroes is due to a complex of factors. The Negro labor force is concentrated in low-paying industries and is less educated than the white labor force. These factors cannot be isolated. A study of labor income in Virginia concludes:

It is an exceedingly complicated point as to just how much the heavier weighting of Negroes in Virginia is a cause of the aggregate differential between average annual earnings per worker in Virginia and the Nation and no definitive answer can be permitted here.

There is, however, some evidence pointing to the conclusion that wage differentials based on race do exist. It was shown earlier in the study that construction rates are lower in North Carolina than in the Nation. But the differential was lesser for journeymen occupations predominantly filled by white labor than for helpers, who are mostly Negroes. The North Carolina building trades and journeymen's rate was 86 percent of the comparable national total. Similar situation existed for truck drivers and helpers. Their rates in Charlotte was 74 and 67 percent of rates paid in 18 other cities of similar size.

Still this does not constitute complete proof for the existence of differentials based on race. Other factors such as productivity and greater availability of unskilled labor, might account for the differentials. A study on factors influencing State per capita income differentials concludes that the Negro as a factor in low southern per capita incomes appears to have been exaggerated. It places the employed labor force occupied in agriculture, the educational level of the population and the State's employable labor force as more significant factors accounting for State per capita income differentials.

EDUCATION

There is a direct relationship between the amount of education a person possesses and his income. The 1950 census data amply support this broad statement, as indicated by the following table:

TABLE 10.—*Median income, by level of highest formal education attained, 1949*

Years of school completed	United States	Median income, Southeastern States
No years of school	$1,108	$777
Elementary school:		
1–4 years	1,365	1,023
5–7 years	2,035	1,591
8 years	2,533	2,032
High school:		
1–3 years	2,517	2,498
4 years	3,285	3,079
College:		
1–3 years	3,522	3,382
4 years or more	4,407	4,251

The 1950 census does not present separate income data broken down by education for North Carolina. However, comparable data on educational attainment are available. These show that the median formal education completed by persons 25 years and over in 1950 was 9.3 years for the United States and 7.9 for North Carolina. A more detailed breakdown shows that proportionately less persons have completed elementary, high school, or college in North Carolina than in the Nation.

TABLE 11.—*Percent of persons 25 years and older, by years of school completed, United States and North Carolina, 1950*

Years of school completed	United States	North Carolina
None	2.5	3.7
Elementary:		
1–4 years	8.3	17.4
5–8 years	36.1	38.6
High school:		
1–3 years	16.9	18.0
4 years	20.2	9.5
College:		
1–3 years	7.2	5.9
4 or more years	6.0	5.0
Not reported	2.8	1.9
Median	9.3	7.9

INCOME PAID BY GOVERNMENT

Most social-security benefits are dependent upon earnings. It is, therefore, not surprising that Government contributions to individuals in terms of social-security retirement, unemployment compensation, public assistance, veterans', and similar types of benefits follow the old Biblical saying: "For whosoever hath, to him shall be given, and he shall have more abundance." In 1953 these benefits accounted for $99.5 of average per capita income for the Nation, but only for $67.4 in North Carolina. The Federal contribution was $73.6 and $55.7 respectively.

In closing, Mr. Speaker, I have compiled significant information which reveals that the economic trend in North Carolina is showing steady and favorable progress. A study of the following table indicates the strong and favorable economic position in key industries for the period 1939–54. These statistics reveal industrial growth and stability.

Economic trends, North Carolina and United States, 1939–54

Item	North Carolina 1954	Percentage increase since 1939	
		North Carolina	United States
	Millions		
Business volume	$16,700	358.5	316.1
Farm cash income	927	321.4	228.3
Manufacturing output	6,121	330.8	340.9
Food	590	755.1	326.2
Tobacco	1,580	193.1	168.4
Textile	2,430	341.1	220.7
Publishing and printing	61	335.7	224.1
Lumber	254	452.2	452.4
Furniture	295	400.0	214.3
Primary metals	28	366.7	206.7
Utility output	574	491.8	326.4
Finance and realty receipts	435	411.8	293.8
Wholesale trade sales	4,005	381.9	301.2
Retail trade sales	3,304	422.0	306.0
Service trade receipts	491	206.9	265.2
State tax collections	317	296.3	217.4
	Thousands		
Motor vehicle registration	1,299	120.9	87.5
Population	4,250	19.0	22.4

One final word. We in North Carolina are conscious of our No. 1 economic problem, namely, the very low annual per capita income. We not only admit the problem, we are resolved to use every means at our command to bring an answer. Our Governor and key leadership within the State recognize the problem and are taking affirmative action. I join with all interested North Carolinians in assuming personal responsibility. In the first place, because the problem exists and, secondly, which is more important, to completely dedicate my best efforts to the end that the wage earner of North Carolina will share on a comparable basis with any other State of our Union.

CUMBERLAND COUNTY WOODROW WILSON BIRTHDAY ASSOCIATION

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. QUIGLEY] is recognized for 15 minutes.

Mr. QUIGLEY. Mr. Speaker, next year, 1956, this Nation will observe the centennial of the birth of Woodrow Wilson, 28th President of the United States. Plans are under way to mark this memorable anniversary with fitting and proper ceremonies. In addition to these public ceremonies free men throughout the world will join with the millions who still long to be free to pay special tribute to Woodrow Wilson, the great apostle of freedom and disciple of democracy.

These preparations serve to call attention to one of the most unique associations of the followers of the great World War I President. This association is the Cumberland County Woodrow Wilson Birthday Association of Carlisle, Pa. The sole objective of this association is to memorialize Mr. Wilson and to thus perpetuate his ideals and the democratic way of life. It is a unique organization because of the fact that its first

annual memorial meeting was held the very first year after the death of President Wilson and that it has not failed to meet each year for 30 years on the birthday of that great man.

The Cumberland County Woodrow Wilson Birthday Association had its informal beginnings on the evening of December 28, 1924, when a group of eight residents of the borough of Carlisle joined in sending President Wilson a congratulatory telegram on what proved to be his last birthday, wishing him recovery from his illness and expressing their appreciation for his signal services to his country. The original group of eight men who sent that telegram on Wilson's birthday in 1924 were: Clarence J. Weary, Irvin E. Greenwood, William Walker, Joseph J. Totton, Robert W. Peffer, Theodore C. Frederick, E. M. Biddle, Jr., Esq., and Edward L. Faber. Of this group only the last, Edward L. Faber, is now alive and through the years he has remained in the forefront of the Birthday Association's activities and has served as the chairman of arrangements for each of the annual memorial meetings that have been held.

The Birthday Association met formally for the first time at a dinner meeting on December 28, 1925, the first birthday occasion after President Wilson's death. The 36 men and women at this meeting formed the Association and elected the first officers. Since then the Association has met regularly on December 28 each year. The largest such meeting ever held was in 1934 when some 500 persons were present to hear the memorial address held that year at the dining hall of the United States Army Post at the Carlisle Barracks.

The format of the annual meeting has developed into a program which is deliberately designed to make each succeeding generation conscious of the ideals of President Wilson and aware of his contribution to our way of life. The meeting has always been a dinner meeting featuring a prominent speaker which through the years has included Members of Congress, State and local officials, members of the bar, college professors and intimate friends and acquaintances of the late President. However, prior to the principal address the program features brief talks by boys and girls selected from the various grade schools throughout Cumberland County. Each of these young orators gives a short talk on some phase of Mr. Wilson's life. The idea of having the young people of the community to thus participate in the annual program was first conceived by Prof. William Rife, assistant county superintendent of schools for Cumberland County, during his tenure as president of the association. The first boy selected to speak at the annual meeting was Woodrow Wilson Jones who is now the Reverend Woodrow Wilson Jones, assistant pastor of St. Ignatius Church in Centralia, Pa. The first girl was Caroline Barnitz, daughter of the late George W. Barnitz. Professor Rife's idea has proved to be an excellent one because it not only served to enkindle in the young pople in the community an interest in the life and services of Mr. Wilson, but it also serves to perpetuate the association through future years.

The annual dinner meeting has been held at various places, but always in or near the Borough of Carlisle. Generally the meetings have been held at the Molly Pitcher Hotel, but on several occasions they have been held in the campus of the Dickinson College, at the Carlisle Army Barracks and in more recent years in the VFW Home.

As the only association of its kind having a continuous existence the Cumberland County Woodrow Wilson Birthday Association plans to participate in the forthcoming centennial of the birthday of its patron. In this connection it has appointed a special committee with Robert L. Myers, Jr., Esq., secretary of banking of the Commonwealth of Pennsylvania as chairman to cooperate with the national committee on the Woodrow Wilson Centennial celebration. Under the leadership of its president, Mrs. John D. Faller, Jr., the association plans to give special honor to President Wilson next year. However, the greatest service this unique organization shall continue to render through the years is to keep alive the burning democratic ideals of Woodrow Wilson.

COMMITTEE ON DISTRICT OF COLUMBIA

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia may have until midnight tonight to file a report on the bill S. 1093.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. HARRIS and to include in the remarks he made in the Committee of the Whole today certain information.

Mr. METCALF and to include extraneous matter.

Mr. ZABLOCKI.

Mr. MULTER and to include extraneous matter.

Mr. MARSHALL.

Mr. HARRISON of Nebraska and to include two letters.

Mr. PATTERSON and to include extraneous matter.

Mr. WILSON of California and to include extraneous matter.

Mr. QUIGLEY and to include a letter.

Mr. HOFFMAN of Michigan.

Mrs. FRANCES P. BOLTON.

Mr. JENKINS.

Mr. KLEIN.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 514. An act to provide for the disposal of certain Federal property in the Boulder City area, to provide assistance in the establishment of a municipality incorporated under the laws of Nevada, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 1644. An act to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes; to the Committee on the Judiciary.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3338. An act to amend section 1 of the act of March 12, 1914.

H. R. 4808. An act to authorize the transmission through the mails of certain keys, identification devices, and small articles, and for other purposes.

H. R. 6454. An act to amend the joint resolution approved August 30, 1954, relating to the establishment of the Woodrow Wilson Centennial Celebration Commission, and for other purposes.

H. R. 7301. An act to amend the Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, so as to permit the disposal thereunder of Plancor No. 980 at Institute, W. Va.

H. J. Res. 157. Joint resolution to establish a Commission on Government Security.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 847. An act to authorize the construction of two surveying ships for the Coast and Geodetic Survey, Department of Commerce, and for other purposes.

S. 2375. An act to provide for 5-year terms of office for members of the Subversive Activities Control Board with one of such terms expiring in each calendar year.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 2107. An act to amend the National Defense Facilities Act of 1950 to provide for additional facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes.

H. R. 2109. An act to authorize permanent appointments in the United States Navy and in the United States Marine Corps.

H. R. 5512. An act to provide for the conveyance of certain property under the jurisdiction of the Housing and Home Finance Administrator to the State of Louisiana.

H. R. 5875. An act to amend title 14, United States Code, entitled "Coast Guard," for the purpose of providing involuntary retirement of certain officers, and for other purposes.

H. R. 6259. An act to amend section 8 of the act entitled "An act to establish a District of Columbia Armory Board, and for other purposes," approved June 4, 1948.

H. R. 7000. An act to provide for strengthening of the Reserve Forces, and for other purposes.

H. R. 7029. An act to establish a permanent committee for the Oliver Wendell Holmes Devise, and for other purposes.

H. J. Res. 251. Joint resolution to authorize the President to issue posthumously to the

late Seymour Richard Belinky, a flight officer in the United States Army, a commission as second lieutenant, United States Army, and for other purposes.

H. J. Res. 385. Joint resolution authorizing the printing and binding of a revised edition of Cannon's Procedure in the House of Representatives and providing that the same be subject to copyright by the author.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 58 minutes p. m.), under its previous order, the House adjourned until tomorrow, Friday, July 29, 1955, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1040. A letter from the Chief Justice, Supreme Court of the United States, transmitting a report of the proceedings of a special meeting of the Judicial Conference of the United States, held at Washington, D. C., March 24–25, 1955, pursuant to title 28, United States Code, section 331 (H. Doc. No. 220); to the Committee on the Judiciary and ordered to be printed.

1041. A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation entitled "A bill to provide that the Department of the Navy shall not be required to reimburse the Reconstruction Finance Corporation for the transfer of certain real property at Columbus, Ohio"; to the Committee on Government Operations.

1042. A letter from the Assistant Secretary of the Interior, transmitting a contract which has been negotiated with National Park Concessions, Inc., for the temporary operation of the McKinley Park Hotel, Mount McKinley National Park, Alaska, for this summer only; to the Committee on Interior and Insular Affairs.

1043. A letter from the Secretary of Commerce, transmitting a report of the activities pertaining to providing war-risk insurance and certain marine and liability insurance for the American public, as of June 30, 1955, pursuant to Public Law 763, 81st Congress; to the Committee on Merchant Marine and Fisheries.

1044. A letter from the Chairman, United States Tariff Commission, transmitting the Seventh Annual Report of the United States Tariff Commission on the operation of the trade agreements program for the period July 1953 to June 1954, pursuant to Executive Order 10082, dated October 5, 1949; to the Committee on Ways and Means.

1045. A letter from the Assistant Attorney General, Office of Legal Counsel, relative to the construction of a dam and other facilities on the Santa Margarita River within the confines of Camp Pendleton, a Marine Corps training base, situated near San Diego, Calif., pursuant to the act of July 28, 1954 (68 Stat. 575–578); to the Committee on Interior and Insular Affairs.

1046. A letter from the Secretary of Commerce, transmitting the 16th Annual Report of the Foreign-Trade Zones Board for the fiscal year ended June 30, 1954, together with the reports covering the operations during the same period of Foreign-Trade Zones Nos. 1, 2, 3, 4, and 5, located, respectively, at New York City, New Orleans, San Francisco, Los Angeles, and Seattle, pursuant to section 16 of the Foreign-Trade Zones Act of June 18, 1934, as amended by Public Law No. 566, 81st Congress; to the Committee on Ways and Means.

1047. A letter from the Acting Secretary of the Navy, relative to the construction of a dam upon the Santa Margarita River in California, pursuant to Public Law 547, 83d Congress; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BARDEN: Committee on Education and Labor. H. R. 7535 A bill to authorize Federal assistance to the States and local communities in financing an expanded program of school construction so as to eliminate the national shortage of classrooms; without amendment (Rept. No. 1504). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. House Joint Resolution 110. Joint Resolution placing certain individuals who served in the Armed Forces of the United States in the Moro Province, including Mindanao, and in the islands of Leyte and Samar after July 4, 1902, and their survivors, in the same status as those who served in the Armed Forces during the Philippine Insurrection and their survivors; with amendments (Rept. No. 1543). Referred to the Committee of the Whole House on the State of the Union.

Mr. REED of Illinois: Committee on the Judiciary. H. R. 1761. A bill to relieve certain veterans who relied on an erroneous interpretation of the law from liability to repay a portion of the subsistence allowances which they received under the Servicemen's Readjustment Act of 1944; without amendment (Rept. No. 1544). Referred to the Committee of the Whole House on the State of the Union.

Mr. FRAZIER: Committee on the Judiciary. House Joint Resolution 317. Joint resolution designating the last week in October of each year as National Farm-City Week; with amendment (Rept. No. 1551). Referred to the House Calendar.

Mr. DURHAM: Joint Committee on Atomic Energy. H. R. 7684. A bill to authorize the Atomic Energy Commission to pay the salary of a Commissioner during the recess of the Senate and for other purposes; without amendment (Rept. No. 1552). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. S. 463. An act to authorize the issuance of commemorative medals to certain societies of which Benjamin Franklin was a member, founder, or sponsor in observance of the 250th anniversary of his birth; without amendment (Rept. No. 1553). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H. R. 7540. A bill to provide for the sale of a Government-owned housing project to the city of Hooks, Tex.; without amendment (Rept. No. 1554). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOYLE: Committee on the Judiciary. H. R. 5205. A bill to extend to uniformed members of the Armed Forces the same protection against bodily attack as is now granted to personnel of the Coast Guard; with amendment (Rept. No. 1555). Referred to the House Calendar.

Mr. ENGLE: Committee on Interior and Insular Affairs. S. 2039. An act to authorize the Secretary of the Interior to lease any unassigned lands on the Colorado River Indian Reservation, Ariz., and for other purposes; with amendment (Rept. No. 1556). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Georgia: Committee on Post Office and Civil Service. H. R. 3255. A bill to amend the Classification Act of 1949; without amendment (Rept. No. 1557). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H. R. 7541. A bill to increase the borrowing power of Commodity Credit Corporation; without amendment (Rept. No. 1559). Referred to the Committee of the Whole House on the State of the Union.

Mr. ABERNETHY: Committee of conference. S. 1093. A bill to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes (Rept. No. 1560). Ordered to be printed.

Mr. BARDEN: Committee of conference. S. 2168. A bill to amend the Fair Labor Standards Act of 1938 in order to increase the national minimum wage, and for other purposes (Rept. No. 1561). Ordered to be printed.

Mr. ENGLE: Committee of conference. S. 34. A bill to authorize the leasing of restricted Indian lands for public, religious, educational, recreational, residential, business, and other purposes requiring the grant of long-term leases (Rept. No. 1562). Ordered to be printed.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 324. Resolution for consideration of S. 1272, an act to authorize the appointment in a civilian position in the Department of Justice of Maj. Gen. Frank H. Partridge, United States Army, retired, and for other purposes; without amendment (Rept. No. 1563). Referred to the House Calendar.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 325. Resolution for consideration of S. 1271, an act to authorize the appointment in a civilian position in the Department of Justice of Brig. Gen. Edwin B. Howard, United States Army, retired, and for other purposes; without amendment (Rept. No. 1564). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 326. Resolution for consideration of S. 2126, an act to extend and clarify laws relating to the provision and improvement of housing, the elimination and prevention of slums, the conservation and development of urban communities, the financing of vitally needed public works, and for other purposes; without amendment (Rept. No. 1565). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 327. Resolution for consideration of S. 2237, an act to amend the act of May 26, 1949, to strengthen and improve the organization of the Department of State, and for other purposes; without amendment (Rept. No. 1566). Referred to the House Calendar.

Mr. TRIMBLE: Committee on Rules. House Resolution 328. Resolution for consideration of H. R. 7030, a bill to amend and extend the Sugar Act of 1948, as amended, and for other purposes; without amendment (Rept. No. 1567). Referred to the House Calendar.

Mr. MURRAY of Tennessee: Committee of conference. H. R. 4778. A bill entitled "An act to provide for the purchase of bonds to cover officers and employees of the Government" (Rept. No. 1568). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. H. R. 4588. A bill for the relief of Antonio Penna; without amendment (Rept. No. 1505). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 4769. A bill for the relief of Mrs. Barbara (Pearson) Boycott; with amendment (Rept. No. 1506). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 85. An act for the relief of Rosetta Ittner; without amendment (Rept. No. 1507). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 86. An act for the relief of Wilhelmine Schelter; without amendment (Rept. No. 1508). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 141. An act for the relief of Pauline Ellen Redmond; without amendment (Rept. No. 1509). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 223. An act for the relief of Mary Freida Poeltl Smith; without amendment (Rept. No. 1510). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 235. An act for the relief of Melanie Schaffner Baker; without amendment (Rept. No. 1511). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 240. An act for the relief of Mrs. Helena Planinsek; without amendment (Rept. No. 1512). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 293. An act for the relief of Miss Cecile Patricia Chapman; without amendment (Rept. No. 1513). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 393. An act for the relief of Chieko Suzuki; without amendment (Rept. No. 1514). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 518. An act for the relief of Elsa Alwine Larsen; without amendment (Rept. No. 1515). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 843. An act for the relief of Gerda Graupner; without amendment (Rept. No. 1516.). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 884. An act for the relief of Gabor Lanyi; without amendment (Rept. No. 1517). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1266. An act for the relief of Helene Margareta Jobst; without amendment (Rept. No. 1518). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1296. An act for the relief of Maria Anna Coone; without amendment (Rept. No. 1519). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1496. An act for the relief of Ruriko Hara; without amendment (Rept. No. 1520). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1541. An act for the relief of Ernst Fraenkel and his wife, Hanna Fraenkel; without amendment (Rept. No. 1521). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1581. An act for the relief of Constantinos Pantermalis; without amendment (Rept. No. 1522). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1681. An act for the relief of Cecile Doriac and her minor child; without amendment (Rept. No. 1523). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1974. An act for the relief of Rosa Birger; without amendment (Rept. No. 1524). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2269. An act for the relief of Mualla S. Holloway; without amendment (Rept. No. 1525). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2270. An act for the relief of Nadia Noland and Samia Ouafa Noland; without amendment (Rept. No. 1526). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. S. 204. An act for the relief of Fred P. Hines; without amendment (Rept. No. 1527). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. House Resolution 309. Resolution providing for sending to the United States Court of Claims the bill, H. R. 7453; without amendment (Rept. No. 1528). Referred to the Committee of the Whole House.

Mr. FORRESTER: Committee on the Judiciary. H. R. 1513. A bill for the relief of Frances Irene Smart; with amendment (Rept. No. 1529). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 1952. A bill for the relief of Clarence Christensen; with amendment (Rept. No. 1530). Referred to the Committee of the Whole House.

Mr. BOYLE: Committee on the Judiciary. H. R. 2465. A bill for the relief of Bernard L. Denn; with amendment (Rept. No. 1531). Referred to the Committee of the Whole House.

Mr. FORRESTER: Committee on the Judiciary. H. R. 2472. A bill for the relief of the estate of Grady Ward; with amendment (Rept. No. 1532). Referred to the Committee of the Whole House.

Mr. BOYLE: Committee on the Judiciary. H. R. 2522. A bill for the relief of Isabelle S. Gorrell, Donald E. Gorrell, Mary Owen Gorrell, and Kathryn G. Wright; with amendment (Rept. No. 1533). Referred to the Committee of the Whole House.

Mr. REED of Illinois: Committee on the Judiciary. H. R. 2712. A bill for the relief of Emanuel Mathes; without amendment (Rept. No. 1534). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3032. A bill for the relief of Mrs. Alberta S. Rozanski; without amendement (Rept. No. 1535). Referred to the Committee of the Whole House.

Mr. BOYLE: Committee on the Judiciary. H. R. 3043. A bill for the relief of Edward M. Thompson; with amendment (Rept. No. 1536). Referred to the Committee of the Whole House.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 3650. A bill to provide for the conveyance to Eilef Rue of certain real property situated in Cassia County, Idaho; with amendments (Rept. No. 1537). Referred to the Committee of the Whole House.

Mr. REED of Illinois: Committee on the Judiciary. H. R. 4466. A bill for the relief of Lois O. Jennings; with amendments (Rept. No. 1538). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4873. A bill for the relief of Lt. Comdr. Mortimer T. Clements, Medical Corps, United States Navy, retired; without amendment (Rept. No. 1539). Referred to the Committee of the Whole House.

Mr. BOYLE: Committee on the Judiciary. H. R. 5544. A bill for the relief of Mrs. Jennie B. Prescott; without amendment (Rept. No. 1540). Referred to the Committee of the Whole House.

Mr. FORRESTER: Committee on the Judiciary. H. R. 6279. A bill for the relief of Mrs. Bertha K. Martensen; without amendment (Rept. No. 1541). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 6283. A bill for the relief of Joseph J. Tierney; with amendment (Rept. No. 1542). Referred to the Committee of the Whole House.

Mr. DONOHUE: Committee on the Judiciary. H. R. 2043. A bill for the relief of Nathaniel Ross Moore; without amendment (Rept. No. 1545). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4773. A bill for the relief of Philip Cooperman, Aron Shriro, and Samuel Stackman; with amendment (Rept. No. 1546). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5626. A bill for the relief of Fred Mazan; without amendment (Rept. No. 1547). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 6190. A bill for the relief of Ens. Charles A. Binswanger; without amendment (Rept. No. 1548). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 7164. A bill for the relief of Lt. Michael Cullen; without amendment (Rept. No. 1549). Referred to the Committee of the Whole House.

Mr. BONNER: Committee on Merchant Marine and Fisheries. House Joint Resolution 389. Joint Resolution to authorize the Secretary of Commerce to sell the steamship *La Guardia;* with amendment (Rept. No. 1550). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 7588. A bill for the relief of Jane Edith Thomas; with amendment (Rept. No. 1558). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. CHURCH:

H. R. 7657. A bill to provide for uniform rations for the Armed Services; to the Committee on Armed Services.

H. R. 7658. A bill relating to the payment of certain claims against the Government where the appropriations therefor have lapsed; to the Committee on Government Operations.

By Mr. SCUDDER:

H. R. 7659. A bill to amend and supplement the Federal Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes; to the Committee on Public Works.

By Mrs. CHURCH:

H. R. 7660. A bill to relieve certain officers of financial liability except in cases of gross negligence or fraud; to the Committee on Government Operations.

H. R. 7661. A bill relating to the method of appointment of United States marshals, and for other purposes; to the Committee on the Judiciary.

H. R. 7662. A bill relating to the appointment of certain officials in the Bureau of

Customs and the United States Mints; to the Committee on Ways and Means.

By Mr. DAWSON of Utah:

H. R. 7663. A bill to provide for settlement in part of certain claims of the Uintah and White River Bands of Ute Indians in Court of Claims case No. 47568, through restoration of subsurface rights in certain lands formerly a part of the Uintah Indian Reservation; to the Committee on Interior and Insular Affairs.

By Mr. FJARE:

H. R. 7664. A bill for the relief of the town of Medicine Lake, Mont.; to the Committee on the Judiciary.

By Mr. FRAZIER:

H. R. 7665. A bill to amend section 123 of title 28 of the United States Code transferring Marion County from the southern division to the Winchester division in the eastern district of Tennessee; to the Committee on the Judiciary.

H. R. 7666. A bill to provide for the issuance of a special postage stamp in honor of Chief John Ross; to the Committee on Post Office and Civil Service.

By Mr. MILLER of California:

H. R. 7667. A bill to authorize the appropriation of $100 million for additional war-damage payments in the Philippines as contemplated by the Philippine Rehabilitation Act of April 30, 1946; to the Committee on Foreign Affairs.

By Mr. PRIEST (by request):

H. R. 7668. A bill to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes; to the Committee on the Judiciary.

By Mr. WRIGHT:

H. R. 7669. A bill to amend and supplement the Federal Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes; to the Committee on Public Works.

By Mrs. FARRINGTON:

H. R. 7670. A bill to repeal the tax on transportation of persons; to the Committee on Ways and Means.

H. R. 7671. A bill granting the status of public lands to certain tidal reef lands and authorizing the Commissioner of Public Lands of the Territory of Hawaii to lease same for a term not to exceed 55 years; to the Committee on Interior and Insular Affairs.

By Mr. HIESTAND:

H. R. 7672. A bill to prohibit the transportation in interstate or foreign commerce of meat or other products from livestock or poultry not slaughtered by a humane method; to the Committee on Agriculture.

By Mr. KNOX:

H. R. 7673. A bill to provide a stimulus to the technical-assistance program and the investment of capital funds abroad; to the Committee on Ways and Means.

By Mr. ROGERS of Colorado:

H. R. 7674. A bill to amend the Federal Trade Commission Act, as amended by the McGuire Act, so as to declare it to be an unfair method of competition for manufacturers or distributors of commodities subject to resale-price-maintenance contracts to willfully and knowingly sell or deliver such commodities (*a*) to persons selling same at less than prices prescribed in such contracts or (*b*) to persons selling same to others who so sell, and to provide for injunctive relief and damages to those injured thereby; to the Committee on Interstate and Foreign Commerce.

By Mrs. ROGERS of Massachusetts:

H. R. 7675. A bill to amend the Refugee Act, as amended, to provide a certain number of visas for persons of ethnic Armenian origin; to the Committee on the Judiciary.

By Mr. WRIGHT:

H. R. 7676. A bill to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes; to the Committee on the Judiciary.

By Mr. DIXON:

H. R. 7677. A bill to provide for settlement in part of certain claims of the Uintah and White River Bands of Ute Indians in Court of Claims case No. 47568, through restoration of subsurface rights in certain lands formerly a part of the Uintah Indian Reservation; to the Committee on Interior and Insular Affairs.

By Mr. EBERHARTER:

H. R. 7678. A bill to permit articles imported from foreign countries for the purpose of exhibition at the 11th Annual Instrument-Automation (International) Conference and Exhibit, New York, N. Y., to be admitted without payment of tariff, and for other purposes; to the Committee on Ways and Means.

By Mr. EDMONDSON:

H. R. 7679. A bill to provide for the conveyance of certain lands by the United States to the city of Muskogee, Okla.; to the Committee on Veterans' Affairs.

By Mr. GARMATZ:

H. R. 7680. A bill providing that certain employees of the Panama Railroad Company may file claims for overtime compensation; to the Committee on the Judiciary.

By Mr. McCARTHY:

H. R. 7681. A bill to amend section 170 (b) (1) of the Internal Revenue Code of 1954 with respect to certain charitable contributions to libraries; to the Committee on Ways and Means.

By Mrs. ST. GEORGE:

H. R. 7682. A bill to amend part II of the Interstate Commerce Act with respect to the regulation of the operating schedules of interstate buslines; to the Committee on Interstate and Foreign Commerce.

By Mr. SIKES:

H. R. 7683. A bill to authorize a reexamination of the report on Pensacola Bay, Fla.; to the Committee on Public Works.

By Mr. DURHAM:

H. R. 7684. A bill to authorize the Atomic Energy Commission to pay the salary of a Commissioner during the recess of the Senate and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. BERRY:

H. R. 7685. A bill to provide that the likenesses of George Washington, Thomas Jefferson, Theodore Roosevelt, and Abraham Lincoln as produced on the Mount Rushmore National Memorial appear on $1 bills; to the Committee on Banking and Currency.

By Mr. BRAY:

H. R. 7686. A bill to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes; to the Committee on the Judiciary.

By Mr. COON:

H. R. 7687. A bill to repeal the Federal gasoline tax; to the Committee on Ways and Means.

By Mr. HIESTAND:

H. R. 7688. A bill relating to the payment of certain claims against the Government where the appropriations therefor have lapsed; to the Committee on Government Operations.

H. R. 7689. A bill relating to the method of appointment of United States marshals, and for other purposes; to the Committee on the Judiciary.

H. R. 7690. A bill relating to the appointment of certain officials in the Bureau of Customs and the United States Mints; to the Committee on Ways and Means.

H. R. 7691. A bill to relieve certain officers of financial liability except in cases of gross negligence or fraud; to the Committee on Government Operations.

H. R. 7692. A bill to provide for uniform rations for the armed services; to the Committee on Armed Services.

By Mr. MADDEN:

H. R. 7693. A bill to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes; to the Committee on the Judiciary.

By Mr. MILLS:

H. R. 7694. A bill to provide that the declining balance and certain other methods of depreciation shall be available for income-tax purposes only in the case of property with a useful life of 10 years or more, and to terminate the provision for amortization of emergency facilities; to the Committee on Ways and Means.

By Mr. TEAGUE of Texas:

H. R. 7695. A bill to increase the storage capacity of the Whitney Dam and Reservoir and to make available 50,000 acre-feet of water from the reservoir for domestic and industrial uses; to the Committee on Public Works.

By Mr. CRAMER:

H. R. 7696. A bill to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. DORN of New York (by request):

H. R. 7697. A bill to provide that certain expenses of the Panama Canal Company and the Canal Zone Government shall be paid from tolls, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. RAINS:

H. R. 7698. A bill to amend title VIII of the National Housing Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. GRAY:

H. R. 7699. A bill to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. MAILLIARD:

H. R. 7700. A bill relating to the allocation of contracts for the construction of vessels in shipyards on the Atlantic, Gulf, and Pacific coasts, and on the Great Lakes; to the Committee on Merchant Marine and Fisheries.

By Mr. BENNETT of Florida:

H. J. Res. 413. Joint resolution to provide for the conveyance of federally owned lands which are situated within the right-of-way for the proposed navigable barge canal across Florida, to the Ship Canal Authority of the State of Florida, in order to consolidate ownership thereof; to the Committee on Public Works.

By Mr. WILLIAMS of New Jersey:

H. J. Res. 414. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

H. Con. Res. 195. Concurrent resolution to authorize the Joint Committee on the Economic Report to investigate and report on the economic problems connected with the loss of employment in the textile industry; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts memorializing the President and the Congress of the United States to prevent the reduction in force of the United States Marine Corps; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRAY:

H. R. 7701. A bill for the relief of Christiaan Holman; to the Committee on the Judiciary.

By Mr. CANFIELD:

H. R. 7702. A bill for the relief of Mrs. Elizabeth Shenekji; to the Committee on the Judiciary.

By Mrs. FARRINGTON:

H. R. 7703. A bill for the relief of Dora Thelma Andree; to the Committee on the Judiciary.

By Mr. FOGARTY:

H. R. 7704. A bill for the relief of Melina Rina Neri; to the Committee on the Judiciary.

By Mr. GRANAHAN:

H. R. 7705. A bill for the relief of Michael George Petrakis; to the Committee on the Judiciary.

By Mr. HIESTAND:

H. R. 7706. A bill for the relief of Samuel S. Krikorian; to the Committee on the Judiciary.

By Mr. KEARNEY:

H. R. 7707. A bill for the relief of Carlos Quecedo Garcia and his wife Josefa Moya Quecedo; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 7708. A bill for the relief of Pei Yung Chang; to the Committee on the Judiciary.

By Mr. MOSS:

H. R. 7709. A bill for the relief of Jose Santiago Savedra Calza; to the Committee on the Judiciary.

H. R. 7710. A bill for the relief of Carolina M. Gomes; to the Committee on the Judiciary.

By Mr. O'BRIEN of New York:

H. R. 7711. A bill for the relief of Nunzio Isgro; to the Committee on the Judiciary.

By Mr. SHUFORD:

H. R. 7712. A bill for the relief of Chuen Tsg or Tommy Tsg; to the Committee on the Judiciary.

H. R. 7713. A bill for the relief of Hertha Stammler Brumbaugh; to the Committee on the Judiciary.

By Mr. SMITH of Wisconsin:

H. R. 7714. A bill for the relief of Lim Khin Thong; to the Committee on the Judiciary.

By Mr. TEAGUE of California:

H. R. 7715. A bill for the relief of Guadalupe Magdaleno-Acosta (also known as Jose Guadalupe Magdaleno y Acosta); to the Committee on the Judiciary.

H. R. 7716. A bill for the relief of Mrs. Maria Consuelo Medel de Saragosa; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Slow and Cautious

EXTENSION OF REMARKS
OF
HON. CLARE E. HOFFMAN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 28, 1955

Mr. HOFFMAN of Michigan. Mr. Speaker, overlong the Benton Harbor-St. Joseph turning basin has needed improvement, but action has been slower than slow.

Millions—and all too often billions—are quickly appropriated and turned over to those administering foreign aid. Many a local improvement in a foreign country has been quickly made while here at home caution and deliberation in the spending of the taxpayers' dollars seems to be the program. Overlong the St. Joseph-Benton Harbor turning basin has needed and occasionally been promised improvement.

H. R. 6766 became Public Law 163 on July 15 last. It carried $4,500,000 for small navigation projects. Included in that total was $105,000 earmarked by the Army engineers for the harbor improvement.

Army engineers now advise that they do not know just when the work will start, but the job is scheduled for completion during the present fiscal year, which ends June 30, 1956.

If Michigan is to take full advantage of the facilities of the St. Lawrence Seaway, many a harbor will need improvement, but harbor improvement will bring neither prosperity to lake ports nor friendship from foreign lands, where so many of our billions have gone, if racketeers posing as labor leaders are permitted, as recently they did in Sheboygan and Milwaukee, Wis., to prevent, because of a labor dispute between a union and an employer, the docking and unloading of ships bringing cargoes to America from other lands.

Local authorities at Sheboygan and Milwaukee—and, yes, the Governor of Wisconsin—have brought shame to that great State because of their failure to enforce the law—to protect the rights of employees and employers, as well as of citizens generally.

To date, Berrien County authorities have protected the civil rights of citizens by refusing to permit violence to interfere with normal activities. With the harbor improved and the right of citizens to work and carry on a business protected by local authorities, the St. Joseph-Benton Harbor port may get some business that otherwise would go to other ports where lawlessness rules.

It not only pays to be honest, but it pays to abide by the law.

Golden Agers of Cleveland's Karamu House Have Memorable Visit to Washington

EXTENSION OF REMARKS
OF
HON. FRANCES P. BOLTON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 28, 1955

Mrs. FRANCES P. BOLTON. Mr. Speaker, a group of some 40 members of the Golden Age Club of Cleveland's famous Karamu House visited me last month as part of a tour of Washington they arranged. It was a thrilling experience for these fine people in spite of the intense heat of that day.

Although most of them had never been to Washington before, one of them had, and this trip was especially memorable. Mr. W. W. Curtis, of 2296 East 93d Street, Cleveland—at 86 years of age, the oldest of this group—had gone to school here. In a delightful letter to me recently he went on to add a bit of personal history about the Civil War that I would like to quote:

When the first gun was fired at the first battle of Bull Run, my father was at the breakfast table. He rushed out from his cabin that was close to the road leading from Manassas and there the road was lined with the men rushing out from Manassas to the battlefield. He and some other men went upon Mount Pone Hill and watched the battle until the Confederates made the Union men retreat to Washington. He lived there through the war and I, the baby boy of 15 brothers, was born there over 86 years ago. My father spent his slave days in the counties of Prince William and Loudoun.

The Golden Agers' warm friendship and interest which they brought with them to the Nation's Capital is a great inspiration to all of us here.

Protest by Members of New York Democratic Delegation Re Ban on Remanufacture of Watch Movements

EXTENSION OF REMARKS
OF
HON. ARTHUR G. KLEIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 28, 1955

Mr. KLEIN. Mr. Speaker, under leave to extend my remarks, I insert herewith a letter which the New York Democratic delegation sent to the chairman of the House Ways and Means Committee, the Honorable JERE COOPER, on July 27, 1955:

JULY 27, 1955.

Hon. JERE COOPER,
Chairman, House Ways and Means Committee,
House Office Building,
Washington, D. C.

DEAR MR. CHAIRMAN: We, the undersigned, of the New York Democratic delegation strenuously oppose H. R. 7466 and H. R. 7467, upon which legislation your committee will initiate hearings on Wednesday.

The proposed indiscriminate ban on the remanufacture of all watch movements will have a serious effect on scores of American importer-assembler companies, most of whom are located in New York and who employ thousands of skilled workmen. Its effect will be equally serious to the retail jewelers of the United States whose sales of imported watches amount to half a billion dollars a year.

Since the proposed legislation departs drastically from established customs procedures and introduces new concepts in regulation governing the imports, we believe that much more thorough study should be given by this committee and the executive branch of the Government than time permits during the closing days of this session of Congress. It is our conviction that this is more than a mere technical change in the statute.

Because of the complicated nature of this whole upjeweling problem, and because the importers and retailers in the New York area have not had the opportunity to analyze with more precision the effect on their business, we urge your committee to defer action on these bills until the next session.

Sincerely yours,

EMANUEL CELLER: On Behalf of VICTOR L. ANFUSO, CHARLES A. BUCKLEY, IRWIN D. DAVIDSON, JAMES J. DELANEY, ISIDORE DOLLINGER, JAMES G. DONOVAN, SIDNEY A. FINE, LESTER HOLTZMAN, EDNA F. KELLY, EUGENE J. KEOGH, ARTHUR G. KLEIN, ABRAHAM J. MULTER, ADAM C. POWELL, Jr., JOHN J. ROONEY, HERBERT ZELENKO.

P. S.—The New York State Department of Commerce has just informed me that they are in agreement with the above statement.

Tribute to Senator Saltonstall

EXTENSION OF REMARKS

OF

HON. FREDERICK G. PAYNE

OF MAINE

IN THE SENATE OF THE UNITED STATES

Thursday, July 28, 1955

Mr. PAYNE. Mr. President, last Sunday, July 24, 1955, a celebration was held in Sagamore, Mass., to pay tribute to the Massachusetts State Constitution, which was written 175 years ago. On that occasion high tributes were paid to our distinguished colleague, the senior Senator from Massachusetts [Mr. SALTONSTALL] for his 35 years of outstanding public service. I ask unanimous consent that a tribute to Senator SALTONSTALL, together with a copy of an excellent address which he delivered on that occasion, be printed together in the CONGRESSIONAL RECORD.

There being no objection, the tribute and address were ordered to be printed in the RECORD, as follows:

A TRIBUTE TO THE HONORABLE LEVERETT SALTONSTALL

Presented to the Honorable LEVERETT SALTONSTALL, United States Senator from the State of Massachusetts, on this 24th day of July in the year of our Lord 1955, in commemoration of his 35 years of service to the people of the State and of the Nation.

To commend him and demonstrate our appreciation for his admirable record as governor of this Commonwealth for 3 terms, his achievements as a member of the United States Senate Armed Services Committee, and to compliment him for the outstanding service he has rendered to the fishing industry not only of this State but of the Nation.

May he continue to serve the people for many years in the future as ably as he has in the past.

We feel confident we will one day honor him as President of these United States of America.

Tendered to him by his friends and members of the Women's Republican Club of the Upper Cape.

Mrs. Joseph R. Sorenti, President; Edith C. Deering, First Vice President; Mrs. Austin B. Walker, Second Vice President; Marguerite A. Brown, Third Vice President; Mrs. Vincent A. Mackesy, Fourth Vice President; M. Spray Richardson, Recording Secretary; Mrs. Ashley W. Rice, Corresponding Secretary; Muriel S. Torrey, Treasurer; Florence G. Snow, Auditor.

ADDRESS OF SENATOR SALTONSTALL AS GUEST OF HONOR AND PRINCIPAL SPEAKER AT PICNIC SPONSORED BY UPPER CAPE WOMEN'S REPUBLICAN CLUB, SAGAMORE, MASS., KEITH MEMORIAL FIELD, JULY 24

This is a great meeting. It shows that we Republicans like to get together in the off year, just as in election years, even though it may be hot, distances may be long, and other attractions many. We do so because we are practical idealists. We know that friendships are the backbone of politics and friends love to discuss current problems.

In 1952 when President Eisenhower was a candidate, he promised to do his utmost to end the fighting in Korea, to eliminate corruption, communism, and controls from our Government in Washington. Those things have in the main been accomplished. Now the slogan heard so often is "Peace and Prosperity."

Peace and prosperity do not just happen. It takes hard work to bring them about; the present administration has worked hard and has achieved results. Today peace and prosperity are talked about with real confidence. Peace and prosperity have come about through the policies and the program of this administration, through the confidence the people have gained in the leadership of President Eisenhower. Let's look at the record. What have these achievements been?

The ending of the fighting in Korea.

The treaties with Austria, Germany, and Japan.

The settlement in Trieste.

Mutual defense treaties with the Free Republic of China and with Korea.

The Manila Pact with Australia, France, New Zealand, Pakistan and the Philippines, Thailand, and Great Britain.

Support of NATO and Western Germany's defense.

Advancement of President Eisenhower's epochal atoms for peace plan.

Through cooperation with our allies we achieved these things:

A ceasefire in Indochina.

A settlement of the Guatemalan crisis.

Adoption of the Caracas resolution.

Full support of the United Nations in its efforts to achieve peace and to further health, education, and scientific advancement throughout the world.

The United States, under President Eisenhower's leadership, has without hesitation demonstrated its willingness to explore from a position of strength all means of obtaining a greater opportunity for peace and security in the world. The Geneva parley at the summit is the latest and best example of this. Let us hope that from this parley come ways and methods of procedure through which there will be greater mutual understanding among all peoples.

But peace is not easily come by. It takes patience, understanding, and mutual willingness to get together. These we Americans have.

Since January 1953, in spite of many forebodings and pessimistic utterances from the Democratic Party, there have been tremendous achievements for a greater prosperity, a more healthy economy in our country.

President Eisenhower, immediately after taking office, urged the elimination of strangling economic controls and wage ceilings. He stimulated maximum encouragement of full and free across-the-table collective bargaining, with a minimum of participation or interference by the Government. He urged the expansion of America's homebuilding and construction program by the enactment of the Housing Act of 1954. The present housing and construction boom is the greatest in America's history. The administration carried out its campaign promise of tax relief by approving a $7.4 billion reduction in our taxes. This represents more take-home pay for all our workers. This stimulated our industries to enlarge their plants.

The buying power of the dollar has been maintained. The discouraging increase in the cost of living has been stabilized. Small business has been helped by the creation of a thoroughly independent Small Business Administration. There has been a gradual but steady elimination of Government competition with private business.

The President has advocated an historic highway-construction proposal and additional school construction. Our social-security coverage has been expanded to include 10 million more Americans. In June of this year, for the first time in our Nation's history, employment has exceeded 64 million. It increased by 1,300,000 people in the month of June alone. The Department of Commerce reports that total production of goods and services reached a record level on an annual basis of approximately $375 billion in the first quarter of this year.

Such economic progress spells prosperity. It is helped by the courageous application of commonsense in the actions of the Federal Government. Good sense in deciding what the Federal Government ought not to do helps us to stimulate our economy as well. In both these ways, the Eisenhower administration has helped to achieve this prosperity. But how well or how long it continues depends greatly on our own commonsense and good judgment as individuals.

"Peace and prosperity." This is indeed a good slogan for it stimulates greater confidence in the future, greater peace of mind—a feeling that another war is not just around the corner—the satisfaction that comes with a good job—a peace of mind that comes with a more comfortable home and a greater opportunity for the schooling of our future generations.

But just as "peace and prosperity" has become a slogan about which we read in the papers, about which we talk on the street corner, our job now is to make peace and prosperity a cornerstone for the future, just as it is a fact today. We do not want another war. We do not want another depression. So, we look to the administration in Washington for guidance, for action designed to maintain this peace and prosperity we know today.

Our way of life here in America has been based not upon security, but upon opportunity. Our system of government has been based upon service, not bureaucracy. We want our Government to be close to the people. We want our people to take an active, vigorous part in our Government. Under recent Democratic administrations, I ask you, have these things been possible?

When President Eisenhower took over, those practices were drastically changed. He knows that the "policy of partnership" is a good one, a healthy one, an effective one at every level in human relations. He wants the Federal Government to do those things for our people that it is its clear duty to perform. He wants the Federal Government to refrain from interfering in decisions that can best be made by State governments, by local communities, and by individuals.

This is his attitude and philosophy. It is the one which I like to think is mine, too.

One of my greatest privileges in Washington has been the opportunity since January of 1953 to meet with the President, our JOE MARTIN, and other administration leaders each Tuesday morning at the White House. These meetings give us an insight into the President's personality, his friendliness, his quick understanding of problems, his frankness, his sincerity, and his desire to do what is right regardless of how it affects him personally. They reflect equally his determination that his policy of partnership shall continue and endure.

We have achieved much together under this administration in our efforts to obtain peace. But there is lots yet to be done. Geneva is only the first of many steps to be taken. We do not know what the Geneva parley may produce among the "Big Four," but we must, I am convinced, look to its outcome with hopeful realism. But there are other things to be done, too. To list a few:

The securing of an agreement for a regular and reliable international inspection of nuclear weapon development and manufacture.

The vigorous promotion of President Eisenhower's "Atoms for Peace" proposal.

The achievement of a united Germany.

The giving of an ever-greater stimulus to active international trade and commerce.

The promotion of a gradual, sensible disarmament program.

The settlement of the tension in the Strait of Formosa, a problem which stimulates our deepest consideration.

The discouragement of colonialism throughout the world, with a clear realization that modern times, the upsurge of nationalism and present-day international relations have made colonial policies and programs subjects for historians.

Here in our own country there is much to be done if the prosperity we now enjoy is to be maintained and continued. Some of the principal jobs which lie ahead are:

Continued development of a sound, flexible farm policy that will hold farm prices steady and avoid costly surpluses.

Greater ecouragement of small business participation in both Government and private contracts.

Continuance of the policy of sensible Government action in labor-management relations and carefully considered amendments to the laws.

Achievement of an adequate highway program.

Achievement of a vitally needed, adequate school construction program.

Development of power resources programs based on the partnership policy of cooperation between Government and private enterprise.

Our rapidly expanding population, soon to approach 166 million, demands more factories, schools, homes, hospitals; a comprehensive hospitalization program; a tax structure geared equally to the Nation's needs and the individual's income.

So, today, when we come to this beautiful spot where so many citizens of Massachusetts and other States find recreation and enjoyment in their vacation periods, we have good reason to think for a few moments upon our responsibilities as citizens, upon our feelings regarding this Administration's policies and practices, upon the future of our great country. We come together to give thanks for the leadership that is ours in national affairs. We are proud of our President and his conduct of the most difficult office in the World. We admire and respect him as a man. We want him to continue as our leader. That confidence in our administration must be demonstrated by our active participation, by giving him support because we believe in his policies and his conduct of the presidential office. In that spirit I come to this meeting today. It is with that feeling that I know we all join with Governor Herter, Congressmen Martin and Nicholson, in working hard to make Ike's administration continue to succeed.

Does it sound as if I believed he should run in 1956? I'll answer that question. You bet it does.

Louis M. Rabinowitz

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 28, 1955

Mr. MULTER. Mr. Speaker, the story of America is best told not in statistics or generalities, but in the character and achievements of a leading citizen. I am very happy, indeed, to recount the story of one of my constituents because I believe that we can all learn from his example and be justly proud of the type of man who is a leader in our democratic system.

Louis M. Rabinowitz, businessman and philanthropist, is a truly fine American. He is a modest, retiring individual who has given his support to all creeds, and regardless of race or color. His donations are given with heart and mind, never with ostentation.

On one occasion when the Academy of Music in Brooklyn was in serious financial difficulty, Mr. Rabinowitz was one of the first to come forward to give needed aid to the Honorable James G. McDonald, the president of the Institute of Arts and Sciences. Mr. Rabinowitz not only gave money, but gave his home in order to get the help of others.

He has also encouraged scholars in their educational research activities by gifts to Yale, Columbia, and other institutions.

The Jewish Hospital of Brooklyn was the recipient of the famous 16 murals, Children of Many Nations, by Albert Cugat, because of Mr. Rabinowitz' generosity. These murals were autographed by Lord Halifax, the late Wendell L. Willkie, Senator Herbert H. Lehman, former Gov. Thomas E. Dewey, Mrs. Eleanor Roosevelt, Gen. George C. Marshall, Gen. Omar N. Bradley, Adm. Louis Denfeld, Gen. Carlos P. Romulo, Dr. Ralph Bunche, and many others.

In 1942 Mr. Rabinowitz tendered a dinner to the Right Reverend Thomas E. Molloy, archbishop of Brooklyn, where among others, the late Alfred E. Smith, the late Wendell L. Willkie, and Rabbi Jonah Wise paid tribute to His Excellency Bishop Molloy. At that time, he was presented with a painting of His Holiness Pope Pius XII.

Just this year Mr. Rabinowitz has added another achievement to his already ample list. By contributing $106,000 to Hunter College, of New York, Mr. Rabinowitz has made possible a coeducational graduate school of social work to meet the critical need for trained field personnel. A 2-year, full-time program will be offered to students at less than half the tuition charged by other schools of social work in New York City.

Mr. Rabinowitz' record as a responsible and intelligent American deserves the commendation of all.

The Plight of the Dairy Farmer

EXTENSION OF REMARKS
OF
HON. CLEMENT J. ZABLOCKI
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 28, 1955

Mr. ZABLOCKI. Mr. Speaker, I want to commend my distinguished colleague from Wisconsin [Mr. JOHNSON] for his interest in the well-being of the dairy farmer and for his eloquent presentation on this important subject.

The dairy industry is one of the mainstays of the economy of our State. For this reason, the economic well-being of our dairy industry is of considerable importance to our entire State, and to the people of our metropolitan areas.

There are many people living in my district and in other industrial centers of the State of Wisconsin who are greatly affected by what transpires within the agricultural segment of our economy. When farm income drops, and when our dairy farmers are suffering from conditions approximating the conditions of depression, their plight is felt within our cities. Our production of agricultural implements declines, and our market for home appliances, automobiles, and other manufacturing products begins to grow smaller and smaller. Before you know it our factories begin to operate at reduced levels, employment begins to shrink, and the economic well-being of our people is jeopardized.

For these reasons, even though I do not represent a dairy or an agricultural district, I am keenly interested in the proper functioning, and economic soundness, of the agricultural segment of our economy. Similarly, I am interested in the efforts of those Members who, like my colleague from Wisconsin [Mr. JOHNSON], are earnestly searching for ways whereby our dairy industry can be restored to its former healthy state.

Now from a standpoint of a city resident, there are two chief objectives in which we are interested: In the first place, as consumers of agricultural products, we would like to see the price of farm commodities maintained at a low level, compatible with large consumption of such goods.

Secondly, we would like to see our neighbors in the agricultural areas receive an adequate income, so that they may continue to purchase our industrial and manufacturing products.

At the present time, these objectives are not being attained. Farm income has been dropping, while the price of agricultural commodities to the city consumer has been increasing. This trend must be stopped, and I believe

that it can be stopped. In other words, the problem is not insoluble.

I believe that partial solution to the problem may be found through a careful study of processor and distributor costs and profits. We know, for instance, that while farm income has been dropping, the profits of food processors have jumped some 17 percent. This means that somebody in the middle is getting the gravy, and that our city consumers must pay for it. This trend is not healthy, and I have repeatedly urged that Congress look into this situation. I shall continue to press for a full-scale study of the consumer dollar—how it is spent, and who benefits most from it.

It is not my intention to enter into a lengthy discussion of other phases of this problem. I believe that some of them have been presented very ably and very sincerely by my distinguished colleagues on this floor. I would merely like to conclude my remarks by again commending my colleague LESTER JOHNSON for his interesting and informative presentation.

Hon. Lester Johnson's Efforts on Behalf of the Nation's Dairy Farmers

EXTENSION OF REMARKS
OF
HON. FRED MARSHALL
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 28, 1955

Mr. MARSHALL. Mr. Speaker, I want to commend our distinguished colleague from Wisconsin, LESTER R. JOHNSON, for the industry he has displayed in the past 2 years in seeking a lasting solution to the problems facing the Nation's dairy farmers.

He has diligently served the farmers of his district and in so doing has done a real service to the dairy farmers of the entire country. By keeping their plight constantly before the Committee on Agriculture and the Congress, he has helped to alert others to the problems of dairying.

Both in committee and on the floor of this House, Congressman JOHNSON has consistently urged equality for dairy farmers and a dairy program that will bring a fair return for their labor and give consumers a quality product at a fair price.

His votes and his actions have demonstrated his genuine concern for a healthy and prosperous agriculture as the foundation of a dynamic and prosperous economy. He has represented the interests of his constituents with unfailing vigor.

In our personal associations, all of us know that he does not let pass an opportunity to promote the products of Wisconsin dairy farmers. Since my own district includes the world's largest butter-producing county, there is some friendly rivalry about the merits of the products of the Minnesota cow and the Wisconsin cow but we are surely in agreement about the merits of the American dairy farm.

While the fight for equality for dairy farmers has met with reverses in the past few years, I am confident that they have no stronger friend in Congress than LESTER JOHNSON.

Comparative Transportation Standards for American and Mexican Migratory Workers

EXTENSION OF REMARKS
OF
HON. PAUL H. DOUGLAS
OF ILLINOIS
IN THE SENATE OF THE UNITED STATES
Thursday, July 28, 1955

Mr. DOUGLAS. Mr. President, it has been said that happy nations have no history and that great literature and other arts are distilled from man's divine discontent inspired by the injustices of oppression, exploitation and discrimination that harm both the exploiter and the exploited.

Last week on July 22 with little notice or debate we passed a bill—and yesterday adopted the conference report—extending the Mexican contract labor program assuring the Mexican national entering this country to do agricultural work certain standards and protections on the job and in being transported to and from the job which are not guaranteed to and, clearly, are not enjoyed by United States citizens doing the same type of work.

Today there came to my desk a clipping from the Denver Post of July 15, 1955, containing a brief article by the distinguished reporter and commentator, Roscoe Fleming, which, in its stark economy of words, challenges the conscience of everyone of us and, it seems to me, puts an obligation upon the Senate Labor and Public Welfare Committee, of which I am a member, and upon Secretary of Labor Mitchell to investigate and to act to end such offenses against the dignity, health, and the very lives of people who, in Mr. Fleming's words, "had the bad luck to be migrant workers; and the apparent further misfortune to be American citizens."

I ask my colleagues to take the few minutes necessary to read Mr. Fleming's description, written with intelligence, feeling, and the directness of true art, stating the meager protection given Mexican migratory workers while being transported within the United States, and the utter lack of standards for United States citizens being transported to do migratory labor and his description of how the buck has been passed by the State of Colorado, the Interstate Commerce Commission and the United States Labor Department.

Finally, Mr. President, I quote verbatim the icy irony of Mr. Fleming's final paragraph:

So it looks like these poor Americans just have to go on taking their chances, save for one possibility: They can go to Mexico and take out first citizenship papers. Then when they came back, they might be able to get the minimum protection and decent treatment here, which the United States seems unable to afford her own citizens.

Mr. President, I suggest that this challenge had best be answered, and I ask unanimous consent that Mr. Fleming's article be printed in the CONGRESSIONAL RECORD.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ALLOTT. The Senator says that the State of Colorado ducked responsibility. Of whom is he speaking?

Mr. DOUGLAS. I think that is made clear in the article from the Denver Post.

Mr. ALLOTT. I may wish to reply to it later.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY NOT EMIGRATE?—CASE OF THE MIGRANT WORKERS

(By Roscoe Fleming)

Remember the open truck jam-packed with 55 standing human beings that turned over on a curve east of Denver, killing 1 baby and injuring 20 other persons? These people had the bad luck to be migrant workers; and the apparent further misfortune to be American citizens.

Recently the House extended the law which Mexico demands to protect her nationals who come into the United States to work.

Representative BYRON ROGERS, of Denver, made a valiant try to include protection for American citizens, but his amendment was gaveled out of order as not germane, since the subject was the protection of Mexican, not United States, citizens.

But read in the debate were the Labor Department regulations to protect Mexican migratory workers in the United States, and you might like to see how we take care of those people—at the demand of their Government. Summarized:

Where trucks are used, Mexican migrants can't be driven more than 14 hours in any 1 day, with 15-minute rest stops every 2 hours. Overnight rest stops must be adequate for the climatic conditions (whatever that means).

Vehicles must have adequate seats firmly fastened to the floor, with backrests, and with a minimum spacing of 18 inches. There must be protection against the weather. Tarpaulins must be not less than 6 feet above the floor, and along the sides * * * where necessary.

"All vehicles must be equipped with fire extingishers, drinking water in containers equipped with spigots, signaling devices between driver and passengers. All vehicles shall be clean, and reasonably comfortable. All workers shall be given 50 cents per meal, or its equivalent in food.

"Before the start of each trip the representative of the Department of Labor shall be shown proof of ownership of vehicle, proof of adequate insurance coverage; itinerary of route showing rest stops, food stops, and overnight stops; driver's license, State inspection certificate where available (or Department of Labor inspection report will be executed). After arrival * * * driver and passengers shall be questioned as to adherence to these requirements."

Still pretty rugged, you'd say? American citizens would never stand for such minimum standards of safety and comfort? Well, remember that American citizens in the fatal Colorado truck accident had been packed upright, so close together they had no room to

move. They had traveled hour after hour that way, uncovered against blazing sun or pelting rain alike. Finally the truck skidded on a rain-wet curve, went out of control because its center of gravity was too high because the people were standing, and finally dumped them in a screaming bloody windrow in the borrow-pit.

Remember that all concerned have since passed the buck of responsibility, with the speed and skill of the Denver Bears whipping the ball around the infield?

The State said right off that it had no power to regulate interstate trucks, save only against unsafe crowding. Governor Johnson wrote the Interstate Commerce Commission demanding that it enforce minimum safety and comfort regulations, but the ICC wrote back that it had never been given any power in this regard. A United States Labor Department welfare worker came out, looked around, and left saying it was too bad, but up to Colorado. The sugar companies, for whom these migrant workers are imported by contract as "stoop" labor in the beet fields, have shrunk like violets from public notice in this connection, although vocal enough about their other benefits to the public.

So it looks like these poor Americans just have to go on taking their chances, save for one possibility: They could go to Mexico, and take out first citizenship papers. Then when they came back, they might be able to get the minimum protection and decent treatment here, which the United States seems unable to afford her own citizens.

Sponsoring of Polish Refugees in Germany, Austria, and France

EXTENSION OF REMARKS
OF
HON. JAMES T. PATTERSON
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 28, 1955

Mr. PATTERSON. Mr. Speaker, it is with the greatest honor and pleasure that I present for publication in the RECORD a description of the operation of the Medway Plan Foundation, a charitable organization with its principal office in Woodbury, Conn., which is currently engaged in securing sponsors for assistance to Polish refugees in Germany, Austria, and France.

This very splendid foundation works in cooperation with the Polish Immigration Committee of New York. It has a long and enviable record of achievement in the field of human rehabilitation and world peace, and I commend cooperation with its most worthy work to all persons who may be interested in aiding these people who need our help so desperately.

Each year this charitable foundation, with head office in Woodbury, Conn., concerns itself with a different ethnic group abroad. Its particular interest is with the hard-core refugees—meaning those who are ineligible to enter the United States because of age, illness, and permanent disability, the most deplorable of all war victims.

Last year it was the Rumanian escapees and refugees; this year it is Polish refugees tied down in Germany and Austria and France. Medway works in association with the Polish Refugee Committee of New York, the International Rescue Committee and the Polish Refugee Union overseas. There are over 3,000 such hard-core cases who need food, clothing, or medicine. The Medway Foundation undertakes to secure individual American sponsors for each of these cases: will you, who read this, help?

The action has already started. Under the Medway plan, a sponsor sends no money to the foundation; every cent of each dollar he gives for relieving his sponsored refugee is spent by himself for such needed supplies as personal correspondence with the victim develops. Medway is a no-overhead organization—there is nothing just like it. Thousands of compassionate Americans use it. The foundation makes large shipments of supplies direct to refugee groups as a stop-gap pending placement of individual cases with American sponsors on a person to person basis.

During a 5-year existence, Medway secured the adoption of over 300 war-torn communities abroad by American cities, schools, and groups. Food, tools, clothing, hospital supplies—even motortrucks—to the value of more than $3 million was sent to the adopted towns.

During 1952–54 Medway provided special assistance to refugees from Russia and other satellite countries who reached Vienna, giving food, clothing, shelter, and hiding them from the Russian police, thus saving many lives.

In 1954 alone Medway secured individual sponsors for 3,934 hard-core cases located in Germany, Austria, and France, of which over 600 were escaped Poles in the hard-core category.

Reading the above lines, one might think that the Medway Plan Foundation is possessed of ample means, luxurious offices, and numerous personnel. In reality the foundation offices are located in the home of the president, Mr. William Montgomery Bennett, at Woodbury, Conn. Mr. Bennett, a retired industrialist and economist, donates his entire time to the foundation and is also connected with other humanitarian organizations.

Plight of the Dairy Farmers

EXTENSION OF REMARKS
OF
HON. LEE METCALF
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 28, 1955

Mr. METCALF. Mr. Speaker, I join in commending the gentleman from Wisconsin [Mr. JOHNSON] for his thorough analysis of the plight of our dairy farmers and his untiring efforts on their behalf.

The dairy farmers of this Nation do not have a better friend in Congress than LESTER JOHNSON. As he has said today, our dairy farmers are being ruined by this administration's price-support program being administered by food processors and others who "farm the farmer." It was fitting that the administration, which has made so many of them, recently announced a program for the relief of the low-income farmer. It was unfortunate, however, that the man picked to head this program was the man who early in 1953 said it would be better if the marginal farmer got out of farming and into industry and his land were turned over to grass or trees or other soil-conserving practices.

If the Committee on Agriculture reports Congressman JOHNSON'S H. R. 4360, I will support it.

Military Program Half Finished

EXTENSION OF REMARKS
OF
HON. BOB WILSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 28, 1955

Mr. WILSON of California. Mr. Speaker, for nearly 10 years the military services of this Nation has suffered repeated cutbacks and reductions in the traditional benefits that heretofore had been recognized as essential to good morale and esprit de corps.

As a result, career service in the military lost much of its attractiveness for officers and enlisted personnel. Reenlistment rates reached a record low last year. Cadet and officer resignations were at a high peak.

The trend was finally reversed by Congress last year. Household goods shipping limits were increased. The Warrant Officer Act and Reserve Officers Promotion Act corrected inequities in certain ranks. Restrictions on promotions and resignations were eased. A reenlistment bonus was approved. The Housing Act gave career personnel attractive terms for buying houses, similar to GI benefits, and 11,000 new homes were authorized for on-base family housing.

This session of Congress has produced additional legislation of benefit to the services. The Career Incentive Act of 1955 gave much-needed pay increases and substantial pay adjustments at critical points in career military service. Hazardous-duty pay and other special benefits were also added. The national Reserve plan, to greatly strengthen the Reserve forces, was enacted. Seventeen thousand additional houses were authorized for military families.

The House of Representatives, to date, has passed two highly desirable bills to further improve career military service. The Survivors Benefits Act will be a major step in assuring career service. A special retirement income-tax exemption has also passed. Both of these bills await action in the Senate.

Much credit for support of this legislation must go to the various organizations interested in improving our military posture. The Retired Officers Association, Fleet Reserve Association, Navy League, Reserve Officers Association, and many such groups have been instrumental in organizing support for beneficial legislation we have passed.

But we must not stop with the job half done. Much more legislation is needed, particularly in the field of medical care for dependents and military housing. The investments we make now in building a long-range career military structure will pay off in better defense and more efficiency.

An enlightening editorial on this subject appeared in the New York Times on July 27, 1955. Under unanimous consent, I include it as a portion of my remarks:

FOR THE ARMED FORCES

Some measures to improve military morale and to increase the attractiveness of a military career have been enacted at this session of Congress. Service pay has been increased; a $254 million housing plan for 17,000 service homes has been approved, and other needed legislation has been passed.

But the "package program" envisaged by the Pentagon as an important part of the process of revitalizing the regulars and making the services desirable careers has by no means been completed. One of the most important pieces of legislation—the survivors benefits bill, which liberalizes survivors' pensions, eliminates inequities and replaces an obsolete complex of out-of-date legislation with a single law—has been passed by the House but not by the Senate. Various plans to standardize, improve and insure medical care of service dependents have been studied, but no action has been taken. A bill to eliminate a discriminatory provision of the Internal Revenue Act, which operates only against retired military personnel, is still languishing in the Senate. A bill which would credit cadet and midshipman service (at the service academies) as active duty service for longevity pay purposes has had no congressional action, athough this legislation, sponsored by the Department of Defense, simply eliminates an existing discrimination against the regular career officer.

The current session of Congress is approaching its 11th hour. Another year's delay in the enactment of legislation vital to the services can result only in the loss to the Nation of many valuable and irreplaceable officers and noncoms. The military career legislation now pending should be enacted before Congress adjourns.

Highway Construction Program

EXTENSION OF REMARKS

OF

HON. THOMAS A. JENKINS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 28, 1955

Mr. JENKINS. Mr. Speaker, the proposed highway legislation that has been so widely discussed all over the country for so long was disposed of yesterday by a much agitated House of Representatives.

I think that never in my somewhat lengthy service as a Member of Congress have I seen so much confusion and parliamentary maneuvering in connection with any piece of legislation. The Committee on Public Works of the House consists of 34 members, a majority of whom are Democrats, and among the membership of the committee are many very competent Members from both political parties. This great committee started out to write a highway bill and spent much time trying to accomplish their assumed task. They changed their position many times and broke up into a number of groups. And when they finally voted out a bill a large number of them did not approve of the bill, and there were several different reports put out by different members of this committee.

President Eisenhower, through his administrative assistants, recommended a course of action as to what the program should be and as to how it should be financed. He wanted to finance it by the issuance of Government road bonds. This would cost about $30 billion.

The other group, under the leadership of Speaker RAYBURN, was set on the adoption of a program costing more than $25 billion to be paid by the levying of taxes on gasoline, tires, tubes, and other commodities.

In other words, both groups were loud in their protestations of their desire to get good roads for the whole country, and to do this as soon as possible with the full knowledge that the cost was going to be many, many billions of dollars.

The bill that was finally recommended for passage by a majority of the committee was the bill that met the approval of Speaker RAYBURN and the other leaders of the Democratic Party and that would cost many billions of dollars to be paid by a heavy increase of taxes that the people would be compelled to pay for diesel oil, gasoline, tires, tubes, and other sundry products.

This bill was opposed by the other half of the committee headed by Congressman DONDERO. He and his Republican cohorts were in favor of the President's plan, which was to issue bonds in payment of this road program.

After 2 days of active debate in which many Members participated, when the matter came on for a vote Mr. DONDERO and his followers sought to substitute their program for the program of the Democrats, but lost by a vote of 184 nays, 178 yeas. This was a very close vote—I voted with Mr. DONDERO.

Then, immediately, the final vote was taken—it looked as if the Rayburn forces would win easily. But something very unusual happened. It happened that while the membership was quite equally divided between the Dondero plan and the Rayburn plan, there was a strong sentiment against both plans, partly because the membership was against the terrific cost and were against the manner in which the Public Works Committee had conducted its hearings and deliberations. Its usurpation of the functions of the Ways and Means Committee, which, from the foundation of the Republic, has been given the responsibility of preparing and presenting the tax bills to the Congress, was resented by the public, generally, and by a number of the members of the Public Works Committee, itself. The House voted against the Rayburn plan by a vote of 292 nays, 123 yeas. I voted with those who were opposed to the levying of the gasoline and other taxes to pay for all these billions of dollars that this program would cost.

When the Committee on Public Works had fully realized that they had made serious mistakes they proceeded to try to work their way out. They divided themselves into groups, as appeared from the different kinds of reports they made, but when they had a chance they realized that the best thing to do was to join the many Congressmen who had become disappointed at the failure of this great committee to do what it should have done from the beginning. So when the final vote came the membership discarded both the Dondero plan and the Rayburn plan and voted the whole project down by a terrific majority of 292 to 123. I voted with the majority and was glad to help to bring the matter to a sensible conclusion.

I am for good roads and have always been. But I am also against the levying of these terrific taxes that will be necessary for the construction of these roads now. The thing to do is to take the road building program out of politics and plan it carefully and properly from an engineering standpoint, and sensibly from a taxpaying standpoint. This taxpaying part of the program should be written by the Ways and Means Committee of the House, which committee from the very beginning of the Government, had had this responsibility.

I repeat, I am for good roads, but I am also for economy and against exorbitant and crushing new taxes. We are taxed heavily enough now.

Wheat or Controlled Acreage for Feed and Seed Purposes

EXTENSION OF REMARKS

OF

HON. ROBERT D. HARRISON

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 28, 1955

Mr. HARRISON of Nebraska. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include letters of Secretary Ezra Taft Benson and Mr. Peterson relative to growing wheat on controlled acres for the purpose of feed and seed without being subject to the penalty provisions of the present agriculture act:

SECRETARY BENSON ISSUES STATEMENT ON WHEAT QUOTA VOTE

UNITED STATES
DEPARTMENT OF AGRICULTURE,
Washington, June 26, 1955.

Secretary of Agriculture Ezra Taft Benson today issued the following statement concerning the action of wheat growers in approving marketing quotas on 1956 production in the national referendum of June 25:

"Approval of marketing quotas on 1956 wheat production by more than the required majority of wheat growers voting in Saturday's referendum means that the level of support for next year's crop will be at not less than 76 percent of parity, or $1.81 per bushel, national average. To be eligible for this price support, farmers are required by law to plant within their acreage allotments. While approval of marketing quotas will undoubtedly result in substantially smaller

1956 wheat production than otherwise would have been the case, the problem of accumulated wheat stocks remains an extremely serious one. The United States wheat carryover on July 1 of this year is estimated to be a record 1,030,000,000 bushels, with virtually all of it owned by the Government. The indicated wheat harvest for 1955 will bring total supplies to a level high enough to meet domestic demands, plus foreseeable exports, for more than 2 full years.

"In this situation, the Department will continue its several programs aimed at achieving maximum practicable exports of wheat and flour.

"In order to improve the quality of wheat produced and reduce controls over production and utilization, the Department intends to:

"1. Undertake to place in effect upon the 1956 wheat crop appropriate discounts in price suports for certain designated varieties of wheat, especially those suitable primarily for feed purposes, in an effort to improve the quality of the wheat crop.

"2. Continue efforts to secure favorable congressional action authorizing the Secretary to broaden the noncommercial wheat area. In this area growers are not subject to acreage control. Supports are set at 75 percent of the rates within commercial areas.

"3. Continue efforts to secure favorable congressional action on legislation now before the Congress to exempt wheat growers from marketing-quota penalties if all the wheat produced on their farms is used for feed or seed on the farms where produced.

"4. Request legislative extension of special durum acreage provisions for the 1956 crop. Despite the excessive stocks of wheat, available supplies of durum wheat, used mainly for spaghetti and macaroni, are expected to continue short.

"5. Give special consideration in the months ahead to programs which will further encourage farmers to make needed adjustments in their pattern of land use. This would be both on land ill-suited to crop production and on better lands where it would be advantageous to shift a part of the acreage to hay and pasture. The program now being developed for the Great Plains is an example of this."

At a meeting in Algona, Iowa, on October 7, 1954, Secretary of Agriculture Ezra Taft Benson made the following remarks regarding the question of production controls for wheat which is grown by farmers for feeding on their own farms:

"You may have read recently of farmers who protest acreage limitations on the production of wheat which they are growing for feed. Many of these farmers want no price support on their wheat or other crops; they feel that they should be permitted to grow wheat for feed on their own farms without acreage limitations and without penalty.

"I am sympathetic to this point of view, but the law is clear and its constitutionality was upheld in Wickard against Filburn (317 U. S. 111 (1942)). When marketing quotas for wheat had been voted, those who harvest wheat in excess of their allotments are subject to penalty, whether they sell their wheat in the market or whether they feed it on their farms. I have pledged to administer the law, and I shall do so to the best of my ability.

"I urge farmers to comply with the law as it now exists.

"But when Congress next convenes, I hope they will review this provision of the law which was enacted about 13 years ago. It has been the law ever since. In preparation for any review by Congress I am seeking advice on what changes are practical so as to permit the production of wheat for feed, without penalty, if no wheat is sold and farmers do not desire price support on other crops.

"It is the objective of this administration that farmers be permitted to operate their farms with a maximum of freedom. It was this objective which led me to recommend the relaxation of the total acreage allotments to help meet drought conditions. We will enlarge the area of freedom and responsibility in the operation of our farms whenever this can be done without impairing the effective functioning of our farm programs."

JULY 1, 1955.

Hon. SAM RAYBURN,
Speaker, House of Representatives.

DEAR MR. SPEAKER: On June 25 the wheat farmers of the United States voted to continue marketing controls as provided for in the Agricultural Adjustment Act of 1938. The Department of Agriculture believes that the law could be amended to improve the wheat program in certain instances and therefore recommend congressional action as follows:

1. We recommend that the present exemption of durum wheat be extended 1 year. There has been a shortage of this type of wheat and the liberalized allotment will help meet the need for increased production. Public Law 8 signed by the President February 19 was for 1 year only.

2. We again recommend enactment of the legislation that is now before the House Agriculture Committee that will exempt wheat growers from marketing quota penalties if all of the wheat produced on their farm is used for food, feed, or seed on the farms where produced. This "feed wheat" provision would remove a program inequity and permit greater freedom of operation on those many farms that do not produce wheat for sale. S. 46 has been passed by the Senate.

When passed by the House we recommend including food use along with feed and seed. There are farms and institutions where wheat is produced and milled locally for consumption on the farm or in the institution where grown.

3. We recommend legislation that will authorize expansion of the non-commercial wheat areas beyond the 12 States now in this classification. This would provide greater flexibility in "marginal" regions where wheat is not a major crop. There are bills now pending that include this provision.

4. We recommend that the Congress give consideration to legislation that would authorize the Secretary of Agriculture to dispose of not to exceed 100 million bushels annually of low grade wheat for feed at prices 10 percent above the support price for corn.

Closely associated with the above recommendations, but not needing legislation, is the Department of Agriculture's study of the effect upon 1956 wheat crops if discounts for price supports for certain designated varieties of wheat, especially those suitable primarily for feed purposes, are put into effect in an effort to improve the quality of the wheat crop. These discounts, as well as quality premiums recognized in the past, can be imposed by administrative regulation and legislation is not necessary. However, we would welcome legislation such as is now pending in S. 2125.

Also, the Department is moving ahead with a program to encourage farmers to make needed adjustments in their pattern of land use. This could be on both land ill suited to crop production and on better lands where it would be advantageous to shift a part of the acreage to hay and pasture. This will be helpful in carrying out the long-range program in the Great Plains as well as other programs.

The Bureau of the Budget advises there is no objection to the submission of this report.

Sincerely yours,

EZRA TAFT BENSON,
Secretary.

UNITED STATES DEPARTMENT OF AGRICULTURE,
Washington, July 22, 1955.

Hon. HAROLD D. COOLEY,
Chairman, House Committee on Agriculture.

DEAR MR. CHAIRMAN: This is to invite your attention again to the urgent need for immediate consideration by your committee of H. R. 1834 and other bills to exempt certain wheat producers from marketing quota penalties under the Agricultural Act of 1938 in cases where all of the wheat crop is fed or used for seed on the farm, commencing with the 1955 crop.

As you know, the Senate on March 28 passed S. 46, which is identical with H. R. 1834. It is my understanding that these measures, together with several other bills which seek to accomplish similar ends, have been referred to a subcommittee of the House Committee on Agriculture under the chairmanship of Representative CARL ALBERT of Oklahoma. It is my further understanding that the subcommittee has decided to take no action on any of the bills at this session but to hold hearings on them this fall.

May I respectfully suggest that an intolerable situation is developing with respect to assessment of wheat marketing quota penalties? With certain exceptions, farmers who produce wheat in excess of their quotas are subject to marketing penalties currently set at $1.13 per bushel. Penalties have already been collected from many farmers who exceeded their 1954 production quotas. However, instances where farmers are refusing to pay, necessitating suits to collect penalties on the 1954 wheat crop, are being reported at an increasing rate.

The Department of Agriculture estimates that there may be as many as 1,500 cases this year, involving production of wheat in 1954, which will require legal action. Unless suits are filed to collect these penalties, it appears certain that there will be many more violations in 1955 which would normally come up for legal action sometime after completion of the 1955 harvest.

In many cases farmers who seek to avoid penalties plead that their wheat was not sold in interstate commerce, that they did not want price support, and that all of the wheat was used for feed or seed on the farm. Under the holding in *Wickard* v. *Filburn* (317 U. S. 111 (1942)), the farmer is liable whether the wheat is fed or sold if he exceeds his acreage allotment unless the planted acreage of wheat does not exceed 15 acres or an acreage from which the normal production does not exceed 200 bushels.

Another unusual example which has come to our attention involves a monastery in Georgia. The monastery has followed the policy of producing the wheat necessary for food at the monastery. None of the wheat is sold. The amount required for 1954 was in excess of the marketing quota. The monastery now finds itself liable to the Government for a penalty of $1.13 per bushel on the excess.

I doubt that Congress contemplated situations such as this arising under the penalty provisions of the Agricultural Act of 1938. I would strongly recommend that the legislation now before your committee be amended so as to exempt additionally from marketing penalties producers who grow wheat for food consumption on the farm.

I have said on many occasions that I believed the present law should be amended along the lines of the bills now before your committee respecting marketing quota penalties on wheat where the production is consumed entirely on the farm. I have urged you as chairman of the House Committee on Agriculture to give consideration to this problem. I do so again now, emphasizing that the growing number of court cases arising from this section of the law is creating a most serious situation.

Enclosed is a copy of a letter of March 4, 1955, to you as chairman, setting forth the Department's position in this matter. I am also enclosing a copy of my letter of July 1, 1955, to the Speaker of the House, in which I recommended action on the proposed legislation.

In view of the broad interest in this question, I am taking the liberty of making this correspondence public immediately upon delivery of this letter to you.

Sincerely yours,

EZRA TAFT BENSON,
Secretary.

MARCH 4, 1955.

HON. HAROLD D. COOLEY,
Chairman, Committee on Agriculture, House of Representatives.

DEAR CONGRESSMAN COOLEY: This is in reply to your request of January 27, 1955, for a report on H. R. 1834, a bill to amend the Agricultural Adjustment Act of 1938 to exempt certain wheat producers from liability under the act where all the wheat crop is fed or used for seed on the farm, and for other purposes.

We favor enactment of this bill.

The purpose of this bill is to correct a situation which has arisen in connection with marketing quota operations for certain wheat producers who desire to use their entire output for feed and seed on the farm where produced, and who do not want to participate in the wheat price support program.

Under the Agricultural Adjustment Act of 1938, as amended, wheat producers subject to marketing quotas who harvest wheat in excess of their acreage allotment are subject to a marketing penalty on their farm marketing excess (unless they avoid or postpone the penalty by storage or delivery to the Secretary), whether they sell their wheat on the market or whether they feed it on their farms. The law is clear on this point and its constitutionality was upheld in *Wickard* v. *Filburn* (317 U. S. 111). Thus, farmers subject to quotas on their crop are forced to curtail their operations or pay the penalty if they fail to do so.

Production of wheat for feed is, in general, confined to small farms in the feed deficit areas.

Existing legislation exempts certain of these farms from marketing quota restrictions. For example, quotas are not applicable to any farm on which the wheat acreage does not exceed 15 acres or on which the normal production of the wheat acreage is less than 200 bushels. Also, marketing quotas are not applicable to any farm in any State which has been designated by the Secretary as outside the commercial wheat-producing area. Any State for which the wheat acreage allotment is 25,000 acres or less may be so designated by the Secretary.

H. R. 1834 broadens these existing exemptions to include those farmers in the commercial wheat-producing area who harvest more than 15 acres, who use all their wheat on the farm where grown for feed and seed, and who do not desire wheat price support. Insofar as this latter group of farmers is concerned, wheat marketing quota restrictions impose special hardships.

Accordingly, although the consumption of wheat on farms where grown does affect interstate commerce, the proposed exemption relating only to farms on which no wheat is removed would appear to be desirable. Such farms constitute only a small portion of all farms which produce wheat and the proposed exemption, although creating some new problems, would not unduly hamper the administration of the wheat-marketing quota and price-support programs with respect to farms from which wheat is removed. This would not be the case, however, if the exemption with respect to feed and seed were to apply to farms on which wheat is produced both for home consumption and sale.

Enactment of this bill would be another step toward achievement of our objective—that farmers be permitted to operate their farms with a maximum of freedom. At the same time, it would remove the dissatisfaction of some small wheat producers with the program as it must be operated under present legislation.

The bill, if enacted, would become effective with the 1955 and subsequent crops of wheat. It would in no way relieve or otherwise affect the liability for marketing penalties incurred by farmers under the 1954 wheat-marketing-quota program who fed or used for seed on the farms where produced their entire 1954 wheat crops.

As indicated above it is recognized that there will be certain administrative difficulties in putting the provisions of the bill into operation, but we believe it will be possible to develop adequate safeguards.

Additional administrative expenses would be incurred in carrying out the provisions of the bill, if enacted. It is believed that such increases might be absorbed from funds appropriated for administering the wheat-quota program. However, a detailed analysis of the costs involved will be required before a definite cost estimate can be submitted.

The Bureau of the Budget advises that, from the standpoint of the program of the President, there is no objection to the submission of this report.

Sincerely yours,

E. L. PETERSON,
Acting Secretary.

First Session Report

EXTENSION OF REMARKS
OF

HON. JAMES M. QUIGLEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 28, 1955

Mr. QUIGLEY. Mr. Speaker, now that we are reaching the end of the 1st session of the 84th Congress, the time has come to look at the record and total up the results.

It has been a good session. We have not been noisy or spectacular, but in retrospect, it has been a hard working session, in which we have overcome many obstacles to accomplish a great deal.

One of the principal accomplishments has been to prove that bipartisan control of our Government can work. Thanks to the very able and wise leadership here in the House as well as in the other body, we have shown that control of the legislature by a party other than the party in control of the executive branch does not mean that the national interest must be sacrificed on the altar of partisan politics.

The Democratic Congress has cooperated with the Republican President and that cooperation has been especially excellent in the all-important area of foreign affairs. In this vital field this Democratic Congress has given the President more and better support than he had in the 83d Congress when his own party was in control.

I am highly pleased that much of this support came from the freshmen Democrats, who, in the numerical sense at least, represent the balance of power in this Congress. You could say that our presence here is what made the difference between the 83d and the 84th Congresses. I trust that the fact that the people saw fit to send us here has helped make this a better Congress. In any event it seems clear that we have not lived up to the advanced bad billing the Republican spokesmen gave us in 1954. You will recall that well before we were elected the prediction was made that a Democratic congressional victory would result in a political "cold war." Time and the record shows that this has not happened.

The record shows, Mr. Speaker, that the new Democratic Members of this Congress have given Mr. Eisenhower better than 75 percent support on key foreign policy issues. This is a better record than that given him by the Republican minority, and a better record than that given him by the then Republican majority of the 83d Congress.

Moreover, I believe the record will also show that the new Democrats were somewhat instrumental in strengthening the President's hands at Geneva. The support he received from the Congress in advance of his going to Geneva was sufficiently great to merit his favorable comment when he reported to the Nation on his return. Members will recall that a group of new Democratic House Members took the floor early in February, urging the President to shake off the shackles of domestic appeasement and to embark upon a bold, positive program for peace. Under normal circumstances this action on the part of new Members would constitute the brashest kind of tradition breaking. In our case, because we represented the numerical difference upon which control of the House hinges, it was not only desirable but necessary in the light of the cold war prediction.

I have the privilege of representing in Congress the district in which Mr. Eisenhower now resides. As I look back over the record, I find that I have given his views the same careful consideration as I have tried to give the views of any other constituent. In considering the merits of any measure, the question I have asked myself is not whether Ike wants it but whether the country needs it. It turns out that my philosophy of supporting the President when I think he is right and opposing him when I think he is wrong has built a record of being with him somewhat more than 50 percent of the time on all issues which have so far come before this Congress.

Mr. Speaker, it would require an enormous amount of space to list and describe all the accomplishments of the "do something" 84th Congress. A mere summary of the highlights is in itself a formidable document.

AGRICULTURE

Congress completed action on a number of bills of interest to the farmers in Adams, Cumberland, and York Counties. We also had our disappointments. One keen disappointment came when President Eisenhower saw fit to veto a bill which would have prohibited the

Department of Agriculture from predicting apple prices. This bill passed the House without a single dissenting vote. The Nation's apple growers, and especially those in the 19th District, were for it.

There has also been some disappointment that we have not yet enacted legislation to relieve from the penalty provisions of the acreage-allotment program those farmers who grow wheat solely for use on their own farms. I introduced legislation to accomplish this. However, the Committee on Agriculture gave very sympathetic consideration to this problem at hearings, and I have every reason to believe that a solution will be found during further studies during the recess. I am hopeful we shall be ready to enact legislation soon after the second session begins.

The repeal of the tie-in provision of the 1954 farm law, which made eligibility to participate in the agricultural conservation program contingent upon compliance with the acreage allotment program was a very meritorious piece of legislation. I was among those who sponsored the repealer bill.

Other accomplishments of interest to farmers include placing a ceiling on disaster loan interest rates of 3 percent, instead of the 5 percent rate established by Secretary of Agriculture Ezra Taft Benson; extending for 2 years the emergency loan program to farmers and stockmen suffering from "adverse economic conditions;" and extending for 2 years the disaster loans in drought areas.

HEALTH AND WELFARE

Despite the sad lack of interest on the part of the administration in matters where the health and welfare of the people are concerned, we were able to make some progress.

Perhaps the most important advance in this field was the bill expanding social-security benefits by lowering the retirement age for women from 65 to 62, bringing disability benefits to workers aged 50 or more, and extending coverage to certain professional groups. This bill has passed the House and is ready for action in the other body when the Congress reconvenes. In one of her final acts before returning to her private pursuits, Secretary of Health, Education, and Welfare Oveta Culp Hobby told a committee of the Senate that the time has not yet arrived for making these improvements. Here in the House we have found the improvements are needed, and I trust the other body will place little reliance in Mrs. Hobby's recommendation.

In the field of housing we ran into a great deal of opposition. Although we failed to enact a bill to construct 565,000 units of housing, we were able to reach a compromise in a field where any number of units, even the minimum of 35,000 recommended by the President, is of some value.

In the field of education, for the first time a bill authorizing Federal grants for school construction has been approved by a congressional committee. This measure is ready for debate, and I hope action, when we reconvene.

Meanwhile the Congress has completed action on amendments to the 2 Federal impact area laws, making them more workable and changing some of the language by which, through technical interpretations 27 school districts, including the Carlisle Area School System, were denied construction funds to which they were entitled. I introduced legislation to correct this situation, and I was pleased when the committee went on to include these amendments in its omnibus bill.

Other health and welfare bills passed authorize a 5-year program of research into the causes of air pollution; authorize research in the field of mental health; improve the administration of the surplus property program so as to make equipment available to educational and public health institutions; and to study possibility of preventing hurricane damage.

VETERANS AND GI'S

Legislation enacted of interest to veterans permits those in service as of January 31, 1955, to continue to build up GI schooling benefits until discharged from service; extends VA direct loan programs for 2 years, and broadens the program to include home improvements; extends to GI farm home buyers the same help—mainly mortgage guarantees—as city home buyers now have; and gives disabled veterans until October 1956, to apply for auto purchases while extending the privilege to Korean veterans.

For servicemen we passed the career incentive pay increases, providing raises in pay and benefits as incentives toward career military service and we provided legislation to give credits toward social security for military service before 1956.

GOVERNMENT EMPLOYEES

Federal classified and postal employees, after a long wait, and following two Presidential vetoes, finally were granted deserved pay increases. Classified employees received a raise of about 7.5 percent, while postal workers were given raises that average about 8 percent. The daily travel allowances for Federal employees were increased from $10 to $12 and mileage was raised from 7 to 10 cents a mile. We corrected the inequities under Executive Order 10577 in the career conditional and career appointment program.

ECONOMIC

Much remains to be accomplished to shore up the national economy. Here, as in the case of human welfare, we met considerable opposition from the administration, where complacency and satisfaction with things as they are seem to be the rule.

The administration points to the 64 million people employed in June as compared with 63.6 2 years ago, and proudly proclaims we need do nothing to improve the economy. What is overlooked is the fact that in the 2 years intervening 1,400,000 have been added to the labor force, but jobs have been provided for only 400,000. Thus the administration is approving a "creeping unemployment" policy which, unless action is taken, could result in almost 5 million more unemployed by 1960.

The administration's complacency also overlooks the continued decline in farm prices in the face of increases in the cost of things the farmer must buy.

This philosophy of the administration has made it difficult to work out a program of full employment for labor, and full prosperity for agriculture and industry. Despite this we accomplished several things which should help.

The most forward step we took was to increase the minimum wage from 75 cents to $1 per hour, despite Presidential insistence that we should increase it to only 90 cents. Few workers in the 19th District of Pennsylvania will benefit directly from this, since most earn more than even the new minimum. It will, however, be a retarding factor in combating the run-a-way industry problem and will enable our industries, particularly the soft-fiber industry, to compete on a more even basis with their rivals. Moreover, it will mean the spending of about $150 million additional dollars for farm products.

When the Congress extended the reciprocal-trade agreement authority, we strengthened the built-in protections against loss of jobs in those industries where the impact of foreign competition is most severely felt. This should contribute something to job and profit security in Adams, Cumberland, and York Counties.

Congress moved ahead toward a realistic highway program, but of course the failure to complete action was a disappointment. Legislation of this nature, where we attempt to establish a pay-as-you-go theory for financing needed public works, is comparatively new, and an excellent idea. It was to be expected we would have difficulties in working it out. I am confident the bugs will be worked out during the recess, and look forward to a highway bill in the next session.

The House completed action on a 4-year, $63-million airport construction program, which, when placed in operation will help stimulate our economic life.

MISCELLANEOUS

Other measures enacted, and worthy of special notice, include the following bills:

Increases the penalties under the Sherman Antitrust Act from $5,000 to $50,000.

Permit the Government to recover damages in antitrust cases.

Created a nonpartisan 12-man commission to study Government personnel-security programs, a sorely needed commission as the shenanigans in the Small Business Administration prove.

Recommended action by States to facilitate absentee voting by servicemen and their families, and Government workers.

All in all, Mr. Speaker, this session has been one that has worked hard and may be proud of its accomplishments. In many respects it has made history. As a new Member, it has been thrilling and exciting to have been a part of history in the making.

SENATE

FRIDAY, JULY 29, 1955

The Senate met at 11 o'clock a. m.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of all mercy, who art acquainted with our frailties and forgivest even our craven denials of Thyself, Thou knowest that as we pause in contrite devotion at this daily arbor of quiet we hate our sins of omission and commission that draw us from Thy will and from the glory of our better selves. But by our very failures and fallibilities and by tasks too difficult for us we are driven unto Thee for strength to endure and wisdom to rightly interpret the signs of these trying times.

In these hallowed halls may Thy servants in the ministry of public affairs serve with integrity and fidelity the cause of our country and of our common humanity and so help to build the city of God on the ruined wastes of this divided and disordered world. We ask it through riches of grace in Christ Jesus our Lord. Amen.

THE JOURNAL

On request of Mr. CLEMENTS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, July 28, 1955, was dispensed with.

ENROLLED BILLS SIGNED

The PRESIDENT pro tempore announced that on today, July 29, 1955, he signed the following enrolled bills, which had previously been signed by the Speaker of the House of Representatives:

S. 847. An act to authorize the construction of two surveying ships for the Coast and Geodetic Survey, Department of Commerce, and for other purposes;

S. 2375. An act to provide for 5-year terms of office for members of the Subversive Activities Control Board with one of such terms expiring in each calendar year; and

H. R. 7301. An act to amend the Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, so as to permit the disposal thereunder of Plancor No. 980 at Institute, W. Va.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on July 28, 1955, the President had approved and signed the following acts and joint resolution:

S. 633. An act for the relief of certain alien sheepherders;

S. 1550. An act authorizing the State Highway Commission of the State of Maine to construct, maintain, and operate a free highway bridge across the St. Croix River between Calais, Maine, and St. Stephen, New Brunswick, Canada;

S. 1654. An act for the relief of Eliseu Joaquim Boa;

S. 2097. An act to authorize the transfer to the Department of Agriculture, for agricultural purposes, of certain real property in St. Croix, V. I.; and

S. J. Res. 38. Joint resolution consenting to an interstate compact to conserve oil and gas.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed a bill (H. R. 6645) to amend the Natural Gas Act, as amended, in which it requested the concurrence of the Senate.

HOUSE BILL PLACED ON CALENDAR

The bill (H. R. 6645) to amend the Natural Gas Act, as amended, was read twice by its title and placed on the calendar.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. STENNIS, and by unanimous consent, the Internal Security Subcommittee of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

AUTHORIZATION FOR COMMITTEES TO FILE REPORTS

Mr. CLEMENTS. Mr. President, I ask unanimous consent that all standing committees be authorized to file reports on bills and other measures pending before them during the adjournment of the Senate after today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. CLEMENTS. Mr. President, under the rule, there is a regular morning hour today for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine business. I ask unanimous consent that statements made in connection therewith be limited to 2 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communication and letters, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATIONS, THEODORE ROOSEVELT CENTENNIAL COMMISSION AND WOODROW WILSON CENTENNIAL CELEBRATION COMMISSION (S. DOC. NO. 84)

A communication from the President of the United States, transmitting proposed supplemental appropriations, for the fiscal year 1956, in the amount of $10,000, for the Theodore Roosevelt Centennial Commission, and $41,500 for the Woodrow Wilson Centennial Celebration Commission (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

CANCELLATION OF DELINQUENT IRRIGATION OPERATION AND MAINTENANCE ASSESSMENTS AGAINST CERTAIN LAND IN YAKIMA COUNTY, WASH.

A letter from the Secretary of the Interior, transmitting, pursuant to law, a copy of an order canceling $2,178 of delinquent irrigation operation and maintenance assessments against the land of Ambrose Smartlowat, Allotment No. 2701, Wapato Indian irrigation project, Yakima County, Wash. (with an accompanying paper); to the Committee on Interior and Insular Affairs.

CONSTRUCTION OF DAM AND FACILITIES ON SANTA MARGARITA RIVER AT CAMP PENDLETON, CALIF.

A letter from the Assistant Attorney General, Office of Legal Counsel, reporting, pursuant to law, on the construction of a dam and other facilities on the Santa Margarita River within the confines of Camp Pendleton, a Marine Corps training base, situated near San Diego, Calif.; to the Committee on Interior and Insular Affairs.

CONSTRUCTION OF DAM ON SANTA MARGARITA RIVER IN CALIFORNIA

A letter from the Acting Secretary of the Navy, reporting, pursuant to law, on the construction of a dam on the Santa Margarita River in California; to the Committee on Interior and Insular Affairs.

REPORT OF ATOMIC ENERGY COMMISSION

A letter from the Chairman and members of the Atomic Energy Commission, Washington, D. C., transmitting, pursuant to law, a report of that Commission dated July 1955 (with an accompanying report); to the Joint Committee on Atomic Energy.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the National Council of the Junior Order of United American Mechanics, at Cincinnati, Ohio, on the subject of amending the Constitution of the United States; to the Committee on the Judiciary.

A resolution adopted by the board of governors of the Alumni Association of the University of Hawaii, Honolulu, T. H., endorsing the application of Calvin C. McGregor to be judge of the United States District Court of Hawaii; to the Committee on the Judiciary.

A resolution adopted by the National Council of the Junior Order of United American Mechanics, at Cincinnati, Ohio, relating to the mailing of Communist literature; to the Committee on Post Office and Civil Service.

By Mr. SALTONSTALL (for himself and Mr. KENNEDY):

Resolutions of the House of Representatives of the Commonwealth of Massachusetts; to the Committee on Armed Services:

Resolutions memorializing Congress to prevent the reduction in force of the United States Marine Corps

"Whereas the Secretary of Defense has proposed a reduction in the force of the United States Marine Corps; and

"Whereas the United States Marine Corps has established an outstanding record as part of the Armed Forces of the United States; and

"Whereas any reduction in force of the Marine Corps at this time would be detrimental to the best interests of the United States of America: Therefore be it

"Resolved, That the House of Representatives of the General Court of Massachusetts urgently requests that the Congress of the United States take such action as may be necessary to prevent a reduction in force of the United States Marine Corps; and be it further

"Resolved, That a copy of these resolutions be sent by the secretary of the Commonwealth to the President of the United States, to the Secretary of Defense, to the presiding officer of each branch of Congress, and to each of the Members thereof from this Commonwealth."

Resolution of the House of Representatives of the Commonwealth of Massachusetts; to the Committee on the Judiciary:

"Resolutions congratulating the town of Charlton on its 200th anniversary

"Whereas on October 7, 8, and 9, 1955, the town of Charlton, Mass., will celebrate the 200th anniversary of the following historical event; and

"Whereas on Friday, the 10th day of January 1755, the governor and general court of the province of Massachusetts Bay did freely, fully and absolutely grant, ratify, and confirm an act setting off the inhabitants of the westerly part of Oxford from a line 1 mile west of the village line, but not including the country gore and establishing the territory as the District of Charlton. The country gore area was incorporated into the district in June 1757; and

"Whereas, Charlton is still governed by the town meeting. The earliest settlers established this form of government and from the beginning, made careful provision for religious training and school instruction for the children. Charlton's voters have been interested in State affairs, a goodly number of citizens have been sent to the general court; and

"Whereas records show the names of nearly 300 Revolutionary soldiers, including Minute Men who answered the call to arms. The number of men serving in the War of 1812 is not known, however there were some. In the Civil War, 213 citizens served their country. In the Spanish-American War three are known to have served. Seventy-two served in World War I and 288 entered service in World War II. Many have served in the Korean conflict. The town gives particular honor to those who made the supreme sacrifice in all wars, also the permanently disabled; and

"Whereas Charlton has produced many worthy sons and daughters. It claims especially fame and universal gratitude for having given to the world the discoverer of surgical anesthesia (ether), Dr. William Thomas Green Morton. The name of Dr. Morton should be upon the lips and in the grateful prayers of people in every civilized nation; and

"Whereas Charlton has long been known as a lumbering, agricultural, and manufacturing town. The town's scenic beauty, rolling hills and many ponds are its principal attractions: Therefore be it

"Resolved, That the General Court of Massachusetts offers its congratulations and best wishes for continued success of the town of Charlton; and be it further

"Resolved, That an engrossed copy of these resolutions be sent forthwith by the secretary of the Commonwealth to the town of Charlton to be preserved among the archives."

By Mr. HOLLAND:

A resolution of the House of Representatives of the State of Florida; to the Committee on Public Works.

"House Memorial 1251

"Memorial requesting the Congress of the United States to improve the Ponce de Leon Inlet in Volusia County, Fla., and

"Whereas Ponce de Leon Inlet from the Atlantic Ocean to the Halifax River is situated in Volusia County, Fla., and

"Whereas the said Ponce de Leon Inlet is a vital adjunct to the economic welfare of the city of Daytona Beach, and Halifax River area, in that the same constitutes the sole means of ingress and egress to the Atlantic Ocean from the Intercoastal Waterway by the commercial and sport fishing industries in the Daytona Beach and Halifax River area; and

"Whereas the said Ponce de Leon Inlet has, over the past several years, become increasingly hazardous to navigation by reason of silting and tidal bars, thereby substantially ending the use thereof by theretofore long established commercial fishing industry craft and resulting in a material loss to the economic welfare of Daytona Beach and the Halifax River area; and

"Whereas, by reason of the aforesaid deterioration of said Ponce de Leon Inlet to navigation, the plentiful game fish of the Atlantic Ocean in the vicinity of Daytona Beach, Fla., have become more and more inaccessible to sport fishing craft because of the dangers to life and property necessarily accompanying the navigation of said Ponce de Leon Inlet, thereby depriving the said Daytona Beach and Halifax River area of a prime tourist attraction of inestimable value to the economic life of the entire area; and

"Whereas the said Ponce de Leon Inlet is of vast potential importance and value to the national defense in that the same is situated less than 60 miles from the United States Air Force Guided Missile Test Center located at Camp Canaveral, and said Ponce de Leon Inlet is a natural and potentially important adjunct to the Federal inlet facilities located at Cape Canaveral as an alternative and additional means of carrying out the operations of said guided missile test center; and

"Whereas the said Ponce de Leon Inlet is otherwise potentially an invaluable asset to the national defense in that the same would, if the same were improved so as to render the same safe for navigation, make hundreds of miles of the Intercoastal Waterway accessible to the Atlantic Ocean; and

"Whereas the dangerous and hazardous condition of the said Ponce de Leon Inlet is such that at this time the United States Coast Guard stationed at said inlet has been hampered and prevented from utilizing the same in connection with vital efforts on the part of said United States Coast Guard to effect sea rescues due solely to the impassibility of said inlet for navigation purposes during such emergencies, thereby contributing to loss of life and property which would otherwise have been saved: Now, therefore, be it

"Resolved by the Legislature of the State of Florida, That the Congress of the United States of America is hereby requested and memorialized to take immediate steps toward the improvement of the Ponce de Leon Inlet located in Volusia County, Fla., to the end that the same be made safe for navigation to the Atlantic Ocean from the Intercoastal Waterway; be it further

"Resolved, That copies of this memorial be transmitted forthwith by the chief clerk of the house to the Senators and Representatives of the Federal Congress from the State of Florida."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, without amendment:

S. 65. A bill to amend section 1 (d) of the Civil Service Retirement Act of May 29, 1930, as amended (Rept. No. 1233); and

H. R. 6590. A bill to prohibit the employment by the Government of the United States of persons who are disloyal or who participate in or assert the right to strike against the Government of the United States, and for other purposes (Rept. No. 1256).

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, with amendments:

S. 2628. A bill to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies, and for other purposes (Rept. No. 1257).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

S. 2514. A bill to declare the portion of the waterway of West Haven and New Haven, Conn., known as the West River, northerly of a line running north 85°54'43.5" east from a point whose coordinates in the Corps of Engineers harbor line system are north 4,616.76 and west 9,450.80, a nonnavigable stream; without amendment (Rept. No. 1234).

By Mr. FULBRIGHT, from the Committee on Banking and Currency:

H. J. Res. 278. Joint resolution to provide that a gold medal be coined and presented to Dr. Jonas E. Salk in honor of his achievements in the field of medicine; without amendment (Rept. No. 1235).

By Mr. McNAMARA, from the Committee on Labor and Public Welfare, without amendment:

H. R. 4410. A bill for the relief of William E. Ryan (Rept. No. 1236).

By Mr. McNAMARA, from the Committee on Labor and Public Welfare, with an amendment:

H. R. 3024. A bill for the relief of Margaret Mary Hammond (Rept. No. 1237);

H. R. 4508. A bill for the relief of Henry T. Quisenberry (Rept. No. 1258); and

H. R. 4763. A bill for the relief of Elzie C. Brown (Rept. No. 1238).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

S. 2339. A bill to authorize the Secretary of the Interior to include capacity to serve the town of Glendo, Wyo., in a sewerage system to be installed in connection with the construction of Glendo Dam and Reservoir, and for other purposes; with amendments (Rept. No. 1240).

By Mr. BYRD, from the Committee on Finance, without amendment:

H. R. 1539. A bill for the relief of Mrs. Ruthe Graves Messer (Rept. No. 1241);

H. R. 2553. A bill to amend section 223 of the Revenue Act of 1950, relating to the use of corporation property by a shareholder (Rept. No. 1242);

H. R. 2619. A bill to amend section 345 of the Revenue Act of 1951 (Rept. No. 1243);

H. R. 4394. A bill to amend section 3401 of the Internal Revenue Code of 1954 (Rept. No. 1244);

H. R. 5647. A bill to repeal the manufacturers' excise tax on motorcycles (Rept. No. 1245);

H. R. 6727. A bill to authorize the Administrator of Veterans' Affairs to convey certain land to the city of Milwaukee, Wis. (Rept. No. 1246);

H. R. 7018. A bill to authorize subpenas in connection with the enforcement of the narcotic laws, and for other purposes (Rept. No. 1247);

H. R. 7064. A bill to amend section 421 (a) of the Internal Revenue Code of 1954 to extend the period for exercise of restricted stock options after termination of employment (Rept. No. 1248); and

H. R. 7300. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of income received from patent infringement suits (Rept. No. 1249).

By Mr. BYRD, from the Committee on Finance, with amendments:

H. R. 257. A bill to amend section 112 (n) (8) of the Internal Revenue Code of 1939 to provide that in certain cases of a sale or exchange of a taxpayer's residence, certain periods of limitation shall not run against the taxpayer while he is on extended active duty in the Armed Forces (Rept. No. 1254); and

H. R. 6263. A bill to amend section 1233 of the Internal Revenue Code of 1954 (Rept. No. 1255).

By Mr. HILL, from the Committee on Labor and Public Welfare, without amendment:

S. 2587. A bill to amend the Public Health Service Act to authorize the President to make the commissioned corps a military service in time of emergency involving the national defense, and to authorize payment of uniform allowances to officers of the corps

in certain grades when required to wear the uniform, and for other purposes (Rept. No. 1250); and

S. 2670. A bill to amend Public Laws 815 and 874, 81st Congress, which provide for assistance to local educational agencies in areas affected by Federal activities, and for other purposes (Rept. No. 1251).

By Mr. CHAVEZ, from the Committee on Public Works, without amendment:

H. R. 593. A bill to convey by quitclaim deed certain land to the State of Texas (Rept. No. 1239); and

H. R. 7628. A bill to authorize the appointment in a civilian position in the White House office of Maj. Gen. John Stewart Bragdon, United States Army, retired, and for other purposes (Rept. No. 1252).

By Mr. McCLELLAN, from the Committee on Government Operations:

S. 2377. A bill to amend the Federal Property and Administrative Services Act of 1949 to make temporary provision for making payments in lieu of taxes with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments; with an amendment (Rept. No. 1253).

AMENDMENT OF RULE RELATING TO PAYMENT OF WITNESSES—REPORT OF A COMMITTEE

Mr. GREEN, from the Committee on Rules and Administration, reported favorably an original resolution (S. Res. 143) amending the rule relating to the payment of witnesses, which was placed on the calendar, as follows:

Resolved, That the rule for paying witnesses summoned to appear before the Senate or any of its committees shall be as follows: For each day a witness shall attend, not to exceed $12, and not to exceed $12 for each day spent in traveling to or from the place of examination by the usual route. A witness shall also be entitled to be reimbursed his necessary expenses for traveling to and from the place of examination, in no case to exceed the sum of 10 cents a mile for the distance by him actually traveled for the purpose of appearing as a witness.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 29, 1955, he presented to the President of the United States the following enrolled bills:

S. 847. An act to authorize the construction of two surveying ships for the Coast and Geodetic Survey, Department of Commerce, and for other purposes; and

S. 2375. An act to provide for 5-year terms of office for members of the Subversive Activities Control Board with 1 of such terms expiring in each calendar year.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NEELY (by request):

S. 2675. A bill to incorporate the Army and Navy Union of the United States of America; to the Committee on the Judiciary.

By Mr. SMITH of New Jersey:

S. 2676. A bill to provide for uniform rations for the armed services; to the Committee on Armed Services.

S. 2677. A bill to relieve certain officers of financial liability except in cases of gross negligence or fraud; and

S. 2678. A bill relating to the payment of certain claims against the Government where the appropriations therefor have lapsed; to the Committee on Government Operations.

S. 2679. A bill relating to the appointment of certain officials in the Bureau of Customs and the United States mints; to the Committee on Finance.

S. 2680. A bill relating to the method of appointment of United States marshals, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. SMITH of New Jersey when he introduced the above bills, which appear under a separate heading.)

By Mr. ALLOTT:

S. 2681. A bill for the relief of Jane Bailey (nee Jane Dzun Ma); and

S. 2682. A bill for the relief of Mordecai Israel; to the Committee on the Judiciary.

By Mr. O'MAHONEY:

S. 2683. A bill for the incorporation of the Ladies of the Grand Army of the Republic; to the Committee on the Judiciary.

By Mr. ELLENDER (by request):

S. 2684. A bill to facilitate the marketing of agricultural commodities; to the Committee on Agriculture and Forestry.

By Mr. HUMPHREY:

S. 2685. A bill to promote the welfare of the American Indian citizens of Minnesota and to facilitate the orderly termination of Federal supervision and control over Indians and Indian property in that State, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. SMITH of New Jersey:

S. 2686. A bill for the relief of Giuseppa Boni; to the Committee on the Judiciary.

By Mr. HENNINGS:

S. 2687. A bill for the relief of Klearetti Haralambos Georgiadou; to the Committee on the Judiciary.

By Mr. McNAMARA (for himself, Mr. CAPEHART, Mr. DIRKSEN, Mr. HUMPHREY, Mr. McCARTHY, Mr. POTTER, Mr. DOUGLAS, Mr. THYE, and Mr. JENNER):

S. 2688. A bill granting the consent and approval of Congress to a Great Lakes Basin compact, and for related purposes; to the Committee on Foreign Relations.

By Mr. LANGER:

S. 2689. A bill for the relief of Hildegard M. Mills; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. 2690. A bill for the relief of William C. Jackson; to the Committee on the Judiciary.

By Mr. BENDER:

S. J. Res. 98. Joint resolution establishing a National Shrine Commission to select and procure a site and formulate plans for the construction of a permanent memorial building in memory of the Veterans of the Civil War; to the Committee on Rules and Administration.

BILLS IMPLEMENTING RECOMMENDATIONS OF HOOVER COMMISSION

Mr. SMITH of New Jersey. Mr. President, in order that the appropriate committees of the Senate may, during the period of adjournment, have available for study all legislation prepared pursuant to recommendations of the Hoover Commission, I introduce, for appropriate reference, five additional bills, as follows:

First. A bill to provide for uniform rations for the armed services which would implement recommendation No. 1 (g) of the Report on Food and Clothing.

Second. A bill to relieve certain officers of financial liability except in cases of gross negligence or fraud, which would implement recommendation No. 19 in the Report on Budget and Accounting.

Third. A bill relating to the payment of certain claims against the Government where the appropriations therefor have lapsed, which would implement recommendation No. 18 in the Report on Budget and Accounting.

Fourth. A bill relating to the appointment of certain officials in the Bureau of Customs and the United States Mints, which would implement recommendation No. 16 (in part) in the Report on Personnel and Civil Service.

Fifth. A bill relating to the method of appointment of United States marshals, and for other purposes, which would implement recommendation No. 16 (in part) in the Report on Personnel and Civil Service.

The PRESIDENT pro tempore. The bills will be received and appropriately referred.

The bills, introduced by Mr. SMITH of New Jersey, were received, read twice by their titles, and referred as indicated:

To the Committee on Armed Services:

S. 2676. A bill to provide for uniform rations for the armed services.

To the Committee on Government Operations:

S. 2677. A bill to relieve certain officers of financial liability except in cases of gross negligence or fraud; and

S. 2678. A bill relating to the payment of certain claims against the Government where the appropriations therefor have lapsed.

To the Committee on Finance:

S. 2679. A bill relating to the appointment of certain officials in the Bureau of Customs and the United States Mints.

To the Committee on the Judiciary:

S. 2680. A bill relating to the method of appointment of United States marshals, and for other purposes.

WELFARE OF INDIAN CITIZENS OF MINNESOTA

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to promote the welfare of the American Indian citizens of Minnesota and to facilitate the orderly termination of Federal supervision and control over Indians and Indian property in that State, and for other purposes. I ask unanimous consent that a statement, prepared by me, explaining the purposes of the bill, be printed in the RECORD. This bill is a companion bill to the ones introduced by Representative FRED MARSHALL and Representative COYA KNUTSON, of Minnesota.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 2685) to promote the welfare of the American Indian citizens of Minnesota and to facilitate the orderly termination of Federal supervision and control over Indians and Indian property in that State, and for other purposes, introduced by Mr. HUMPHREY, was received, read twice by its title, and re-

ferred to the Committee on Interior and Insular Affairs.

The statement presented by Mr. HUMPHREY is as follows:

STATEMENT BY SENATOR HUMPHREY

The membership rolls of the Chippewa Indian bands in Minnesota have a total of about 20,000 persons. A substantial number of these people, perhaps as many as 25 percent, have left the reservations and are presumed to be making a living elsewhere. Of the remaining 15,000, nearly one-half live on the White Earth Reservation, about 3,000 at Red Lake, and the remainder are in smaller groups at Leech Lake, Grand Portage, Mille Lac, Fond du Lac, and Nett Lake. Minnesota also has somewhat less than a thousand Sioux, remnants of the powerful bands which once roamed the area.

For all of these Indians the Federal Government still has a major responsibility. I have noted with concern that over the last 4 or 5 years, and more particularly in the last 2 years, the evident purpose of the men who direct the Indian Bureau was to curtail their operations and lessen their services to Indians in Minnesota. At least 5 years ago all farm-extension assistance was stopped. In the fiscal year 1954, out of the Bureau's revolving loan fund of more than $12 million, exactly $1,334.29 was lent through the Minneapolis area office. Only a few months ago the Secretary of the Interior authorized the closing of the old-established agency offices at Cass Lake and at Red Lake and their consolidation into a new office at Bemidji.

These are steps in a withdrawal program which has convinced me that the Indians of Minnesota, looking forward to the day when they will no longer have need of special Federal assistance, can expect now little or no help from the Bureau of Indian Affairs. The bill I am introducing today was prepared to fill the vacuum which the Bureau has left by its inaction or withdrawal. So far as I know, this is the first bill of its kind in the field of Indian affairs. It would establish the Minnesota Indian Administration, with broad powers and a working fund of $10 million, to be used to promote the welfare and economic situation of all the Indians in the State.

The management of the Administration would be placed in the board of 5 directors, 2 of whom would be selected by the Indians, 1 appointed by the Governor, 1 appointed by the Secretary of the Interior, and the fifth would be a Minnesota citizen selected by the other 4. Such a board of directors, of whom at least 4 would be persons familiar with conditions in Minnesota, should be able to initiate and carry out the 10-year program for the rehabilitation and advancement of the Indians; if 10 years is not long enough, the Congress could, of course, extend the life of the Administration. The board would be subject to the general direction of the President, or the head of any agency whom he might delegate as his representative, probably the Secretary of the Interior.

The bill has nine sections, of which the first and second provide for the establishment of the Administration and the location of its offices. Section 3 recites in detail the activities in which it is authorized to engage. These cover a wide range. The first three paragraphs authorize land-use planning, a reforestation program, and research and experimentation in the production and marketing of the products of Indian lands and waters. As an incident to a proper land program, the bill provides that the submarginal lands on the White Earth Reservation, purchased by the United States in the thirties for Indian use, shall be held in trust for the Minnesota Chippewa Tribe. Another important authorization is for the promotion and development of the tourist trade, including resort and recreational activities.

To insure the maximum development of Indian resources, the Administration may use its own funds, either as loans or grants, to establish or operate almost any kind of business, industrial, commercial, agricultural, and it is particularly authorized to develop mineral, fishery, and forest resources. It may also use private capital for any of these enterprises.

In the fields of health, education, and welfare, the bill would permit the establishment of recreational or community centers, would establish a program of scholarships to students in vocational schools, business schools, colleges, art, and other professional schools, and would make available $1 million for construction of additional hospital facilities conveniently located with reference to the Indians of the State. Funds available to the Administration could also be used for housing programs, which are badly needed on the reservations. Sorely needed also are more and better roads, which should be brought up to standard before they can ultimately be accepted as State or county highways. I am informed that the Bureau estimated that $2 million, approximately, will be needed to complete the road system.

All of these provisions are intended to raise the Indian standard of living by opening wider opportunities in education, in business and industry, by adding to present medical facilities, by improving Indian resources and utilizing them to the maximum; in short, the purpose of the bill is to permit the board of directors to use their imaginations, their energies, their funds, to assist all the Indians of the State toward the goal of economic security and social adjustment. Not later than 8 years after approval of this act, the Administration is directed to submit to the Congress a plan for the orderly termination of Federal supervision and control of the Indians of Minnesota. This does not mean that "termination" will come in 8 years; it does mean that a plan will be submitted. I see the Administration working closely with the Indians throughout its life, and with two Indians on its board of directors I am confident that any plan which comes with the board's endorsement and the Indians' approval will be satisfactory to the Congress.

ENCOURAGEMENT OF PRODUCTION OF TIN IN THE UNITED STATES—AMENDMENT

Mr. SCOTT submitted an amendment, intended to be proposed by him, to the bill (S. 2648) to encourage the discovery, development, and production of tin in the United States, its Territories, and possessions, which was referred to the Committee on Interior and Insular Affairs and ordered to be printed.

MISSISSIPPI RIVER BRIDGE, FRIAR POINT, MISS. AND HELENA, ARK.—AMENDMENTS

Mr. CASE of South Dakota submitted amendments, intended to be proposed by him, to the bill (H. R. 6417) to revive and reenact the act authorizing the Arkansas-Mississippi Bridge Commission, its public successors or public assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark., approved May 17, 1939, which were ordered to lie on the table and to be printed.

REVISION AND CODIFICATION OF TITLE 21 OF UNITED STATES CODE ENTITLED "FOODS, DRUGS, AND COSMETICS"—AMENDMENT

Mr. HOLLAND submitted an amendment, intended to be proposed by him to the bill (H. R. 6991) to revise, codify, and enact into law, title 21 of the United States Code, entitled "Foods, Drugs, and Cosmetics," which was referred to the Committee on the Judiciary, and ordered to be printed.

PROGRAMS TO ALLEVIATE CONDITIONS OF EXCESSIVE UNEMPLOYMENT IN CERTAIN AREAS—ADDITIONAL COSPONSOR OF BILL

Mr. DOUGLAS. Mr. President, yesterday I introduced, on behalf of myself, and several other Senators, the bill (S. 2663) to establish an effective program to alleviate conditions of excessive unemployment in certain economically depressed areas. I ask unanimous consent that the name of the Senator from Massachusetts [Mr. KENNEDY] may be added as an additional cosponsor of the bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

DESIGNATION OF CIVIL SERVICE WEEK

Mr. JOHNSTON of South Carolina (for himself and Mr. CARLSON) submitted the following concurrent resolution (S. Con. Res. 56), which was referred to the Committee on the Judiciary:

Resolved by the Senate (the House of Representatives concurring), That the President is requested to issue a proclamation designating the 7-day period beginning January 17 and ending January 23, 1956, as Civil Service Week and inviting the people of the United States to observe such week in suitable places with appropriate ceremonies and activities.

PRINTING OF DOCUMENT ENTITLED "HOW TO OBTAIN BIRTH CERTIFICATES" AS A SENATE DOCUMENT

Mr. DIRKSEN submitted the following resolution (S. Res. 144), which was referred to the Committee on Rules and Administration:

Resolved, That the revision of the document entitled "How To Obtain Birth Certificates" (H. Doc. No. 821, 77th Cong.), prepared by the American Law Division of the Legislative Reference Service, Library of Congress, be printed as a Senate Document.

RESOLUTION REFERRED TO COMMITTEE ON RULES AND ADMINISTRATION

Mr. STENNIS. Mr. President, I ask unanimous consent that Calendar No. 1189, Senate Resolution 132, to provide additional funds for the Committee on Labor and Public Welfare, be referred to the Committee on Rules and Administration.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the CONGRESSIONAL RECORD, as follows:

By Mr. SYMINGTON (for Mr. JOHNSON of Texas):

Statement by Senator JOHNSON of Texas with attached newspaper article and editorial regarding Ernest L. Kurth, of Texas.

By Mr. MUNDT:

Statement prepared by him concerning the uranium industry and material relating thereto.

Article entitled "Crowded Days for GEORGE BENDER," published in the Clevelander of July 1955.

By Mr. HRUSKA:

Address delivered by him on the occasion of the dedication of the General John J. Pershing Plaque at Pershing Square, Los Angeles, Calif., on July 25, 1955.

EXEMPTIONS FROM MANUFACTURERS' EXCISE TAX ON RADIO EQUIPMENT SOLD TO STATES AND THEIR INSTRUMENTALITIES

Mr. DIRKSEN. Mr. President, yesterday the Senate passed House bill 7024, which deals with the excise tax on radio apparatus which is sold to States and municipalities.

It has been brought to my attention that the Internal Revenue Service has under consideration the question of the extent, if any, to which the 10-percent manufacturers' excise tax imposed by sections 3404 and 3444 of the Internal Revenue Code of 1939 and sections 4141 and 4218 of the Internal Revenue Code of 1954 shall apply to radio apparatus sold to States and municipalities. In supporting H. R. 7024 as reported by the Senate Finance Committee, sections 1 through 3 of which are similar to the provisions of S. 2009, introduced jointly by the Senator from Pennsylvania [Mr. MARTIN] and myself, it is my understanding that this bill will clarify the intent of Congress to grant a complete exemption from manufacturers' excise tax for radio equipment sold to States and their instrumentalities for use in providing fire, police, forestry, civilian defense, and other essential services. I shall hope that this clear expression of intent not to burden State and local governments, directly or indirectly, with a luxury excise tax will be helpful to the Internal Revenue Service in its effort to interpret pre-existing law in conformity with the intent of the Congress.

This question has been one of the difficult questions of interpretation before the Bureau of Internal Revenue. I always thought it was the intent of Congress that, when other political subdivisions are involved, the tax would not apply. There has been a consistent effort over a period of time to secure remedial legislation. Along with the Senator from Pennsylvania, I introduced a bill which was substantially the same as House bill 7024.

I am confident that the action taken by the Senate will serve as a clear indication to the Bureau of Internal Revenue and the Treasury officials that the tax as heretofore applied should now be suspended.

I wished to make this statement in order to make certain the intent of Congress, because, when all is said and done, Treasury Department officials and those in the Bureau of Internal Revenue do examine the RECORD to find out exactly what the congressional intent is with respect to a matter of this kind. I think the passage of House bill 7024 makes it abundantly clear. That is the only purpose of my statement today.

ORME LEWIS

Mr. GOLDWATER. Mr. President, I ask unanimous consent that I may proceed for approximately 6 minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Arizona may proceed.

Mr. GOLDWATER. Yesterday newspapers in my State carried the news of the announced retirement of Assistant Secretary of the Interior, Mr. Orme Lewis.

Orme Lewis was appointed Assistant Secretary for Public Land Management of the Department of the Interior by President Eisenhower on February 10, 1953.

Conservation of human and natural resources has formed the major responsibility of the five important bureaus under the jurisdiction of his office. He has exercised direction over the Bureau of Land Management, the Bureau of Indian Affairs, the National Park Service, the Fish and Wildlife Service, and the Office of Territories.

The record shows that during his period in office, tremendous forward strides have been made in each of the important fields for which these bureaus are responsible. Realistic programs are now firmly established to prevent abuses of peoples and public lands which existed prior to this administration taking office.

Actions have been initiated which provide schooling for all Indian children, provide for improving the health of the long-suffering Indian people with an adequate program administered by the United States Health Service, and provide the machinery under which enlightened and self-sufficient tribes will have the opportunity to terminate their dependency upon the Federal Government.

In the conservation of natural resources, Mr. Lewis has encouraged and directed actions which will result in lasting benefit to our country. A program of multiple use and protection of the public lands will end many of the legalized abuses which marked the administration of lands and forests prior to 1953.

The 20-year program of soil and moisture conservation instituted last year provides the Department, for the first time, with the weapons to make headway against the forces of erosion and forage depletion which have been wasting vast areas of the public range, Indian reservations, and other lands administered by Interior.

The physical boundaries of the areas of the National Park Service have been greatly expanded, and the integrity of the park system has been protected and strengthened by numerous actions rejecting proposals not in keeping with the system's high purpose. The long cycle of neglect of the parks has been turned into one of improvement, as indicated by the 40-percent increase in park service appropriations for the current year and the expansion of the ranger force to its greatest strength in park history.

Likewise, the areas devoted to protection of wildlife have been expanded, and the Fish and Wildlife Service now is in the strongest position in its long history to carry out the important programs entrusted to it. In meeting its responsibilities in the field of commercial fishing, the Service has been greatly strengthened by enactment of the Saltonstall-Kennedy Act and appointment of an American Fisheries Advisory Committee. Already the industry has benefited greatly from the expansion of research and marketing development programs.

In the field of territorial affairs, a notable achievement was the revision of the Organic Act of the Virgin Islands. This conferred a greater degree of self-government on the local inhabitants and will place the island government on a sound and economical footing. In Puerto Rico the long overdue liquidation of the Puerto Rico Reconstruction Administration was successfully accomplished to the mutual satisfaction of the Commonwealth government and the citizens most closely involved in its operations.

Mr. Lewis was born in Phoenix on January 7, 1903, the son of Ernest William Lewis and Ethel Orme Lewis. In 1938 he married Barbara Cunningham Smith. They have one son, Orme Lewis, Jr.

Mr. Lewis' father was a native of Pennsylvania, and attended the University of Minnesota law school, coming to Arizona in 1898. Mr. Lewis, Sr., was appointed by President Taft to the position of associate justice of the Territorial Supreme Court in 1909, in which position he served until Arizona attained statehood in 1912. His mother was born in Arizona into one of the State's oldest and most distinguished families. The Ormes came to Arizona in 1869, and since that time have figured prominently in the political and economic progress of the State.

After attending public schools in Phoenix and Globe in Arizona, Mr. Lewis enrolled at Stanford University. After his first year at Stanford he came to Washington to get a look at the United States Government in operation. Through Senator Phipps, of Colorado, he secured a job running an elevator in the Senate Office Building.

Young Lewis enrolled in Strayer's Business College in Washington. He learned shorthand, typing, and bookkeeping, and entered the Government service in 1922 as a payroll clerk in the Department of Justice. He studied law at night for 2½ years.

Deciding to concentrate on the study of law, he resigned from the Government position and, upon completion of his law

course, he went home to Phoenix to become one of the State's most brilliant lawyers.

Orme Lewis was elected to the house of representatives in the ninth Arizona Legislature in 1929, and served one term in that body. He is past president of the Phoenix Junior Chamber of Commerce and the Phoenix Chamber of Commerce, besides having served as president or board member of many worthwhile projects that furthered the progress of Arizona. For his services with the junior chamber of commerce he was awarded that organization's distinguished service award.

He did not seek the appointment that was tendered him. His vast knowledge of the problems of the arid States of the Southwest provided him with admirable qualifications for the position he was called upon to fill, Assistant Secretary of the Interior.

His service to his country has been exemplary, and he represents the patriotism and feeling for service that is generally shown by men of both parties when they give up busy and profitable private lives to further the interests of all of the people of America. I, as an Arizonian and a lifelong friend of Orme Lewis, am happy to have this occasion to extoll the personal attributes and fine work of this great Arizonian and great American.

Mr. WATKINS. Mr. President, will the Senator from Arizona yield?

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from Utah?

Mr. GOLDWATER. I am happy to yield.

Mr. WATKINS. I have known Secretary Lewis ever since he came to Washington. After listening to the very fine tribute the Senator from Arizona has paid to Mr. Lewis, I wish to state for the record that I should like to be associated with that tribute, and with the statement of the Senator from Arizona.

I should like to add that I have had considerable opportunity to contact Mr. Lewis in his official capacity. I have always found him to be very cooperative and understanding. I look upon him as one of the best Assistant Secretaries we have had in the Department of the Interior for many years. He understands western problems. He knows the public-land laws. He knows the problems connected with that field.

Another field, in which I have been very active, along with the junior Senator from Arizona, is that of Indian Affairs; and Mr. Lewis has been very sympathetic with the Indians and their problems. He knows them first hand, for I believe that one of the largest Indian populations in the Nation is located in the State of Arizona. Of course, New Mexico and Utah also have large Indian populations.

Mr. Lewis has been very sympathetic and very helpful. He has made an excellent record. Personally, I regret to see him leave the Government service; I wish he could stay longer.

Mr. GOLDWATER. I thank the Senator from my sister State of Utah.

TRIBUTE TO HERMAN PHLEGER AND OTHER UNITED STATES DELEGATES TO THE GENEVA CONFERENCE—ARTICLE BY ARTHUR KROCK

Mr. MANSFIELD. Mr. President, in this morning's issue of the New York Times we find an article, written by Arthur Krock, which I believe is worthy of the consideration of the Senate. The article brings out the fact that although the President of the United States was the chief delegate and representative of this country at the Geneva Conference, and performed ably and well, nevertheless there were in the United States delegation other persons who did a great deal of work, although there was not much publicity about it.

I am especially interested in the fact Mr. Krock, in writing the article, refers particularly to Hon. Herman Phleger, the legal adviser to the Secretary of State. In the article, Mr. Krock points out how efficient a job Mr. Phleger has done.

Mr. President, Mr. Phleger is one who likes to hide his light under a bushel. In addition to being very efficient, Mr. Phleger is one of California's and the country's outstanding lawyers. He has done most excellent work for the State Department, while he has been the legal adviser of the Secretary of State.

I ask unanimous consent to have printed at this point in the RECORD the kind and well-deserved words said by Mr. Krock about Mr. Phleger and also about our other delegates at the Geneva Conference.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW GENEVA CONFERENCE ENDED ON TIME

(By Arthur Krock)

WASHINGTON, July 28.—At least one solid achievement of the Four Power Conference at Geneva was finishing its appointed task on schedule, which enabled President Eisenhower to leave at the hour he had fixed in advance and yet with his mission accomplished. Officials here, veterans of international conferences, who attended the sessions at Geneva attribute this—a rare experience on their part—to the adoption of a suggestion made last Friday night by Sir Anthony Eden, Prime Minister of the United Kingdom.

After the opening speeches by the heads of states, their foreign ministers went to work on the directives their chiefs instructed them to prepare in conformity with the general agreements reached on what are the tensions in the West. At the end of their labors Friday the foreign ministers were still unable to agree on the topical order and wording of these directives. So, said Eden, the time has come when the heads of states should take over the job. And he proposed a "restricted meeting" Saturday of no more than four from each government.

The effect of this suggestion was to save time by reducing the numbers of the conferees and heading each group with the national representative who had the power to make final decisions, which the foreign ministers did not have. The United States contingent was composed of the President, Secretary of State Dulles, Assistant Secretary Merchant and Herman Phleger, the legal adviser to the Secretary.

HOW IT WAS DONE

The groups sat down with different directives before them, for there had been many disagreements among the foreign ministers. The problem was to unite on a general statement, and what happened with respect to the section on disarmament is an example of how this goal was attained. The Soviets had dropped 2 points on which, and their priority, they had insisted: The outlawry of nuclear weapons and the withdrawal of all "foreign" troops from Western Europe. But they made this deletion conditional on the abandonment by the United States of insistence that disarmament should begin with inspection, and that subject be left wholly to the United Nations Commission. The conference recessed to allow the President to consult his advisers, Special Assistant Stassen and Deputy Secretary of Defense Anderson, about this Soviet condition. They approved accepting it, the conference was resumed; and the disarmament section of the directive was quickly agreed on. By 5:20 p. m. the whole task was done. This probably was the "concession" by the President to which Premier Faure attributed the agreement on the directive.

During these plenary proceedings the Western conferees were interested by Bulganin's easy assertion of the commanding role for the Soviet Union. There had been much discussion of who was the real boss of the Kremlin delegation, and the impression of many was that no Soviet commitment could be made without reference to Khrushchev. But, according to diplomatic reports received here, Bulganin on that last day assumed full authority to adjust previous Soviet positions to attain agreement on the directive, and the several times he did this he did not precede it with even a whisper to his formidable colleague. One report was that "Bulganin answered major questions as soon as they were asked."

EMERGENCE OF PHLEGER

The President's choice of Phleger as 1 of the 4 representatives of the United States at the final and plenary meeting brought from the background into public view one of the really strong men of the Eisenhower administration. He has wielded great influence in the State Department and at the White House in consultations on problems of foreign policy. In other respects he has played a much larger part than is implicit in the functions of legal adviser. But none of this was in the public domain until last Saturday at Geneva.

Officials on the highest Government level, leaders of the American bar and Californians in general will not, however, be surprised by this evidence that Phleger has attained a position of great power in Washington and enjoys the full trust of the President. He has long been acknowledged as among the first, if not the first, in the legal profession on the Pacific coast. He is in the top tier of practitioners before the Supreme Court. And persons qualified to speak with authority on such matters attest that Phleger is deeply versed in constitutional and international law.

Added to these talents and achievements are certain special gifts of nature: Good looks, good health, an agreeable personality, a sense of humor that reaches inward as well as outward and a sure instinct which tells him when a matter should be approached lightly and when it should not. He knows how safely to live in and traverse risky territory, such as the Washington political jungle, and he has done both without being much observed. Now the President has put Phleger in the spotlight where, though it was inevitable, he vastly prefers not to be.

THE DISTRICT OF COLUMBIA TRANSIT SITUATION

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in

the body of the RECORD an editorial entitled "Wolfson's Offer To Go," published in today's Washington Post and Times Herald. It contains much valuable information, including the following timely observation.

It must be understood, however, that the Commissioners have no authority at present to accept the CTC proposal or to make a counteroffer. Legislation is needed for this purpose, and the bill approved by the Senate District Committee appears to be the best means of granting the requisite authority.

Mr. President, that bill is on the calendar. It is my hope that the Senate will pass it before the end of the day.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WOLFSON'S OFFER TO GO

The dramatic turnabout of the Capital Transit Co. yesterday should hasten the end of the strike. The company has offered to relinquish its franchise voluntarily at the end of a year and to operate its equipment during the intervening period under direction of the Commissioners, without any return to its stockholders, with the District making good any deficit that might result from the operations. In considerable measure this is what the Commissioners and the community, including this newspaper, have been asking for. Mr. Wolfson's offer does not come as a surprise to those who have believed from the beginning of the strike that the Wolfson management was primarily interested in liquidating its transit operations here.

It must be understood, however, that the Commissioners have no authority at present to accept the CTC proposal or to make a counteroffer. Legislation is needed for this purpose, and the bill approved by the Senate District Committee appears to be the best means of granting the requisite authority. That bill was designed to terminate the company's franchise and empower the Commissioners to seize and operate the CTC buses and streetcars for the duration of the emergency. Its section 10 would also authorize the Commissioners to contract for transit service during the next year. This would clearly cover an agreement of the type that Capital Transit has in mind.

Probably the chief significance of the company's offer is that it makes the demand for transit legislation unanimous. The company can be relieved of its obligation to provide transportation service in the District only by act of Congress. It is really in the position, therefore, of asking Congress to give the Commissioners authority to end the strike. There are differences of opinion as to the kind of bill that should be passed, and these ought to be resolved, in our opinion, in favor of the public interest.

It has been suggested, for example, that the company's offer to continue service voluntarily for a year, under conditions fixed by the Commissioners, makes any grant of seizure powers unnecessary. But this argument is completely undercut by the imminent adjournment of Congress.

If the Commissioners and Capital Transit could reach an agreement, under a simple authorization by Congress, it would have to be ratified by the company's stockholders. That would take about 15 days. In other words, Congress would have gone home before there could be any assurance that a voluntary agreement would be accepted. If it should then be rejected, the city would be left in a desperate plight for the next 6 months. Surely the Commissioners, as they noted in their statement yesterday, ought to have standby power to meet this kind of situation if it should arise.

If the CTC offer or something similar should be accepted, the Commissioners would have the duty of fixing fair and reasonable compensation for the striking workers and of asking the Public Utilities Commission for fares that would cover the new outlays. Presumably the workers would be asked to return to their jobs immediately with the promise of wage adjustments to be worked out by an impartial factfinding board and applied retroactively. We think the union would respond to such a request. Meanwhile, applications for a new franchise to provide the city with transportation after the expiration of the year would be filed with the PUC. The new company selected for this purpose might or might not buy buses from Capital Transit; in any event Capital Transit would remain obligated to remove its tracks and repave the streets at an estimated cost of $5 million.

We cannot help thinking that the outlook for a satisfactory solution of the city's transit dilemma has been substantially improved. Relations between the Wolfson management and the union and between the Wolfson management and the community are such that its resumption of operations on its own would not be practical. Even Mr. Wolfson himself now agrees that he must go. It remains for Congress and the Commissioners to carry out the transition with the least possible cost and inconvenience to the public. The first step toward this end is enactment of the Commissioners' bill now pending before the Senate.

THE WORK OF THE HOOVER COMMISSION

Mr. BUTLER. Mr. President, the work of the Commission on Organization of the Executive Branch of the Government, more popularly known as the Hoover Commission, has now been finished, but the recommendations remain to be considered. Believing, as I do, that our forefathers never intended that the Federal Government should undertake the production of goods and services, the Hoover Commission—with great vision, wisdom, and courage—has charted a course which could effectively terminate a series of dangerous exercises in socialism. These recommendations deserve the support of all conscientious citizens and public officials, regardless of political affiliation, and I am confident that with the start of the 2d session of the 84th Congress, these proposals will have our careful and thorough attention—as they rightly should.

All Americans are in the debt of former President Hoover for his constant leadership in the endeavor to restore economy, efficiency, and logic to our governmental operations. Though venerable in years, he continues to demonstrate that he is young in spirit and methods. I, for one, should like to extend to him grateful and profound thanks for his long and genuine service to the people and to wish him continued health and happiness.

This can best be done by recording on the pages of the CONGRESSIONAL RECORD, a few editorials and articles. Mr. President, I ask unanimous consent to have these editorials and articles, selected at random, printed in the body of the RECORD at this point.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

[From Newsweek magazine of July 18, 1955]

SEE THOU CHARACTER

(By Raymond Moley)

You might well pause in your work or play, ladies and gentlemen, and consider for a few moments what it takes to make a great American. It would fit the mood of such a moment of reflection to contemplate, as a vivid example, Herbert Hoover as he completes his latest public service.

There have been 41 years of such service since in 1914 the first rumblings of a generation of war and strife called him, at the age of 40, from a distinguished professional and business career to a broader service of mankind.

Two of his successors as President have regarded him as the man of all men in public life to survey the vast burden of government which, unless it is lightened, may well engulf us all.

Consider the Hoover equipment for this task. He came from the grassroots of America and knew as a child and youth the ideals and habits of its people. As a young man in foreign fields he acquired the capacity not only to deal with large affairs but to see from abroad the ultimate place which his own Nation must take in a restless world. As an engineer and manager he learned the secrets of an industrial civilization. In Europe he saw the dire tragedy of western nations intent upon their own destruction.

Hoover, the Quaker and humanitarian, comprehended long before politicians prattled about welfare, the need that organized government provide a minimum of subsistence while cherishing the initiative indispensable to a full life. Then there followed 12 years in the Cabinet and the Presidency. Where else in this generation or in our history has there been such personal equipment for a broad look at the way we are governed?

The statistical descriptions of the labors of the commission are impressive indeed, but they convey none of the essential feeling of the labors imposed upon the Chairman. The field of government operations was divided into 19 sections, each with a task force to do the spadework and to make preliminary recommendations. Some of those task forces in turn subdivided their work with committees for each part. Hundreds and hundreds of meetings were held all over the United States. The personnel of the task forces included scores of men who, with the compelling example of Hoover before them, gave weeks and months to public service.

Let us see what this job meant in terms of the labors of the Chairman. Hoover toiled from 10 to 15 hours a day, mostly in weeks 7 days long. He divided his work between New York and Washington, usually using the week end for the Nation's Capital when, as he said, he could "get the most work out of his congressional members." The task-force reports were often intolerably long and badly written. Some were excessively dry. But Hoover read them all, and with his own hand and pencil rewrote most of them as commission reports. On one report alone, which in its raw state ran to 1783 printed pages, Hoover labored every day for a month to make it shorter and more intelligible.

The staff of the Commission itself and its various task forces was large and needed at all times the supervisory attention of the Chairman. There were also the innumerable appointments which he had with people in the departments surveyed, as well as with individual members of the task forces. Then there was the Commission itself to guide and moderate. This required many meetings, sometimes for days at a time. With the patience of Job, the Chairman dealt with the quibbling of some of the members and when he could not persuade, he encouraged minority reports. Finally, he had to endure the political sniping from the agencies which it was necessary to criticize and from political opportunists in Congress who still hope to win votes by abusing Hoover.

Only a man with character chisled out of granite and blessed with an extraordinary physical equipment could survive such a service. Altogether, Herbert Hoover has created a reputation and has established a rec-

ord that will become a great American story long after the storms of controversy that have swept across his career have lost meaning and content.

[From the Boston Post of July 2, 1955]

SAVE BILLIONS

A committee of 100 businessmen, working under the aegis of the Hoover Commission, has come up with a plan to create a new supply agency in the Defense Department. They say that if their recommendations are followed, such an agency could save us the enormous total of $2 billion a year.

Billions of dollars are bandied about so freely in all discussions of United States Government operation that the figures float by in a cloud. To save $2 billion, however, out of a total defense budget of $34 billion, is something in which everyone can be interested.

The committee's basic plan is to create what would be called a Defense Supply and Service Administration—they always made it more difficult by creating long names instead of simple ones. This would, in effect, be a fourth arm of the Defense Department, the other three being the Army, the Navy, and the Air Force.

This new arm, or agency, would operate under civilian rather than military personnel, with an administrator appointed directly by the President.

Its job would be purchase and supply and service of all those nonmilitary items—running to $4 billion a year—which the Army, the Navy and the Air Force all use.

Items and services which the new agency would handle would include such things as food, clothing, medical and dental supplies, fuels and lubricants, hardware, household and office supplies, commercial automobiles and spare parts.

It would also control all service hospitals now managed by the various branches of the Armed Forces.

The purpose of the new agency would be, of course, to eliminate present duplication, to put this big Government business on a businesslike basis and, in that way, to save taxpayers' money in an area where civilians can operate more efficiently than can the military.

Obviously, this radical alteration of our largest Government department needs study. It needs to be carefully ascertained by open hearings that this enterprise will simplify and not complicate the governmental process in a dangerous area. It is axiomatic that an army travels on its stomach and this may be projected to all the defense forces. This logistical arm might easily become the most vulnerable with all the eggs in one basket.

[From the New York Times of July 1, 1955]

HOOVER COMMISSION: FINIS

Amid a heated controversy over its latest report, the life of the second Hoover Commission officially terminated yesterday after 2 years of inquiry into the organization and functioning of the Federal Government.

In the succession of reports pouring forth from the Commission since February there are literally hundreds of proposals for improving the efficiency and reducing the cost of Federal operations. Former President Hoover, Chairman of the Commission, said last year that "the major purpose of this Commission is to find ways of saving money for the taxpayer"; and estimated savings, if all his recommendations were put into effect, would run into the billions. But all the recommendations will not be put into effect; and as a matter of fact the administration and Congress have been so slow to act upon this year's Hoover reports that one can fairly wonder how many of them will be put into effect at all.

This record of inaction is in startling contrast to the record of President Truman and Congress in respect to the first Hoover Commission, which operated from 1947 to 1949. Approximately 70 percent of its proposed reforms were accepted. It is true that some of the most significant ones, and most difficult of adoption because they interfered with vested interests, fell by the wayside; but still the record of the Truman administration in implementing Mr. Hoover's proposals was far better than the record thus far of the Eisenhower administration.

One reason for this difference is that the second Hoover Commission was authorized by Congress—probably unwisely—to plunge into a much more controversial area than the first. It was empowered to investigate not merely the way in which the agencies of Government were operating, but whether or not the Government should be operating in certain fields. In other words, the second Commission was to look into policy as well as into efficiency. Furthermore, unlike its predecessor, it was not evenly bipartisan but was weighted with Republicans, and therefore from the outset its policy recommendations were suspected of a partisan tinge which has prompted partisan reaction to some of its proposals.

While we believe that in many respects the policy recommendations of the second Hoover Commission do represent a clearly undesirable effort to turn the clock back, we also believe that a great many specific improvements in Government operation were advanced which under any circumstances ought to be accepted. The reports on the civil service, on paperwork, on the medical services, to mention but three, contain a mine of valuable suggestions.

The conclusion of the Commission's activities brings also to a conclusion—at least momentarily—the extraordinary public career of Herbert Hoover. Now nearly 81 years old, Mr. Hoover has served his country far beyond the ordinary call of duty. He deserves the honor and thanks of his fellow citizens; and, despite his reasonable claim to retirement, one cannot help but wonder if this amazing man might not again be called back to perform some further public service for which he is so eminently fitted.

[From the Baltimore News-Post of July 1, 1955]

HOOVER'S JOB

A long life and tremendous public service have given to Herbert Hoover not only the opportunity to outlive his critics, but to find, in his old age, a respect among the people which few other Americans hold.

Hoover has given 41 years of his life to his country without compensation. Applause, public approval, honors can mean little to him as hatred, vindictiveness, antagonism are not in his nature. Reared as a Quaker, he was taught early that rewards are in heaven and that opposition only strengthens character.

He says that he will now, as he approaches his 81st birthday, retire from public life. It is unbelievable.

He has just gone through a physical ordeal which would have broken many a younger man.

The work of the second Hoover Commission was very hard.

He once said that each report took him about 30 hours of labor. There have been about 20 reports.

He has presided over hundreds of meetings.

It has not been too smooth sailing inside the Commission, particularly as Representative CHET HOLIFIELD, of California, fought him all the way. Yet when it was all over, the entire Commission unanimously passed a resolution which read, in part:

"We will always cherish the privilege and pleasure we have had of working with him as members of the Commission."

No greater tribute can be paid any man.

[From the Indianapolis News of June 28, 1955]

WELL DONE, MR. HOOVER

Herbert Hoover, the grand old man of American public life, will retire to private life this week. His greatest reward for 41 years of unpaid public service to his Nation and the world will be the knowledge of a job well done and of a lasting place in the hearts of his countrymen.

Mr. Hoover's retirement will coincide with the expiration of the Commission on Organization of the Executive Branch of the Government, of which he has served as chairman for the last 2 years.

This second Hoover Commission has dished out more hot potatoes in its recommendations than any governmental study group before it. It has scrutinized not only the organization of government—but the basic philosophy of government.

The Commission has advanced many proposals for limiting Government functions, saving taxpayers' money, and getting more efficiency out of the Federal bureaucracy. Estimates of the savings if the Commission's proposals were put into effect have ranged up to $13 billion.

Mr. Hoover contends that if the Commission's recommendations were made effective, the Federal budget could be balanced. This certainly seems true even though the actual savings were to turn out to be considerably less than the Commission believes they would be.

In its exhaustive study, the Commission, like its highly successful predecessor in the Truman administration, has not hesitated to step on political and bureaucratic toes and kick sacred cows around the barnyard.

As a consequence, it has been accused of being a "Trojan horse for reaction" and of "wanting to turn back the clock." Nearly all the tiresome cliches in left-wing and "liberal" arsenals have been fired at it. There also have been howls from special-interest groups which pay lip service to free enterprise and limited government.

We have studied Commission recommendations as they have been released, series by series, and consider them largely sound ones. To be sure, there is room for argument on specific points. But their total effect is to reverse the trend toward state socialism which began in the great depression.

The second Hoover Commission's hot potatoes will be juggled all over the place in the months and years ahead. Nothing much may come of a lot of the recommendations. They are opposed by deeply entrenched forces.

But Mr. Hoover can retire with the knowledge that in the last act of his public career he and his fellow Commission members have erected a guidepost to lead the American people away from the road to state socialism and back to limited government.

It is up to the people to decide whether they want to heed that guidepost.

[From the Wall Street Journal of June 16, 1955]

THE REAL OBSTACLES

For some months now the Hoover Commission has patiently been turning out reports on Government spending. Invariably the little pamphlets tell what the Government is doing wrong, why it is wrong, what should be done to correct the errors, and how much money could be saved if the Government would do things right.

The recent report on real estate follows the same pattern. Uncle Sam owns some

63 million acres of improved real estate, which cost $40.8 billion. The floor space the Government owns equals that of 1,250 Empire States Buildings.

The immensity of these holdings leads to some curious occurrences. Some 27 Government agencies are in the real estate business in one way or another; one will be buying property while others have on their hands empty property which might have been used by the agency which bought more. This helter-skelter way of doing business is costly to the Government and burdensome to the taxpayer.

Take the case of the 288 plants in the industrial mobilization reserve as an example. The Commission recommended that some sort of general policy be established on retention of these reserve plants because its real estate task force reported that 100 of the installations were either inactive or in need of repairs. If they were sold for only 15 percent of their original cost, the task force reported, the Government would recover $225 million. More than that; there would be an annual saving of $30 million in maintenance.

These reports are compiled by people who know what they're about. Mr. Hoover himself said recently that if most of the recommendations were adopted that budget everybody is always talking about balancing could be balanced. Yet there seems to be a tendency on the part of Congress to look at the reports, say some nice words about Mr. Hoover's intentions and then forget about it all. Some congressmen think the commission's suggestions are too drastic; and others think that the task he has set for them is far too difficult and that there isn't any way for the Government to reform itself and bank the sort of savings he says can be recovered from all the waste.

Well, we recommend a good look at the results of another commission appointed by the President to get rid of the Government-owned synthetic rubber plants. Construction and operating costs of these plants amounted to $260 million. Business-like ways of handling the disposal of the facilities have got rid of 25 of them at a profit of $10 million total to the taxpayer. Whatever the other two sell for will add to the profit.

Everything Mr. Hoover's commission recommends doing will not turn up a profit for the taxpayer. But the recommendations, if followed, will eliminate costs and thus ease the burden. It is not an insurmountable task.

But it is not an easy one, either. To the average bureaucrat, a balanced budget is a fine mark to shoot for—unless his agency is among the targets. To the average congressman, saving money by closing a facility is a fine thing—unless the facility happens to be in his district. To the average man, anything that reduces taxes is wonderful—unless it also reduces a Government service to him.

Those are the real obstacles to Mr. Hoover's tasks, to a balanced budget and to lower taxes. And only an angry people can overcome the waste of entrenched self-interest by demanding an end of the waste.

[From the New York Times of April 14, 1955]

ADMINISTRATIVE COURTS

The report of the Hoover Commission on the legal and judicial activities of Federal administrative agencies raises an issue that goes to the roots of our Constitution and form of government. It also offers a challenging program by which the issue may be met. The report is based on a searching investigation by a distinguished task force, learned in the law, under the chairmanship of James Marsh Douglas, formerly Chief Justice of the Missouri Supreme Court.

The problem with which the Commission deals involves the 50 agencies of the Federal Executive department which have come into being as the powers of the Government to regulate our economic and political life have grown, such as the Federal Trade Commission, the Interstate Commerce Commission, the Civil Aeronautics Board and the National Labor Relations Board.

For the most part these boards and commissions not only investigate alleged violations of the laws with which they are concerned—and of their own rules and regulations—but they have power to pass judgment on those they believe to be transgressors. As the Hoover Commission points out, they often act "as judge, jury, defense and prosecuting attorney" in the same case—as if a police department had the power to try and to sentence those they arrest.

A good deal of flexibility was probably justified in the early life of these agencies as rules and their interpretations gradually emerged from the everyday business of carrying out broad congressional directives. But it has become increasingly clear that those who decide such cases are subject to understandable pressure to justify the orders and rulings of their own employees—a pressure which runs counter to the public interest. In fact, the Commission is convinced that the public now "needs greater protection against abuses of power and arbitrary bureaucratic action." Moreover, the increasing exercise of judicial powers by executive agencies violates the principle of the separation of powers on which this Government is based.

By far the most important proposal in the Commission's exhaustive and detailed report—endorsed by 9 out of its 12 members, including Attorney General Brownell—urges the establishment by Congress of 3 new courts to hear and decide cases arising from orders of the various administrative agencies in the fields respectively of taxation, trade, and labor relations. The essence of this proposal is the complete independence of these courts from supervision or control by the executive branch of the Government. No longer would those who pass judgment in such cases be beholden to the agencies involved, any more than is the judge who sits in any existing Federal court.

It seems strange, however, that the Commission failed to propose a court to take over the judicial functions now being performed by the Immigration Service. When aliens are held for alleged violations of the immigration laws hearings are conducted by employees of the Service and appeals from their decision go before a board appointed by, and responsible to, the Attorney General, in whose Department the Service operates.

The proposals of the Hoover Commission may be faulty in details—and the details are multitudinous—but the administrative court idea raises an issue of deep import to the American people, and at a time when the executive arm of the Government increasingly elbows its way into our private and business affairs. It deserves the widest possible discussion—and prompt action, if no serious objections can be found.

[From the New York Herald Tribune of April 12, 1955]

GOVERNMENT AND THE LAW

The Hoover Commission Report on Legal Services and Procedure races up to one of the knottiest problems created by the vast expansion of Government in recent years. This is administrative law—a body of regulations which have virtually the force of law and which are drawn up and enforced by executive agencies.

The Hoover Commission itself is divided on some of the recommendations of the task force which considered this difficult subject. Half of the members, including Mr. Hoover, the Chairman, did not vote for a series of proposed amendments to the Administrative Procedure Act, but believed they should be included in the report because of the importance of the issues and the eminence of the task force. However, the major recommendation of the task force in this field, the creation of a new administrative court, won the support of all but 2 of the 12 members of the Commission.

The general principle behind the task force proposals is the fundamental one of separation of powers. The agencies often draft regulations (a legislative function), prosecute offenders (an executive task), as well as determine guilt and impose penalties, which is a judicial process. The Commission suggests that wherever practicable the judicial operations be separated from the other phases of administrative work, by turning some of them over to the regular courts and by establishing an administrative court which will deal with tax matters, questions of trade regulation, and the adjudication of cases involving unfair labor practices.

At present the subjects which would come within the jurisdiction of the administrative court are divided among a number of agencies, including the Tax Court and the National Labor Relations Board. To define the powers of the new court would require major changes in many laws; it may be challenged on the ground that judicial functions now are exercised by specialists familiar with their respective complex fields and that a court of broader scope might slow down and hinder the regulatory and administrative labors of the various agencies. But the recommendation for the court includes specialized sections, and the agencies are already slow in reaching quasi-judicial decisions.

The project of an administrative court is worth the most careful consideration of Congress. It may not solve all the problems posed by the growth of administrative law. It does promise to keep that law in closer touch with the fundamental principles of the Constitution and of American jurisprudence.

[From the New York Herald Tribune of February 22, 1955]

ATTACKING THE PAPER JUNGLE

Federal executives, according to the latest report of the Hoover Commission on Government Reorganization, are "so enmeshed in paper as to interfere with the proper discharge of their responsibilities." Paper, in fact, has become the hallmark of bureaucracy. The memoranda, the printed forms, the copies in triplicate, quadruplicate, and ad nauseam which spill out of Government offices and cram endless miles of filing cabinets have become ends in themselves, rather than mere records of things done or to be done. In attacking this paper jungle, infested as it is with the insidious red-tape worm, the Hoover Commission is making one of its most significant contributions.

The reason why Government is almost submerged in paper is not far to seek. Those who transact the public's business can be called to account at almost any time by almost anyone. They can only carry on in the form prescribed by law or by regulations having virtually the force of law. However wasteful or inefficient their proceedings may be in fact, they must have a record on paper for every stage, to be produced in case of need or to molder forgotten in the files.

Hence, an interminable number of forms have been evolved to meet every predictable contingency. A kind of private language ("Reference: (a) NIO, N. N., ltr CV8/S78-2 (439) of 20 Mar. 1941," to quote part of a piece of official Navy correspondence cited recently in the "United States Naval Institute Proceedings") has been created to describe them.

This paperwork has not grown on a planned basis, but, for the most part, has simply accumulated. The Hoover Commis-

sion believes it can be reduced to manageable proportions by placing full responsibility for general supervision of all paperwork management throughout the executive department in the hands of the General Services Administration, with orders to simplify and improve the whole system.

The gains from such a step should be very great. It is expected to produce cash savings of a quarter of a billion dollars from the outset—for the direct cost of paperwork to the country is $4 billion a year, or $100 for each American family. But the collateral gains should be even greater. Government officials have much more important tasks than processing bits of paper telling that something can't be done because somebody else is too busy processing bits of paper. Perhaps the Hoover Commission will now free them for their real jobs.

[From the Philadelphia Evening Bulletin of February 22, 1955]

WASHINGTON PAPER CHASE

There was a time when governmental red-tape was a standard subject for humor, in a class with the perennial jokes about the absent-mindedness of professors and the fallibility of weathermen.

But that was a long time ago. It is no longer a laughing matter.

Just how serious it has become is set out in some appalling figures presented by a task force of the Hoover Commission which is studying the executive department. For instance:

The Federal Government today is producing 25 billion pieces of paper a year, not counting tons of technical papers, pamphlets, etc.

To do this, it has 750,000 full-time employees doing nothing else. The cost amounts to $4 billion a year—as much as the total Federal budget back in the 1920's.

Office space for the paperworkers equals 36 Empire State Buildings. Existing files occupy the space of seven Pentagon Buildings. A billion dollars a year is spent just writing letters. In 1912, there were 55 letters for every Federal employee; today, there are 522. And the Government today has 25,000 different reports that it requires annually from its field agencies.

But this is only the beginning. For the Government's paperwork calls for corresponding paperwork by individual citizens and businessmen. The total cost, in time and money, is beyond computation.

The Commission prescribes, as a beginning, a modest economy program that would save $255 million a year. It is hard to think of any field in which economy would be more welcome to everyone.

[From the New York Times of February 22, 1955]

FEDERAL GOBBLEDYGOOK

The idea of seven Pentagons stuffed to the attic with letters, documents, files, and other assorted varieties of Government paper is an appalling one; but we have the Hoover Commission's word for it that there are enough Federal records on hand to fill all those Pentagons if anyone wanted to take the trouble to do it.

And that isn't all. There are enough Federal employees handling the Government's paperwork to occupy all the office space in 36 Empire State Buildings. A billion official letters a year are written at an annual cost to the taxpayer of a dollar per letter. We doubt that many of the letters would fetch that price on the open market. The total expenditure chalked up to the general activity of Government paperwork is $4 billion a year—a sizable chunk of the national budget. How many spools of red tape this figure represents has not yet been worked out by the Hoover Commission's accountants.

It is easy to make fun of these mountains of paper and rivers of ink used up every year by the machinery of government; but, of course, to be fair about it, much of the activity all this involves is essential to the functioning of government. Papers, letters, files, documents, directives, inquiries, information—and the people to get these things out and take them in—are all necessary. The only real question is: Are these unavoidable duties being performed as efficiently as possible? The answer of the task force of the Hoover Commission on paperwork management, and of the Hoover Commission itself, is "No."

The personnel side of paperwork management is called haphazard and shortsighted. In the use of up-to-date office machinery the Government—which helped pioneer in the field—has now taken a "back seat." Much of the material in Government files is unnecessarily duplicated. Government forms and Government reports can be simplified. Government directives and instructions are relatively seldom issued "in the most effective, coordinated, and economical" manner. And as for letters—here the Commission raises an eyebrow at quality as well as quantity. An average of 522 letters per employee per year is written nowadays—and most if not all of these letters are written in that odd dialect known as Government style. We didn't see any mention of Government press agentry in the Hoover report; but we would hazard the guess that elaborate handouts from certain Government departments contribute more than a mite to the unnecessary flow of paper.

The Commission proposes various ways to cut down on all this, to the tune of over 6 percent in dollar savings annually. This is one set of recommendations that we think will meet universal approval.

[From the New York Times of February 15, 1955]

REFORMS IN CIVIL SERVICE

The first recommendations to be made by the new Hoover Commission since its reestablishment by Congress in 1953 deal with the thorny problem of Federal personnel and the civil service. Based on the findings of a distinguished task force headed by President Dodds of Princeton University, the report makes some interesting and even daring proposals that deserve the closest attention of Congress. But in other respects it is disappointingly timid, particularly in its disregard of the recommendations of its own task force for a thoroughgoing inquiry into the Government's security program.

It is hardly necessary at this late date to labor the point that the Government's methods of insuring the security of its personnel have often proved cumbersome, contradictory and inequitable. The surprising thing is that a commission of noted citizens, headed by former President Hoover, should issue a report on the civil service without even mentioning this problem. It is all the more surprising in view of the fact that the Dodds task force raised the question, and urged that a committee of citizens be especially appointed to look into the matter and report on it to the President and Congress.

The principal positive recommendations of the Commission involve an effort to clarify the line between the political or policy-forming employes of the Government, and its ranking political career administrators. The latter group would form a special category of "senior civil service" officers, somewhat akin to the top level of the British civil service, who "could be employed flexibly in a number of authorized positions calling for high administrative talents" and who would at the same time be kept "clear of all political activity." A body of some 1,500 to 3,000 such well-qualified permanent civil servants is envisaged, to be paid relatively good salaries and to form the core of the Government's management machinery below the political level. This seems to us an excellent idea.

As a corollary, the Commission suggests that the group of "non-career executives who serve at the pleasure of the President—and who represent the political party in power and the measures to which it is committed" is now too small, and spread too thin. In an effort to make the division between political and non-political administrators as explicit as possible, the Commission would revise and enlarge the present categories exempt from civil service regulations. As the present Administration has already discovered, it is no easy task satisfactorily to draw such a distinction between policy-forming and non-policy-forming officials. Perhaps the Hoover Commission's recommendations will clarify the problem; but only experience can show whether or not its proposals in this respect are truly practicable.

The Commission went only part of the way with its task force in tackling the major problem of veterans' preference in the civil service. The special privileges of veterans—who now comprise more than 50 percent of the Federal roster—constitute probably the greatest single block to an efficient and genuinely competitive civil service system. The Commission would considerably reduce the preference now granted to able-bodied veterans; but its recommendations still fall short of its own analysis of the veterans' preference situation, which it rightly describes as "causing operational inefficiency, insecurity and an incalculable waste of money."

CONNECTING CHANNELS BILL

Mr. WILEY. Mr. President, one of the unfortunate casualties of the imminent recess of the Congress is the Great Lakes Connecting Channel legislation.

I am extremely sorry that this bill could not be finally acted upon this year, because its passage is indispensable for completion of the 2,300-mile deep waterway west of Lake Erie.

It is my earnest hope that our colleagues on the Senate Public Works Committee may find it possible, however, at the earliest feasible date, with the commencement of the new session of the 84th Congress, to report this proposed legislation favorably. Not a dissenting word of opposition has been spoken against the bill at hearings conducted in the House Public Works Committee.

Meanwhile, I am pleased to say that interest in the overall St. Lawrence Seaway project continues to mount, as evidenced by the fact that virtually the entire supply of Senate Document 165—the St. Lawrence Seaway Manual which was just released a few days ago—is already exhausted. Individual copies may, however, as previously noted, be secured at a price of $1.50 per copy from the Government Printing Office.

I ask unanimous consent that the text of a release issued by the St. Lawrence Seaway Development Corporation describing the manual, be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

ST. LAWRENCE SEAWAY
DEVELOPMENT CORPORATION,
OFFICE OF INFORMATION,
Washington, D. C., July 27, 1955.

A chronological history of the St. Lawrence Seaway, prepared under the direction of Senator ALEXANDER WILEY, Wisconsin, co-author

of the Wiley-Dondero law authorizing the seaway, is now available at the Government Printing Office.

Entitled, "St. Lawrence Seaway Manual, a Compilation of Documents on the Great Lakes Seaway project and Correlated Power Development," Senate Document No. 165 may be purchased from the Superintendent of Documents, Government Printing Office, Washington, D. C., at $1.50 a copy.

In an introduction to the 254-page compilation, Senator WILEY expressed appreciation to C. Frank Keyser, analyst in conservation and natural resources of the Legislative Reference Service of the Library of Congress, and Julius N. Cahn, counsel of the Senate Committee on Foreign Relations, who performed the basic work of preparation. He also thanked the numerous individuals in public and private life who reviewed the material with the manmade numerous suggestions on the contents.

A chapter is devoted to the St. Lawrence Seaway Development Corporation. The Administrator, Lewis G. Castle, was nominated by the President on June 23, 1954, and confirmed by the Senate on July 1, 1954. M. W. Oettershagen, Deputy Administrator, was nominated by the President on August 7, 1954, and confirmed by the Senate on August 16, 1954.

Members of the advisory board, also provided for by section 2 of the Seaway Act, Public Law 358, 83d Congress, consist of John C. Beukema, Muskegon, Mich.; Harry C. Brockel, Milwaukee, Wis.; Kenneth M. Lloyd, Youngstown, Ohio; Hugh Moore, Easton, Pa.; and Edward J. Noble, New York City. These nominations were confirmed by the Senate on August 16, 1954.

Headquarters of the Corporation are in Washington, D. C. A field engineer is stationed at the Seaway project site at Massena, N. Y. A field office in Buffalo, N. Y., is headed by the Deputy Administrator. Pursuant to section 8 of the act, the Corporation selected the Corps of Engineers, United States Army, as its design and contracting agent.

"The completion of the seaway will open a great new frontier for the North American Continent and, in particular, for the midwestern heartland," Senator WILEY declared in the foreword. "But, like America's original western frontier, it can achieve its fullest potentialities only by dint of the imagination, the ingenuity, the enterprise, the sound efforts of those who contribute to it. It is hoped that this manual may help, if only in a small way, to realize this purpose."

The table of contents lists the following chapters:

1. Enabling legislation.
2. Legislative history of the Wiley-Dondero Act.
3. Physical description of the St. Lawrence system.
4. Division of work and costs between United States and Canada as contemplated under the Wiley-Dondero Act and power development in the International Rapids section.
5. The importance of the St. Lawrence Seaway project to the national security.
6. Economics and self-liquidation of Lake Erie to Montreal Seaway.
7. Connecting channels of the Great Lakes.
8. St. Lawrence Seaway Development Corporation.
9. Documentary history.

In addition, there are appendixes, maps, and statistical tables.

The Subcommittee on St. Lawrence Seaway was composed of Senator ALEXANDER WILEY, Wisconsin, chairman; Senator GEORGE D. AIKEN, Vermont; Senator JOHN J. SPARKMAN, Alabama; and Senator HUBERT H. HUMPHREY, Minnesota. Julius N. Cahn was staff member.

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

LEGISLATIVE APPROPRIATIONS, 1956

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1197, House bill 7117.

The PRESIDENT pro tempore. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. Calendar No. 1197, House bill 7117, making appropriations for the legislative branch for the fiscal year ending June 30, 1956, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to, and the Senate proceeded to consider the bill (H. R. 7117) making appropriations for the legislative branch for the fiscal year ending June 30, 1956, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. CLEMENTS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLEMENTS. Mr. President, the legislative appropriation bill for 1956, which is now before the Senate, appropriates $92,924,027 for the Senate, House of Representatives, Architect of the Capitol, Library of Congress, and the Government Printing Office. The amount for the Senate is $16,315,720 which is an increase of $323,744 over the appropriations for the Senate for the last fiscal year. The subcommittee, of which I have the honor of serving as chairman, considered a reorganization plan for the Office of the Secretary of the Senate and for the various offices and functions under the jurisdiction of the Sergeant at Arms. After careful examination and hearings on this plan, the committee has arrived at recommendations which are fair and the committee feels is a step forward in the organization of the Senate. Some salaries have been increased more than others but the subcommittee did not consider individuals—it considered the functions and has set a pattern for all offices.

The pay-raise bill which was enacted into law recently set a pattern for the top employees in a Senator's office—a salary of $14,800 for the top employee and a salary of $14,300 for the second employee. The committee went into this matter in detail in consideration of the salaries for employees in the various committees of the Senate. The committee arrived at the conclusion that each committee, as in the case of each Senator's office, should have one employee, to be chosen by the chairman, at a salary of $14,800 and one employee at a salary of $14,300. The salaries of other employees may be fixed at rates up to a ceiling of $13,617 per annum.

Another important feature of this bill is the amendment adopted by the subcommittee, to pay for the round-trip transportation of two employees each fiscal year between Washington and the Senator's residence in his home State. The subcommittee felt that because there was no provision for the payment of such transportation in the past, a hardship in many instances was found to exist.

For the appropriations under the jurisdiction of the Architect of the Capitol, the committee recommends $21,316,490 which is an increase of $10,096,490 over the House bill. Most of this increase, however, $8,500,000, is for the new Senate Office Building which is being constructed. Another item is for the maintenance and operation of the present Senate Office Building, an amount of $960,690 which is customarily inserted in the bill in this body. The committee has also provided $285,000 additional for the construction of two additional elevators in the Senate wing of the Capitol. The committee has also recommended that the salary of the Architect of the Capitol be increased to $17,500 per annum.

In the case of appropriations for the Library of Congress, the Committee recommends an amount which is $171,892 over the House figures. On the several items under the Library, the committee gave the Librarian what he asked for. We feel this great library should have whatever is necessary to maintain and continue it as the leading library in the world.

Mr. President, what I have said states the position of the committee. As chairman of the subcommittee which considered the bill, I shall be happy to yield for questions any Senator may desire to ask.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CLEMENTS. I yield.

Mr. HUMPHREY. Is the legislative appropriation bill now open to amendment?

Mr. CLEMENTS. If there are no questions to be asked of me, I should like to make a unanimous-consent request at this point.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, that the bill as thus amended be regarded for purposes of amendment as original text, and that no point of order shall be considered to have been waived by agreement to this request.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Kentucky?

Mrs. SMITH of Maine. Mr. President, will the acting majority leader tell the Senator from Maine whether the adoption of his motion would mean that the Senate would vote on all amendments en bloc?

Mr. CLEMENTS. Yes, with the understanding that the Senator from Maine will have the right to open up any section of the bill to amendment.

Mrs. SMITH of Maine. In other words, if I have an amendment, I can still offer the amendment to the bill or to a committee amendment?

Mr. CLEMENTS. That is correct.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CLEMENTS. I yield.

Mr. KNOWLAND. I can assure the Senator from Maine that the Senator from Kentucky is suggesting that the Senate follow the usual procedure on appropriation bills. If the request of the Senator from Kentucky is granted, the bill will then be considered de novo, and the Senator from Maine will be able to offer amendments to any section of the bill, without a point of order being sustained that such an amendment is an amendment in the third degree.

Mrs. SMITH of Maine. I understand that it is the usual procedure, but I do not wish to lose my right to offer an amendment.

Mr. CLEMENTS. I can assure the distinguished Senator from Maine that the granting of the unanimous consent request would bring to a conclusion only those sections or provisions of the bill to which Members do not desire to offer amendments.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

Mrs. SMITH of Maine. Will the distinguished acting majority leader advise the Senator from Maine if the granting of the request would prevent a Member of the Senate from making a point of order on any section or provision of the bill?

Mr. CLEMENTS. I would rather have a ruling on that point from the Chair.

The PRESIDING OFFICER. The Chair would rule that it would not.

Is there objection to the unanimous-consent request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are as follows:

At the top of page 2 to insert:

"SENATE

"SALARIES OF SENATORS, MILEAGE OF THE PRESIDENT OF THE SENATE AND OF SENATORS, EXPENSE ALLOWANCE OF THE MAJORITY AND MINORITY LEADERS OF THE SENATE, AND SALARY AND EXPENSE ALLOWANCE OF THE VICE PRESIDENT

"For compensation of Senators, including agency contribution for Federal employees group life insurance, as authorized by Public Law 598, 83d Congress, $2,166,240."

On page 2, after line 10, to insert:

"For mileage of the President of the Senate and of Senators, $51,000."

On page 2, after line 12, to insert:

"For expense allowance of the majority leader and the minority leader of the Senate, $2,000 each, in all, $4,000."

On page 2, after line 14, to insert:

"For the compensation of the Vice President of the United States, including agency contribution for Federal employees group life insurance, as authorized by Public Law 598, 83d Congress, $35,070."

On page 2, after line 18, to insert:

"For expense allowance of the Vice President, $10,000."

On page 2, after line 19, to insert:

"SALARIES, OFFICERS AND EMPLOYEES

"For compensation of officers, employees, clerks to Senators, and others as authorized by law, as follows."

On page 2, after line 22, to insert:

"OFFICE OF THE VICE PRESIDENT

"For clerical assistance to the Vice President, at rates of compensation to be fixed by him in multiplies of $5 per month, $64,745."

On page 3, after line 2, to insert:

"CHAPLAIN

"Chaplain of the Senate, $5,000: *Provided*, That effective August 1, 1955, the gross compensation of the chaplain of the Senate shall be $5,000 per annum."

On page 3, after line 6, to insert:

"OFFICE OF THE SECRETARY

"For Office of the Secretary, $521,345: *Provided*, That effective August 1, 1955, the gross annual compensation of the Secretary of the Senate shall be $17,500; and the basic annual compensation of the following positions shall be: chief clerk $8,820 in lieu of $7,500; parliamentarian $8,820 in lieu of $14,297.50 and Public Law 253, 82d Congress is hereby amended insofar as it applies to the compensation of the parliamentarian of the Senate by deleting 'so long as the position is held by the present incumbent'; assistant parliamentarian $7,260 in lieu of $7,000 and Public Law 470, 83d Congress is hereby amended insofar as it applies to the compensation of the assistant parliamentarian by deleting 'so long as the position is held by the present incumbent'; legislative clerk $7,260 in lieu of $7,000; journal clerk $7,260 in lieu of $7,000; financial clerk $8,820 in lieu of $7,320; executive clerk $4,500 in lieu of $4,380; secretary $4,500 in lieu of $4,100; assistant secretary $3,420 in lieu of $3,380; clerk of enrolled bills $4,500 in lieu of $3,900; secretary to parliamentarian $3,000 in lieu of $3,180; custodian of records $3,000 in lieu of $3,180; assistant bill clerk $3,000 in lieu of journal index clerk $2,460; bookkeeper $3,960 in lieu of clerk $3,960; retirement clerk $3,420 in lieu of clerk $3,420; clerk $2,520 in lieu of stockroom clerk $2,460; assistant chief messenger $2,220 in lieu of clerk $2,220; reference assistant $2,520 in lieu of clerk $2,040; two assistants in document room at $2,520 each in lieu of two clerks at $1,980 each; superintendent, document room, $5,580 in lieu of $5,500; assistant superintendent, document room $4,380 in lieu of $4,000; first assistant, document room, $3,180 in lieu of $3,420; second assistant, document room, $3,060 in lieu of $2,460; four assistants in document room at $2,520 each in lieu of $2,220 each; chief messenger in document room $2,280 in lieu of $1,980; librarian $5,580 in lieu of $4,000; assistant librarian $4,380 in lieu of $3,120; secretary in library $3,060 in lieu of $2,220; legislative analyst $3,840 in lieu of $2,220; five reference assistants at $2,520 each in lieu of one reference assistant at $2,700, one reference assistant at $2,640, one reference assistant at $2,460, one reference assistant at $1,980, and one reference assistant at $1,800; messenger $2,040 in lieu of chief of library stacks $1,860; chief messenger in library $2,280 in lieu of $1,740; keeper of stationery $5,580 in lieu of $4,000; assistant keeper of stationery $4,380 in lieu of $2,880; two clerks at $2,520 each in lieu of one clerk at $2,700 and one clerk at $2,040; special officer in disbursing office $2,700 in lieu of special officer $2,520; messenger $2,040 in lieu of special officer $2,520; chief clerk, stationery room, $3,180 in lieu of press liaison $2,880; bookkeeper, stationery room, $3,060 in lieu of assistant at the press door $2,160; chief messenger in secretary's office $2,460 in lieu of $2,400; chief messenger in disbursing office $2,280 in lieu of $1,920; assistant chief messenger $2,100 in lieu of aid to the Vice President $2,460; eight messengers at $2,040 each in lieu of five messengers at $1,980 each, one messenger at $1,800, and two messengers at $1,620 each; clerk $2,340; clerk $2,460; assistant to the majority $7,320 in lieu of $8,000; assistant to the minority $7,320 in lieu of $8,000; assistant journal clerk $3,060; messenger, disbursing office, $2,040; reference assistant $2,520; three messengers at $2,040 each; and the basic amount available for clerical assistance and readjustment of salaries in the disbursing office is increased by $5,220."

On page 5, after line 21, to insert:

"JOINT RECORDING FACILITY

"For compensation of employees of the joint recording facility appointed by the Secretary of the Senate and heretofore appropriated for under the heading 'Office of the Secretary,' $47,430: *Provided*, That effective August 1, 1955, the basic annual compensation of the coordinator, joint recording facility, shall be $7,020 per annum in lieu of $6,660 per annum."

On page 6, after line 4, to insert:

"COMMITTEE EMPLOYEES

"For professional and clerical assistance to standing committees, and the Select Committee on Small Business, $1,767,045."

On page 6, after line 8, to insert:

"CONFERENCE COMMITTEES

"For clerical assistance to the Conference of the Majority, at rates of compensation to be fixed by the chairman of said committee, $40,000;

"For clerical assistance to the Conference of the Minority, at rates of compensation to be fixed by the chairman of said committee, $40,000."

On page 6, after line 15, to insert:

"ADMINISTRATIVE AND CLERICAL ASSISTANTS TO SENATORS

"For administrative and clerical assistants and messenger service for Senators, including additional clerical assistants for each Senator from the State of Kentucky, as authorized by Public Law 3, 84th Congress, and providing for additional clerical assistants for each Senator from the State of Massachusetts, so that the allowance for administrative and clerical assistance for such Senators will be equal to that allowed other Senators from States having a population of over 5 million but less than 10 million, the population of said State having exceeded 5 million inhabitants, $6,247,555."

On page 7, after line 3, to insert:

"OFFICE OF SERGEANT AT ARMS AND DOORKEEPER

"For Office of Sergeant at Arms and Doorkeeper, $1,436,230: *Provided*, That, effective August 1, 1955, the gross annual compensation of the Sergeant at Arms shall be $17,500, and the basic annual compensation of the following positions shall be: secretary $2,520 in lieu of clerk $2,400; secretary $2,460 in lieu or clerk $2,160; 3 cabinetmakers at $2,640 each in lieu of $2,520 each; finisher $2,640 in lieu of $2,520; upholsterer $2,640 in lieu of $2,520; laborer in charge of private passage $2,460 in lieu of $2,400; 2 female attendants, ladies retiring room at $1,860 each in lieu of $1,800 each; 3 laborers at $1,980 each in lieu of $1,920 each; 3 skilled laborers at $1,920 each and 1 skilled laborer at $1,980 in lieu of 4 skilled laborers at $1,920 each; 1 laborer at $1,740, 27 laborers at $1,680 each, and 3 laborers at $1,620 each in lieu of 29 laborers at $1,620 each; assistant chief janitor $2,460 in lieu of $2,400; night foreman $1,980 in lieu of $1,920; superintendent, press gallery $4,860 in lieu of $4,800; first assistant superintendent, press gallery $4,200 in lieu of assistant superintendent, press gallery $4,100; second assistant superintendent, press gallery $2,880 in lieu of assistant superintendent, press gallery $2,800; third assistant superintendent, press gallery $2,880 in lieu of assistant superintendent, press gallery $2,800; fourth assistant superintendent, press gallery $2,280 in lieu of assistant superintendent, press gallery $2,200; secretary, press gallery $1,860

in lieu of clerk, press gallery $1,800; superintendent, radio press gallery $4,800 in lieu of $4,700; first assistant superintendent, radio press gallery $3,060 in lieu of assistant in radio press gallery $3,000; second assistant superintendent, radio press gallery $2,940 in lieu of assistant in radio press gallery $2,850; third assistant superintendent, radio press gallery $2,580 in lieu of assistant in radio press gallery $2,500; superintendent, periodical press gallery $4,200 in lieu of $4,100; superintendent, service department, $4,800 in lieu of $4,380; assistant superintendent, service department $3,960 in lieu of $2,760; foreman of duplicating department $2,880 in lieu of $2,520; chief machine operator $2,760 in lieu of $2,700; foreman, repairmen $2,760 in lieu of clerk $2,460; 3 offset press operators at $2,340 each in lieu of $2,220 each; 3 mimeograph operators at $1,920 each in lieu of 2 mimeograph operators at $1,800 each; clerk typist $1,920, photostat operator $2,400, photostat helper $1,920, 4 addressograph operators at $2,160 each, machine operator $1,860, file clerk $1,920, 2 messengers at $1,740 each, and a technical clerk $2,160 in lieu of 12 machine operators at $1,740 each; chief clerk, deputy sergeant at arms $3,240; assistant chief clerk, deputy sergeant at arms $2,220; 2 mail carriers at $2,100 each; secretary to superintendent, service department $2,760; supervisor, addressograph section $2,700; 2 offset press operators at $2,160 each; assistant chief machine operator $2,520; 4 messengers at $1,740 each; supervisor, supply section $2,700; repairman $2,580; repairman $2,520; file clerk $1,980; warehousemen at $1,800 each; stockroom clerk $2,460; special officer $2,520; press liaison $2,880; assistant at the press door $2,160; messenger at card door $3,060; messenger $2,160; wagonmaster $2,580 in lieu of $2,520; assistant wagonmaster $2,160 in lieu of $2,100, and the positions wagonmaster and assistant wagonmaster are hereby transferred to the jurisdiction of the service department; postmaster $5,580 in lieu of $5,000; procurement officer, auditor, and deputy sergeant at arms $7,320 in lieu of $6,480; foreman of warehouse, service department $2,640 in lieu of $2,580; 3 clerks at $2,220 each in lieu of $2,160 each; file clerk $2,040 in lieu of $1,980; clerk in service department $2,040 in lieu of $1,980; and 24 pages at $1,800 each in lieu of 28 pages at $1,800 each; clerk $4,440 in lieu of $4,260."

At the top of page 10 to insert:

"OFFICES OF THE SECRETARIES FOR THE MAJORITY AND THE MINORITY

"For the offices of the secretary for the minority and the secretary for the minority, $87,100: *Provided*, That effective August 1, 1955, the gross annual compensation of the secretary for the majority and the secretary for the minority shall be $14,800 per annum each; the basic annual compensation of the assistant secretary for the majority and the assistant secretary for the minority shall be $5,580 per annum each in lieu of $5,300 per annum each, and including 2 telephone pages for the majority and 2 telephone pages for the minority at $2,220 basic per annum each."

On page 10, after line 12, to insert:

"OFFICES OF THE MAJORITY AND MINORITY WHIPS

"For 2 clerical assistants, 1 for the majority whip and 1 for the minority whip, at $4,440 basic each, $16,405;

"In all $10,272,855, and the agency contribution for Federal employees group insurance authorized to be paid from this appropriation by Public Law 598, 83d Congress, shall be paid without regard to the above limitations."

On page 10, after line 19, to insert:

"CONTINGENT EXPENSES OF THE SENATE

"Legislative reorganization: For salaries and expenses, legislative reorganization, including the objects specified in Public Law 663, 79th Congress, $100,000."

On page 10, after line 23, to insert:

"Senate policy committees: For salaries and expenses of the majority policy committee and the minority policy committee, $95,000 for each such committee; in all, $190,000."

On page 11, after line 2, to insert:

"Joint Committee on the Economic Report: For salaries and expenses of the Joint Committee on the Economic Report, $124,575."

On page 11, after line 5, to insert:

"Joint Committee on Atomic Energy: For salaries and expenses of the Joint Committee on Atomic Energy, including the objects specified in Public Law 20, 80th Congress, $258,060."

On page 11, after line 9, to insert:

"Joint Committee on Printing: For salaries for the Joint Committee on Printing at rates to be fixed by the committee, $49,585; for expenses of compiling, preparing, and indexing the Congressional Directory, $1,600; for compiling, preparing, and indexing material for the biographical directory, $1,910, said sum, or any part thereof, in the discretion of the chairman or vice chairman of the Joint Committee on Printing, may be paid as additional compensation to any employee of the United States; and for travel and subsistence expenses at rates provided by law for Senate committees, $4,500; in all, $57,595."

On page 11, after line 20, to insert:

"Vice President's automobile: For purchase, exchange, driving, maintenance, and operation of an automobile for the Vice President, $8,460."

On page 11, after line 23, to insert:

"Automobile for the President pro tempore: For purchase, exchange, driving, maintenance, and operation of an automobile for the President pro tempore of the Senate, $8,460."

On page 12, after line 2, to insert:

"Automobiles for majority and minority leaders: For purchase, exchange, driving, maintenance, and operation of two automobiles, one for the majority leader of the Senate and one for the minority leader of the Senate, $16,920."

On page 12, after line 6, to insert:

"Reporting Senate proceedings: For reporting the debates and proceedings of the Senate, payable in equal monthly installments, $146,210."

On page 12, after line 9, to insert:

"Furniture: For services in cleaning, repairing, and varnishing furniture, $3,190."

On page 12, after line 11, to insert:

"Furniture: For materials for furniture and repairs of same, and for the purchase of furniture, $19,000: *Provided*, That the furniture is not available from other agencies of the Government."

On page 12, after line 15, to insert:

"Inquiries and investigations: For expenses of inquiries and investigations ordered by the Senate or conducted pursuant to section 134 (a) of Public Law 601, 79th Congress, including $400,000 for the Committee on Appropriations, to be available also for the purposes mentioned in Senate Resolution No. 193, agreed to October 14, 1943, and Public Law 20, 80th Congress, $1,224,120."

On page 12, after line 22, to insert:

"Folding documents: For the employment of personnel for folding speeches and pamphlets at a gross rate of not exceeding $1.61 per hour per person, $27,000."

On page 13, at the top of the page, to insert:

"Materials for folding: For materials for folding, $1,500."

On page 13, after line 1, to insert:

"Fuel, etc.: For fuel, oil, cotton waste, and advertising, exclusive of labor, $2,000."

On page 13, after line 3, to insert:

"Senate restaurants: For repairs, improvements, equipment, and supplies for Senate kitchens and restaurants, Capitol Building and Senate Office Building, including personal and other services, to be expended under the supervision of the Committee on Rules and Administration, United States Senate, $55,000."

On page 13, after line 9, to insert:

"Motor vehicles: For maintaining, exchanging, and equipping motor vehicles for carrying the mails and for official use of the offices of the Secretary and Sergeant at Arms, $9,560."

On page 13, after line 24, to insert:

"Miscelleaneous Items: For miscellaneous items, exclusive of labor, including $1,600 for the Committee on Rules and Administration to be available for expenses of compiling, preparing, and indexing material for the Senate Manual, and including $16,104 to be available for reimbursement to General Services Administration for space furnished the United States Senate as approved by the Senate Committee on Rules and Administration, and Senate Resolution 230, agreed to March 16, 1942, and Senate Resolution 175, agreed to July 7, 1943, are repealed effective August 1, 1955, $1,290,680."

On page 13, after line 24, to insert:

"Packing boxes: For packing boxes, $4,000."

At the top of page 14, to insert:

"Postage stamps: For office of the Secretary, $650; office of the Sergeant at Arms, $1,225; offices of the secretaries for the majority and the minority, $100; in all, $1,975."

On page 14, after line 3, to insert:

"Airmail and special-delivery stamps: For airmail and special-delivery stamps for Senators and the President of the Senate, as authorized by law, $29,100, and the maximum allowance per capita of $200 is increased to $300 for the fiscal year 1956 and thereafter."

On page 14, after line 8, to insert:

"Stationery: For stationery for Senators and for the President of the Senate, including $10,000 for stationery for committees and officers of the Senate, $184,600: *Provided*, That commencing with the fiscal year 1956 and thereafter the allowance for stationery for each Senator and for the President of the Senate shall be at the rate of $1,800 per annum."

On page 14, after line 15, to insert:

"Communications: For an amount for communications which may be expended interchangeably for payment, in accordance with such limitations and restrictions as may be prescribed by the Committee on Rules and Administration, of charges on official telegrams and long-distance telephone calls made by or on behalf of Senators or the President of the Senate, such telephone calls to be in addition to those authorized by the provisions of the Legislative Branch Appropriation Act, 1947 (60 Stat. 392; 2 U. S. C. 46c, 46d, 46e), the First Deficiency Appropriation Act, 1949 (63 Stat. 77; 2 U. S. C. 46d–1), Second Supplemental Appropriation Act, 1952, Public Law 254, Eighty-second Congress, Public Law 178, Eighty-third Congress, and Public Law 470, Eighty-third Congress, $14,550."

On page 15, after line 4, to insert:

"The Sergeant at Arms is authorized and directed to secure suitable office space in post office or other Federal buildings in the State of each Senator for the use of such Senator and in the city to be designated by him: *Provided*, That in the event suitable space is not available in such buildings and a Senator leases or rents office space elsewhere, the Sergeant at Arms is authorized to approve for payment, from the contingent fund of the Senate, vouchers covering bona fide statements of rentals due in an amount not exceeding $900 per annum for each Senator."

On page 15, after line 14, to insert:

"The Sergeant at Arms of the Senate is authorized and directed to approve for payment from the contingent fund of the Senate to each Senator an amount not to exceed

$150 quarterly, upon certification of each such Senator, for official office expenses incurred in his State."

On page 15, after line 19, to insert:

"The Secretary of the Senate and the Sergeant at Arms are authorized and directed to protect the funds of their respective offices by purchasing insurance in an amount necessary to protect said funds against loss. Premiums on such insurance shall be paid out of the contingent fund of the Senate, upon vouchers approved by the chairman of the Committee on Rules and Administration."

On page 16, after line 2, to insert:

"Salaries or wages paid out of the foregoing items under 'Contingent expenses of the Senate' shall be computed at basic rates, plus increased and additional compensation, as authorized and provided by law."

On page 16, after line 6, to insert:

"No part of the foregoing appropriations made under the heading 'Contingent expenses of the Senate' may be expended for per diem and subsistence expenses (as defined in the Travel Expense Act of 1949, as amended) at rates in excess of $12 per day; except that (1) higher rates may be established by the Committee on Rules and Administration for travel beyond the limits of the continental United States, and (2) in accordance with regulations prescribed by the Committee on Rules and Administration of the Senate, reimbursement for such expenses may be made on an actual expense basis of not to exceed $25 per day in the case of travel within the continental limits of the United States."

On page 16, after line 18, to insert:

"Compensation for stenographic assistance of committees paid out of the foregoing items under 'Contingent expenses of the Senate' shall be computed at such rates and in accordance with such regulations as may be prescribed by the Committee on Rules and Administration, notwithstanding, and without regard to, any other provision of law."

At the top of page 17 to insert:

"The contingent fund of the Senate is hereby made available for reimbursement for mileage, at the rate of 10 cents per mile, for one round trip in each fiscal year by the nearest route usually traveled between Washington, D. C., and a Senator's residence in his home State, to not to exceed two employees in each Senator's office, such reimbursement to be made upon vouchers approved by the Senator and containing a certification by him that such travel was performed in line of official duty."

On page 17, after line 9, to insert:

"The basic compensation of any employee of any joint committee of the Senate and House of Representatives whose basic compensation is paid from the contingent fund of the Senate, of any select committee of the Senate (including the conference majority and conference minority of the Senate), or of any subcommittee of a standing or select committee of the Senate, shall not exceed $8,000 per annum. Notwithstanding the foregoing provisions of this paragraph and the provisions of section 202 (e) of the Legislative Reorganization Act of 1946, as amended (2 U. S. C. 72a (e)), the joint resolution entitled 'Joint resolution providing for a more effective staff organization for standing committees of the Senate,' approved February 19, 1947, as amended (2 U. S. C. 72a–1), and the paragraph under the heading 'Senate Policy Committee' in the First Supplemental Appropriation Act, 1947, the basic compensation of one employee of each standing or select committee of the Senate (including the majority and minority policy committees and the majority conference of the Senate and the minority conference of the Senate), and each joint committee of the two Houses, the expenses of which are paid from the contingent fund of the Senate, whose basic compensation may be fixed under such provisions at a rate of $8,000 per annum, may be fixed at any rate not in excess of $8,820 per annum and, the basic compensation of one employee of each such committee may be fixed at any rate not in excess of $8,460 per annum. For the purpose of this paragraph, an employee of a subcommittee shall be considered to be an employee of the full committee."

On page 18, after line 14, to insert: "No officer or employee, whose compensation is disbursed by the Secretary of the Senate shall be paid basic compensation at a rate in excess of $8,820 per annum, or gross compensation at a rate in excess of $14,800 per annum, unless otherwise expressly authorized by this act."

On page 18, after line 19, to insert: "Notwithstanding any provision of law, service heretofore or hereafter performed as an employee of the Republican Senatorial Campaign Committee or the Democratic Senatorial Campaign Committee shall be considered for the purpose of the Civil Service Retirement Act of May 29, 1930, as amended, to be service as an employee in the legislative branch of the Government within the classes of officers and employees made eligible for the benefits of such act by the act of July 13, 1937."

Under the heading "Capitol Police," on page 26, line 12, after the word "Plant", to strike out "$75,690" and insert "$76,940," and on page 27, line 20, after the word "plus", to insert "$625 each and."

Under the heading "Office of the Legislative Counsel," on page 28, at the beginning of line 5, to strike out "$274,000" and insert "$290,000"; in the same line, after the word "which", to strike out "$137,000" and insert "$153,000"; and in line 7, after the word "House", to insert a colon and *"Provided,* That effective August 1, 1955, the gross annual compensation of the Legislative Counsel of the Senate shall be $14,800 per annum; and the basic compensation of assistant counsels in the Office of the Legislative Counsel of the Senate may be fixed at any rate not in excess of $8,400 per annum, except that the basic compensation of one such assistant counsel may be fixed at any rate not in excess of $8,820 per annum, and the basic compensation of two other such assistant counsels may be fixed at any rate not in excess of $8,460 per annum."

On page 28, after line 16, to insert:

"JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

"For an amount to enable the Joint Committee on Reduction of Nonessential Federal Expenditures to carry out the duties imposed upon it by section 601 of the Revenue Act of 1941 (55 Stat. 726), to remain available during the existence of the committee, $22,500, to be disbursed by the Secretary of the Senate."

Under the heading "Statement of Appropriations," on page 29, line 23, after the word "law", to strike out "$6,000" and insert "$8,000."

Under the heading "Architect of the Capitol—Office of the Architect of the Capitol," on page 30, line 4, after the word "Capitol", to strike out "Chief Architectural and Engineering Assistant" and insert "and Second Assistant Architect of the Capitol, at salary rates of $17,500, $14,800, and $14,300 per annum, respectively"; after line 11, to strike out "Chief Architectural and Engineering Assistant" and insert "Second Assistant Architect of the Capitol"; and in line 16, after the word "proper", to strike out "$179,000" and insert "$186,200."

On page 30, at the beginning of line 24, to strike out "$25,000" and insert "$50,000, to remain available until expended: *Provided,* That the amount herein appropriated shall also be available for the same purposes as other appropriations under the Architect of the Capitol and may be transferred to any such appropriations in such amounts as may be necessary."

Under the subhead "Capitol Buildings and Grounds," on page 31, line 20, after the word "Capitol", to insert a semicolon and "not to exceed $22,500 for repairs to the painting Battle of Lake Erie, to be expended under the direction and approval of the chairman of the Senate Committee on Appropriations"; and in line 23, after the amendment just above stated, to strike out "$825,000" and insert "$1,160,100 of which $285,000 shall be available for the installation of two additional elevators in the Senate wing of the Capitol, to be located adjacent to and east of the existing elevators at the main east front entrance to the Senate wing."

On page 32, line 20, after the word "expended", to strike out "and there are hereby authorized to be appropriated such additional sums as may be determined by said Commission to be required for the purposes hereof" and insert "and there is hereby authorized to be appropriated an additional sum of not to exceed $5,000,000 for the purposes hereof."

On page 33, after line 16, to insert:

"Subway transportation, Capitol and Senate Office Buildings: For maintenance, repairs, and rebuilding of the subway transportation system connecting the Senate Office Building with the Capitol, including personal and other services, $3,500."

On page 33, after line 21, to insert:

"Senate Office Building: For maintenance, miscellaneous items and supplies, including furniture, furnishings, and equipment, and for labor and material incident thereto, and repairs thereof; for purchase of waterproof wearing apparel and for personal and other services; including five female attendants in charge of ladies' retiring rooms at $1,800 each, for the care and operation of the Senate Office Building; to be expended under the control and supervision of the Architect of the Capitol, in all, $960,690."

On page 34, after line 5, to insert:

"ADDITIONAL OFFICE BUILDING FOR THE UNITED STATES SENATE

"Construction and equipment of additional Senate Office Building: To enable the Architect of the Capitol, under the direction of the Senate Office Building Commission, to continue to provide for the construction and equipment of a fireproof office building for the use of the United States Senate, in accordance with the provisions of the Second Deficiency Appropriation Act, 1948 (62 Stat. 1029), $8,500,000: *Provided,* That no part of the funds herein appropriated shall be obligated or expended for construction of the rear center wing of said building, from the ground floor up, provided for under the building plans heretofore approved by such Commission."

Under the subhead "Library Buildings and Grounds," on page 35, line 25, to strike out "$600,000" and insert "$865,000."

Under the heading "Library of Congress," on page 37, line 11, after the word "Board", to strike out "$4,850,000" and insert "$4,880,895."

Under the subhead "Copyright Office," on page 37, line 15, after the word "copyrights", to strike out "$1,140,000" and insert "$1,176,120."

Under the subhead "Legislative Reference Service," on page 37, line 20, after "(2 U. S. C. 166)", to strike out "$925,000" and insert "$984,877."

Under the subhead "Distribution of Catalog Cards," on page 38, line 7, after the word "Library", to strike out "$1,350,000" and insert "$1,375,000."

Under the subhead "Increase of the Library of Congress," on page 38, line 12, after the word "Library", to strike out "$280,000" and insert "$300,000."

Under the heading "Government Printing Office—Printing and Binding," on page 40, at the beginning of line 8, to strike out "not to exceed $5,000."

On page 40, after line 19, to insert:

"REVOLVING FUND

"The paragraph in the Legislative Appropriation Act, 1954 (67 Stat. 330), establishing the Government Printing Office Revolving Fund is hereby amended by striking out the words 'expenses of attendance at meetings, when authorized by the Joint Committee on Printing' and inserting in lieu thereof the words 'expenses of attendance at meetings not to exceed $3,000 in any fiscal year.'"

Mr. HUMPHREY. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. On page 41, after line 18, it is proposed to insert the following:

COMMISSION ON GOVERNMENT SECURITY

Salaries and expenses: For expenses necessary for the Commission on Government Security, including expenses of attendance at meetings concerned with the purposes of this appropriation, $50,000.

Mr. HUMPHREY. Mr. President, the amendment is presented because there is no other opportunity to provide funds for the Commission on Government Security, which has been created by unanimous vote of the two Houses in a bill and the conference report on which has been agreed to. The legislation provided for the Commission is now at the White House, awaiting the President's signature. It is the desire of the executive branch, as well as of the legislative branch, to have the membership of the Commission appointed and to have the Commission begin its work. Therefore, the necessity for providing funds is very apparent, if the program is to get underway.

I have discussed the amendment with the acting majority leader, the minority leader, the distinguished Senator from New Hampshire [Mr. BRIDGES], and with one member of the committee, the Senator from Alabama [Mr. HILL]. I was unable to confer with the Senator from Arizona [Mr. HAYDEN]. I have also discussed the amendment with members of the House Committee on Appropriations.

Mr. CLEMENTS. It is my understanding that the amendment carries out the intent of Congress when it passed the legislation creating the Commission some time ago.

Mr. HUMPHREY. That is correct.

Mr. CLEMENTS. I should like to tell my friend from Minnesota that, as chairman of the subcommittee, I am very happy to take the amendment to conference.

Mr. HUMPHREY. I thank the acting majority leader.

Mr. CLEMENTS. I also state to the Senator from Minnesota that my statement is completely concurred in by the ranking minority member on both the full committee and on the subcommittee which handled the legislation.

Mr. HUMPHREY. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY].

The amendment was agreed to.

Mr. SPARKMAN. Mr. President, I should like to inquire about a committee amendment which appears at page 11, lines 3 to 5, dealing with the Joint Committee on the Economic Report. I may say that I am calling attention to the item on behalf of the chairman of the committee, the Senator from Illinois [Mr. DOUGLAS], who is downtown in one of the Departments, and therefore is not able to be on the floor.

The bill under discussion carries a figure of $124,575 for the Joint Committee on the Economic Report for fiscal year 1956. This amount represents a reduction of $13,700 below the $138,275 requested by the committee for fiscal 1956.

The Joint Committee on the Economic Report has an extremely active program for the coming year. With unanimous approval of the full committee, five subcommittees are scheduled to hold hearings during the months of October, November, and December in order to report prior to the preparation of the committee's annual report in January and February. An appropriation of anything less than the full amount requested will make it difficult to carry out fully the plans for these investigations. In the interest of expediting the bill, I shall not press for a restoration of the requested funds at this time. I would, however, like to have the assurance of the distinguished acting majority leader and chairman of the Subcommittee on Legislative Appropriations that sympathetic consideration would be given to a supplemental request in January should the committee programs require it.

Mr. CLEMENTS. Mr. President, I may say to the Senator from Alabama that the figures in this bill cover both the original appropriation last year and the supplemental appropriation during fiscal 1955. There may be some cuts in amounts requested, but there is no reduction in the appropriations made last year. The amounts in the bill are exactly the same as those which were allowed last year both in the original and the supplemental bills.

I may further say to my friend from Alabama that the Senate has from time to time met the additional needs of the various committees in supplemental bills, when the requests were justified. I take it that the attitude of the Senate will be no different in 1956 than it has been in 1955 and the preceding years, and that when justification is made for a request for funds by one of the standing committees or by a properly constituted subcommittee, the funds will be provided.

Mr. SPARKMAN. In connection with the Senator's statement as to the appropriation being the same this year as it was last year, that it is true; but I invite the attention of the chairman of the subcommittee to the fact that this year, after advising with the majority leader earlier in the year, a more intensive program was agreed upon than that which we carried out last year. Five subcommittees were appointed with the unanimous support of the full committee, and studies were programed for those subcommittees during the closing months of this year. We could go ahead and carry out the program with the funds available, but then we should not have enough for the committee in its ordinary operations during the first 6 months of the next year.

What the Senator from Illinois [Mr. DOUGLAS] is concerned about is that if we carry out the program which has been scheduled, we shall run short of funds.

Mr. CLEMENTS. There is no desire upon the part of the subcommittee or the full committee to keep from the Joint Committee on the Economic Report the funds it may need. But it was the belief of both the subcommittee and the full committee that they were being prudent when they recommended an amount which covered all the funds expended in 1955.

Mr. ROBERTSON. Mr. President, I wish to call up an amendment, which is now at the desk and which provides an appropriation for the Woodrow Wilson Centennial Celebration Commission.

The PRESIDING OFFICER. The amendment offered by the Senator from Virginia will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 41, between lines 18 and 19, to insert the following:

WOODROW WILSON CENTENNIAL CELEBRATION COMMISSION

For expenses necessary to carry out the provisions of the joint resolution entitled "Joint resolution to establish the Woodrow Wilson Centennial Celebration Commission, and for other purposes," approved August 30, 1954, as amended, $41,500, to remain available until expended.

Mr. ROBERTSON. Mr. President, the Congress has authorized a celebration next year of the 100th anniversary of the birth of that great American who, in sponsoring the League of Nations, laid the foundation for the present United Nations and for international cooperation.

A Federal commission and a State commission were appointed, and our distinguished colleague from New Jersey [Mr. SMITH] is scheduled to be the chairman of those joint commissions to arrange an appropriate celebration in the spring of next year. Unfortunately, the authorizing legislation was delayed. We completed action in the Senate only this week on the authorization. It has now been signed, and it is the law.

The chairman of the full committee informed me yesterday that since this is an urgent matter, because the plans must be made this fall if the celebration is to be held next spring, if I could get a budget estimate for the $41,500 for the celebration, he would not object to including it in the bill. Everyone knows the Congress will appropriate the money. It is only a question whether it is done this year or next year. This year it will be effective. Next year it may be too late.

With respect to the budget estimate, I have just received a call from the White House saying that the estimate has been drawn and sent to the President and the Director of the Budget for signature. The reason why it has not been received before this time is that there was a Cabinet meeting. The matter is now before the President and the Director of the Budget. It will be signed and will arrive,

I assume, before we complete action on the pending bill. But I can give the distinguished chairman of the subcommittee the positive assurance that we have a budget estimate for this modest sum. He, of course, recognizes the urgent necessity of providing the money if we are to plan a celebration worthy of the man whom we propose to honor.

I hope the chairman of the subcommittee will be willing under those circumstances, to accept this modest amendment to the bill.

Mr. CLEMENTS. Mr. President, the request which the Senator from Virginia is making is predicated upon a situation similar to the one presented by the Senator from Minnesota [Mr. HUMPHREY]. The approval of the Senate has been given to the creation of the proposed Commission. Without the funds, the Commission cannot act.

I should like to ask my friend from Virginia about the amount mentioned in his amendment.

Mr. ROBERTSON. The amount was $51,500, of which $10,000 has already been appropriated. My amendment asks for the remainder, $41,500, which is a very modest sum.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mr. SMITH of New Jersey. I wish to identify myself with the statement made by my colleague from Virginia, and to express the hope that his request will be approved.

Mr. ROBERTSON. I thank the Senator from New Jersey. It is very gratifying that we have in the Senate such a distinguished person who personally knew Woodrow Wilson when he was president of a great college.

Mr. SMITH of New Jersey. It is a great honor for me to have known Woodrow Wilson. He was a professor when I was an undergraduate. That may be a reflection upon my antiquity, but I am very proud of the fact that I knew Woodrow Wilson.

Mr. ROBERTSON. My friend from New Jersey is young in spirit, even though he was a student under Woodrow Wilson.

Mr. SMITH of New Jersey. I thank the Senator from Virginia.

Mr. CLEMENTS. Mr. President, I hand the Senator from Virginia a little different language, and ask him if he will not modify his amendment in line with the suggestion.

Mr. ROBERTSON. I accept that change.

Mr. CLEMENTS. As chairman of the subcommittee and manager of the bill, I shall be glad to take to conference the amendment offered by the junior Senator from Virginia.

Mr. ROBERTSON. I appreciate that.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, offered by the junior Senator from Virginia [Mr. ROBERTSON].

The amendment, as modified, was agreed to, as follows:

On page 41, after line 18, to insert:

"WOODROW WILSON CENTENNIAL CELEBRATION COMMISSION

"For an additional amount for 'Woodrow Wilson Centennial Celebration Commission,' $41,500, to remain available until June 30, 1957."

Mr. KNOWLAND. Mr. President, I have at the desk an amendment under the heading "Theodore Roosevelt Centennial Commission" which I hope the distinguished acting majority leader will be prepared to take to conference.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from California.

The CHIEF CLERK. On page 41, line 18, it is proposed to insert:

THEODORE ROOSEVELT CENTENNIAL COMMISSION

For necessary expenses of the Theodore Roosevelt Centennial Commission, $10,000, to remain available until October 27, 1959: *Provided*, That this paragraph shall be effective only upon enactment into law of House Joint Resolution 273, 84th Congress, 1st session.

Mr. CLEMENTS. As I understand, this amendment is in exactly the same situation as the amendments offered by the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Virginia [Mr. ROBERTSON], save and except that their proposals have traveled a little faster and have moved a little farther than has the amendment offered by the Senator from California.

I believe his amendment is just as meritorious as the ones offered by the Senator from Minnesota and the Senator from Virginia. These amendments merely provide funds with which to carry out the wishes of Congress.

In the case of the amendment offered by the Senator from California, the money will not be used unless Congress acts upon the proposed legislation, which is very likely to be done either today or tomorrow.

Mr. KNOWLAND. I thank the acting majority leader.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I merely wish to make an inquiry, for the purpose of obtaining information, in regard to the Capitol Police. Word has reached me that the Capitol Police received their 7½ percent pay increase, just as other legislative employees received it sometime ago.

But there is a matter of concern in reference to the base pay. The base pay of the Capitol Police, as I understand, is far below the level which is provided for the Metropolitan Police force. As a matter of fact, the base pay of the Capitol Police is below the level of the pay received by certain messengers employed by the Senate and the House.

I wondered whether—and I merely ask the question as a point of information—it would be possible to consider an increase in the base pay for the privates, sergeants, two lieutenants, and two special officers on the Capitol Police force.

Mr. CLEMENTS. I hope the Senator from Minnesota will not press his amendment. The subject is now under study by the Committee on Rules and Administration. The committee has not completed its study. I know the Senator from Minnesota realizes the carefulness and understanding with which the subject will be considered by the Committee on Rules and Administration. The committee will take appropriate action when it completes its studies.

Mr. HUMPHREY. I appreciate the study which is being made, and I would not want the Senate to act precipitately or hastily on a matter which relates to the entire wage structure of the legislative employees. I should like to have the RECORD show the view which I hold.

There are 275 privates on the Capitol Police force, whose present base pay is $2,160. It has been suggested, in order to bring the base pay up to that of comparable positions in the Metropolitan Police force, that it should be $2,340.

Presently there are four sergeants who receive a base pay of $2,280. It has been suggested that to bring their base pay up to that of comparable positions on the Metropolitan Police force is should be $2,440.

There are two lieutenants whose present base pay is $2,340. To bring their base pay up to that of comparable positions in the Metropolitan Police force it should be $2,520.

Also on the Capitol Police force are two special officers receiving a base pay of $2,340. It has been suggested that to bring their base pay up to that of comparable positions in the Metropolitan Police force it should be $2,520.

I think our Capitol Police force does a good job. I know of the great service which is extended by them to Members of Congress and also to the general public.

Furthermore, the members of the Capitol Police force do not receive the same consideration which the police force which is under the regular civil service obtains in terms of compensatory time, time and one-half for overtime, and some of the other benefits and rewards which accrue under the regular civil-service system.

I say most respectfully that I hope the Committee on Rules and Administration will act favorably upon a new base pay schedule for the Capitol Police force and will reward them appropriately for what I consider to be service well performed.

It certainly is incongruous to have persons who are doing much less important work receiving much more pay; and that situation prevails, as we look over the legislative appropriations schedule.

I shall not press the amendment now. I shall, however, hope that the acting majority leader will use his good influence and his persuasive talent with the Committee on Rules and Administration, because, I might say, no one can do a better job in the persuasion department.

Mr. CLEMENTS. The Senator from Minnesota this morning is in his usual generous attitude. I am very glad he brought the matter before the Senate. I concur in his view that the study is long

overdue and that upward revisions of salaries are necessary.

I anticipate, however, that when the study is made, appropriate adjustments will be made. They will be made, perhaps not to the satisfaction of all the employees, but they will be made so that justice will be served.

Mr. HUMPHREY. I note that the bill instructs that increases in basic compensation which may be provided for in subsequent law shall apply to present incumbents.

Mr. CLEMENTS. That is correct.

Mr. HUMPHREY. I thank the Senator from Kentucky.

Mrs. SMITH of Maine. Mr. President, I offer an amendment which I ask to have read.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Maine.

The CHIEF CLERK. On page 18, after line 14, it is proposed to strike out the following:

No officer or employee, whose compensation is disbursed by the Secretary of the Senate shall be paid basic compensation at a rate in excess of $8,820 per annum, or gross compensation at a rate in excess of $14,800 per annum, unless otherwise expressly authorized by this act.

Mrs. SMITH of Maine. Mr. President, I offer this amendment for the very simple reason that I believe the employees of the legislative branch of the Government are just as important, just as capable, and just as deserving as are the employees of the executive branch of the Government.

Only recently did the Senate act to remove the inequity of top legislative branch employees having a salary ceiling considerably lower than that of the top executive branch employees.

In the executive pay bill before Congress, the top executive branch employees' salary ceiling is raised to $16,000 per year. Now this proviso which I propose be stricken from the legislative appropriation bill would place a $14,800 ceiling on top legislative branch employees—in other words, downgrade them $1,200 a year or $100 a month below the top executive branch employees.

Why, Mr. President, should we do what this provision does—discriminate against our own employees? Why, Mr. President, should we downgrade the legislative branch employees and rate them inferior to the executive branch employees?

Under the Constitution the three branches of the Federal Government are rated of equal importance. Why, then, Mr. President, do we violate the spirit of the Constitution by such a provision as this which makes a part of the legislative branch inferior to a comparable part of the executive branch, by placing a ceiling on legislative branch employees lower than the ceiling on executive branch employees?

Mr. President, are we to breach confidence with those who so loyally and effectively serve us?

Mr. President, I say that we should either not raise the executive ceiling or we should not place a lower ceiling on legislative employees.

Mr. President, I say that in the spirit of the Constitution the ceiling should be the same for both executive employees and legislative employees.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maine [Mrs. SMITH].

Mr. CLEMENTS. Mr. President, much as I dislike to oppose the amendment offered by the Senator from Maine to delete lines 15 through 19 on page 18 of the bill, in my judgment it would do very great violence to the pattern which has been established by the bill. The pattern was established by the Senate with reference to the operation of its own offices. I hope the membership of this body will support the principle of a ceiling which is contained in the pending bill.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. CLEMENTS. I yield.

Mr. BRIDGES. I know the purpose at which the distinguished senior Senator from Maine is aiming. I agree with her feeling in the matter, and I feel as she does with respect to equal treatment being accorded to employees of the two branches of Government. I think, however, there must be a ceiling imposed, and I support the committee in that respect. While I think the approach of the senior Senator from Maine is a distinct approach toward attaining that objective, I would try to reach the result in another way.

Mrs. SMITH of Maine. Mr. President, will the Senator yield?

Mr. BRIDGES. Certainly.

Mrs. SMITH of Maine. Does the Senator realize that we are providing a ceiling of $16,000 on salaries of employees in the executive branch who are under the Classification Act, and in the bill which is before the Senate today we are asked to put a lower ceiling on salaries of employees of our own branch, which salaries we have just recently brought up to those in the executive branch?

Mr. BRIDGES. When the matter has been discussed with me, I have felt as the Senator from Maine feels, that the question of the ceiling on salaries of classified employees as a group should not be opened up, and that increases should be provided only in specific cases rather than to attempt to do it by increasing the existing ceiling. I know how conscientious the Senator from Maine is and what she is attempting to do. I should like to have the same objective accomplished, but I go in the opposite direction from which she goes. I think the Senator from Maine is right in her belief that the two branches should be treated equally, but I would rather have a ceiling written into the bill than open it up.

Mrs. SMITH of Maine. Would not the Senator rather begin with the legislative pay bill than with the executive pay bill?

Mr. BRIDGES. The legislative pay bill is the one before the Senate. We have to deal with it first, but the Senator is right in trying to attain her objective.

Mrs. SMITH of Maine. Mr. President, will the Senator yield further?

Mr. BRIDGES. I yield.

Mrs. SMITH of Maine. Could we not strike out this section and add the section we want in the executive pay bill, so as to affect all employees?

Mr. BRIDGES. I would not object if I were sure we could do that. If it were possible to limit it to both branches, I would be in favor of doing that.

Mrs. SMITH of Maine. The Senator has been told that could not be done?

Mr. BRIDGES. Yes; and I think that is correct.

Mr. KNOWLAND. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. KNOWLAND. It is doubtful that an executive pay bill will be acted on during this session, although I understand an executive pay bill has been introduced in each House. However, if one of the bills should come before the Senate, it would be open to amendment, and I am sure the idea which the Senator from Maine has expressed, to place a ceiling in the executive pay bill, so both branches could be put in balance, could be carried out. However, I agree with the Senator from New Hampshire that the Senate must deal with the bill now pending before the Senate. The question is, Should there or should there not be a ceiling? I agree with the ranking minority member of the Appropriations Committee that the committee should be supported in this instance. The Senate can then meet the problem when it considers the executive pay bill.

Mr. CLEMENTS. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield.

Mr. CLEMENTS. As the minority leader has said, the Senate has to deal with matters as they come before it. I should also like to add that the Senate has the opportunity to deal with the question every 12 months. Every 12 months the Senate has an opportunity to revise and reschedule, and next year that opportunity will again be before the Senate. As the minority leader has said, the question will be before us when the Senate considers the executive pay bill, as well.

Mr. BRIDGES. Mr. President, last year when I was chairman of the Committee on Appropriations, I appointed the distinguished senior Senator from Maine [Mrs. SMITH] to a committee which revised salaries somewhat. She did an excellent piece of work. I am opposed to the amendment, but, as I know is true of the Senator from California and the Senator from Kentucky, I certainly do not want it to be felt we are opposed to the objective which the Senator from Maine seeks to attain. However, I do not believe the amendment she has suggested is the practical approach at this time.

Mrs. SMITH of Maine. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mrs. SMITH of Maine. The distinguished acting majority leader has stated that the Senate has the opportunity to act every 12 months. I wonder if the distinguished Senator from Kentucky realizes that it took 5 years to bring the legislative employees up to the level of executive employees.

Mr. CLEMENTS. Mr. President, to be very frank with the fine lady from Maine, I should like to reply that I was not advised as to the number of years it took to do that, but I am glad it has finally reached that stage.

Mrs. SMITH of Maine. It is the understanding of the Senator from Maine that if the executive pay raise bill is not acted upon and this section is stricken out, the ceiling would still remain at $14,800, so that nothing would be lost even though the pay bill is not acted on.

Mr. CLEMENTS. Mr. President, the committee was of the opinion that there was no more important section in this bill than the one under discussion, because it covers employees presently in the employ of the Senate and also those who may come into the employ of the Senate.

I could not urge the membership of this body stronger on any proposal than that they should vote down the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maine [Mrs. SMITH].

Mrs. SMITH of Maine. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were not ordered.

Mrs. SMITH of Maine. I ask for a division.

The PRESIDING OFFICER. A division is called for.

On a division, the amendment was rejected.

Mr. ROBERTSON. Mr. President, I have an amendment at the desk, which is offered by myself and the Senator from Georgia [Mr. GEORGE]. It relates to the salaries in the office of the Legislative Counsel. I ask to have the amendment stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 28, line 9, beginning with "$14,800," it is proposed to strike out all down to and including line 16, and insert in lieu thereof "$15,500 per annum."

Mr. ROBERTSON. Mr. President, I would be the last Member of this body to offer an amendment to increase anyone's salary either because of friendship or on the basis of generosity with the money of the taxpayers. My colleagues know that I even voted against the increase in my own pay, and I have consistently taken the position that we should be as economical in the expenditure of the taxpayers' money as we would be in the expenditure of our own money.

But, Mr. President, today we face the situation that a number of us feel a real injustice is being done to one of our most efficient and important officers, namely, the head of our Legislative Drafting Service. This amendment provides that he shall receive the same pay that is received by the top man of every standing committee in both the House and the Senate. Twenty years ago this officer was paid a salary of $10,000 a year, at a time when the clerks of the House and the Senate and the Sergeant at Arms were receiving only $5,500. This important officer has outstanding skill in drafting tax bills and other legislative measures. If he were to leave the Government service and were to enter almost any law office, he could do so at twice the salary the Government now is paying him. If the salary of this officer had kept pace with the salaries of other Government officers, it would now be $20,000 a year.

So, Mr. President, the distinguished President pro tempore, the senior Senator from Georgia [Mr. GEORGE], under whose jurisdiction these employees perform their services, felt that we should provide for some pay increase for this officer; and the Senator from Georgia feels that next year we really should consider making a more substantial increase. However, at the present time we are proposing this modest increase to $15,500.

Mr. CLEMENTS. Mr. President, let me say to my friend, the Senator from Virginia, that I will be glad to take the amendment to conference, and I will be glad to do so on these grounds. It is not a question of breaking the ceiling in this instance. In the office of the legislative counsel there are two persons who have served in the top capacity in that department. Each of those persons is provided the same salary under the provisions of this bill. The amendment of the Senator from Virginia would give some additional salary to the one who has the greatest responsibility. So I am glad to accept the amendment and take it to conference.

Mr. ROBERTSON. I thank the distinguished acting majority leader.

Mr. CLEMENTS. I may say that in taking the amendment to conference, I realize that the amendment meets with the approval of the senior Member on the other side of the table in both the subcommitee and the full committee.

Mr. JOHNSTON of South Carolina. Mr. President, does the amendment apply to the salary of the Legislative Counsel for the Senate alone, or to the salary of the Legislative Counsel for both the House of Representatives and the Senate?

Mr. CLEMENTS. The amendment applies to the salary of the Legislative Counsel for the Senate. His name is John Simms.

Mr. JOHNSTON of South Carolina. Is it not true that in the conference with the conferees on the part of the House, the House conferees will agree to whatever the Senate wishes to have done as regards its own attachés? I simply wish the Senate to know what it is doing in agreeing to the amendment, for in the conference, the House conferees will say, "We will agree to do whatever you wish to have done for the Senate side, in regard to any attachés connected with the Senate."

Mr. ROBERTSON. Mr. President, will the Senator from South Carolina yield for a suggestion?

Mr. JOHNSTON of South Carolina. Certainly.

Mr. ROBERTSON. I think what the conferees for the House will say, "Why do you not increase the salary of this attaché in the amount we are increasing the salary of ours, because in the authorization bill we are increasing the salary of ours to $16,125."

Mr. JOHNSTON of South Carolina. Mr. President, I am not opposing the amendment; I am merely calling attention to what will occur in the conference, when the amendment is taken there.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Virginia [Mr. ROBERTSON].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BRIDGES. Mr. President, I should like to point out to the distinguished Senator who is the chairman of the subcommittee and who is handling the bill that there are three Senate galleries, namely, the Press Gallery, the Radio Gallery, and the Periodical Gallery. In the House of Representatives there is pending legislation which would establish a salary rating not only for the superintendents of these galleries but also for the various assistants, in their order.

As the Senator from Kentucky will recall, when the committee was meeting, we were waiting to see whether this proposal would be acted on by the House. But it was not.

The superintendents and assistants for the various Senate galleries are men and women who, although paid by the Senate, certainly are selected by or with the approval of the members or the correspondents in the various galleries.

The committee approved an increase of one grade, plus the increase of 7.5 percent which applies to all employees, and which, for instance, in the case of a person receiving a salary of approximately $8,000, would amount to an increase, in all, of approximately $500.

Mr. CLEMENTS. Mr. President, will the Senator from New Hampshire yield?

The PRESIDING OFFICER (Mr. SCOTT in the chair). Does the Senator from New Hampshire yield to the Senator from Kentucky?

Mr. BRIDGES. Certainly.

Mr. CLEMENTS. I think the Senator from New Hampshire would wish to state that the figures he has given are based on the salaries as of June, rather than those as of the first 2 weeks of July.

Mr. BRIDGES. Yes, they are based on the salaries in the previous fiscal year.

The point I wish to make, so that the situation will be clear, is that when the House agrees to this proposal, if it does, the Senate should give consideration to bringing the salaries of those employed in the various Senate galleries in line with the salaries provided for similar employees in the House galleries. The House has not agreed to any item of this sort. I may say that there is some dissatisfaction, at least.

I suggest that the distinguished Senator from Kentucky and possibly 1 or 2 other members of the subcommittee on the legislative appropriation bill confer with the representatives of the various galleries and, prior to the time of the passage of the next supplemental bill, sit down and work with them in an organized way, to see whether this matter can be ironed out in an orderly fashion which will be justified by the

work performed and, if possible, in comparison with the corresponding salaries paid in the House of Representatives. I believe that is the general purpose of the subcommittee and the full committee at this time.

Mr. CLEMENTS. Mr. President, will the Senator from New Hampshire yield again to me?

Mr. BRIDGES. Certainly.

Mr. CLEMENTS. I heartily concur in the statements made by the distinguished Senator from New Hampshire. I should like to state for the RECORD that, of course, as the Senator is fully aware, normally the House acts first on these matters. Every effort was made by the subcommittee to encourage an early consideration by the House of the matters which are being considered at this time by the Senate. The House finally set June 17 as the date for its hearings on these matters—doing so in the belief that the Senate subcommittee would begin its hearings on June 23.

I was in Bangkok on a trip to the Orient; and I would like to have stayed there another 10 days, in continuing the experience which was mine—and was mine for the first time—in that area. But I returned from Bangkok, to begin the hearings on June 23, in line with our earlier belief that we could begin our hearings and could get the bill on its way earlier than we have done in some other years.

We found that the House had not acted. There was some conflict in that body. The Committee on House Administration had sent a letter to the Appropriations Committee. The Appropriations Committee did not desire to assume responsibility for the recommendation, and it went back to the Committee on House Administration. The legislative appropriation bill as it came from the House carried no increase for these employees.

Finally, as a last resort, in order to get the bill in under the deadline, we initiated meetings within the past few days. A great deal of spadework has been done on the problem. That spadework goes back approximately 30 days.

I agree with my friend from New Hampshire that, when the opportunity arises to make any satisfactory and reasonable adjustment, not only in this field, but in others, we should sit down together, if we are both assigned to that responsibility, and endeavor to arrive at certain adjustments.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. KNOWLAND. I fully agree with the distinguished Senator from New Hampshire. It seems to me that if House bill 7440, which is an authorization bill relating to the compensation of superintendents and certain other employees of the Press Gallery of the House, should pass at this session of Congress, the Senate committee should examine the situation very carefully. I have always felt that there should be some reasonable relationship—perhaps with certain exceptions—as between the respective salaries paid in the two Houses. Certainly the responsibilities of the Superintendents of the Senate Press Gallery, the Periodical Gallery, and the Radio Gallery are no less than those of corresponding employees in the other House.

I hope the committee will be able to give very close scrutiny to this situation. Perhaps in connection with the first deficiency or supplemental bill which comes before us next year we shall have made sufficient examination and conducted sufficient hearings to enable us to recommend a little more equitable compensation.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. MONRONEY. I am delighted to hear what the distinguished senior Senator from New Hampshire has to say with respect to trying to meet the problem of comparability as between the House and the Senate.

We have a difficult situation because of the fact that the authorization bill has not yet passed the House. The question I should like to ask is this: If the authorization bill should pass the House, in view of the fact that the entire amount for the Senate would be in disagreement with the House figure, is there any prospect that it could be adjusted in conference so as to give the Superintendent of the Senate Press Gallery a little more than the $8,600 provided in the pending bill? That is about what a first-class stenographer gets today in Washington. Certainly the long hours of work, including Saturdays and Sundays, in handling committee work as well as Senate work, and in setting up the mechanical and press equipment for the national conventions, impose upon the positions of Superintendent and others a far greater degree of responsibility than that which we recognize by the present salary allocation.

Mr. BRIDGES. I thank the distinguished Senator from Oklahoma. I thank also the distinguished acting majority leader and the distinguished minority leader. I think the problem can be solved on the basis of a general agreement at which we can arrive. If the House authorization bill passes and comes to the Senate, at the first opportunity we should reexamine the salaries and attempt to bring them into line, so that there will be no great discrepancy between the 2 Houses, and so that 1 House will not be played against the other.

As the distinguished Senator from Oklahoma says, I think the members of the Senate Press Gallery—certainly the Superintendent and his assistants—carry fully as much responsibility as do members of the House Press Gallery because they also arrange for the national conventions. We expect that our convention next year will be a harmonious one and that the candidate will be named promptly. Perhaps the party of the distinguished Senator from Oklahoma will have a little more difficulty.

Mr. MONRONEY. However, we both want maximum dissemination of the news in connection with national conventions.

Mr. BRIDGES. Certainly.

Mr. MONRONEY. The necessary equipment must be set up largely by our staffs, and by members of the House and Senate press galleries.

Mr. BRIDGES. When the next supplemental bill comes before us, the committee can reexamine its position, and perhaps confer with representatives or committees from the various galleries, and attempt to reach an adjustment which will provide reasonable compensation, and reasonable conformity with House salaries.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. BRIDGES. I am glad to yield to the Senator from Colorado.

Mr. ALLOTT. I am sorry that a few moments ago, when the subject of the Capitol Police force was under discussion, I was called from the Chamber to attend a committee meeting. I wish to make a few brief remarks on that subject.

First, it seems to me that if we are to have a Capitol Police force, its members should be of as high caliber and quality as possible.

It seems to me that the members of the Capitol Police have done an outstanding job. Earlier I spoke with the distinguished Senator from New Hampshire concerning the possibility of increasing their basic salaries. As a matter of fact, I had had prepared an amendment, providing that on page 27 there should be an interlineation, to the effect that after August 1 the basic rate of compensation of a member of the Capitol Police force should be increased by $240. Before offering such an amendment, let me ask the distinguished Senator from New Hampshire to explain the position of the Appropriations Committee on that subject.

Mr. BRIDGES. Let me say to the very able Senator from Colorado that I am not the chairman of the committee. However, I am the ranking Republican member. I should like to have the attention of the Senator from Kentucky [Mr. CLEMENTS]. My understanding as to the Capitol Police force was that, of course, the members of that force received the 7½-percent increase which was granted to everyone, which allows them a certain amount of increase. However, with all the proposals pending for reorganization of the Capitol Police force—and there are half a dozen different proposals in the Senate and House—before doing anything along the line of substantial reorganization and adjustment of salaries, we should know what is in the background.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. CLEMENTS. It is the understanding of the Senator from Kentucky that the Committee on Rules and Administration has under consideration today a study concerning the reorganization of the Capitol Police force. I assume that any precipitate action we might take in connection with this bill would be a handicap rather than a help to the Committee on Rules and Administration, which is making a study of this subject. I have confidence that that committee will do justice to the Capitol Police force.

Mr. ALLOTT. I very much appreciate the remarks of the Senator from New Hampshire and the Senator from Kentucky.

Mr. CLEMENTS. That is the reason why our committee did not go into the question of the salary framework with respect to the Capitol Police force.

Mr. ALLOTT. Is it in contemplation that there will be a reorganization of the Capitol Police force, and that at that time consideration will be given to the question of bringing their rather inadequate salaries, as compared with those of the Metropolitan Police, up to some comparable basis?

Mr. CLEMENTS. If that question is directed to me, I can only say that I very definitely hope and expect that justice will be done, because those who are giving consideration to the subject are just people.

Mr. ALLOTT. I am sure of it. I have no doubt about that at all. With that explanation, I shall not offer my amendment, and I thank the Senators for their courtesy.

Mr. BRIDGES. I thank the Senator from Colorado. We shall certainly follow up the matter at the proper time.

The PRESIDING OFFICER. The Secretary will state the amendment offered by the Senator from South Carolina [Mr. JOHNSTON].

The LEGISLATIVE CLERK. On page 17, line 16, in lieu of "$8,000" it is proposed to insert "$8,400."

On page 18, line 8, after "$8,000", insert "or $8,400."

On page 18, line 10, in lieu of the words "one employee", insert the words "two employees."

Mr. JOHNSTON of South Carolina. I feel that the staffs of the various committees are not sufficiently paid. However, rather than get into a debate on the floor of the Senate at this time, I shall withdraw my amendment. I do not believe that more than one staff member ought to be paid the ceiling salary.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. ROBERTSON. Mr. President, I wish to make a brief statement on the bill. As this is the last appropriation bill the Senate will consider at this session, I believe it is not inappropriate for me to call to the attention of my colleagues who are not members of the Committee on Appropriations the fact that we have made a genuine and bona fide attempt at this session to reduce public spending.

As of today, and assuming that there will be no cuts made in the supplemental bill now in conference—and there is a very good likelihood that there will be some cuts made—we are $1,690,522,254 below the budget estimates we received at this session.

There has been no upward revision in the estimates of the Government's income, but there is every reason to believe that within a month from now there will be revised estimates showing greater receipts than were contemplated last November and presented to us in the budget in January.

Assuming that all the money we have appropriated will be spent, and that the cuts will become effective and will not be restored by supplemental appropriations early next spring, we can end the fiscal year with a deficit of less than $1 billion. The exact figure is $700 million.

If, as I now anticipate, the current prosperity and high earnings of corporations and individuals continue, and the receipts from taxes go on up and up, we have the possibility of ending the fiscal year without any deficit.

I made motions in committee to cut spending more than it was actually cut. In doing so I could usually depend on the support of the senior Senator from Louisiana [Mr. ELLENDER] and the distinguished Senator from Idaho [Mr. DWORSHAK]. We never let the committee forget the tax burden which the people bear and the necessity to limit expenditures to actual needs.

A good part of the cut, of course, is in foreign aid. All of us must give due credit to the splendid job done in that connection by the senior Senator from Louisiana [Mr. ELLENDER], in presenting in committee and at great length on the floor of the Senate, and again in conference, the fact that we were proposing to spend more than was actually needed. In that way we got a very substantial reduction in foreign-aid appropriations.

Without further delaying the Senate, because I know it is desired to complete action on the pending bill so that Members may attend committee meetings, to consider and report other proposed legislation for action by the Senate, I ask unanimous consent to have printed in the body of the RECORD at this point, a statement which I had prepared on the subject, plus some supporting figures.

There being no objection, the statement and attached chart were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ROBERTSON

The budget document transmitted to the Congress in January 1955 for the fiscal year 1956 estimated that the budget expenditures would be $62.4 billion and that the budget receipts would be $60 billion with a deficit of $2.4 billion. The committee has been advised that the Treasury Department has made no subsequent estimate as to the revenue for the fiscal year 1956, nor has the Joint Committee on Internal Revenue Taxation.

As indicated in the attached table the appropriations have been reduced a total of $1,690,522,254 by the Congress. The Bureau of the Budget states it will be at least 3 weeks before the reduction in appropriations can be translated into how much will be cut from the fiscal year 1956 expenditures. This is occasioned by reason of the fact that a large part of the fiscal year 1956 expenditures occur as a result of prior appropriations and much of the 1956 appropriations are to be expended in subsequent years. Before the Bureau of the Budget can make a revised estimate of budget expenditures in fiscal year 1956, it reports that it must contact each bureau and agency and review the new program authorized in the appropriation acts. The reduction of $1,690,522,254 in appropriations will result in a like reduction in expenditures but it is a question whether it will fall in the 1956 fiscal year or in subsequent years. We assume every dollar appropriated will be expended and, if you assume all of this cut in expenditures falls in fiscal year 1956, then the budget estimate of expenditures of $62.4 billion would be cut to $60.7 billion and there would be an estimated deficit of $700 million for the fiscal year 1956.

Table of appropriation bills, 84th Cong., 1st sess., for fiscal year 1956

Bill No.	Title	House			Senate			Public Law		Increase or decrease compared to budget estimates to date
		Budget estimates to House	Amount as reported	Amount as passed	Budget estimates to Senate	Amount as reported	Amount as passed	Amount as approved	Law No.	
	Regular (fiscal 1956)									
H. R. 5239	Agriculture	$897,684,574	$880,260,050	$880,260,050	$898,384,574	$884,393,923	$884,433,923	$883,051,623	40	−$15,332,951
H. R. 6367	Commerce	1,366,393,000	1,121,435,000	1,123,685,000	1,366,393,000	1,314,617,300	1,317,192,300	1,245,360,000	121	−121,033,000
H. R. 6042	Defense	32,232,815,000	31,488,206,000	31,488,206,000	32,232,815,000	31,836,521,336	31,882,915,726	31,882,815,726	157	−349,999,274
H. R. 6239	District of Columbia	(175,405,300)	(166,547,509)	(166,901,780)	(175,462,020)	(169,456,749)	(169,456,749)	(168,843,440)	131	(−6,618,580)
	Federal payment	21,892,700	17,892,700	17,892,700	21,892,700	21,892,700	21,892,700	19,892,700	------	−2,000,000
H. R. 6499	General Government	27,700,700	21,890,700	21,890,700	28,777,700	27,166,300	27,166,300	27,166,300	110	−1,611,400
H. R. 5240	Independent Offices	5,639,790,000	5,845,595,375	5,845,595,375	5,640,155,000	5,882,379,500	5,848,394,500	5,842,458,500	112	+202,303,500
H. R. 5085	Interior	313,353,056	298,271,246	297,925,546	314,523,056	327,987,088	327,987,088	317,573,627	78	+3,050,571
H. R. 5046	Labor-HEW	2,432,148,861	2,337,522,261	2,337,522,261	2,432,148,861	2,404,055,600	2,404,905,600	2,373,516,500	------	−58,632,361
H. R. 7117	Legislative	67,572,138	66,298,175	66,298,175	92,641,411	92,924,027	[1] 92,924,027	[1] 92,924,027	------	[1] +282,616
H. R. 7224	Mutual Security	3,266,641,750	2,638,741,750	2,638,741,750	3,266,641,750	3,205,341,750	3,205,841,750	2,703,341,750	------	−563,300,000
H. R. 6766	Public Works	1,789,165,000	1,285,746,242	1,372,122,800	1,801,465,000	1,377,491,000	1,377,571,000	1,365,613,500	163	−435,851,500
H. R. 5502	State, Justice, Judiciary	483,531,912	450,398,227	450,398,227	483,531,912	481,985,418	481,985,418	466,302,415	133	−17,229,497
H. R. 4876	Treasury-Post Office	3,360,250,000	3,282,553,000	3,282,553,000	3,360,385,000	3,358,622,000	3,358,622,000	3,322,488,500	51	−37,896,500
H. R. 7278	Supplemental, 1956	1,927,785,868	1,648,876,128	224,276,628	2,123,351,072	1,826,111,614	1,830,078,614	[2] 1,830,078,614	------	[2] −293,272,458
	Total	53,826,724,559	51,383,686,854	50,047,368,212	54,063,106,036	53,041,489,556	53,061,910,946	52,372,583,782	------	−1,690,522,254
	Permanents	6,773,516,346	6,773,516,346	6,773,516,346	6,773,516,346	6,773,516,346	6,773,516,346	6,773,516,346	------	----------
	Grand total	60,600,240,905	58,157,203,200	56,820,884,558	60,836,622,382	59,815,005,902	59,835,427,292	59,146,100,128	------	−1,690,522,254

[1] These figures denote latest Senate action—amount as reported to Senate.

[2] These figures denote latest Senate action—amount as passed Senate.

Mr. DWORSHAK. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mr. DWORSHAK. I wish to join heartily with my colleague from Virginia in giving commendation to the senior Senator from Louisiana [Mr. ELLENDER] for his aggressive efforts in behalf of reducing the amounts requested for the foreign aid program. He did not win all his battles, but he was dynamic and aggressive throughout. Because of his extensive travels in every section of the globe, he was well qualified to give the committee the advice which was so essential in considering the specific funds for the various categories of economic aid abroad.

Mr. ROBERTSON. I completely agree with what the Senator from Idaho has said with respect to the Senator from Louisiana [Mr. ELLENDER].

Mr. BUSH. Mr. President, I should like to make inquiry concerning a provision on page 17 relating to one round trip in each fiscal year by not to exceed 2 employees in each Senator's office.

My inquiry is whether 1 employee could make two round trips under that provision.

Mr. CLEMENTS. Under the provision, it would be the judgment of the Senator from Kentucky that one person could not make two round trips. If the Senator had one employee go back to his home State to conduct the work of his office, only that one employee would be paid. That payment would be made only upon the signed statement of the employee and on the approval of the Senator that the trip was made on official business.

Mr. BUSH. Would the Senator object to changing the provision so that it would clearly permit one employee to make two round trips on official business if it was in the interest of the Senator's office that he do so?

Mr. CLEMENTS. The object of that provision of the bill is this: At the close of Congress, when a Senator's activities are transferred from Washington to his home office it would enable two employees of a Senator's office, and I take it the Senator from Connecticut probably has more than 2 employees who go from Washington to conduct business for him in his home State—to go on official business to operate the office and to have the cost of such trips paid for.

Mr. BUSH. I thank the Senator.

Mr. JOHNSTON of South Carolina. Mr. President, I raise a point of order to the provision on page 18, beginning in line 20, reading as follows:

> Notwithstanding any provision of law, service heretofore or hereafter performed as an employee of the Republican Senatorial Campaign Committee or the Democratic Senatorial Campaign Committee shall be considered for the purpose of the Civil Service Retirement Act of May 29, 1930, as amended, to be service as an employee in the legislative branch of the Government within the classes of officers and employees made eligible for the benefits of such act by the act of July 13, 1937.

Mr. JOHNSTON of South Carolina. Mr. President, I raise the point of order that the provision is legislation upon an appropriation bill. I think we are treading on dangerous ground when we put anyone on our retirement rolls who is not paid by the Government. For that reason I think matters of this kind should come before my committee, which deals with questions of this nature.

Mr. CLEMENTS. Mr. President, I should like to state the committee's position with reference to this provision of the bill.

The Senate provides space for these committees. It provides heat, light, water, and all the other things which go along with the operation of a senatorial campaign committee. To be very frank, there is 1 employee on the Republican side and 1 on the Democratic side. It is not a partisan matter. They have been associated with the respective campaign committees for many, many years. It would appear to me that, in effect, they have given their services to the Government. They have not been on the Government payroll, but their work has been for the Government over a long period of years. It was the opinion of the committee that, regardless of some technicalities which might be raised, justice would be done by this provision in the bill.

Mr. JOHNSTON of South Carolina. Mr. President, I have been hearing every few days statements regarding this matter from one who is employing people and paying them additional salaries, but they are working for the Government and working in her office. That is the only reason why I am mentioning the subject. I would not raise a point of order ordinarily, but I feel that I should do so under the circumstances.

The PRESIDING OFFICER (Mr. PAYNE in the chair). The Chair rules that the provision is subject to the point of order and sustains it.

The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. CLEMENTS. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. CLEMENTS, Mr. CHAVEZ, Mr. HAYDEN, Mr. BRIDGES, and Mr. SALTONSTALL conferees on the part of the Senate.

STEPHEN SWAN OGLETREE

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1172, House bill 6232.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 6232) to include as Spanish-American War service, under laws administered by the Veterans' Administration, certain service rendered by Stephen Swan Ogletree during the Spanish-American War.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment to strike out all after the enacting clause and insert:

> That, for the purpose of laws administered by the Veterans' Administration, it shall be considered that Stephen Swan Ogletree was honorably discharged from Company G, Second Regiment Alabama Volunteer Infantry, after having rendered at least 70 days active military service therein during the Spanish-American War. No benefit shall be afforded hereunder for any period prior to the date of receipt of an application therefor filed subsequent to the date of enactment of this act.

Mr. CLEMENTS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate is proceeding with the consideration of H. R. 6232. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SALE OF STEAMSHIP "LA GUARDIA"

Mr. STENNIS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1176, Senate Joint Resolution 91.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (S. J. Res. 91) to authorize the Secretary of Commerce to sell the steamship *La Guardia*.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi.

The motion was agreed to; and the Senate proceeded to consider the joint resolution which had been reported from the Committee on Interstate and Foreign Commerce with an amendment on page 2, line 8, after the word "hereunder", to insert "such sale shall be made upon a condition and agreement that the purchaser recondition the vessel satisfactory to the Secretary of Commerce in a domestic shipyard for passenger service.", so as to make the joint resolution read:

> *Resolved, etc.*, That (a) the Secretary of Commerce is hereby authorized during a period of 6 months after the enactment of this act, to sell the steamship *La Guardia* and the materials and equipment heretofore removed from the vessel and held in storage by the Maritime Administration, on an "as is, where is" basis to the Hawaiian Steamship

Co., Ltd., subject to the provisions of this act and such terms and conditions not contrary hereto as the Secretary may prescribe. The sales price of the vessel (including all its furnishings, furniture, equipment, and spare parts whether held aboard or on shore), shall be $3,950,000. The sales price shall be subject to depreciation computed at the rate of 5 percent per annum for the period commencing with the date of enactment of this act and ending with the date of execution of the contract of sale of the steamship *La Guardia* hereunder. Such sale shall be made upon a condition and agreement that the purchaser recondition the vessel satisfactory to the Secretary of Commerce in a domestic shipyard for passenger service.

(b) The Secretary of Commerce, upon application by the Hawaiian Steamship Co., Ltd., purchaser of the steamship *La Guardia* hereunder, upon determination that such action may be taken without prejudice to the Department of Commerce, Maritime Administration operations, is authorized to release to such purchaser such additional furnishings, furniture, and equipment now held by the Maritime Administration, as he may determine are necessary to equip the steamship *La Guardia* for the passenger trade, with payment by the purchaser of an amount equal to 25 percent of the estimated original acquisition cost of such furnishings, furniture, and equipment as determined by the Secretary of Commerce.

(c) The purchaser hereunder may be permitted, entirely at his own expense and risk, to inspect the steamship *La Guardia* and to move such vessel, upon conditions approved by the Secretary of Commerce, to drydock and inspect the underwater surfaces.

(d) Such sale shall be on the basis of the payment of not less than 25 percent of the sales price of the vessel at the date of the execution of such sales contract, with balance payable in approximately equal annual installments, the first of which shall be due and payable 1 year from the date of execution of the contract, over the remainder of the 20-year economic life of the vessel, with interest on the unpaid balance at the rate of 3½ percent per annum; with right of prepayment from time to time of any or all of the sales price remaining unpaid. The obligation of the purchaser with respect to payment of such unpaid balance, with interest, shall be secured by a first preferred mortgage on the vessel sold, which mortgage may provide that the sole recourse against the purchaser of the vessel under such mortgage, and any of the notes secured thereby shall be limited to repossession of the vessel by the United States, and the assignment of insurance claims, if the purchaser shall have complied with all provisions of the mortgage other than those relating to the payment of principal and interest when due, and the obligation of the purchaser shall be satisfied and discharged by the surrender of the vessel, and all right, title, and interest therein to the United States. Such vessel upon surrender shall be (1) free and clear of all liens and encumbrances whatsoever, except the lien of the above-mentioned preferred mortgage and any other mortgage held by the Secretary of Commerce pursuant to an assignment under title XI of the Merchant Marine Act, 1936, as amended, (2) in class, and (3) equipped and in as good order and condition, ordinary wear an tear excepted, as when reconditioned as a passenger vessel by the purchaser except that any deficiencies with respect to freedom from encumbrances, condition, and class, may, to the extent covered by valid policies of insurance, be satisfied by the assignment to the United States of claims of the purchaser under such policies of insurance.

(e) Any contract of sale executed under authority of this act shall provide that in the event the United States shall, through purchase or requisition, acquire ownership of such vessel, the owner shall be paid therefor the value thereof, but in no event shall such payment exceed the actual depreciated sales price under such contract (together with the actual depreciated cost of capital improvements thereon), or the fair and reasonable scrap value of such vessel, as determined by the Maritime Administrator, whichever is the greater; that such determination shall be final; that in computing the depreciated acquisition cost of such vessel, the depreciation shall be computed on the vessel on the schedule adopted or accepted by the Internal Revenue Service for income tax purposes as applicable to such vessel; that such vessel shall remain documented under the laws of the United States for a period of 10 years after completion as a passenger vessel or as long as there remains due the United States any principal or interest on account of the sales price, whichever is the longer period; and that the foregoing provisions respecting the requisition or the acquisition of ownership by the United States and documentation shall run with the title to such vessel and be binding on all owners thereof.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

SALE OF STEAMSHIP "MONTEREY"

Mr. STENNIS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1177, Senate Joint Resolution 92.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (S. J. Res. 92) to authorize the Secretary of Commerce to sell the steamship *Monterey*.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi.

The motion was agreed to; and the Senate proceeded to consider the joint resolution which had been reported from the Committee on Interstate and Foreign Commerce with an amendment on page 2, line 4, after the word "a", to strike out "ten-year" and insert "twenty-year", so as to make the joint resolution read:

Resolved, etc., That (a) the Secretary of Commerce is hereby authorized, during a period of 6 months after the enactment of this joint resolution, to sell the steamship *Monterey* and the uninstalled materials heretofore acquired by the United States with said vessel, which are held in storage by the Maritime Administration, Department of Commerce, to a citizen of the United States at competitive bidding, subject to the provisions of this joint resolution, and such terms and conditions not contrary hereto as the Secretary may prescribe. The vessel with such materials shall be sold on an "as is, where is" basis, at an aggregate minimum sales price of $3,081,665.72, depreciated on the basis of a 20-year life from August 6, 1952, to the date of the award of the contract of sale. Such sale shall be made upon a condition and agreement that the purchaser expend at least $10 million to recondition the vessel satisfactory to the Secretary of Commerce in a domestic shipyard for passenger service, with documentation under the laws of the United States. Such sale shall be on the basis of the payment of not less than 25 percent of the sale price of the vessel and materials at the time of the execution of such sales contract, with balance payable in approximately equal annual installments over the life expectancy of the vessel after reconditioning by the purchaser which life expectancy shall be determined jointly by the Secretary of the Treasury and the Secretary of Commerce, with interest on the portion of the sales price remaining unpaid at the rate of 3½ percent per annum; with right of prepayment from time to time of any or all of the sales price remaining unpaid. The obligation of the purchaser with respect to payment of such unpaid balance, with interest, shall be secured by a first preferred mortgage on the vessel sold, which mortgage may provide that the sole recourse against the purchaser under such mortgage and any of the notes secured thereby, shall be limited to repossession of the vessel by the United States and the assignment of insurance claims, if the purchaser shall have complied with all provisions of the mortgage other than those relating to the payment of principal and interest when due, and the obligation of the purchaser shall be satisfied and discharged by the surrender of the vessel, and all right, title, and interest therein to the United States. Such vessel upon surrender shall be (1) free and clear of all liens and encumbrances whatsoever, except the lien of the above-mentioned preferred mortgage and any other mortgage held by the Secretary of Commerce pursuant to an assignment under title XI of the Merchant Marine Act, 1936, as amended, (2) in class, and (3) equipped and in as good order and condition, ordinary wear and tear excepted, as when reconditioned as a passenger vessel by the purchaser except that any deficiencies with respect to freedom from encumbrances, condition, and class, may, to the extent covered by valid policies of insurance, be satisfied by the assignment to the United States of claims of the purchaser under such policies of insurance.

(b) Any contract of sale executed under authority of this joint resolution shall provide that in the event the United States shall, through purchase or requisition, acquire ownership of such vessel, the owner shall be paid therefor the value thereof, but in no event shall such payment exceed the actual depreciated sales price under such contract (together with the actual depreciated cost of capital improvements thereon), or the fair and reasonable scrap value of such vessel, as determined by the Maritime Administrator, whichever is the greater; that such determination shall be final; that in computing the depreciated acquisition cost of such vessel, the depreciation shall be computed on the vessel on the schedule adopted or accepted by the Secretary of the Treasury for Federal income tax purposes as applicable to such vessel; that such vessel shall remain documented under the laws of the United States for a period of at least 10 years after completion as a passenger vessel or as long as there remains due the United States any principal or interest on account of the sales price, whichever is the longer period; and that the foregoing provisions respecting the requisition or the acquisition of ownership by the United States and documentation shall run with the title to such vessel and be binding on all owners thereof.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. STENNIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MCCLELLAN in the chair). Without objection, it is so ordered.

DISCOVERY, DEVELOPMENT, AND PRODUCTION OF CERTAIN DOMESTIC MINERALS

The PRESIDING OFFICER. The hour of 1 o'clock having arrived, the Chair lays before the Senate the unfinished business, which is H. R. 6373.

The Senate resumed the consideration of the bill (H. R. 6373) to amend the Domestic Minerals Program Extension Act of 1953 in order to extend the programs to encourage the discovery, development, and production of certain domestic minerals.

INCREASE IN FUNDS FOR THE COMMITTEE ON FOREIGN RELATIONS

Mr. STENNIS. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 1190, Senate Resolution 133.

The PRESIDING OFFICER. The resolution will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 133) increasing funds for a study by the Committee on Foreign Relations of technical assistance and related programs.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. ELLENDER. Mr. President, may we be informed as to the amount of money requested?

Mr. GREEN. The request is for $15,000 of additional funds for a study of technical assistance and related programs.

Mr. ELLENDER. Has any money been spent heretofore for the same purpose, or is this a new expenditure?

Mr. GREEN. The resolution provides for additional funds.

Mr. ELLENDER. How much was provided previously?

Mr. GREEN. Is the Senator from Louisiana inquiring how much was originally appropriated?

Mr. ELLENDER. Yes.

Mr. GREEN. It was $40,000, originally.

Mr. ELLENDER. The additional $15,000 would make a total of $55,000 for the same purpose, which is to study the technical aid program. Is that correct?

Mr. GREEN. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 133) was agreed to, as follows:

Resolved, That section 2 of the Senate Resolution 36 of the 84th Congress, agreed to February 4, 1955, extending the time for a study by the Committee on Foreign Relations on technical assistance and related programs, is amended by striking out "$52,000" and inserting in lieu thereof "$67,000", and by striking out "$24,000" and inserting in lieu thereof "$39,000."

INCREASE IN LIMIT OF EXPENDITURES BY COMMITTEE ON APPROPRIATIONS

Mr. STENNIS. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1191, Senate Resolution 136.

The PRESIDING OFFICER. The resolution will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 136) increasing the limit of expenditures by the Committee on Appropriations.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 136) was considered and agreed to, as follows:

Resolved, That the Committee on Appropriations hereby is authorized to expend from the contingent fund of the Senate, during the 84th Congress, $15,000, in addition to the amount, for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act, approved August 2, 1946.

INCREASE IN LIMIT OF EXPENDITURES BY THE COMMITTEE ON THE JUDICIARY

Mr. STENNIS. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1192, Senate Resolution 137.

The PRESIDING OFFICER. The resolution will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 137) increasing the limit of expenditures by the Committee on the Judiciary.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. ELLENDER. Mr. President, may we have an explanation of the resolution? There is no report.

Mr. GREEN. I may say to the Senator that there is a report.

Mr. ELLENDER. It is not available to Senators.

Mr. GREEN. The resolution would expand the funds previously authorized by Senate Resolution 67 of the 84th Congress, 1st session, which was agreed to on March 18, 1955, by $20,000, for the purpose of conducting a full and complete study of the narcotics problem in the United States, including ways and means of improving the Federal Criminal Code and other laws and enforcement procedures dealing with the possession, sale, and transportation of narcotics, marihuana, and similar drugs. Such study would end on January 31, 1956.

The amount previously authorized for this investigation by Senate Resolution 67 was $30,000, to which this resolution would add $20,000, making a total of $50,000.

Mr. ELLENDER. Is the committee involved the one presided over by the Senator from Texas [Mr. DANIEL]?

Mr. GREEN. Yes; and I must say the Senator from Texas appeared before the committee and gave an excellent account of work of the committee and justified the request for additional funds. The committtee is doing very fine work.

The PRESIDING OFFICER. The question is on agreeing to the resolution?

The resolution (S. Res. 137) was considered and agreed to, as follows:

Resolved, That the limitation of expenditures under Senate Resolution 67, 84th Congress, agreed to March 18, 1955, is hereby increased by $20,000.

STATUE OF THE LATE CHIEF JUSTICE EDWARD DOUGLASS WHITE

Mr. STENNIS. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1194, Senate Concurrent Resolution 49.

The PRESIDING OFFICER. The concurrent resolution will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A concurrent resolution (S. Con. Res. 49) to print certain matters in connection with the acceptance by Congress of the statue of the late Chief Justice Edward Douglass White, of Louisiana.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the concurrent resolution (S. Con. Res. 49) was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed with illustrations and bound, in such style as may be directed by the Joint Committee on Printing, the proceedings in Congress at the unveiling in the rotunda, together with such other matter as the joint committee may deem pertinent thereto, upon the occasion of the acceptance of the statue of Chief Justice Edward Douglass White, presented by the State of Louisiana, three thousand copies, of which two thousand copies shall be for the use of the House, and for the use and distribution by the Representatives in Congress from Louisiana; and the remaining one thousand copies shall be for the use of and the distribution by the Senators from the State of Louisiana.

SEC. 2. The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer, who shall provide suitable illustrations to be bound with these proceedings.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ENTITLED "STOCK MARKET STUDY"

Mr. STENNIS. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1195, Senate Concurrent Resolution 51.

The PRESIDING OFFICER. The concurrent resolution will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A concurrent resolution (S. Con. Res. 51) to print for

the use of the Committee on Banking and Currency additional copies of hearings entitled "Stock Market Study."

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the concurrent resolution (S. Con. Res. 51) was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Committee on Banking and Currency 1,000 additional copies of the hearings entitled "Stock Market Study," held before the above committee during the 84th Congress.

PRINTING OF THE SONG "PLEDGE OF ALLEGIANCE TO THE FLAG," AS HOUSE DOCUMENT

Mr. STENNIS. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 1196, House Concurrent Resolution 161.

The PRESIDING OFFICER. The concurrent resolution will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A concurrent resolution (H. Con. Res. 161) providing for the printing of the song, "Pledge of Allegiance to the Flag," as a House document.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the concurrent resolution (H. Con. Res. 161) was considered and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed as a House document the song composed by the famous songwriter, Irving Caesar, "Pledge of Allegiance to the Flag," with illustrated cover, as designated in section 7 of the joint resolution approved June 22, 1942 (36 U. S. C., sec. 172), as amended (Public Law 396, 83d Cong., ch. 297, 2d sess.; H. J. Res. 243, approved June 14, 1954); and that there be printed 305,250 additional copies, of which 266,150 shall be for the use of the House; 30,000 copies shall be for the use of the Senate; 6,000 copies to be made available at the House document room; and 3,000 copies to be made available at the Senate document room; and that there be included thereon the following history of the pledge:

The original author of the pledge was Francis Bellamy, who was born at Mount Morris, N. Y., May 18, 1855, and died August 28, 1931. He was ordained in 1879 at the Baptist Church in Little Falls, N. Y. The pledge he wrote was first used at the dedication of the World's Fair Grounds in Chicago on October 21, 1892, the 400th anniversary of the discovery of America, and has been recited from that day to this, with some changes, by school children throughout our land. Reverend Bellamy's original wording was altered slightly by the first and second National Flag Conferences in 1923 and 1924 and his work was officially designated as the Pledge of Allegiance to the Flag by Public Law 287, 79th Congress, approved December 28, 1945. On June 14, 1954, Flag Day, President Dwight D. Eisenhower signed into law House Joint Resolution 243, introduced by Representative LOUIS C. RABAUT, of Michigan, which added to the Pledge of Allegiance the compelling and meaningful words "under God."

The song "Pledge of Allegiance to the Flag," composed by Irving Caesar, ASCAP, at the request of Representative LOUIS C. RABAUT, was sung for the first time on the floor of the House of Representatives on Flag Day, June 14, 1955, by the official Air Force choral group, the "Singing Sergeants," under the direction of Capt. Robert L. Landers, AFRES, in special Flag Day ceremonies.

DISCOVERY, DEVELOPMENT, AND PRODUCTION OF CERTAIN DOMESTIC MINERALS

The Senate resumed the consideration of the bill (H. R. 6373) to amend the Domestic Minerals Program Extension Act of 1953 in order to extend the programs to encourage the discovery, development, and production of certain domestic minerals.

Mr. MURRAY. Mr. President, the Committee on Interior and Insular Affairs feels that this is a bill of utmost importance to the mineral economy of the country, to the national defense and to the preservation of a sound mobilization base.

H. R. 2824 of the 83d Congress, which was approved by the President, extended for two years the mineral purchase programs for tungsten, manganese, chromite, mica, asbestos, beryl, and columbium tantalum ores, all minerals vital to the national defense. Unfortunately, H. R. 2824, 83d Congress, which became Public Law 206, failed to increase the quota of purchases allotted to each program so that they could continue to the authorized termination dates.

Now the pending bill, H. R. 6373, cures this deficiency by providing that the quantity additions for each material may be increased by 100 percent where necessary to carry the individual program to June 30, 1958, provided that the cost is not to exceed a total of $150 million.

The bill had, as it came over from the House, the approval of the Bureau of the Budget and the Interior Department.

At the request of the Senator from Idaho [Mr. DWORSHAK] an antimony purchase program was added to the previous list of minerals authorized by Public Law 206, and he has assured me that the addition of this provision will meet with White House approval.

Similar legislation has been sponsored on the Senate side by Senators HAYDEN, MANSFIELD, SCOTT, BIBLE, MALONE, MARTIN of Iowa, GOLDWATER, and myself, but it was thought best, in view of the small time remaining in this session, to report the House bill.

I feel, and the Interior and Insular Affair's Committee feels, that this is "must" legislation, and should be passed at this session in order to prevent extensive shut downs of presently producing mines before the termination dates of several of the programs. I ask for favorable action by the Senate.

The PRESIDING OFFICER. The amendments of the Committee on Interior and Insular Affairs will be stated.

The LEGISLATIVE CLERK. On page 4, line 2, after the word "provided," it is proposed to strike out "herein." " and to insert "herein."; and after line 2, it is proposed to insert:

"SEC. 7. The Director of the Office of Defense mobilization shall establish a program for the acquisition of newly mined domestic antimony conforming to national stockpile specifications at a price which will encourage the production of not less than 3,000 short tons annually. This program shall remain in effect until such time as 12,000 short tons have been acquired hereunder for the national stockpile."

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. FULBRIGHT. Mr. President, I do not seem to find any hearings on the bill. Can the Senator from Montana inform us whether hearings were held on the bill?

Mr. MURRAY. We held hearings on the bill.

Mr. FULBRIGHT. There seem to be no printed hearings.

Mr. MURRAY. Let me say that the Department is strongly in favor of the enactment of the bill, and recommends it as necessary in connection with the program.

I have the hearings before me, I may say to the Senator from Arkansas.

Mr. FULBRIGHT. But no printed hearings are available, I believe.

Mr. MALONE. When the bill, which is a House bill, came to the Senate, there was no time to hold hearings on it. But hearings on a somewhat similar Senate bill are available. The Budget Director has said there is no objection to the bill, as written. On page 18, that notation will be found.

Mr. FULBRIGHT. Mr. President, the hearings which have been shown to me are on Senate bill 2505, which is not the pending bill, so far as I have been informed.

Mr. MALONE. Those are the hearings on the minerals bill. But the House bill was accepted by the committee.

Mr. FULBRIGHT. That is a different bill; is it not?

Mr. MALONE. Yes; but with the same objective.

Mr. FULBRIGHT. Mr. President, the hearings which have been handed to me are in transcript form, not printed, and are not on the pending bill.

I was asking whether there were any hearings on the pending bill, the bill now being considered by the Senate. Apparently there were no hearings on this bill.

Mr. WILLIAMS. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. WILLIAMS. I may say to the Senator from Arkansas that I raised the same point. No hearings were held on the bill in either the House committee or the Senate committee.

Mr. FULBRIGHT. Mr. President, I think we should have some hearings on the bill.

Mr. WILLIAMS. Let me say that I was so advised, because I asked for a copy of the hearings.

Mr. FULBRIGHT. Mr. President, I yield the floor.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. WILLIAMS obtained the floor.

Mr. THYE. Mr. President——

Mr. WELKER. Mr. President, will the Senator from Delaware yield to me?

Mr. THYE. Mr. President, if the Senator from Idaho wishes to ask questions, I shall defer. I wish to ask some questions of the chairman of the committee, the Senator from Montana [Mr. MURRAY].

Mr. DOUGLAS. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. WILLIAMS. Mr. President, the Senator from Minnesota has advised me that he wishes to ask a few questions of the chairman of the committee, before he yields the floor. Therefore, I shall withhold obtaining the floor, if that is satisfactory, so as to permit the Senator from Minnesota to proceed.

The PRESIDING OFFICER. The Senator from Delaware has the floor. Without objection, he may yield for that purpose.

Mr. THYE. Mr. President, I thank the distinguished Senator from Delaware for yielding. The only reason I ask the questions at this time is that I am a member of a conference committee which will resume its session at 1:30, and therefore, I shall not be able to remain, to participate in the colloquy later in the afternoon.

The chairman of the committee is the Senator from Montana [Mr. MURRAY]. On April 18, I addressed to him a letter in which I referred to the question of establishing a manganese and purchase depot in the Cuyuna Range. Of course, my letter refers to an earlier bill, Senate bill 920.

Personally, I am vitally interested in this proposed legislation and in the language of the House bill, because it does not assure those of us who represent Minnesota that our State will have an opportunity of establishing a purchase depot for manganese-bearing ore deposits in the State.

In the committee's first report on this question, there was reference to the establishment of a depot in the Cuyuna Range, for the purpose of the stockpiling of manganese. In the considered judgment of the Senator from Montana, would it be possible, under the present act, as written, to stockpile managesebearing ore in the way that other minerals would be stockpiled?

Mr. MURRAY. I think the Cuyuna manganese ore would be subject to the provisions of the bill. But under the bill, we cannot begin a program of stockpiling iron ore.

Mr. THYE. But the manganese ores which may be found in the northern range of Minnesota could be accumulated and stockpiled under this measure, just as if they were found in any other State of the Union; is that correct?

Mr. MURRAY. That is correct.

Mr. MALONE. That is right.

Mr. THYE. In the opinion of the Senator from Montana, the chairman of the committee, is there a possible need for the stockpiling of iron-ore minerals, under the provisions of the act?

Mr. MURRAY. I do not know of anything of that kind. Nothing of the sort was brought to our attention in the committee, and there was no discussion of it, and I do not know of any such need at all.

Mr. THYE. But otherwise the present act is sufficiently broad so that the manganese minerals of Minnesota could be stockpiled in a depot in Minnesota, just the same as in the case of any other minerals of a similar nature, found in any other State of the Union?

Mr. MURRAY. That is correct.

Mr. THYE. I thank the chairman of the committee; that answers the question with which I was concerned.

Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD, as a part of my remarks, a copy of a letter of April 18, which I addressed to the chairman of the Committee on Interior and Insular Affairs, the distinguished senior Senator from Montana [Mr. MURRAY].

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *April 18, 1955.*

The Honorable JAMES E. MURRAY,
Chairman, Interior and Insular Affairs Committee, United States Senate, Washington, D. C.

DEAR CHAIRMAN MURRAY: I am writing you with respect to S. 920, the bill to encourage the discovery, development, and production of manganese-bearing ores and concentrates in the United States, its Territories, and its posessions. Specifically, I wish to refer to section 3, dealing with purchase programs for domestic manganese ore. As you know, under this section, provision is made for the establishment of purchase depots to carry out the programs to be situated in the Ozark-Cushman and southern Appalachian areas at places designated by the Administrator of General Services.

My primary reason in writing you is to suggest that when S. 920 is studied by the committee that consideration be given to the establishment of a purchase depot in the Minnesota Cuyuna Range.

As evidence of the manganese ore meeting Government specifications in the Crosby-Ironton area, 362.09 tons were shipped to depots at Wenden, Ariz., and Deming, N. Mex,. last year. The Cuyuna Range of Minnesota has the following reserves as shown in the United States Bureau of Mines Bulletin, July 1953, Facts About Manganese:

District—Minnesota, Cuyuna Range: Ore (tons), 500,000,000; metallic manganese (tons), 10,000,000–25,000,000; average grade (percent), 2–10.

From the above, it will be noted that the average grade of manganese is from 2 percent to 10 percent which, of course, is not sufficiently high to meet manganese specifications. In order to determine whether this ore can be upgraded by beneficiation and be available when needed, it would seem advisable that a program will be established which will induce private operators to develop these ore bodies so as to determine if this material can be used commercially and be available in the event of a national emergency.

The Crosby-Ironton area is a logical place to situate a purchase depot because of the large potential tonnage and its ready access to the steel plants of the country. Manganese ore could be shipped by the Great Lakes to any steel plant location, the same as the iron ore.

It is well to note that foreign ore competition is causing a sharp curtailment of regular iron and manganiferous iron ores from the Crosby-Ironton area. This has resulted, unfortunately, in a serious unemployment situation. It seems to me that a manganese purchase depot would induce private capital to develop manganese deposits which would alleviate the unemployment situation to some extent.

I urge the committee to give careful consideration to this proposal. I wonder if you would be good enough to advise me of any contemplated hearings or developments on S. 920.

Sincerely yours,

EDWARD J. THYE,
United States Senator.

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. WELKER. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield.

Mr. WELKER. I entered the Chamber after the Senator from Delaware had engaged in colloquy with the Senator from Arkansas. I seek some clarification. As I understand, the Senator from Delaware is seriously objecting to the passage of the bill; I understand that he is objecting because no hearings were held on it.

Mr. WILLIAMS. No; the Senator from Arkansas asked whether hearings had been held, and I stated that hearings had not been held.

Mr. WELKER. The Senator from Delaware agreed with the Senator from Arkansas, did he not?

Mr. WILLIAMS. Is not what I have said correct?

Mr. WELKER. That is aside from the point I have in mind. I wish to ask whether the Senator from Delaware agreed with the Senator from Arkansas.

Mr. WILLIAMS. Yes; because I asked for a copy of the hearings, and I was advised by both committees that hearings were not held and therefore not available.

Mr. WELKER. What is the difference between the fact that no hearings have been held on a very meritorious bill and the fact that in the case of the billion-dollar giveaway bill which we passed only a few days ago—a bill giving billions of dollars to Europe—the hearings came to us just the night before the bill was passed, with the result that no Member had a chance to read the hearings? Is there any difference, as regards the availability of hearings?

Mr. WILLIAMS. The hearings were available in that instance.

Mr. WELKER. But when were they available?

Mr. WILLIAMS. And in the course of the debate on that bill we could have followed the hearings which were available to us. Let me point out, however, that I did not vote for the bill.

Mr. WELKER. I understand that, but I believe that the Senator from Arkansas did vote for it.

Mr. WILLIAMS. Nevertheless, the printed hearings were available in that instance. As for the weight which the hearings, if available, would have had in connection with the debate or the decision of each Member about the bill, that is for each Member to decide for himself.

The Senator from Arkansas asked whether hearings had been held on the bill presently being considered and I said I had been advised by both committees that no hearings had been held.

Mr. WELKER. Mr. President, I should like to ask a final question of the Senator from Delaware.

Mr. WILLIAMS. Certainly.

Mr. WELKER. I should like to preface my question by paying a tribute to my colleague, the senior Senator from Idaho [Mr. DWORSHAK], and also to the Senator from Washington—no Member knows more about minerals than does he—and also to the Senator from Nevada [Mr. MALONE] and the Senator from Arizona [Mr. GOLDWATER].

My question is as follows: Is it not a fact that we have been told that we are now in dire circumstances as regards our supply of strategic minerals, and that that is particularly true in case of a shooting war, and that a shooting war may break out at any moment? If that be so, is it intended by any Senator to hold up action on the bill simply because of a technicality concerning the printing of hearings? Furthermore, is it true that hearings are held on all bills which are passed by the Senate?

Mr. WILLIAMS. Again, Mr. President, that is a technical point. I have said that in connection with this bill no hearings were held. I do not think there is any argument on that point.

The fact is that hearings were not held on this bill. This is a bill calling for extra expenditures of between $285 million and $500 million. Yet we are being asked to vote on it without any public hearings having been held.

Furthermore, there is no favorable agency report recommending the passage of the bill. If the committee has any such information, we have a right, as Members of Congress, to know what the committee was told.

Mr. WELKER. I believe the Senator will find out.

Mr. WILLIAMS. The bill is on the calendar without any report, and each Senator can vote as he wishes.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. GOLDWATER. Contrary to what has been said, hearings were held in the House. I have before me the transcript. Hearings were held on Monday, April 22, Tuesday, April 26, and Wednesday, April 27.

Mr. WILLIAMS. I repeat, I asked for a copy and was told that they were not available. Were they executive hearings, or were the hearings printed and made available to Members of the House and Senate? Were they held on this bill, H. R. 6373?

Mr. GOLDWATER. So far as the Senator from Arizona knows, they were not printed and circulated for perusal by everyone.

Mr. WILLIAMS. I know that I personally called for the hearings, and was told that they were not available.

Mr. GOLDWATER. I have here the hearings.

Mr. WILLIAMS. I asked the Secretary to the minority, Mr. Trice, to check again this morning to see if the hearings had been printed, and they were not available. I am not basing my objection to the bill altogether on the fact that hearings were not held. However, the question was raised. Now let us talk about the merits of the bill itself.

Mr. GOLDWATER. It is nothing unusual to find that voluminous hearings, such as these, are not printed. It has been the experience of the Senator from Arizona that only in connection with major legislation are the hearings printed and made available on the desks of Senators. A full complement of witnesses appeared. The Senator is welcome to peruse the transcript at his leisure. Government witnesses and witnesses from the mining fields appeared before the Mining Subcommittee of the House Committee on Interior and Insular Affairs. I am sure the Senator from Nevada [Mr. MALONE] will inform the Senator from Delaware that hearings on these bills have been held.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. WILLIAMS. I will yield in a moment.

Let me say to the Senator from Arizona that I do not question the fact that hearings were held on some other bills, but I will say that none were not made available for Members of the Senate on this bill H. R. 6373. I think the Senator has confirmed the fact that the hearings were not available to Members of the Senate had they desired to read the transcript of the hearings.

With respect to the bill which was reported by the Senate committee today, I think Senators will agree with me that there are no printed hearings available today, nor were any hearings held by the Senate committee.

I point out that I think we are entitled to know what the agencies recommend. I have before me a letter on this subject from the head of the agency involved. All Senators have received letters from various Government agencies. We know whether they favor certain bills or not.

I understood the Senator from Montana [Mr. MURRAY] to say that the executive branch of the Government had approved this bill. If I am incorrect in that understanding, I wish he would straighten me out. I understood him to say that the executive branch was in favor of the bill.

Mr. MURRAY. Representatives of the executive branch appeared before the committee and testified.

Mr. WILLIAMS. Will the Senator tell us the position of the Office of Defense Mobilization, and of Mr. Flemming, who has the duty of carrying out the strategic stockpiling? Was he in favor of it?

Mr. MURRAY. He appeared before the committee and supported the bill.

Mr. WILLIAMS. That is the point. I think we have a right to get the record straight. The Senator from Montana the chairman of the committee has just stated that his committee acted on the basis that the executive branch was in favor of the bill, and that Mr. Flemming, director of the Office of Defense Mobilization, was in favor of it.

I have a letter from Mr. Flemming, dated July 14, 1955, in which he enclosed a copy of his opinion as it was presented to the House committee. In this letter he most emphatically opposed enactment of the bill H. R. 6373. There is a serious contradition here. I think we should have the hearings. If Mr. Flemming went before the committee and told the committee that he was for the bill, certainly we should have access to his other statements. This letter emphatically denies the statement just made by the chairman of the committee.

Mr. President, I wish to read into the RECORD Mr. Flemming's letter, as well as the enclosure.

Mr. GOLDWATER. Mr. President, will the Senator yield at that point?

Mr. WILLIAMS. In a moment.

Mr. Flemming also submitted a chart showing the estimated minimum and maximum costs which I will also have incorporated in the record.

Mr. DOUGLAS. Mr. President, will the Senator from Delaware yield?

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I will yield in a moment.

First, I wish to read into the RECORD a letter from Mr. Arthur S. Flemming, Director of the Office of Defense Mobilization, addressed to me under date of July 14, 1955, along with his estimates of the minimum cost of the bill, and the maximum cost:

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF DEFENSE MOBILIZATION,
Washington, D. C., July 14, 1955.

Hon. JOHN J. WILLIAMS,
United States Senate,
Washington, D. C.

DEAR SENATOR WILLIAMS: This will acknowledge receipt of your letter dated July 11, 1955, in which you request an estimate of the long-range cost of carrying out the recommendations of H. R. 6373.

Attached hereto are two schedules prepared by the General Services Administration which indicate the following:

Schedule A shows a probable ultimate net cost of $283,703,000 which was derived from a projection of probable deliveries under H. R. 6373 based on the actual rate of deliveries under Public Law 206.

Schedule B shows a probable ultimate net cost of $502,345,000. This loss assumes that the total quantites provided by H. R. 6373 would be delivered to the Government.

In reply to your question as to whether we recommend enactment of this legislation, there is attached hereto for your information a copy of our report on H. R. 6373.

I trust that the foregoing is responsive to your inquiry.

Sincerely yours,

ARTHUR S. FLEMMING,
Director.

General Services Administration—Estimated total costs of domestic purchase regulations provided under H. R. 6373

[In thousands of dollars]

	Under existing time and quantity limits		Increases under H. R. 6373		Total	
	Gross transactions	Probable ultimate net cost	Gross transactions	Probable ultimate net cost	Gross transactions	Probable ultimate net cost
Asbestos	2,097	640	945	300	3,042	940
Beryl	750	180	67	16	817	196
Columbium-tantalum	64,500	11,077	224	224	64,724	11,301
Manganese:						
Butte Philipsburg	14,823	11,255			14,823	11,255
Deming	16,200	12,300	5,410	5,153	21,610	17,453
Menden	16,200	12,300	25,480	19,346	41,680	31,646
Domestic small producers	23,581	17,194	11,520	8,400	35,101	25,594
Ozark-Richmond			13,500	10,250	13,500	10,250
Southern Appalachian			13,500	10,250	13,500	10,259
Manganese, total	70,804	53,049	69,410	53,399	140,214	106,448
Mica	15,132	10,381			15,132	10,381
Tungsten	189,000	98,096	108,000	56,341	297,000	154,437
Total, DPA	342,283	173,423	178,646	110,280	520,929	283,703
Chrome (Public Law 520)	[1] 7,923				[1] 7,923	
Grand total	350,206	173,423	178,646	110,280	528,852	283,703

[1] Required appropriations under Public Law 520.

General Services Administration—Estimated total costs of domestic purchase regulations program assuming full deliveries authorized under Public Law 206 and H. R. 6373

[In thousands of dollars]

	Public Law 206			H. R. 6373		
	Quantity limit	Gross transactions	Probable ultimate net cost	Quantity limit	Gross transactions	Probable ultimate net cost
Asbestos (short tons)	1,500	2,097	640	3,000	4,194	1,280
Beryl (do)	1,500	750	180	3,000	1,500	360
Columbium-tantalum (pounds)	15,000,000	64,500	11,077	30,000,000	129,000	43,327
Manganese:						
Butte-Philipsburg (LDTU)	6,000,000	16,200	12,300	18,000,000	48,600	36,900
Deming (do)	6,000,000	16,200	12,300	18,000,000	48,600	36,900
Wenden (do)	6,000,000	16,200	12,300	18,000,000	48,600	36,900
Domestic small producers (do)	19,000,000	45,600	33,250	19,000,000	45,600	33,250
Ozark-Richmond (do)				18,000,000	48,600	36,900
Southern Appalachian (do)				18,000,000	48,600	36,900
Manganese, total	37,000,000	94,200	70,150	109,000,000	288,600	217,750
Mica (short tons)	25,000	31,000	21,266	50,000	62,000	42,532
Tungsten (short-ton units)	3,000,000	189,000	98,096	6,000,000	378,000	197,096
Total DPA		381,547	201,409		863,294	502,345
Chrome (Public Law 520) (long tons)	200,000	10,536		400,000	21,072	
Grand total		392,083	201,409		884,366	502,345

Mr. President, I now wish to read the enclosure, which was a copy of the report which Mr. Flemming gave to the House Interior Committee vigorously opposing this bill. This is contained in a letter dated June 15, 1955, addressed to Hon. CLAIR ENGLE, chairman of the House Committee on Interior and Insular Affairs. The letter reads as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF DEFENSE MOBILIZATION,
Washington, D. C., June 15, 1955.

Hon. CLAIR ENGLE,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D. C.

DEAR MR. ENGLE: This will acknowledge receipt of your letter of May 23, 1955, in which you request our comments on H. R. 6373. It will also acknowledge receipt of a carbon copy of your letter of May 24 to Hon. Douglas McKay, Secretary of the Interior.

The purpose of H. R. 6373 is to amend the Domestic Minerals Program Extension Act of 1953. The latter extended the period within which the Government would purchase at substantial premium prices the amounts of various domestically produced metals and minerals called for by certain expansion programs originally initiated under the Defense Production Act of 1950, as amended. The Government authorized these programs shortly after the start of the Korean War as a hedge against the possibility that all-out war might come sometime in 1951 or 1952. In these circumstances these domestic materials would have been used to meet defense and industrial needs of the Nation. Some, such as manganese, would have required extensive and costly beneficiation.

The proposed legislation would not again extend the delivery period of such programs. Except in the case of manganese it would, however, double the amount of materials called for by each of the expansion programs. In the case of manganese, the proposed legislation would triple the amount called for by the original program and in addition would require the setting up of two additional purchase depot programs.

The Office of Defense Mobilization, in cooperation with its various delegate agencies, is responsible for determining defense requirements for all strategic and critical metals and minerals. The Congress has provided the authority and funds required for taking all actions necessary at this time to assure the availability of such materials in a time of emergency. In general, the United States supply position for these metals and minerals has so improved that there would be no justification in the name of national defense for either extending or enlarging these programs in the manner proposed by H. R. 6373. For example, the proposed legislation would result in the purchase of large quantities of high-cost, low-grade manganese which are not now needed for defense and which cannot be used without extensive and costly beneficiation. It might be well to point out that the manganese situation is now very different from what it was when the original program was first undertaken in 1951. Today, industrial stocks are at a much higher level; the minimum stockpile objective has been exceeded and premium quality ores are readily obtainable on the world market at reasonable prices. Moreover a major high-grade deposit has been discovered in Mexico which is readily accessible.

Tungsten was in extremely short supply in the early months of the Korean War as the demand for industrial use and for high-velocity armor-piercing shells went up, while at the same time China and Korea, previously major sources of supply, were lost to the free world. Under those conditions it was necessary for the Government to withdraw tungsten from the stockpile and to sponsor a domestic expansion program in-

volving the establishment of a $63 per unit guaranteed price, a price almost 3 times that which prevailed in the period immediately prior to the start of the war.

At the present time the minimum and long-term tungsten stockpile objectives have been achieved and there is every indication there will be a considerable overrun as material is put to the Government under the guaranties already in effect. In this connection it should be noted the domestic industry is currently producing more tungsten than United States industry normally consumes and all the domestically produced material is being sold to the Government at a price which is almost double the prevailing market price.

More important, however, is the fact that, should it be found necessary for defense purposes to undertake further measures to bring about increased production of any or all of these materials, the authority already provided by the Congress through the Defense Production Act of 1950, as amended, is wholly adequate for the purpose.

In view of the foregoing, we cannot recommend enactment of H. R. 6373.

Since there is no present defense need for extending the programs in the manner and degree contemplated by the proposed legislation, enactment thereof would appear to be primarily a program of economic assistance to certain elements of the domestic mining industry. If it is desirable to provide such assistance to these segments of the industry for reasons other than national defense, it would appear more appropriate to do so without reference to either the Defense Production Act or the funds provided thereunder, since our limited defense funds must be conserved for use on the programs which are clearly essential to the security of the Nation.

Since I am informed that there is a particular urgency for the views of this Office, this report has not been cleared through the Bureau of the Budget.

Very sincerely yours,

ARTHUR S. FLEMMING,
Director.

Mr. President, I incorporate that letter in the RECORD to show the situation with which the Senate is now confronted in being asked to vote on a bill which, according to the estimate furnished by the General Services Administration, will cost the taxpayer, at a minimum, $283 million, and, at a maximum, $502 million.

We are being asked to vote on the bill without any record of the hearing being printed and available to us. We are being told by the chairman of the committee that both the Director of the Budget and the Director of ODM have endorsed the proposal. On the other hand, the letter which I have incorporated in the RECORD signed by Mr. Flemming most emphatically takes a position against the bill.

In view of this contradiction, I do believe it would be very unwise to legislate on this subject at this time. I understand the bill is a House bill, and therefore it cannot be sent back to committee; therefore, our alternative is to defeat the bill.

Mr. MURRAY. Is it not true that the letter the Senator has before him was written with reference to Senate bill 922, a much earlier bill?

Mr. WILLIAMS. No; that is not true. The letter from Mr. Flemming was written in reference to H. R. 6373.

Mr. MURRAY. There is a limitation in the bill.

Mr. WILLIAMS. The Senator is confused. Earlier there was a Senate bill, S. 922, on which I had correspondence with the Director of ODM. I sent a copy of Mr. Flemming's letter on S. 922 to the chairman of the committee and to every member of the committee. That letter was adverse to S. 922.

After it was understood that S. 922 would be withdrawn, I heard that a House bill, H. R. 6373, was to be considered. I inquired in the House if any hearings were available and found none were available.

I then directed a letter to Mr. Flemming. My letter was sent to Mr. Flemming on July 11 and specifically asked him to comment on H. R. 6373, which was the bill then pending before the House committee. His reply referred to H. R. 6373 only, not to any other bill. A copy of his letter is now in the RECORD, and I shall be glad to show it to any Senator who desires to see it. Confronted with a bill that will cost between $283 million and $502 million, we should give much more study to it than we have been able to devote thus far.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. MURRAY. There is a limitation of $150 million in the bill.

Mr. WILLIAMS. The $150 million limitation is applicable only to the extra money over and above that which could be spent under the borrowing authority of the act as it now exists. That $150 million would carry out the increased authorization under the present bill over the present law.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. GOLDWATER. What the Senator is forgetting is that a part of the present program, under the Malone-Aspinall Act, had not been paid for. What the Office of Defense Mobilization has done is merely to add whatever remains to the $150 million. There is a $150 million limitation established in the bill. We are not talking about the program that is not finished. We are talking about the expansion of it. We put a limitation on it.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. WILLIAMS. I wish first to reply to the Senator from Arizona. We have authorized $2 billion borrowing authority to an agency of Government, the Office of Defense Mobilization, for the purpose of stockpiling strategic materials.

Mr. Flemming was confirmed by the Senate as the Director of that agency. He administers that agency. We must have confidence in him because we are continuing him in that capacity. If the Administrator of the agency upon the recommendation of his board writes a negative report of the kind I have before me, I believe we should give it some attention. Certainly he is in a position to know better than either of us just what is needed. Perhaps there are segments of our industry which cannot compete with foreign industries. The Senator from Nevada [Mr. MALONE] has pointed out with reference to lowering the tariff that perhaps some legislation is justified to make up some of the inequity. If the bill is a measure merely to offset the differential in the cost of production, it should be reported as such. A bill to carry out that purpose should be introduced separately. It should not be labeled as a national defense measure. Hearings should be held on such a measure, and we should study the matter very carefully in the light of the developments at the hearings. That has not been done.

Perhaps a study should be made of a long-range program, but we should not authorize anything like this in the name of national defense for a stockpile program when the Administrator says it is not needed. If the legislation is enacted, the only result will be that the minerals will not be stockpiled but merely thrown on the market at a great loss to the taxpayers. This can only be described as a support program for the nonessential minerals.

The bill proposes to pay for these minerals at rates double the prevailing market price.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

DEPENDENCE UPON FOREIGN NATIONS FOR CRITICAL MATERIALS HEARINGS WERE HELD

Mr. MALONE. I should like to say to the distinguished Senator from Delaware that he is making the best case I ever heard made by a man who admits he does not know anything about the subject.

He has read letters which indicate that the program is not necessary. Over the past years, before World War II and before the Korean War, some officials, namely, the Secretary of the Interior and others, pointed out just what the Senator is contending, that it was not necessary to stockpile these minerals, and that we could get them from foreign countries.

We know the position we found ourselves in when war came each time—we murdered the boys while we prepared to produce the necessary minerals. I wish to read an excerpt from Dr. Flemming's testimony.

The PRESIDING OFFICER. The Chair would inquire whether the Senator from Delaware has yielded the floor.

Mr. WILLIAMS. I am yielding to the Senator from Nevada for an observation.

Mr. MALONE. The Senator from Delaware inquired as to what Dr. Flemming had testified. I wish to read from the hearings. The Senator stated no hearings were held. To the contrary, hearings were held in both the Senate and House committees. I am reading from the Senate hearings, which were held subsequent to the writing of the letter which the Senator from Delaware has read. The hearing was held on July 26. This is what Dr. Flemming testified:

Dr. FLEMMING. That is correct.

The Senator from Idaho [Mr. DWORSHAK] asked him if he had deviated from the policy he had outlined. He said:

Dr. FLEMMING. That is correct, Senator DWORSHAK.

It is my understanding, however, that in connection with the consideration of a somewhat similar bill in the House of Representatives the Director of the Bureau of the

Budget addressed a letter to the chairman of the House committee, the last paragraph of which reads as follows:

"If it is the sense of the Congress that some measure should be enacted at this session to assist the domestic mining industry, the Bureau of the Budget would interpose no objection to a short-term program similar to that contained in H. R. 6373 provided that such legislation is amended as recommended by the Department of the Interior in its report on H. R. 6373 to limit any quota for a manganese purchase program to not more than double the existing quota."

Of course, as we all know, the Director of the Bureau of the Budget is authorized by the President and under law to state the position of the administration on a matter of this kind, so that that becomes the position of the administration.

That is what Dr. Flemming said, Mr. President. He deferred to the Budget Director who, as he correctly stated, represents the executive branch of the Government.

Mr. President, I have here a letter from the office of the Secretary of the Interior. It is signed by Clarence A. Davis, Acting Secretary of the Interior, from which I now read:

Reference is made to your request of May 24, 1955, for the views of this Department on H. R. 6373, and your earlier requests for your views on H. R. 3898 and H. R. 5261. These bills would amend the Domestic Minerals Program Extension Act of 1953.

The letter goes on to say:

H. R. 6373 proposes to extend the purchasing requirements of the act to the full calendar terms as extended by the 1953 act, regardless of the fact that the prescribed quotas may be reached before that date. * * *

Under the circumstances, therefore, and pending such proposals for a long-range policy with reference to domestic minerals by the Office of Minerals Mobilization, it is the position of this department that if the Congress should see fit to enact a continuation of the programs, as contemplated in H. R. 6373, this Department would interpose no objection thereto.

Mr. ANDERSON. May I ask who signed that letter?

Mr. MALONE. It was signed by Clarence A. Davis, Acting Secretary of the Interior. He approves the program if Congress sees fit to enact the bill.

I would say to the distinguished Senator from Delaware, for whom I have a high regard, and with whom I serve on the Senate Finance Committee, that generally we are in agreement. I think we are in agreement at this time, if the Senator will believe his eyes that hearings were duly held on the bill and that they were available to any Senator who might request them.

I hold in my hand a copy of the hearings containing the testimony of Dr. Flemming from which I have just read excerpts.

Mr. WILLIAMS. If any hearings were held on the bill none have been available.

Mr. MALONE. The hearings are available. All the able Senator had to do was to call the Committee on Interior and Insular Affairs, and they would have sent a copy of the hearings to him.

Mr. WILLIAMS. Were they executive hearings?

Mr. MALONE. No.

Mr. WILLIAMS. Were they published?

Mr. MALONE. How can we publish every hearing we hold in the United States Senate? Hearings were held.

Mr. WILLIAMS. Earlier in the afternoon the Senator from Arizona pointed out that hearings were held on April 25, April 26, and April 27.

Mr. MALONE. The Senator holds in his hand a copy of the hearing held on July 21.

Mr. WILLIAMS. Mr. President, I should like to read from the hearings referred to by the Senator from Arizona earlier this afternoon. I now find that they were not on the same bill we are now discussing. They were not hearings on H. R. 6373 and do not even mention that bill.

The committee was considering a number of bills. I do not know what they represented. They may have been somewhat similar bills. That could well be. I do not mean to say that the Senator from Arizona was intentionally inaccurate when he said hearings were held. When we ask for hearings on a bill, we call for the hearings by the number of the bill being considered. That is what I did in this instance, and I was told there were none. The fact remains clear that there were none.

Mr. GOLDWATER and Mr. DOUGLAS addressed the Chair.

Mr. WILLIAMS. I do not wish to yield at this time.

Mr. GOLDWATER. Mr. President, I feel that the Senator from Delaware has made an implication as to my honesty. The Senator knows that many times bill after bill is on the same subject. There are at least three bills I know of which are almost identical to the one which has come from the House. The House bill, as I understand, was introduced as a result of a compromise on various bills. The Senator knows that is not unusual. In fact, I think it is the proper way to legislate.

Mr. WILLIAMS. The Senator from Arizona is correct. I tried to make it clear that I was not questioning his intentions or his interpretation when he said hearings had been held on the bill. What I pointed out was that it is customary to ask for hearings in the name of the bill which is reported. When I called the committee and asked for hearings on H. R. 6373 I was told that no hearings had been held. And that information was correct. The bills could have been so similar that separate hearings were not necessary, but so far as Members of the Senate are concerned, hearings have not been held on the bill, and there are none available.

There is a wide difference of opinion as to the endorsement of Mr. Flemming, and I cannot conceive of Mr. Flemming's having written this letter as recently as July 14, 1955, in reply to my inquiry of July 11, and taking such a firm position against the bill and then testifying before the committee in support of it.

If there is a claim that such testimony exists it should be produced.

I produced his letter of July 14, 1955, taking a position against the bill and to refresh your memory I should like to read a brief paragraph from his letter:

In general, the United States supply position for these metals and minerals has so improved that there would be no justification in the name of national defense for either extending or enlarging these programs in the manner proposed by H. R. 6373.

When we have such an emphatic statement as that made just 2 weeks ago, and then have a bill presented by the chairman of the committee who now says ODM is in favor of the enactment of this bill, some further explanation is in order.

Mr. GOLDWATER. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield.

Mr. GOLDWATER. The Senator has hit upon one of the difficulties both the committees have had with ODM in writing any kind of legislation in this field, because of the inconsistency which Dr. Flemming and his staff show when we ask them questions regarding the program.

I have here an announcement printed in Pay Dirt, which is our State mining publication. It is headed: "Flemming Admits Copper Cancellation Was Mistake." The Senator from Delaware spoke at great length on the subject on the floor of the Senate.

Let me point out another thing. On the 21st of June of this year, Defense Mobilizer Flemming asked Congress for greater authority to find and develop substitutes for basic metals, fibers, and chemicals which would be scarce in an emergency. He testified before a subcommittee of the Senate Committee on Banking and Currency on a bill to extend the Defense Production Act for 2 years beyond its June 30 expiration date. Post-Korean stockpiling and expansion of productive capacity, Mr. Flemming said, "has substantially reduced the threat of wartime shortages" of many materials. Nevertheless, he added, supplies of certain items, such as nickel, copper, cobalt, and columbium, and of "certain fibers and chemicals," are still inadequate to meet the demands of full-scale war.

Yet, this same man, earlier that month, stopped the columbium buying program.

I will go a little further and show the difficulty under which we labored in trying to work with the Department, which evidently cannot make up its mind.

The Senator from Delaware cited tungsten. In 1954, the year for which we have the latest figures—and these are estimates—the Senator said that the Office of Defense Mobilization informed him that domestic production would meet the requirements of domestic use. Yet we are expected to import 22,000 pounds of that metal, while we are going to produce only 13,000 pounds.

I call these things to the Senator's attention, because they should be perfectly evident to him, as they are to the committee; in fact, this information is included in the committee report in a paragraph entitled "ODM Inconsistent."

I do not doubt that Dr. Flemming wrote those letters to the Senator; I know he did. I know that Dr. Flemming is against the bill; I am not saying that he is for it. But I am saying that I do

not think Dr. Flemming knows either the condition of the stockpiling program or the urgency to continue it. That is why we are legislating on it.

Mr. WILLIAMS. But the point is that the Senator from Arizona agrees with me that Dr. Flemming is against the program.

We are calling for expenditures of a minimum $180 million against his recommendations.

Mr. GOLDWATER. One hundred and fifty million dollars.

Mr. WILLIAMS. The chairman of the committee made the flat statement that Dr. Flemming testified in favor of the bill. Now I have produced his statement in which he says he did not. In view of the contradictions I believe the bill should not be passed, because there is no question that Mr. Flemming has most emphatically said that the expenditures for minerals called for under the bill cannot be justified in the name of national defense. They are not needed in the national defense, and, therefore, the bill should not be enacted.

If later it is said that this program is needed, I shall not hold myself up as an expert by saying it is not necessary.

If we do not have confidence in the men and the boards who are supposed to have knowledge of these requirements, let us replace them and get men who do. We should not carry out a program of stockpiling of strategic materials by completely overriding on the floor of the Senate the recommendations of the agency involved.

It is a waste of the taxpayers' money.

Besides, to the extent these nonessential minerals are purchased under this bill, there will be just that much less cash to buy the needed metals.

The passage of this bill is against our national defense.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. DOUGLAS. Since reference has been made to the so-called hearings on a number of other bills, is it not true that those House bills were confined virtually exclusively to the subject of manganese, whereas H. R. 6373 covers not only manganese, but also a wide variety of other minerals?

Mr. WILLIAMS. I know that H. R. 6373 covers a wide variety of other minerals. As to what the House hearings cover, I do not know, because I never saw them until a moment ago. They do make reference to different bills entirely. Therefore, the testimony on these bills does not necessarily mean that it is for or against this particular bill. We are dealing with H. R. 6373, as the Senator from Illinois knows. It might well be that those hearings dealt with the manganese problem alone.

Mr. DOUGLAS. We have before us a typed script of the three hearings. If the Senator from Delaware will look at the headings on the outside of each set of proceedings for April 25, 26, and 27, he will find that they are titled on H. R. 3126, H. R. 3315, H. R. 3381, H. R. 4231, H. R. 4374, and H. R. 5221. The title is "To encourage discovery, development, and production of manganese domestically." They do not refer to the wide program. I have made a partial inspection of the hearings. So far as I can check, the testimony related to manganese.

I have been informed that there was one meeting of the subcommittee in the House on H. R. 6373, but that no hearings were published.

Mr. WILLIAMS. I was advised that no hearings were held on H. R. 6373 and no one has produced evidence to the contrary.

Mr. DOUGLAS. I tried to obtain copies of the House hearings, but I was unsuccessful. The bill passed the House on a voice vote without much discussion.

The Senator from Delaware has referred to a predecessor bill, S. 922, which was reported earlier in the session, but which was recommitted, on motion, I believe, of the Senator from Delaware.

Mr. WILLIAMS. No; I think the Senator from Arizona asked that the bill be returned to the committee.

Mr. DOUGLAS. Am I correct in understanding—and I should like to have the Senators who are members of the committee check me—that in dealing with H. R. 6373 a hearing was held on July 21?

Mr. MURRAY. I have a statement on that. This statement was made during the hearing on July 21:

> Senator DWORSHAK. You have not deviated from that policy so far, have you?
>
> Dr. FLEMMING. That is correct, Senator DWORSHAK.
>
> It is my understanding, however, that in connection with the consideration of a somewhat similar bill in the House of Representatives that the Director of the Bureau of the Budget addressed a letter to the chairman of the House committee, the last paragraph of which reads as follows:
>
> "If it is the sense of the Congress that some measure should be enacted at this session to assist the domestic mining industry, the Bureau of the Budget would interpose no objection to a short-term program similar to that contained in H. R. 6373"—

The bill now before the Senate—

> "provided that such legislation were recommended by the Department of the Interior in its report on H. R. 6373 to limit any quota for a manganese purchase program to not more than double the existing quota."
>
> Of course, as we all know, the Director of the Bureau of the Budget is authorized by the President and under law to state the position of the administration on a matter of this kind, so that becomes the position of the administration.

Mr. WILLIAMS. I should like to point out to the Senator from Montana that Mr. Flemming was reading from a letter written by the Director of the Bureau of the Budget. That was a letter written by another person who had endorsed the bill. Mr. Flemming did not express his own endorsement.

Mr. MURRAY. I did not read anything which indicated that he did.

Mr. WILLIAMS. Perhaps it would be well to read another paragraph of the letter from which Mr. Flemming quoted. I should like to read the third paragraph in the same letter from which the Senator from Montana read. The letter was signed by Percy Rappaport, Assistant Director of the Bureau of the Budget. This letter was supplied to the Senator's committee. I quote:

> These programs were initiated at a time when these materials were in short supply as a result of the Korean emergency, and provided substantial incentives to domestic producers in recognition of the urgency to get these materials by 1956. After 1956 it was anticipated that developments in other areas would alleviate the shortages, or that our stockpile position would be sufficiently improved so as to be able to discontinue these premiums. The Domestic Minerals Program Extension Act of 1953 extended the original programs 2 years, thereby permitting deliveries of domestic high cost materials after the period of critical need to the extent that the quantitative limits permitted.

So even then a case was not made, although the Assistant Director of the Bureau of the Budget, as quoted in the last paragraph of the letter which the Senator from Montana has just read, said that if Congress passed a law establishing the program as a policy, perhaps it would be accepted, and should that be the decision he recommended certain amendments favored by the Department of the Interior.

But I point out again that the Senator still has not pointed out where Mr. Flemming anywhere said anything in support of the proposed legislation.

In answer to my question, the Senator earlier quoted Mr. Flemming and the Bureau of the Budget as being in favor of the bill. I insist there is no such favorable report from ODM.

We should not be asked to pass a $285 million bill when there is such a conflict of opinions on this question. The letter which I placed in the RECORD today from Mr. Flemming most emphatically opposes the enactment of H. R. 6373. He was not speaking of any bill other than H. R. 6373 because that was all I asked him about. He emphatically said that it could not be justified in the interest of national defense, and he did not recommend its enactment.

I think the Senator from Montana will admit that this letter is a direct contradiction of the case as it was presented earlier this afternoon.

Mr. MURRAY. Nevertheless, Mr. Flemming accepted the action of the Bureau of the Budget. He said:

> Of course, as we all know, the Director of the Bureau of the Budget is authorized by the President and under law to state the position of the administration on a matter of this kind, so that becomes the position of the administration.

Mr. WILLIAMS. He is speaking of the administration and the Director of the Budget. The point is that Mr. Flemming and his Board are charged with surveying the need for critical materials and surveying the need for stockpiling those materials, and it is their responsibility to carry out the Defense Production Act, and to stockpile minerals and materials in the interest of national defense. They are the agency best in a position to know.

I am at a loss to understand why his letter, which was also sent to the House committee on H. R. 6373, was not incorporated as a part of the committee report. It was written to the chairman of the committee. In the letter he

specifically recommends against the enactment of the bill.

Mr. MURRAY. The Bureau of the Budget indicated its favorable position on H. R. 6373 in the following language:

If it is the sense of the Congress that some measure should be enacted in this session to assist the domestic mining industry, the Bureau of the Budget would interpose no objection to a short-term program similar to that contained in H. R. 6373.

Mr. WILLIAMS. Mr. President, in order that there may be no misunderstanding, I ask unanimous consent that the entire letter from which the Senator from Montana has quoted one paragraph be incorporated in the RECORD as a part of my remarks. The letter is dated July 6, 1955.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., July 6, 1955.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate,
Washington, D. C.

MY DEAR MR. CHAIRMAN: This will acknowledge your letters of February 7, April 6, and April 18, 1955, inviting the Bureau of the Budget to comment on S. 922, S. 1583 and S. 1694, bills which would extend the Domestic Minerals Program Extension Act of 1953.

These bills would extend current domestic purchase programs initiated under the Defense Production Act an additional 5 years, to 1963, for such materials as tungsten, manganese, chromite, mica, asbestos, beryl and columbium-tantalum-bearing ores and concentrates. The bills also provide for upward revision of prices, quantities and for additional purchase depots. S. 922 has since been amended so as to provide for 10 years extension instead of 5 years, and has been favorably reported by your committee on May 19, 1955.

These programs were initiated at a time when these materials were in short supply as a result of the Korean emergency, and provided substantial incentives to domestic producers in recognition of the urgency to get these materials by 1956. After 1956 it was anticipated that developments in other areas would alleviate the shortages, or that our stockpile position would be sufficiently improved so as to be able to discontinue these premiums. The Domestic Minerals Program Extension Act of 1953 (67 Stat. 417) extended the original programs 2 years, thereby permitting deliveries of domestic high-cost materials after the period of critical need to the extent that the quantitative limits permitted.

The Office of Defense Mobilization advises that further extension of the purchase programs is not needed for national defense because of the improvement in our supply position, and that should additional defense requirements arise, adequate authority exists under the Defense Production Act to initiate such measures as may be necessary to the national defense.

For each of these materials the supply situation has improved considerably. Should additional quantities be needed for Government inventories, they might be obtained at considerably less cost than by purchase under domestic programs of this type.

Apart from the high unit costs of acquisition of materials not needed in support of defense, and the problems involved in processing to more useful forms, the measures require acceptance of materials offered at purchase depots beyond the quantitative limits set in the original programs. Under these conditions, large sums might be required to pay for such materials. Preliminary estimates indicate that as much as $500 million additional might be expended by 1963, or about a billion dollars by 1968.

The Department of the Interior is now analyzing the domestic minerals situation with a view toward developing a long-term program for specific minerals including those covered by S. 922 and similar Senate bills. Until this analysis is completed, and in view of the lack of a defense justification for continuation of the domestic purchase programs as proposed in these bills, the Bureau of the Budget recommends deferral of action on these measures which provide for an inordinately long-term extension of the domestic purchase programs.

If it is the sense of the Congress that some measure should be enacted at this session to assist the domestic mining industry, the Bureau of the Budget would interpose no objection to a short-term program similar to that contained in H. R. 6373 provided that such legislation is amended as recommended by the Department of the Interior in its report on H. R. 6373 to limit any quota for a manganese purchase program to not more than double the existing quota.

Sincerely yours,

PERCY RAPPAPORT,
Assistant Director.

Mr. WILLIAMS. Mr. President, I should like to read another paragraph. I read the fourth paragraph from the letter of the Director of the Bureau of the Budget, which again does not sound like an endorsement of the bill:

The Office of Defense Mobilization advises that further extension of the purchase programs is not needed for national defense because of the improvement in our supply position, and that should additional defense requirements arise, adequate authority exists under the Defense Production Act to initiate such measures as may be necessary to the national defense.

Mr. President, throughout this letter the Bureau of the Budget does not endorse the bill. In substance he states if Congress passes it they will have to accept it. But I point out that there is no enthusiastic support by the Bureau of the Budget, and there is strong opposition by the Director of the Office of Defense Mobilization, which is contrary to the impression given by the Senator from Montana. It is not endorsed by the agency, and the bill should be defeated.

The program proposed can be described as nothing other than a support program for the mining industry, with no relation to the national defense features. Whether such a program is needed is a point which should be determined by the Congress in a straight forward approach and not under the guise of national defense. If there is a need for such a program, let it be justified on its own merits. Introduce the bill, let hearings be held, and have the hearings printed and available for those who may wish to read them. The testimony for and against the bill would then be available. If it should be decided necessary to spend three or four hundred million to preserve the mining industry, that is a point which could be passed on later.

This bill is being presented in the name of national defense when those who are in charge of the national defense say it is not in the interest of national defense. They go further and say that to the extent that moneys are diverted, that much less money will be available to stockpile materials which are needed. Therefore its adoption will definitely be against our national interest.

Mr. WELKER. Mr. President, I have watched with interest the crocodile tears which are shed as it is being urged by the distinguished senior Senator from Delaware that the bill be defeated. I would appreciate the attention of the Senator from Delaware——

Mr. WILLIAMS. I am listening.

Mr. WELKER. And also that of the distinguished Senator from Illinois, who sometimes is economy minded, but most of the time is wholeheartedly for anything by which Harold Stassen might add to the millions of dollars which have been expended in the giveaway foreign-aid program.

Mr. President, I do not say one word which is derogatory to the high mindedness and honesty of these men, but an attempt has been made to try to convince the Senate of the United States that there is something wrong about the hearings, that there has not been a committee print available, and an opportunity has not been afforded to read the hearings. Yet the fact remains that the Senator from Delaware knows more about it than I do. He knows more about the names and numbers than I do. Yet I have not had the opportunity of seeing them. I am wondering whether or not something has happened here which has misled my colleagues. I am prone to believe that no such thing has happened.

I have heard the great debate with respect to the consistency of one Mr. Arthur Flemming. I, along with other Members of Congress who try to represent the mining States, have had conference after conference with Mr. Flemming. I have yet to find him to be consistent. In my opinion, if I were to choose a person to stockpile materials for me, I believe I could pick someone who would be more consistent than Mr. Flemming has been. I have heard him doubletalk enough, so far as I am concerned. He is not going to whistle one way before one committee and whistle another way before another.

After all, I ask my colleagues, since when has it become necessary that we knuckle down to some little, two-bit bureaucrat downtown before we enact legislation? We have able members of this body, who know the mining industry, and who know the defense setup as well as or better than does Dr. Flemming, but because we are in the closing hours of the session, some persons shed crocodile tears and say, "No, No. Dr. Flemming says No, No." But when Harold Stassen says "Yes, Yes," we jump through the hoop. The Senator from Delaware does not. The Senator from Idaho does not. But some Senators jump through the hoop. I say it is about time for the Senate of the United States to get back on base and discharge the duty it owes to the American people.

Please, is it necessary that we should listen to a man who is so utterly inconsistent, as has been proven on the floor of the Senate today?

I say to Senators who are opposing the measure—and I want them to take this thought home with them tonight—that what they are doing is ruining the mining industry of the United States. While we are importing minerals from Communist-dominated countries, thousands and thousands of American miners, including many in my State, in which is located Coeur d'Alene, one of the great mining areas of the world, are walking the streets or chopping brush. Let me tell my colleagues that a miner is a professional man. He cannot last on the job unless he has great ability.

Perhaps there has been a new look on the whole national defense situation, but I well remember that during the last World War the Bradley Mining Co. was asked to go into the Stibnite area to prospect for tungsten. The company received an award for its discovery of tungsten. The company was put out of business by one Mr. Flemming. The company was also engaged in exploring antimony deposits. But all the time we are permitting boatloads of that metal to be imported into this country.

Is it necessary for us to be prepared? I should like to ask my colleagues who are opposing the bill, How can we be better prepared than to stockpile the minerals which are necessary to make B–52's, cannons, and other weapons? If it is not necessary, why do we not stop the production of B–52's? The production of those great airplanes is causing the country to bleed financially because of the large expenditures involved.

Let us cut all of it off; let us become economy-minded for a change. I should like to see more economy-mindedness here, and less of giveaway programs.

However, Mr. President, I will never be "economical" when it comes to providing for our national defense.

Mr. President, we should not overlook one of the most strategic and one of the most important programs, which involves going into the bowels of the earth and obtaining the minerals we so seriously need.

In this connection, I should like to pay tribute to my distinguished colleague, the Senator from Nevada [Mr. MALONE], who has spent years and years in the study of mines, minerals, and metals.

Mr. President, I do not favor vast giveaway programs. A few weeks ago I read that my friend, the Senator from Delaware [Mr. WILLIAMS], received headlines in Idaho newspapers because of some remarks he made at a time when many men could not obtain work in the mines and many operators of mines were seeing their mines fill with water and destroyed. The Senator from Delaware got headlines in the newspapers in Idaho because he said the minerals stockpiling program was the greatest giveaway program he ever heard of.

Mr. President, I say definitely that this program is not a giveaway program. I beg Senators not to hide behind the miserable subterfuge that there is not a printed report on the bill—a printed report which 95 percent of the Members of this body would see fit to throw away, and never would read.

A moment ago I interrogated the Senator from Delaware regarding the foreign-aid giveaway program, and I asked him whether he voted for it, and whether the Members of the Senate received copies of the report on the bill the night before the vote was taken. That is when the report was received by the Members of the Senate, Mr. President. It would have taken a Member 15 hours to read the report, and 50 hours to understand it. Yet we did not have so much economy in our hearts at that time—or, at least, Mr. President, some Senators did not. The Senator from Delaware and I did. However, the Senate followed the recommendations of Harold Stassen and the other giveaway boys; the Senate followed their recommendations all the way, and voted to give them all they requested.

Mr. GOLDWATER. Mr. President, will the Senator from Idaho yield to me?

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). Does the Senator from Idaho yield to the Senator from Arizona?

Mr. WELKER. I am happy to yield to my distinguished colleague, the Senator from Arizona.

Mr. GOLDWATER. Mr. President, time is passing. In this debate I think we should deal with some of the meat of the bill and some of the reasons why the Senate Committee on Interior and Insular Affairs, as well as the House committee, felt that it was desirable to enact the bill.

One of the objections which western mining people and western Members of Congress have to the Office of Defense Mobilization is in relation to the adequacy of the stockpiles and their availability. Our point is that the Office of Defense Mobilization bases many of its hopes on the possibility of obtaining these ores from foreign sources. I may remind the Senator from Delaware that the estimated imports of manganese in 1954 were 2,250,000 short tons. The estimated domestic consumption in 1954 was 1,700,000 tons; and in 1954 the United States produced—I refer to the production estimate for 1954—200,000 short tons.

When those of us who represent the Western States consider these figures, and realize that resting on the bottom of the Caribbean Sea, there are 1,800 hulls of ships which were torpedoed during the last war, we ask ourselves whether the stockpile program is being handled with all the facts in mind. If it is believed that it will be possible for the United States to purchase all it needs from foreign sources, then I will have to agree that the stockpile can be maintained. But if we go to war tomorrow, and if access to the sealanes is denied to us, it will then be all too apparent that we have not yet developed in the United States an adequate manganese program. I am confining my remarks to the manganese program.

Mr. WILLIAMS. Mr. President.

Mr. WELKER. I yield to the Senator from Delaware.

Mr. WILLIAMS. However, Mr. President, will not the Senator from Arizona agree with me that if any one of these minerals is certified as essential to our national defense, Mr. Flemming and the Office of Defense Mobilization already have all the authority they need and all the money they need to stockpile such minerals without the enactment of this bill?

Mr. GOLDWATER. If the Office of Defense Mobilization showed a little more consistency, and if we knew a little more about what was going on in that Office, I would be inclined to agree fully with the Senator from Delaware.

Mr. WILLIAMS. Will the Senator from Arizona agree with me, also, that this is the agency which is charged by Congress with the execution of the program the agency for which Congress has appropriated $2 billion in order to enable it to carry out our stockpiling program? Is that not correct?

Mr. GOLDWATER. Yes; I agree with the Senator from Delaware. But he keeps referring to what I think is a basic trouble in our legislative bodies, today. I do not believe that in this situation we are required to legislate only on the basis of what some bureau or other executive agency says is correct. As I recall my study of American history and the United States Constitution, our predecessors in Congress legislated in the way they felt was proper for the good of the country. Perhaps it was unfortunate that in those days the Members of Congress did not have wizards sitting in offices on Pennsylvania Avenue, ready to assist the Congress in its work. I refer to those upon whom we depend, and who in most cases are highly dependable.

I think it is entirely within the prerogatives of the Senate and the House of Representatives to legislate without having a committee hearing, without having a committee report, or without having received a letter from a downtown agency. I do not think the Members of Congress have to salaam, and say, "Amen, if you gentlemen in the department think the bill is a proper one."

If Congress were to legislate in that way, I think the Members of Congress would have abandoned the Constitution, which gives to Congress the right to legislate.

Mr. WILLIAMS. I agree with the Senator from Arizona that Congress has the right to legislate as it sees fit, with or without the recommendations of any agency. I would be the first to say that is correct.

However, I point out that the chairman of the committee [Mr. MURRAY] presented as an argument in favor of the bill a statement that Mr. Flemming is in favor of enactment of the bill, whereas it has now been established as an unquestionable fact that he is opposed to the bill.

Mr. GOLDWATER. Mr. President, I think we have had ample argument on that point, if I may make that suggestion to the Senator from Delaware; and, in my opinion, any additional argument on that point at this time would be only rhetoric.

Mr. President, the primary purpose of the pending bill is to afford American producers of tungsten, manganese, chromite, mica, asbestos, beryl, and columbium-tantalum a period of certainty in which they can make and execute plans and investments for the achievement of the production goals which are necessary to be achieved if the American economy is to be kept strong and if the military might of our Nation is to be maintained.

As was so aptly expressed in predecessor legislation—

> It is hereby recognized that the continued dependence on overseas sources of supply for strategic or critical minerals and metals during periods of threatening world conflict or of political instability within those nations controlling the sources of supply of such materials gravely endangers the present and future economy and security of the United States. It is therefore declared to be the policy of the Congress that each department and agency of the Federal Government charged with responsibilities concerning the discovery, development, production, and acquisition of strategic or critical minerals and metals shall undertake to decrease further and to eliminate where possible the dependency of the United States on overseas sources of supply of each such material.

The foregoing quotation is from the Malone-Aspinall Act, Public Law 206, 83d Congress.

It has been said by some people that our stockpile of these metals is already full or approaching that status. With this argument for maintenance of the status quo I have little patience—the risk of having too much is far, far less than the risk of having too little in time of emergency.

There is no such thing as having an excess supply of metals or the ores from which they are obtained.

It was pointed out by the Minerals, Materials, and Fuels Economic Subcommittee in the 83d Congress that:

> It is vital to our domestic welfare, economy, and security that maximum economic production be maintained.

As the distinguished Senator from Nevada [Mr. BIBLE] stated during the hearings before the subcommittee on Senate bill 922:

> It is a self-evident truth that an active domestic mining industry is just as important for peace and for defense as it is for war. Our dependence upon foreign sources must be abrogated in every way possible. Therefore, this domestic-purchase program must be continued.

It also is a self-evident truth that unless these purchase programs are continued and mineral producers given an assurance that they can operate their properties without a financial loss that many mining operations in the United States will cease.

Let me say to the Senator from Delaware that there is not a single lead or zinc mine operating in Arizona today; and lead and zinc do not even come under the provisions of the bill.

The newborn manganese program has just been put on its feet. Now it is to be allowed to die, while it is taking its first few steps.

Mr. President, I do not wish to delay the Senate unduly, but I feel that these points are important. I should like to quote from a statement made on February 3, 1955, by Mr. Jesse C. Johnson, Director of Raw Materials of the Atomic Energy Commission. This is what he told about the problem:

> A 7- to 10-year market is required to justify private capital to go into prospecting and exploration. Anyone undertaking exploration and prospecting for uranium or any other metal for that matter must expect with good luck to spend 1 to 2 years at least in finding a deposit. Then there is at least 1 or 2 years in development and getting ready for production.
>
> In order to justify such a venture, there should be an assured market for, say, approximately 5 years.

All we are trying to do in this bill is to give the United States a firm, strong base with respect to strategic metals. We are not trying to get money for a favored few. We are not arguing that the small prospector with his burro is going to die for lack of money if we do not get it. We are arguing that if the United States should go to war tomorrow, it would be denied these materials.

None of us knows exactly what the United States stockpile position is. If we did, it is a secret matter, and could not be disclosed. But I do not feel, from what we have discovered about it, that it is adequate.

I wish to make one observation which has not too much to do with the bill. I submitted it to Dr. Flemming, and he agreed with me. I do not believe the figures as to the stockpile should be so secret. There are too many conflicting reports of what we have. Any Russian who can operate a slide rule, or any American who can add 2 and 2 and get 4 can discover about what we have stockpiled in various metals. I should like to see the public taken more into confidence. I think if that were done, the public themselves would demand that the Federal Government give a little assistance to the miners, so that they can learn how to mine the new ore, and how they can process it so as to produce better quality metals and provide a good, solid base in case of emergency.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. GOLDWATER. The Senator from Idaho [Mr. WELKER] has the floor.

Mr. WELKER. I yield to the Senator from Delaware for the purpose of interrogating the Senator from Arizona, with the stipulation that I shall not lose my right to the floor.

Mr. WILLIAMS. Mr. President, I agree fully with the Senator from Arizona that there should be less secrecy about the stockpiling program. I do not see any need for it. However, I point out to him that we are confronted with this situation. We in Congress do not know the needs of our stockpile program. We do not know how much has been stockpiled. As the Senator from Arizona pointed out, he does not know. The committee does not know. There is one agency of the Government which does know, and that is the Office of Defense Mobilization under Mr. Flemming. They say that we do not need this program and are against this bill. It is a waste of money.

Mr. GOLDWATER. I suggest to the Senator from Delaware that a standing committee of the Senate has met and discussed the problem. I think the Senator should have some confidence in the ability of those men to think these things out for themselves. The Senator from Delaware should recognize the fact that it is within our rights to disagree with the executive branch of the Government if we think it is wrong.

The proposed legislation would not be before us today if we had felt that the executive department was absolutely correct. In this particular instance the executive department has contradicted itself time and time again. We cannot keep up with it.

A duly established committee of the Senate has within its proper power the right to recommend legislation to the Senate. It has suggested this bill, not after only one meeting, but many. I have discussed this problem with the Senator from Delaware. I have told him for months what has been going on. We have recognized the need. We have made one approach after another. With respect to one approach which I made, the Senator from Delaware convinced me that it had some flaws in it. We took it back and worked it over. Other bills were introduced. A House bill was passed. It was given due consideration, in eight hearings. We considered the House bill and reported it to the Senate.

We have done our duty. I think the Senator from Delaware should have some respect for whatever intelligence may exist in the committee. With the exception of the Senator who is speaking, I think it is a very intelligent committee.

Mr. WILLIAMS. Mr. President, I am not casting any reflection on the members of the committee. I respect each one of them. However, as Members of the Senate, each of us must reach his own decision.

We are still confronted with the situation that the one agency of the Government which is charged with the responsibility, and in which, apparently, Congress as a whole has confidence—otherwise members of the agency would not continue to hold their positions—has unanimously recommended against the enactment of the bill. That fact cannot be denied.

Mr. WELKER. Mr. President, I am amazed at the statement of my good friend from Delaware, which indicates that the Senate of the United States cannot try this case as a jury?

What are we here for? Is it to read thick reports and attend cocktail parties? Of course not. The facts must be developed. They have been brought out on the floor of the Senate.

Mr. President, this is not a giveaway program. When I consider the amount of money involved in this program, I say to my colleagues that, compared with the spinning of the presses which turn out $100 bills, this is merely a pittance.

In conclusion, let me say that I do not own a single share of mining stock. I have a few dollars' worth of uranium stock which I would be glad to peddle to anyone. But uranium is not involved in the pending bill.

I want to see the basic minerals of this Nation protected, whether they are found in Idaho, Arizona, Colorado, or any other State.

This is not a giveaway program. Let us permit the mine owner, the miner, and those whom he feeds, to participate in this great program during the dire emergency. This is a national defense program, with respect to which we are all alerted.

I do not wish to see the mining industry destroyed. There are Members of this body who know the difference between a miner's pick and a toothpick. They are here as representatives of their great sovereign States, asking us not to destroy one of the greatest industries this world has ever known.

EXTENSION OF THE MALONE-ASPINALL BILL

Mr. MALONE. Mr. President, very often the administration often defeats its announced objectives by the principles it adopts.

The 1953 Malone-Aspinall bill has proven the administrations over the past 23 years to be wrong in their statements that we cannot produce such minerals.

It is the success of the program that has jeopardized its extension. Twice we have depended upon the current administrations for adequate supplies of critical materials—before World War II and before the Korean war—and then found ourselves in dire circumstances, with an unnecessary loss of life, while preparation for production of these materials was being made.

To save the time of the Senate, I ask unanimous permission to have printed, as a part of my remarks at this point in the RECORD, Public Law 206, 83d Congress, chapter 339, 1st session, which the proposed act would amplify.

There being no objection, the statute was ordered to be printed in the RECORD, as follows:

[Public Law 206, 83d Cong., ch. 339, 1st sess.]

H. R. 2824

An act to encourage the discovery, development, and production of tungsten, manganese, chromite, mica, asbestos, beryl, and columbium-tantalum-bearing ores and concentrates in the United States, its Territories, and possessions, and for other purposes

Be it enacted, etc., That this act may be cited as the "Domestic Minerals Program Extension Act of 1953."

DECLARATION OF POLICY

SEC. 2. It is hereby recognized that the continued dependence on overseas sources of supply for strategic or critical minerals and metals during periods of threatening world conflict or of political instability within those nations controlling the sources of supply of such materials gravely endangers the present and futuer economy and security of the United States. It is therefore declared to be the policy of the Congress that each department and agency of the Federal Government charged with responsibilities concerning the discovery, development, production, and acquisition of strategic or critical minerals and metals shall undertake to decrease further and to eliminate where possible the dependency of the United States on overseas sources of supply of each such material.

SEC. 3. In accordance with the declaration of policy set forth in section 2 of this act, the termination dates of all purchase programs designed to stimulate the domestic production of tungsten, manganese, chromite, mica, asbestos, beryl, and columbium-tantalum-bearing ores and concentrates and established by regulations issued pursuant to the Defense Production Act of 1950, as amended, shall be extended an additional 2 years: *Provided*, That this section is not intended and shall not be construed to limit or restrict the regulatory agencies from extending the termination dates of these programs beyond the 2-year extension periods provided by this section or from increasing the quantity of materials that may be delivered and accepted under these programs as permitted by existing statutory authority: *Provided further*, That the extended termination date provided by this section for the columbium-tantalum purchase program shall not apply to the purchase of columbium-tantalum-bearing ores and concentrates of foreign origin.

SEC. 4. In order that those persons who produce or who plan to produce under purchase programs established pursuant to Public Law 774 (81st Cong.) and Public Law 96 (82d Cong.) may be in position to plan their investment and production with due regard to requirements, the responsible agencies controlling such purchase programs are directed to publish at the end of each calendar quarter the amounts of each of the ores and concentrates referred to in section 3 purchased in that quarter and the total amounts of each which have been purchased under the program.

Approved August 7, 1953.

Mr. MALONE. I ask unanimous consent to have printed in the RECORD at this point a report on a bill with similar objectives to the pending bill. The House and Senate bills are different only in detail.

There being no objection, the report (No. 517) was ordered to be printed in the RECORD, as follows:

[Rept. No. 517, 83d Cong., 1st sess.]

DOMESTIC TUNGSTEN PROGRAM EXTENSION ACT OF 1953

(July 10 (legislative day, July 6), 1953.—Ordered to be printed)

Mr. MALONE, from the Committee on Interior and Insular Affairs, submitted the following report (to accompany H. R. 2824):

The Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 2824) to encourage the discovery, development, and production of tungsten ores and concentrates in the United States, its Territories and possessions, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The House Interior and Insular Affairs Committee held hearings on the measure, receiving testimony from members of the mining industry and from the executive agencies. The Senate committee held a hearing on the need for inclusion of the minerals added by the amendment and, in addition, considered a number of communications and reports relative to the measure and the amendment.

THE AMENDMENT

On page 1, line 3, strike out all after the enacting clause, up to and including line 20 on page 2, and in lieu thereof insert the following:

"That this act may be cited as the 'Domestic Minerals Program Extension Act of 1953.'

"DECLARATION OF POLICY

"SEC. 2. It is hereby recognized that the continued dependence on overseas sources of supply for strategic or critical minerals and metals during periods of threatening world conflict, or of political instability within those nations controlling the sources of supply of such materials, gravely endangers the present and future economy and security of the United States. It is, therefore, declared to be the policy of the Congress that each department and agency of the Federal Government charged with responsibilities concerning the discovery, development, production, and acquisition of strategic or critical minerals and metals shall undertake to decrease further, and to eliminate where possible, the dependency of the United States on overseas sources of supply of each such material.

"SEC. 3. In accordance with the declaration of policy set forth in section 2 of this act, the termination dates of all purchase programs designed to stimulate the domestic production of tungsten, manganese, chromite, mica, asbestos, beryl, and columbium-tantalum-bearing ores and concentrates and established by regulations issued pursuant to the Defense Production Act of 1950, as amended, shall be extended an additional 2 years: *Provided*, That this section is not intended and shall not be construed to limit or restrict the regulatory agencies from extending the termination dates of these programs beyond the 2-year extension periods provided by this section or from increasing the quantity of materials that may be delivered and accepted under these programs as permitted by existing statutory authority: *Provided further*, That the extended termination date provided by this section for the columbium-tantalum purchase program shall not apply to the purchase of columbium-tantalum-bearing ores and concentrates of foreign origin."

Amend the title so as to read:

"A bill to encourage the discovery, development, and production of tungsten, manganese, chromite, mica, asbestos, beryl, and columbium-tantalum-bearing ores and concentrates in the United States, its Territories, and possessions, and for other purposes."

PURPOSE OF THE MEASURE

The primary purpose of H. R. 2824, as amended, is to afford American producers of tungsten, manganese, chromite, and other strategic and critical minerals set forth in the amendment, a period of certainty in which they may make plans and investments for achievement of the production goals that have been set for them. To accomplish this purpose, the programs established under the Defense Production Act, as amended, are extended 2 years, or until July 1, 1958, with a proviso that this date shall not preclude the administrative agencies from extending such programs beyond July 1, 1958, or increasing the quantity of minerals obtained under them if conditions warrant.

A complete schedule of the program for each of the minerals in the bill as amended, prepared by the staff of the committee, is set forth below in this report.

No appropriation of Federal funds is called for in the measure, allocations already having been made for the minerals' programs from general defense production appropriations.

EXPLANATION OF THE AMENDMENT

As passed by the House, H. R. 2824 provided for the tungsten program only, since no hearings had been held on the other strategic and critical minerals. In the Senate, however, a measure introduced by the chairman of the Minerals and Fuels Subcommittee of the Senate Interior Committee, S. 1620, included the other strategics along with tungsten, and the subcommittee held a hearing and considered the provisions of S. 1620 along with the House bill. By unanimous vote of the subcommittee the provisions of S. 1620 were substituted for sections 1, 2, and 3 of the House bill, thus adding manganese, chromite, and the other strategics listed to tungsten.

At the same time the committee retained section 4 of H. R. 2824, which had been added in committee by the House, providing for the publication by the responsible administra-

tive agencies of the amounts of each of the ores purchased during the previous quarter. This provision was deemed desirable in order that producers may plan their production schedules on the basis of the factual situation with respect to the programs.

NEED FOR MEASURE

All the minerals for which provision is made in H. R. 2824 as amended are vital to the security of the United States, both for defense and for peacetime industrial uses. As to tungsten, large quantities are used for purposes which require resistance to high temperatures and the corroding effects of gases. For example, tungsten is essential for production of jet-airplane engines, certain machine tools, and rock-drilling equipment.

At present, stockpile goals of metal on hand have not been achieved by half. In 1952 the United States mine output of tungsten was 1,792 tons of 60 percent WO_3. The domestic consumption was 2,268 tons. During the first quarter of 1953, United States mine output was 2,123 tons. Consumption was 2,412 tons, while imports were 6,897 tons of WO_3. A large part of our needs was formerly imported from China, but with the shutting off of that source South America, Africa, and Europe have been suppliers. Experience dictates that such sources might not be available in case of all-out war.

There is little question but that under a proper long-range congressional policy the United States can become self-sufficient in the production of this indispensable metal.

Similarly, supplies of the other metals listed are essential to our security and economic development. Manganese is necessary to the production of steel. Chromite is a steel hardener, and is used in stainless steel and as a plating on other metals where resistance to corrosion from gases or liquids is required. Mica is needed in the production of many electronic devices. Asbestos has a variety of critical uses in heat and friction insulation. Beryl is added to copper and other metals as a hardner to make them resistant to deflection and to increase their ability to withstand stresses. Columbium and tantalum have limited but highly critical uses as resistors to high temperatures.

It will be noted from the programs table set forth below that production goals for the latter minerals are small, and the total amounts of money involved not large. They are essential, however, in the uses for which they are required.

It is but factual to report that the United States could not fight a war with modern weapons without assured resources of the critical and strategic minerals for which provision is made in H. R. 2824, as amended. The peril to our national security from dependence upon oceanborne supplies in the event of active, large-scale hostilities is self-evident. Clearly it is essential to our security that domestic resources of these minerals be developed and maintained in the United States.

THE PROGRAMS

There is set forth below (a) a committee staff study showing the defense production goals for each of the strategics for which provision is made in H. R. 2824, as amended, and (b) a report from the Administrator of the General Services Administration, showing the status of the programs and the rate at which acquisitions would have to be made to attain the goals. These statistics made abundantly clear the need for this legislation.

"JULY 8, 1953.

"Memorandum.

"To: Senator GEORGE W. MALONE.

"From: George B. Holderer, mining consultant.

"Subject: S. 1620—Information regarding purchase programs on the minerals mentioned in this bill.

"These programs were authorized by Defense Materials Procurement Agency. In each case the program is terminated when the quantity is acquired or the date is reached, whichever comes first.

Commodity	Date of termination of purchase program	Quantity to be acquired	Price
Tungsten	July 1, 1956	3,000,000 short-ton units	$63 per unit.
Chromite	June 30, 1955	200,000 long-ton units	$110 for concentrates; $115 for lump.
Manganese	June 30, 1955	Phillipsburg, Butte, 6,000,000 long-ton units. Deming, Ariz., 6,000,000 long-ton units. Wenden, Ariz., 6,000,000 long-ton units. Carlot, national, 19,000,000 long-ton units.	$2.30 per long-ton unit.
Mica	June 30, 1955	25,000 short tons	A. Prices range from $13 to $70 per pound. B. $600 per ton.
Asbestos	Oct. 1, 1955	1,500 short tons	Prices range from $400 to $1,500 per short ton.
Beryl	June 30, 1955	do	$400 per short ton.
Columbium-tantalum	Dec. 31, 1956	15,000,000 pounds	$1.40 per pound, plus 100-percent bonus, containing not less than 35 percent oxide.

"REPORT OF W. M. B. FREEMAN, ADMINISTRATOR, GENERAL SERVICES ADMINISTRATION, JULY 7, 1953

"(Totals shown accepted under various minerals are reported as of June 26, 1953)

"Tungsten, 259,043 short-ton units accepted.

"Program began May 1951; ends July 1, 1956, or when 3 million units accepted. To reach objective by July 1, 1956, acceptances would have to be at rate of 600,000 units per year.

"Manganese, 12,232 tons accepted.

"Butte and Philipsburg, Mont., purchase depots. Depots opened November 26, 1951; ends June 30, 1956, or when 6 million units accepted. To reach objective by June 30, 1956, acceptances would have to be at rate of 1,200,000 units per year, or approximately 50,000 to 60,000 tons per year.

"Deming, N. Mex., 19,631 tons accepted.

"Depot opened December 15, 1951; ends June 30, 1956, or when 6 million units accepted. To reach objective by June 30, 1956, acceptances would have to be at rate of 1,200,000 units per year, or approximately 50,000 to 60,000 tons per year.

"Wenden, Ariz., 38,566 tons accepted.

"Depot opened January 26, 1953; ends June 30, 1956, or when 6 million units have been accepted. To reach objective, acceptances per year would have to be at rate of 1,700,000 units per year, or approximately 70,000 tons.

"Carlot program, 3,558 tons accepted.

"Started July 1952; ends June 30, 1956, or when 19 million units have been accepted. To reach objective, acceptances per year would have to be at rate of 4,750,000 units per year, or approximately 118,000 tons per year.

"Chromite, 29,351 tons accepted.

"Grants Pass, Oreg., purchase depot. Depot opened August 6, 1951; ends June 30, 1955, or when 200,000 tons accepted. To reach objective, acceptances per year would have to be at rate of 50,000 tons.

"Mica, 128,517 pounds accepted.

"Depots opened July and August 1952; ends June 30, 1955, or when 25,000 short tons of hand-cobbed mica or its equivalent have been accepted. The equivalent is 2,250,000 pounds of processed mica. (This is the figure to compare to the 128,517 pounds accepted to June 26, 1953, as shown above.) To meet objective, acceptances would have to be at rate of 750,000 pounds per year.

"Beryl, 92,727 pounds accepted.

"Started October 1952; ends June 30, 1955, or when 1,500 short tons accepted. To meet objective, acceptances would have to be at rate of approximately 600 tons or 1,200,000 pounds per year.

"Columbium-tantalum, 1,095 pounds accepted.

"Started October 1952; ends December 31, 1956. The domestic program is tied in as far as objective is concerned with an international program. The total objective is 15 million pounds. To reach the total objective from all sources would require a rate of acceptances from all sources of approximately 3,750,000 pounds per year.

"Asbestos, 20.3 short tons accepted.

"Depot at Globe, Ariz. Started October 1, 1952; ends October 1, 1955, or when acceptances reach 1,500 short tons of crude No. 1 and/or crude No. 2. To reach objective, acceptances per year would have to be at rate of 500 tons per year."

POSITION OF ADMINISTRATIVE AGENCIES

As will be noted from the reports of the administrative agencies, their stated opposition to H. R. 2824 has been based upon the need for overall extension of the Defense Production Act, rather than opposition to the programs themselves. On the night of June 30, the Senate adopted the conference report on S. 1081, which provided for such general extension, and this measure has become Public Law 95, 83d Congress. Therefore, the stated objections of the administrative agencies would now appear to have been met.

However, the need for H. R. 2824 as amended continues despite the general extension of the Defense Production Act. The general extension makes continuance of the programs for the strategic and critical minerals merely discretionary with the administrative agencies. Under it producers would not be justified in making the investment and long-range plans for achievement of the production goals required. The terms of H. R. 2824, as amended, on the other hand, make continuance of the programs mandatory and thus afford the required certainty.

REPORTS OF THE EXECUTIVE AGENCIES

The reports of the executive agencies, which are discussed above, are set forth in full.

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, D. C., May 13, 1953.

Hon. A. L. MILLER,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: Reference is made to your request for the views of the Department of Defense on H. R. 2823, 83d Congress, a bill to encourage the discovery, development, and production of tungsten, manganese, chromite, mica, asbesto, beryl, and columbium-tantalum-bearing ores and concentrates in the United States, its Territories and possessions, and for other purposes, and H. R. 2824, 83d Congress, a bill to encourage the discovery, development, and production of tungsten ores and concentrates in the

United States, its Territories and possessions, and for other purposes.

Both of these bills have as their objective the elimination or reduction of the dependency of the United States on overseas sources of supply for strategic or critical minerals and metals. They seek to attain this objective by extending for 2 years existing purchase programs being conducted by executive agencies pursuant to authority granted under title III of the Defense Production Act of 1950, as amended. H. R. 2823 covers tungsten and several other minerals and H. R. 2824 covers tungsten alone.

The Department of Defense strongly supports the objectives of these bills. While this Department does not administer the existing programs for the encouragement of domestic exploration, development, and mining of minerals, it, of course, has a direct and substantial interest in their success. The Defense Production Act of 1950, as amended, specifically title III thereof, provides a sound basis for such action as may be necessary to assure the availability, insofar as possible, of any metal or mineral essential to the manufacture of supplies and materials for the Armed Forces.

This Department believes that legislative provisions comparable in scope to title III of the Defense Production Act of 1950, as amended, are necessary to provide for the mineral and metal requirements of the existing and contemplated defense production effort. As you know, the matter of extension of the Defense Production Act is now before the Congress. This Department has recommended to the Congress that the provisions of title III be continued until June 30, 1954.

The authority now contained in title III of the Defense Production Act of 1950, as amended, permits appropriate programs for all strategic and critical minerals or metals, including those dealt with by H. R. 2823 and H. R. 2824, and it is believed that the coverage and flexibility of this existing authority is better calculated to achieve the objectives sought by the two bills. In addition, it appears that the language of the two bills might be interpreted as intended to have the effect of mandatorily extending contracts or commitments entered into under existing programs. It is believed that the agencies administering the programs should have the power to determine the desirability of extensions in particular cases in the light of the future supply situation and the condition of stockpiles.

For the foregoing reasons the Department of Defense does not recommend that these bills be enacted into law.

In view of the urgency of this matter, this report has not been submitted to the Bureau of the Budget for advice as to the relationship of H. R. 2823 and H. R. 2824 to the program of the President.

Sincerely yours,

JOHN G. ADAMS,
Acting General Counsel.

DEFENSE MATERIALS PROCUREMENT AGENCY,
Washington, D. C., March 20, 1953.

Hon. A. L. MILLER,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D. C.

DEAR MR. MILLER: Reference is made to your letter of February 19, 1953, requesting a report on H. R. 2824.

The purpose of the bill is to encourage the discovery, development, and production of tungsten ores and concentrates in the United States, its Territories, and possessions.

Please refer to my letter of March 18 concerning H. R. 2823. The principles upon which this Agency opposes enactment of H. R. 2823 apply similarly to H. R. 2824. This bill would grant no authority which does not exist under the Defense Production Act of 1950, as amended, and, in fact, falls far short of the act in providing the authority needed in promoting the national security.

In view of the urgency of your request, it was not possible to obtain the customary budget clearance prior to the submission of this report, copy of which is being furnished to the Director of the Bureau of the Budget.

Respectfully submitted.

TOM LYON
(For Howard I. Young,
Deputy Administrator).

DEFENSE MATERIALS PROCUREMENT AGENCY,
Washington 25, D. C., March 18, 1953.

Hon. A. L. MILLER,
Chairman, Committee on Interior and Insular Affairs, Washington, D. C.

DEAR MR. MILLER: Reference is made to your letter of February 19, 1953, requesting a report on H. R. 2823.

The purpose of the bill is to encourage the discovery, development, and production of tungsten, manganese, chromite, mica, asbestos, beryl and columbium-tantalum-bearing ores and concentrates in the United States, its Territories and possessions.

This Agency concurs in the declaration of policy contained in section 2 of the bill but, in view of the information available, it would be unrealistic to assume that the United States can decrease its dependency on foreign sources of supply with respect to certain minerals covered in the bill, especially mica and columbium-tantalum.

Section 3 provides for mandatory extension of the termination dates of all purchase programs designed to stimulate the domestic production of the aforementioned minerals as established by regulations issued pursuant to the Defense Production Act of 1950, as amended, for an additional 2 years, but provides only negative authority to increase the quantities of minerals which could be purchased under the projected programs. It is believed that such a negative provision concerning authority to increase goals or quantities would render ineffective the purpose of the bill. Even if that defect were corrected by amendment some provision would have to be made for stockpiling or controlling distribution of production of minerals no longer considered to be in short supply, otherwise the unbalanced supply against demand would certainly render continued production of such minerals economically unsound with respect to the producers.

H. R. 2823 contains no authorization for the appropriation of funds and there is no existing legislation which would permit use of any funds authorized by other legislation in carrying out the purpose of this bill beyond a limited application of funds appropriated pursuant to the Stock Piling Act (50 U. S. C. 98 et seq.).

It is the view of this Agency that the authorities in title III of the Defense Production Act of 1950, as amended, provide the fundamental requirements necessary to insure, as much as it is possible to do so under the circumstances, adequate supplies of strategic materials. Even if H. R. 2823 were amended in accordance with the above observations, it still would fall far short of the Defense Production Act in providing the authority necessary to procure the means with which to meet the tests of the uncertain future. Greater authority than is contained in the act may not be needed, but less authority should not be considered. Concurrent authority under the act and this proposed legislation would be misleading to the mining industry, confusing to administer, uneconomical to all, and wholly unnecessary.

In view of the foregoing, this Agency is constrained to recommend against enactment of H. R. 2823 in anticipation of an extension of title III of the Defense Production Act of 1950, as amended.

In view of the urgency of your request, it has not been possible to obtain the customary budget clearance prior to submission of this report. A copy, however, is being sent this date to the Director of the Bureau of the Budget.

Respectfully submitted.

TOM LYON,
(For Howard I. Young,
Deputy Administrator).

The Committee on Interior and Insular Affairs recommends the enactment of H. R. 2824 as reported.

THE HARRY DEXTER WHITE PLAN

Mr. MALONE. We know that in the early part of the last two decades we adopted the principle of saving our materials and importing them from foreign countries. We now annually import 900,000 tons of manganese from India. At the same time we know that we could not get a pound of manganese from India 2 minutes after an all-out war started.

I ask unanimous consent to have printed in the RECORD a memorandum which Harry Dexter White submitted to Secretary of the Treasury Morgenthau on March 7, 1944, a copy of the letter sent by the Secretary of the Treasury to the President of the United States on January 10, 1945, and the statement by President Truman on July 23, 1946, on the important subject of critical materials.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

APPENDIX IV

HARRY DEXTER WHITE MEMORANDA OBTAINED FROM PRINCETON UNIVERSITY LIBRARY AND FILES OF TREASURY DEPARTMENT

MARCH 7, 1944.

Subject: Proposed United States Loan to the U. S. S. R.

To: Secretary Morgenthau.

From: Mr. White.

The following memorandum is in reference to your request that the feasibility of the extension of a large credit to the U. S. S. R. in exchange for needed strategic raw materials be explored. Your opinion that such an arrangement might well be feasible appears to us to be supported by our study of the possibilities.

1. Recent confidential reports on our raw material resources prepared for the Under Secretary of Interior disclose an increasing dependence of the United States on foreign sources of supply for strategic raw materials because domestic reserves have been seriously diminished or virtually depleted.

2. The following table indicates the extent of United States current reserve supplies for some important strategic materials which can be produced in quantity in the U. S. S. R., in terms of prewar and current war, domestic requirements:

Reserve domestic supplies

	On basis of our 1938 domestic consumption	On basis of our current consumption 1943
Petroleum	16 years' supply	13 years' supply.
Manganese	9 years' supply	3 years' supply.
Tungsten	23 years' supply	Do.
Zinc	17 years' supply	8 years' supply.
Lead	7 years' supply	6 years' supply.
Chrome	No record	Less than 1 year's supply.
Mercury	3 years' supply	2 years' supply.

3. It is evident from the above table that, although our domestic reserves of petroleum, tungsten, and zinc may suffice to meet consumption requirements for the next decade, they will be almost entirely dissipated by the end of that period; in the case of manganese, chrome, mercury, and lead our

resources are too limited to satisfy even probable domestic requirements of the next 10 years. The number of strategic materials for which our reserves are very low and which can be produced in the U. S. S. R. is greater than indicated above, and includes platinum, vanadium, graphite, and mica.

4. Although our reserves of strategic materials could be somewhat expanded, given an increase in price to make possible further development of marginal resources, the necessity of growing United States dependence on foreign sources of supply in order to satisfy anticipated postwar industrial requirements and to maintain adequate security reserves, is inescapable. (See attachment I for complete table on United States metal reserves.)

U. S. S. R., UNTAPPED RAW MATERIALS RESERVOIR

1. The U. S. S. R. is richly provided with a wide range of strategic raw materials, including metals, minerals, timber, and petroleum, but the unequal degrees to which these have been developed will limit the number and volume that may be available for export in the immediate postwar years.

2. Rapid economic reconstruction and expanded resources development could greatly enhance the export surplus of the U. S. S. R., could sustain large-scale exports of metal and metallic ores, petroleum, and timber at an average annual value of at least $500 million, not including exports of other materials such as furs and semimanufactures.

3. It therefore appears that a financial agreement whereby the United States would extend a credit of $5 billion to the U. S. S. R. for the purchase of industrial and agricultural products over a 5-year period, to be repaid in full over a 30-year period, chiefly in form of raw material exports, would not only be advantageous to the United States, as well as helpful to the U. S. S. R., but would be within the limits of feasible trade between the two countries, since the amount we would wish to purchase would be in excess of the repayment which the U. S. S. R. would be required to make under the proposed loan terms. (See attachment II for suggested terms of U. S. S. R. repayment for United States credits.)

IS THE PROPOSED FINANCIAL AGREEMENT PRACTICAL AND DESIRABLE?

The proposed financial agreement appears practical because:

1. The prewar restricted pattern of trade should not be used to define the potentials of postwar trade between the United States and U. S. S. R. since both economies have been fundamentally restructured by the war. In both the United States and U. S. S. R. the accelerated expansion of production capacity and national output which has been achieved during the last 3 years indicates the new and larger dimensions which foreign trade can assume in both economies in the postwar period. (See attachment III for a summary of United States-U. S. S. R. trade relations during the interwar period 1918–38.)

2. The low level of prewar international trade relations were both a symptom and a cause of deteriorated economic and political international relations. It is realistic to assume that as compared with prewar years a decreasing proportion of expanding Soviet resources will be devoted to war industries, thereby creating an enlarged export potential through the release of resources.

3. Since the U. S. S. R. has completely state-controlled economy, the extent and character of its surpluses and deficits (i. e., imports and exports) are largely determined by planning decisions covering the allocation of manpower, materials, and equipment, it will be possible for the United States to influence the Soviet pattern of anticipated national surpluses and deficits.

4. If United States trade plans are premised on an expanded volume of trade and a correlative increase of United States import requirements, the expansion of trade between the United States and U. S. S. R. need not necessarily involve a reduction in total United States imports from other areas.

The proposed financial agreement appears desirable because:

1. The United States will obtain access to an important source of strategic raw materials which are expected to be in short supply in the United States after the war.

2. The United States will also be assured an important market for its industrial products, since the U. S. S. R. represents one of the largest single sources of demand in Europe and is ideally suited to supply us with a large and varied backlog of orders for both producers' and consumers' goods. Such a sustained demand could make an important contribution to the maintenance of full employment during our transition to a peace economy.

3. Moreover, the United States will not only be assured a desirable market because of the anticipated volume of demand the U. S. S. R. will exercise, but because of its superior repayment potential compared with other foreign buyers of American products.

4. An arrangement of this character would provide a sound basis for continued collaboration between the two Governments in the postwar period.

HARRY DEXTER WHITE.
WILLIAM HENRY TAYLOR.
IRVING S. FRIEDMAN.
SONIA GOLD.

LETTER FROM SECRETARY OF THE TREASURY TO THE PRESIDENT, UNDATED AND UNSIGNED, ON SECRETARY OF THE TREASURY LETTERHEAD

JANUARY 10, 1945.

Memorandum for the President.

A $10 BILLION RECONSTRUCTION CREDIT FOR THE U. S. S. R.

I suggest consideration be given to a financial arrangement with the U. S. S. R. to provide her with $10 billion credits for the purchase of reconstruction goods in the United States, with provision for repayment to us chiefly in strategic raw materials in short supply in the United States.

1. The interest rate could be 2 percent, amortized over a period of 35 years. A schedule of repayments is attached.

2. The Russians have more than adequate means to assure full repayment. There are three principal sources from which she can obtain the necessary amount of dollars:

(a) Selling to us strategic raw materials which are in short supply in the United States because of our depleted natural resources. (See attached memorandum.)

(b) Russia will be able to develop substantial dollar assets from tourist trade, exports of nonstrategic items to the United States, and from a favorable balance of trade with the rest of the world.

(c) Russia has a stock of gold estimated at $2 billion now and is reported to be able to produce from $150 to $250 million per year. These gold resources can be used to pay her obligations to the United States to the extent that her other dollar sources are not adequate.

3. An important feature of this proposal is that we will be conserving our depleted natural resources by drawing on Russia's huge reserves for current needs of industrial raw materials in short supply here. We would be able to obtain a provision in the financial agreement whereby we could call upon Russia for whatever raw materials we need without giving a commitment on our part to buy.

4. This credit to Russia would be a major step in your program to provide 60 million jobs in the postwar period.

CONSERVATION OF UNITED STATES NATURAL RESOURCES AND IMPORTS FROM THE U. S. S. R.

The United States has had to draw heavily on domestic raw-material reserves during the war to meet peak production requirements. The following table prepared from some recent confidential reports for the Secretary of the Interior discloses the depleted natural resources of the United States, and emphasizes the need for conservation measures.

Reserve domestic supplies

	On the basis of our 1939 domestic consumption	On the basis of our current consumption, 1943
	Years supply	*Years supply*
Petroleum	16	13
Manganese	9	3
Tungsten	23	3
Zinc	17	8
Lead	7	6
Chrome	[1]	[2]
Mercury	3	

[1] No record.
[2] Less than 1 year's supply.

We could safeguard and conserve our strategic material reserves in postwar years which are now at a minimum level, by importing from abroad to meet ordinary annual production requirements. The U. S. S. R. has tremendous reserves of many materials which the United States will urgently require after the war. A reconstruction loan to the U. S. S. R. will give the means whereby we can conserve our natural resources for the next two generations by utilizing Russian reserves. The U. S. S. R. could provide substantial quantities of strategic raw materials for an annual basis within 5 years after the close of the war as indicated in the following table:

Metals and metallic ores (manganese, tungsten, graphite, mica, chrome, mercury, iron ore, platinum, copper)	$80,000,000
Timber and wood products	45,000,000
Petroleum	50,000,000
Oils and oilcake	10,000,000
Other industrial raw materials	15,000,000
Total	200,000,000

Repayment schedule for advance of $10 billion credit for 35 years at 2 percent

[Millions of dollars]

Year	Scheduled expenditures	Annual interest	Annual schedule of repayment	Unpaid balance at end of year
1	1,000	20	0	1,020
2	2,500	70	0	3,590
3	3,000	132	0	6,722
4	2,500	184	100	9,307
5	1,000	206	150	10,513
6		210	200	10,523
7		210	250	10,484
8		210	300	10,393
9		208	350	10,251
10		205	400	10,056
11		201	400	9,857
12		197	400	9,655
13		193	400	9,448
14		189	400	9,237
15		185	500	8,922
16		178	500	8,601
17		172	500	8,273
18		165	500	7,938
19		159	500	7,597
20		152	500	7,249
21		145	500	6,894
22		138	500	6,532
23		131	500	6,162
24		123	500	5,785
25		116	600	5,301
26		106	600	4,807
27		96	600	4,303
28		86	600	3,789
29		76	600	3,265
30		65	600	2,730
31		55	600	2,185
32		44	600	1,629
33		33	600	1,061
34		21	600	483
35		10	492	
Total		4,691	14,842	

NOTE.—This schedule is a basis for negotiation.

[Attachment I]

Estimated production, consumption, prices, and reserves of selected important minerals in 1943

Mineral	Estimated production (thousand units)	Estimated average price (millions)	Estimated domestic consumption (thousands)	Estimated price (millions)	Current estimated reserves (thousand units)	Reserve supply in terms of current annual consumption (years)
Bituminous coal ..... standard tons	589,000	$1,561	582,000	$1,542	1,407,808,291	2,419
Anthracite ..... do	60,327	302	56,800	284	15,415,602	271
Petroleum ..... barrels	1,503,000	1,819	1,507,000	1,823	19,017,756	13
Iron ore ..... standard tons	113,554	275	111,500	270	1,715,000	15
Manganese, 35 percent Mn ..... long tons	172	----------	1,400	----------	4,650	3
Chromite, all grades ..... do	100	3	900	30	20	(1)
Vanadium ..... standard tons	2.7	3	3.4	4	3.8	1
Tungsten ..... do	5.7	----------	10	----------	34.6	3
Molybdenum ..... do	29.5	42	25.1	36	800	32
Copper ..... do	1,088	283	1,624	422	25,000	15
Lead ..... do	446	66	717	106	4,000	6
Zinc ..... do	741	167	900	203	7,000	8
Mercury ..... flasks	53.5	10	55.2	11	110	2
Bauxite, all grades ..... standard tons	7,026	27	5,340	21	18,000	4
Fluorspar ..... do	408	12	386	12	10,000	26
Magnesite [2] ..... do	860	9	860	9	50,000	58
Phosphate rock ..... do	5,600	21	5,208	19	3,322,000	714
Potash (K_2O) ..... do	700	24	630	21	75,000	119
Sulfur ..... do	3,100	50	2,900	40	94,000	32

[1] Less than 1 year.

[2] Magnesite plus dolomite.

Source: Preliminary estimates of reserves of important minerals in the ground as of Jan. 1, 1945, Department of the Interior, Geological Survey.

United States imports and exports of selected important minerals

Commodity	Value in dollars	Exports 1938, quantity	Imports, 1938	
			Value in dollars	Quantity
Bituminous coal	(1)	10,490,000 long tons	(1)	241,000 long tons.
Anthracite coal	(1)	1,909,000 long tons	(1)	363,000 long tons.
Petroleum	(1)	51,222,000 barrels	(1)	26 million barrels.
Iron ore	1,954,000	592,000 long tons	5,288,000	2,122,000 long tons.
Manganese ore	(2)	(2)	6,919,000	484,000 long tons.
Chromite	(2)	(2)	4,855,000	352,000 long tons.
Vanadium	(2)	(2)	891,000	10 short tons.
Tungsten	(2)	(2)	139,000	162,000 pounds.
Molybdenum	(2)	(1)	81	25 pounds.
Copper	86,119,000	844,027,000 pounds	(1)	504 million pounds.
Lead	3,355,000	46,000 short tons	(1)	64,000 short tons.
Zinc	1,271,000	8,000 short tons	(1)	19,000 short tons.
Mercury	(2)	(2)	133,000	179,000 pounds.
Bauxite	1,459,000	57,000 long tons	3,521,000	455,000 long tons.
Fluorspar	9,061	788 short tons	287,000	19,000 short tons.
Magnesite and dolomite	(2)	(2)	479,000	27,000 short tons.
Phosphate rock	6,637,000	1,140,000 long tons	80,000	7,004 short tons.
Potash K_2O	2,599,000	84,000 short tons	13,500,000	193,000 short tons.
Sulfur	10,332,000	575,000 long tons	562,000	51 long tons.
Graphite	112,000	983 short tons	372,000	17,000 short tons.
Mica	183,000	2,000 short tons	664,000	5,761 short tons.
Platinum	1,156,000	33 troy ounces	4,366,000	161 troy ounces.

[1] Data not available.

[2] Not exported in quantity.

DRAFT OF LETTER, SECRETARY OF THE TREASURY MORGENTHAU TO PRESIDENT TRUMAN

THE SECRETARY OF THE TREASURY,
Washington (Undated).

The PRESIDENT,
The White House.

MY DEAR MR. PRESIDENT: During the last year I have discussed several times with Mr. Harriman a plan which we in the Treasury have been formulating for comprehensive aid to Russia during her reconstruction period. We are not thinking of more lend lease or any form of relief but rather of an arrangement that will have definite and long range benefits to the United States.

Ambassador Harriman has expressed great interest and would like to see the plan advanced. I understand from him that the Russians are reluctant to take the initiative, but would welcome our presenting a constructive program.

You will recall that at Quebec Mr. Churchill showed every evidence that his greatest worry was the period immediately following V-E day. We have now worked out the phase 2 lend-lease program with the British after 2 months very hard work.

I am convinced that if we came forward now and presented to the Russians a concrete plan to aid them in the reconstruction period, it would contribute a great deal toward ironing out many of the difficulties we have been having with respect to their problems and policies.

I hope that you will give me an opportunity to present to you the work which we have been doing here in the Treasury over a period of a year on this subject.

I am furnishing Mr. Stettinius with a copy of this letter for his consideration.

Sincerely,

——— ———.

———

STATEMENT BY THE PRESIDENT IN APPROVING S. 752 (STOCKPILE ACT) ON JULY 23, 1946

I have today signed the Strategic and Critical Materials Stockpiling Act because it is important to the national interest that this Government have the power to acquire stockpiles.

It is only because of the overriding importance of this purpose that I am able to overcome my reluctance to signing a bill which reaffirms the application to stockpile purchases of the provisions of title III of the act of March 3, 1933 (47 Stat. 1520), known as the Buy American Act. Those provisions will not only materially increase the cost of the proposed stockpiles but will tend to defeat the conservation and strategic objectives of the bill by further depleting our already inadequate underground reserves of strategic materials. Furthermore, there can be a serious conflict between those provisions and the foreign economic policy which this Government is actively pursuing. It also seems to me that the application of the Buy American Act may frequently hamper the effective achievement of the essential purpose of the legislation which is to enlarge the stock of vital raw materials available within our borders in time of possible emergency.

The Buy American Act requires that only articles produced or manufactured from materials originating in the United States shall be purchased for public use. However, the act also provides that exceptions to this rule may be made when buy American purchases are determined "to be inconsistent with the public interest or the cost to be unreasonable." This provision clearly indicates that the stockpiling program should not be used as a means of generally subsidizing those domestic producers who otherwise could not compete successfully with other domestic or foreign producers. Furthermore, to insure that the necessary stockpiles are accumulated as rapidly as deemed advisable and with a minimum cost to the public, this act should not be used as a device to give domestic interests an advantage over foreign producers of strategic materials greater than that provided by the tariff laws.

It is the policy of this Government to work for international action to reduce trade barriers. We have proposed to other countries a set of principles governing trade, and look forward to the successful conclusion of broad international arrangements embodying the essential principles of these proposals. Pending the conclusion of such arrangements, it is the policy of this Government to avoid taking measures that will raise barriers to trade or prejudice the objectives of the forthcoming discussions. We are asking other countries to follow similar policies.

The United States is opposed to governmental policies fostering autarchy, for itself as well as for others. Encouragement of uneconomic domestic production and unjustified preferential treatment of domestic producers destroys trade and so undermines our national economic strength. A large volume of soundly based international trade is essential if we are to achieve prosperity in the United States, build a durable structure of world economy, and attain our goal of world peace and security.

Mr. MALONE. Mr. President, in addition, I ask unanimous consent to have printed in the RECORD at this point a statement which I prepared on this subject so important to our defense and to our economic structure.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MALONE

This is necessary legislation. It continues the domestic minerals production program which is so vital to our national security and expands procurement of seven critical and strategic materials.

It is essential, Mr. President, that this legislation be passed to carry out the intent and purpose of the Congress when the Defense Production Act was passed and when the Minerals Program Extension Act of 1953 was approved to encourage the discovery, development, and production of these domestic minerals.

The primary purpose of that legislation was to establish and maintain a going-concern mining industry in these minerals in the United States.

TWO-WAY TARIFF OR A GUARANTEED PRICE

There is no substitute for a going-concern mining industry in time of war.

There is no substitute for a going-concern mining industry in time of peace either if our economic independence is to be protected.

When we start looking for critical minerals after a war starts we are getting ready for the next war—not the present one.

Throughout my service in the United States Senate I have fought to assure a going-concern industry in the United States in all of the critical and strategic minerals, materials, and fuels which providence has bestowed on us, and I shall continue to do so.

I was active, Mr. President, in pressing for the Defense Production Act of 1950, and in the passage of the Domestic Minerals Program Extension Act, in which the Senate added manganese, chromite, beryl, mica, asbestos, and columbium-tantalum to the bill reported from the House, which had applied only to tungsten.

Going-concern industries in these metals are vital to national security, and there are certainly other minerals which should be added.

The results of my 1953 bill which the Congress enacted vindicates the recommendation of the committee.

During the 83d Congress the Minerals, Materials, and Fuels Economic Subcommittee, of which I was then chairman, made an exhaustive investigation of the accessibility and availability of supplies of critical raw materials. The findings and conclusions are incorporated in Senate Report No. 1627 of the 83d Congress, and are supplemented by 10 volumes of printed hearings.

I am sure many of my colleagues are familiar with the committee's findings and recommendations, but I will briefly summarize several of them.

First, we determined that the availability of critical and strategic materials is vital to military security and to an expanding domestic economy. We said:

"National survival in time of war depends on ample and uninterrupted supplies of the 77 such materials included in the report." Incidentally, the seven materials designated in the pending legislation are discussed in some detail in Senate Report 1627.

The committee declared that the Western Hemisphere is self-sufficient in all of the 77 critical and strategic minerals and materials, and that the Western Hemisphere—and only the Western Hemisphere—could be adequately defended in time of war.

Among our recommendations was this important one which bears directly on the pending bill. It reads, and I quote:

"We recommend acceleration of the Federal program of stockpiling critical and strategic minerals and materials to assure ready supplies in the event of war and coordination of this program with 'going concern' production industries in the Western Hemisphere to assure continuation of necessary supplies under stress of war."

Mr. President, the bill we are debating today is precisely in line with that thought and purpose.

It provides that purchases under the program set out in the Domestic Minerals Program Extension Act shall be continued within certain limits until termination dates established by the previous act. The earliest of these dates is June 30, 1957, applying to chromite, mica, and beryl. The asbestos-purchase program would terminate October 1, 1957; that for manganese on June 30, 1958; for tungsten July 1, 1958; and for columbium and tantalum, December 31, 1958.

Additional purchases of these materials would be authorized up to twice the amount previously authorized. For example, the tungsten program would be increased from 3 million to 6 million short-ton units, and additional purchases of 6 million long-ton units of manganese would be authorized.

New manganese ore-buying depots would be established, one to serve the Ozark-Cushman area in the southern Midwest region, and the other in the southern Appalachian area. The present depot at Wenden, Ariz., would be continued.

Why is this legislation needed?

First, as I stated earlier, to assure a continuance of going-concern industries which have been developed under the program, and which are vital to permanent national security.

Industries have been established under this program which originated with the Interior and Insular Affairs Committees of the House and Senate. The program has been a success. It has added materially to our economic and military self-sufficiency.

It is because the program has been such a success that a continuation is needed.

When the program was inaugurated certain purchase quotas were set. The quotas were relatively low. Apparently it was the assumption by the executive branch and its administrative agency, the Office of Defense Mobilization, that the discovery, development, and production of these domestic critical materials would proceed slowly.

Perhaps they were still impressed with the Harry Dexter White theory, advanced in 1945, that our resources in these materials were at the point of exhaustion, and that therefore we must procure them from Russia and other remote areas of the world or do without them entirely.

Whatever the assumption, purchase quotas were relatively low, and have been filled or are rapidly being filled.

Purchases of manganese at the Wenden, Ariz., ore-buying depot were terminated in May. The tungsten and asbestos purchase programs at Deming, N. Mex., will end within a few months unless the pending bill is passed, the present quotas being filled.

This means that, unless the pending legislation is passed, the fine American mining industries that the domestic mineral program has continued will die on the vine and we will have no going-concern tungsten, chromite, manganese, or other critical materials industries in being should we be confronted by another war or national emergency. All of the effort of the Congress during the past 15 years to establish going-concern industries of critical and strategic minerals and materials will have been wasted, and we will have nothing to show for it except the existing stockpiles geared to 1950 military thinking.

We will be again at the mercy of foreign cartels, setting such price on critical and strategic materials they supply as the traffic will bear, and increasing costs to the American taxpayer.

In World War I, many of us will recall, a hurry-up effort was made to acquire critical and strategic materials, import of which had been impeded by the war.

In World War II that effort became desperate. Scarce supplies of critical materials on hand were sharply allocated, and costly attempts to supply our needs from domestic sources were made, costs pyramiding because no prior steps had been taken to protect or develop our own mineral resources, and we were lacking in the going-concern industries we would have had if we had had a long-range program.

After World War II we again sagged back into dependence on remote foreign sources of supply, as advocated by the Harry Dexter White cult in the then administration. Mines closed and operations shut down, some of which can never now be restored—and none without almost prohibitive cost.

The Korean conflict brought a new awareness of the grave fallacy of demobilizing our mineral resources the moment a shooting war is ended, and prompted Congress to pass the Defense Production Act.

Now, unless we pass this pending bill, we will be sinking back again toward the fatal type of thinking that found us unready in three world wars, counting Korea as our third world war within our lifetime.

I see indications of this thinking in the attitude of the Office of Defense Mobilization.

Arthur S. Flemming, Director of ODM, has written in opposition to the pending bill. He opposed it on amazing and, in my opinion, quite unrealistic grounds. Mr. Flemming says, and I quote:

"In general, the United States supply position for these metals and minerals has so improved that there would be no justification in the name of national defense for either extending or enlarging these programs in the manner proposed by H. R. 6373."

In other words, the program inaugurated by Congress has been too successful. It has improved the United States supply position for these critical metals and minerals. Having achieved success in its limited objectives it should be abandoned. The thought of developing going-concern industries in these critical and strategic materials should be thrown out the window.

Mr. Flemming goes on to say that the pending legislation would result in purchasing more manganese, and they he says this, which to the senior Senator from Nevada is quite indicative of his attitude. I quote:

"It might be well to point out"—Mr. Flemming speaking—"that the manganese situation is now very different from what it was when the original program was first undertaken in 1951. Today industrial stocks are at a much higher level; the minimum stockpile objective has been exceeded and premium-quality ores are readily obtainable on the world market at reasonable prices."

Shades of World War I, World War II, and Korea. Manganese is now available on the world market at reasonable prices. So the thought, at least, implied in Mr. Flemming's letter is that we should scuttle our own manganese developments, achieved at considerable expense because we were in an emergency and in a hurry, and go back to buying manganese on the world market, where present sources of supply would be cut off instantly in the event of another war. We might buy them from India, for example, which has supplied 900,000 tons of manganese annually for our market. How much Indian manganese do you think will be available to us in any allout war?

Mr. Flemming adds that, "moreover, a major high-grade deposit has been discovered in Mexico which is readily accessible." He says, in effect, if Mexico has manganese, why produce it at home. That seems to be the thought embodied in this letter. Why produce anything at home if some other country can produce it cheaper with their low-wage standard of living? Close down our mines, clear out our miners, throw away

our investments; we can buy it somewhere else, produced by lower wage workingmen.

Mr. President, I do not subscribe to that kind of thinking. Neither do I think a majority of the Senate will subscribe to it, nor the State they represent or the people. We saw the fallacy of this type of thinking in World War II and in the Korean conflict; some of us remember back to World War I.

Mr. Flemming himself presents one of the best arguments for passage of this bill. He says—and I quote:

"Tungsten was in extremely short supply in the early months of the Korean war as the demand for industrial use and for high-velocity armor-piercing shells went up, while, at the same time, China and Korea, previously major sources of supply, were lost to the free world."

In brief, we were short of tungsten—our major sources of supply had been cut off. We had no going-concern tungsten industry here at home because it had to compete with lower wage rates between wars. We were in trouble.

Mr. Flemming continues:

"Under those conditions, it was necessary for the Government to withdraw tungsten from the stockpile and to sponsor a domestic expansion program involving the establishment of a $63 per unit guaranteed price, a price almost three times that which prevailed in world markets in the period immediately prior to the start of the war."

Of course, under our adopted policy of free trade and of filling our critical and strategic needs from foreign low-wage areas the peacetime price was always lower than the war price. Low-wage or slave-wage areas undercut us in peacetime just enough to drive our own mining enterprises out of business. They make it up in wartime or after our industry has been closed through the low-wage competition by charging all the traffic will bear.

Mercury is a good example. After World War II the Spanish-Italian mercury cartel broke the market—deliberately in my opinion—and brought mercury prices down to under $69 per flask. It put our own mercury producers out of business, and most of them have been out of business ever since. Then when the cartel had our own producers out of business they hiked the price up again to around $325 a flask, four times what they were charging when their object was to destroy American production. Our people are now cautiously reentering the business, but can be destroyed at any time through the same method.

So, as Mr. Flemming says, tungsten prices were low immediately prior to the Korean war, and we were short of tungsten when a war began and our cheap low-wage foreign supplies were shut off. We found that we had to have tungsten for our war effort and for such things as high-velocity armor-piercing shells and there was no place to get it in adequate amounts except to turn to our own ample resources in the United States.

We did, and lo, we did not need tungsten from China and Korea. We had tungsten here at home. There is enough tungsten in Nevada to last this country 50 years if a price is set by the Government or a duty is adjusted to make up the difference in the wage standard of living between this country and the chief competing nations.

Mr. Flemming tells us, and I quote: "At the present time the minimum and long-term tungsten stockpile objectives have been achieved and there is every indication there will be a considerable overrun as material is put to the Government under the guaranties already in effect. In this connection, it should be noted the domestic industry is currently producing more tungsten than United States industry normally consumes and all the domestically produced material is being sold to the Government at a price which is almost double the prevailing market price."

Mr. President, I am not surprised at that.

Remember the world mercury price immediately after World War I. We already know about the tungsten price, and the shortages it entailed.

ODM's view seems to be that so long as we can right now buy foreign tungsten cheaper than domestic tungsten due to the lower wage standard of living, we should stop our domestic program, close our mines down, throw the tungsten miners out of work, and end the hope for any going-concern tungsten industry of our own.

Then another war can come along, again we can be short of tungsten for modern military weapons, foreign countries can hold us up for whatever the traffic will bear in wartime, or in peactime after our prices are closed, and, of course, it is conceivable that we could lose a war.

What kind of a shortsighted policy is this that relies on stockpile objectives set years ago? Which reminds me that Japan had great stockpiles built up before Pearl Harbor, some of their stockpile materials they had bought from us, and others from other parts of the world, including Canada and Mexico. They had enough of some items to last a year or longer under their military calculations, and they expected to obtain replacements from the areas they had conquered. The stockpiles quickly disappeared and they never caught up. Our airplanes and submarines cut them off from the areas they had conquered, and their industrial production virtually collapsed months before the Japanese surrender.

In industrial and military fields going-concern industries within an area we can defend are imperative to our national security.

Under the Defense Production Act and the Domestic Minerals Program Extension Act we have made a start toward establishing going-concern industries in the mining and processing of seven critical and strategic materials.

It is a good start, a start that has achieved the success that many of us have continually said would be achieved through a price guaranty or a duty making up the difference in wages between this Nation and the chief competitive country.

Now are we to abandon this program and place on the tombstone of a dead industry "killed by success and cutthroat foreign competition"? Are we to surrender the gains we have made and renounce the principle we espoused in 1950 and in 1953 that American "going-concern" industries were vital to our security and our economic structure?

If this pending legislation is not passed, the "going-concern" concept falls dead in its tracks, at a tragic cost to both our economic and military security.

On February 3, 1955, the Director of Raw Materials, Atomic Energy Commission, testified before the Joint Committee on Atomic Energy. He said, and I quote:

"A 7- to 10-year market is required to justify private capital to go into prospecting and exploration. Anyone undertaking exploration and prospecting for uranium, or any other metal for that matter, must expect with good luck to spend 1 to 2 years at least in finding a deposit. Then there is at least 1 or 2 years in development and getting ready for production."

So we have only made a start toward establishing going-concern industries in our seven critical and strategic minerals programs embodied in the acts of 1950 and 1953. It would be folly to kill these programs now, if we are to believe the Atomic Energy Commission that a 7- to 10-year market is required to justify private capital to go into prospecting and exploration.

They are exactly right, of course—that when the Congress and the administration abandoned the principle of protection for the workingmen and investors through the extension of the 1934 Trade Agreements Act—that a guaranteed unit price must be arranged for a period of time to amortize the investment and make a profit—if private money is to be available.

As an engineer who has followed mining development for the past 30 years, I know that to be true. Ten years is too short a period for some developments, too short a time to find the ore, develop it and market it.

The method suggested by the administration is too short a time for any going-concern industry, and the executive branch knows it. Unless this bill is passed the progress that has been made to date toward self-sufficiency will be wasted. Our mines will close. We will again become dependent on an alien and hostile world. We will again live in constant danger, the danger of "too little and too late" in the event of war.

Twice in my lifetime we have made the same mistake, the mistake of permitting our strategic and critical minerals and materials industries to die in peacetime. Mistakes are forgiveable if we learn a lesson from them. The lesson is to not repeat them.

Let us not repeat the mistake we made after World War I, and the mistake we made after World War II until Korea, and so find us again without the critical and strategic materials we must have "in being" and which only going-concern industries can assure us.

We should pass the pending bill for our own security, for our long-range economy, and to retain the commitment that Congress made in 1950 and 1953 to never let ourselves again be caught short in time of national emergency.

Mr. MALONE. Mr. President, the distinguished Senator from Arkansas and the distinguished Senator from Delaware stated that no hearings were held. I call attention to the fact that both in the House and in the Senate hearings were held and have been available to any Member of the Senate who cared to request them. Mr. President, the extension of the 1934 Trade Agreements Act effectively destroyed any industry without a subsidy or Government aid. The only method left to continue necessary industries so that private investments will be made is to guarantee a limit price over a period of years sufficient to amortize the investment and make a reasonable profit.

Mr. HUMPHREY. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The Secretary will state the amendment for the information of the Senate.

The CHIEF CLERK. On page 2, line 19, after the word "and", to strike out "two" and insert "three."

On page 2, line 24, after the word "area", to insert a comma and "one new depot shall be established to serve the Cuyana Range area, Minnesota."

Mr. HUMPHREY. Mr. President, the amendment is designed to encourage the discovery, development, and production of manganese-bearing ores and concentrates in the United States. The amendment would authorize the extension of our Government's manganese purchase program to the Minnesota Cuyuna Range.

There is a national self-interest in developing practical and economical processes of concentrating manganese

ore from the very large low-grade deposits which can be found in the Minnesota Cuyuna Range. Nothing could be more important for the security of the United States than to develop a self-supporting process of beneficiating low-grade manganiferous ores. The evidence is clear from all the government agencies who have studied the problem the supply of manganese in the United States is limited, and that it is all-important to make our country as independent as possible of foreign-produced manganese and the hazards which attend such imports at times of national emergency.

Our Government has recognized this problem and in fact through its loan program helped to establish a manganese pilot plant at Ironton, Minn. This pilot plant has demonstrated the economic feasibility of beneficiating low-grade ore to usable products.

S. 920, which is now before the Senate Committee on Interior and Insular Affairs was introduced on the assumption that our national security demands a continuation of the manganese stockpile program. Based on that assumption, it appears clear to me that a depot should be established at Ironton or Crosby, Minn. so that we may as a Nation make use of the low-grade ore to be found in the Cuyuna Range in northern Minnesota. It is estimated that anywhere from 150,000 to 200,000 tons of ore per year could be made available from northern Minnesota. If a purchase depot could be established in that area to encourage operators to open manganese deposits and produce the units for stockpile.

It is with that purpose in mind that my amendment is introduced.

I have spoken to the chairman of the committee about the amendment, as well as to some of the minority members of the committee. The matter has been discussed in the full committee, and it is also discussed in the report. I have asked that the amendment be taken to conference as an amendment to the bill as reported to the committee.

Mr. BIBLE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. BIBLE. I am authorized by the Senator from Montana [Mr. MURRAY], the chairman of the committee, who has been temporarily called from the Chamber, to say that he will accept the amendment and is perfectly willing to take it to conference.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. WILLIAMS. Do I understand correctly that this amendment pertains to iron ore?

Mr. HUMPHREY. No; it deals with manganese.

Mr. WILLIAMS. It deals with manganese only?

Mr. HUMPHREY. That is correct.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MALONE. What would the amendment do?

Mr. HUMPHREY. It would establish one new depot to serve the Cuyana Range area in Minnesota.

Mr. MALONE. It is a very reasonable amendment.

Mr. HUMPHREY. I thank the Senator.

The PRESIDING OFFICER (Mr. SCOTT in the chair). The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY].

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I send another amendment to the desk, and I ask that it be stated.

The PRESIDING OFFICER. The Secretary will state the amendment.

The CHIEF CLERK. At the end of the bill to insert the following new section:

SEC. —. The Secretary of the Interior shall establish and operate a mining and metallurgical research establishment in the State of Minnesota.

Mr. HUMPHREY. Mr. President, the amendment I have submitted has the approval of the Bureau of Mines. I ask unanimous consent to have printed in the RECORD at this point a letter which I received from the Bureau of Mines. It is dated June 20, 1955.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
BUREAU OF MINES,
Washington, D. C., June 20, 1955.

Hon. HUBERT H. HUMPHREY,
United States Senate, Washington, D. C.

MY DEAR SENATOR HUMPHREY: Reference is made to your letter of June 8, 1955, requesting that I supply you with data bearing upon the desirability of establishing a Bureau of Mines facility for metallurgical and mining research in Minnesota.

The long-range construction program of the Bureau of Mines was considered by the Bureau of the Budget in June 1950. At that time, all but the most urgent construction projects were deleted from the program and 10 specific items were scheduled for presentation over a period of years. Since then the construction program of the Bureau of Mines has followed the listing accepted by the Bureau of the Budget and appropriations have permitted adequate progress on the program. The Minneapolis station was included in the program, and in terms of the Bureau's facility requirements to meet long-range mineral problems, its need is quite apparent.

In recent years the limited funds available to the Bureau of Mines for mineral research have been expended largely in the solution of problems of immediate urgency. In order to insure that some of the larger establishments could be effectively and efficiently employed, several smaller laboratories have been closed and numerous other economies have been effected. Accordingly, the Bureau's decision to defer requests for expanding the scale of its field establishment was based upon the need for maintaining efficient operation within its existing facilities and not upon any lack of appreciation of the potential importance of undeveloped resources in the north central United States.

The need for an intensive national program of research to improve the domestic mineral position, and adequate facilities to conduct such research can hardly be questioned. Even in the limited field of research activity considered to be an obligation to Government, the number of urgent problems requiring immediate attention is tremendous. In endorsing the report of a Cabinet Committee on Minerals Policy, dated November 30, 1954, the President has emphasized the importance of this problem.

The present geographic distribution of Government-owned metallurgical and mining research establishments is somewhat inadequate for serving an area of major significance in the north central United States. Early in the history of the Bureau of Mines the importance of the area was recognized and Minneapolis was selected as 1 of the 10 initial research centers. Arrangements were then made with the State of Minnesota which permitted the Bureau of Mines to occupy limited laboratory space and to have joint access to pilot plant areas within the State-owned mines experiment station on the campus of the University of Minnesota.

For more than 30 years much productive work was accomplished by a small group of technicians assigned to the station. Although available facilities limited the size of the staff to 8 or 10 persons, an active cooperative program with the State and with industry contributed much of the technology presently going into the industry's taconite expansion program. Numerous other achievements were similarly recorded. However, after a few years it became apparent that the scale of operations permitted at Minneapolis was inadequate with respect to the number and complexity of problems coming within the purview of the Bureau of Mines because of some particular national significance. Efforts were made to expand the activities but since the quarters were the property of the State, the scale of Bureau operations was always limited by the prior requirements of the University and other State agencies. Over the years the space available to the Bureau of Mines has been continuously reduced. Moreover, procedures and processes were conducted and developed only through initial stages, the opportunity of completing work through the necessary pilot scale tests being completely lacking in most instances.

Unfortunately the problems of major concern to the Minneapolis station are those that require extensive use of large-scale equipment before evidence of effective application of procedure and techniques to important segments of the mineral industry can be demonstrated. This situation is not unique in the field of metallurgical research, but is particularly important in the area of concern of the Minneapolis station because of the nature of the majority of the mineral commodities with which they are concerned. These include the low-grade fractions of the Lake Superior iron-ore ranges on which the domestic steel industry is placing increasing dependence; the Cuyuna Range, constituting the largest single potential source of manganese adequate to supply the national requirements; the low-grade and marginal copper ores of the Upper Peninsula of Michigan; the important lead and zinc ores of the upper Mississippi field in Wisconsin, Illinois and Iowa; the minor nonmetallic pegmatite minerals of South Dakota; and many others of a like nature.

The Appropriations Act of 1951 authorized the Bureau of Mines to acquire from the Veterans' Administration approximately 45 acres of land within the boundary of the Fort Snelling Reservation on the outskirts of Minneapolis. Transfer of jurisdiction of the tract has been accomplished and some warehouse, drill core storage, and minor testing facilities have since been established there. The site is admirably located to accommodate an appropriate research center.

I appreciate the opportunity to explain the Bureau of Mines' interest in this matter. I would be happy to supply any additional detail you may wish, or if you wish, arrange for appropriate members of my staff to discuss the subject with you at your convenience.

Sincerely yours,

J. J. FORBES,
Director.

Mr. BIBLE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. BIBLE. I am authorized by the Senator from Montana [Mr. MURRAY], the Chairman of the Committee on Interior and Insular Affairs, to say that he will accept the amendment, and that he is perfectly willing to take it to conference.

Mr. HUMPHREY. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY].

The amendment was agreed to.

Mr. DOUGLAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Aiken	George	McNamara
Allott	Goldwater	Millikin
Anderson	Gore	Monroney
Barkley	Green	Morse
Beall	Hayden	Mundt
Bender	Hennings	Murray
Bennett	Hill	Neely
Bible	Holland	Neuberger
Bricker	Hruska	O'Mahoney
Bridges	Humphrey	Pastore
Bush	Ives	Payne
Butler	Jackson	Potter
Byrd	Jenner	Purtell
Capehart	Johnston, S. C.	Robertson
Carlson	Kefauver	Russell
Case, N. J.	Kennedy	Saltonstall
Case, S. Dak.	Kerr	Scott
Chavez	Kilgore	Smathers
Clements	Knowland	Smith, Maine
Cotton	Kuchel	Smith, N. J.
Curtis	Langer	Sparkman
Daniel	Lehman	Stennis
Dirksen	Long	Symington
Douglas	Magnuson	Thurmond
Duff	Malone	Thye
Dworshak	Mansfield	Watkins
Eastland	Martin, Iowa	Welker
Ellender	Martin, Pa.	Wiley
Ervin	McCarthy	Williams
Fulbright	McClellan	Young

Mr. CLEMENTS. I announce that the Senator from Delaware [Mr. FREAR] is absent on official business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

Mr. SALTONSTALL. I announce that the Senator from Wyoming [Mr. BARRETT] is absent because of illness in his family.

The Senator from Vermont [Mr. FLANDERS] and the Senator from Kansas [Mr. SCHOEPPEL] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate.

The PRESIDING OFFICER. A quorum is present.

Mr. WILLIAMS. Mr. President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DWORSHAK. Mr. President, with reference to the addition of section 7, I offer a perfecting amendment, on page 2, line 15, to change the numeral "7" to "8"; and in line 16, to make the language read "4, 5, 6, and 7." It merely provides for the addition of section 7.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Idaho.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. Have we concluded action on the amendment offered by the Senator from Idaho? It is purely a perfecting amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Idaho.

The amendment was agreed to.

Mr. FULBRIGHT. Mr. President, in a way, I, perhaps, should not speak on this bill, because it did not come from a committee of which I am a member, and I do not claim to be an authority on mining matters. However, it has to do with the Defense Production Act, which is a responsibility of my committee.

It seems to me that, regardless of the merits of the program and regardless of the reasons for keeping employment going in the mining business, there may be a justifiable case for appropriation of public moneys to that end. That has been done in connection with other businesses.

The thing which is quite unacceptable to me is the procedure which has been followed. There are no hearings available to Members of the Senate to check what is involved.

The bill apparently is not accompanied by authority to appropriate, as is the case with most bills which involve money in the amount which would be spent as a result of the enactment of this bill. When I consider how difficult it is in many cases to get an appropriation of relatively small amounts, it amazes me that the Senate would seriously consider passing a bill which would obligate not less than $150 million which is not to be subject to appropriation in the future.

It is, as I understand, an authority for or a direction to an existing agency to spend this amount of money for the purchase of material for defense purposes.

Finally, the bill certainly is not justifiable as a defense measure, in view of the letter written by Mr. Flemming. I am not saying that we must necessarily follow Mr. Flemming's advice on all policies. There may be very good reasons why a bill of a similar kind should be passed, but not for the purpose of defense. While, of course, the Senate should not be forced to accept the opinion of the man in charge of defense production as to the question—the sole question—of whether or not the bill is desirable and is needed for stockpile purposes, yet I do not think anyone has seriously contested the statement of fact by Mr. Flemming as to the state of the stockpile. That is a fact, not an opinion as to policy.

Dr. Flemming merely states that of the major items, such as manganese and tungsten, the Government already has amounts far above the stockpile requirements. That does not involve accepting any judgment of his as to the desirability of a bigger or a smaller stockpile. It is simply the acceptance of a statement of fact as to what now exists in the stockpile program.

May I ask the Senator from Delaware if he has already placed the tables in the RECORD?

Mr. WILLIAMS. Yes, I have.

Mr. FULBRIGHT. I do not wish to overburden the RECORD by submitting them again, but I believe the Senator from Delaware has set forth the extent of the cost of the program, and that subject has already been discussed.

So it seems to me that while the proponents of the measure may have a perfectly good case with regard to subsidizing the mining industry, they have not presented it in a bill which is acceptable in accordance with the tradition of the Senate. I could not subscribe to a bill which purports to be of assistance to the furtherance of the defense effort, when it clearly is not in aid of the defense effort, and also when it does not fully establish the procedure for the spending of public money.

Mr. SYMINGTON. Mr. President, for some years I have been working to have the stockpile program declassified. It seems totally unwarranted and inappropriate that the billions of stockpile dollars, mostly spent under artificial high price agreements, especially with foreign countries, should be constantly held from the people as classified information.

The question today, as I see it, is whether we need manganese, tungsten, and certain other comparable materials for national defense. Based on the figures for these two materials given us by the Director of the Office of Defense Mobilization, we do not at this time need further stockpiling of those particular metals for national defense.

Over a period of months I have been having correspondence with Director Flemming on the subject. He has given me no justification whatsoever for classifying this program. I do not think he has really tried to justify keeping this information classified.

It is a well-known fact, as many Members of the Senate who were here before I came well know, that stockpile money has been used as a method for giving further foreign aid, aid which not only has not received approval of the Senate, but actually has never come before the Senate; because prices made in conjunction with various Government agencies are totally unrelated to costs.

A committee headed by the distinguished majority leader, the senior Senator from Texas [Mr. JOHNSON], shows that as a result of efforts made by that committee $500 million in savings in tin purchasing alone was saved the American taxpayers. Based on the letter which Director Flemming has written, placed in the RECORD by the distinguished Senator from Delaware, I shall vote against the bill.

But I believe it is time we demanded of the Office of Defense Mobilization that classifying information about the stockpile, totally unjustifiable from the standpoint of helping an enemy, should be terminated. If that were done, when a bill of this nature came before the Senate, we would be in a better position to judge its merits.

For the RECORD, if there is to be a subsidy above market prices, I would

rather see the miners and mining companies of this country subsidized directly than to see what has been going on over a period of years with respect to tin, tungsten, copper, nickel, and such products with very high profits, from foreign countries.

If there is to be subsidy, that subsidy should stand on its own feet. It should not, at least in certain cases, be premised on national defense—and the elusive Director Flemming could prove the point of his recent letter if he declassified this stockpile program.

Mr. CASE of South Dakota. Mr. President, as one who has witnessed the operation of the stockpile program, I think I can understand the problems which exist among the miners, especially the marginal miners.

During the war I had occasion to observe the efforts of the Government to acquire manganese and mica. I saw programs started with a promise implied to producers that if they would make the necessary exploration and investment in equipment, they would have a market. But once the war was ended, the buying program in some of these fields was abruptly cut off, even though the implied promise had not been redeemed. I know of several producers who suffered very serious, grievous losses because of the ending of some of the programs which were instituted through Colonial Mica, a Government agency, and other strategic metals programs operating at that time.

Afterward, in a discussion of the problem with Mr. Jess Larson, who was then the head of General Services Administration, I said, "It is impossible to get producers of marginal minerals to give a guaranty to the Government of delivery in advance of their getting onto a production basis. They simply are not able to give performance bonds when working in the exploratory and development phases of mining. We must offer them open end contracts with the assurance that the Government will buy the minerals they find themselves able to produce within a certain period of time. It must be a period of time long enough to warrant their making explorations, developing the mines, and installing the equipment needed to produce the minerals which the Government wants." Mr. Larson investigated the situation and I give him credit for instituting practical programs that could get results.

The General Services Administration, through Mr. A. J. Walsh, has continued to develop and improve procedures for practical programs.

I think the philosophy behind the Domestic Minerals Program Extension Act of 1953 was that the Government would make it possible for the producers of marginal minerals to be assured of a sufficient return to warrant their making the investment necessary to develop the mine and to get it on a production basis.

There is an element of national security which extends over and beyond the actual amount of minerals produced and stockpiled in this kind of program. That element grows out of the fact that to the extent a mine is opened and developed, or its reserves are proved, a potential stockpile has been established over and above the quantity which is actually mined and delivered. So, in my judgment, there is a sound basis in national security for saying to the producers, "When you go into a program like this, we will keep the program open long enough to warrant your making the expenditure of effort and money necessary to open a mine, to develop it, to install the necessary equipment, and to put the mine on a production basis."

There is one thing further to be said about the program. This is not a program under which the Government will fail to get something for its money. Under this program the Government will receive the actual, physical material, which can be stockpiled. It will not deteriorate. It will represent a good investment over a period of years. The material so stockpiled will not need to be released until the Government wants to release it. It will be just as good as the gold in Fort Knox, and possibly, in many instances, better from the standpoint of national security. To my mind this is a sound program.

It ought to be conducted on a basis which assures good faith treatment of those who enter into it, that they will not be cut short, as some producers were in some earlier programs.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. CAPEHART. Of course, neither the President nor anyone else can dispose of the stockpile without an act of Congress.

Mr. CASE of South Dakota. That is right. That is why I say it makes a good investment. The goods stockpiled do not operate as a drug on the market. The stockpile is like money in the bank. It means having materials which are critical and strategic which will be available when and where we want them.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. WILLIAMS. I think the record should show that many materials covered by the bill are not essential to the stockpile program and according to the Administrator will not be put in the stockpile. They will be resold under the language of the bill and the act on the domestic market at, in many instances, from one-half to one-third of the price which they will cost us. Why should we commit the Government to buy these unnecessary minerals at double their present market value?

Mr. CASE of South Dakota. I do not know to which minerals the Senator from Delaware is referring, but tungsten, manganese, chromite, mica, asbestos, beryl, and columbium-tantalum are all essential minerals, and many of them are critical in a sustained war effort. They are minerals which are essential to the national defense, and it is necessary to have them where they can be obtained, and not several thousand miles away from our shores, where they will be subject to submarine raids and all the other hazards of war. Many of them are marginal because the normal market is erratic and miners face increasing and uncertain costs.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. DOUGLAS. Would the Senator describe the program as providing a 60-year supply, not of hamburgers, but of tungsten?

Mr. CASE of South Dakota. A question like that speaks for itself. Tungsten needs no preservative. It merely needs to be available where it can be had, when it is needed. It might even be that some Illinois beef, properly put up in metal containers——

Mr. DOUGLAS. I might say that the hamburgers to which I referred were canned, too.

Mr. CASE of South Dakota. Hamburger might be put up so that it could be preserved for a long time; but one does not need to worry about tungsten. Tungsten is too rare to be wasted. It is relatively indestructible, if it can be placed where it can be reached when it is needed.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. DWORSHAK. Recently Congress approved an appropriation bill providing for approximately $125 million to pay the operating differential of our merchant marine, primarily because it was deemed essential in case of our involvement in global war. Can the Senator see any analogy in the possibility that, from the standpoint of preparedness, this country should spend some funds to assure a domestic supply of minerals to replace exhausted stockpiles in case of a global war?

Mr. CASE of South Dakota. In my estimation, an investment in strategic materials is a much more durable investment even than an investment in the merchant marine.

MARGINAL PRODUCTION MISCONCEPTION—TARIFF OR GUARANTEED PRICE—FOREIGN CHEAP LABOR COMPETITION

Mr. MALONE. Mr. President, to clearly define the term "marginal production"—it is only marginal when compared to lower-wage-standard-of-living countries. It has been indicated for 23 years that when minerals are not being mined in this country it is because they are marginal minerals, meaning higher cost than the world price. Mr. President, they are marginal minerals only in comparison with the cost of producing similar minerals in low-wage-standard-of-living countries.

The minerals are marginal production in the meaning of the administration spokesmen if the same minerals are available for $2-a-day labor countries, as compared with $15-a-day labor in this country. But if the difference in the cost of producing the minerals in this country were to be made up by a duty or tariff, the production would then be competitive.

MARGINAL COMPARED TO LOW WAGES

There is enough tungsten in the United States to last this country for a century. There is nothing marginal about it except that it competes with minerals produced in countries where

labor is paid 50 cents to $2 a day, in comparison with wages of $15 a day which are paid in this country.

Twice within the recent memory of each Senator we have relied on the assurances of the administrations then in power that we had enough strategic materials available to us. Each time our boys were murdered while we were hurriedly getting ready to produce the minerals and the materials with which to fight a war.

TWO METHODS TO ATTRACT PRIVATE INVESTMENT

There are only two methods by which private investments in the production of strategic and critical minerals, or, for that matter, any material, can be obtained, and that is through the imposition of a duty or tariff which makes up the difference in the cost of productions in this country and those existing in the cheap competitive nations on each product, or by a fixed unit price over a long enough period of years so that the investment can be amortized and a reasonable profit can be made on the investment. Otherwise the Government must put up all the money when the emergency comes.

Mr. President in that connection I ask unanimous permission to include in the RECORD at this point as a part of my remarks excerpts from my statement before the Minerals, Materials and Fuels Economic Subcommittee of the Interior and Insular Affairs Committee made on May 3, 1955.

There being no objection the excerpt is ordered to be printed.

TESTIMONY OF SENATOR GEORGE W. MALONE BEFORE THE INTERIOR AND INSULAR AFFAIRS SUBCOMMITTEE, MAY 3, 1955

Senator MALONE. I only have this to say, Mr. Chairman: It is amending the Malone-Aspinall Act which was passed in the beginning about 3 years ago. It was July 10, 1953—legislative day, July 6, 1953—that the Domestic Tungsten Program Extension Act of 1953 was reported. It says, "Mr. MALONE, from the Committee on Interior and Insular Affairs, submitted the following."

That report is No. 517, 83d Congress, 1st session, and it was Calendar No. 520.

It provided: "A bill to encourage the discovery, development, and production of tungsten, manganese, chromite, mica, asbestos, beryl, and columbium-tantalum-bearing ores and concentrates in the United States, its Territories, and possessions, and for other purposes."

Purpose of the measure: "The primary purpose of H. R. 2824, as amended, is to afford American producers of tungsten, manganese, chromite, and other strategic and critical minerals set forth in the amendment, a period of certainty in which they may make plans and investments for achievement of the production goals that have been set for them. To accomplish this purpose, the programs established under the Defense Production Act as amended are extended 2 years, or until July 1, 1958, with a proviso that this date shall not preclude the administrative agencies from extending such programs beyond July 1, 1958, or increasing the quantity of minerals obtained under them if conditions warrant.

"A complete schedule of the program for each of the minerals in the bill as amended, prepared by the staff of the committee, is set forth below in this report."

Without going into detail, we all know that the minerals program over a 20-year period was destroyed. In other words, there was no protection practically because the duty on these critical materials like tungsten, manganese, was lowered through agreements below the difference in the wage living standards between this country and in the chief competing nation on each product. Therefore, there was no guarantee, no principle on which Congress had agreed, that would justify any investor investing any money in the business. It is just that simple.

If the duty had been continued on the basis of fair and reasonable competition, i. e., to set the flexible duty, as the Tariff Commission had ability to do and had the authority to do until 1934, and the principle was well established by Congress of fair and reasonable competition, meaning that that flexible duty would always equal as nearly as the Tariff Commission could figure out the differential between the labor cost in the chief competitive country and taxes and other costs of doing business and in this country, then private investors and workingmen could make plans. They could say, "Now, all we have to do is compete with each other where the taxes and the wages and everything are approximately the same." If you found a tungsten deposit, we used to say it was well established at one time one-half of 1 percent under ordinary mining conditions would be feasible.

But we abandoned the principle in 1934. Therefore, no one dared invest any money in these minerals, in production of these minerals and others too, but these are the ones we thought were the most strategic.

So then it became necessary for the Congress of the United States to do something if, in fact, they wanted any domestic production at all—which seemed unlikely for a while, because many people, like Mr. Ickes, Secretary of the Interior, and others were saying that we either did not have these materials or that we should save them, not mine them, save them for an emergency and import all of these goods. All of you are familiar with these arguments that they made during a 20-year period.

In order to keep these people in business so that they could be a going concern, a production business, and be able to be in a position to increase production in case of war, when we were cut off from Burma and China and all these other sources or most of these other sources of chief supply, this bill was passed as a national defense bill to put us back into the business and to have a going-concern production of manganese and tungsten and chromite and other materials, so that if again we had a national emergency and we were shut off from major oceans, we could increase production much faster than if we had to go into the business cold from a standing start.

So that was the purpose of my bill here—I forget the number of the Senate bill—and the House bill H. R. 2824. That was the purpose of the introduction of my bill, which we always said on the Senate floor and elsewhere and in committee would at the proper time be introduced to extend the program.

Now, here is what you are hearing all over the production area. They do not dare to put new money in the business right now, because they know if this bill expires, if it is not extended, then they are right back where they started from and the investment is destroyed. There is no protection. The tungsten and manganese and other material from China and Burma and other places where the labor cost is anywhere from one-tenth to one-third of what it is here would be in direct competition with them. Therefore, their investment is gone. While there was money invested in 1953 and even in 1954—very little was invested then because they began to see the end—they only invested the amount of money that they felt they could get back and make some kind of a profit by the time this bill would expire.

Mr. GOLDWATER. Mr. President, I do not wish to bore the Senate, but as I said earlier, one of the purposes of the pending legislation is to help mining industries get on their feet so that they can become going concerns in time of war. It has been suggested that there is an adequate stockpile. I should like to show the Senate what is happening in the various fields, so far as production is concerned.

Let us start with chromite. The figures I am about to give are estimated figures for 1954, because I have only the 1953 actual figures from the Engineering and Mining Journal.

We imported 1,500,000 short tons of chromite. We produced 160,000 short tons. That is 160,000 against 1,500,000. We consumed 906,000 tons. So we in this country produced about one-seventh of what we need of that metal.

Let us consider tungsten. We produced in 1954 an estimated 13,100,000 pounds. We consumed 4,100,000 pounds. We imported 22 million pounds of tungsten.

Let us consider manganese, in which we are interested. Domestic production in 1954 was estimated to be 200,000 short tons. Domestic consumption was estimated to be 1,700,000 short tons. We imported 2,250,000 short tons.

Let us take asbestos. Outside a few mines in my own State of Arizona and in New England, this country produces practically no asbestos. It must depend for its supply on our neighbor to the north, Canada.

Let us now consider beryllium. Domestic production in 1954 was estimated to be 615 short tons, but we imported 5,000 short tons. Commercial consumption was estimated to be 2,500 short tons.

Mr. President, I have given those figures to show that we do not have what we would call a going industry in these strategic metals. The main purpose of the bill was to carry out the thought of the President's Cabinet Committee on Minerals Policy of about 7 months ago. I read from the committee report, because it states the situation better than I can:

It is the understanding of the committee that the principal policy guide followed by the Office of Defense Mobilization is that contained in the report of the President's Cabinet Committee on Minerals Policy. That report, issued only 7 months ago, contains the following statements and recommendation:

That report, issued only 7 months ago, contains the following language:

Overriding in importance in any consideration of policies relating to mineral production and utilization is the security of the Nation. The lack of available metals and minerals has in the past proved to be a weak link in American security. The members of the Committee have, therefore—

And this refers to the President's Cabinet Committee—

examined with care the existing status and progress of mobilization planning and the stockpile of strategic minerals, and have developed recommendations designed to strengthen this aspect of our defense.

Mr. President, with those remarks, I close my argument on the bill.

Mr. WATKINS. Mr. President, will the Senator from Arizona yield for a question?

The PRESIDING OFFICER (Mr. SCOTT in the chair). Does the Senator from Arizona yield to the Senator from Utah?

Mr. GOLDWATER. Certainly.

Mr. WATKINS. I did not hear the beginning of the remarks of the Senator from Arizona. Is it true that it is very necessary for action to be taken now, in order to secure sufficient investment and sufficient operations in this industry to make it possible for the desired results to be obtained?

Mr. GOLDWATER. Yes. I may say, in reply to the question, that the manganese depot at Wenden, Ariz., has been closed for several months, and the manganese depot at Deming, N. Mex., will soon be closed because it will soon reach its quota.

Mr. President, these mineral producers cannot wait around to find better ways to beneficiate the ore. If they are not able to maintain production, they will devote their money and their talents to other fields.

It must be remembered that if a mine is closed, it cannot be reopened overnight. Instead, the reopening process will take 2 or 3 years. It is most important that these mines be kept open; it is just as important to keep them open as it is to keep the aircraft factories open.

Mr. WATKINS. Mr. President, I appreciate what the Senator from Arizona has said regarding the importance of the bill, and I wish to be associated with him in his remarks urging that the bill be passed at this session of Congress.

My State does not produce as many of the rare metals as do some of the other Western States; but all the mining areas are deeply interested in this program. My State, along with the other States in which such mines are located, believes that it is essential to our defense that we have on hand adequate stockpiles of these metals. We cannot maintain our national safety if we do not do so. Furthermore, we cannot expect the producers to wait to see what demand for their production there will be and what the market will be. We cannot expect them to take such risks. The program must be handled on a long-range basis, with the program fully understood and with adequate financial backing for it.

Mr. GOLDWATER. I thank the Senator from Utah.

Mr. DWORSHAK. Mr. President, will the Senator from Arizona yield to me?

Mr. GOLDWATER. I am glad to yield.

Mr. DWORSHAK. Can the Senator from Arizona state for the RECORD the production figures for the United States in the case of antimony?

Mr. GOLDWATER. I can produce them.

Mr. DWORSHAK. I have them available. For 1954, the figure is 764 tons; and for 1953, only 372 tons—as compared with a peacetime consumption in the United States of aproximately 15,000 tons.

Mr. GOLDWATER. Would the Senator from Idaho be interested in knowing that last year we imported 9,700 tons of that metal?

Mr. DWORSHAK. If it is not produced in the United States, where can we obtain it, unless some kind of program for its production and stockpiling is initiated?

Mr. SMITH of New Jersey. Mr. President, I have been very interested in this debate. After hearing it, I have decided to support the pending bill.

Mr. President, earlier in my life I had the privilege of living for 15 years in Colorado. I was living there when World War I broke out. From living there, I know something of the mining industry, even though I am not an expert. I came to know about the precarious position of the domestic mining industry because of the fluctuating nature of demand for certain ores.

I feel very strongly that we cannot afford to do anything which would jeopardize the mining industry in the United States, in view of its strategic value to the Nation in time of war.

What is troubling me is the way the bill is drawn. We appear to be relying on a measure which will provide for the further accumulation of stockpiles of strategic materials, and we do have evidence that our existing stockpiles are practically depleted—although that is a debatable point.

I would be happier, Mr. President, to vote for a bill by means of which we would give direct aid to the mining industry, which I believe needs to be aided, or for a bill providing for raising the stockpile ceilings in case of a sudden emergency.

I am supporting the pending bill because I have no alternative. We are near the end of the present session; and if we fail to take advantage of the opportunity to pass this bill, I think the United States mining industry will be seriously jeopardized, for I do not believe it will be safe for us to postpone the proposed action. Therefore, I have reached the conclusion that I will support the pending bill.

On the other hand, I wish to make clear that it seems to me that the wrong theory was followed in connection with this prcposed legislation. It would have been better to introduce a bill to help the mining industry by direct methods, for I believe all of us agree that domestic mining needs to be helped. So I believe it would be proper for us to enact a bill providing assistance for that industry, just as we have aided other industries which have been in trouble; and it would have been better for us to vote to raise our stockpile ceilings, so as to make it possible for the mining industry in the United States to maintain its operations.

I know full well that once a mine is closed it is difficult to reopen it. We were confronted by that difficulty during World War I, when the Nation's need for increased production of metals became acute; and at that time we found that it was most difficult to reopen mines.

So, Mr. President, in view of the present situation, and the approaching end of this session, I believe we must enact the pending measure—particularly in view of the need of the mining industry for support.

I commend the Senator from Delaware [Mr. WILLIAMS] highly for having brought to our attention what seemed to be defects in the pending bill. However, I wish to ask him whether it is not wise, in view of the fact that the mining industry is, as I know it is, in jeopardy, for us to accept the lesser of two evils; in other words, for us to pass the pending bill, and thus avoid doing serious damage to the essential mining industry.

Mr. WILLIAMS. Mr. President, in reply to the Senator from New Jersey, let me point out that we already have by law a program which would continue for 2 more years the purchasing authority and right of the Office of Defense Mobilization to buy these materials. Thus, it is clear that by defeating the pending bill, we shall not be reneging on that commitment.

Furthermore, as to the need for the stockpiling program, I point out that if the Office of Defense Mobilization were to tell us today or tomorrow or at any other time, "We need to have a stockpile of one of these minerals, in the interest of the national defense" I would not hesitate a moment to vote for a bill which would provide for the stockpiling of that mineral.

However, Congress has already voted authority under the Defense Production Act for the agency to stockpile any mineral needed for our national-defense needs. That agency has gone on record unanimously as stating that the enactment of the pending bill is not needed in the interest of the national defense, and it urges that the bill be defeated.

I also wish to point out that in the same letter the officials of the agency emphasized that to the extent funds are used for the purchase of these minerals, their ability to purchase minerals which are essential to our stockpiling program is thereby reduced.

If the bill is being sponsored on the basis of the importance of protecting the mining industry and if the mining industry deserves a subsidy, then let us call this bill a subsidy bill and not try to jam it through at this late hour under the guise of national defense. General Services Administration has estimated the minimum cost to the taxpayers if this bill is enacted at $285 million with a maximum possible cost of $500 million. Such a waste cannot be justified. Congress could arrive at a more intelligent decision regarding the program had hearings been held.

Mr. SMITH of New Jersey. On that point, I agree with the Senator from Delaware; but I am afraid we do not have time to take that approach—much as I should like to have us do so.

Mr. GOLDWATER. Mr. President, if the Senator from New Jersey will yield to me, let me say that I am sure the Senator from Delaware does not mean that those of us who serve on the committee arrived at an unintelligent decision.

Mr. WILLIAMS. No; I do not mean that.

Mr. GOLDWATER. I assure the Senator that we worked hard on this measure. If our approach to it is not intelligent in the mind of the Senator from

Delaware, at least I may say it is intelligent in the committee's mind.

Mr. WILLIAMS. I do not question the intelligence of the committee. I just disagree with its conclusions.

Before the vote on the pending bill is taken, Mr. President, I should like to summarize certain points. The bill was presented to the Senate this afternoon by the chairman of the committee, Mr. MURRAY, and with the direct representation that the bill had the endorsement not only of the Director of the Bureau of the Budget but also of the Director of the Office of Defense Mobilization, Mr. Flemming. However, it has since been established that that representation was inaccurate and that the Director of the Office of Defense Mobilization, Mr. Flemming, who is in charge of the administration of the program, is unalterably opposed to enactment of the bill. He has certified that its enactment would not be in the interest of the national defense.

The minimum cost of the bill is $285 million with a maximum estimate of $500 million. It directs the ODM to contract for these minerals at prices from 2 to 3 times the prevailing market price. Furthermore, not only does Mr. Flemming in his adverse report state that these minerals are nonessential to our stockpiling program but also he calls attention to the fact that this bill would force him to buy many of these minerals, the quality of which would not meet stockpile specifications.

To repeat, I think the bill has been inaccurately represented to the Senate, and it should be defeated.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. SMATHERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill having been read the third time, the question is, shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Virginia [Mr. BYRD] and the Senator from Delaware [Mr. FREAR] are absent on official business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

I further announce that the Senator from Delaware [Mr. FREAR] is paired with the Senator from Texas [Mr. JOHNSON]. The Senator from Delaware [Mr. FREAR] would vote "nay" and the Senator from Texas [Mr. JOHNSON] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Wyoming [Mr. BARRETT] is absent because of illness in his family.

The Senator from Vermont [Mr. FLANDERS] and the Senator from Kansas [Mr. SCHOEPPEL] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate.

The Senator from Ohio [Mr. BRICKER] is detained on official business at the Department of Justice.

On this vote the Senator from Wyoming [Mr. BARRETT] is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Wyoming would vote "yea" and the Senator from Vermont would vote "nay."

The result was announced—yeas 54, nays 34, as follows:

YEAS—54

Allott	Goldwater	McCarthy
Anderson	Hayden	McNamara
Barkley	Hruska	Millikin
Bennett	Humphrey	Morse
Bible	Jackson	Mundt
Bridges	Jenner	Murray
Capehart	Johnston, S. C.	Neely
Carlson	Kefauver	Neuberger
Case, S. Dak.	Kerr	O'Mahoney
Chavez	Kilgore	Potter
Clements	Knowland	Scott
Curtis	Kuchel	Smith, N. J.
Daniel	Langer	Thurmond
Dirksen	Long	Thye
Dworshak	Magnuson	Watkins
Eastland	Malone	Welker
Ellender	Mansfield	Wiley
Ervin	Martin, Iowa	Young

NAYS—34

Aiken	Green	Purtell
Beall	Hennings	Robertson
Bender	Hill	Russell
Bush	Holland	Saltonstall
Butler	Ives	Smathers
Case, N. J.	Kennedy	Smith, Maine
Cotton	Lehman	Sparkman
Douglas	Martin, Pa.	Stennis
Duff	McClellan	Symington
Fulbright	Monroney	Williams
George	Pastore	
Gore	Payne	

NOT VOTING—8

Barrett	Flanders	Johnson, Tex.
Bricker	Frear	Schoeppel
Byrd	Hickenlooper	

So the bill (H. R. 6373) was passed.

Mr. GOLDWATER. Mr. President, I move that the Senate reconsider the vote by which H. R. 6373 was passed.

Mr. WELKER. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Idaho [Mr. WELKER] to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. MURRAY. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MURRAY, Mr. SCOTT, and Mr. MALONE conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the bill (S. 1138) to continue the effectiveness of the act of July 17, 1953 (67 Stat. 177), as amended, providing certain construction and other authority.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 1751) for the relief of Priscilla Louise Davis.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 2747) for the relief of Col. McFarland Cockrill.

The message also announced that the House had disagreed to the amendments of the bill (H. R. 5881) to supplement the Federal reclamation laws by providing for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ENGLE, Mr. ASPINALL, Mr. O'BRIEN of New York, Mr. MILLER of Nebraska, and Mr. SAYLOR were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 34) to authorize the leasing of restricted Indian lands for public, religious, educational, recreational, residential, business, and other purposes requiring the grant of long-term leases.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1093) to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6382) to amend the International Claims Settlement Act of 1949, as amended, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2851) to make agricultural commodities owned by the Commodity Credit Corporation available to persons in need in areas of acute distress.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3822) to amend title V of the Agricultural Act of 1949, as amended.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3990) to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development, and utilization of the water resources of Alaska.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 3587. An act granting the consent of the Congress to the negotiation of a compact relating to the waters of the Klamath River by the States of Oregon and California;

H. R. 3822. An act to amend title V of the Agricultural Act of 1949, as amended;

H. R. 4970. An act for the relief of Edeltraudt Margot Gallagher, nee Hackelberg;

H. R. 5767. An act for the relief of Sally S. Shulman or Zeli Sholman; and

H. R. 6886. An act to amend the act of October 19, 1949, entitled "An act to assist States in collecting sales and use taxes on cigarettes."

LEASING OF CERTAIN RESTRICTED INDIAN LANDS—CONFERENCE REPORT

Mr. O'MAHONEY. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 34) to authorize the leasing of restricted Indian lands for public, religious, educational, recreational, residential, business, and other purposes requiring the grant of long-term leases. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the report was considered and agreed to.

ORRIN J. BISHOP—CONFERENCE REPORT

Mr. KILGORE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4249) for the relief of Orrin J. Bishop. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4249) for the relief of Orrin J. Bishop, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same.

HARLEY M. KILGORE,
PRICE DANIEL,
HERMAN WELKER,
JOHN M. BUTLER,
Managers on the Part of the Senate.

THOMAS J. LANE,
E. L. FORRESTER,
WILLIAM E. MILLER,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. KILGORE. Mr. President, I may say that the House receded from all its objections to the Senate bill and has agreed to the Senate's version of the bill.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

BONDING OF CIVILIAN AND MILITARY PERSONNEL OF FEDERAL GOVERNMENT—CONFERENCE REPORT

Mr. JOHNSTON of South Carolina. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4778) to provide for the purchase of bonds to cover officers and employees of the Government. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of July 30, 1955, p. 12464–12466, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. JOHNSTON of South Carolina. Mr. President, I may say there were only very minor disagreements on the bill, to begin with.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

THE CAPITAL TRANSIT STRIKE AND THE WASHINGTON POLICE FORCE

Mr. LEHMAN. Mr. President, since July 4 this city, Washington, D. C., has been greatly inconvenienced by a strike of the employees of the Capital Transit Co. I shall not at this time discuss the merits of the strike, its causes, or its cure. That is not my purpose today, although I have strong personal views on the subject.

I wish, rather, to say before Congress adjourns what I am sure the people of this city would say if they had representatives through whom they could express their views.

These people, unfortunately, have no elected representatives through whom they can express themselves, either in resentment or in appreciation. I believe my feelings are shared by thousands of people in this District when I commend the officers and men of the Metropolitan Police force for the selfless and uncomplaining role they have taken in easing the burdens of the strike.

I wish to thank them heartily for their patience, devotion and dedication; I wish to say that I believe the people of Washington are deeply indebted to these policemen who have given up their vacations, who have worked overtime, who have stood for hours on end directing traffic in the scorching sun, and who, all the time have remained cheerful and pleasant.

I think that the officers and members of the Washington Police Department, and of the Traffic Bureau, deserve our unanimous and heartfelt thanks and our profoundest respect. They have done a superb job, for which we are all deeply grateful, and they have done their duty without complaint, which merits our unrestrained admiration.

I wish, with all my heart, to say to the policemen of Washington, as a Senator, and as a parttime resident of Washington: "Well done. You are performing above and beyond the call of duty."

THE PUBLIC HIGHWAY PROGRAM—AMENDMENT TO HOUSE BILL 6417

Mr. CASE of South Dakota. Mr. President, yesterday the President of the United States made a statement concerning the rejection by the other body of proposed interstate highway construction legislation. In that statement he said, in part:

I am deeply disappointed by the rejection by the House of Representatives of legislation to authorize a nationwide system of highways.

The Nation badly needs new highways. The good of our people, of our economy and of our defense, requires that construction of these highways be undertaken at once.

There is difference of conviction, I realize, over means of financing this construction. I have proposed one plan of financing which I consider to be sound. Others have proposed other methods.

Adequate financing there must be, but contention over the method should not be permitted to deny our people these critically needed roads.

I would devoutly hope that the Congress would reconsider this entire matter before terminating this session.

Mr. President, I desire to offer an amendment to a bill which has already passed the House of Representatives which deals with the highway matter and which is now on the calendar of the Senate. I desire to present the amendment at this time in order that it may be printed for the information of Senators, and then I desire to make a brief subsequent statement.

I am sending to the desk for printing an amendment which I propose to offer to H. R. 6417, and which would increase the authorization for the interstate highway system from the presently authorized $175 million in the existing authorization for the fiscal years 1956 and 1957 to $575 million.

The amendment also proposes to change the ratio of Federal-State matching from the 60–40 ratio of the present law to 80–20.

The net effect would be to increase the interstate highway building program from a total of approximately $300 million in Federal and State funds for the current biennium to approximately $720 million for each of the two years. This compares with a total of $50 million in Federal and State funds for the interstate system in the fiscal year just ended.

If the Senate will adopt this amendment, the matter would go to conference with conferees appointed, presumably, from the Public Works Committees of the House and Senate respectively. This would place the matter before conferees who are thoroughly familiar with the whole highway picture. While the House conferees might not feel that they could agree to the amendment in conference, they could take it back for a separate vote in the House of Representatives.

The issue would be very simple: Shall we increase the existing authorization for the interstate highway system?

This would meet the basis of the President's special message on highways—which was to accelerate the building of a national network of interstate highways.

It leaves out all side issues. It is simple and direct.

While the authorization would be for only the 2 years of the biennium covered by the 1954 act, it would be strictly in keeping with the pattern of establishing highway legislation with biennial review by the Congress.

The history of this legislation shows that we do not shrink highway building—we expand it. This proposal would get the program of accelerated building of the interstate system on the road.

Next year, the Congress will inevitably pass highway legislation. It is the year for the customary biennial highway act.

The advantage of acting now is to get an accelerated program started on the interstate system. It would do in the first year or two about as much as any of the proposals for stepping up the interstate system would do—and Congress could further expand it next year at the same time it goes further into the question of financing.

The receipts from the Federal tax on motor fuels are steadily increasing. I have a hunch that the total receipts will not be far from an amount equal to the totals authorized for the Federal-aid highway systems.

The increase of $400 million in Federal funds, in any event, would not be an undue contribution from the Federal budget to an accelerated interstate highway building program. Indeed, the distinguished Senator from Pennsylvania [Mr. MARTIN], only yesterday suggested that possibly the Federal Government should take over the responsibility for building the interstate system.

By changing the matching formula from a 60–40 ratio to an 80–20 ratio, we would be moving toward the 90–10 percentage ratio proposed in the bills reported this year by both the House and Senate Committees on Public Works. It would also be in keeping with the proposals of the Clay Commission that the Federal Goverment step up its share of the cost to approximately a 95–5 ratio.

Under the law as it stands today, the States and local communities will put up approximately $125 million for matching against the $175 million of the authorized Federal aid for the interstate system. Under the amendment which I propose, the local government's share would go up approximately to $143 million.

The increase of $18 million spread among the several States under the prescribed apportionments would not be particularly burdensome on any State—and could likely be absorbed without waiting for State legislatures to meet.

In the few cases where the increased allotment would require additional State revenues, it should be borne in mind that the States had 2 years in which to match their Federal aid apportionments. If they are already prepared to provide a total of $125 million, conceivably little problem would be created by making available Federal aid funds calling for $143 million—an increase of only $18 million in matching requirements.

The nub of all of the highway proposals this year has been to propose acceleration of the building of the interstate system. Side issues have sometimes clouded that fact.

This amendment reduces the aim to the simplest terms—a direct increase in the amounts authorized for the interstate system. It can be done by a simple and direct amendment to the 1954 Highway Act which already has established Federal aid highway authorization in all categories of roads for the fiscal years 1956 and 1957.

We are only 1 month into the 2-year authorization. The changes can be made at this time with no practical difficulty and the interstate highway program will be on the road.

The level will be 14 times as great as it was last year. The rate can be made for subsequent years as high as the Nation's prospective fiscal picture may warrant at any time.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

EXECUTIVE SESSION

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. SCOTT in the chair) laid before the Senate a message from the President of the United States submitting the nomination of Harold E. Stassen, of Pennsylvania, to be Deputy Representative on the United Nations Disarmament Commission, which was referred to the Committee on Foreign Relations.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. HILL, from the Committee on Labor and Public Welfare:

Newell Brown, of New Hampshire, to be Administrator, Wage and Hour Division, Department of Labor; and

Ewan Clague, of Pennsylvania, to be Commissioner of Labor Statistics, Department of Labor.

By Mr. BYRD, from the Committee on Finance:

Fred C. Scribner, Jr., of Maine, to be General Counsel for the Department of the Treasury, vice David W. Kendall; and

David W. Kendall, of Michigan, to be Assistant Secretary of the Treasury, vice H. Chapman Rose.

TREATY OF MUTUAL UNDERSTANDING AND COOPERATION BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF PANAMA

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Executive F, a Treaty of Mutual Understanding and Cooperation Between the United States of America and the Republic of Panama.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider Executive F, a Treaty of Mutual Understanding and Cooperation Between the United States of America and the Republic of Panama, signed in the English and Spanish languages at Panama on January 25, 1955, which was read the second time, as follows:

TREATY OF MUTUAL UNDERSTANDING AND COOPERATION BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF PANAMA

The President of the United States of America and the President of the Republic of Panama, desirous of concluding a treaty further to demonstrate the mutual understanding and cooperation of the two countries and to strengthen the bonds of understanding and friendship between their respective peoples, have appointed for that purpose as their respective Plenipotentiaries:

The President of the United States of America: Selden Chapin, Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Panama.

The President of the Republic of Panama: Octavio Fábrega, Minister of Foreign Relations of the Republic of Panama, who, having communicated to one another their respective full powers, found in good and due form, and recognizing that neither the provisions of the Convention signed November 18, 1903, nor the General Treaty signed March 2, 1936, nor the present Treaty, may be modified except by mutual consent, agree upon the following Articles:

Article I

Beginning with the first annuity payable after the exchange of ratifications of the present Treaty, the payments under Article XIV of the Convention for the Construction of a Ship Canal between the United States of America and the Republic of Panama, signed November 18, 1903, as amended by Article VII of the General Treaty of Friendship and Cooperation, signed March 2, 1936, shall be One Million Nine Hundred Thirty Thousand and no/100 Balboas (B/1,930,000) as defined by the agreement embodied in the exchange of notes of March 2, 1936, between the Secretary of State of the United States of America and the Members of the Panamanian Treaty Commission. The United States of America may discharge its obligation with respect to any such payment in any coin or currency, provided the amount so paid is the equivalent of One Million Nine Hundred Thirty Thousand and no/100 Balboas (B/1,930,000) as so defined.

On the date of the first payment under the present Treaty, the provisions of this Article shall supersede the provisions of Article VII of the General Treaty signed March 2, 1936.

Notwithstanding the provisions of this Article, the High Contracting Parties recognize the absence of any obligation on the part of either Party to alter the amount of the annuity.

Article II

(1) Notwithstanding the provisions of Article X of the Convention signed November 18, 1903, between the United States of America and the Republic of Panama, the United States of America agrees that the Republic of Panama may, subject to the provisions of paragraphs (2) and (3) of this Article, impose taxes upon the income (including income from sources within the Canal Zone) of all persons who are employed in the service of the Canal, the railroad, or auxiliary works, whether resident within or outside the Canal Zone, except:

(a) members of the Armed Forces of the United States of America,

(b) citizens of the United States of America, including those who have dual nationality, and

(c) other individuals who are not citizens of the Republic of Panama and who reside within the Canal Zone.

(2) It is understood that any tax levied pursuant to paragraph (1) of this Article shall be imposed on a non-discriminatory basis and shall in no case be imposed at a rate higher or more burdensome than that applicable to income of citizens of the Republic of Panama generally.

(3) The Republic of Panama agrees not to impose taxes on pensions, annuities, relief payments, or other similar payments, or payments by way of compensation for injuries or death occurring in connection with, or incident to, service on the Canal, the railroad, or auxiliary works paid to or for the benefit of members of the Armed Forces or citizens of the United States of America or the lawful beneficiaries of such members or citizens who reside in territory under the jurisdiction of the Republic of Panama.

The provisions of this Article shall be operative for the taxable years beginning on or after the first day of January following the year in which the present Treaty enters into force.

Article III

Subject to the provisions of the succeeding paragraphs of this Article, the United States of America agrees that the monopoly granted in perpetuity by the Republic of Panama to the United States for the construction, maintenance and operation of any system of communication by means of canal or railroad across its territory between the Caribbean Sea and the Pacific Ocean, by Article V of the Convention signed November 18, 1903, shall be abrogated as of the effective date of this Treaty in so far as it pertains to the construction, maintenance and operation of any system of trans-Isthmian communication by railroad within the territory under the jurisdiction of the Republic of Panama.

Subject to the provisions of the succeeding paragraphs of this Article, the United States further agrees that the exclusive right to establish roads across the Isthmus of Panama acquired by the United States as a result of a concessionary contract granted to the Panama Railroad Company shall be abrogated as of the date of the entry into force of this Treaty, in so far as the right pertains to the establishment of roads within the territory under the jurisdiction of the Republic of Panama.

In view of the vital interest of both countries in the effective protection of the Canal, the High Contracting Parties further agree that such abrogation is subject to the understanding that no system of inter-oceanic communication within the territory under the jurisdiction of the Republic of Panama by means of railroad or highway may be financed, constructed, maintained, or operated directly or indirectly by a third country or nationals thereof, unless in the opinion of both High Contracting Parties such financing, construction, maintenance, or operation would not affect the security of the Canal.

The High Contracting Parties also agree that such abrogation as is contemplated by this Article shall in no wise affect the maintenance and operation of the present Panama Railroad in the Canal Zone and in territory subject to the jurisdiction of the Republic of Panama.

Article IV

The second paragraph of Article VII of the Convention signed November 18, 1903, having to do with the issuance of, compliance with, and enforcement of, sanitary ordinances in the Cities of Panamá and Colón, shall be abrogated in its entirety as of the date of entry into force of this Treaty.

Article V

The United States of America agrees that, subject to the enactment of legislation by Congress, there shall be conveyed to the Republic of Panama free of cost all the right, title and interest held by the United States of America or its agencies in and to certain lands and improvements in territory under the jurisdiction of the Republic of Panama when and as determined by the United States to be no longer needed for the operation, maintenance, sanitation or protection of the Panama Canal or of its auxiliary works, or for other authorized purposes of the United States in the Republic of Panama. The lands and improvements referred to in the preceding sentence and the determinations by the United States of America respecting the same, subject to the enactment of legislation by the Congress, are designated and set forth in Item 2 of the Memorandum of Understandings Reached which bears the same date as this Treaty. The United States of America also agrees that, subject to the enactment of legislation by the Congress, there shall be conveyed to the Republic of Panama free of cost all its right, title and interest to the land and improvements in the area known as Paitilla Point and that effective with such conveyance the United States of America shall relinquish all the rights, power and authority granted to it in such area under the Convention signed November 18, 1903. The Republic of Panama agrees to save the Government of the United States harmless from any and all claims which may arise incident to the conveyance of the area known as Paitilla Point to the Republic of Panama.

Article VI

Article V of the Boundary Convention, signed September 2, 1914, between the United States of America and the Republic of Panama, shall be replaced by the following provisions:

"It is agreed that the permanent boundary line between the City of Colón (including the Harbor of Colón, as defined in Article VI of the Boundary Convention of 1914, and other waters adjacent to the shores of Colón) and the Canal Zone shall be as follows:

Beginning at an unmarked point called "E", located on the northeasterly boundary of the Colón Corridor (at its Colón extremity), the geodetic position of which referred to the Panamá-Colón datum of the Canal Zone triangulation system, is in latitude 9° 21′ N. plus 0.00 feet (0.000 meters) and longitude 79° 54′ W. plus 356.09 feet (108.536 meters).

Thence from said initial point by metes and bounds:

Due East, 2662.83 feet (811.632 meters), along North latitude 9° 21′ plus 0.00 feet (0.000 meters), to an unmarked point in Folks River, called "F", located at longitude 79° 53′ W. plus 3700.00 feet (1127.762 meters);

N. 36° 36′ 30″ E., 2616.00 feet (797.358 meters), to an unmarked point in Manzanillo Bay, called "G";

N. 22° 41′ 30″ W., 1192.00 feet (363.322 meters), to an unmarked point in Manzanillo Bay, called "H";

N. 56° 49′ 00″ W., 777.00 feet (236.830 meters), to an unmarked point in Manzanillo Bay, called "I";

N. 29° 51′ 00″ W., 2793.00 feet (851.308 meters), to an unmarked point in Manzanillo Bay, called "J";

N. 50° 56′ 00″ W., 3292.00 feet (1003.404 meters), to an unmarked point in Limon Bay, called "K";

S. 56° 06′ 11″ W., 4258.85 feet (1298.100 meters), to an unmarked point in Limon Bay, called "L", which is located on the northerly boundary of the Harbor of Colón.

Thence following the boundary of the Harbor of Colón, as described in Article VI of the Boundary Convention signed September 8, 1914, to monument "D'", as follows:

N. 78° 30′ 30″ W., 2104.73 feet (641.523 meters), on a line to the light house on Toro Point, to an unmarked point in Limon Bay, called "M", located 330 meters or 1082.67 feet easterly and at right angles from the centerline of the Panama Canal;

S. 00° 14′ 50″ W., 3074.46 feet (937.097 meters), parallel to and 330 meters or 1082.67 feet easterly from the centerline of the Panama Canal, to an unmarked point in Limon Bay, called "N";

S. 78° 30′ 30″ E., 3952.97 feet (1204.868 meters), to monument "D'", which is a concrete monument, located on the easterly shore of Limon Bay.

Thence following the boundary between the City of Colón and the Canal Zone, as described in Article V of the Boundary Convention signed September 2, 1914, to monument "B" as follows:

S. 78° 30′ 30″ E., 258.65 feet (78.837 meters) through monuments Nos. 28 and 27 which are brass plugs in pavement, to monument "D" which is a concrete monument, the distances being 159.96 feet (48.756 meters), 28.26 feet (8.614 meters), and 70.43 feet (21.467 meters), successively, from beginning of the course;

N. 74° 17′ 35″ E., 533.60 feet (162.642 meters), along the centerline of Eleventh Street, through monuments Nos. 26, 25, 24 and 23, which are brass plugs in the pavement, to "C", which is an unmarked point beneath the clock pedestal on the centerline of Bolivar Avenue, the distances being 95.16 feet (29.005 meters), 91.02 feet (27.743 meters), 166.71 feet (50.813 meters), 158.66 feet (48.360 meters) and 22.05 feet (6.721 meters), successively, from beginning of the course;

S. 15° 58′ 00″ E., 965.59 feet (294.312 meters), along the centerline of Bolivar Avenue, through monuments Nos. 22, 21, 20 and 19, which are brass plugs in the pavement, to monument "B", which is a brass plug, the distances being 14.35 feet (4.374 meters), 143.13 feet (43.626 meters), 238.77 feet (72.777 meters), 326.77 feet (99.600 meters) and 242.57 feet (73.935 meters), successively from beginning of the course. (Monument "B" is the point of beginning referred to in Article I of the Convention between the United States of America and the Republic of Panama regarding the Colón Corridor and certain other Corridors through the Canal Zone, signed at Panamá on May 24, 1950.)

Thence following the boundary between the City of Colón and the Canal Zone, to monument "A", as described in Article I of the Corridor Convention referred to in the next-preceding paragraph:

S. 15° 57′ 40″ E., 117.10 feet (35.692 meters) along the centerline of Bolivar Avenue to Monument No. A–8, which is a brass plug located at the intersection with the centerline of 14th Street projected westerly, in North latitude 9° 21′ plus 1356.18 feet

(413.364 meters) and West longitude 79° 54' plus 1862.57 feet (567.712 meters);

N. 73° 59' 35" E., 172.12 feet (52.462 meters) along the centerline of 14th Street to Monument No. A–7, which is a brass plug located at the intersection with the line of the west curb of Boundary Street projected northerly in North latitude 9° 21' plus 1403.64 feet (427.830 meters) and West longitude 79° 54' plus 1697.12 feet (517.283 meters):

Southerly along the westerly curb of Boundary Street and its prolongation to Monument No. A–4, which is a brass plug located at the intersection of two curves, in North latitude 9° 21' plus 833.47 feet (254.042 meters) and West longitude 79° 54' plus 980.94 feet (298.991 meters) (this last mentioned course passes through a curve to the left with a radius of 40.8 feet (12.436 meters) and the intersection of its tangents at point A–6 in North latitude 9° 21' plus 1306.23 feet (398.140 meters) and West longitude 79° 54' plus 1669.37 feet (508.25 meters), and a curve to the right with a radius of 1522 feet (463.907 meters) with the point of intersection of its tangents at point A–5 in North latitude 9° 21' plus 958.14 feet (292.042 meters) and West longitude 79° 54' plus 1105.89 feet (337.076 meters));

Through a curve to the left with a radius of 262.2 feet (79.919 meters) and the intersection of its tangents at point A–3 in North latitude 9° 21' plus 769.07 feet (234.413 meters) and West longitude 79° 54' plus 955.43 feet (291.216 meters); a curve to the right with a radius of 320.0 feet (97.536 meters) and the intersection of its tangents at point A–2 in North latitude 9° 21' plus 673.38 feet (205.247 meters) and West longitude 79° 54' plus 836.40 feet (254.935 meters); and a curve to the left with a radius of 2571.5 feet (783.795 meters) and the intersection of its tangents at point A–1 in North latitude 9° 21' plus 302.15 feet (92.096 meters) and West longitude 79° 54' plus 680.96 feet (207.557 meters) to Monument No. "A", which is a 1½ inch brass plug located in the old sea wall, in North latitude 9° 21' plus 45.60 feet (13.899 meters) and West longitude 79° 54' plus 487.65 feet (148.636 meters):

S. 21° 34' 50" W., 29.19 feet (8.897 meters), to an unmarked point called #1;

Southeasterly, 23.26 feet (7.090 meters), along a curve to the left with a radius of 2596.48 feet (791.409 meters) (the chord of which bears S. 37° 28' 20" E., 23.26 feet (7.090 meters) to an unmarked point called #2, located on the southwesterly boundary of the Colón Corridor at North latitude 9° 21' plus 0.00 feet (0.000 meters)).

The directions of the lines refer to the true meridian.

The above described boundary is as shown on Panama Canal Company drawing No. 6117–22, entitled "Boundary Line Between the City of Colón and the Canal Zone", scale 1 inch to 600 feet, dated December 23, 1954, prepared for the Canal Zone Government, attached as an annex hereto and forming a part hereof."

Article VIII of the General Treaty signed March 2, 1936, as amended by Article III of the Convention between the United States of America and the Republic of Panama regarding the Colón Corridor and certain other corridors through the Canal Zone, signed May 24, 1950, is hereby modified by removing from the Colón, or westerly, end of the Colón Corridor the portion thereof lying north of North latitude 9° 21' and incorporating such portion within the boundary of the City of Colón as described above.

This Article shall become effective upon completion of the withdrawal by the United States of America from the sections of the city of Colón known as New Cristobal, Colón Beach and the de Lesseps Area, with the exception of the lots retained for consulate purposes, except that it shall in no case become effective prior to the exchange of the instruments of ratification of this Treaty and the exchange of instruments of ratification of the Convention signed May 24, 1950, referred to in the preceding paragraph.

Article VII

The second paragraph of Article VII of the Boundary Convention signed September 2, 1914, between the United States of America and the Republic of Panama, shall be abrogated in its entirety as of the date of entry into force of the present Treaty.

The landing pier situated in the small cove on the southerly side of Manzanillo Island, constructed pursuant to provisions contained in the second paragraph of Article VII of the Boundary Convention of 1914 between the two countries, shall become the property of the Government of the Republic of Panama as of the date of entry into force of the present Treaty.

Article VIII

(a) The Republic of Panama will reserve exclusively for the purpose of maneuvers and military training the area described in the maps (Nos. SGN–7–54 and SGN–8–54, each dated November 17, 1954) and accompanying descriptions prepared by the Comisión Catastral of the Republic of Panama, attached as the Annex hereto, and will permit the United States of America, without cost and free of all encumbrances, exclusively to utilize said area for the indicated purpose for a period of fifteen (15) years, subject to extension thereafter as agreed by the two Governments. This authorization includes the free access to, egress from, and movements within and over, said area. This utilization will not affect the sovereignty of the Republic of Panama, or the operation of the Constitution and the laws of the Republic over the mentioned area.

(b) The United States Armed Forces, the members thereof and their families actually residing with them, and United States nationals who, in an official capacity, are serving with or accompanying the Armed Forces of the United States and members of their families actually residing with them will be exempted within the said area from all taxation by the Republic of Panama or any of its political subdivisions.

(c) Prior to the expiration of the period envisaged in this Article and within a reasonable time thereafter the United States shall have the right to remove from this training and maneuver area, or otherwise to dispose of, without limitation or restriction all structures, installations, facilities, equipment and supplies brought into, or constructed or erected within this training and maneuver area by or on behalf of the United States. The Republic of Panama will not be required to reimburse the United States for any structures, installations, facilities, equipment and supplies not removed or otherwise disposed of as provided herein.

(d) The United States shall be under no obligation to restore this training and maneuver area or the facilities and installations thereon to their original condition upon the termination of this Article, except for the landing strip which will be returned in at least as good condition as that obtaining at the time of coming into effect of this Article.

(e) The provisions of this Article shall in no manner terminate or modify the provisions concerning the holding of military maneuvers in the Republic of Panama established by the Notes ancillary to the General Treaty signed March 2, 1936 other than as provided herein for this training and maneuver area.

Article IX

The Republic of Panama hereby waives the right under Article XIX of the Convention signed November 18, 1903, to transportation by railway within the Zone, without paying charges of any kind, of persons in the service of the Republic of Panama, or of the police force charged with the preservation of public order outside of the Canal Zone, as well as of their baggage, munitions of war and supplies.

Article X

The High Contracting Parties agree that, in the event of the discontinuance of the Panama Railroad, and of the construction or completion by the United States of a strategic highway across the Isthmus lying wholly within the Canal Zone intended primarily for serving the operation, maintenance, civil government, sanitation and protection of the Panama Canal and Canal Zone, and notwithstanding anything to the contrary in Article VI of the Convention signed November 18, 1903, the United States of America may in its discretion either prohibit or restrict the use, by busses or trucks not at the time engaged exclusively in the servicing of, or the transportation of supplies to, installations, facilities or residents of the Canal Zone, of that portion of such highway which lies between Mount Hope, Canal Zone and the intersection of such highway with the Canal Zone section of the Trans-Isthmian Highway referred to in the Trans-Isthmian Highway Convention between the United States of America and the Republic of Panama, signed March 2, 1936.

Article XI

The Republic of Panama agrees, notwithstanding the provisions of Article III of the General Treaty signed March 2, 1936, that the United States of America may extend the privilege of purchasing at post exchanges small items of personal convenience and items necessary for professional use, to military personnel of friendly third countries present in the Zone under auspices of the United States.

Article XII

The United States of America agrees that, effective December 31, 1956, there will be excluded from the privilege of making purchases in the commissaries and other sales stores in the Canal Zone as well as the privilege of making importations into the Canal Zone all those persons who are not citizens of the United States of America, except members of the Armed Forces of the United States, and who do not actually reside in the Canal Zone but who are included in the categories of persons authorized to reside in said Zone; it being understood nevertheless that all personnel of the agencies of the United States of America will be permitted under adequate controls to purchase small articles such as meals, sweets, chewing gum, tobacco, and similar articles near the sites of their jobs.

The United States of America further agrees that, effective December 31, 1956, and notwithstanding the provisions of the first paragraph of Article IV of the General Treaty signed March 2, 1936, the Government of the Republic of Panama may impose import duties and other charges upon goods destined or consigned to persons, other than citizens of the United States of America, included in class (a) in Section 2 of Article III of said Treaty, who reside or sojourn in territory under the jurisdiction of the Republic of Panama during the performance of their service with the United States of America or its agencies, even though such goods are intended for their own use and benefit.

Article XIII

The present Treaty shall be subject to ratification and the instruments of ratification shall be exchanged at Washington. It shall enter into force on the date of the exchange of the instruments of ratification.

IN WITNESS WHEREOF, the Plenipotentiaries have signed this Treaty in duplicate, in the English and Spanish languages, both texts being authentic, and have hereunto affixed their seals.

Done at the City of Panamá the 25th day of January 1955.

For the United States of America:
[SEAL] SELDEN CHAPIN.
For the Republic of Panama:
[SEAL] OCTAVIO FABREGA.

[The large-size maps, 6117-22, SGN-7-54, and SGN-8-54, which appear at this place in the original document are not reproduced.]

AREA RESERVED BY THE GOVERNMENT OF PANAMA IN THE RIO HATO DISTRICT FOR MILITARY MANEUVERS AND TRAINING

Description of boundaries

Parcel "A"

Starting from triangulation station No. 514, the geodetic position of which is 8° 21' plus 1,833.011 meters North Latitude and 80° 07' plus 558.875 meters West Longitude, thence, in the direction of N-81°-05'-40''-W, and at a distance of 554.614 meters, point "1-A" is reached, which is the starting point of Parcel "A", the geodetic position of which is 8° 22' plus 75.848 meters North Latitude and 80° 07' plus 1106.778 meters West Longitude.

From point "1-A", in the direction of N-72°-53'-02''-E, and at a distance of 103.860 meters, point "2-A" is reached, the geodetic position of which is 8° 22' plus 106.415 meters North Latitude and 80° 07' plus 1007.518 meters West Longitude.

From there, in the direction of N-59°-45'-52''-E, and at a distance of 114.625 meters, point "3-A" is reached, the geodetic position of which is 8° 22' plus 164.135 meters North Latitude and 80° 07' plus 908.486 meters West Longitude.

From there, in the direction of N-07°-01'-52''-E, and at a distance of 31.690 meters, point "4-A" is reached, the geodetic position of which is 8° 22' plus 195.587 meters North Latitude and 80° 07' plus 904.607 meters West Longitude.

From there, in the direction of N-24°-11'-43''-W, and at a distance of 45.466 meters, point "5-A" is reached, the geodetic position of which is 8° 22' plus 237.059 meters North Latitude and 80° 07' plus 923.241 meters West Longitude.

From there, in the direction of N-18°-59'-43''-W, and at a distance of 96.681 meters, point "6-A" is reached, the geodetic position of which is: 8° 22' plus 328.475 meters North Latitude and 80° 07' plus 954.710 meters West Longitude.

From there, in the direction of N-19°-00'-23''-W, and at a distance of 385.681 meters, point "7-A" is reached, the geodetic position of which is 8° 22' plus 692.688 meters North Latitude and 80° 07' plus 1080.164 meters West Longitude.

From there, in the direction of N-19°-01'-03''-W, and at a distance of 105.443 meters, point "8-A" is reached, the geodetic position of which is 8° 22' plus 792.376 meters North Latitude and 80° 07' plus 1114.523 meters West Longitude.

From there, in the direction of N-30°-07'-23''-W, and at a distance of 116.692 meters, point "9-A" is reached, the geodetic postion of which is 8° 22' plus 893.309 meters North Latitude and 80° 07' plus 1173.086 meters West Longitude.

From there, in the direction of N-30°-12'-23''-W, and at a distance of 160.814, point "10-A" is reached, the geodetic position of which is 8° 22' plus 1032.287 meters North Latitude and 80° 07' plus 1253.994 meters West Longitude.

From there, in the direction of N-16°-21'-42''-W, and at a distance of 819.778 meters, point "11-A" is reached, 50.00 meters from the axis of the Inter-American Highway, to the south of the latter, and to the west of "La Venta" highway, the geodetic position of which is 8° 22' plus 1818.866 meters North Latitude and 80° 07' plus 1484.925 meters West Longitude.

The sections described from point "3-A" to point "11-A" constitute the boundaries with the property of the La Venta Agricultural Company, Inc., and are west of La Venta highway.

From point "11-A", in the direction of S-84°-16'-47'' W, and at a distance of 1315.380 meters, point "12-A" is reached, the geodetic position of which is 8° 22' plus 1688.257 meters North Latitude and 80° 08' plus 953.124 meters West Longitude. This section is south of the Inter-American Highway and runs parallel to 50.00 meters of the axis of the said highway.

From point "12-A", in the direction of S-77°-16'-44''-W, and at a distance of 160.998 meters, point "13-A" is reached, the geodetic position of which is 8° 22' plus 1652.804 meters North Latitude and 80° 08' plus 1110.170 meters West Longitude.

From there, in the direction of S-70°-52'-09''-W, and at a distance of 160.996 meters, point "14-A" is reached, the geodetic position of which is 8° 22' plus 1600.041 meters North Latitude and 80° 08' plus 1262.275 meters West Longitude.

From there, in the direction of S-64°-38'-52''-W, and at a distance of 168.310 meters, point "15-A" is reached, the geodetic position of which is 8° 22' plus 1527.974 meters North Latitude and 80° 08' plus 1414.376 meters West Longitude, and is on the central line of the Farallón River south of the Inter-American Highway and 50.00 meters from the latter's axis.

From point "15-A", toward the southeast, south and southwest, the central line of the Farallón River is followed downstream to point "16-A", which is also in the center of the aforesaid river, and the geodetic position of which is 8° 21' plus 1060.752 meters North Latitude and 80° 08' plus 755.600 meters West Longitude.

From there, in the direction of S-78°-57'-58'' E, and at a distance of 34.419 meters, point "17-A" is reached, the geodetic position of which is 8° 21' plus 1054.165 meters North Latitude and 80° 08' plus 721.817 meters West Longitude.

From there, in the direction of S-76°-39'-23''-E, and at a distance of 42.515 meters, point "18-A" is reached, the geodetic position of which is 8° 21' plus 1044.353 meters North Latitude and 80° 08' plus 680.450 meters West Longitude.

From there, in the direction of N-63°-12'-17''-E, and at a distance of 121.053 meters, point "19-A" is reached, the geodetic position of which is 8° 21' plus 1098.924 meters North Latitude and 80° 08' plus 572.395 meters West Longitude.

From there, in the direction of N-63°-27'-57''-E, and at a distance of 88.616 meters, point "20-A" is reached, the geodetic position of which is 8° 21' plus 1138.512 meters North Latitude and 80° 08' plus 493.113 meters West Longitude.

From there, in the direction of N-63°-05'-07''-E, and at a distance of 66.796 meters, point "21-A" is reached, the geodetic position of which is 8° 21' plus 1168.748 meters North Latitude and 80° 08' plus 433.552 meters West Longitude.

From there, in the direction of N-56°-40'-07''-E, and at a distance of 133.414 meters, point "22-A" is reached, the geodetic position of which is 8° 21' plus 1242.056 meters North Latitude and 80° 08' plus 322.084 meters West Longitude.

From there, in the direction of N-69°-03'-57''-E, and at a distance of 92.935 meters, point "23-A" is reached, the geodetic position of which is 8° 21' plus 1275.261 meters North Latitude and 80° 08' plus 235.283 meters West Longitude.

From there, in the direction of N-44°-06'-52''-E, and at a distance of 90.338 meters, point "24-A" is reached, the geodetic position of which is 8° 21' plus 1340.119 meters North Latitude and 80° 08' plus 172.399 meters West Longitude.

From there, in the direction of N-50°-46'-22''-E, and at a distance of 89.670 meters, point "25-A" is reached, the geodetic position of which is 8° 21' plus 1396.826 meters North Latitude and 80° 08' plus 102.937 meters West Longitude.

From there, in the direction of N-55°-51'-32''-E, and at a distance of 75.603 meters, point "26-A" is reached, the geodetic position of which is 8° 21' plus 1439.257 meters North Latitude and 80° 08' plus 40.364 meters West Longitude.

From there, in the direction of N-60°-03'-17''-E, and at a distance of 125.553 meters, point "27-A" is reached, the geodetic position of which is 8° 21' plus 1501.930 meters North Latitude and 80° 07' plus 1767.402 meters West Longitude.

From there, in the direction of N-59°-59'-32''-E, and at a distance of 120.126 meters, point "28-A" is reached, the geodetic position of which is 8° 21' plus 1562.007 meters North Latitude and 80° 07' plus 1663.162 meters West Longitude.

From there, in the direction of N-59°-39'-47''-E, and at a distance of 141.198 meters, point "29-A" is reached, the geodetic position of which is 8° 21' plus 1633.324 meters North Latitude and 80° 07' plus 1541.298 meters West Longitude.

From there, in the direction of N-49°-09'-27''-E, and at a distance of 56.365 meters, point "30-A" is reached, the geodetic position of which is 8° 21' plus 1670.186 meters North Latitude and 80° 07' plus 1498.657 meters West Longitude.

From there, in the direction of N-55°-51'-02''-E, and at a distance of 101.515 meters, point "31-A" is reached, the geodetic position of which is 8° 21' plus 1727.172 meters North Latitude and 80° 07' plus 1414.646 meters West Longitude.

From there, in the direction of N-53°-01'-50''-E, and at a distance of 126.847 meters, point "32-A" is reached, the geodetic position of which is 8° 21' plus 1803.456 meters North Latitude and 80° 07' plus 1313.301 meters West Longitude.

From there, in the direction of N-53°-57'-52''-E, and at a distance of 19.440 meters, point "33-A" is reached, the geodetic position of which is 8° 21' plus 1814.892 meters North Latitude and 80° 07' plus 1297.581 meters West Longitude.

From there, in the direction of N-62°-07'-32''-E, and at a distance of 181.090 meters, point "34-A" is reached, the geodetic position of which is 8° 22' plus 56.378 meters North Latitude and 80° 07' plus 1137.502 meters West Longitude.

From there, in the direction of N-57'-38'-12''-E, and at a distance of 36.374 meters, starting point "1-A" is reached, thus completing the perimeter of Parcel "A".

Points "16-A", "17-A", "18-A", "19-A", "20-A", "21-A", "22-A", and "23-A" were established in that position in order to exclude from Parcel "A" the *Pueblo de Pescadores* [Fishermen's Village] which is between the mouth of the Farallón River, the coast, and Parcel "A".

The area of Parcel "A", calculated on the basis of surface measurements, is three hundred and twenty-one (321) hectares.

Parcel "B"

Starting from point "1-B", the geodetic position of which is 8° 22' plus 1614.061 meters North Latitude and 80° 08' plus 1466.230 meters West Longitude, and which is located in the center of the Farallón River north of the Inter-American Highway and at a distance of 50.00 meters from the axis of the latter, a line parallel to the axis of the said highway is followed, in the direction of N-64° -38' -52''-E for a distance of 178.310 meters until point "2-B" is reached, the geodetic position of which is 8° 22' plus 1690.410 meters North Latitude and 80° 08' plus 1305.093 meters West Longitude.

From there, in the direction of N-69°-50'-01''-E, and at a distance of 179.779 meters, point "3-B" is reached, the geodetic position of which is 8° 22' plus 1752.388 meters North

Latitude and 80° 08′ plus 1136.335 meters West Longitude.

From there, in the direction of N–78°–47′–20″–E, and at a distance of 179.784 meters, point "4–B" is reached, the geodetic position of which is 8° 22′ plus 1787.343 meters North Latitude and 80° 08′ plus 959.981 meters West Longitude.

Points "2–B", "3–B" and "4–B" are located at a distance of 50.00 meters from the axis of the Inter-American Highway and are north of the latter.

From point "4–B", in the direction of N–84°–16′–47″–E, and at a distance of 2259.382 meters, point "5–B" is reached, the geodetic position of which is 8°23′ plus 169.152 meters North Latitude and 80° 07′ plus 549.489 meters West Longitude. This section is located 50.00 meters north of the Inter-American Highway and is parallel to it.

From there, in the direction of N–31°–19′–52″–E, and at a distance of 1605.070 meters, point "6–B" is reached, the geodetic position of which is 8° 23′ plus 1540.174 meters North Latitude and 80° 06′ plus 1550.520 meters West Longitude.

From there in the direction of N–55°–38′–52″–E, and at a distance of 85.000 meters, point "7–B" is reached, the geodetic position of which is 8° 23′ plus 1588.138 meters North Latitude and 80° 06′ plus 1480.345 meters West Longitude.

From there, in the direction of S–67°–51′–08″–E, and at a distance of 155.950 meters, point "8–B" is reached, the geodetic position of which is 8° 23′ plus 1529.345 meters North Latitude and 80° 06′ plus 1335.902 meters West Longitude.

From there, in the direction of S–35°–21′–08″–E, and at a distance of 250.000 meters, point "9–B" is reached, the geodetic position of which is 8° 23′ plus 1325.442 meters North Latitude and 80° 0′ plus 1191.252 meters West Longitude.

From there, in the direction of S–43°–21′–08″–E, and at a distance of 175.000 meters, point "10–B" is reached, the geodetic position of which is 8° 23′ plus 1198.191 meters North Latitude and 80° 06′ plus 1071.118 meters West Longitude.

From there, in the direction of S–46°–51′–08″–E, and at a distance of 280.700 meters, point "11–B" is reached, the geodetic position of which is 8° 23′ plus 1006.225 meters North Latitude and 80° 06′ plus 866.321 meters West Longitude.

From there, in the direction of S–72°–51′–08″–E, and at a distance of 77.804 meters, point "12–B" is reached, the geodetic position of which is 8° 23′ plus 983.285 meters North Latitude and 80° 06′ plus 791.976 meters West Longitude.

From there, in the direction of N–62°–34′–52″–E, and at a distance of 325.113 meters, point "13–B" is reached, the geodetic position of which is 8° 23′ plus 1132.997 meters North Latitude and 80° 06′ plus 503.384 meters West Longitude, and which is located on the central line of the Majagual River, 50.00 meters to the north of the axis of the Inter-American Highway.

From point "5–B" to point "12–B", the sections described are to the left of the old *Carretera Nacional* [National Highway], following the direction as described.

From point "12–B" to point "13–B" the boundary is 50.00 meters north of the axis of the Inter-American Highway and parallel to it.

From point "13–B" the central line of the Majagual River is followed upstream to the river's headwaters, the geodetic position of this point being 8° 31′ plus 3.730 meters North Latitude and 80° 07′ plus 207.090 meters West Longitude.

From there, in the direction of N–12°–40′–11″–W, and at a distance of 8,044.870 meters, the point called "Farallón" is reached, which is located at the headwaters of the Farallón River, and which is at the geodetic position of 8° 35′ plus 479.900 meters North Latitude and 80° 08′ plus 136.730 meters West Longitude.

From there, following the central line of the Farallón River downstream, starting point "1–B" is reached, which has already been described, thus completing the perimeter of this parcel.

The area enclosed by the boundaries described is 7,436 hectares plus 8,000.00 square meters.

Summary of areas

Parcel "A": 321 hectares plus 0,000 square meters.

Parcel "B": 7,436 hectares plus 8,000 square meters.

Total area: 7,757 hectares plus 8,000 square meters.

MEMORANDUM OF UNDERSTANDINGS REACHED

In connection with the 1953–54 negotiations between representatives of the United States of America and the Republic of Panama, which have resulted in the signature of a treaty between the two countries, the following understandings have been reached:

On the part of the United States of America:

1. Legislation will be sought which will authorize each agency of the United States Government in the Canal Zone to conform its existing wage practices in the zone to the following principles:

(a) The basic wage for any given grade level will be the same for any employee eligible for appointment to the position without regard to whether he is a citizen of the United States or of the Republic of Panama.

(b) In the case of an employee who is a citizen of the United States, there may be added to the base pay an increment representing an overseas differential plus an allowance for those elements, such as taxes, which operate to reduce the disposable income of such an employee as compared with an employee who is a resident of the area.

(c) The employee who is a citizen of the United States will also be eligible for greater annual leave benefits and travel allowances because of the necessity for periodic vacations in the United States for recuperation purposes and to maintain contact with the employee's home environment.

Legislation will be sought to make the Civil Service Retirement Act uniformly applicable to citizens of the United States and of the Republic of Panama employed by the Government of the United States in the Canal Zone.

The United States will afford equality of opportunity to citizens of Panama for employment in all United States Government positions in the Canal Zone for which they are qualified and in which the employment of United States citizens is not required, in the judgment of the United States, for security reasons.

The agencies of the United States Government will evaluate, classify and title all positions in the Canal Zone without regard to the nationality of the incumbent or proposed incumbent.

Citizens of Panama will be afforded opportunity to participate in such training programs as may be conducted for employees by United States agencies in the Canal Zone.

2. With reference to that part of Article V of the Treaty signed today which deals with the conveyance to the Republic of Panama free of cost of all the right, title and interest held by the United States of America or its agencies in and to certain lands and improvements situated in territory under the jurisdiction of the Republic of Panama, steps will be taken as provided in this Item.

(a) Legislation will be sought to authorize and direct the transfer to the Republic of Panama of all the right, title and interest held by the United States or its agencies in or to the following real property:

1. The J. N. Vialette and Huerta de San Doval tracts in the city of Panama and the Aspinwall tract on the Island of Taboga.

2. Las Isletas and Santa Catalina Military Reservations on the Island of Taboga. This transfer will include the cable rights-of-way which have a width of 20 feet (6.10 meters) and extend between the Ancon Cove Military Reservation and the Santa Catalina Military Reservation, and between the El Vigia Military Reservation and the Las Isletas Military Reservation.

3. The lot in Colón now reserved for consulate purposes.

4. Certain lands on the westerly shores of the city of Colón described roughly as extending from the southerly boundary of the de Lesseps area (4th Street extended) to the Colón-Canal Zone boundary and bounded on the east by the east wall of the old freight house and, below that structure, by a line 25 feet (7.622 meters) west of the center line of the most westerly railroad track. This transfer will include the certain improvements consisting of the old freight house and Colón Pier Number 3.

(b) Legislation will be sought to authorize and direct the Panama Canal Company to remove its railway terminal operations from the city of Panamá and to transfer to the Republic of Panama free of cost all of the right, title and interest of the Panama Canal Company in and to the lands known as the Panama Railroad Yard, including the improvements thereon and specifically including the railway passenger station. This action will also relieve the Government of the Republic of Panama of its obligation under Point 10 of the General Relations Agreement between the United States of America and the Republic of Panama signed May 18, 1942 to make available without cost to the Government of the United States of America a suitable new site for such terminal facilities.

(c) With respect to those areas in the city of Colón known as de Lesseps, Colón Beach and New Cristobal (with the exception of two lots in the de Lesseps area which the United States intends to use for consulate purposes), legislation will be sought to authorize and direct the gradual withdrawal from these areas and the conveyance or transfer to the Republic of Panama free of cost of all the right, title and interest of the United States and of its agency, the Panama Canal Company, in and to the lands and improvements thereon. Under this process of gradual withdrawal the United States Government, and/or its agencies, will not be obligated to install any new structure in such areas and, as severable parts of the area cease to be needed, the lands and improvements would be conveyed or transferred. The severability of parts of the area depends upon a number of practical considerations including those having to do with the present obligations of the United States, with respect to the subject areas, concerning water and sewerage facilities, street cleaning and paving, water supply, et cetera, as stipulated in the Instrument of Transfer of Water and Sewerage Systems, executed between the Governor of the Panama Canal and the Foreign Minister of Panama on December 28, 1945.

(d) With respect to the railroad passenger station and site in the city of Colón, legislation will be sought to authorize and direct the withdrawal from such site and structure at such time as the withdrawal from the areas known as de Lesseps, Colón Beach and New Cristobal, contemplated by the next preceding subparagraph, shall have been fully completed, and the conveyance to the Republic of Panama free of cost of all the right, title and interest of the United States and of its agency, the Panama Canal Company, in and to such site and structure. However, the railroad tracks and trackage area in Colón,

being required for switching purposes serving the Cristobal piers, will be retained for such purposes.

(e) All transfers or conveyances of lands and improvements contemplated by this Item, subject to legislation authorization and direction, will necessarily be made subject to any leases which may be outstanding in the respective areas, and will also contain provisions fully protecting the Government of the United States of America against any claims by lessees for damages or losses which may arise as a result of such transfers or conveyances.

(f) The transfers or conveyances contemplated by this Item, subject to legislative authorization, are in addition to the conveyance of Paitilla Point as specifically covered by Article V of the Treaty signed today, and to the transfer of real property effected by Article VI of said Treaty.

3. Articles, materials, and supplies that are mined, produced or manufactured in the Republic of Panama, when purchased for use in the Canal Zone, will be exempted from the provisions of the Buy American Act.

4. Referring to the exchange of notes dated March 2, 1936, accessory to the General Treaty between the United States of America and the Republic of Panama signed on that date, relative to the sale to ships of goods imported into the Canal Zone by the Government of the United States of America, the United States of America agrees, effective December 31, 1956, and in benefit of Panamanian commerce, to withdraw wholly from, and thereafter to refrain from, any such sales to ships, provided that nothing in this Item shall apply:

(a) to sales to ships operated by or for the account of the Government of the United States of America,

(b) to the sale of fuel or lubricants, or

(c) to any sale or furnishing of ships' stores which is incidental to the performance of ship repair operations by any agency of the Government of the United States of America.

5. Legislative authorization and the necessary appropriations will be sought for the construction of a bridge at Balboa referred to in Point 4 of the General Relations Agreement of 1942.

6. The United States of America agrees, effective December 31, 1956, to withdraw from persons employed by agencies of the Government of the United States of America in the Canal Zone who are not citizens of the United States of America and who do not actually reside in said Zone the privilege of availing themselves of services which are offered within said Zone except those which are essential to health or necessary to permit them to perform their duties.

7. It is and will continue to be the policy of the Panama Canal agencies and of the Armed Forces in the Canal Zone in making purchases of supplies, materials and equipment, so far as permitted under United States legislation, to afford to the economy of the Republic of Panama full opportunity to compete for such business.

8. In general connection with the matter of the importation of items of merchandise for resale in the sales stores in the Canal Zone, it will be the practice of the agencies concerned to acquire such items either from United States sources or Panamanian sources unless, in certain instances, it is not feasible to do so.

9. With respect to the manufacture and processing of goods for sale to or consumption by individuals, now carried on by the Panama Canal Company, it will be the policy of the United States of America to terminate such activities whenever and for so long as such goods, or particular classes thereof, are determined by the United States of America to be available in the Republic of Panama on a continuing basis, in satisfactory qualities and quantities, and at reasonable prices. The United States of America will give prompt consideration to a request in writing on the part of the Government of Panama concerning the termination of the manufacture or processing of any goods covered in this Item as to which the Government of Panama may consider the criteria specified in this Item to have been met.

10. Prompt consideration will be given to withdrawing from the handling of commercial cargo for transshipment on Canal Zone piers so soon as Panamanian port facilities are in satisfactory operation in Colón.

11. The United States agrees that the term "auxiliary works" as used in the Treaty includes the Armed Forces of the United States of America.

On the part of the Republic of Panama:

1. The Republic of Panama will lease to the United States of America, free of all cost save for the recited consideration of one Balboa, for a period of 99 years, two parcels of land contiguous to the present United States Embassy residence site, as designated on the sketch (No. SGN–9–54, dated November 19, 1954) and accompanying descriptions prepared by the Comisión Catastral of the Republic of Panama, attached hereto.

2. The Republic of Panama assures the United States of America that the property, shown and described on the attached map (No. SGN–6–54, dated October 1954) and accompanying description prepared by the Comisión Catastral of the Republic of Panama, in front of the United States Embassy office building site and between the Bay of Panama and Avenida Balboa as it may be extended between 37th and 39th Streets, will be preserved permanently as a park and not developed for commercial or residential purposes.

3. So long as the United States of America maintains in effect those provisions of Executive Order No. 6997 of March 25, 1935 governing the importation of alcoholic beverages into the Canal Zone, the Republic of Panama will grant a reduction of 75 percent in the import duty on alcoholic beverages which are sold in Panama for importation into the Canal Zone pursuant to such Executive order.

4. In connection with the authorization granted to the United States of America in Article VIII of the Treaty, the United States shall have free access to the beach areas contiguous to the maneuver area described in said Article VIII for purposes connected with training and maneuvers, subject to the public use of said beach as provided under the Constitution of Panama.

The provisions of this Memorandum of Understandings Reached shall enter into force upon the exchange of instruments of ratification of the Treaty signed this day by the United States of America and the Republic of Panama.

DONE in duplicate in the City of Panamá, in the English and Spanish languages, this 25th day of January 1955.

For the United States of America:

SELDEN CHAPIN,
Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Panama.

For the Republic of Panama:

[SEAL] OCTAVIO FABREGA,
Minister of Foreign Affairs of the Republic of Panama.

[The large-size map, SGN–9–54, which appears at this place in the original document, is not reproduced.]

DESCRIPTION OF PARCEL NO. 1 WHICH IS PROPERTY NO. 19,838 (VOL. 480, P. 82)

Starting from the marker indicated on the plat with the letter "J", located at a distance of 30 meters from the central line of the Boyd-Roosevelt Trans-Isthmian Highway, the geodetic position of which is 8° 58′ plus 1521.041 meters North Latitude and 79° 32′ plus 688.385 meters West Longitude, and following a line parallel to the center of the Trans-Isthmian Highway in the direction of S–13°–27′–20″–W, and at a distance of 62.12 meters, point No. 58 is reached, which is located at a distance of 7.50 meters from the central line of Martín Sosa Street and 30 meters from the central line of the Boyd-Roosevelt Trans-Isthmian Highway, the geodetic position of which is 8° 58′ plus 1460.621 meters North Latitude and 79° 32′ plus 702.839 meters West Longitude.

From this point, on a line parallel to the center of Martín Sosa Street in the direction of S–61°–49′–40″–E, and at a distance of 44.48 meters, point "C" is reached, the geodetic position of which is 8° 58′ plus 1439.621 meters North Latitude and 79° 32′ plus 663.628 meters West Longitude.

From this point, on a line parallel to and 7.50 meters from the central line of Martín Sosa Street, and at a distance of 34.20 meters, point "B" is reached, the geodetic position of which is 8° 58′ plus 1419.420 meters North Latitude and 79° 32′ plus 636.148 meters West Longitude.

From this point, in the direction of S–45°–29′–40″–E, and at a distance of 29.90 meters, point "A" is reached, the geodetic position of which is 8° 58′ plus 1398.461 meters North Latitude and 79° 32′ plus 614.824 meters West Longitude.

From this point, on a line parallel to and 7.50 meters from the central line of Martín Sosa Street, at a distance of 21.62 meters, point No. 50 is reached, the geodetic position of which is 8° 58′ plus 1385.733 meters North Latitude and 79° 32′ plus 597.486 meters West Longitude.

From this point, in the direction of N–18°–30′–20″–E, and at a distance of 86.00 meters, point No. 49 is reached, the geodetic position of which is 8° 58′ plus 1467.281 meters North Latitude and 79° 32′ plus 570.190 meters West Longitude.

From this point, in the direction of N–65°–32′–40″–W, and at a distance of 129.86 meters, point "J", the starting point, is reached.

The boundaries described above enclose an area of 8,873.6526 square meters.

General boundaries

On the northeast, with the area occupied by the residence of the Ambassador of the United States of America; on the southwest, with Martín Sosa Street; on the east, with property No. 19,839 belonging to the University of Panama; on the southeast, with the property of the L. Martins Company; and on the northwest, with the Boyd-Roosevelt Trans-Isthmian Highway. Note: The foregoing description differs from that appearing in the Public Register, because of the following reasons:

1. The distance from the central line of the Trans-Isthmian Highway to the boundary of the property has been fixed at 30.00 meters, instead of 30.48 meters.

2. The geodetic positions of the points entered in the Public Register do not agree with the results obtained by the Real Property Tax Commission, the latter having determined the said positions by relating them to broken lines established by the Canal Zone.

DESCRIPTION OF PARCEL NO. 2 WHICH IS PROPERTY NO. 18,734 (VOL. NO. 454, P. 486)

Starting from the marker indicated on the plat with the letter "J", located at a distance of 30 meters from the central line of the Boyd-Roosevelt Trans-Isthmian Highway, the geodetic position of which is 8° 58′ plus 1521.041 meters North Latitude and 79° 32′ plus 688.385 meters West Longitude, and following a line parallel to the center of the Trans-Isthmian Highway in the direction of N–13°–27′–20″–E, and at a distance of 69.28 meters, point "C–1" is reached, which is the starting point of the parcel here described and the geodetic position of which is 8° 58′ plus 1588.419 meters North Latitude and 79° 32′ plus 672.264 meters West Longitude.

From this starting point, in the direction of N–13°–27'–20''–E, and at a distance of 16.15 meters, point "M–1" is reached, the geodetic position of which is 8° 58' plus 1604.126 meters North Latitude and 79° 32' plus 668.505 meters West Longitude.

From there, in the direction of N–81°–42'–00''–E, and at a distance of 296.03 meters, point "L" is reached, the geodetic position of which is 8° 58' plus 1646.860 meters North Latitude and 79° 32' plus 375.577 meters West Longitude.

From there, in the direction of S–28°–20'–00''–E, and at a distance of 16.04 meters, point "D" is reached, the geodetic position of which is 8° 58' plus 1632.742 meters North Latitude and 79° 32' plus 367.964 meters West Longitude.

From there, in the direction of S–81°–42'–00''–W, and at a distance of 307.48 meters, the starting point "C–1", which has already been described, is reached.

The area enclosed by the boundaries described above is 4536.9895 square meters.

[The large-size map, SGN–6–54, which appears at this place in the original document, is not reproduced.]

DESCRIPTION OF PROPERTY NO. 2073, VOLUME 34, PAGE 450, OWNED BY THE GOVERNMENT OF PANAMA, LOCATED BETWEEN BALBOA AVENUE AND THE EXTENSION OF EAST 37TH STREET AND EAST 39TH STREET

Starting at point No. 1, located on the extension of East 37th Street on the eastern sidewalk of Balboa Avenue, the geodetic position of which is 8° 58' plus 498.084 meters North Latitude and 79° 32' plus 4.055 meters West Longitude, a line parallel to the axis of Balboa Avenue is followed in the direction of N–25°–31'–10''–E, and at a distance of 135.245 meters, until point No. 2 is reached, which is on the extension of East 39th Street on the eastern sidewalk of Balboa Avenue, the geodetic position of which is 8° 58' plus 620.139 meters North Latitude and 79° 31' plus 1,778.570 meters West Longitude.

From there, in the direction of S–60°–07'–40''–E, and at a distance of 63.493 meters, point No. 3 is reached, the geodetic position of which is 8° 58' plus 588.516 meters North Latitude and 79° 31' plus 1,723.507 meters West Longitude.

From there, in the direction of S–23°–31'–20''–W, and at a distance of 16.456 meters, point No. 4 is reached, the geodetic position of which is 8° 58' plus 573.427 meters North Latitude and 79° 31' plus 1,730.075 meters West Longitude.

From there, in the direction of S–43°–13'–30''–W, and at a distance of 14.201 meters, point No. 5 is reached, the geodetic position of which is 8° 58' plus 563.079 meters North Latitude and 79° 31' plus 1,739.801 meters West Longitude.

From there, in the direction of S–6°–11'–20''–W, and at a distance of 19.149 meters, point No. 6 is reached, the geodetic position of which is 8° 58' plus 544.041 meters North Latitude and 79° 31' plus 1,741.865 meters West Longitude.

From there, in the direction of S–20°–39'–50''–W, and at a distance of 6.339 meters, point No. 7 is reached, the geodetic position of which is 8° 58' plus 538.109 meters North Latitude and 79° 31' plus 1,744.102 meters West Longitude.

From there, in the direction of S–33°–25'–30''–E, and at a distance of 9.212 meters, point No. 8 is reached, the geodetic position of which is 8° 58' plus 530.420 meters North Latitude and 79° 31' plus 1,739.027 meters West Longitude.

From there, in the direction of S–55°–01'–50''–W, and at a distance of 10.344 meters, point No. 9 is reached, the geodetic position of which is 8° 58' plus 524.491 meters North Latitude and 79° 31' plus 1,747.504 meters West Longitude.

From there, in the direction of S–46°–04'–20''–W, and at a distance of 29.572 meters, point No. 10 is reached, the geodetic position of which is 8° 58' plus 503.975 meters North Latitude and 79° 31' plus 1,768.803 meters West Longitude.

From there, in the direction of S–40°–35'–20''–W, and at a distance of 12.744 meters, point No. 11 is reached, the geodetic position of which is 8° 58' plus 494.297 meters North Latitude and 79° 31' plus, 1,777.095 meters West Longitude.

From there, in the direction of S–83°–54'–20''–W, and at a distance of 14.494 meters, point No. 12 is reached, the geodetic position of which is 8° 58' plus 502.225 meters North Latitude and 79° 31' plus 1,798.447 meters West Longitude.

From there, in the direction of N–17°–08'–00''–W, and at a distance of 4.792 meters, point No. 13 is reached, the geodetic position of which is 8° 58' plus 492.758 meters North Latitude and 79° 31' plus 1,791.508 meters West Longitude.

From there, in the direction of N–48°–31'–00''–W, and at a distance of 7.377 meters point No. 14 is reached, the geodetic position of which is 8° 58' plus 497.338 meters North Latitude and 79° 31' plus 1,792.920 meters West Longitude.

From there, in the direction of N–83°–46'–40''–W, and at a distance of 9.588 meters, point No. 15 is reached, the geodetic position of which is 8° 58' plus 503.264 meters North Latitude and 79° 31' plus 1,807.979 meters West Longitude.

From there, in the direction of S–74°–29'–20''–W, and at a distance of 26.519 meters, point No. 16 is reached, the geodetic position of which is 8° 58' plus 496.172 meters North Latitude and 79° 32' plus 0.713 meters West Longitude.

The points from No. 3 to No. 16 are located on the wall that separates this property from the Bay of Panamá.

From the aforementioned point No. 16, in the direction of N–60°–13'–20''–W, and at a distance of 3.854 meters, point No. 1, the starting point, is reached.

The boundaries described above enclose an area of 7,529.1605 square meters.

General boundaries

On the northeast, with the rest of Property No. 2073 belonging to the Government of Panama; on the northwest, with Balboa Avenue; and on the south and southeast, with the Bay of Panamá.

Mr. CLEMENTS. Mr. President, I should like at this time to request the yeas and nays.

The yeas and nays were ordered.

Mr. FULBRIGHT. Mr. President, the treaty now before the Senate establishes the framework for the basic relationship between the United States and the Republic of Panama. This relationship is a very special one, with unique features arising from the location of the Panama Canal and the rights of the United States in the Canal Zone.

The canal is not only one of the world's most important commercial arteries and one of the greatest national-defense assets which the United States possesses. It is also a very significant—one might almost say the dominant—economic force in the life of Panama.

The close connection between the Canal Zone and the Republic of Panama, and the constant movement of persons back and forth between the two, give rise to numerous individual problems of a local nature. This treaty deals with a wide variety of problems of this type. Many of its provisions, therefore, are necessarily technical and complicated. They are explained in detail in the report of the Foreign Relations Committee and in the letter of the Secretary of State which was transmitted to the Senate with the treaty. I shall not attempt to cover the same ground here, but shall confine my remarks to a general statement and to a discussion of a few or the more important issues involved.

This treaty, Mr. President, is a logical result of the growth of Panama. When the United States first established treaty relationships with Panama in 1903 and began work on the canal, it was necessary for the United States to supply almost everything that was needed and also to exercise certain governmental authority in the Republic of Panama itself. But as Panama has developed, it has become possible for the United States to withdraw more and more from the life of the Republic and to confine itself more and more to operation of the canal. This is an entirely wholesome trend.

For example, in the treaty of 1903 the United States was given the right to prescribe and enforce sanitary regulations and to preserve public order in the cities of Panama and Colón. When this 1903 treaty was revised in 1936, it had become obvious that Panama itself was perfectly capable of maintaining order in these two cities, and the United States properly, in my judgment, relinquished that right. Since 1936, it has likewise become obvious that Panama is perfectly capable of maintaining adequate sanitary standards in the same cities, and in the pending treaty the United States relinquishes that right.

This is typical of a number of the so-called concessions which the United States makes in the pending treaty. Changed conditions in Panama have rendered obsolete many of the provisions of the 1903 and 1936 treaties. Some of the rights which the United States acquired under those treaties have become vestigial. Some of them are no longer exercised, and to relinquish them is to make a concession which is more apparent than real.

In a slightly different category are certain commercial privileges which have been exercised by the United States under the earlier treaties. The United States has, for example, engaged in the business of selling supplies to ships in the Canal Zone. It now agrees, in the memorandum of understanding accompanying the treaty, to withdraw from this business, with certain specific exceptions. It likewise agrees to withdraw from certain other commercial-type enterprises which it now carries on in the Canal Zone to the extent that comparable goods and services of acceptable quality and reasonable price can be obtained locally in Panama.

Here again, the concessions on the part of the United States are more apparent than real. They simply reflect the fact that services which formerly had to be performed by the United States, if they were to be performed at all, are now available from Panamanian enterprise.

Some concern has been expressed, Mr. President, that the net effect of these concessions by the United States will be disadvantageous to American citizens in the Canal Zone. In the considered opinion of the Foreign Relations Committee, this concern is not well-founded.

The treaty makes it quite clear that the United States retains plenary jurisdiction within the zone itself and that American citizens employed in the zone remain free of Panamanian taxation, whether resident in the zone or in Panama.

The treaty does enable the Panamanian economy to participate more fully in the trade resulting from the operation of the canal, but it does not give Panama a monopoly of that trade, and it protects the right of the United States to use alternate sources of supply in the event satisfactory goods and services cannot be obtained in Panama.

There has also been some concern expressed by American employees of the canal over the provision of the treaty removing certain discriminations in regard to wage rates against Panamanians and in favor of Americans. Again it should be emphasized that in the natural course of events these discriminations have already become more apparent than real.

As Panamanians have developed more skills, the discrimination in wage rates which formerly prevailed has already been largely eliminated, and the treaty simply recognizes what is now the practice in most cases. American employees will continue to be paid an overseas differential and allowances and will receive greater leave and travel benefits.

There is one other provision of the treaty which deserves special comment. This is the increase in the annuity which the United States pays Panama from $430,000 a year to $1,930,000. This increase of $1,500,000 was arrived at in the process of negotiation and is not based on any particular formula, but it seems, on balance, to be fair and reasonable. It should be considered, not only in relation to the treaty as a whole, but especially in relation to the provision—which has not appeared in earlier treaties—to the effect that both parties recognize that neither party is under any obligation to reopen the treaty at any time in the future. In other words, the treaty cannot be modified except by mutual consent of both parties.

Some apprehension has been expressed, particularly by American shipping interests, that this increase in the annuity will lead to an increase in canal tolls. It is not now possible to say whether this will in fact be the case. At the present time, the basic statute directs the Panama Canal Company to fix tolls so that the annuity of $430,000 plus other costs will be recovered. If the increased annuity is to be reflected in tolls, the basic legislation will have to be amended, and thus the whole question will be before Congress at a later date.

On the other hand, it is only fair to point out that if the annuity is not recovered from tolls—either from an increase in tolls or from an increase in traffic at present tolls—then obviously it will have to be paid from the Treasury.

Personally, I feel very strongly that the cost of the canal should be paid by those who use it and benefit from it and that it should not be a general charge upon the taxpayers of the United States.

Mr. President, I have devoted myself so far largely to a discussion of what the United States gives to Panama in this treaty. Even though many of the things the United States gives up are of greater value to Panama than they are to the United States, still the treaty is not so one-sided as it may appear. Panama likewise makes concessions to the United States. Among these are the right to exclusive use for 15 years of an area of 19,000 acres for military training and maneuvers, some parcels of land adjoining the American Embassy in Panama, and the right to free transportation over the Panama Railroad. There are other concessions of a similar nature. An important intangible I have already referred to—namely, recognition of the fact that the treaty may be modified only by mutual consent.

But, Mr. President, this treaty cannot be considered solely on the basis of quid pro quos. It should be considered in the context of our general relations with Panama and of the enormous value to the United States of the Panama Canal.

It is a good treaty and one which should endure for many years. All of the essential rights and interests of the United States are clearly and firmly protected, and on that basis, on behalf of a unanimous Committee on Foreign Relations, I urge the Senate promptly to give its advice and consent to ratification.

Mr. CASE of South Dakota. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. CASE of South Dakota. The treaty deals with a nation and an area which is of extreme importance to the United States. The United States has a larger business stake in Panama than it has in many other countries.

It was my privilege to be in the Canal Zone on two occasions representing the Appropriations Committee on Civil Works in the House of Representatives. The questions I wish to ask grow out of the experiences which I had while I was there.

First, does the treaty in any way limit the freedom of the United States to construct a sea-level canal either in the Republic of Panama or any other country in Central America?

Mr. FULBRIGHT. The treaty does not affect our present rights and relations in any respect whatsoever. It does not deal with them.

Mr. CASE of South Dakota. Does it restrict the United States in negotiations for canal rights in any other country in the Central American area?

Mr. FULBRIGHT. It does not.

Mr. CASE of South Dakota. I notice that article 5 provides that—

> The United States of America agrees that, subject to the enactment of legislation by the Congress, there shall be conveyed to the Republic of Panama free of cost all the right, title and interest held by the United States of America or its agencies in and to certain lands and improvements in territory under the jurisdiction of the Republic of Panama.

And so forth.

If one should vote for this treaty, would he, by implication, be binding himself to vote for whatever legislation may be proposed which would dispose of our right, title, and interest to certain lands and improvements we may make in that area? Would we be making a promise that we would vote for legislation which would dispose of all our right, title and interest in the land?

Mr. FULBRIGHT. I think it is difficult to say, speaking for an individual Senator. Certainly, the Government is undertaking to recommend and obtain such legislation. The Senator well knows that in certain areas a particular item may be involved. I may point out to the Senator that an itemized statement of the property is contained on page 15. I would hesitate to say the Senator must accept every period, comma, and detail of it, but certainly I think the Government, in negotiating the treaty and incorporating the memorandum in it, undertakes to transfer property.

Mr. CASE of South Dakota. The terrain of the Republic of Panama is such that it is very difficult to build airfields of considerable length. I recall the last time I visited Panama there was only one airfield which would accommodate B–29's. Now, of course, with the advent of jet aircraft, we need fields that are much longer. As I recall, only one field existed at that time which would accommodate our larger craft. Our needs for longer runways have grown much since that time due to the development of jet aircraft. The particular airstrip to which I refer, as I recall, was on the beach adjacent to the Pacific Ocean.

At the time I was there we were told our rights to use the field had expired and that we could not use it much longer. I think we had about a 30-day sufferance at the time.

Is there any protection under the treaty to assure our rights to airfields which have runways long enough to accommodate any airplanes we might send there, and an assurance that they be continuously available, not only for protection of people, property, and works we may have on the Panama Canal, but, incidentally, for the defense of the Republic of Panama itself, in case there should be a war affecting that area?

Mr. FULBRIGHT. First, I should like to say that none of the properties which would be conveyed by the treaty are of the character to which the Senator has referred. These are city or urban properties and consist of relatively small parcels of land. The Senator may note, for example, the Panama Railroad station, the freight house, and 1 of the parcels is a hotel which I think is about 40 or 50 years old, and so on. I think I heard all the testimony, and it is my understanding that none of the properties are of the character to which the Senator has referred.

I do not recall that the question of rights to airfields was mentioned in any respect whatever in the hearings. There is nothing in the treaty dealing with airports, so that our rights, whatever they may be, are not affected by the treaty. Under the treaty, we would not relinquish any rights we now have. I do not believe we would acquire any additional rights to airports, either. The only property involved of which I am aware, that is of a military nature, is

the 15-year right to the use of the 19,000-acre Rio Hato Reservation.

Mr. CASE of South Dakota. That is for maneuvers and military training, is it not?

Mr. FULBRIGHT. That is correct. That is the only property involved that I know of which affects military rights.

Mr. CASE of South Dakota. I personally wish that there was more specific information about the availability of airports, not merely for 15 years but for such period of time as we may have defense interests in the Panama Canal area.

Mr. FULBRIGHT. As I have said, the question was not raised, so I do not know how to comment further. However, I should like to call attention to page 64 of the hearings where questions were asked of Mr. Roderick, who is assistant Secretary of the Army for civil-military affairs.

Mr. Roderick was asked the question:

How do these concessions affect our capacity for defending the canal in times of peace and war?

Mr. RODERICK. Senator, those were given very careful consideration by the Defense Department at all levels, and their position is that the release of these properties and facilities will not in any way impair our defense position.

Mr. CASE of South Dakota. As I recall, the original treaty which we had with the Republic of Panama was modified in 1936 by making certain concessions, which came to my attention later. The concessions were made without any quid pro quo, as far as the United States was concerned.

Possibly what the Senator has said to the effect that the treaty would not weaken any rights we have is correct. I call attention to subparagraph (d) of article VIII, which refers to the maneuvers and military training area:

(d) The United States shall be under no obligation to restore this training and maneuver area or the facilities and installations thereon to their original condition upon the termination of this article, except for the landing strip which will be returned in at least as good condition as that obtaining at the time of coming into effect of this article.

It would appear, from a reading of article VIII of the proposed treaty, that perhaps we have not surrendered any rights we now have, but it does not appear to me that we have acquired anything, either, that we need in the way of assured use of airstrips which are adequate to accommodate jet aircraft. I regret very much that appears to be the case, but that appears to be so under this section of the treaty.

Mr. FULBRIGHT. I can only say to the Senator that of my personal knowledge I do not know of any of those matters. I think we must rely upon the views of our Department of Defense on matters pertaining to defense. The Senator may well be correct, but I do not know of any contrary views.

Mr. CASE of South Dakota. I remember that at the time I last was in Panama many of our defense officials there, officers in the Air Force or in the Caribbean Command, were concerned that we were about to lose our right to land aircraft on the only airfield which at that time could accommodate the largest of the conventional aircraft we then had. I know they were concerned then. If there has been nothing done in the enactment of the treaty to improve the rights which we had then, it would be a matter of great regret.

Mr. FULBRIGHT. I agree with the Senator. Surely our Defense Department should have known if such a question was involved. It had notice of the treaty. Mr. Roderick testified that officials of the Defense Department had considered it.

If they have failed in the performance of their duty, I regret it, also. Along with the Senator from South Dakota, I sincerely hope they do not fail in evaluating this treaty in its relationship to our defenses.

Mr. CASE of South Dakota. Mr. President, in view of the fact that the Foreign Relations Committee has gone over the treaty, and recommends its ratification, and in view of the assurance of the Senator from Arkansas that by ratifying the treaty we shall not have lost any of our rights, I probably will vote for ratification of the treaty, but at this time I have some mental reservations about it.

Regardless of how I may vote, I wish to say that I shall refer a copy of the report on the treaty, along with the colloquy between the Senator from Arkansas and myself, to the Secretary of Defense, and shall request his comment on the questions I have raised, in light of the discussion we have had.

Mr. FULBRIGHT. I hope the Senator from South Dakota will do so. It certainly will not hurt to do so, although I sincerely hope they already have done that, and that the treaty is satisfactory from that point of view.

Mr. RUSSELL. Mr. President, will the Senator from Arkansas yield to me?

The PRESIDING OFFICER (Mr. BIBLE in the chair). Does the Senator from Arkansas yield to the Senator from Georgia?

Mr. FULBRIGHT. I yield.

Mr. RUSSELL. I did not hear all the remarks of the Senator from Arkansas. However, on page 4 of the report, I note a statement of "Estimated costs to the United States resulting from proposed new agreements with Panama." There is a statement regarding the "increased annuity," which all of us understand; and then there is an item as follows:

Extension of civil-service retirement, $1 million per year.

I did not hear the Senator from Arkansas explain that item.

Mr. FULBRIGHT. Mr. President, I call the attention of the Senator from Georgia to the committee report, at the bottom of page 12. I may say that the civil-service requirements and also the employment rights which are dealt with in the memorandum of understanding are rather complicated. I read now from pages 12 and 13 of the report:

The provisions relating to Civil Service Retirement Act benefits are designed to remove an inequity existing between different groups of non-United States citizen employees of Canal Zone agencies. Aliens employed by the Armed Forces in the Canal Zone have been covered by this act since 1942. Aliens employed by the Canal Company or the Canal Zone Government, however, have been covered by a so-called Cash Relief Act, the benefits under which are substantially lower than the retirement act benefits. Henceforth, this discrimination between non-United States citizen employees will be eliminated and they will all come under provisions of the Civil Service Retirement Act.

The committee was satisfied that the institution of a single wage system and the extension of retirement-act benefits to all non-United States employees of zone agencies would place no substantial hardship on United States workers in the zone or on the United States Government. The committee feels that the demands of Panama for elimination of alleged discrimination are legitimate and that such elimination would, in fact, promote more friendly relations with Panama.

That is about the only explanation I know of. It is a part of the effort to place the employment of the local people—the Panamanians—on a basis of equality with American employees who are recruited in the United States.

I may also say that it is believed that by increasing the employment of Panamanians recruited in the locality, in the case of nontechnical and nonsensitive jobs, the labor costs can be lowered in many respects, in connection with the operations of the Panama Canal Company. For example, there now is pending case relating to truckdrivers. In that respect, the emphasis is being shifted to local employees, paid at a substantially lower wage rate.

Mr. RUSSELL. Then I assume that the greater part of the $1 million a year will be received by citizens of Panama. Is that what I am to understand from the Senator's explanation?

Mr. FULBRIGHT. They will be non-United States citizens, and of course most of them will be citizens of Panama and civilian employees of the Panama Canal Company.

Mr. RUSSELL. From the Senator's remarks, I understand that by the ratification of the treaty the two wage-scale concepts for the employees of the Panama Canal Company will be abolished.

Mr. FULBRIGHT. No, it will be by means of agreements or under the memorandum of understandings. Of course, as a practical matter, it will be done under the action we take here; but I believe it will come as a part of the memorandum of understandings, rather than as a part of the treaty itself. So implementing legislation will be required.

Mr. RUSSELL. That will bring about additional costs, which are not set forth on page 4 of the report, will it not?

Mr. FULBRIGHT. No, we do not think so.

Mr. RUSSELL. I do not see how the wages of Panamanians who work for the Panama Canal Company can be increased without increasing the costs somewhere along the line.

Mr. FULBRIGHT. The Senator from Georgia must have misunderstood me. I said it is contemplated, as in the case of the employment of truckdrivers, that in the case of nontechnical and nonsensitive jobs around the canal, the wages will be lowered in this fashion.

Today, the policy is to follow the wage level in the area of recruitment.

In the past, whenever an American citizen was recruited in New York City, let us say, for the purpose of driving a truck in a foreign land, he received the same wages as those paid in New York City, to truckdrivers there, plus an overseas differential. That resulted in a high wage.

But today the policy is to follow the wage level in the local area of recruitment, and that wage is generally lower.

In this case, it is proposed to shift to the recruitment of local persons—in other words, Panamanians—and to shift to the wages for the locality or category in which such workers are recruited.

In the case of truckdrivers—and I refer to it only as an example of one type of work——

Mr. RUSSELL. I understand.

Mr. FULBRIGHT. In that case it is expected to pay them the Panama wage for that work, rather than the wage paid in New York City or elsewhere in the United States. That will mean that any American recruited as truck driver, let us say—whether a relative of persons already living in that zone, or whether a person coming there directly from the United States—will be paid at the lower rate, namely, the rate prevailing in Panama.

Mr. RUSSELL. That will reduce the wages of those recruited from outside Panama, then, rather than increase the wages of those recruited within Panama; will it not?

Mr. FULBRIGHT. It will bring the wages to the level of those being paid to persons living in Pamana.

I may explain that point further by referring to page 11 of the report, if the Senator from Georgia wishes me to pursue that point.

Mr. RUSSELL. I am very much interested in it. Of course, I am not a member of the committee, and I have not had an opportunity to study the treaty, but I have been able to glance at the report.

On page 11 of the report, I find the following heading: "10. Single Basic Wage Scale and Civil Service Retirement Benefits."

It seems to me that if there is to be only one wage scale, it will be necessary either to reduce the wages of the Americans who have been brought there or to increase the wages of the Panamanians who are working in such positions.

Mr. FULBRIGHT. Yes; for there will only be one category.

Let me read from the report, in connection with this matter, Mr. President:

> With the development of skills in Panama, there has been a gradual shifting of certain jobs from United States to Panamanian citizens. Truck drivers, formerly recruited in the United States, were cited by Mr. Roderick to illustrate this evolution.
>
> It is the administration's estimate, therefore, that few, if any, American citizens will suffer a wage cut as a result of the adoption of a single basic wage scale since there are now only a small number employed in positions normally filled from the local labor market. An example of positions in which a United States citizen might be paid a lower wage, Mr. Roderick told the committee, would be the lower clerical grades which are filled locally but which occasionally are held also by an American dependent—the wife or daughter—of a United States citizen employed in the zone. In such case, the United States clerk would be paid the wage for such work prevailing in Panama and not the prevailing rate in the United States. As in the other cases, the rate would be determined by the wage paid in the normal area of recruitment for that job.

When we break it down into categories, I think their reasoning is—as they made the explanation to the committee—that there are a number of categories which heretofore have been paid at the prevailing rate in the United States, but henceforth will be paid at the prevailing rate in Panama.

We asked about the net increase in cost of that provision to the Panama Company, and it was insisted that the result would not be an increase.

Mr. RUSSELL. That may well be. I as not so familiar with this subject as are members of the committee having jurisdiction. However, I have watched the operations of the Panama Canal for a number of years and have observed the pressures which have been applied from time to time to bring about changes in the method of operation. I know that there have been pressures from the Government of Panama—a very natural pressure, I may say—for concessions in all categories of employment for Panamanian citizens in the work of operating the canal. Many years ago, when the first revision of the treaty was before us, the citizens of Panama were employed only in the capacity of laborers. Now they are employed in very many different categories of employment, and Panama will undoubtedly continue to seek and obtain concessions with respect to the type of work which will be done by the citizens of Panama.

The reason that consideration appeared to me to be important was the very remarkable statement which I observed on the first page of the committee report. It is absolutely a nudum pactum, or practically a nudum pactum, without consideration, we are increasing the annual payments to Panama from $430,000 a year to $1,900,000, for several reasons, one of which is this:

> That certain prerogatives enjoyed by Panamanians and other non-American employees of the Canal Zone agencies made them a special privileged group as against other citizens and residents of Panama who were not employees of the Zone.

It seems to me that that makes it very clear that, by approving this treaty, we are placing ourselves in the position of knowing that we shall have to increase the payments and benefits to Panama in the future, because we are increasing the categories of employment of Panamanian citizens employed by the canal. We are increasing the civil-service rights of those employed by the canal, and, as we increase those, we must increase payments for use of land of the canal, to make happy those who are not employed by the canal.

I submit that that is a very remarkable state of affairs on which to base a payment of tax dollars by the taxpayers of the United States.

I recall when we first increased payments to the Republic of Panama, back in 1935 or 1936. I had been in the Senate for 2 or 3 years. We justified the increases for the reason that we had devalued the dollar through avoiding redemption of American dollars in gold. We gave an increase of from $250,000 to $430,000 a year.

Mr. FULBRIGHT. That is correct.

Mr. RUSSELL. At that time we conceded to them certain lands. My memory is not perfectly clear on this point, but it seems to me that in World War II, despite the fact that we were pledged to guarantee the independence of the Republic of Panama, we were compelled to pay the Republic of Panama large sums for the use of fortifications, gun emplacements, and other installations.

As soon as the war was over, there were riots to get our troops out of those places, although they were there for the benefit of Panama, and to conform with the treaty agreement of the United States guaranteeing the independence of the Republic of Panama.

Does the Senator recall anything of that nature, and whether or not we paid the Republic of Panama large sums of rent for fortifications in World War II?

Mr. FULBRIGHT. It was not brought out in the hearings. I think I recall reading it at the time. I do not believe that particular item was discussed in the hearings.

Mr. RUSSELL. I heard about it when I was in Panama at the conclusion of the war. It strikes me as a rather unusual situation.

Mr. FULBRIGHT. I wonder if the Senator will permit an observation. I invite his attention to a portion of the hearings pertinent to his recent remarks. I read from page 176. The Senator from North Dakota [Mr. LANGER] raised the question, and Mr. Holland, who is Assistant Secretary of State charged with Latin-American affairs, and who was the principal witness for the Government, and who, I believe, had done a great deal of work in the negotiation of the treaty, said:

> Mr. HOLLAND. Senator, we end the period of increasingly strained relations with Panama. For years, as many of you gentlemen are aware, the complaints, the criticisms from Panama asserting that we have not permitted them to participate to a greater degree in the economic and commercial opportunities afforded by the presence of the canal.
>
> That has created increasing problems for us; it has complicated our operation of the canal; it has created problems for us with other countries.
>
> Senator LANGER. So we are getting good will for transferring this property. Is that the idea?
>
> Mr. HOLLAND. I do not like to say good will, because I do not believe that good will is a purchasable thing in international relations.
>
> We are getting a workable relationship with Panama in which they recognize that their unsatisfied aspirations have been considered and have been solved to their satisfaction and ours; that is the big benefit.

I do not wish to overdraw the analogy, but I remind the Senator that in another part of the world a very important canal has recently gone through a very difficult time in its relations to

Great Britain. I do not know that anything like that is impending in the canal zone. In any event, Mr. HOLLAND and others who were negotiating this treaty felt that this was the settlement of outstanding differences of opinion—as he says, "unsatisfied aspirations." They are firmly convinced that this is a good settlement from the point of view of the United States.

Mr. RUSSELL. Of course, the Senator would not contend that it was other than a temporary settlement, would he? I am sure the Senator realizes that if we make this concession it will be only a short time before there will be demands upon us for greater concessions.

Mr. FULBRIGHT. I raised that question in connection with the increase of the annuity. It will be found from the hearings that Mr. HOLLAND described some of the original demands of the Panamanians. It seems that the Republic of Panama wanted $5 million a year for 20 years, and it gave persuasive reasons growing out of its own internal difficulties, and so forth. Mr. HOLLAND described that situation at some length. He felt that this was a very good job of negotiation, which brought the figure down.

Several times he emphasized the provision that the agreement would not be subject to reopening except by mutual consent. In any case, he feels that it is of great significance. He emphasized to the Panamanians that there was no right of reopening the argreement and no expectation that it would be reopened. In fact, there was the contrary view on our part with respect to any further increases in the annuity.

Mr. RUSSELL. Did the Senator inquire as to whether or not there was a similar provision in the treaty of 1903 and the treaty of 1936?

Mr. FULBRIGHT. He told me positively that there was no such provision.

Mr. RUSSELL. I do not recall any provision in either of those treaties which specifically committed us.

Mr. FULBRIGHT. There was an absence of any such agreement.

Mr. RUSSELL. I do not see any difference between a treaty which does not provide for reopening and one which says that the agreement cannot be reopened. The parties would have the same rights in either case.

Mr. FULBRIGHT. This is not like a commercial contract. It involves international political relations. Unless we wish to assert the power of the "big stick" the agreement is subject to negotiation. With that view I agree.

I also say that our American relations with Venezuela in respect to the oil business are far superior to those of Great Britain in Iran or in Suez. I am inclined to think that these people have something in their favor when they say, "We reached a satisfactory settlement here."

It is true that we had to increase the payments. I went into considerable detail in requiring figures as to how the canal had served us since the beginning. Those figures indicate that we have come out pretty well on the whole.

Mr. RUSSELL. I do not believe there is any question about that. It has been a great element in the development of the United States. However, I do not know that that is any reason why we should pay out large sums. If so, we should perhaps pay the money to the Republic of Colombia, rather than to the Republic of Panama. If we are going to make the payment on the basis of the contribution it has made to the development of the United States, perhaps we should pay the money to the Republic of Colombia.

Mr. FULBRIGHT. I had reference to the operation of the canal itself.

Mr. RUSSELL. That is true. However, did not the evidence before the Senator show that the operation costs of the canal had gone up, and that there has been a constant decrease in the returns from the operation of the canal? Did not the evidence also show that within 2 or 3 years the canal will be operating at a loss?

Mr. FULBRIGHT. That is true, unless there is an adjustment made in the fees or in the expenses of the operation.

Mr. RUSSELL. I believe the halcyon days to which the Senator from Arkansas refers are just about to merge into the past. The evidence I have heard on other measures is to the effect that our days of profit in the operation of the Panama Canal are just about over. I do not know whether the Senator from Arkansas has touched on that phase. If he has, I am sure he will find that within 2 or 3 years we will be operating the canal in the red.

Mr. FULBRIGHT. The figures are shown in the hearings. I believe it is estimated that this year there will be a profit of $200,000. There has been a very substantial decrease in the profit in the past 3 years.

Mr. RUSSELL. As the costs go up, the profits will continue to decrease, will they not?

Mr. FULBRIGHT. That is correct. However, I am not sure that the income cannot be increased. I asked the representative of the Panama Canal Company whether he thought the traffic could stand increased fees. He said he thought it could. The fees are very reasonable.

Mr. RUSSELL. Of course that is not being done at the present time.

Mr. FULBRIGHT. That is true. That has to be done by legislation. I made it quite clear the other day, and I did today, that I expect the Panama Canal to be self-supporting. So far as I am concerned, I will support legislation to make it self-supporting.

Mr. RUSSELL. Many elements enter into that subject. My principal concern grows out of a letter which I received from a man who has lived in Panama for many years, and who states he has nothing but respect and affection for the people of Panama. However, he says he is concerned by some provisions in the treaty. I should like to ask the Senator whether he developed anything on this score. The man states: "The most serious defect is that we acquire no clearly defined rights to defend the canal in the event of war. Surely we should have a right to protect the air bases for the defense of this vital lifeline."

Is there a specific provision in the treaty which enables us to defend the canal or to discharge our obligation to assure the independence of Panama in the event of war?

Mr. FULBRIGHT. I was looking up the other matter. If the Senator will permit me, I will come back to the question he has just asked me. At the bottom of page 18 of the message from the President transmitting the treaty, there appears a statement which Mr. Holland felt was very significant. The language reads:

> Nor the General Treaty signed March 2, 1936, nor the present treaty, may be modified except by mutual consent.

Mr. RUSSELL. I do not wish to challenge the skill of those who negotiated the treaty, but, in my humble opinion, a treaty which cannot be reopened without the mutual consent of both parties is not a very great diplomatic triumph.

Mr. FULBRIGHT. Mr. Holland interprets that as an acceptance on the part of Panama as a final determination of the annuity. Of course it will be, until there is agreement to the contrary.

Coming back to the matter of defenses and our rights in the Canal Zone itself, they are in no way disturbed by the treaty. We have the complete and adequate right to defend the canal today, and we will have it tomorrow, after the treaty is ratified.

Mr. RUSSELL. But we must defend it from a strip of land 5 miles on each side of the canal. That is not much land from which to defend the canal in the modern days of atomic weapons and other modern implements of war. The point I am trying to make is that the treaty in no way alters the situation we found ourselves in during World War II, when we had to pay staggering expenses for the rental of land from which to defend the Panama Canal. It seems to me that with all the concessions we make in the treaty, there should be some provision which would give us standing room from which to defend the canal as well as to discharge our obligation to assure the independence of the Republic of Panama.

Mr. FULBRIGHT. I may say to the Senator that he is chairman of the great Committee on Armed Services, and he knows how efficient our military people are. I call his attention on page 64 of the hearings to the statement of Mr. George H. Roderick, Assistant Secretary of the Army, accompanied by Lt. Col. Maurice C. Holden, United States Army. In the middle of that page I read:

> How do these concessions affect our capacity for defending the canal in times of peace and war?
>
> Mr. RODERICK. Senator, those were given very careful consideration by the Defense Department at all levels, and their position is that the release of these properties and facilities will not in any way impair our defense position.

I gather that the Department of Defense had given consideration to the whole treaty, not merely to this particular item. They must have given the whole treaty consideration. Certainly that was my feeling from hearing all the testimony.

Mr. RUSSELL. With the treaty we will not be in any better position so far as defending the canal is concerned.

Mr. FULBRIGHT. The testimony deals also with the Rio Hato area. The Defense Department was fully aware of the treaty for 6 or 8 months. I felt they were quite competent to give us their suggestions on the treaty. I confess I do not know about the defenses of the area, but I assume the Department does.

Mr. RUSSELL. All I can say is I have observed over a long number of years that whenever the Department of State snaps its fingers in matters of this kind the Defense Department rolls over and plays dead. The Defense Department has learned long ago never to challenge the State Department in any international matter. I am not at all impressed by the testimony of Mr. Roderick, even though he was accompanied by a lieutenant colonel of the United States Army.

I do know that, as a practical matter, we have an area of 5 miles on each side of the canal from which to defend the canal. That is very little standing room from which to defend the canal. What is more, in the event of war, we will again be bled white and forced to rent some land in order to defend this vital area. I regard it as most unfortunate that in a treaty which commits us to such large expenditures year after year for the benefit of the Republic of Panama and its citizens, we do not have some understanding as to how much we are going to pay for standing room from which to fight and defend the canal.

Does the Senator know exactly what is involved in the item of $12,300,000 on page 4 of the report? I refer to the item for the cost to the United States of replacing or relocating properties as a result of treaty and memorandum.

Mr. FULBRIGHT. Before I go to that point, I wonder whether the Senator would suggest how many miles we should have on each side of the canal for defense purposes.

Mr. RUSSELL. I am not enough of a military expert to answer that question, but I do know we had fortifications and antiaircraft batteries and flying fields, which were located 60, 80, 100 miles from the canal. I know it is from those spots that the canal can best be defended. We would have the same problem in defending the District of Columbia. If we were to defend the District of Columbia we would have to build an airfield about 60 miles from the District, and patrol the skies from there. The military and the guns would have to be set up outside the District. The same problem exists in the defense of the Panama Canal.

Mr. FULBRIGHT. I regret that we have a Defense Department which is so meek and mild that it cannot stand up for its rights or what it thinks we ought to do in connection with international agreements. It is a sad state we have reached if that is true. It seems to me the Senator from Georgia might do something about the Defense Department, since he is the chairman of the Committee on Armed Services. Perhaps he can work it over and get some people who are competent. Surely, he is not telling us that the State Department has such overwhelming geniuses that nobody can compete with them when it comes to making an agreement.

Mr. RUSSELL. I reiterate that the Department of Defense never thinks of challenging the Department of State or of interfering in any way in any international negotiations. That has been true of all negotiations we have had in the past 2 years.

If I had had the privilege of appointing someone in the Department of Defense I would have cautioned him, when he came to consider a treaty having to do with the Panama Canal, to get some agreement that would not bleed us white, if we had to get some land outside of the zone, in the event of another war.

Mr. FULBRIGHT. I was not in any of the negotiations, but the Defense Department raised no objection to this aspect. They seem to be quite satisfied with the defense arrangements. I do not know what the Senator from Georgia thinks our committee can do about it.

Mr. RUSSELL. It is my view that they were very derelict in their duties, because they did not suggest to the Department of State that, while we were committing ourselves to these increased payments, we should have some room to stand and fight, in the event of another war, rather than having to pay a large rental for additional ground.

Does the Senator from Arkansas wish to reproach me further for not——

Mr. FULBRIGHT. I do not wish to reproach the Senator at all. Some people think the military have taken over the whole country and can do exactly as they please, from the White House on down. So there is a little difference of opinion as to what the military can do and what they cannot do.

Mr. RUSSELL. I do not wish to get into any discussion with the military man who is in the White House at this stage of the proceedings.

Mr. FULBRIGHT. I have never been in the Canal Zone, and I have no idea whether it is adequately defended. People were sent there who supposedly knew about it.

The Senator asked what constitutes the $12,300,000. On pages 14 and 15 the Senator will find items which add up to more than $5 million. There are a high-school gymnasium, tennis courts, streets, walks, and so forth. These are items which are attributable to the Canal Zone government. In the Canal Zone we keep up the governmental activities, the schools, and so forth, which we furnish. There is necessity of replacing these facilities, because the properties which are being conveyed are not within the Canal Zone. They are within Panama and are being conveyed to the Republic of Panama.

On the next page there are items amounting to $7 million, including items such as the Cristobal service center, Cristobal theater, and Cristobal commissary.

Mr. RUSSELL. Was that necessary because of the fact that we are exchanging lands with the Republic of Panama?

Mr. FULBRIGHT. We are granting to them lands which are outside the Panama Canal Zone, within the Republic of Panama. They are lands which we felt and which our representatives also felt should be returned to them because they are no longer essential to our operation of the canal. They are all outlined. They include a hospital, fire station, and so forth; also the Panama railroad station. They are not within the zone; they are within the respective cities within the Republic of Panama. Among other things there were some schools which are largely, or perhaps exclusively, for the benefit of our employees in the armed services and the civilian employees.

Mr. RUSSELL. Am I to understand that these schools are being ceded to the Republic of Panama and we will replace them elsewhere?

Mr. FULBRIGHT. Yes.

Mr. RUSSELL. So we are brought within the 5-mile zone for all these activities?

Mr. FULBRIGHT. That is my understanding.

Mr. KNOWLAND. Mr. President, I wish to invite attention briefly to one phase of the matter which I think the Senate should take into consideration. It is not in the treaty, but, rather, in the report of the Committee on Foreign Relations.

On page 7 of the report it is stated:

> Inasmuch as the executive branch has not yet submitted its recommendations to the Congress, the committee was unable to examine this matter in any detail. It does, however, take this opportunity to express its opinion that the Panama Canal should be self-supporting and that its operations should involve no burden upon the United States taxpayer.

I think, Mr. President, this needs more clarification than is contained in the committee report, because, as we know, tolls are payable on the canal.

I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, a letter which was written to the Senator from Arkansas [Mr. FULBRIGHT] by Mr. Robert E. Mayer, president of the Pacific American Steamship Association, including certain figures in connection with the excess earned over and above all costs.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PACIFIC AMERICAN
STEAMSHIP ASSOCIATION,
San Francisco, Calif., July 21, 1955.

Hon. J. W. FULBRIGHT,
United States Senate,
Washington, D. C.

DEAR SENATOR FULBRIGHT: It is respectfully requested that this letter be made a part of the record as a supplement to our statement offered before your committee on July 18, 1955, on the revisions to the treaty with Panama.

During the submission of our statement to the committee, you expressed the view that a comment on page 5 of our statement to the effect that the operation of the Panama Canal Company "has not cost the taxpayers 1 cent" is not an accurate statement. We wanted to be absolutely certain that we furnish a proper answer to that question. In preparing for the hearings on the treaty itself, we did not anticipate going into the rather complex fiscal structure of the canal and thus are taking this opportunity to furnish these more detailed figures to you.

In my testimony I mentioned that the canal accounting had to be thought of in two parts: (1) The period 1914 to 1951, and (2) 1951 to the present. The reason for this is that in Public Law 841 a new accounting system was set up for the Panama Canal Company and became effective July 1, 1951.

In making the statement that the Panama Canal Company "has not cost the taxpayers 1 cent," we had in mind the relationship between the surplus covered into

the Treasury from the opening of the canal to 1951, which totals $273 million and adding to that the $14 million which the Governor's reports show has been the surplus from 1951 to 1954, a total return to the Treasury of $287 million. Balancing this against the $276 million, which the canal, locks, etc., cost to build, and noting the fact that all required costs of annual operation had been paid for, we stated that the net cost to the taxpayer had been zero. However, in checking these figures, we discover that we erred on the side of conservatism.

The attached is a table reflecting the financial results from 1914 to 1954 of both the construction and operation of the canal itself, as well as its business activities, and including the cost of civil functions of the Zone Government. That table shows that the canal has returned to the Federal Treasury the entire cost of annual depreciation of the cost of construction of the canal, construction of the ancillary business and commercial activities, construction of facilities for the Zone Government, and for the annual operating cost of the entire company and Government enterprise at the canal, and in addition has returned to the taxpayer up until 1951 a total of $40 million. Since 1951, as noted in the hearings, $14 million has been added, making a total return of $54 million over and above all costs through fiscal 1954.

The conclusion which is relevant to this financial data, in our opinion, is that the tolls payers have been overcharged. We developed these preliminary figures in the hearings and submit these more complete figures for the record in order to make perfectly clear the manner in which the commercial tolls payer has not only fulfilled his financial obligation at the canal, but has paid for the expensive Zone Government as well, and has returned a handsome profit to the Federal Government in the bargain. This being the case, it seems unthinkable to us that the tolls payer should be asked to bear a further financial burden which arises out of political negotiations and does not affect the primary functions of the Panama Canal—namely, the transiting of vessels.

When we add the additional factor that canal accounting does not reflect any considerations of the inherent defense utility of the canal, which has provided the United States with a two-ocean Navy in three major conflicts to date, the whole proposition of the Federal Government further taxing the commerce of the Nation and the world to pay its own political debts is almost ludicrous.

We would urge that this aspect of the treaty be given careful development in the forthcoming floor debate.

Very truly yours,

ROBERT E. MAYER,
President.

PANAMA CANAL AND ZONE GOVERNMENT—EXCESS EARNED OVER AND ABOVE ALL COSTS 1941–51, 1951–54

Net return to United States Treasury from Canal and Zone government operations, 1914–51, assuming complete reimbursement for all costs of operation, including depreciation and interest:

Revenues:	*Million*
Tolls, commercial vessels	$644
Tolls, U. S. Government vessels	0
Civil revenues	8
Business profits	22
Total	[1] 674
Appropriation Expenses (covers operation, maintenance, repairs, depreciation of wasting assets, Zone government costs, sanitation, business losses, housing, losses, etc.)	[2] 401
Net revenues returned to Treasury, 1914–51	[1] 273

See footnotes at end of table.

Revenues—Continued	*Million*
Net revenues (surplus)	$[4] 273
Retained corporate income (as of July 1, 1951)	[3] 64
Tolls forgiven on U. S. Government vessels	[3] 71
Improvements to canal and other facilities which were expenses but should have been capitalized	[4] 52
School, hospital, etc., facilities furnished by canal enterprise to defense and other agencies without reimbursement	[3] 27
Gross revenues of canal enterprise, 1941–51	487
Less deductions which were not required by law before 1951 but which reflect current GAO recommendations, carried back to 1914 and running through 1951:	
Depreciation on nonwasting assets (excavations, fills, etc.), 1914–51	[3] 92
Depreciation adjustments, accruals of employees' leave pay, and other adjustments	[3] 15
Interest on average net direct investment of $300 million at 2½ percent (1914–51)	[3] 278
Interest on Zone government investment on average base of $28 million (1941–51)	[3] 26
Depreciation on Interest on funds used during construction	[3] 18
Civil Service retirement paid out of other appropriations for 1920–51	[3] 18
Total	447
Excess over and above all costs of depreciation, interest, operation, maintenance, repairs, sanitation, Zone government business losses, etc. (1914–51)	$40
Excess over and above all costs of operating, maintenance, Zone government, business losses, depreciation of wasting assets, etc., (1951–54)	[4] 14
Total excess	54

[1] Canal Governor's Report, 1951, table 24
[2] Panama Railroad audit, 1951, H. Doc. No. 86, p. 13, and note, p. 15.
[3] General Accounting Office, Audit Division.
[4] GAO, 1951 audit of Panama Canal Co.

Mr. KNOWLAND. Mr. President, I think we all recognize the desirability of the canal being made self-supporting, if that be possible, at least that part of it which is properly chargeable to commercial vessels. The figures show that up to this time that has been done; but I think we must not lose sight of the fact that the canal itself has many values other than commerce and navigation through the canal from the Atlantic to the Pacific, and vice versa. It is an important part of the national defense of our country.

There is no reason at all that I can see, either in equity or justice, why when shipping is falling down considerably the commerce of the country should be called upon to pay costs which are properly attributable to national defense. It is just as important for the defense of New Orleans or New York or the South or the West or the North to be able to have our warships and our carriers, such of them as can use the canal, to be able to move with great flexibility between the Atlantic and the Pacific theaters in case of an emergency.

I think it is important that any items which are chargeable to tolls be properly chargeable to tolls, and not be items which more properly should be charged to the defense needs of the canal or to those activities which, in fact, have no part in the commercial operation of the canal as a part of navigation, because when we dredge out the harbors of the Nation, when we build canals, when we build locks within our own country to stimulate navigation, we in most cases, in fact, in practically all cases, so far as I know, make no toll charges whatever.

Under the circumstances, I would not want the RECORD to stand without at least some comment to the effect that Congress should look into the matter very thoroughly and equitably, and not attempt to place the whole burden upon shipping, because otherwise we shall destroy the commerce of the Nation, and I do not think that should be done.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. FULBRIGHT. I desire to emphasize one point. I do not wish to leave any false impression that the question relates solely to United States commerce. In fact, I think our commerce is less than one-third of the total. The canal handles commerce from all over the world. I do not think the Senator from California wants the American taxpayers to carry the load for the British, the Greeks, and all the other nations which use the canal. That is one observation.

The next observation is that I agree with the Senator that unrelated costs, such as those for defense, and other things which have nothing to do with the operation of the canal, should not be calculated in arriving at a determination of whether the canal is self-supporting. That is to be determined in the consideration of legislation which must be passed if this objective is to be attained.

I agree on principle with what the Senator from California has said.

Mr. KNOWLAND. In the intercoastal shipping business, foreign vessels are not allowed to compete; that is, in the strictly intercoastal shipping as compared with transoceanic shipping.

Second, I happen to have had a rather deep interest in this subject, because my father served in the House of Representatives from 1903 to 1915, and was a member of the Committee on Interstate and Foreign Commerce at the time the canal was being built under the able direction of Colonel Goethals. My father took great interest in the subject.

The question arose at that time whether there should not be free passage for American coastwise shipping, because foreign vessels cannot compete in that trade anyway, thus affording some competitive advantage for the shipment of goods by water from the east coast to the west coast of the United States.

The only thing on which I wanted the record to be clear was that the entire burden of the support of the canal, many of the factors of which are purely of a defense nature, and have othing at all to do with the operation of the canal, should not be levied in the form of tolls against commercial shippig. I should like to see fair and equitable tolls

charged. I should not like to have additional burdens imposed which would, in effect, destroy seaborne commerce.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KNOWLAND. I was about to yield the floor, but I will yield to the Senator if he wishes to ask me a question.

Mr. MORSE. I associate myself with the remarks the Senator has made in regard to the toll problem in connection with the Panama Canal.

Is it the Senator's understanding, as it is my understanding, that the ratification of the treaty will in no way affect the tolls which are presently charged for the transit of the canal, but that additional legislation will be required to increase the tolls?

Mr. KNOWLAND. That is my understanding. I may also say that I think the Senate should be very clear in its understanding that because we have, as a matter of national and foreign policy, determined that we will be more generous in our payments to the Republic of Panama, we should not, ipso facto, plan to transfer that burden to commercial tolls.

If it is a matter of foreign policy or defense policy, and if it is to be done by the United States as a sovereign government, we have a right to do it. But I think it should not be done on a basis which has no direct relation to the operation of the canal, such as the cost of upkeep of the canal—lock keepers, and so forth. I do not think the entire additional burden should be passed over to the tolls collected. It should be dealt with separately as a part of the cost of our foreign policy and our defense policy.

Mr. MORSE. The legislative history which the Senator from California is writing in the colloquy with me is exactly the history which I think should be written before the treaty is ratified.

Does the Senator share my understanding that the ratification of the treaty will in no way place upon any Senator who votes for its ratification any obligation to support, subsequently, legislation which will increase the tolls for commercial shipping which moves through the canal?

Mr. KNOWLAND. As an individual member of the Committee on Foreign Relations, who is not handling the bill on the floor—and perhaps the Senator's question should better be addressed to the able Senator from Arkansas [Mr. FULBRIGHT]—it is my interpretation that the mere ratification of the treaty this afternoon will place no such obligation upon any Member of the Senate or of the other body. If I thought it did, I should oppose the ratification of the treaty.

Mr. MORSE. Mr. President, if the Senator from California will permit me to do so, I should like to address the question to the Senator from Arkansas.

Mr. FULBRIGHT. As I said before the senior Senator from Oregon entered the Chamber, it is true that there must be implementing legislation if there is to be any change in the tolls. Speaking for myself, I would not agree to increasing the tolls if I did not think and believe there would be legislation which would make the canal self-supporting, and with the restriction, as I understood the Senator from California, that only those items should be charged against the operation of the canal which are reasonably related to its commercial operation. I do not think we should pile onto the tolls the defense costs.

Very likely there may be some aspects of the Government operations which certainly have a mixed character; that is, partly for defense and bear no direct relationship to the operation of the canal.

But I think this is an item which should bear its own cost and should pay its own way out of the tolls, eliminating the nonrelated factors involved.

Mr. MORSE. Mr. President, when I may have the floor in my own right, I wish to comment upon what the Senator from Arkansas has said. Am I recognized?

The PRESIDING OFFICER. The senior Senator from Oregon is recognized.

Mr. MORSE. As a member of the Committee on Foreign Relations I voted for the treaty, but I made very clear in so doing that I recognize no obligation whatsoever to increase the tolls for commercial shipping through the ratification of the treaty. I am perfectly willing to look at the facts when, as, and if they are presented to us, which would justify an increase in tolls. But I know of no data which has been submitted to date which would justify an increase in tolls.

I point out that I think we need to keep in mind the importance of maintaining a strong merchant marine on the part of our own country. We do not seem to have any insistence on our part that the highways of the Nation be paid for completely by the users of the highways. We recognize that there is a national interest and benefit which accrue from having a good highway system.

We do not insist that the railroads of the country go without some subsidy benefits for their operations, because we know that the railroads perform a great public service over and above the private service.

Mr. FULBRIGHT. Mr. President, will the Senator yield for an observation?

Mr. MORSE. I yield.

Mr. FULBRIGHT. There is no analogy between the railroads and the highways, and the Panama Canal. The railroads and highways are used exclusively by the taxpayers of this Nation. But American shipping makes up only a part of the traffic which moves through the canal.

If the Senator uses that analogy, it will lead us into bankruptcy. The canal provides a real service for the international group of nations, all of which engage in the canal trade. Certainly the canal ought, by and large, in its commercial aspects, pay its own way. I would not be for the treaty if I did not think the canal would be self-supporting.

The analogy is certainly not a complete one. It has only partial application. But I think the maintenance of the canal itself results in a great many benefits to the United States, besides the commercial benefits which flow from the passage of commercial ships through the canal. I think the canal is still one of the great defenses of the United States.

I believe that a certain amount of the cost of operation should be charged against the military defense expense.

The Senator from California [Mr. KNOWLAND] has referred to a letter which he received from Mr. Robert E. Mayer, President of the Pacific-American Steamship Compay. I do not know whether I received an identical letter, but I have received a letter in which he seeks to supplement the testimony which he gave before our committee. At that hearing his statement had been challenged by a member of the committee.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. KNOWLAND. I will say that was a copy of a letter which had been addressed to the chairman of the subcommittee [Mr. FULBRIGHT], but which included some detailed figures as to the total income, and so on, in which letter he was trying to correct the statements which had been challenged when he had been before the Committee on Foreign Relations.

Mr. MORSE. This letter is addressed to me personally, and in it he makes the request that I make it a part of the RECORD today. Although some of it will be duplication, though I am not sure all of it will be, I ask unanimous consent that Mr. Mayer's letter be made a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PACIFIC AMERICAN
STEAMSHIP ASSOCIATION,
Washington, D. C., July 29, 1955.

Hon. WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SENATOR MORSE: During the submission of our statement to the Foreign Relations Committee on July 18, 1955, it was expressed that a comment in our statement to the effect that the operation of the Panama Canal Company "has not cost the taxpayers one cent" is not an accurate statement. We wanted to be absolutely certain that we furnish a proper answer to that question. In preparing for the hearings on the treaty itself, we did not anticipate going into the rather complex fiscal structure of the canal and thus are taking this opportunity to furnish these more detailed figures to you.

Unfortunately, the supplemental material contained in this letter was submitted too late to be included in the printed record. We respectfully request, therefore, that you include it in the record on the debate when the treaty is considered on the Senate floor.

In my testimony I mentioned that the canal accounting had to be thought of in two parts: (1) the period 1914 to 1951 and (2) 1951 to the present. The reason for this is that in Public Law 841 a new accounting system was set up for the Panama Canal Company and became effective July 1, 1951.

In making the statement that the Panama Canal Company "has not cost the taxpayers one cent", we had in mind the relationship between the surplus covered into the Treasury from the opening of the Canal to 1951, which totals $273 million and adding to that

the $14 million which the Governor's reports show has been the surplus from 1951 to 1954, a total return to the Treasury of $287 million. Balancing this against the $276 million, which the canal, locks, etc. cost to build, and noting the fact that all required costs of annual operation had been paid for, we stated that the net cost to the taxpayer had been zero. However, in checking these figures, we discover that we erred on the side of conservatism.

The attached is a table reflecting the financial results from 1914 to 1954 of both the construction and operation of the canal itself, as well as its business activities, and including the cost of civil functions of the Zone Government. That table shows that the canal has returned to the Federal Treasury the entire cost of annual depreciation of the cost of construction of the canal, construction of the ancillary business and commercial activities, construction of facilities for the Zone Government, and for the annual operating cost of the entire Company and Government enterprise at the canal, and in addition has returned to the taxpayer up until 1951 a total of $40 million. Since 1951, as noted in the hearings, $14 million has been added, making a total return of $54 million over and above all costs through fiscal 1954.

The conclusion which is relevant to this financial data, in our opinion, is that the tolls payers have been overcharged. We developed these preliminary figures in the hearings and submit these more complete figures for the record in order to make perfectly clear the manner in which the commercial tolls payer has not only fulfilled his financial obligation at the canal, but has paid for the expensive Zone Government as well, and has returned a handsome profit to the Federal Government in the bargin. This being the case, it seeems unthinkable to us that the tolls payer should be asked to bear a further financial burden which arises out of political negotiations and does not affect the primary functions of the Panama Canal; namely, the transiting of vessels.

When we add the additional factor that canal accounting does not reflect any considerations of the inherent defense utility of the canal, which has provided the United States with a two-ocean Navy in three major conflicts to date, the whole proposition of the Federal Government further taxing the commerce of the Nation and the world to pay its own political debts is almost ludicrous.

We would urge that this material be given the fullest possible development in the forthcoming floor debate on the treaty.

Very truly yours,

ROBERT E. MAYER,
President.

PANAMA CANAL AND ZONE GOVERNMENT—EXCESS EARNED OVER AND ABOVE ALL COSTS, 1914–51, 1951–54

Net return to United States Treasury from Canal and Zone Government operations, 1914–51, assuming complete reimbursement for all costs of operation, including depreciation and interest:

Revenues:	*Million*
Tolls, commercial vessels	$644
Tolls, U. S. Government vessels	0
Civil revenues	8
Business profits	22
Total	[1] 674
Appropriation expenses (covers operation, maintenance, repairs, depreciation of wasting assets, Zone Government costs, sanitation, business losses, housing losses, etc.)	[1] 401
Net revenues returned to Treasury, 1914–1951	[1] 273

See footnotes at end of table.

Revenues—Continued	*Million*
Net revenues (surplus)	[1] $273
Retained corporate income (as of July 1, 1951)	[2] 64
Tolls forgiven on U. S. Government vessels	[3] 71
Improvements to Canal and other facilities which were expenses but should have been capitalized	[4] 52
Schools, hospital, etc., facilities furnished by Canal enterprises to defense and other agencies without reimbursement	[3] 27
Gross revenues of Canal enterprises, 1914–1951	487
Less deductions which were not required by law before 1951 but which reflect current GAO recommendations, carried back to 1914 and running through 1951:	
Depreciation on nonwasting assets (excavations, fills, etc.), 1914–51	[3] 92
Depreciation adjustments, accruals of employees' leave pay, and other adjustments	[3] 15
Interest on average net direct investment of $300 million at 2½ percent (1914–51)	[3] 278
Interest on Zone Government investment on average base of $28 million (1914–51)	[3] 26
Depreciation on inerest on funds used during construction	[3] 18
Civil Service retirement paid out of other appropriations for 1920–51	[3] 18
Total	447
Excess over and above all costs of depreciation, interest, operation, maintenance, repairs, sanitation, Zone Government, business losses, etc. (1914–51)	40
Excess over and above all costs of operating, maintenance, Zone Government, business losses, depreciation of wasting assets, etc. (1951–54)	[4] $14
Total excess	54

[1] Canal Governor's Report, 1951, table 24.
[2] Panama Railroad audit, 1951, H. Doc. No. 86, p. 13, and note, p. 15.
[3] General Accounting Office, Audit Division.
[4] GAO, 1951 Audit of Panama Canal Company.

Mr. MORSE. Mr. President, the material which he includes in his letter sustains the testimony, from his sights, at least, which he gave before our committee, namely, that the canal has been self-sustaining in respect to the tolls which have been collected over the years.

I also ask unanimous consent to have printed as a part of my remarks a telegram which I received on the tolls matter from Mr. Lueddemann, vice president of the Oregon Pacific American Steamship Association, in which he points out what he thinks would be an injustice resulting from an increase in tolls, based on evidence and data which have been submitted.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

PORTLAND, OREG., *July 26, 1955.*

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Understand Panama-United States Treaty will come before Senate today or tomorrow. Because the treaty would increase annual annuity payment by $1.5 million we understand efforts will be made through legislation to require tolls to pay this increased annuity since as the law now exists, Senate ratification cannot force tolls to pay this additional grant. Because of Pacific coast's interest in Panama Canal, strongly urge that you oppose any effort to add this increase to the tolls burden on commercial cargoes transiting canal. The treaty contributes nothing to increased efficiency of canal. Only concession to United States are for military. United States has had full legal title to canal since treaty of 1903, so no reason why purchase price should fluctuate 50 years after purchase. Also increase is not economically justified. If increase granted for diplomatic or military reasons tolls should not be required to pay it. Also urge your supporting amendment to paragraph 9 to provide same assurances for vessels against monopolistic price practices as given to individual purchasers in paragraph 4. Regards.

HILLMAN LUEDDEMANN,
Vice President, for Oregon Pacific American Steamship Association.

Mr. MORSE. Mr. President, I have other telegrams and letters on this matter, which I also ask unanimous consent to have printed as a part of my remarks.

There being no objection, the telegrams and letters were ordered to be printed in the RECORD, as follows:

ASTORIA, OREG., *July 18, 1955.*

Senator WAYNE MORSE,
United States Senate,
Washington, D. C.:

Following is my statement for Senate Foreign Relations Committee re Panama Canal Treaty. American-flag shipping interests are deeply concerned over the matter of Panama Canal tolls. It has long been felt that commercial cargoes on bearing an inequitable share of the total cost of the operation of the canal and efforts have been made to correct these inequities through appropriate legislation. The toll charges have been very heavy burden to American-flag operators and any increase in the tolls is apt to prove fatal to many of them and to some of the commercial cargoes which pass through the canal. It is noted that the annual payment to the Republic of Panama is to be increased tremendously under the new treaty. I urge you to give serious and careful consideration to these terms, keeping the above conditions in mind.

R. J. BETTENDROF,
Manager, Port of Astoria.

PORTLAND, OREG., *July 18, 1955.*

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Reference telephone conversation your office this morning regarding Panama Canal tolls. Our belief is that any increase on tolls on commercial cargoes for purposes extraneous to the canal itself are unjustified. We understand proposed increase in annuities to Panama cannot legally be charged to tolls under present public law and that W. B. Whitman, Secretary, Panama Canal Company, so testified last Friday. Also understand that increase in annuities partially for two purposes: First, current diplomatic reasons; second, for use of jungle lands for troop training. If so, believe these purposes are extraneous to canal and should not be charged to tolls. Tolls are expense items directly reflected in Oregon vital intercoastal steamship trade, estimated 30 percent Portland total tonnage, and in rich Pacific coast European trade. One million seven hundred thousand tons 1954 (in which Oregon shares substantially), as well as other trades. Please use best efforts to prevent any change in existing public law which would result in increased annuity being charged to commercial tolls.

COMMISSION OF PUBLIC DOCKS,
THOMAS P. GUERIN,
General Manager.

THE COMMISSION OF PUBLIC DOCKS,
Portland, Oreg., July 26, 1955.
The Honorable WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: This has reference to Mr. Berg's telephone call of July 15 and to our wires of July 18 and today with regard to the new treaty with Panama. We understand that this treaty is to come before the Senate immediately.

We understand that this treaty provides for an increase in the annuity payment to the Republic of Panama in the amount of $1.5 million. In our wire we asked that you use your best efforts to prevent any change in the present law that would result in this increased annuity becoming a charge on the canal tolls levied against commercial cargoes. We are informed that under the present law, the ratification of the treaty will not force this charge upon commercial tolls. However, we are also informed that efforts may be made through legislation making this charge a direct burden upon commercial cargo tolls. We are very much opposed to any such development, and we ask you sincerely to use your best efforts to prevent such an action.

There are many direct reasons for our opposition. We are attaching copy of a wire sent by the Pacific Coast Committee on Panama Canal Tolls in San Francisco to the California Senators yesterday. This states the reasons for opposition, which have a direct bearing on the treaty itself. In general, we would add that we believe the question of Panama Canal tolls to be directly reflected in Oregon's trade. We estimate that 30 percent of Portland's annual tonnage is intercoastal and approximately 25 percent of Oregon's annual lumber production moves by water, mostly intercoastal. Thus, any additional charges at the Panama Canal directly bear upon Oregon's trade. Additionally, Department of Commerce figures show that 1.7 million long tons moved in the trade between the Pacific coast and Europe and the Mediterranean in 1954. All of this, of course, moved via the Panama Canal. Oregon shares substantially in this lucrative trade, and, again, canal tolls play a definite part.

We believe that commercial tolls should certainly be paid and that there are very definite expenses in regard to the canal which should be recovered from tolls. On the other hand, however, we do not believe that expenses of a purely diplomatic or military nature in the canal area should be an additional burden upon tolls and, therefore, upon trade, but that these expenses should be borne directly by the department of the Government involved.

We hope for your action in accordance with our request, and with kind personal regards, I am,

Sincerely yours,
THOMAS P. GUERIN,
General Manager.

SAN FRANCISCO, *July 25, 1955.*

Understand Panama-United States treaty will come before Senate in a day or two. Because of vital interest of Pacific coast in Panama Canal we urge you consider the following two steps while treaty on Senate floor.

First. Treaty would increase annual annuity payment by $1.5 million. As law now stands Senate ratification cannot force tolls to pay this additional grant. However, understand efforts will be made through legislation to require tolls to pay this increased annuity therefore strongly urge you to place in the RECORD during Senate action on treaty that you are opposed to any effort to add this increase to the tolls burden on commercial cargoes transiting canal. Reasons are treaty contributes nothing to increased efficiency of canal. Only concession to United States are for military. United States has had full legal title to canal since treaty of 1903, so no reason why purchase price should fluctuate 50 years after purchase. Also increase is not economically justified. If increase granted for diplomatic or military reasons tolls should not be required to pay it.

Second. During Senate handling of treaty urge that paragraph 9 of memorandum of understanding be amended to provide same assurances for vessels against monopolistic price practices as given to individuals purchasers in paragraph 4.

PORTLAND, OREG., *July 26, 1955.*

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Reference phone conversation with Mr. Berg July 15 and our wire July 18 relative Panama-United States treaty understand treaty due before Senate immediately. Earnestly request your best efforts to prevent any possibility that increased annuity to Panama will be charged to canal tolls on commercial cargoes. As law now stands ratification of treaty cannot force tolls to pay this increase. Understand efforts may be made to change law and we request you oppose such efforts. Understand any concession to United States under treaty are military and do not believe diplomatic or military expenses should be borne by tolls.

COMMISSION OF PUBLIC DOCKS,
THOMAS P. GUERIN, *General Manager.*

NORTHWEST CANNERS ASSOCIATION, INC.
Portland, Oreg., March 10, 1955.
The Honorable WAYNE MORSE,
The United States Senate,
Washington, D. C.

DEAR SENATOR MORSE: For a number of years since World War II our association has been concerned with the maintenance of the American merchant marine as an effective form of competitive transportation in our economy, particularly as it affects the intercoastal movement of goods by water through the Panama Canal. We believe, in fact, that the economy of the Pacific Northwest States, and of our industry in particular, is vitally dependent upon intercoastal water transportation service.

From time to time we have had occasion to call attention to the maintenance of a reasonable level of Panama Canal tolls in the interest of intercoastal service, and have expressed our concern over the tendency in the Congress to impose higher tolls. A bill to correct some of the existing inequities was introduced during the latter part of the last session of the Congress, but apparently there was not sufficient time to give it full consideration. It is our understanding that such a bill will be reintroduced during the present session.

At a meeting of the Executive Committee of our association on February 21, 1955, this matter was again given careful consideration and it was decided to request your assistance in bringing about the establishment of a realistic structure of Panama Canal toll charges through appropriate legislation. We strongly support the policy of the American flag steamship lines, urging that Congress recognize the national defense value of the Panama Canal and enact legislation wherein such recognition will tend to reduce tolls on commercial cargoes moving through the canal; that Congress alter the financial and fiscal policies now employed at the canal so that commercial cargoes will no longer be burdened with excessive cost items; and that Congress amend the treaty with the Republic of Panama so that commercial cargoes will not be required to carry the burden of any increased annuity payments given to that country.

With kind personal regards.

Sincerely yours,
C. R. TULLEY,
Executive Vice President.

PACIFIC NORTHWEST TRADE ASSOCIATION,
Seattle, June 2, 1955.
The Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: Your thoughtful consideration and, we hope, your support are requested in the matter relating to Panama Canal tolls as set forth in the enclosed resolution.

As you may already know, this association is a federation of the chambers of commerce and boards of trade of the principal communities of the four Pacific Northwest States, Western Canada and Alaska.

Sincerely,
D. K. KNAPP,
Executive Secretary.

RESOLUTION NO. 5, ADOPTED AT 33D GENERAL CONFERENCE OF PACIFIC NORTHWEST TRADE ASSOCIATION, VANCOUVER, B. C., MAY 9, 10, 1955

CONCERNING PANAMA CANAL TOLLS

Whereas the Panama Canal is the recognized medium for the shortest route between the Pacific and Atlantic oceans for domestic and international shipping; and

Whereas in accordance with international treaty, Panama Canal tolls are applied equally to United States and Canadian domestic commerce as well as to all foreign shipping; and

Whereas the shipping and trade interests on both coasts of Canada and the United States, in view of rapidly changing economic conditions, are extremely cognizant of the necessity for maintaining and developing transportation cost economies; and

Whereas current legislation before the Congress of the United States provides for the reorganization of the Panama Canal accounting system to separate the military and commercial aspects of the Panama Canal in order that commercial shipping will not continue to be burdened with military expenses; and

Whereas studies made during the last several years indicate that Panama Canal tolls predicated on operational costs in servicing commercial shipping will result in lower tolls; and

Whereas the progress and future of Northwest trade and industry is closely integrated with shipping to and from Canadian and United States Atlantic Coasts: Therefore be it

Resolved, That the Pacific Northwest Trade Association with membership representative of trade and industry in the integrated Northwest region comprising British Columbia, Yukon Territory, Alberta, Alaska, Washington, Oregon, Idaho and Montana, in general conference assembled, endorses and urges the early passage of such legislation favoring the reorganization of the Panama Canal accounting system leading toward early cognizance of the necessity for recognizing the commercial aspects of the Panama Canal, as distinct from the military.

OREGON STATE PUBLIC PORT,
AUTHORITIES ASSOCIATION,
Portland, Oreg., February 1, 1955.
Hon. WAYNE L. MORSE,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR WAYNE: This is to inform you that a bill will be introduced in the near future, probably similar to H. R. 9681 of the 83d Congress, relating to fiscal policies of the Panama Canal Company, in which this association is vitally interested.

According to the information we have received, the bill would correct fiscal policies of the Panama Canal Company so as to relieve intercoastal and world cargoes of an unreasonable financial burden at the Panama Canal due to excessive interest and

depreciation charges and improper allocation of Canal Zone Government costs. Unless this situation is corrected, commercial cargoes will be forced to pay the bill of other governmental agencies and possible assessment of extra gratuities to the Republic of Panama.

It goes without saying that the imposition of additional financial burdens on intercoastal and foreign waterborne commerce moving through the Panama Canal would have a direct and immediate effect on ports of Oregon and the Pacific coast and would further compound an already unhealthy shipping climate on the west coast.

The board of directors of this association voted unanimously on January 20 to give full support to legislation designed to correct this situation, and on behalf of the association, we earnestly solicit your wholehearted support of such legislation.

With kind personal regards of the writer.

Very truly yours,

THOMAS J. WHITE,
Secretary.

Mr. MORSE. Mr. President, I conclude by saying that if and when there is submitted to the Committee on Foreign Relations or any other committee of the Senate evidence which justifies an increase in tolls, then, and only then, will I vote for an increase. On the basis of what has been presented to me to date, the proposal recommending an increase in tolls is not warranted, and I shall not vote for it with my present knowledge of the facts.

Mr. MAGNUSON. Mr. President, I wish to make a few remarks regarding the treaty which is now before the Senate, inasmuch as there has been some discussion as to tolls on the Panama Canal by the Senator from California, the Senator from Oregon, the Senator from Arkansas, and other Senators.

We have been looking into the matter of tolls on the Panama Canal for many years. About 5 years ago we finally got an agreement from the General Accounting Office and others, that an attempt would be made to change the bookkeeping system of the Panama Canal organization so that the proper proportion of the defense costs and defense responsibilities could be segregated from the actual costs of maintenance and operation of the Canal, in order to ascertain whether we could work out a system of equitable tolls.

The system of keeping books was not changed to any great degree, and there still exists much confusion as to the financial responsibility of the Defense Department, or the Federal Government, and private shipping for use of the canal.

As a matter of fact, the tolls for commercial ships on the canal, whether they fly the American flag or foreign flags, should be less, if they could be segregated from other costs now charged to the operation of the canal.

I do not think there should be any attempt to raise the tolls, in view of the fact that shipping companies are paying more than they can afford. The tolls have gone so high that our intercoastal trade has shrunk to almost nothing. One of the reasons for that is the charges for using the canal.

Years ago I served on a committee which was called the Interoceanic Canals Committee. There were two members on the committee. That committee was in charge of the Panama Canal. We never could get the officials to segregate the costs of operating the canal. We were never able to succeed in having the officials segregate the costs as between Panamanian concessions and the other complex matters, in order ascertain the actual cost of moving a commercial ship through the canal.

Until that is done, we shall continue to have all these arguments about the costs of maintaining the canal. The canal can pay for itself if it is operated purely as a commercial business, but not if defense features are to be included in operational costs. Some day someone will have to sit down and segregate the accounts so that the burden of running the canal will not all fall on private shippers, whether they fly the American flag or another flag.

The statement was made that about one-third of the ships using the canal fly the flags of other countries. I should like to add that, while I do not know what the percentage of ships flying the Panamanian flag may be, I am sure it is a large percentage. Those ships are manned by citizens from countries all over the world, including our own. As a matter of fact, their nefarious shipping operations bring them more benefits in dollars and cents and in concessions than accrue to any other country whose ships transit the canal.

Mr. President, I think the treaty before the Senate is a bad one. In the first place, by conservative estimates, Panama will be given about $26 million or $27 million worth of property, and all we will get will be the use for 15 years of an area for military operations consisting of some 19 acres which nobody wants to use, anyway.

As the Senator from Georgia has pointed out, this is only the beginning. I know a little about Panama. There actually exists a political group in Panama which believes the next step is to take over the canal. There is no use "kidding" ourselves. Perhaps a treaty is necessary to appease someone.

Taking it section by section, I could read into the RECORD all kinds of reasons why the treaty before the Senate is not a good one for us at this time. There may be diplomatic reasons why it should be entered into, but there is a constant fight about concessions.

The treaty, of course, also places aliens under civil-service and retirement plans. I do not have too much objection to that, so long as they are working for the Panama Canal organization. But I am not so sure but that they might work a little while for the Panama Canal in order to come under the United States civil service, and then move to other jobs. In that event, it would be most difficult to separate them from our civil service.

Second, to my mind there is no question that as a result of the development of that feature of the treaty American citizens would gradually be moved out, one by one; and in a period of from 5 to 10 years from now only Panamanians would be employed there.

Mr. RUSSELL. Mr. President, will the Senator from Washington yield to me?

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). Does the Senator from Washington yield to the Senator from Georgia?

Mr. MAGNUSON. I yield.

Mr. RUSSELL. The Senator has very correctly stated that upon ratification of the treaty, every candidate in Panama will run on a platform of being able to obtain even greater concessions from the United States Government. The Senator has also correctly pointed out that the effect of the ratification of the treaty will be gradually to eliminate Americans from employment in the Panama Canal Zone.

But when we consider that we shall have to increase the payments to the Republic of Panama because we shall be paying increased wages to certain citizens of Panama, and not to others, does not the Senator from Washington see how that will greatly increase the annual payment?

Mr. MAGNUSON. Of course. Furthermore, the treaty also has the effect—it is another aspect of the treaty which I do not like—of taking away from or decreasing what we always have considered the sovereignty of the United States in the Panama Canal Zone proper.

Let me say that the Supreme Court has ruled on that point in several cases. But it seems to me that the effect or the implication of the treaty is that in the case of the Canal Zone property—even the 5 short miles to which the Senator from Georgia has referred—the sovereignty of the United States will be encroached upon, or at least some inroads will be made upon it.

Mr. RUSSELL. It is stated that we are to move our schools from the outside, and place them inside.

Mr. FULBRIGHT. Mr. President, I do not think there is any basis for the conclusion of the Senator from Washington. In what respect are American sovereign rights to be affected by the treaty?

Mr. MAGNUSON. Mr. President, in that connection, let me read from a letter which I have before me:

The articles II and III of this Convention stated that the Republic of Panama granted to the United States in perpetuity the use, occupation and control of certain land and land under water within and outside of the Canal Zone and granted to the United States, also in perpetuity, all the rights, power and authority within that zone and certain additional lands "which the United States would possess and exercise if it were the sovereign of the territory within which said lands and waters are located to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority." Since the Canal Zone was granted (i. e. "to give the possession of title of") to the United States by Panama, it is obvious that the United States owns the Canal Zone. The United States Supreme Court in the case of Wilson versus Shaw (27 Sup. Ct. 233) concluded that "any contention of imperfection of title of the United States to the Canal Zone was hypercritical." Also the Supreme Court of the Canal Zone said in the case of the Canal Zone versus Christian, "The granting 'in perpetuity the use, occupation and control of a zone of land' to a sovereign power carry with them by implication the right, power and authority to establish and maintain

all needful and necessary forms of government." It was clearly the intention of the high contracting parties, expressed in unequivocal language, that the United States should have absolute, unqualified and unquestioned control over the zone mentioned, free from any debts, liabilities, concessions or privileges whatsoever.

Thus it can be seen that the United States, alone, is the sole owner and sovereign of the Canal Zone. And that any idea of Panama retaining even titular sovereignty in the Zone is fallacious and without basis of any treaty provisions.

Normally, I would read the entire letter, but in view of the shortage of time, I shall not take that much of the time of the Senate.

The treaty proceeds on the premise that the Republic of Panama got concessions, and the demands were made on the basis that Panama still has some sovereignty right over the lands which were ceded and deeded to the United States. That is the only conclusion I can reach.

Mr. FULBRIGHT. Mr. President, will the Senator from Washington yield to me?

The PRESIDING OFFICER (Mr. ALLOTT in the chair). Does the Senator from Washington yield to the Senator from Arkansas?

Mr. MAGNUSON. I yield.

Mr. FULBRIGHT. On page 160 of the hearings, we find testimony by Mr. Henry Holland, Assistant Secretary of State for Inter-American Affairs. In his testimony, Mr. Holland quoted William Howard Taft, the former Chief Justice of the United States. I read from page 160 of the hearings:

William Howard Taft, in commenting upon the article quoted, stated in the hearings before the Senate Committee on Oceanic Canals on April 18, 1906, as follows:

"It [that is, art. III] is peculiar in not conferring sovereignty directly upon the United States, but giving to the United States the powers which it would have if it were a sovereign. This gives rise to the obvious implication that a mere titular sovereignty is reserved to the Panamanian Government."

I continue to quote:

"The truth is that while we have all the attributes of sovereignty necessary in the construction, maintenance, and protection of the canal, the very form in which these attributes are conferred in the treaty seems to preserve the titular sovereignty over the Canal Zone in the Republic of Panama."

So I think this is not a very fruitful distinction.

However, inasmuch as the question has been raised, I may say that it seems that we have all the rights and powers as if we were sovereign, although we are not. That is what Mr. Taft said.

Mr. MAGNUSON. No; I think that is what Mr. Holland said, namely, that it seemed to him that they were preserved, but not by means of this treaty.

Mr. FULBRIGHT. No; at that point in the hearings, Mr. Holland was quoting William Howard Taft, as he testified before the Senate Committee on Oceanic Canals, on April 18, 1906, and in that testimony Mr. Taft was commenting on the original treaty, not the treaty now before the Senate for ratification.

Mr. MAGNUSON. How does that affect this situation?

Mr. FULBRIGHT. Does the Senator from Washington inquire how the pending treaty affects any rights we have over the Canal Zone? It has no effect on them at all. However, for the sake of the RECORD, I will say that I think the Senator from Washington is in error in stating that alien Panamanians will come under United States civil service. I do not think they will come under the United States civil service. They will only come under our Civil Service Retirement Act; they will not have civil service job preference, and so forth.

Mr. MAGNUSON. I think the Senator from Arkansas misunderstood me; I meant to say that they will come under the Civil Service Retirement Act. However, when they apply for jobs, they now come under the civil-service provisions.

Mr. ROBERTSON. Mr. President, is it not a fact that they will have civil service retirement rights, but will not have civil service job security?

Mr. MAGNUSON. That is true, and that is the point I am making. They will not have job security, but they will be under the Civil Service Retirement Act. I fear the results when certain of such employees will subsequently leave that service and will take other jobs.

Mr. ROBERTSON. Is it not a fact that the current liability—to say nothing of the cumulative liability—of the pension fund for civil-service employees, far exceeds the current contributions made annually, and the Congress has to supplement them, in order to provide for the retirement payments?

Mr. MAGNUSON. Yes; and the Senator from Virginia will recall that only a few days ago it was estimated, in the Appropriations Committee, that we should appropriate $750 million every year, in order to maintain the fund. However, we appropriate only $250 million annually. So we are failing to provide the remaining $500 million.

Mr. ROBERTSON. So if we bring certain Panamanians under our retirement fund, we shall have to tax all American taxpayers in order to help pay the retirement benefits accruing to such Panamanians, under the provisions of this treaty. Is that not correct?

Mr. MAGNUSON. That is my interpretation; and I am fortified in it by hearing my good friend, the Senator from South Carolina [Mr. JOHNSTON] who is an expert on these matters, say "Yes," in response to that question.

Mr. ROBERTSON. So that will increase the burden on United States taxpayers.

Mr. President, let me point out that we have military establishments in 49 foreign countries. Is it not a fact that in each of those establishments the United States has certain civilian employees who are citizens of those countries?

Mr. MAGNUSON. That is correct.

Mr. ROBERTSON. Very well. So if we begin to place Panamanians, who are foreigners, under our civil-service retirement system, where will we end? Will we not have to extend that arrangement one after another to the other foreign countries, until finally it will apply to all 49 of them?

Mr. MAGNUSON. That would be the logical development.

Mr. ROBERTSON. In that event, would not it be better not to start on that course?

Mr. MAGNUSON. Furthermore, under the figures now before us, the cost will be approximately $1 million a year. However, as the Senator from Arkansas has pointed out, sometimes those who are employed are itinerant by nature and, after coming under our retirement law, will be likely to move on, to other employment. In that event, sooner or later we would be paying retirement benefits to persons all over that area.

Mr. President, I do not wish to belabor this point.

I think the Senator from Arkansas has correctly stated the situation as regards the canal tolls, namely, that if we wish to deal with the canal tolls, that will have to be done later on, in one way or another, by means of separate legislation.

But if we give Panama $35 million worth of land and other property in that area, to that extent we shall decrease our property holdings in the Canal Zone and we shall decrease accordingly the net income of the canal itself, because we shall have given away something of value which we now have, and therefore the income from the operation of the canal will be decreased to that extent.

Of course it is true that any increase in tolls would have to be made by legislation.

Mr. FULBRIGHT. Mr. President, will the Senator further yield?

Mr. MAGNUSON. I yield.

Mr. FULBRIGHT. I wish to clear up for the RECORD the question of civil-service retirement. I read from the top of page 180 of the hearings, in the testimony of Mr. Holland:

Mr. HOLLAND. The fact is that the amendment of January 24, 1942, to the Civil Service Retirement Act extended the coverage of that act to include all officers and employees of the United States not subject to some other retirement system.

Therefore, at this time because of the amendment of 1942 to that act, it applies to all employees of the United States in the Canal Zone who are not subject to some other system, and that inludes a great many employees in the zone.

Senator FULBRIGHT. That means noncitizens?

Mr. HOLLAND. That is correct; aliens or otherwise.

Senator FULBRIGHT. Does it apply to aliens employed in other countries, too?

Mr. RUNNESTRAND. That is true.

Senator FULBRIGHT. You mean the alien employees in our Embassy in Rome come under this?

Mr. RUNNESTRAND. Yes, sir.

Senator FULBRIGHT. I did not know that.

Mr. HOLLAND. Now, the memorandum of agreement that we have signed would extend the Civil Service Retirement Act to certain of our employees who are not now subject to that act, because they are subject to the Cash Relief Act of 1937, which has been classified as another retirement system, and so those foreign employees who are now subject to the Cash Relief Act of 1937 and have not, therefore, been eligible under the Civil Service Retirement Act, would now fall into the same category as all of our foreign employees not subject to the Cash Relief Act.

This is not such a radical step as the Senator believes. Many of them are under the act anyway. Also, the Cash Relief Act certainly costs something. That will be an offset against this cost.

Mr. MAGNUSON. The reason for the Cash Relief Act was to get away from this sort of thing. It was a sort of severance pay.

Mr. FULBRIGHT. If we extended this privilege to everyone else in 1942, why does the Senator think we should discriminate against people simply because they work for the Panama Canal Company?

Mr. MAGNUSON. We are not discriminating.

Mr. FULBRIGHT. We would be if we applied this principle.

Mr. MAGNUSON. I do not think we are discriminating against them at all.

Mr. FULBRIGHT. Mr. President, let me make one further observation with respect to the land. I raised the same questions. I agree with the Senator, this came as quite a shock to me when I first examined the question.

All the land outside the "zone" we acquired without compensation. It is not something we bought and paid for. We acquired it more or less as a part of the operation in the beginning, the construction of the canal. It is true that we made certain improvements. We have erected certain buildings, which have depreciated to some extent. The Senator will notice that the depreciated value, which I take to mean the decrease in the present value of the improvements, is much less than the estimated value, much of which is made up of the value of the real estate, which we obtained in a more or less sovereign capacity in the beginning of the canal. So we are returning only lands which we acquired at that time, and which we considered to be necessary to the operation of the canal.

Mr. BARKLEY. Mr. President, will the Senator yield for an observation?

Mr. MAGNUSON. I yield.

Mr. BARKLEY. The property we are returning to Panama is not revenue-producing property at all. In one instance it consists of a school, which certainly is for the benefit of the children, and which, it has been found, we do not need for our canal purposes. We are turning it back to Panama.

The old hospital building there is not a revenue-producing institution. We find that we do not need it in connection with the operation of the canal.

Other property is in a similar category. We are not giving up something that is producing revenue for us, such as the tolls on the canal itself.

After half a century of use of this property, which, at the time it was taken or acquired, by gift, purchase, or otherwise, was considered necessary, we find that it is not now needed. We are not surrendering anything of great value, if any value at all, in turning back this property to Panama. The return of the property may be regarded as a gracious act. Of course, the property is worth something, but we must consider all those equations when we are dealing with the Panama Canal and with the international political and psychological situation growing out of the fact that we have the canal and are using it. So I do not think we are giving up anything of revenue-producing value in turning back to the Government of Panama this property outside the Canal Zone, which we do not now need.

Mr. MAGNUSON. Mr. President, I do not disagree with my able friend from Kentucky. There may be other considerations. However, we are having a tough enough time with the costs of the Canal Zone now. There is the question of rates, tolls, and the cost of maintenance and operation. Any decrease in the net worth of the canal, or the worth of the land and improvements, must necessarily be reflected in the operation of the canal.

Mr. BARKLEY. The worth of the canal is not to be evaluated on a strictly commercial basis, like a piece of business property, a building, or a hotel. The worth of the canal to us, of course, is largely a matter of defense. So far as revenue is concerned, it is largely derived from the canal itself and is used to take care of its expenses.

With all due respect to the sincerity of the views of my good friend from Washington, I do not think we are surrendering anything of any great current value—certainly nothing of great necessity—in turning this property back to Panama.

Mr. MAGNUSON. I think the dollars and cents value of the property we are returning, although it amounts, conservatively, to $26 million or $27 million, is not the most important thing. The thing of greatest concern to me is the inferences I draw from the treaty, and what we are doing if we allow alien workers on the canal to be given the benefit of our retirement laws.

Among other things, as I understand, in the treaty, we are discontinuing the right of Panamanians to buy in the governmental stores in the Canal Zone itself—the buying privilege in the Canal Zone. I understand that provision is a part of the treaty. I have not read that part. If that be true that it is a part of the treaty, we shall find almost immediately a demand for increased wages, which will bring up this entire question again.

There are several other features, but I think the important thing is the implication of the treaty, based upon the consistent demands of the Panamanians. The implication is that the sovereignty of the United States over the Canal Zone itself is not necessarily clear. I predict that the next step will be a move to take over the Canal Zone itself.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. FULBRIGHT. It is only noncitizens, residents of Panama who do not live in the Zone, who cannot buy at the stores.

Mr. MAGNUSON. Yes.

Mr. FULBRIGHT. I do not see any reason why they should have that right.

Mr. MAGNUSON. I did not say that they should. I say the result will be that those who work there will come forward with demands for increased wages.

Mr. President, I ask unanimous consent to have printed in the RECORD a brief statement on this subject which I had intended to read to the Senate. The other questions have been pretty well covered.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAGNUSON

I sincerely hope that the Senate, in considering this proposed treaty with the Republic of Panama, will bear in mind the large part the Panama Canal plays in the overall economy of our country.

I ask that each Member of the Senate fully realize, as he casts his vote on the treaty, that this treaty will not benefit in anyway the Panama Canal itself, in its invaluable function of transiting either the military or the commercial vessels of this Nation.

Let me emphasize that the treaty is designed to placate the Government and people of Panama, and to secure certain concessions that will be of benefit directly to the United States Military Establishment in the Canal Zone, rather than to the canal.

Let it be remembered that the treaty represents merely a yielding on the part of this Government, under pressure from the Panamanian Government for additional concessions. These new concessions will supplement the many payments of one kind or another made to Panama since this Government, by the treaty and convention of 1903, was granted in perpetuity the use, occupation, and control of certain lands in and outside of the Canal Zone, together with all the rights, power, and authority within that zone.

Under this treaty, for instance, this Government in transferring to the Republic of Panama, without cost, certain lands and improvements owned by the Panama Canal Company. The appraised value of these, I am informed by General Seybold, Governor of the Canal Zone, is estimated at $25 million.

Under the treaty, this Government also would increase by $1,500,000, the annuity now paid to the Republic of Panama.

It would extend wage and retirement benefits to Panamanians and other non-United States citzens, and assist the Panamanian economy in numerous other ways.

In return, the United States will be given the use of some 19,000 acres of land for maneuvers and military training, for a period of 15 years—plus some other very minor concessions.

I understand the State Department has suggested that it will seek legislation to require that the additional annual gratuity of $1,500,000 provided in the treaty be borne by shipping transiting the canal.

This is akin, I would remind the Senators, to the recent agreement concluded with West Germany, under which valuable concessions were given to West German airlines at the expense of American companies, on the contention that relations between the two countries would be improved thereby.

I oppose any thinking that would saddle the additional annuity or any of the other costly concessions proposed in this treaty upon commercial users of the Panama Canal, and would lay upon the shipping industry the costs of the Nation's diplomatic bargaining.

The canal already has done its share, and far more than its share, towards the support of national aims and policies. The Canal Company staff has computed that the transiting of United States Government vessels through the canal prior to 1952, without reimbursement, represented services to the Government valued at $70,603,000. Before consideration is given to adding new charges that would result in increased tolls to vessels using the canal, credit should be given for the services already rendered in such large

measure by the canal, and paid for entirely by the shipping industry.

It is grossly unfair to think of increasing canal tolls to pay any of the costs involved in this proposed treaty wih Panama. Instead, the $25 million worth of land and improvements proposed to be ceded to Panama should be deducted from the net value of the canal holdings, and reflected in lower tolls for our vessels using the canal.

If the State Department is convinced that this treaty is necessary to future amity with the Republic of Panama, I would be the last one to oppose passage. But I do want to be on record as insisting that the treaty was drafted to implement the policies and programs of national diplomacy and national security.

It was not intended to, and decidely will not, affect favorably in any way the commercial operation of the Panama Canal, or the shipping industry which supports that canal. The nation should pay any and all costs involved in the treaty. That unjust burden must not be laid upon American shipping, which even now is burdened beyond capacity.

Mr. CARLSON. Mr. President, there has been considerable discussion this afternoon with regard to the civil-service retirement features which are contained in the treaty. As a member of the Senate Post Office and Civil Service Committee I feel it my duty to call to the attention of the Senate certain proposals that appear in the memorandum of understanding in the Treaty of Mutual Understandings and Cooperation with the Republic of Panama.

First of all, I desire to state that I am not speaking in opposition to the treaty with the Republic of Panama, but call to the attention of the Senate a provision which appears on page 31 of the treaty under the memorandum of understandings reached:

Legislation will be sought to make the Civil Service Retirement Act uniformly aplicable to citizens of the United States and of the Republic of Panama employed by the Government of the United States in the Canal Zone.

The memorandum of understanding makes it crystal clear that legislation will be sought to make the Civil Service Retirement Act uniform insofar as the United States citizens and citizens of the Republic of Panama who are employed by the United States Government in the Canal Zone are concerned. When this type of legislation is enacted into law, the Senate should be prepared to support legislation increasing the appropriation to the Federal retirement fund in keeping with the cost involved in blanketing the Panamanians under our Federal retirement system.

I am of the opinion that a complete study should be made, not only of the question of coverage of the Panamanians under our Federal retirement system, but also other non-United States citizens who might be covered in the immediate future.

As has been mentioned before, if we are to begin to include in our civil service retirement system all foreign workers whom we employ, we should be prepared as a Government substantially to increase the appropriations for the retirement fund in order to protect our own citizens who have been building it up.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. FULBRIGHT. It is my understanding that since 1942 the Civil Service Retirement Act has covered all employees, including foreign employees.

Mr. CARLSON. That is correct.

Mr. FULBRIGHT. Wherever they may be.

Mr. CARLSON. That is correct.

Mr. FULBRIGHT. I do not know why the Panamanian employees should be discriminated against.

Mr. CARLSON. We are at the present time covering foreign citizens who are employed by the United States Government. There are probably 30,000 or 40,000 such employees. This treaty will extend that coverage.

However, new legislation will be sought to cover Panamian workers who will, as has been mentioned, no doubt supplant our own citizens as time goes on. The foreign workers may work for the government for a short time, and then although they will be off our rolls, they will still be covered by the retirement system. The Senate should know that such legislation is coming up, and I want to call the Senate's attention to that fact.

Mr. FULBRIGHT. I do not know why, when people in Italy and in Egypt and in other places are covered, the Panamanians should not be covered. Perhaps it was wrong to begin with, but I can see no justification for discriminating against the Panamanians.

Mr. CARLSON. I believe the Senator from Arkansas is making a good point, but, nevertheless the Senate should be prepared to consider carefully such legislation when it comes before it. I believe Congress ought to consider the whole picture. We have had several studies made already. I am afraid that our civil service retirement system will become so topheavy that we will not be able to protect our own people.

Federal employee groups testifying on the treaty between the Republic of Panama and the United States, with the understanding before the Senate Foreign Relations Committee did not oppose the treaty, but did endeavor to call to the attention of the members of the Foreign Relations Committee the question of the additional cost to our Federal retirement system. I ask permission to insert in the RECORD a statement made before the Foreign Relations Committee by Mr. Thomas G. Walters, operations director of the Government employees' council, representing 21 national and international unions, affiliated with the American Federation of Labor.

STATEMENT OF THOMAS G. WALTERS

Mr. Chairman and members of this committee, by way of introduction, my name is Thomas G. Walters, operations director of the Government Employees' Council of the American Federation of Labor, 100 Indiana Avenue NW., Washington, D. C., phone EXecutive 3-2820 and 3-2821.

The Government Employees' Council of the American Federation of Labor is made up of 21 national and international unions whose membership, in whole or in part, are civil-service employees. The total Federal and postal employee membership of the Government Employees' Council is more than 500,000.

Mr. Chairman and members of the committee, in looking over the memorandum of understandings and the wording of the treaty with the Republic of Panama and the United States, it appears to me that the wordage is very broad and can be interpreted to have 2 or 3 different meanings. I refer especially to page 31 of the Executive F in the Senate and headed "Treaty of Mutual Understandings and Cooperation With the Republic of Panama," and dated May 9, 1955. On page 31, subsection A, and I quote, "(a) The basic wage for any given grade level will be the same for any employee eligible for appointment to the position without regard to whether he is a citizen of the United States or of the Republic of Panama."

Mr. Chairman, does this language lead us to believe that the rate of pay for citizens of the Republic of Panama would be increased to the same level of the United States citizen or would the United States citizen's rate of basic pay be lowered to the level of the Panamanian rate?

This same question could be asked of the following language found on page 31: "Legislation will be sought to make the Civil Service Retirement Act uniformly applicable to citizens of the United States and of the Republic of Panama employed by the Government of the United States in the Canal Zone."

If this type of precedent is established would it not become necessary to eventually amend the Federal retirement law to cover the peoples of other countries employed by the United States Government? I am wondering if the members of this committee would be in favor of amending the Federal retirement law to promiscuously cover peoples of other countries employed by the United States Government, and, if not, why not? Provided, of course, the language that now appears on page 31 of the Treaty of Mutual Understandings and Cooperation With the Republic of Panama, if approved by the Senate.

Mr. Chairman and members of the committee, some Members of Congress, and, unfortunately, some are chairmen and ranking members of the duly authorized committee that has jurisdiction over legislation affecting our Federal retirement system, appear to be strong in their opposition to granting increases to those now on the retired roll and to several hundred widows who are not now covered by the Federal retirement system, on the grounds that these additional charges against the Federal retirement fund would jeopardize the financial stability of the fund. If we broaden the provisions of the Federal retirement to blanket in noncitizens of the United States who are employed by the United States Goverment this procedure would strengthen the argument of the financial unsoundness of our Federal retirement fund. Therefore, Mr. Chairman and members of the committee, we strongly recommend that this portion of the proposed treaty be studied from all angles before a decision is reached.

Seems to me that since the Republic of Panama has a social-security program that some form of cooperation might be worked out to liberalize, if necessary, the Republic of Panama's social-security program to where these Panamanians employed by the United States Government in the Canal Zone could be fully and properly covered.

We strongly believe that the report of this committee should go into a very detailed and comprehensive coverage, in order that in the future we could all fully understand just what the intent of this Congress was on the interpretation of the vague wordage contained in Executive F that is now being considered by this committee.

We trust that the report of this committee will be spelled out in layman's language, in order that we of the present generation, as well as those to follow us, will have a clear conception of the intent of this committee and of the Congress in this treaty with the Republic of Panama.

It has come to my attention that certain United States citizens who were truckdrivers were downgraded in order that their salaries would be basically in line with the salaries of the Panamanian who was doing similar services.

On page 32 of Executive F we find this language: "Citizens of Panama will be afforded opportunity to participate in such training programs as may be conducted for employees by United States agencies in the Canal Zone." It is my understanding that the citizens of Panama are now eligible under certain conditions to stand examinations for positions on the Canal Zone. It seems to me this treaty can be read and interpreted to favor United States citizens or to favor the citizen of Panama.

Appreciate the opportunity of appearing before this committee and calling these items to your attention.

Mr. ROBERTSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

If there be no objection, the pending treaty will be considered as having passed through its various parliamentary stages up to the point of consideration of the resolution of ratification, which will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive F, 84th Congress, 1st session, a Treaty of Mutual Understanding and Cooperation Between the United States of America and the Republic of Panama, and the memorandum of understandings reached, signed in the English and Spanish languages at Panama on January 25, 1955.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification. On this question the yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Delaware [Mr. FREAR] and the Senator from Massachusetts [Mr. KENNEDY] are absent on official business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

I further announce that if present and voting, the Senator from Delaware [Mr. FREAR], the Senator from Texas [Mr. JOHNSON], and the Senator from Massachusetts [Mr. KENNEDY] would each vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Wyoming [Mr. BARRETT] is absent because of illness in his family.

The Senator from Vermont [Mr. FLANDERS] and the Senator from Kansas [Mr. SCHOEPPEL] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate.

The Senator from Pennsylvania [Mr. DUFF], the Senator from Indiana [Mr. JENNER], and the Senator from Nevada [Mr. MALONE] are detained on official business.

If present and voting, the Senator from Pennsylvania [Mr. DUFF], the Senator from Wyoming [Mr. BARRETT], the Senator from Vermont [Mr. FLANDERS], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Kansas [Mr. SCHOEPPEL] would each vote "yea."

The yeas and nays resulted—yeas 72, nays 14, as follows:

YEAS—72

Aiken	Ellender	Millikin
Allott	Fulbright	Monroney
Anderson	George	Morse
Barkley	Goldwater	Mundt
Beall	Green	Murray
Bender	Hayden	Neely
Bennett	Hennings	O'Mahoney
Bible	Hill	Pastore
Bricker	Holland	Payne
Bridges	Hruska	Potter
Bush	Humphrey	Purtell
Butler	Ives	Saltonstall
Capehart	Kefauver	Scott
Carlson	Kilgore	Smathers
Case, N. J.	Knowland	Smith, Maine
Chavez	Kuchel	Smith, N. J.
Clements	Langer	Sparkman
Cotton	Lehman	Symington
Curtis	Mansfield	Thye
Daniel	Martin, Iowa	Watkins
Dirksen	Martin, Pa.	Welker
Douglas	McCarthy	Wiley
Dworshak	McClellan	Williams
Eastland	McNamara	Young

NAYS—14

Byrd	Johnston, S. C.	Robertson
Case, S. Dak.	Kerr	Russell
Ervin	Long	Stennis
Gore	Magnuson	Thurmond
Jackson	Neuberger	

NOT VOTING—10

Barrett	Hickenlooper	Malone
Duff	Jenner	Schoeppel
Flanders	Johnson, Tex.	
Frear	Kennedy	

The PRESIDING OFFICER. Two-thirds of the Senators present having voted in the affirmative, the resolution of ratification is agreed to.

CONVENTIONS RELATING TO TAXATION, ETC.

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to consider the remaining treaties on the Executive Calendar, and I ask unanimous consent that a yea-and-nay vote be taken on the question of agreeing to the resolution of ratification of Executive I, 83d Congress, 2d session, and that the respective resolutions advising and consenting to the ratification of Executive I, 84th Congress, 1st session, Executive C, 84th Congress, 1st session, and Executive D, 84th Congress, 1st session, be deemed to have been agreed to by the same vote.

Mr. KNOWLAND. Mr. President, I have no objection to the several treaties being explained at the same time. I do not believe there will be any objection raised to the subsequent ones which would not be raised to the first one. I do not anticipate any objection, but I should like to withhold consent to having a single yea-and-nay vote suffice for all until an explanation has been made.

If it develops that there will be no opposition—and I think there will be no opposition—then I shall have no objection to consenting to the unanimous-consent request.

Mr. CLEMENTS. On the basis of the statement made by the Senator from California, I will withdraw the unanimous-consent request and renew it later.

Mr. GEORGE. Mr. President, if I may have the attention of the Senate for from 3 to 5 minutes, I think an explanatory statement can be made covering all the treaties. They are called treaties; in fact, they are tax conventions. They are simply agreements between the United States and other nations with respect to taxes on profits or income, and on inheritances or estates.

The sole purpose of the treaties or conventions is to prevent the double taxation of American citizens who may live in the other country which is a party to the convention and may have derived profits in the other country. There is a reciprocal obligation on the part of both governments to assist in facilitating the collection of taxes due either country. That is all that these treaties or conventions will accomplish. They are exactly the kind of conventions we have had with a number of other countries.

I should like to make a brief statement for the RECORD in order to give the background. Then I think we may be able to vote on all the treaties or conventions by one vote, but the vote to be separately recorded as to each convention.

The four conventions favorably reported by the Committee on Foreign Relations concern relief from double taxation on incomes and estates and inheritances. Two of the treaties are with Italy and two of them are related to extending the provision of the 1948 treaty to the Netherlands Antilles.

In other words, we already have treaties with The Netherlands, and with Italy, and these conventions merely extend the treaty association so as to cover the citizens of the United States who may be living in any of the possessions of the Netherlands Government or the Italian Government.

A treaty with the Netherlands is already in effect; this convention will extend it to an additional territory or area in which United States citizens may be subject to double taxation unless the convention becomes effective.

The two treaties with Italy relate entirely to the double taxation of income and the double taxation of property held by the citizens of one country in the other country which is a party to the convention.

These conventions have been subject to the careful analysis of Mr. Stam, Chief of Staff of the Joint Committee on Internal Revenue Taxation, who has examined them in the light of the revenue laws of the United States. They have been considered by the Committee on Foreign Relations which has received no objections to their approval but has, on the other hand, received many communications urging their approval.

THE NETHERLANDS ANTILLES TREATIES

The two agreements relative to extending the Netherlands Treaty of 1948 to the Netherlands Antilles relate only to income taxes and profits taxes. The agreement which was referred to the Senate during the 83d Congress came to us because the Executive has undertaken not to extend conventions such as this to territories of one of the parties without concurrence of the Senate.

In extending this treaty to the Netherlands Antilles the committee does so with an understanding related to the collection provisions of the Netherlands Treaty. That understanding appears on page 9 of the committee report.

THE ITALIAN TREATIES

The pending income tax convention with Italy follows the pattern of prior income tax conventions which the Senate has previously approved. There are no unusual provisions in the proposed treaty which follows in substance similar treaties with Australia, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Japan, the Netherlands, New Zealand, Norway, Sweden, Switzerland, the Union of South Africa, and the United Kingdom.

The Death Duty Convention with Italy has no unusual provisions. It is similar to conventions with Australia, Canada, Finland, Greece, Ireland, Norway, Switzerland, the Union of South Africa, and the United Kingdom.

As a matter of fact, the conventions have been negotiated primarily by the Treasury Department, in conjunction with the State Department. In response to a resolution which was passed by Congress many years ago, asking for the conclusion of precisely these types of conventions, in order to avoid the double taxation of our citizens and to facilitate the collection of taxes due our own Government or due the Government of Italy or the Government of The Netherlands, as the case might be.

Conclusion of these conventions is a part of a long-range program undertaken by the executive branch of the Government at the request of the Congress for the purpose of relieving American nationals, on a reciprocal basis, from paying taxes in the United States on income or inheritances upon which taxes have been levied abroad.

In view of the fact that these conventions are retroactive with respect to the relief they offer to the first of the year in which they are approved, I hope that the Senate will approve them before adjournment.

I see no objection in the world to voting on all four conventions by one vote, but the vote to be separately recorded as to each of the conventions. I again renew the request for that purpose.

Mr. KNOWLAND. Mr. President, with the explanation by the chairman of the Committee on Foreign Relations, I have no objection to the vote being taken on Executive I of the 83d Congress, and then to have that vote considered as a vote of ratification on the subsequent conventions, but the vote to be recorded separately as to each of them.

The PRESIDING OFFICER (Mr. ALLOTT in the chair). Without objection, the conventions will be considered en bloc.

The Senate, as in the Committee of the Whole, proceeded to consider the following:

NOTIFICATION BY THE NETHERLANDS GOVERNMENT WITH RESPECT TO THE NETHERLANDS ANTILLES

Executive I, 83d Congress, 2d session, a notification given by the Government of the Netherlands, in accordance with article XXVII of the convention of April 29, 1948, between the United States of America and the Netherlands, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and certain other taxes, with a view to extending the operation of the convention, with certain limitations, to the Netherlands Antilles, dated June 24, 1952, which was read the second time, as follows:

NETHERLANDS EMBASSY,
Washington, D. C., June 24, 1952.

The Netherlands Ambassador presents his compliments to the Honorable the Secretary of State and has the honor to refer to the Convention between the Kingdom of the Netherlands and the United States of America with respect to taxes on income and certain other taxes, signed at Washington on April 29, 1948, and to the Protocol of Exchange of Instruments of Ratification relating to that Convention and signed at Washington on December 1, 1948.

Article XXVII (1) of the Convention provides, inter alia, that either of the Contracting States may by a written notification of extension declare the desire of the government of any overseas part of the Kingdom (in the case of the Netherlands) or overseas territory (in the case of the United States) that the operation of the Convention in whole or in part shall extend to such part or territory.

In accordance with the provisions of ths Article, the Netherlands Government wishes to notify the United States Government of the desire of the Government of the Netherlands Antilles that the operation of the Convention and of the Protocol of Exchange of Instruments of Ratification relating thereto shall, with the limitations specified below, extend to the Netherlands Antilles.

Since no property tax is being levied in the Netherlands Antilles, the Convention as extended to that territory is to apply to income taxes and profits taxes only. An English translation of the Regulations governing these two types of taxes in the Netherlands Antilles is enclosed. The tariff of the profit tax is contained in Article 13 of the Regulations on the profits tax. The tariff of the income tax is set forth in the enclosed schedule entitled "Tarief Inkomstenbelasting 1950".

Article XX and Article VI, (2) and (3) should be excluded from the operation of the Convention with respect to the Netherlands Antilles. In addition, the provisions contained in the Protocol of December 1, 1948 are assumed to exclude the applicability of Article XI and XIII. The term "competent authority" referred to in Article II (1) (j) should be taken to mean, in the case of the Netherlands Antilles, the Administrateur van Financien of the Netherlands Antilles.

The Netherlands Government supports the requests of the Government of the Netherlands Antilles for the extension of the operation of the Convention to its territory. Dr. van Roijen therefore wishes to suggest that the United States Government accept this notification in accordance with Article XXVII (2) of the Convention. In case of such acceptance the provisions of the Convention and of the Protocol, with the limitations specified above, will apply to the Netherlands Antilles as of January 1, 1953.

[EMBASSY SEAL]

WASHINGTON, D. C., *June 24, 1952.*

PROTOCOL WITH THE KINGDOM OF THE NETHERLANDS SUPPLEMENTING THE CONVENTION RELATING TO TAXES ON INCOME AND CERTAIN OTHER TAXES WITH RESPECT TO THE NETHERLANDS ANTILLES

Executive I, 84th Congress, 1st session, a protocol, signed on June 15, 1955, supplementing the convention between the United States of America and the Kingdom of the Netherlands with respect to taxes on income and certain other taxes for the purpose of facilitating extension to the Netherlands Antilles, which was read the second time, as follows:

PROTOCOL SUPPLEMENTING THE CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND THE KINGDOM OF THE NETHERLANDS WITH RESPECT TO TAXES ON INCOME AND CERTAIN OTHER TAXES FOR THE PURPOSE OF FACILITATING EXTENSION TO THE NETHERLANDS ANTILLES

The Government of the United States of America and the Government of the Kingdom of the Netherlands, being desirous of facilitating the extension to the Netherlands Antilles of the operation of the convention between the United States of America and the Kingdom of the Netherlands for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and certain other taxes, signed at Washington on April 29, 1948, have decided to conclude a supplementary protocol for that purpose and have appointed as their respective Plenipotentiaries:

The Government of the United States of America:

John Foster Dulles, Secretary of State of the United States of America, and

The Government of the Kingdom of the Netherlands:

J. H. van Roijen, Ambassador Extraordinary and Plenipotentiary of the Kingdom of the Netherlands,

who, having communicated to each other their full powers, found in good and due form, have agreed upon the following Articles:

ARTICLE I

In the application by the Netherlands Antilles of Article XIX of the convention of April 29, 1948, paragraph (3) thereof shall be replaced by the following paragraph:

"(3) The Netherlands Antilles shall allow a deduction (or the equivalent thereof) from its tax of the Federal income tax paid to the United States by citizens of the United States resident in the Netherlands Antilles with respect to income of such citizens from sources within the United States, but in an amount not in excess of that proportion of the entire Netherlands Antilles tax which such income bears to the entire income subject to such Netherlands Antilles tax."

[SEAL] J. H. VAN ROIJEN.

ARTICLE II

In the application to the Netherlands Antilles of Article XXVII of the convention of April 29, 1948, the word "following", as it appears in paragraph (2) of the said Article XXVII, shall be replaced by the words "immediately preceding".

ARTICLE III

(1) This supplementary Protocol, which shall be regarded as an integral part of the said convention, shall be ratified and the instruments of ratification thereof shall be exchanged at Washington.

(2) The present Protocol shall enter into force on the date of exchange of instruments of ratification.

Done in duplicate, in the English and Dutch languages, the two texts having equal authenticity, at Washington this 15th day of June 1955.

For the Government of the United States of America:

[SEAL] JOHN FOSTER DULLES.

For the Government of the Kingdom of the Netherlands:

CONVENTION WITH THE ITALIAN REPUBLIC RELATING TO TAXES ON INCOME

Executive C, 84th Congress, 1st session, a convention between the United States of America and the Italian Republic for

the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed at Washington on March 30, 1955, which was read the second time, as follows:

CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND THE ITALIAN REPUBLIC FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

The President of the United States of America and the President of the Italian Republic being desirous of concluding a convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, have appointed for that purpose as their respective Plenipotentiaries:

The President of the United States of America:

John Foster Dulles, Secretary of State of the United States of America; and

The President of the Italian Republic:

Gaetano Martino, Minister of Foreign Affairs of the Italian Republic;

who, having communicated to one another their respective full powers, found in good and due form, have agreed upon the following Articles:

ARTICLE I

The taxes referred to in this Convention are:

(a) In the case of the United States: the Federal income tax, including surtaxes.

(b) In the case of Italy:

(1) Tax on land (l'imposta sul reddito dei terreni).

(2) Tax on buildings (l'imposta sul reddito dei fabbricati).

(3) Tax on movable wealth (l'imposta sui redditi di ricchezza mobile).

(4) Tax on agricultural income (l'imposta sui redditi agrari).

(5) Complementary tax (l'imposta complementare progressiva sul reddito).

ARTICLE II

(1) As used in this Convention:

(a) The term "United States" means the United States of America, and when used in a geographical sense includes only the States, the Terirtories of Alaska and Hawaii, and the District of Columbia.

(b) The term "Italy" means the Italian Republic.

(c) The term "permanent establishment" means a branch, office, factory, warehouse or other fixed place of business, but does not include the casual and temporary use of merely storage facilities, nor does it include an agency unless the agent has and exercises a general authority to negotiate and conclude contracts on behalf of an enterprise or has a stock of merchandise from which he regularly fills orders on its behalf. An enterprise of one of the contracting States shall not be deemed to have a permanent establishment in the other State merely because it carries on business dealings in such other State through a bona fide commission agent, broker or custodian acting in the ordinary course of his business as such. The fact that an enterprise of one of the contracting States maintains in the other State a fixed place of business exclusively for the purchase of goods or merchandise shall not of itself constitute such fixed place of business a permanent establishment of such enterprise. The fact that a corporation of one contracting State has a subsidiary corporation which is a corporation of the other State or which is engaged in trade or business in the other State shall not of itself constitute that subsidiary corporation a permanent establishment of its parent corporation.

(d) The term "enterprise of one of the contracting States" means, as the case may be, "United States enterprise" or "Italian enterprise".

(e) The term "enterprise" includes every form of undertaking whether carried on by an individual, partnership, corporation, or any other entity.

(f) The term "United States enterprise" means an enterprise carried on in the United States by a resident of the United States or by a United States corporation or other entity; the term "United States corporation or other entity" means a corporation or other entity created or organized in the United States or under the law of the United States or of any State or Territory of the United States.

(g) The term "Italian enterprise" means an enterprise carried on in Italy by a resident of Italy or by an Italian corporation or other entity; the term "Italian corporation or other entity" means a corporation or other entity created or organized in Italy or under Italian laws, or a partnership so created or organized.

(h) The term "competent authorities" means, in the case of the United States, the Commissioner of Internal Revenue as authorized by the Secretary of the Treasury; and in the case of Italy, the Ministry of Finance, General Directorship for Direct Taxation.

(2) In the application of the provisions of the present Convention by one of the contracting States any term not otherwise defined shall, unless the context otherwise requires, have the meaning which such term has under the tax laws of such State.

ARTICLE III

(1) An enterprise of one of the contracting States shall not be subject to tax by the other contracting State in respect of its industrial and commercial profits unless it is engaged in trade or business in such other State through a permanent establishment situated therein. If it is so engaged such other State may impose its tax upon the entire income of such enterprise from sources within such other State.

(2) In determining the industrial or commercial profits from sources within one of the contracting States of an enterprise of the other contracting State, no profits shall be deemed to arise from the mere purchase of goods or merchandise within the former contracting State by such enterprise.

(3) Where an enterprise of one of the contracting State is engaged in trade or business in the other contracting State through a permanent establishment situated therein, there shall be attributed to such permanent establishment the industrial or commercial profits which it might be expected to derive if it were an independent enterprise engaged in the same or similar activities under the same or similar conditions and dealing at arm's length with the enterprise of which it is a permanent establishment, and the profits so attributed shall, subject to the law of such other contracting State, be deemed to be income from sources within such other contracting State and shall be assessed according to the law of such other contracting State.

(4) The competent authorities of the two contracting States may lay down rules by agreement for the apportionment of industrial and commercial profits.

(5) In the determination of the net industrial and commercial profits of the permanent establishment there shall be allowed as deductions all expenses, wherever incurred, reasonably allocable to the permanent establishment, including executive and general administrative expenses so allocable.

ARTICLE IV

Where an enterprise of one of the contracting States, by reason of its participation in the management or the financial structure of an enterprise of the other contracting State, makes with or imposes on the latter, in their commercial or financial relations, conditions different from those which would be made with an independent enterprise, any profits which would normally have accrued to one of the enterprises but by reason of those conditions have not so accrued, may be included in the profits of that enterprise and taxed accordingy.

ARTICLE V

(1) Income which an enterprise of one of the contracting States derives from the operation of ships or aircraft registered in that State shall be exempt from taxation in the other contracting State.

(2) The present Convention shall be deemed to suspend the arrangement between the United States and Italy providing for relief from double income taxation on shipping profits, effected by exchange of notes dated March 10, 1926 and May 5, 1926.

ARTICLE VI

If one of the contracting States imposes a tax based on property and income, an enterprise of the other contracting State

(1) shall be subject to such tax for the part which is based on property only with respect to property used or employed in the former State in the activity of such enterprise, and

(2) shall be exempt from such tax for the part based on income, if the enterprise is exempt from tax on income according to Article III or Article V of this Convention.

ARTICLE VII

(1) The rate of tax imposed by one of the contracting States upon dividends received from sources within such State by a resident or corporation or other entity of the other contracting State not having a permanent establishment in the former State shall not exceed 15 percent.

(2) It is agreed, however, that the rate of tax imposed at the source on dividends shall not exceed five percent if the shareholder is a corporation controlling, directly or indirectly, at least 95 percent of the entire voting power in the corporation paying the dividend, and if not more than 25 percent of the gross income of such paying corporation is derived from interest and dividends, other than interest and dividends received from its own subsidiary corporations. Such reduction of the rate to five percent shall not apply if the relationship of the two corporations has been arranged or is maintained primarily with the intention of securing such reduced rate.

(3) Each of the contracting States reserves the right to increase the rates of tax provided in this Article and, if either State so increases such rates in the case of residents or corporations or other entities of the other State, either State may terminate this Article by giving written notice of termination to the other State, through diplomatic channels, on or before the thirtieth day of June of any calendar year, and in such event this Article shall cease to be effective on and after the first day of January in the year next following that in which notice is given.

ARTICLE VIII

Royalties and other amounts received as consideration for the right to use copyrights, patents, designs, secret processes and formulas, trade-marks and other like property (including in such royalties and other amounts rentals and like payments in respect of motion picture films or for the use of industrial, commercial, or scientific equipment) from sources within one of the contracting States by a resident or corporation or other entity of the other contracting State not having a permanent establishment in the former State shall be exempt from taxation in such former State.

ARTICLE IX

(1) Income from real property (not including interest derived from mortgages and bonds secured by real property) and royalties in respect of the operation of mines, quarries, or other natural resources, shall be taxable only in the contracting State in which such property, mines, quarries, or other natural resources are situated.

(2) A resident or corporation or other entity of one of the contracting States deriving any such income from sources within the other contracting State may, for any taxable year, elect to be subject to the tax of such other contracting State, on a net basis, as if such resident or corporation or other entity were engaged in trade or business within such other contracting State through a permanent establishment situated therein during such taxable year.

ARTICLE X

(1) (a) Wages, salaries and similar compensation, and pensions paid by the United States or by a political subdivision or territory thereof to an individual (other than a citizen of Italy or an individual who has permanent residence status therein) shall be exempt from tax by Italy.

(b) Wages, salaries and similar compensation, and pensions paid by Italy or by a political subdivision or territory thereof to an individual (other than a citizen of the United States or an individual who has permanent residence status therein) shall be exempt from tax by the United States.

(2) Private pensions and life annuities from sources within one of the contracting States by individuals residing in the other contracting State shall be exempt from taxation in the former State.

(3) The term "pensions" as used in this Article, means periodic payments made in consideration for past services rendered or by way of compensation for injuries received.

(4) The term "life annuities", as used in this Article, means a stated sum payable periodically at stated times during life, or during a specified number of years, under an obligation to make the payments in return for adequate and full consideration in money or money's worth.

ATRICLE XI

(1) Compensation for labor or personal services, including the practice of the liberal professions, shall be taxable only in the contracting State in which such services are rendered.

(2) The provisions of paragraph (1) are, however, subject to the following exceptions:

(a) A resident of Italy shall be exempt from United States tax upon such compensation if he is temporarily present in the United States for a period or periods not exceeding a total of ninety days during the taxable year and the compensation received for such services does not exceed $2,000 in the aggregate. If, however, such compensation is received for labor or personal services performed as an employee of, or under contract with, a resident or corporation or other entity of Italy, he shall be exempt from United States tax if his stay in the United States does not exceed a total of ninety days during the taxable year.

(b) The provisions of paragraph (2) (a) of this Article shall apply, mutatis mutandis, to a resident of the United States with respect to compensation for personal services otherwise subject to income tax in Italy.

(3) The provisions of this Article shall have no application to the income to which Article X (1) relates.

ARTICLE XII

A student or business apprentice who is a resident of one of the contracting States (other than a citizen of the other contracting State) but who is temporarily present in the other contracting State exclusively for the purpose of study or training shall be exempt by such other State from tax on payments made to him by persons resident in the former State for the purpose of his maintenance, education, and training.

ARTICLE XIII

A resident of one of the contracting States (other than a citizen of the other contracting State), who temporarily visits the other contracting State for the purpose of teaching for a period not exceeding two years at a university, college, school, or other educational institution in the other contracting State, shall be exempt in such other contracting State from tax on his remuneration for such teaching for such period.

ARTICLE XIV

(1) Dividends and interest paid by an Italian corporation to a recipient, other than a citizen or resident of the United States or a United States corporation or other entity, shall be exempt from all income taxes imposed by the United States.

(2) Dividends and interest paid by a United States corporation to a recipient, other than a citizen or resident of Italy or an Italian corporation or other entity, shall be exempt from all income taxes imposed by Italy.

ARTICLE XV

(1) It is agreed that double taxation shall be avoided in the following manner:

(a) The United States in determining its income taxes specified in Article I of this Convention in the case of its citizens, residents or corporations may, regardless of any other provision of this Convention, include in the basis upon which such taxes are imposed all items of income taxable under the revenue laws of the United States as if this Convention had not come into effect. The United States shall, however, subject to the provisions of sections 901, 902, 903, 904, and 905, Internal Revenue Code of 1954, deduct from its taxes the amount of Italian income taxes.

(b) Italy in determining its income taxes specified in Article I of this Convention in the case of its citizens, residents or corporations or other entities may, regardless of any other provision of this Convention, include in the basis upon which such taxes are imposed all items of income as if this Convention had not come into effect. Italy shall, however, deduct from the taxes so calculated the United States tax on income from sources in the United States (not exempt from United States tax under this Convention), other than dividends, but in an amount not exceeding that proportion of the Italian taxes which such income (other than such dividends) bears to the entire income (other than such dividends) of the taxpayer. With respect to dividends from sources within the United States and taxes therein, Italy shall allow as a credit 8 percent of the amount of such dividends.

(2) The provisions of this Article shall not be construed to deny the exemptions from United States tax or Italian tax, as the case may be, granted by Articles XII and XIII of this Convention.

ARTICLE XVI

Where a taxpayer shows proof that the action of the revenue authorities of the contracting States has resulted, or will result, in double taxation contrary to the provisions of the present Convention, he shall be entitled to lodge a claim with the State of which he is a citizen or, if he is not a citizen of either of the contracting States, with the State of which he is a resident, or, if the taxpayer is a corporation or other entity, with the State in which it is created or organized. Should the claim be upheld, the competent authority of such State will come to an agreement with the competent authority of the other State with a view to equitable avoidance of the double taxation in question.

ARTICLE XVII

The competent authorities of the contracting States shall exchange such information (being information available under the respective taxation laws of the contracting States) as is necessary for carrying out the provisions of the present Convention or for the prevention of fraud or for the administration of statutory provisions against tax avoidance in relation to the taxes which are the subject of the present Convention. Any information so exchanged shall be treated as secret and shall not be disclosed to any persons other than those (including a court) concerned with the assessment and collection of the taxes which are the subject of the present Convention or the determination of appeals in relation thereto. No information shall be exchanged which would disclose any trade secret or trade process.

ARTICLE XVIII

Each of the contracting States may collect such taxes, which are the subject of this Convention, imposed by the other contracting State (as though such taxes were taxes imposed by the former State), as will ensure that the exemptions or reduced rates of taxes granted under the present Convention by such other State shall not be enjoyed by persons not entitled to such benefits.

ARTICLE XIX

(1) The provisions of this Convention shall not be construed to deny or affect in any manner the right of diplomatic and consular officers to other or additional exemptions now enjoyed by, or which may hereafter be granted to, such officers.

(2) The provisions of the present Convention shall not be construed to restrict in any manner any exemption, deduction, credit or other allowance now or hereafter accorded by the laws of one of the contracting States in the determination of the tax imposed by such State.

(3) Should any difficulty or doubt arise as to the interpretation or application of the present Convention, or its relationship to conventions between one of the contracting States and any other State, the competent authorities of the contracting States may settle the question by mutual agreement.

ARTICLE XX

The competent authorities of the two contracting States may prescribe regulations necessary to interpret and carry out the provisions of this Convention and may communicate with each other directly for the purpose of giving effect to the provisions of this Convention.

ARTICLE XXI

(1) The present Convention shall be ratified and the instruments of ratification shall be exchanged at Rome as soon as possible.

(2) The present Convention shall become effective on the first day of January of the calendar year in which such exchange takes place. I shall continue to be effective for a period of five years beginning with such first day of January and indefinitely after that period, but may be terminated by either of the contracting States at the end of the five-year period or at any time thereafter, provided that at least six months' prior notice of termination has been given and, in such event, the present Convention shall cease to be effective on the first day of January following the expiration of the six-month period.

Done at Washington, in duplicate, in the English and Italian languages, the two texts having equal authenticity, this 30th day of March, 1955.

For the President of the United States of America:

[SEAL] JOHN FOSTER DULLES.

For the President of the Italian Republic:

[SEAL] GAETANO MARTINO.

CONVENTION WITH THE ITALIAN REPUBLIC RELATING TO TAXES ON ESTATES AND INHERITANCES

Executive D, 84th Congress, 1st session, a convention between the United States of America and the Italian Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on estates and inheritances, signed at Washington, on

March 30, 1955, which was read the second time, as follows:

CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND THE ITALIAN REPUBLIC FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON ESTATES AND INHERITANCES

The President of the United States of America and the President of the Italian Republic, being desirous of concluding a Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on estates and inheritances, have appointed for that purpose as their respective Plenipotentiaries:

The President of the United States of America:

John Foster Dulles, Secretary of State of the United States of America; and

The President of the Italian Republic:

Gaetano Martino, Minister of Foreign Affairs of the Italian Republic;

who, having communicated to one another their respective full powers, found in good and due form, have agreed upon the following Articles:

ARTICLE I

(1) The taxes referred to in this Convention are the following taxes asserted upon death:

(a) In the case of the United States of America: the Federal estate tax, and

(b) In the case of Italy: the estate and inheritance taxes.

(2) The present Convention shall apply to any other estate or inheritance taxes of a substantially similar character imposed by either contracting State subsequently to the date of signature of the present Convention.

ARTICLE II

(1) As used in this Convention:

(a) The term "United States" means the United States of America, and when used in a geographical sense includes only the States, the Territories of Alaska and Hawaii, and the District of Columbia.

(b) The term "Italy" means the Italian Republic.

(c) The term "tax" means the Federal estate tax imposed by the United States, or the estate or inheritance tax imposed by Italy, as the context requires.

(d) The term "competent authority" means, in the case of the United States, the Commissioner of Internal Revenue as authorized by the Secretary of the Treasury; and in the case of Italy, the Ministry of Finance, General Directorship of Indirect Taxes on Business.

(2) In the application of the provisions of the present Convention by one of the contracting States, any term not otherwise defined shall, unless the context otherwise requires, have the meaning which such term has under its own laws.

ARTICLE III

(1) In the case of the death of a person who at the time of his death was a national of or domiciled in one of the contracting States, the situs of any of the following property or property rights shall, for the purposes of the imposition of the tax, and for the purposes of the credit authorized by Article V, be determined exclusively in accordance with the following rules:

(a) Real property shall be deemed to be situated at the place where the land involved is located.

(b) Tangible personal property (other than such property for which specific provision is hereinafter made) and bank or currency notes and other forms of currency recognized as legal tender in the place of issue shall be deemed to be situated at the place where such property or currency is located at the time of death, or, if *in transitu*, at the place of destination.

(c) Debts (including bonds, promissory notes, and bills of exchange) shall be deemed to be situated at the place where the debtor resides, or, if the debtor is a corporation, at the place in or under the laws of which such corporation was created or organized.

(d) Shares or stock in a corporation (including shares or stock held by a nominee where the beneficial ownership is evidenced by scrip certificates or otherwise) shall be deemed to be situated at the place in or under the laws of which such corporation was created or organized.

(e) Ships and aircraft and shares thereof shall be deemed to be situated at the place of registration of the ship or aircraft.

(f) Goodwill as a trade, business, or professional asset shall be deemed to be situated at the place where the trade, business or profession to which it pertains is carried on.

(g) Patents, trade-marks and designs shall be deemed to be situated at the place where they are registered or used.

(h) Copyrights, franchises, rights to artistic and scientific works, and rights or licenses to use any copyrighted material, artistic and scientific works, patents, trademarks or designs shall be deemed to be situated at the place where the rights arising therefrom are exercisable.

(i) All property other than hereinbefore mentioned shall be deemed to be situated in the State in which the deceased person was domiciled at the time of his death.

(2) For the purposes of the present Convention, the question whether a decedent was at the time of his death a national of or domiciled in one of the contracting States, or whether a debtor resided therein, shall be determined in accordance with the law in force in that State.

ARTICLE IV

The contracting State which imposes tax in the case of a decedent who at the time of his death was not a national of such State and was not domiciled in that State but was a national of or domiciled in the other State—

(a) shall allow a specific exemption which would be allowable under its law if the decedent had been domiciled in that State in an amount not less than the proportion thereof which the value of the property subjected to its tax bears to the value of the property which would have been subjected to its tax if the decedent had been domiciled in that State; and

(b) shall (except for the purposes of subparagraph (a) of this Article and for the purpose of any other proportionate allowance otherwise provided) take no account of property situated outside that State in determining the rate and the amount of tax.

ARTICLE V

(1) The contracting State imposing tax in the case of a deceased person, who, at the time of his death, was domiciled in such State or was a national thereof, shall allow against its tax (computed without credit for the tax of the other contracting State) a credit for the amount of the tax imposed by the other contracting State with respect to property situated in such other contracting State and included for tax purposes by both States, but the amount of the credit shall not exceed the portion of the tax imposed by the former State which is attributable to such property.

(2) For the purpose of this Article, the amount of the tax of each contracting State attributable to any designated property shall be ascertained after taking into account any applicable diminution or credit otherwise provided, except any credit authorized by this Article.

(3) Any refund of tax based on the provisions of this Article shall be made without payment of interest on the amount so refunded.

ARTICLE VI

The competent authorities of the contracting States shall exchange such information (being information available under the respective taxation laws of the contracting States) as is necessary for carrying out the provisions of the present Convention or for the prevention of fraud or for the administration of statutory provisions against tax avoidance in relation to the taxes which are the subject of the present Convention. Any information so exchanged shall be treated as secret and shall not be disclosed to any persons other than those (including a court) concerned with the assessment and collection of the taxes which are the subject of the present Convention or the determination of appeals in relation thereto. No information shall be exchanged which would disclose any trade secret or trade process.

ARTICLE VII

Each of the contracting States may collect such taxes, which are the subject of this Convention, imposed by the other contracting State (as though such taxes were taxes imposed by the former State), as will ensure that the credit or any other benefit granted under the present Convention shall not be enjoyed by persons not entitled to such benefits.

ARTICLE VIII

Where the representative of the estate of a decedent or a beneficiary of such estate shows proof that the action of the revenue authorities of one of the contracting States has resulted or will result in double taxation contrary to the provisions of the present Convention, such representative or beneficiary shall be entitled to present the facts to the contracting State of which the decedent was a citizen at time of death or of which the beneficiary is a citizen, or if the decedent was not a citizen of either of the contracting States at the time of death or if the beneficiary is not a citizen of either of the contracting States, such facts may be presented to the contracting State in which the decedent was domiciled or resident at time of death or in which the beneficiary is domiciled or resident. Should the claim be upheld, the competent authority of the State to which the facts are so presented will come to an agreement with the competent authority of the other contracting State with a view to equitable avoidance of the double taxation in question.

ARTICLE IX

(1) The provisions of this Convention shall not be construed to deny or affect in any manner the right of diplomatic and consular officers to other or additional exemptions now enjoyed or which may hereafter be granted to such officers.

(2) The provisions of this Convention shall not be construed so as to increase the tax imposed by either contracting State.

(3) Should any difficulty or doubt arise as to the interpretation or application of the present Convention or its relationship to conventions between one of the contracting States and any other State, the competent authorities of the contracting States may settle the question by mutual agreement.

ARTICLE X

The competent authorities of the two contracting States may prescribe regulations necessary to carry into effect the present Convention within the respective States, and may communicate with each other directly for the purpose of giving effect to the provisions of this Convention.

ARTICLE XI

(1) The present Convention shall be ratified and the instruments of ratification shall be exchanged at Rome as soon as possible.

(2) The present Convention shall become effective on the day of the exchange of instruments of ratification and shall be applicable to estates or inheritances in the case of

persons who die on or after that date. It shall continue effective for a period of five years beginning with that date and indefinitely after that period, but may be terminated by either of the contracting States at the end of that five-year period or at any time thereafter, provided that at least six months' prior notice of termination has been given, the termination to become effective on the first day of January following the expiration of the six-month period.

Done at Washington, in duplicate, in the English and Italian languages, the two texts having equal authenticity, this 30th day of March, 1955.

For the President of the United States of America:

[SEAL] JOHN FOSTER DULLES.

For the President of the Italian Republic:

[SEAL] GAETANO MARTINO.

The PRESIDING OFFICER. Without objection, the pending conventions will be considered as having passed through their various parliamentary stages up to the point of consideration of the resolutions of ratification.

NOTIFICATION BY THE NETHERLANDS GOVERNMENT WITH RESPECT TO THE NETHERLANDS ANTILLES

The clerk will read the resolution of ratification of Executive I, 83d Congress, 2d session, the notification by the Netherlands Government with respect to the Netherlands Antilles.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive I, 83d Congress, 2d session, a notification given by the Government of the Netherlands, in accordance with article XXVII of the convention of April 29, 1948, between the United States of America and the Netherlands, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and certain other taxes, with a view to extending the operation of the convention, with certain limitations, to the Netherlands Antilles, dated June 24, 1952.

Mr. GEORGE. Mr. President, in connection with the tax conventions with the Netherlands Government, I ask unanimous consent to have printed in the RECORD a statement furnished to me by Mr. Colin F. Stam, chief of staff of the Joint Committee on Internal Revenue Taxation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXTENSION OF THE NETHERLANDS INCOME TAX CONVENTION TO THE NETHERLANDS ANTILLES; SUPPLEMENTARY PROTOCOL

The Netherlands income tax convention provides that it may be extended to territories of the contracting governments upon notification and acceptance by the respective governments in accordance with the procedure outlined in the convention.

The Netherlands Government has notified the United States that it desires to extend the convention to the Netherlands Antilles. In accordance with procedures previously adopted for other tax conventions the executive branch has brought this request for extension before the Senate for its advise and consent.

The Foreign Relations Committee has considered the proposed extension of the Netherlands treaty and believes it desirable to extend the convention to the Netherlands Antilles with certain modifications. These modifications are set forth in the executive report on the request for extension as well as in the supplementary protocol which has been negotiated by the two governments. Under the request for extension, certain provisions of the Netherlands convention which have no application in the Netherlands Antilles are excluded from operation of the convention when extended to the Antilles.

Under the protocol, the Netherlands Antilles agrees to take a further step in eliminating the burden of double taxation. It will allow a deduction from its income tax for Federal income taxes paid by United States citizens resident in the Antilles on income derived from United States sources. Such a credit is not available under the Antilles' tax laws.

The protocol also modifies the effective date provisions which would otherwise govern the extension to the Antilles. Under the protocol, the convention may become effective as of January 1, 1955, if the Senate gives its advise and consent to the protocol and to the extension, and the necessary instruments of ratification are exchanged during the current year.

It is understood that in extending the Netherlands convention to the Antilles the provisions for mutual assistance between the respective governments in the collection of the other's taxes is to be applied in the limited manner which the Senate has previously approved in other tax conventions. Thus, each of the governments will assist in collecting the other's taxes only to the extent necessary to insure that the provisions of the convention are not enjoyed by persons not entitled to its benefits.

With the modifications which I have described, it is believed that the pending extension and supplementary protocol carry out the desired objectives of avoiding double taxation and preventing fiscal evasion. The Foreign Relations Committee, therefore, recommends to the Senate that this extension and supplementary protocol be approved.

INCOME AND DEATH DUTY TAX CONVENTIONS WITH ITALY

The income tax convention and death duty conventions with Italy which are now pending before the Senate follow the pattern of prior tax conventions which the Senate has approved. These conventions with Italy carry out the dual objective of mitigating the burden of double taxation and of preventing fiscal evasion. There are no unusual provisions in the Italian treaties which constitute significant departures from prior treaties.

In the case of the income tax convention, the treaty provides a limited Italian tax credit for United States income taxes withheld on dividends. Under the treaty, the Italian tax credit for United States income taxes withheld on dividends may not exceed 8 percent of the amount of the dividend. Thus, the burden of double taxation is not eliminated with respect to dividends. However, under existing Italian law, there is no provision for a tax credit against Italian tax for United States tax paid on dividends received by United States citizens. Our treaty negotiators informed the committee that the 8-percent credit was the most that could be obtained under the circumstances of the negotiations. Our citizens will, in any case, be placed in a more favorable position under the treaty than they are under existing Italian law.

The Italian tax laws include a tax on corporations which is similar to the capital stock and declared value excess-profits tax formerly contained in our own tax laws. This tax is, in effect, based on both property and income. Under the convention, a United States corporation is exempt with respect to that portion of the tax which is based on income if it has no permanent establishment in Italy. With respect to the portion of the tax which is based on property, the convention limits the tax to property used or employed in Italy by a United States corporation.

Except for these two provisions of the income tax treaty which I have described, both the income tax treaty and the death duty treaty follow in substance, and generally also in form, tax treaties which the Senate has previously approved. The Foreign Relations Committee has favorably reported the conventions with Italy and recommends that the Senate give its advise and consent to these treaties.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification?

Mr. KNOWLAND. Mr. President, on that question I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays having been ordered, the Secretary will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Delaware [Mr. FREAR], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

I further announce that, if present and voting, the Senator from Delaware [Mr. FREAR], the Senator from Texas [Mr. JOHNSON], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Virginia [Mr. ROBERTSON] would each vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Wyoming [Mr. BARRETT] is absent because of illness in his family.

The Senator from Vermont [Mr. FLANDERS] and the Senator from Kansas [Mr. SCHOEPPEL] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate.

The Senator from Pennsylvania [Mr. DUFF] and the Senator from Nevada [Mr. MALONE] are detained on official business.

If present and voting, the Senator from Pennsylvania [Mr. DUFF], the Senator from Wyoming [Mr. BARRETT], the Senator from Vermont [Mr. FLANDERS], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Nevada [Mr. MALONE], and the Senator from Kansas [Mr. SCHOEPPEL] would each vote "yea."

The yeas and nays resulted—yeas 86, nays 0, as follows:

YEAS—86

Aiken	Ellender	Mansfield
Allott	Ervin	Martin, Iowa
Anderson	Fulbright	Martin, Pa.
Barkley	George	McCarthy
Beall	Goldwater	McClellan
Bender	Gore	McNamara
Bennett	Green	Millikin
Bible	Hayden	Monroney
Bricker	Hennings	Morse
Bridges	Hill	Mundt
Bush	Holland	Murray
Butler	Hruska	Neely
Byrd	Humphrey	Neuberger
Capehart	Ives	O'Mahoney
Carlson	Jackson	Pastore
Case, N. J.	Jenner	Payne
Case, S. Dak.	Johnston, S. C.	Potter
Chavez	Kefauver	Purtell
Clements	Kerr	Russell
Cotton	Kilgore	Saltonstall
Curtis	Knowland	Scott
Daniel	Kuchel	Smathers
Dirksen	Langer	Smith, Maine
Douglas	Lehman	Smith, N. J.
Dworshak	Long	Sparkman
Eastland	Magnuson	Stennis

Symington	Watkins	Williams
Thurmond	Welker	Young
Thye	Wiley	

NAYS—0

NOT VOTING—10

Barrett	Hickenlooper	Robertson
Duff	Johnson, Tex.	Schoeppel
Flanders	Kennedy	
Frear	Malone	

The PRESIDING OFFICER. Two-thirds of the Senators present having voted in the affirmative, the resolution of ratification is agreed to, and, under the unanimous-consent agreement, the resolutions of ratification of the other three treaties are deemed to have been agreed to by the same vote.

Without objection, the President of the United States will be notified of the ratification by the Senate this afternoon of each of the treaties.

NOMINATIONS

Mr. GEORGE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the nomination No. 1214 on the Executive Calendar and the remaining nominations on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered; and the clerk will proceed to state the nominations, beginning with Calendar No. 1214.

UNITED STATES CUSTOMS COURT

The Chief Clerk read the nomination of Mary H. Donlon, of New York, to be judge of the United States Customs Court.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES DISTRICT JUDGES

The Chief Clerk read the nomination of Francis L. Van Dusen, of Pennsylvania, to be United States district judge for the eastern district of Pennsylvania.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of John W. McIlvaine, of Pennsylvania, to be United States district judge for the western district of Pennsylvania.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Herbert P. Sorg, of Pennsylvania, to be United States district judge for the western district of Pennsylvania.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEY

The Chief Clerk read the nomination of Franklin P. R. Rittenhouse, of Nevada, to be United States attorney for the district of Nevada for a term of 4 years.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

IN THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

Mr. GEORGE. Mr. President, I ask unanimous consent that the Army nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered; and the nominations in the Army are confirmed en bloc.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

The Chief Clerk proceeded to read sundry promotions in the Regular Army of the United States.

Mr. GEORGE. Mr. President, I make the same request regarding these promotions.

The PRESIDING OFFICER. Without objection, it is so ordered; and the promotions in the Regular Army of the United States are confirmed en bloc.

Without objection, the President will be immediately notified of these confirmations.

POSTMASTER—ROBERT F. HAURIGAN

Mr. KNOWLAND. Mr. President, on yesterday, when the postmaster nominations were under consideration, it was requested that one of the postmaster nominations—that of the postmaster at Custer, Mont., I believe—be passed over, temporarily. I understand that by some inadvertence that nomination was sent with the others to the White House, but has been recalled, in view of the fact that on yesterday the nomination was passed over. This morning I was informed of that situation by the acting majority leader.

It seems to me that, in order to clear the RECORD in regard to this situation, action should now be taken on that nomination, namely, the nomination of Robert F. Haurigan to be postmaster at Custer, Mont.

The PRESIDING OFFICER. Without objection, the nomination will be stated.

The Chief Clerk read the nomination of Robert F. Haurigan to be postmaster at Custer, Mont.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

Without objection, the nomination is confirmed; and, without objection, the President will be notified forthwith of the confirmation of the nomination.

INTERSTATE COMMERCE COMMISSION—NOMINATION OF JOHN A. HALL

Mr. KNOWLAND. Mr. President, let me say that there now remain on the executive calendar two nominations which previously have been passed over. One of them is the nomination of John A. Hall, of California, to be Director of Locomotive Inspection, under the Interstate Commerce Commission. Mr. Hall was appointed to this position during the recess of the Senate. The nomination was reported from the Committee on Interstate and Foreign Commerce, with an adverse report.

Mr. President, according to all the information I have on the nomination, nothing derogatory to the character or integrity of Mr. Hall was disclosed. He has filled the position as the nominee of the President of the United States.

Therefore, I ask that the nomination be confirmed by the Senate.

The PRESIDING OFFICER. Without objection, the nomination will be stated.

The Chief Clerk read the nomination of John A. Hall, of California, to be Director of Locomotive Inspection, Interstate Commerce Commission.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

Mr. BRICKER. Mr. President——

Mr. KNOWLAND. I yield to the Senator from Ohio.

Mr. BRICKER. The statement the minority leader has made is substantially in accordance with what happened in the committee. As he has stated, the committee made an adverse report.

The entire basis of the adverse vote in the committee was the fact that the nomination was opposed by some of the railroad brotherhoods, particularly the Locomotive Firemen and Enginemen, International Association of Machinists. They opposed the nomination on the sole ground that heretofore—since 1918, I believe—all the previous Chiefs of Locomotive Inspection have been chosen from the personnel of the Commission, from among those who already were inspectors.

That was not true in the period 1911–1913 and in the period 1913–1918. But since that time, A. G. Pack, John M. Hall, E. H. Davidson, and C. H. Grossman have been chosen from those who already were in the Inspection Service.

The nomination of Mr. John A. Hall is supported by the Brotherhood of Locomotive Engineers and by the unanimous vote of the Interstate Commerce Commission. Every member of the Commission supports this nomination, for the reason that Mr. Hall has served in that capacity since October 1954. All the members of the Commission are satisfied with his work. They are pleased with the reorganization of the department, and they support confirmation of Mr. Hall's nomination particularly because of the fact that in the last 10 or 15 years there has been a complete change in the locomotives, which have changed from steam locomotives to diesel locomotives.

Eighty-five percent of the passenger and freight service of today is hauled by diesel power, and 90 percent-plus of the switching power is diesel at the present time.

Mr. Hall has had 11 years of diesel experience as an engineer. He has had some 30 years of experience as a fireman and an engineer in active work. He has also participated in brotherhood activities.

Aside from two others, there is no one on the inspection force, other than Mr. Hall, who has had any experience in diesel power. The problem of inspection today is primarily one of inspecting

diesel engines. The law requires that each locomotive be inspected at the end of each trip. There are only approximately 50 inspectors in the Interstate Commerce Commission service, and those inspectors cannot possibly make the inspections which are required by law. So the engineers in the service are designated to make the inspections and to report them to the Inspection Service of the Interstate Commerce Commission. In that field, Mr. Hall has been very active throughout the past 10 or 12 years in inspecting diesel engines. His reports have been satisfactory, and his experience is very extensive—far more extensive than that of all the other engineers combined, in fact, for only two of them have had any experience in inspecting diesel locomotives.

The Interstate Commerce Commission further recommends confirmation of the nomination for the reason that since the appointment of Mr. Hall in October 1954, he has instituted a completely new service. He has reorganized the inspection service, has reclassified the rules and regulations, and, in addition, has conceived and put into effect a plan to provide a diesel school for the field inspectors. At no expense to the Government, he arranged for two classes at the General Motors Corp.'s diesel installations at La Grange, Ill. These two classes were held for all the inspectors. For that work and that development, Mr. Hall was commended by the Interstate Commerce Commission.

In addition, Mr. Hall called a conference, at Chicago, of all the inspectors, and gave them the instructions necessary in this new field of Inspection Service.

In addition, according to the word of the Commission itself, Mr. Hall likewise has reorganized the office staff, and as a result the staff now requires much less space than heretofore it has required; and that development has resulted in greater efficiency and more effective use of the funds appropriated by the Congress for this work.

As was stated by the minority leader, there was no opposition whatsoever to him except on the part of the brotherhoods of which he was not a member, who seek a continuation in the policy of selecting those who are already in the inspection service. The Commission saw fit this time deliberately to go outside the staff, because of the fact that there was no one in the service of the Commission at that time who was adequately experienced in the inspection of diesel power, and because the rules and regulations of the commission had not been in any way reexamined or revised since 1936. That responsibility had to be taken over by someone from the outside, because when one is in this service—and I know it from vast experience—he becomes channelized into a certain way of thinking, and a certain method of inspecting. Each of the inspectors, with the exception of two, had been trained in the inspection of steam locomotives, so there had to be a complete reorganization of the rules and regulations.

Two classes were held, as I say, to train inspectors in the service, and there was a complete reorganization of the inspection service, which no one in the service could do, because they were all adapted to the old processes.

As a result of the Commission's deliberate choice to go outside and find a man, Mr. Hall was selected, and he has done exactly what the Commission wanted done. As a result of his services the Commission itself—both Democrats and Republicans—unanimously recommended him and endorsed his appointment. The Commission unanimously recommended the confirmation of his nomination.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. KNOWLAND. I wish to confirm the statement made by the distinguished Senator from Ohio. In the record there is a letter which was sent to the chairman of the subcommittee of the Committee on Interstate and Foreign Commerce, under date of March 21. The letter was from Richard F. Mitchell, Chairman of the Interstate Commerce Commission. He states to the chairman of the subcommittee:

> The Commission, by unanimous vote, unqualifiedly recommends approval of the nomination of John A. Hall, of California, to be Director of Locomotive Inspection of the Interstate Commerce Commission, and has directed me to so inform you.

That is the first paragraph of the letter. I ask unanimous consent that the entire letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 21, 1955.

Hon. GEORGE A. SMATHERS,
Chairman, Surface Subcommittee of Committee on Interstate and Foreign Commerce,
United States Senate,
Washington, D. C.

DEAR SENATOR SMATHERS: The Commission, by unanimous vote, unqualifiedly recommends approval of the nomination of John A. Hall, of California, to be Director of Locomotive Inspection of the Interstate Commerce Commission, and has directed me to so inform you.

Mr. Hall, as you know, has been Acting Director of Locomotive Inspection under a recess appointment since October 5, 1954, and his performance in this position has been highly acceptable.

He has had many years of practical experience in this work as a locomotive fireman and locomotive engineer, and has demonstrated excellent administrative ability as well during the nearly 6 months that he has been with the Commission.

We respectfully request that your subcommittee recommend confirmation of Mr. Hall.

Respectfully submitted.

RICHARD F. MITCHELL,
Chairman.

Mr. KNOWLAND. As the distinguished Senator from Ohio has pointed out, there is no requirement in the law or in precedent that the Chief Inspector must come from the Inspection Service.

Mr. BRICKER. The Senator is correct.

Mr. KNOWLAND. The record shows that Mr. John F. Ensign, who was Director of Locomotive Inspection from 1911 to 1913, had had no previous experience as locomotive inspector.

Mr. Frank McManamy, who served from 1915 to 1918, had no previous experience as a locomotive inspector.

Mr. A. G. Pack, who served from 1918 to 1935, had previous experience as a locomotive inspector, as did Mr. John M. Hall, who served from 1935 to 1949; Mr. E. H. Davidson, who served from 1949 to 1952; and Mr. C. H. Grossman, who served from 1953 to 1954.

Mr. John A. Hall has been a member of the Brotherhood of Locomotive Engineers. He has had extensive diesel experience. Diesel locomotives are now of extreme importance on the railroads. He is supported by one group of the brotherhoods, and, as the Senator has pointed out, opposed by another group.

When a nomination comes to the Senate from the President of the United States and nothing is shown adverse to the man's integrity or character, and he has substantial qualifications as an operating diesel engineer, and when there is no requirement in the law that the head of the service be selected from the service, it seems to me that it would be hardly respectful to the President of the United States to reject the nomination on such grounds.

Mr. BRICKER. Mr. President, I wish to confirm what has been said by the minority leader. This nomination was made by the President, who has the sole responsibility for making it, at the instance of the Commission, which unanimously asked the President to make the appointment.

I submit for the RECORD a statement from the Commission itself, stating the reasons for the Commission's action in recommending Senate confirmation of the nomination of John A. Hall to be Director of Locomotive Inspection. The Commission states what I have already mentioned.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REASONS FOR COMMISSION ACTION RECOMMENDING SENATE CONFIRMATION OF THE NOMINATION OF JOHN HALL

1. When the vacancy for this position occurred, this Commission requested the President to nominate a man with extensive practical experience in operating diesels as well as steam locomotives. The Commission was aware of an immediate need for revision of its locomotive inspection procedures, last revised in 1926, because in the period since World War II the railroads have largely converted their operations from steam to diesel power. The Commission also was aware of a need for a properly qualified man to direct this work. Diesel locomotives now perform 85 percent of rail freight and passenger road service and about 90 percent of yard switching. Sixty-two of the 126 class I railroads have been completely converted to diesel power, while the trend for most of the others is strongly in the same direction.

2. The situation called for a man outside of our own ranks. Of the 56 inspectors on our staff, only 2 had operating experience as engineers on diesel locomotives and many others are approaching the statutory retirement age.

3. Commission regulations require that each of the more than 40,000 locomotives now in use be inspected at the beginning and the end of every run. Obviously our

56 field inspectors could not possibly make so many inspections. The regulations provide, therefore, that the carriers themselves establish inspection procedures, using railroad personnel for this work, while our inspectors act in a spot-check capacity. Mr. Hall worked under this procedure as an engineer and, therefore, he has had more actual and practical experience in inspection of locomotives under Federal requirements than have most of our field inspectors.

4. Including Mr. Hall, now serving under an interim appointment, there have been seven Directors of Locomotive Inspection since the position was established by Congress in 1911. Four of these have been appointed from our locomotive inspector ranks. Inspection work has functioned effectively under all of them.

5. Inspectors are enlisted from Civil Service Commission registers, made up of men who pass regular civil-service examinations, and are assigned to territories solely at the discretion of the Director. The Director and the two Assistant Directors of Locomotive Inspection are appointed by the President. Thus the President may turn to the railroad industry or to any other source whenever he has reason to believe that industrial progress requires men with experience gained outside of that available to our inspectors.

6. In his 9 months as Acting Director under an interim appointment, Mr. Hall has moved quickly and efficiently to improve and modernize the administrative as well as the inspection procedures. He has demonstrated administrative ability of a high caliber, as evidenced by these actions:

(a) He has placed in tangible form our suggestions of more than 3 years ago for modernization of the inspection rules. Mr. Hall directed preparation of the attached Notice of Proposed Rule Making in Ex Parte No. 174, which includes an 11-page reorganization of inspection rules. We believe Mr. Hall is by far the best qualified member of the Commission staff to act as the Commission's representative at hearings in this proceeding.

(b) For the first time in the history of our locomotive inspection work, Mr. Hall conceived and put into effect a plan to provide a diesel school for the field inspectors. At no expense to the Government, he arranged for two classes at the General Motors Corp.'s diesel installations at La Grange, Ill. One class, made up of half of the field force, met from June 20 through June 24 of this year. The other half of the field force attended classes from June 27 through July 1.

(c) Under Mr. Hall's direction, a general briefing of all field inspectors, the first of its kind, was held in Chicago on June 25. Among other things the staff was informed of the formulation of a new looseleaf manual for inspectors, and instructed in its use. In the manual, Mr. Hall consolidated more than 760 specific instructions to inspectors, dealing with everything from secretarial and administrative matters to the handling of personnel and interpretations of Commission rules. Duplications were eliminated and the instructions were clarified and grouped into 43 basic directives supported by half a dozen supplementary appendices. The meeting also was used for refresher training in the proper use of repair forms and in calling for stricter enforcement of the law pertaining to certain repair investigations.

(d) New office procedures instituted by Mr. Hall have eliminated duplicating activities and have reduced the amount of office space required for inspection of staff work, leading to greater efficiency and more effective use of the funds appropriated for this work by Congress. The new procedures include more modern filing processes, and a new and uniform method to expedite field correspondence.

(e) Mr. Hall devoted 9 months to this time-consuming reorganization program. Any new nominee with diesel operating experience, who would necessarily have to be drawn also from outside inspector ranks, would have to familiarize himself wholly with the program now underway, and this would occasion a serious delay in the progress of the program.

7. Mr. Hall's experience eminently qualifies him for the position as Director of Locomotive Inspection. He had 11½ years' experience as the engineer on some of the Nation's top-name trains, including the Gold Coast Limited, Overland Limited, Fast Mail, Lark, Daylight Limited, Starlight, Golden State Limited, and Sunset Limited, covering routes reaching from New Orleans, Chicago, Omaha, and Ogden to San Francisco and Los Angeles. In addition, he has had wide administrative experience as an official of both of the head-end operating railroad unions most concerned with locomotive failures—the Brotherhood of Locomotive Engineers and the Brotherhood of Locomotive Firemen and Enginemen.

This Commission believes its plans for a reorganized locomotive inspection program with reference to diesel operations is of national importance. We have been planning and urging this for more than 3 years. It is essential that the plans be carried through successfully and expeditiously in order that the safety of the public and railroad employees may be guaranteed.

The Commission is proud of its part in the steady improvement of safe operating conditions on the railroads since 1911 and it sincerely believes that Mr. Hall has demonstrated outstanding ability to carry this program forward in the years ahead.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. KILGORE. It has been stated that Mr. Hall is a diesel expert. I wonder if he is also a steam engineer. The job which he seeks requires knowledge of both types of motive power.

Mr. BRICKER. He has had many years service. He had some 30 years' service as a fireman on steam locomotives, also as engineer on steam locomotives, and 11 years' service as engineer on diesel power.

Mr. KILGORE. I thank the Senator.

Mr. BRICKER. I should like to read, for the information of the Senate, one paragraph from the statement of the Commission which is particularly pertinent and important:

> In his 9 months as acting director under an interim appointment, Mr. Hall has moved quickly and efficiently to improve and modernize administrative as well as inspection procedures. He has demonstrated administrative ability of a high caliber, as evidenced by these actions.
>
> The actions spoken of are those in connection with revising the rules governing the inspection service; establishing the new school for the field inspectors; establishing classes as the General Motors Corp. diesel installation at La Grange, Ill.; and the briefing of all the inspectors with respect to the new procedures. He has devoted the past 9 months to the reorganization program.

Reading further from the statement:

> Any new nominee with diesel operating experience, who would necessarily have to be drawn also from outside inspector ranks, would have to familiarize himself wholly with the program now underway, and this would occasion a serious delay in the progress of the program.

Further answering the question of the Senator from West Virginia, the Commission itself, in its statement, said that Mr. Hall had had 11½ years' experience as engineer on some of the Nation's top trains, including the Gold Coast Limited, the Overland Limited, the Fast Mail, the Lark, the Daylight Limited, the Starlight, the Golden State Limited, and the Sunset Limited, covering routes reaching from New Orleans, Chicago, Omaha, and Ogden, to San Francisco, and Los Angeles.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. KILGORE. The only reason I am asking the question is that we are in a transition period between steam and diesel or electric power. The chief inspector should be familiar with all types.

Mr. BRICKER. I think the Senator is entirely correct. However, at the present time, 85 percent of both passenger and freight carriage is handled with diesel power, and 90 percent of switching operations is under diesel power. So the transition has almost completely taken place.

Mr. KILGORE. Not in the State of West Virginia. We still have a great deal of steam power.

Mr. BRICKER. I think that is correct. Many steam locomotives are still in operation in the Senator's State.

VICTOR HELFENBEIN—CONFERENCE REPORT

Mr. KILGORE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5078) for the relief of the estate of Victor Helfenbein. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of July 30, 1955, p. 12362, CONGRESSIONAL RECORD.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

Mr. KILGORE. The House passed a bill for the relief of this claimant in the sum of $6,500. The Senate reduced that sum to $3,500, and prohibited payment of an attorney's fee in the case. The effect of the conference report is to accept the amendment of the Senate with respect to an attorney's fee, and to compromise the amount of the claim for $5,000, which represents what the conferees believed to be fair and just under the circumstances. I therefore ask for the adoption of the conference report. This is being done to correct a typographical error made by the Senate. After making it we agreed on the figure. It is the best we can hope to get. Although the matter is subject to a point of order, I hope no point of order will be raised.

Mr. KNOWLAND. May I ask the distinguished Senator whether the only change in the conference report is one which is a typographical error of no substance whatever?

Mr. KILGORE. No. We raised the amount by $1,500, because we were convinced that we had made a mistake in the Senate in cutting the amount to $3,500. We had cut out the 10 percent attorney's fees. The House agreed to accept that. In conference we agreed to the $5,000. That is the matter which is subject to a point of order, because we have gone outside the scope of our authority as conferees.

The PRESIDING OFFICER. The Chair will inform the Senator from West Virginia that the Senate is in executive session to consider a nomination. Will the Senator from West Virginia ask unanimous consent that the Senate proceed to the consideration of legislative business?

Mr. KILGORE. That is what I wanted to do.

Mr. KNOWLAND. Mr. President, reserving the right to object, the Senator from West Virginia, so far as I know, did not advise either the acting majority leader or the minority leader that he would call up the conference report. I should like to have an opportunity to check into the matter for a moment. I am sure we will be able to reach agreement on it. Inasmuch as we are considering the Executive Calendar, I shall have to object to bringing up the conference report during the executive session.

The PRESIDING OFFICER. Objection is heard.

Mr. KILGORE. Mr. President, I thought I had asked unanimous consent. Since there is objection, that is agreeable to me. I am not pushing this claim. Having made a typographical error in the Senate, I am trying to straighten it out. I believe in conference we reached a fair amount. If we deduct $1500 from $6,500, which was the amount in the House bill, I believe we get down to about $5,000, which is what we allowed in conference.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. CLEMENTS. I wish to say to my friend from West Virginia that we could avoid a great deal of this difficulty if he would let the acting majority leader and whoever is programing legislation know what the Senator has in mind. In that way clearances on these matters could be obtained. I do not say there is anything in the rules which requires such a procedure. However, a good deal of time could be saved if the suggested procedure were followed. It is the same kind of difficulty we had the other day.

Mr. KILGORE. I may say to the acting majority leader that I had called the matter to the attention of the Senator sitting in the acting majority leader's chair. I told him I would call up the conference report at the first opportunity. No objection was raised. Therefore I called it up. I cannot be expected to hunt up the acting majority leader when another Senator is sitting in the acting majority leader's chair. All I can do under those circumstances is go to the Senator sitting in the acting majority leader's chair. I rather object to being charged with not fufilling my duties when I did go to the acting majority leader's desk for clearance.

As the acting majority leader knows, since I was recently admonished, I have tried to be rather meticulous. After I went to the acting majority leader's chair and told the Senator occupying it what I intended to do, and he had no objection, I endeavored to call up the conference report.

The acting majority leader does not realize the pressure from the House of Representatives under which the chairman of the Judiciary Committee is at present laboring on all these bills. Many of them have been held up for a long time.

Mr. CLEMENTS. I regret very much that I was not in my chair.

Mr. KILGORE. I merely wish to have the RECORD clear that I was not trying to slip something over on the acting majority leader or on the minority leader. I went to the acting majority leader's desk. I had been sitting here for a long time during the debate. Since no objection was raised I brought the matter up, because it is a privileged matter.

Mr. CLEMENTS. I can assure my friend from West Virginia that there was no thought in my mind of suggesting that he was not carrying out all of his responsibilities, and carrying them out in a proper way. I am sorry I was not in my chair at the time. There are occasions when we are called to the telephone. I also understand the pressure under which the chairman of the Committee on the Judiciary is laboring. A person who occupies my seat in the closing days of a session has a reasonably good realization of what another Member suffers from pressure.

Mr. KILGORE. Not some pressure, but 65 percent of all the pressure.

Mr. CLEMENTS. Mr. President, I call for the regular order.

INTERSTATE COMMERCE COMMISSION—NOMINATION OF JOHN A. HALL

The Senate resumed the consideration of the nomination of John A. Hall to be Director of Locomotive Inspection.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of John A. Hall to be Director of Locomotive Inspection.

Mr. KNOWLAND. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MAGNUSON. Mr. President, for the information of the Senate, let me say that the nomination of John A. Hall has been before the Committee on Interstate and Foreign Commerce for many months. Hearings were held, and there have been a great many conversations and discussions and communications.

Mr. BARKLEY. Mr. President, in order that we may hear the discussion on an important nomination, about which some of us have not yet made up our minds, I hope the Senate will be in order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MAGNUSON. The nomination has been before the Committee on Interstate and Foreign Commerce for many months. Hearings were held on the nomination. A subcommittee was appointed to consider it, and the subcommittee was headed by the distinguished Senator from Florida [Mr. SMATHERS].

Not only were hearings held on the nomination, but there were a great many conversations, discussions, and communications about this sensitive post in the Interstate Commerce Commission. Those most directly interested in the matter are the labor unions, the so-called railway brotherhoods. They feel they not only have a personal stake in the matter, but they have a stake in the tradition surrounding the job, which was established in 1911.

I believe the Senator from Ohio [Mr. BRICKER] will agree with me—and I believe he stated it fairly—that in this particular case the Brotherhood of Railway Engineers favored the nomination of Mr. Hall, and that all the other railway brotherhoods including the firemen, the clerks, and the machinists' unions, whose members work in the railroad shops where the inspections take place, opposed the nomination.

The opposition was based not on Mr. Hall as a person, but solely upon the tradition that for many years the nominee for the position has been picked from the ranks of the railway inspectors. Therefore, we felt that probably the President of the United States had not been informed with respect to the tradition when he picked Mr. Hall. The brotherhoods I have mentioned and the machinists feel very keenly this nomination.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MAGNUSON. I shall yield in a moment. I wish to complete my short statement. We tried to work out a compromise. At one time it was hoped that there might be a suggestion made that perhaps the President would withdraw the nomination and that he would submit the name of another nominee. That situation lasted for months. In the meantime, Mr. Hall has been acting in the position.

I am not too familiar with what he has done, but the Senator from Ohio read the opinion of the Interstate Commerce Commission. It goes beyond this Government agency. It goes into the very feelings of the workers who operate the railroads.

Those are the facts, Mr. President. The subcommittee finally reported the nomination to the full committee, and the full committee was thoroughly cognizant of all the facts involved, because it is a matter which has been before us for months. There were more discussions, more conversations, and more debate in the committee on this nomination, I think, than there have been on any other nomination. The full committee finally voted on the question. We voted knowing that the nomination would be reported to the Senate, whether favorably or unfavorably. The vote in the committee was 9 to 6 against the confirmation of the nomination of Mr. Hall.

Mr. KNOWLAND. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. KNOWLAND. I should like to say to the Senator, first of all, that in my service in the Senate, both under Democratic administrations and under a Republican administration, I have always given the benefit of the doubt to the President of the United States in connection with appointments. It was only in the event of overwhelming evidence being presented, a matter of a major principle, or where there was evidence which, perhaps, had not been known by the appointing power and which disclosed some defect in the integrity of an individual, or his lack of qualification, that I would vote against the nomination of an individual by the President, regardless of party. It seems to me that Congress is the policy determining part of the Government and should write out certain qualifications and see that the person nominated meets those qualifications.

I am sure the Senator will not dispute the fact that the first two appointees as chief of the service did not come from the ranks of the inspectors. There is no requirement in law that the Chief Inspector must come from the service. The President of the United States, under those circumstances, in exercising his Executive authority, has chosen a man who he feels is qualified and who has had vast experience as an engineer.

Mr. MAGNUSON. I heard the Senator state that on a previous occasion. I am only trying to state what happened in the committee.

Mr. KNOWLAND. All I am trying to say is that it seems to me, on the facts which the Senator has submitted, we are not warranted in repudiating a nominee of the President of the United States on those facts alone, because there is no requirement of law that the Chief Inspector shall come from the service, and there is no lack of integrity or ability shown in the report.

Mr. MAGNUSON. I heard the Senator, and I am cognizant of his argument. I suppose I have voted on more nominations than has the Senator from California. As a matter of fact, I think we have about 60 percent of them in the Committee on Interstate and Foreign Commerce.

I have stated the way the brotherhoods feel about the nomination. They feel very keenly about it. That is the reason why we voted down Hall's nomination. Nine of us in the committee voted it down, 2 Republicans and 7 Democrats.

This is a matter, Mr. President, which goes beyond Mr. Hall. Sometimes I wonder why these people feel it so keenly. I am sure if the President of the United States knew when he picked Mr. Hall, a man living away off in California, and did not select a man from the service, that it would cause all this trouble, he would not have named Mr. Hall.

That is my own feeling about it.

I merely wished to report to the Senate what happened. Of course, the President has the right to appoint this man, but the Senate has the right to advise and consent to the nomination, or not to do so.

Mr. BRICKER. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. BRICKER. I think the Interstate Commerce Commission membership unanimously asked to have Mr. Hall appointed because of his experience with diesel power. They had only two men who had had any experience with diesel power, and they wanted someone who had the ability to inspect the new power to which the railroads are now turning.

Mr. MAGNUSON. I do not understand that the Interstate Commerce Commission looked around and found Mr. Hall. He was brought into the Interstate Commerce Commission.

Mr. BRICKER. The statement which the Interstate Commerce Commission submitted was placed in the RECORD. It shows they had recommended Mr. Hall.

Mr. MAGNUSON. After he had been there a while, that is true, but not in the beginning. We may as well be perfectly honest about it. We went through a political campaign in 1952. Most of the brotherhoods supported the Democratic candidate, for their own good reasons. The Brotherhood of Locomotive Engineers supported the President of the United States. I do not criticize them for that. I think they came up with Mr. Hall as their choice, which they had a perfect right to do, and the President had a perfect right to appoint him.

But the question goes beyond Mr. Hall. It goes to the people who are most deeply affected.

Mr. BRICKER. There is nothing in the record anywhere which is derogatory of Mr. Hall's ability and of the service he has rendered in the past 9 months.

Mr. MAGNUSON. I was personally unhappy that we had to report the nomination unfavorably. I do not like to see any implication of that because the Senate may turn a man down because of lack of qualifications, there is anything wrong with his personal integrity.

Mr. BRICKER. I think I can say for the record that there has been no criticism of either his ability, his character, his integrity, or the work he has performed while acting in this capacity since his appointment in October.

Mr. BARKLEY. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. BARKLEY. Mr. President, I have been disturbed about this nomination, and I am at this moment disturbed about what my real duty is in the matter. As all Senators know, though I have never been a railroad man myself, I have been for years intimately connected and associated with all the railroad brotherhoods in the United States. They have uniformly supported me in my campaigns for the Senate. I am disturbed by the fact that the Brotherhood of Railway Engineers, headed by Mr. Brown, are favorable to this nomination. I have a letter from Mr. Brown urging me to vote for the confirmation of the nomination, in which he enclosed a statement from the Interstate Commerce Commission, which has already been referred to and placed in the RECORD. Obviously, the Brotherhood of Railway Engineers are more intimately connected with the inspection of railroad locomotives than are the clerks who work in the offices.

Mr. MAGNUSON. I wish to say to the Senator from Kentucky that I may have used the word "clerks," but I was referring to all the other brotherhoods; the firemen, the machinists, and all the people involved in the operation and maintenance of the railroads.

Mr. BARKLEY. Many of whom know nothing about engines.

Mr. MAGNUSON. A fireman does.

Mr. BARKLEY. Of course, the fireman does, but a trackman does not, the maintenance-of-way employees do not, and the clerks do not. This appointment is more intimately connected with the running of an engine and the inspection of an engine than with any other part of railroad operation.

Mr. MAGNUSON. It includes the inspection of cars, the wheels, and so forth, and it includes everything in connection with running a railroad. It is inspection for the safety of all the people who ride the railroads and those who work on them.

Mr. BARKLEY. Is not the inspection of a locomotive the major part of the duties of this officer?

Mr. MAGNUSON. I would think there are more safety devices involved in the machinery than in the engine itself.

Mr. BARKLEY. What machinery is there other than that in the engine?

Mr. MAGNUSON. The brakes and safety devices.

Mr. BARKLEY. They are not a machine. The machine which pulls the train should have a major part in the whole program of inspection, to see that the locomotive itself is in good order.

I have been wondering about the fact that the locomotive engineers themselves have endorsed this man. There is no charge of any sort, that I know of, that he is not qualified. There is no charge against his character or his service, up to now. I have been wondering, therefore, whether I would be justified in voting to reject his nomination simply because in the making of the appointment there has been a deviation from tradition—not from law, but from tradition—which has grown up in the appointments to this particular office.

I find myself very much disturbed, even while I am talking, about what my duty shall be in regard to the nomination. I should like the Senator from Washington to enlighten me or to give me some beacon by which I could be guided as to whether I should vote against a qualified man who was unanimously recommended by the Interstate Commerce Commission, and who was endorsed by one of the railroad brotherhoods, simply because he was not selected from some other group which has heretofore been the background for the choosing of appointees to this particular office.

Mr. MAGNUSON. I suspect, first, that he was endorsed by the engineers because he is a member of that group.

Mr. BARKLEY. Yes; but that does not disqualify him.

Mr. MAGNUSON. I want to answer the Senator from Kentucky. I have tried to state the facts as fairly as I could as to what the situation was.

Second, there is a feeling by those who oppose him that although he may be qualified as an engineer, he may not be the type of man who could handle a job which involves all phases of railroad inspection. Therefore, he may not be qualified on that ground.

Mr. BARKLEY. Have not the appointments heretofore, in the main, been made from the background of engineers?

Mr. MAGNUSON. No; they have been made from the background of railroad inspectors themselves.

Mr. BARKLEY. But the inspectors had to be engineers before they became inspectors.

Mr. MAGNUSON. No. In fact, I do not know of any locomotive engineer who is in the inspection service. A good illustration would be to consider the engineers themselves. All of us are fond of railroad engineers. Ever since we were youngsters, some of us have aspired to become railroad engineers at one time or another.

I can drive an automobile. I think I drive it well. But I am sure that when it comes to understanding what goes on under the hood, I do not know too much about it, and whether the operation is safe or not.

The fact that one is an engineer means that he had some background of railroad experience, but it does not necessarily qualify him for the position of railroad inspector. That was the reason for the opposition of the other persons to the nomination.

Mr. BARKLEY. Is there any assurance that if we reject this nominee, the President will appoint someone from the group in which the present opponents are interested?

Mr. MAGNUSON. I could not give the Senator any assurance as to that.

Mr. President, the junior Senator from Florida [Mr. SMATHERS] is very familiar with the matter. I merely wanted to state the facts and the background of the case to the Senate. The situation is unusual; I agree with the Senator from Kentucky as to that. The subcommittee held long hearings, and the matter was considered a long time before the full committee took definite action. It was a most difficult task.

I now yield to the junior Senator from Florida.

Mr. SMATHERS. Mr. President, I think I may be able to shed some light on this particular situation. As the Senator from Washington stated, it was the subcommittee of which I am chairman that heard the evidence and had Mr. Hall before it. We heard testimony in Mr. Hall's favor given by Mr. Owen Clarke, a member of the Interstate Commerce Commission. He was the only member of the Commission to testify on behalf of Mr. Hall. Mr. Guy L. Brown, president of the Brotherhood of Locomotive Engineers, also testified in favor of Mr. Hall.

Against Mr. Hall's nomination, we heard the testimony of Mr. H. E. Gilbert, president of the Brotherhood of Locomotive Firemen and Enginemen; Mr. Michael Fox, president of the Railway Employees Department, A. F. of L., and vice chairman of the Railway Labor Executive Association, which represents 80 percent of all railroad employees in the United States; and Mr. Eric Peterson, general secretary-treasurer of the International Association of Machinists, A. F. of L. In addition, other persons submitted statements in opposition to the nomination of Mr. Hall.

I think it would be well if we understood that the Locomotive Inspection Act, passed in 1911, was designed to place throughout the country locomotive inspectors because the engineers who ran the locomotives frequently were not capable or qualified to determine whether or not locomotives were defective. The mere fact that someone was an engineer did not necessarily qualify him to determine whether a locomotive was safe. Otherwise, there would not have been need for the act originally. It was for this reason that Congress created 50 inspection districts throughout the country with a locomotive inspector in each district.

At that time inspectors were required to pass a civil-service examination, because their duties were much broader than those required of a locomotive engineer. For example they were required to know how to make repairs, and to understand the operation of all safety devices on the engines.

Inspectors, therefore, were required to pass a civil-service examination, to demonstrate their fitness to perform the many duties evolved upon the office. So inspectors, by the very nature of their work, know something about the position Mr. Hall was nominated for.

Inspectors receive reports submitted to them by engineers. When an engineer completes his run, if something is wrong with his engine, he submits a report the same as does an airline pilot. The inspector then considers the report. He has the authority to take an engine off the run in the interest of public safety. That is the real purpose of the position of inspector. Mr. Hall must supervise these inspectors, and should know their duties to supervise them properly. I repeat, the mere fact that a man is an engineer does not of necessity qualify him to be an inspector.

The able Senator from Ohio [Mr. BRICKER] said there was nothing against Mr. Hall's qualifications. No one except his friends believe he has the necessary qualifications for the job. It is important to note that Mr. Hall has never taken a civil-service examination to determine whether he could qualify as an inspector or perform as a good administrator or supervisor of the 55 inspectors under the jurisdiction of the Bureau of Locomotive Inspection. There was no evidence as to the nominee's ability. Everyone agrees that he is a fine gentleman and undoubtedly a fine engineer. The overwhelming preponderance of the testimony, however, was that the nominee has actually never given any indication, that he knows or that he understands how to administer the position of Chief Locomotive Inspector.

Thus, we have a situation where most of the witnesses who appeared before the committee testified that the nominee is not qualified. My own feeling, after listening to the testimony, was that he was a fine person and undoubtedly a good engineer. He knows how to operate a locomotive. But that does not mean that he would be a good, reliable inspector because the position of Director of Locomotive Inspection requires something besides a knowledge of how to run a locomotive.

During the 43 years since the position was first created by Congress, there has never been 1 incumbent, except the first man who was appointed, and his assistant, who succeeded him, who had not come up through the ranks. Obviously, when the position was first created, the first appointee did not come from the ranks. There were no ranks at that time.

But from that time up until now, under 7 Presidents—4 of whom were Republican and 3 Democratic—there has never been 1 President who found it necessary to reach outside this group to select a nominee to be Director of Locomotive Inspection. Each time the nomination has gone to one of the inspectors themselves because the position is a highly complicated and technical one.

A great majority of the witnesses who came before the subcommittee stated they did not like this departure from precedent for they did not believe it was in the best interest of public safety. They thought it was bad practice. They did not want to see this particular position become a political football or reward. They thought the nominee should always be someone from the ranks of the inspectors.

The Senator from Ohio [Mr. BRICKER] said there was no one in the ranks who qualified. I believe what he meant was that there were only two inspectors who have had actual experience in the operation of a diesel locomotive. That may be true. But let us examine the record. Since 1926 they have been inspecting diesel locomotives under rules issued by the Commission. Since 1942, they have had a diesel manual, on which the inspectors must take examinations. The manual contains many pages, and must be understood backwards and forwards. Inspectors must check everything in accordance with this manual.

So when a statement is made about inspectors not being qualified, it is highly insulting to those men who have heretofore done a splendid job. The statistics showing a decrease in the number of railroad accidents support that statement.

I do not think that was a particularly accurate statement to make. In any event, it seems to me this is a serious departure from well-established custom, a custom which was followed by 4 Republican and 3 Democratic Presidents, who from 1911 up until now had always reached back into the inspectors' ranks to find a qualified man for the position. It seems to me that there is no valid reason to break this long-established custom, particularly for a man who appears not qualified for this job.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. BRICKER. I should like to make 1 or 2 comments in relation to what the Senator from Florida has stated.

The fact is that the law requires inspection at the end of each run. Those inspections are made by the engineers who run the engines, and they report to the inspectors of the Commission. In that field Mr. Hall had extensive experience, not only in running steam and diesel locomotives, but in making inspections and reporting on spot checks.

Mr. SMATHERS. Just as probably 5,000 other engineers had, but no more than that.

Mr. BRICKER. But he had that experience.

Mr. SMATHERS. But no more than 5,000 other engineers had.

Mr. BRICKER. The Senator from Florida stated there was no testimony with regard to his administrative ability or that he was a good engineer. Let me call attention to the fact that on March 21, 1955, the Chairman of the Interstate Commerce Commission wrote this letter to the chairman of the subcommittee, in which he said:

DEAR SENATOR SMATHERS: The Commission, by unanimous vote, unqualifiedly recommends approval of the nomination of John A. Hall of California to be Director of Locomotive Inspection of the Interstate Commerce Commission, and has directed me to so inform you.

Mr. Hall, as you know, has been Acting Director of Locomotive Inspection under a recess appointment since October 5, 1954, and his performance in this position has been highly acceptable.

He has had many years of practical experience in this work as a locomotive fireman and locomotive engineer, and has demonstrated excellent administrative ability as well during the nearly 6 months that he has been with the Commission.

We respectfully request that your subcommittee recommend confirmation of Mr. Hall.

Respectfully submitted.

RICHARD F. MITCHELL,
Chairman.

I do not know where one has to go to get a better recommendation than from those, Republicans and Democrats alike, for whom he has been working and for whom he has completely reorganized the inspection service, which is limited to the inspection of locomotives. The rest of the work is done by the safety-appliance section of the Interstate Commerce Commission. This work is limited to inspection work on locomotives only.

Mr. SMATHERS. The only Commissioner who testified in behalf of Mr. Hall was Mr. Clarke. If the Senator was present on the day Mr. Clarke testified, he will recall that I asked Mr. Clarke about some of the improvements which Mr. Hall was supposed to have brought about. I think a reading of the testimony will reveal that Mr. Hall was not particularly conversant with what was claimed had been accomplished, though Mr. Clarke gave Mr. Hall a fine recommendation.

I asked Mr. Clarke, "How do you account for the fact that Mr. Hall could not speak for himself about these things?"

Mr. Clarke stated that he did not know.

I suppose an explanation might be that Mr. Clarke is a very glib, able, and quick-thinking man on his feet, and probably Mr. Hall is not.

Statements were made that new practices were put into effect. We had testimony to show that those practices had been indulged in for many years. For instance, Mr. Hall said he was the first man to have inspectors attend diesel-engine schools. It turned out the next day that had been practiced for 5 or 6 years. Mr. Hall said he had been reworking the diesel manual and that this had never been done before. It turned out that project was started by another gentleman who was the chief locomotive inspector 2 years ago.

As one looked at the evidence, he began to realize that while Mr. Hall was a very fine man, and undoubtedly a fine engineer, he was not qualified for this particular job.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. MAGNUSON. The Senator from Ohio asked where we could find a better place for recommendation than the ICC. The very reason for the law which was enacted was that Congress did not want the ICC to appoint inspectors. Congress wanted the inspectors to be independent. One of the fears of many of the men who operate the trains is that the inspectors will not be independent, and that they might be ICC appointees. Therefore, in effect, there would be a violation of the implications of the law.

Mr. SMATHERS. The Senator is eminently correct.

Mr. MAGNUSON. I know that some of the people who operate the trains on our vast railroad system do not want an ICC-appointed man.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. BUSH. It seems to me that if anybody would be interested in having a good man on the job, it would be Mr. Brown, the grand chief of the Brotherhood of Locomotive Engineers.

On page 15 of the hearings the Senator will find a very strong endorsement by the head of the Brotherhood of Locomotive Engineers, in that Mr. Brown said in part that specifically respecting administrative ability—which I understand Mr. Hall is not supposed to have, but which the ICC letter endorses quite fully—this man had proved administrative ability. Mr. Brown said further:

I personally, and on behalf of the brotherhood, of which I have the honor to represent, again urge this committee to give favorable consideration to Mr. Hall's nomination and confirm him for this position.

I do not see how one could get a stronger endorsement from an organization which is interested in the safety of engineers as is this group.

Mr. MAGNUSON. Mr. Brown is the man who recommended him. He is his protege.

Mr. BUSH. Why would he want a man for the job who was not qualified?

Mr. MAGNUSON. The engineers are sponsoring Mr. Hall. They are recommending him.

Mr. BUSH. Does the Senator think they would sponsor someone who was not qualified?

Mr. MAGNUSON. All the other groups are against him.

Mr. BUSH. But this is an organization of engineers themselves, the ones who drive the trains.

Mr. MAGNUSON. The rest of them operate the trains, too.

Mr. SMATHERS. I will say to the Senator from Connecticut that it would be a question as to who in the operation of a railroad train would want safety most. I am sure the fireman, who sits beside the engineer, is just as interested in safety as is the engineer himself. I am confident other people who ride on the train and who operate the trains everyday are just as much interested in the safety of the train as is the engineer.

I may say, with respect to administrative ability, Mr. Brown made a very fine witness on behalf of Mr. Hall. He said Mr. Hall had administrative ability. We could not ascertain whether he had. The hearings did not indicate that. He had held a job calling for administrative ability. So we never had any opportunity to find out whether or not Mr. Hall had demonstrated administrative ability.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. BARKLEY. Do I understand it has been customary, or did the hearings show it has been customary, for the Interstate Commerce Commission to recommend to the President the appointment of this particular official?

Mr. SMATHERS. No; heretofore we have never heard that the Interstate Commerce Commission had recommended anyone to the President for appointment to this position. As a matter of fact, there was no testimony that the Interstate Commerce Commission originated this appointment.

Mr. BARKLEY. Does the Senator from Florida know whether the Commission was asked by the President to make a recommendation to him for this appointment, before the President sent the nomination to the Senate?

Mr. SMATHERS. I do not know that; I cannot state whether the President requested the Commission to make such a recommendation. But the Interstate Commerce Commission's representatives did not state that they originated the appointment or asked the President to appoint Mr. Hall.

Mr. BARKLEY. I should like to consider the background of this matter. As I understand, except in the first instance, and probably the second, at which time the assistants were appointed to the vacancy created when the first appointee either retired or died, from that time on the appointments have been made from the list or backlog of regional inspectors who have taken a civil service examination as a prerequisite to receiving such an appointment; is that correct?

Mr. SMATHERS. Yes.

Mr. BARKLEY. Has there been any exception to that procedure?

Mr. SMATHERS. None whatever.

Mr. BARKLEY. So, except for the first two cases, all those who have become chief inspector have come up from the service, after taking the civil service

examination and after previously qualifying to be regional inspectors; and from that backlog, the appointments of Directors of Locomotive Inspection have been made; is that correct?

Mr. SMATHERS. That is entirely correct.

Mr. BARKLEY. I served for a long time on the Committee on Interstate Commerce, in both the House of Representatives and the Senate; and for the past 40 years I have been associated with railroad legislation. My memory was—and the Senator from Florida has confirmed it—that heretofore, until this case arose, all these appointments, except the first two, have been made from the list thus developed, and by the appointment of those who previously were regional inspectors, and in that way the nominations of Directors of Locomotive Inspection have been made.

Mr. SMATHERS. That is correct.

Mr. ELLENDER. Mr. President, will the Senator from Florida yield to me?

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Does the Senator from Louisiana?

Mr. SMATHERS. I yield.

Mr. ELLENDER. The record shows, does it not, that Mr. Hall has been serving in the position since October 1954?

Mr. SMATHERS. Yes.

Mr. ELLENDER. What kind of service has he rendered?

Mr. SMATHERS. The record is a little vague on that point. Naturally, Mr. Clarke, a member of the Interstate Commerce Commission, gave Mr. Hall a rather high recommendation. But the representatives of the Brotherhood of Railroad Firemen and Enginemen and the other Brotherhoods did not think Mr. Hall had accomplished anything in particular.

It was my opinion, after listening to the evidence, that certainly Mr. Hall had done nothing outstanding since he took over the job in October 1954.

Mr. ELLENDER. Did the witnesses find fault with Mr. Hall's work?

Mr. SMATHERS. No, only to this extent: that nothing original had been started by him, and no great changes had been made by him. In short, the policy has been one of just drifting along.

I must say that Mr. Clarke, of the Interstate Commerce Commission, gave credit to Mr. Hall for doing a number of things which the second day's testimony revealed had actually been started and underway for quite some time before Mr. Hall came to the Commission.

Mr. MAGNUSON. Of course, at the time of the hearings, Mr. Hall had been serving in the position for only 4 or 5 months.

Mr. SMATHERS. That is correct.

I may say to the Senator from Louisiana that we did not hold against Mr. Hall the fact that he had not accomplished very much in the job, since he was only recently appointed.

Mr. ELLENDER. Was there any evidence to show that he was not qualified for the job?

Mr. SMATHERS. We had evidence that he is not qualified for this particular job. He is a fine engineer and a good citizen. But so far as being Director of Locomotive Inspection, I think the great weight of the evidence revealed that he is not especially qualified for that position.

Mr. MAGNUSON. Mr. President, will the Senator from Florida yield to me?

Mr. SMATHERS. I yield.

Mr. MAGNUSON. I should like to state that in connection with the testimony of Mr. Gilbert, the president of the Brotherhood of Locomotive Firemen and Enginemen—a position similar to that of Mr. Brown—the following occurred:

Senator SCHOEPPEL. It is a latent fear that you have that he may not fully measure up to the standard which you feel that he should. You can't put your finger on any specific act; if you can, I would be very glad if you would get it into the record.

In other words, because Mr. Hall had been serving in the position for so short a period of time.

I read further from the hearing:

Mr. GILBERT. If I had them, I would have them here. I do not have that; no, sir.

Senator SCHOEPPEL. Suppose during his tenure, if he is confirmed, those fears are unfounded.

Mr. GILBERT. We hate to take that chance. That is the reason I am here opposing his confirmation, because we don't like to take that chance on safety. Not only are the lives of the men who are firing these locomotives but those who are running them, as well as the men who work in train service, the traveling public, on the trains, and the public that come to the crossing, have a stake in this, too. I don't think that we should take a chance on it, to see whether it can be done. We know what the record is, as a result of the Bureau being under the direction of men who have possessed the experience and come up through the ranks.

In short, Mr. Gilbert and those in similar positions are content to have those who have come up through the ranks appointed to this position, but they are not satisfied with this appointment.

Mr. SMATHERS. That is correct.

Mr. PURTELL. Mr. President, is the original report of the committee available? I understand it has not been printed and is not available.

Mr. MAGNUSON. It is right here; I have just been reading from it.

Mr. PURTELL. No; the Senator from Washington has been reading from the hearings.

Mr. SMATHERS. No report was filed.

Mr. PURTELL. Then I should like to ask the Senator from Florida this question: Is it correct to state—and I happen to be a member of the committee—that the final report on Mr. Hall was that there was nothing wrong with him, except that his appointment would be breaking with precedent? Is not that correct? Was not that the final conclusion of the committee, when the vote was taken?

Mr. SMATHERS. I should like to ask the Senator from Connecticut what committee he is talking about? Is he speaking of the subcommittee or the full committee?

Mr. PURTELL. I am speaking of the action of the full committee which reported the nomination.

Mr. SMATHERS. The full committee turned him down, by a vote of 9 to 6.

Mr. PURTELL. But on what particular ground? Was it on the ground that the appointment would be breaking with precedent? I think the report should show, if it does not, that there is nothing wrong with the nominee.

Mr. SMATHERS. I disagree completely with the Senator from Connecticut.

Mr. PURTELL. Then I have been misinformed.

Mr. SMATHERS. It is true that is one of the reasons; but, among others, there was the feeling that Mr. Hall is not qualified. Primarily that is the feeling I had.

Mr. PURTELL. Although I could not be there, I was informed by members of the staff that the conclusion of the full committee was that there was nothing against Mr. Hall, but that his appointment would be breaking with precedent—in selecting a man who had not previously been engaged as a locomotive inspector.

Mr. SMATHERS. That was one of the reasons.

Mr. PURTELL. Was it stated in the report?

Mr. SMATHERS. No. No report was filed.

Mr. PURTELL. Will there be a report?

Mr. SMATHERS. No; I do not believe there will be a report.

Mr. PURTELL. So we shall not know why the committee voted against the nomination; is that correct?

Mr. SMATHERS. Except that every member of the committee will know why he voted either for or against the nomination. Two of the distinguished Republican members of the committee voted against the nomination, and they had their reasons for doing so.

Mr. PURTELL. Am I to understand that at no time will any reason for the action taken by the committee be shown in the report—whether printed or not printed?

Mr. SMATHERS. Except that the nomination was adversely reported by a vote of 9 to 6 and the members know why they voted as they did.

In fact, we hoped this matter would not come to the floor of the Senate. All the brotherhoods agreed that if the President would pick anyone who had been an inspector—anyone, just so long as he had been an inspector and had taken the civil-service examination and had shown that he knew something about the work—there would be no objection.

Mr. PURTELL. Certainly the Senator from Florida would not say that is a good reason for not having a report on a nomination.

Mr. SMATHERS. I cannot say that reports on such nominations are ever filed.

Mr. PURTELL. Then, Mr. President, am I assured by the Senator from Florida that there were other reasons—which were expressed, and would have been written if a report had been written—in addition to the fact that this nomination would be breaking with precedent?

Mr. SMATHERS. I will say to the Senator from Connecticut that I had very strong reasons for opposing the nomination not only as regards breaking

with precedent, but also because the nominee is not qualified.

Mr. PURTELL. I assume that the Senator from Florida would have such reasons. But were any reasons, other than that confirmation of the nomination of Mr. Hall would be breaking with precedent, ever given or stated?

Mr. SMATHERS. I appreciate the Senator's persistence. I have already said there was no report filed. I do think it is customary, in a situation of this kind, to file a report. I yield to the chairman of the committee to answer that question. In any event, every Senator knew the reasons why he voted for or against the nomination.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. MAGNUSON. We are approaching a vote on this nomination. The committee does not necessarily file reports on nominations. The vote was announced publicly. I announced it here. I announced my reasons. The Senator from Florida has announced his. I am sure that all of us know the reasons why we voted one way or the other. But unless it is directed by the committee itself, no report is made on nominations. Any Senator has a right to file an individual report, if he so desires.

Mr. PURTELL. May I inquire from the Senator from Washington whether or not the statement was made that the only reason this nomination was to be opposed was that the nomination or appointment was breaking a precedent? Am I correct in that statement?

Mr. MAGNUSON. I think individual Senators may have had other reasons. My reasons are pretty well stated in the testimony of Mr. Gilbert. I do not think the nominee measures up to what we require. I have some other reasons. Those who operate the trains are fearful. There are other reasons. Senators had their own reasons. Some Senators may have voted solely on the basis of a violation of tradition. That was only one reason.

Mr. THURMOND. Mr. President, I expect to vote for the confirmation of this nomination. I shall do so for six reasons.

The first is that Mr. Hall is a railroad man of 30 years experience, who, as an engineer, was constantly responsible for inspection and reporting on the engines he operated, and thus gained practical knowledge of the factors involved in inspection.

Second, as I understand, the President has the power to appoint, and unless there is something morally wrong with the appointee, or unless there is evidence that he cannot perform his duties, the nomination should be confirmed.

Third, his job is largely administrative, and does not involve on-the-job inspections. So even if the allegations against him were entirely correct, which I deny, I do not believe that we should disqualify him for the position.

Fourth, the entire Interstate Commerce Commission—and I think this is most significant—consisting of 6 members of one political party and 5 of the other, unanimously recommended confirmation of his nomination.

Fifth, the testimony revealed that Mr. Hall had taken steps to have his inspectors take courses in diesel operation, and that he is putting together a regulation book, which is something that has not been done previously.

Sixth, and last, Mr. Hall is now serving in this position. He has been serving since 1954, and has done a good job.

The figures which I wish to bring to the attention of the Senate show that he has done a good job. If those figures are incorrect, I should like to have any Senator on the other side of this question call my attention to any inaccuracies.

For 6 months prior to Mr. Hall's going to this position there were 66 accidents. During the first 6 months Mr. Hall has been there, there have been only 53 accidents.

For 6 months prior to Mr. Hall's going to this position, 2 people were killed. Since Mr. Hall has been there no one has been killed.

For 6 months prior to Mr. Hall's going to this position there were 313 persons injured. During the first 6 months Mr. Hall has been there, only 57 persons have been injured.

Mr. President, I believe that the record which Mr. Hall has made is conclusive evidence that he is qualified. If Mr. Hall is a good man, and if he is qualified, it seems to me that his nomination should be confirmed.

I realize that the unions are divided. Some of the railroad unions take one position, and some take another. But here is a man of good reputation, a man of good character, a man of ability, a man who has proved that he can fill this position in a competent manner. He has filled this position in a competent manner since October 1954. I think it would be doing a great injustice to him, whether he be a Republican or a Democrat, now to shove him aside and say to him that his nomination cannot be confirmed, mainly for the reason that precedent was not followed in his appointment.

As to the precedent, it might have been better if precedent had been followed. I would have preferred it. But under the law the President did not have to follow precedent. Since he has followed the law, and since he has appointed a good man, a man who has done a good job, I do not think we would be treating the appointee properly or justly if we did not confirm his nomination. Personally I expect to vote for confirmation.

Mr. SMATHERS. Mr. President, the Senator from South Carolina stated that if his figures were incorrect he hoped they would be corrected. I rise merely to correct them.

On page 39 of the report appears a letter which was submitted to the chairman of the subcommittee by an official of the Brotherhood of Locomotive Firemen and Enginemen. The letter reads as follows:

BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINEMEN,
Washington, D. C., May 20, 1955.

Senator GEORGE A. SMATHERS,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: You will recall that during the hearings of your subcommittee on the confirmation of John A. Hall to be Director of Locomotive Inspection—ICC, the claim was made that safety on the railroads had improved since Mr. Hall has been in office.

The attached, quoting figures issued by the Bureau of Transport Economics and Statistics of the Interstate Commerce Commission, conclusively proves that the injuries and deaths have increased during Mr. Hall's administration.

I thought this would interest you and your colleagues who are considering this confirmation.

Sincerely,

A. M. LAMPLEY.

There is also in the record a chart which shows that comparing the 3 months ending in March 1954 to the same period ending March 1955, the number of injured increased from 3,981 to 4,026, and the number of deaths from 56 to 60.

Mr. THURMOND. Mr. President, I should like to say in response to the statement just made by the Senator from Florida that those figures show all train accidents. Only those accidents due to locomotive failure have anything to do with Mr. Hall's department of locomotive inspection, and I insist that the figures which I presented are correct in that respect.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	Millikin
Allott	Goldwater	Monroney
Anderson	Gore	Morse
Barkley	Green	Mundt
Beall	Hayden	Murray
Bender	Hennings	Neely
Bennett	Hill	Neuberger
Bible	Holland	O'Mahoney
Bricker	Hruska	Pastore
Bridges	Humphrey	Payne
Bush	Ives	Potter
Butler	Jackson	Purtell
Byrd	Jenner	Robertson
Capehart	Johnston, S. C.	Saltonstall
Carlson	Kefauver	Scott
Case, N. J.	Kerr	Smathers
Case, S. Dak.	Kilgore	Smith, Maine
Chavez	Knowland	Smith, N. J.
Clements	Kuchel	Sparkman
Cotton	Langer	Stennis
Curtis	Lehman	Symington
Daniel	Long	Thurmond
Dirksen	Magnuson	Thye
Douglas	Mansfield	Watkins
Duff	Martin, Iowa	Welker
Dworshak	Martin, Pa.	Wiley
Eastland	McCarthy	Williams
Ellender	McClellan	Young
Ervin	McNamara	

The PRESIDING OFFICER. A quorum is present. The question is: Will the Senate advise and consent to the nomination of John A. Hall to be Director of Locomotive Inspection? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. POTTER (when his name was called). On this vote I have a pair with the Senator from Kansas [Mr. SCHOEPPEL]. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withhold my vote.

Mr. EASTLAND (when his name was called). On this vote I have a pair with the senior Senator from Texas [Mr.

JOHNSON]. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. CLEMENTS. I announce that the Senator from Delaware [Mr. FREAR], the Senator from Georgia [Mr. GEORGE], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

I further announce that, if present and voting, the Senator from Massachusetts [Mr. KENNEDY] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Wyoming [Mr. BARRETT] is absent because of illness in his family.

The Senator from Vermont [Mr. FLANDERS] and the Senator from Kansas [Mr. SCHOEPPEL] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate.

The Senator from Nevada [Mr. MALONE] is detained on official business.

On this vote the Senator from Kansas [Mr. SCHOEPPEL] has a pair with the Senator from Michigan [Mr. POTTER], which has been previously announced.

The result was announced—yeas 43, nays 41, as follows:

YEAS—43

Aiken	Curtis	Morse
Allott	Dirksen	Mundt
Bender	Duff	Purtell
Bennett	Dworshak	Robertson
Bricker	Ellender	Saltonstall
Bridges	Goldwater	Smith, N. J.
Bush	Hruska	Stennis
Butler	Jenner	Thurmond
Byrd	Knowland	Thye
Capehart	Kuchel	Watkins
Carlson	Martin, Iowa	Welker
Case, N. J.	Martin, Pa.	Wiley
Case, S. Dak.	McCarthy	Williams
Chavez	McClellan	
Cotton	Millikin	

NAYS—41

Anderson	Holland	Monroney
Barkley	Humphrey	Murray
Beall	Ives	Neely
Bible	Jackson	Neuberger
Clements	Johnston, S. C.	O'Mahoney
Daniel	Kefauver	Pastore
Douglas	Kerr	Payne
Ervin	Kilgore	Scott
Fulbright	Langer	Smathers
Gore	Lehman	Smith, Maine
Green	Long	Sparkman
Hayden	Magnuson	Symington
Hennings	Mansfield	Young
Hill	McNamara	

NOT VOTING—12

Barrett	George	Malone
Eastland	Hickenlooper	Potter
Flanders	Johnson, Tex.	Russell
Frear	Kennedy	Schoeppel

So the nomination of John A. Hall was confirmed.

The VICE PRESIDENT. Without objection, the President will be notified of the confirmation of the nomination.

Mr. MORSE subsequently said: Mr. President, I wish to take a few minutes to make an explanation for the RECORD in support of the vote I cast on the nomination of John A. Hall to be Director of Locomotive Inspection.

I am certain I need not tell my colleagues in the Senate that I cast a nonpolitical vote. I listened with an open mind to the debate on the nomination. At the beginning of the debate, mine was an undecided vote. After I listened to the debate, I felt that the vote which I cast in support of the nomination was the only vote I could cast on the basis of my views as to the meaning of the advice and consent clause of the Constitution.

For 10 years in the Senate my colleagues, on various occasions, have heard my discussion of what I considered to be the constitutional meanings and implications of the advice and consent clause of the Constitution. I was a freshman of but a short time in the Senate when we had the historic debate on the Henry Wallace nomination. I had not been in the Senate very long when we had the debate on the Lilienthal nomination. There followed the Leland Olds nomination and the Anna Rosenberg nomination. On each and every one of those occasions as well as on others I set forth—and no lawyer in the Senate has ever disputed my constitutional analysis—the historic criteria that should be applied in passing judgment on a nomination by the President of the United States under the advice and consent clause. I review those criteria very briefly again tonight.

First, we should keep in mind the fact that a presumption is, of course, in favor of the President of the United States when he submits a nomination. It is a rebuttable presumption, but the presumption is in favor of a nomination by the President.

Second, there is the character criterion. The Senate under the advice and consent clause, can reject a nomination if we can show that the individual lacks those qualities of character which are essential for fulfilling a public trust. This criterion includes the requirement that he be a person who is loyal to our form of government. On one occasion I had this to say about the criteria which should be applied in passing upon Presidential nominations under the advice and consent clause of the Constitution:

> At the time of the Wallace nomination, I made as thorough a study as I could of the question of rejections of Cabinet nominations in the history of this country. The record shows that there have been 7 rejections out of a total of almost 400 nominations. One of them occurred in the administration of Andrew Jackson; 4 in President Tyler's administration; 1 in President Johnson's administration; 1 in President Coolidge's administration.
>
> When we make an analysis of those great Senate discussions we find, in my humble judgment, that there are 4 major tests, and then I think another 1 which runs through all 4 of them. The first is the character test: Is the man of good character, as that term is generally used by all? Second, is he one who believes in our form of government and who seeks through our form of government, to bring about any particular reform which he advocates? Third, is he one who is not disqualified because of some professional or personal or financial interest in the job, so that he cannot render impartial, honest service? The Senate will remember that at the time of the Warren controversy in 1925, when President Coolidge had nominated Warren to be Attorney General, the charge was made that his connection with certain great business interests or organizations in the State of Michigan and throughout the country, rendered it questionable whether he could meet the test of impartiality as Attorney General, when it came to administering the antitrust laws. It is not for me to say whether the Senate was right or wrong, although on the basis of a study of the record, I am inclined to believe that had I been a Member of the Senate at that time I would not have voted for confirmation of the nomination of Mr. Warren. I say that because, looking at the situation as it is now set out in the books and records, I have grave doubt whether his professional connections met the test I have just mentioned.
>
> Then, of course, there is the fourth test of mental soundness.
>
> There is also a fifth test which I think we must take into account, namely, the so-called test of competency. It is a highly subjective test. It is one which must be watched in its application lest there be a possibility that one may be influenced by partisanship. I think it is sometimes rather easy for us to assume that the fellow in the other party is not competent, when what we mean is that his success has shown his outstanding competency, to our party's disadvantage. Nevertheless, I think it is true that when we function under the advice-and-consent clause of the Constitution, insofar as the confirmation of nominations is concerned, we should give weight to the question of competency, from the standpoint of whether in the particular job for which the President has appointed an individual he will be able to render service which will be for the public good and will protect the interest of our citizenry as a whole.
>
> Senators may disagree with me in respect to its application as a legal proposition, but let me point out that the advice-and-consent clause of the Constitution is in the form of language of limitation. The appointive authority is given by the Constitution to the President. Hence, I agree with the Senator from New Mexico [Mr. Hatch] in essence, I think, if I correctly understood the remarks he made a few minutes ago. I agree if by those remarks he meant that a presumption exists in favor of a Presidential nomination. I say that because we do not have joint appointive authority with the President. The framers of the Constitution did not use such language.
>
> What the framers of the Constitution did say, in speaking of the Presidential appointive power, was—
>
> "He shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur; and he shall nominate, and by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers and consuls, Judges of the Supreme Court, and all other officers of the United States."
>
> In my judgment the advice-and-consent language of the Constitution is language of limitation. It means that the presumption should be resolved in favor of the President, unless we find that the particular nominee falls short in respect to one of the tests I have enumerated. There is nothing among those tests, and I find nothing in the debates on the great historic cases, which would justify the making of any finding on the basis of partisanship. By that I mean that I do not think we have a right to sit here and do either one of two things: First, object to the nomination of a Cabinet officer because we do not like his politics or because he is of a political party different from ours. I think we should act nonpartisanly, from that standpoint. Neither do I think we are justified in applying the test "Would we appoint him if we were in the appointing position?" That right was not given to us by the advice-and-consent clause of the Constitution. The framers of the Constitution did not say, "The President and a majority of the Senate shall appoint Cabinet officers."
>
> Neither do I think a Cabinet nomination should be made use of in the Senate for carrying on political warfare against the

President, regardless of the party to which he may belong. I do not intend, in connection with the consideration of any Cabinet appointment, to seek to make political capital out of it.

Mr. President, in that speech in 1945 I pointed out that in all the confirmation fights in the Senate in relation to Cabinet positions, there seemed to be the following major criteria along with others more minor which the Senate applied. Those criteria can be summarized in these quotations:

Is this particular nominee loyal to our form of government?

Is he a man of good character?

Is he a man who possesses the competency to carry forward the policies of the President?

Is he mentally sound?

Does he in any way have a personal or selfish interest in connection with the particular position to which he has been nominated which, from the standpoint of public policy, would disqualify him in any respect for the office?

In the main, I believe that if we examine all the confirmation fights in the history of the Senate, we shall find that those criteria have been the ones which have guided the Senate.

In the 1945 speech I pointed out that under the advice-and-consent clause of the Constitution the Senate does not have the power of appointment. It is not a question whether or not a President of the United States is appointing to his Cabinet a man whom any Senator would appoint if he were the appointive power. The advice-and-consent clause of the Constitution in respect to the confirmation of nominations of Cabinet officers has naught to do with any power of the Senate to appoint. Under the Constitution the appointing power vests in the President of the United States.

I repeat today in essence what I said in 1945. I have no right to take the position, in connection with a single one of these nominations, that I will not vote for the nominee because I do not like his policies; that I will not vote for him because he is not the one I would appoint; or that I will not vote for him because I think his appointment might place me in a position in which I would find myself at issue with him on the merits of certain proposals, which might subsequently come to the Senate. I have no right to pass that kind of judgment on any one of these nominees.

In my speeches on the nominations of Wallace, Lilienthal, Olds, and Anna Rosenberg no proof was presented that any of these Presidential nominees were deficient in character or loyalty to their country. In the debate tonight on the Hall nomination, no challenge was made to his character. I think it is clear that he is a man of good character.

Further, I could not vote against his nomination simply because he is not the man that a majority of the committee would have appointed if the committee had been the appointing power. The advice-and-consent clause does not carry with it the power of the United States Senate to appoint; it carries with it only the power of the Senate to reject a nomination by the Senate if that nomination fails to meet the historic criteria which I have mentioned.

One of these criteria is that of competency. I listened to the debate tonight. If there had been any evidence which had been submitted showing the nominee to be incompetent to fill the job, I would have voted against the confirmation of his nomination. But when I finished listening to the opponents of the nomination, I was satisfied that they had not made a case against the nominee on any charge of incompetency.

Of course, the appointing power is the power of the President, not the power of the Senate, nor of the railroad brotherhoods, either. The advice and consent clause does not authorize the Senate to delegate its authority under that clause to any other group in this country; nor does the advice and consent clause of the Constitution justify us in rejecting a nomination because some other groups in the country would not have made the appointment if they had been in charge of the appointment.

It is unfortunate that the President has made a nomination that is opposed by a majority of the railroad brotherhoods in that there is a strong probability that the nomination will create friction and opposition within the ranks of railroad labor. However, we as Senators have no right to reject a Presidential nomination simply because some of the railroad brotherhoods think the President should not have made the nomination. If we are to protect the separation of powers doctrine of the Constitution and if we are to act within the limitations of the advice-and-consent clause, we should not reject a Presidential nomination unless proof is established which shows that the nominee fails to fulfill one or more of the historic criteria which I have outlined again in this speech.

I listened to the debate tonight for any showing that Mr. Hall was disqualified for this appointment on the ground of another one of the criteria, namely prejudicial bias and self-interest. Nothing was said in the debate that would justify my concluding that Mr. Hall would be disqualified on the basis of any claim that he is disqualified by a conflict of interest. There was no showing that any selfish personal economic interest existed as a bar to his fulfilling the public trust that goes along with the job to which he has been nominated.

The fact seems to be that the President has submitted the nomination of a man who appears to have good character, who possesses sufficient ability to do the work of the position with competency and is not disqualified because of any violation of the conflict of interest statutes. Personally, I think the President made a mistake in appointing a man who has not been a career man in the railroad inspection service. I think the President made a mistake in violating what the chairman of the full committee and the chairman of the subcommittee have pointed out has been an historic tradition in filling this particular job. But, I cannot escape the fact that the President was not legally bound to follow that tradition. If it is desired to make the tradition a legal requirement, the Congress should pass a law requiring that this inspector's position must be filled from the ranks of railroad career inspectors. There is no law which requires the President to follow the long-established precedent of selecting the man for this post from the railroad inspection service.

I think that we have a solemn duty as Senators to follow the historic and constitutional meaning of the advice and consent clause. Simply because a nomination comes to the floor of the Senate which we would not have made, and which we would have preferred the President not to have made, does not justify us, in my judgment, under the advice and consent clause, to refuse to approve the nomination. I think we have a duty to support the hand of the President under his appointment powers, if we really intend to adhere to the separation-of-powers doctrine of the Constitution.

Having listened to the full debate, I am satisfied that the presumption in favor of the nomination which was due the President was not rebutted by the opponents of the nomination. Therefore, because I believe that the separation-of-powers doctrine, under the advice and consent clause, should at all times be respected, and that we should give our advice and consent by way of rejection of a nomination only when it can be shown that the nominee fails to meet one of the criteria I have mentioned, and because the opponents did not make such a showing, I voted to confirm the nomination.

If I had wanted to cast a political vote here tonight, I would have voted against the confirmation of the nomination. But I did not do so because I believe the advice and consent clause should be applied within its historic constitutional meaning.

The principles that I applied to Hall's nomination are the same principles that I have applied for 10 years in the Senate whenever nominations have come before me and I have been called upon to perform my duty under the advice and consent clause of the Constitution. It is my opinion that the railroad brotherhoods who opposed this particular nomination will respect not only the consistency of my record in the Senate in following the historic criteria applicable under the advice and consent clause but will also approve my voting in support of my convictions on this very important constitutional issue.

Mr. CLEMENTS. Mr. President, I move that the Senate return to the consideration of legislative business.

Mr. KNOWLAND. Mr. President, will the Senator from Kentucky yield?

Mr. CLEMENTS. I yield.

Mr. KNOWLAND. Mr. President, there is one more nomination to be considered. The Senator from Kentucky has informed me that he wished to proceed to the consideration of some bills on the legislative calendar, but I should like to have the assurance that the SEC nomination may be considered tomorrow.

Mr. CLEMENTS. I would state to my good friend from California that I should be happy to proceed with the nomination after we dispose of some pieces of proposed legislation which are presently

on the calendar. There is a good attendance tonight, and the Senator from California knows as well as I do that there will be a lengthy discussion on the Patterson nomination. I think it would be better to have it in the daytime than it would to have it tonight.

There is one bill on the calendar as to which the acting majority leader has held off two Members who have been insisting on its consideration. I take it there will be a vote on it. I am hopeful that it will not take long to dispose of it. Then there two measures—Calendar 1215, Senate bill 2604, to increase the borrowing power of the Commodity Credit Corporation; and Calendar 1216, H. R. 5168, to provide for retirement of the Government capital in certain institutions operating under the supervision of the Farm Credit Administration, to increase borrower participation in the management and control of the Federal farm credit system, and for other purposes. Those bills are important to agriculture, and I am hopeful that we can dispose of all three of them tonight.

Mr. KNOWLAND. Mr. President, we have been getting along very happily, but I am very much interested in having the nomination of Mr. Patterson considered because in this instance the President of the United States reached out into the professional staff of the Securities and Exchange Commission and chose a distinguished Virginian who was a member of the professional staff, to move him up. I am very much interested in hearing some of the discussions and arguments which may be made, in view of the fact that there were some complaints that the President did not pick from the professional staff.

Mr. CLEMENTS. I assure the Senator from California that there is no disposition on my part to avoid a vote, but there are some important measures on the calendar——

Mr. KNOWLAND. As the distinguished Senator knows, his party is the responsible party in the Senate. I am not disposed in any sense to interfere with the leadership in the scheduling of legislation. If it is the Senator's judgment that we pass on to legislative business this evening, I shall certainly not resist the motion.

LEGISLATIVE SESSION

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

ESTABLISHMENT OF LOCAL SELF-GOVERNMENT AT THE COMMUNITIES OF OAK RIDGE, TENN., AND RICHLAND, WASH.

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1152, Senate bill 2630.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2630) to facilitate the establishment of local self-government at the communities of Oak Ridge, Tenn., and Richland, Wash., and to provide for the disposal of federally owned properties of such communities.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

HOUSING ACT OF 1955

Mr. FULBRIGHT. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on the housing bill.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 2126) to extend and clarify laws relating to the provision and improvement of housing, the elimination and prevention of slums, the conservation and development of urban communities, the financing of vitally needed public works, and for other purposes, and also the message from the House of Representatives requesting a conference with the Senate thereon.

Mr. FULBRIGHT. I move that the Senate disagree to the amendments of the House, agree to the conference asked by the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. SPARKMAN, Mr. FULBRIGHT, Mr. DOUGLAS, Mr. LEHMAN, Mr. CAPEHART, Mr. BRICKER, and Mr. IVES conferees on the part of the Senate.

FRANCIS O. WILCOX

Mr. MARTIN of Iowa. Mr. President, the appointment of Francis O. Wilcox, of Iowa, to be Assistant Secretary of State for International Organization Affairs, gives our Department of State the services of a truly great scholar, fully qualified and experienced in the field of work that will come within his jurisdiction in his new position.

I have known Francis Wilcox personally longer than has any other Member of the Senate, as I had close personal acquaintance with him during his undergraduate days at the State University of Iowa. Francis Wilcox was from the beginning of his college days a happy combination of brilliant student and outstanding athlete who was exceptionally diligent and dependable in everything he undertook, both in his academic work and in extracurricular activities. He won recognition and membership in the senior honorary group of the university because of his scholarship and leadership. I have noted his record with great pride throughout the years following his graduation. I was proud, indeed, to recommend him for the position of head international relations analyst in the Library of Congress in 1945 and as chief of staff of the United States Senate Foreign Relations Committee in 1947. His record of service in the latter position is best attested by the statements of the members of the United States Senate Committee on Foreign Relations. Their appraisal of his good work is a real testimonial to his qualities which I have been privileged to observe throughout his adult lifetime.

I congratulate Francis Wilcox on his entry upon his new field of service, and I congratulate the Department of State on their securing his services in this very important assignment.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The Chair will exercise his privilege as a Senator by saying a word regarding the appointment of Francis O. Wilcox as an Assistant Secretary of State.

It has been the privilege of the Chair to serve as a member of the Foreign Relations Committee for some 4 years, during which time Francis Wilcox has been the able staff director of that committee. I have known him in many international conferences. I have seen him at work there, and in the committee here.

I have never known a more efficient or effective committee assistant than Francis Wilcox has been. I congratulate him upon the fine recognition which has come to him. At the same time I express the very keen loss which the Foreign Relations Committee sustains upon his leaving. I wish him well in his new work, and I predict a great career for him.

Mr. MARTIN of Iowa. I sincerely thank the Senator from Alabama for his comment with regard to Francis Wilcox. I know that it is highly deserved.

Mr. KEFAUVER. Mr. President, I wish to join the Senator from Iowa in paying very high tribute to Francis Wilcox, and wish him well in his new position. He has served Members of the Senate and of the Foreign Relations Committee ably and in a nonpartisan fashion. He is a man of fine intelligence and excellent outlook. I predict that he will make a great success in his new position.

Mr. MARTIN of Iowa. I thank the Senator from Tennessee very much.

THE WORLD ECONOMIC SYSTEM, AND THE VIRTUES OF THE FREE ENTERPRISE ECONOMIC SYSTEM

Mr. MARTIN of Iowa. Mr. President, the Honorable John C. Baker, the new United States representative to the United Nations Economic and Social Council, made a most significant address when he reviewed the world economic situation before the United Nations Economic and Social Council on Wednesday, July 13.

The United Nations provides a forum in which we can sell the virtues of our free enterprise economic system to other countries. This can only be accomplished when the administration in power is dedicated to the advancement of our economic system. President Eisenhower, Secretary Dulles, and Dr. Baker are working with a singleness of purpose in presenting the facts about our economy to the other countries of the world. Dr. Baker said:

A most significant aspect of our economy during the period of economic readjustment

was the maintenance and even some increase in the level of personal incomes; this, together with the fact that most of our families enjoy relatively high incomes, helped to maintain consumer demand. In this connection, a recent study by a leading private research foundation points out that: "Of all the great industrial nations, the one that clings most tenaciously to private capitalism has come closest to the socialist goal of providing abundance for all."

Mr. President, this statement was the subject for comment by the Russian delegate, Mr. P. N. Kumykin. The Russians find it difficult to accept the truth familiar to all of us that our economic system provides the greatest well-being for the average citizen. If international tensions are relaxed as a result of the Big Four Conference at Geneva, and the burden of taxation can be reduced, then American free enterprise will demonstrate an even greater capacity to advance the well-being of all of our citizens.

Mr. President, on July 7 I reviewed some of the recommendations by Dr. Milton S. Eisenhower in his report to his brother, our great President, on his survey of Latin America during the latter part of 1953. I said:

Ambassador Eisenhower's understanding of free enterprise economic principles impresses me greatly. His report included the following significant statement, with which I heartily concur. He said:

"I feel impelled to express the view that the greatest contribution which the United States can make to the well-being of the world as a whole is the maintenance of a high level of economic activity in this country at relatively stable prices."

Mr. President, Dr. Baker in his address to the Council expressed the identical philosophy. He said:

Mr. President, the American people are more and more aware that their future is intimately affected by the economic events taking place in other lands and on other continents. Other speakers have referred to the importance for their countries of economic developments in the United States. If I were to be asked to sum up the economic philosophy of the United States in this interdependent world, I would say:

First, that the United States can make its best contribution to world economic stability by maintaining a high level of economic activity at home; and

Second, that the United States has a positive and deeply rooted interest in the economic well-being of the free world.

The optimistic forecast for the economy of the free world in Dr. Baker's statement disturbed the Russians. Mr. Kumykin, their delegate, in his comment on the world economic situation referred to an article by the editor of the Journal of Commerce, Mr. Luedicke, which was reprinted in the Commercial and Financial Chronicle, forecasting a downward trend in the United States economy during the second half of 1955. There can be no question that the high level of economic activity which we enjoy and which is based on the people's confidence in the Eisenhower administration has been one of the assets which permitted the free world to negotiate from strength rather than weakness at the Big Four Conference in Geneva. Mr. President, this comment by the Russian delegate on the Journal of Commerce article supports my thesis that everything we say and do in this country is carefully scrutinized by the leaders in Soviet Russia. It emphasizes the need for unity in supporting the President and the principles of our free enterprise economy. The old fashioned campaign oratory with demagogic appeals for votes is a luxury we cannot afford at this historic juncture.

Mr. President, I ask unanimous consent that Dr. Baker's entire statement be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON WORLD ECONOMIC SITUATION BY MR. JOHN C. BAKER, UNITED STATES REPRESENTATIVE TO THE UNITED NATIONS ECONOMIC AND SOCIAL COUNCIL, JULY 13, 1955

Mr. President, those of us who did not have the good fortune to participate directly had the pleasure of following through press and radio the ceremonies at San Francisco reviewing the work of the United Nations during these past 10 years. There, most of the participants were naturally concerned with political matters—with the successes and failures of the United Nations in keeping the peace. But what of the success or failure of the United Nations in the economic field, in its efforts to assist our peoples to make this an easier, a happier, and a more secure world? Are the efforts being devoted to this task really producing results, or is this organization leaving its mark only in the form of debates and reports? If so, sterile, indeed, are our efforts. Let us, therefore, take a quick look at the record of the United Nations and its specialized agencies in the economic field.

The task of building a better world has gone forward, even while we have not been able to achieve the genuine peace which we hoped for at the end of World War II. The work and achievements of the United Nations and of such agencies as the International Bank, the World Health Organization, and the Food and Agriculture Organization represent contributions to human progress the world over.

While it is impossible to measure the total impact of their contribution, it is clear that here is a new and vital force on the international economic scene—the peoples of many lands working alongside each other to grow more food, to bring power and transport to far corners of the earth, to stimulate increased productivity, to encourage trade and international investment. Here is an economic force whose instruments, if wisely used, can help us advance together toward better standards of living.

During these past 10 years, most of us have been concerned with repairing the havoc of war and with accelerating the economic development of underdeveloped countries. In 1945 many areas of the world, often ones which were great centers of population and industry, were in tragic ruin; international economic relationships were disrupted; wartime restrictions seriously inhibited individual initiative. Large areas of the world were indeed on the verge of economic collapse.

By 1955, however, the world picture had changed. In the free world, which is the only part of which we can speak with knowledge, the economic skies are as bright or brighter than they have been in the memory of a generation. Reconstruction has been virtually completed, monetary stability has been largely restored, production far exceeds prewar levels, and real incomes are on the upgrade in many countries. And, finally, the widespread controls which tended to stifle individual enterprise are being progressively dismantled.

In the underdeveloped areas complex and difficult problems remain to be dealt with. Nevertheless, substantial gains are being made even in these areas. Indeed, I know of no other decade in history which shows a rate of development in these countries comparable with that since 1945. What formerly took centuries to achieve is now being accomplished in decades or less.

Thus, on this 10th anniversary of the United Nations and of the Economic and Social Council we can look back with great satisfaction at the world's economic progress. It is remarkable that we have been able to accomplish so much in the face of the tremendous burdens inherited from previous wars, as well as those we have had to assume to prevent future wars. Surely we can look forward with confidence to even greater economic improvement for all peoples, particularly if we can banish the threat of war from the face of the earth.

Peoples everywhere urgently desire economic improvement, and this demand must now be taken into account by all countries. Since this desire is worldwide, the United Nations and its associated bodies must provide an essential meeting ground, where together we can work to fulfill these just aspirations.

May I now turn from this brief contrast of the present world economic situation with that of 10 years ago to a closer examination of the economic developments during the past 18 months.

In 1954 and the early part of 1955, most industrial countries enjoyed a state of full or nearly full employment. This bright picture in employment was generally associated with an equally bright picture in the wage earners' levels of living. In many of these countries workers were enjoying a rising share of the benefits of increased production.

Economic readjustments in the United States, following the end of hostilities in Korea, did not, as some had feared, produce substantial changes. Instead, they proved to be hardly more than a brief interruption to the remarkable economic growth enjoyed by our free-enterprise economy since the war. Furthermore, this interruption did not have the unfavorable repercussions on the rest of the free world that many people had previously believed must necessarily follow.

Western Europe continued to demonstrate its growing economic strength by lifting its industrial production 8 percent above that of 1953. In Latin America, generally, production continued to increase and the foundations for further industrial and agricultural expansion continued to be laid. There, as also in Asia and many parts of Africa, development programs were reaching the point where tangible returns could be expected. Improvement in these latter regions was substantial in various directions—notably in food production—and several countries made marked advances in manufacturing industry. We have still to see the full impact of these development programs in view of the basic and long-term nature of so many of the projects.

During 1954, the volume of international trade reached new record levels. Also, the world generally continued to move toward a healthier pattern of trade, due in large part to the continued growth of production in Western Europe. The overwhelming dependence of the free world on the United States as a source of imports and as a market for many exports, which characterized the early postwar years, was further reduced. The monetary reserves of countries other than the United States continued to increase, reaching $25 billion by the end of 1954, compared with a little over $15 billion 5 years earlier.

There were, of course, fluctuations during 1954 in the prices of certain foodstuffs. But in contrast to the steep rise and subsequent decline associated with the Korean war, the

average price index for primary commodities continued fairly stable.

While various individual countries had their problems, the general balance-of-payments situation continued to improve to the point where there was, in the words of the World Economic Review, "a growing tendency to dismantle parts of the machinery of international trade controls on which most nondollar nations have had to rely up to now for protection of their balance of payments."

In general, the situation with respect to internal financial and price stability continued to improve. While in some areas inflationary forces have not yet been brought fully under control, many countries showed greater readiness to promote stability by wise use of the powerful instruments of monetary and fiscal policy.

Now I should like to deal with recent developments in my country in somewhat more detail.

During last year's debate on the world economic situation, the United States representative analyzed the forces operating in our economy during 1953 and the early part of 1954, which resulted in a heavy decline in defense and inventory spending with its attendant impact on production, employment, imports, and other phases of our economy.

By the spring of 1954, these readjustments had run their course and for the next few months our economy moved on an even keel. The index of production remained steady and prices held fairly firm. Then, the forces making for further growth asserted themselves and gathered strength. The slack created by the cuts in defense expenditures and liquidation of inventory was taken up by increased expenditures in other directions, particularly for consumers' goods and housing.

The Federal Government and the Federal Reserve System took steps to promote expansion. Fiscal and monetary policy was used to stimulate consumers, business firms, and State and local authorities to increase their expenditures. Taxes were cut early in the year and legislation providing for increased social security payments became effective toward the end of 1954. Federal Reserve banks lowered their rediscount rates and reduced reserve requirements for member banks. Residential construction was encouraged and mortgage financing was made available on more liberal terms.

A vigorous demand for new automobiles, along with the growing requirements of the construction industry, helped to spread the recovery into almost all segments of our economy.

A most significant aspect of our economy during the period of economic readjustment was the maintenance and even some increase in the level of personal incomes; this, together with the fact that most of our families enjoy relatively high incomes, helped to maintain consumer demand. In this connection, a recent study by a leading private research foundation points out that: "Of all the great industrial nations, the one that clings most tenaciously to private capitalism has come closest to the socialist goal of providing abundance for all."

During the past 6 months business activity has been advancing on every front. New production records have been achieved in many industries. Our gross national production is now moving to new peaks.

As to the course of business activity during the next 6 or 12 months, most responsible opinion in the United States looks toward the immediate future with confidence. The base of our business expansion has now become so broad that, even should some decline develop in particular industries, it should have a smaller impact on total economic activity than otherwise would be the case.

Furthermore, many manufacturers who had previously planned to reduce investment in new plants and equipment below the 1954 level now expect to increase this investment. It is noteworthy, for example, that the iron and steel industry which plays so important a role in the economy of many industrialized nations has decided in the United States to increase its capital expenditures in 1955 above the 1954 level.

As regards the long-term prospects for our economy, I have no hesitation in expressing the greatest confidence. The factors which warrant this confidence were discussed by my predecessor in his statement on the world economic situation in this Council a year ago. I need only recall that they include a rapid growth of population; long-term need for large amounts of basic construction in such areas as transportation, housing, and education; the potentialities of our expanding programs of scientific and industrial research; the high quality of our business and labor leadership, the incentives of our free enterprise system, and the readiness of our Government to encourage and support individual initiative; and the embodiment of all those elements in a continued rise of productivity. The prospect ahead is more than a vision of our economists. It is the basis on which business firms everywhere are confidently planning for the future.

Mr. President, the American people are more and more aware that their future is intimately affected by the economic events taking place in other lands and on other continents. Other speakers have referred to the importance for their countries of economic developments in the United States. If I were to be asked to sum up the economic philosophy of the United States in this interdependent world, I would say:

One, that the United States can make its best contribution to world economic stability by maintaining a high level of economic activity at home; and

Two, that the United States has a positive and deeply rooted interest in the economic well-being of the free world.

These are the guides in the simultaneous pursuit of our national interest and the discharge of our international responsibilities. These are the bases on which the United States has erected its programs for economic expansion at home, for closer international economic relations through trade and investment, and for assistance to underdeveloped countries.

At home our objective is a dynamic one—the promotion of the steady growth of our economy. The elements of the administration's program designed to encourage continued economic growth were set forth in the economic report by the President to Congress in January of this year. The list of measures proposed is too long to recapitulate here, but it is included in our reply to the Secretary-General's questionnaire on full employment.

The major elements of our foreign economic program, designed to stimulate economic growth in the free world are, I am sure, well known to all of you—a 3-year extension, now enacted into law, of the authority of the President to negotiate reciprocal tariff reductions with other countries; the proposal to join the Organization for Trade Cooperation; to administer the provisions of the GATT; further simplification of our customs procedures; measures designed to stimulate the flow of international private investment, including proposed United States membership in the International Finance Corporation; encouragement of travel abroad by Americans; a program of United States participation in overseas trade fairs; continued participation in programs of technical assistance; greater use of the Export-Import Bank to finance sound development projects when financing by private capital or the International Bank is not available; and continued cooperation in the economic development of underdeveloped countries.

These, then, are the major elements of our program of action in the economic field. All of them are intended to contribute either toward maintaining prosperity at home or to the stability and expansion of the world economy generally. We believe that taken together they can make a substantial contribution toward meeting our common problems.

The people of the United States would rejoice if a lessening of international tension should make it possible to turn additional resources from defense to peaceful consumption and development. Obviously, reduction of armaments cannot be carried very far as a unilateral process. It can only be advanced by collective arrangements in which the participating nations have full confidence. We have already made many efforts to promote such arrangements and we will continue to explore every avenue that may lead toward a more peaceful world.

President Eisenhower himself gave this assurance less than a month ago when, at San Francisco, he declared:

"The United States will leave no stone unturned to work for peace. We shall reject no method, however novel, that holds our only hope, however faint, for a just and lasting peace."

International disarmament would bring substantial benefits to all our peoples. Resources now devoted to multiplying weapons of destruction could be channeled into activities for economic well-being. In this better world mankind could move forward with new vigor to loftier cultural and spiritual levels as well as to higher living standards.

In no field is the contrast between the potentialities of resources devoted to instruments of warfare and resources devoted to peaceful uses more striking than in the field of atomic energy. It is not my purpose to enlarge here on the horrors of atomic warfare. They are well recognized everywhere. As to the peaceful use of atomic energy, however, let me remind you of the prospects as outlined by President Eisenhower in an address delivered on June 11. I quote:

"The extent of the economic and industrial changes that we can anticipate is indicated by estimates that world sources of uranium potentially available contain as high as 20 times the energy of the world's known reserves of coal, petroleum and natural gas combined. And power is only one of the results of nuclear fission. Many engineers and scientists believe that radiation and radioactive isotopes may provide even greater peacetime benefit. They are already opening new horizons in medicine, agriculture and industrial processes."

Within a few days the representatives of many nations will convene in these very halls to discuss the distance we have come, the road we may be traveling, and the technological and economic problems involved in applying atomic energy in its manifold peaceful uses. As this conference undoubtedly will attest, many countries are conducting research and development work in this field which is likely to become increasingly fruitful. Of particular interest, in the light of our discussions in this Council, is the opinion of experts that, for some time to come, the advantages of atomic power will probably be greatest to countries which do not possess the resources for producing relatively cheap electric power by conventional means.

In his address of June 11, President Eisenhower outlined the steps the United States is taking to promote the development of nuclear energy for the general benefit of mankind. He proposed to offer research reactors to the people of free nations who can use them to acquire the skills and knowledge essential to peaceful atomic progress. He also proposed, within prudent security considerations, to make available to the peoples of such friendly nations as are prepared

to invest their own funds in power reactors access to and training in the technology of construction and operation for peaceful purposes.

In the meantime, we are doing our utmost to ensure that an international atomic energy agency will be an operating institution as soon as possible, and we sincerely hope that the Soviet Union will eventually decide to participate in it.

The purposes of this proposed agency would be closely related to those of the United Nations, primarily the Economic and Social Council. We hope that, if and when it is established, this relationship will be formally recognized in its statutes. Advancement in the application of the enormous potential of atomic energy to peaceful uses will require the solution of many technological and economic problems. Progress in finding sound solutions to these problems can be promoted through effective international cooperation in the exchange of knowledge and information, training in the necessary skills, and intelligent planning in the use of resources. The framework for this international effort is rapidly being established. The United Nations, with this Council as its principal coordinating body in the economic and social field, will have a vital role in that effort.

Meanwhile, the United States has entered into a number of bilateral agreements, and is negotiating more, under which other nations will participate with us in the task of promoting peaceful atomic development.

Mr. President, it is clear that in my country, and indeed in most parts of the free world, the economic outlook is brighter than ever before and that the world is full of hopes for the future. These hopes may involve different objectives for our various countries. But there is one objective which, under the charter of the United Nations, should be the goal of all of us—to banish force and the threat of force as an instrument of national policy. Let us then, as members of the United Nations, vie with one another not in the arts of war, but in the ways of peace, in building a world of expanding freedom and increased well-being for all mankind.

Mr. MARTIN of Iowa. Mr. President, on several previous occasions I have addressed the Senate on the efforts being made by certain countries within the United Nations to implement portions of the Habana Charter for an International Trade Organization. You will recall the Congress was asked to approve the Habana Charter by President Truman in 1949. The House Committee on Foreign Affairs conducted hearings in the spring of 1950, but made no report. Late in 1950, President Truman announced that he would not ask the 82d Congress to again consider the Habana Charter. Mr. President, it is significant that the Soviet Union was not a signatory to the Habana Charter. Yet on Thursday, July 14, the Russian delegate to the United Nations Economic and Social Council, Mr. Pavel Nikolayevitch Kumykin, announced that the U. S. S. R. was ready to join the nonexistent International Trade Organization. He introduced Resolution No. E/L. 677 which reads as follows:

The Economic and Social Council,

Observing, that the charter of the International Trade Organization drawn up in Havana has not so far been brought into operation;

Considering the increasing need for setting up within the framework of the United Nations an international organization which would facilitate the development of international trade relations and thereby raise the level of living of the peoples and mitigate the tension in international relations;

Invites the governments of states members of the United Nations to ratify the charter of the International Trade Organization as soon as possible and requests the Secretary-General to take appropriate steps for calling the first regular session of that organization.

Mr. President, this action by the Soviet Government once again emphasizes the importance of the stand which this administration has adopted in rejecting membership on the Commission on International Commodity Trade designed to implement chapter VI of the Habana Charter, and in rejecting the report of the Ad Hoc Committee on Restrictive Business Practices which was designed to implement chapter V of the Habana Charter. The Congress and the administration have both made it clear that this country is dedicated to furthering economic advancement through the development of free, competitive private enterprise. Congressional approval of the Organization for Trade Cooperation will make it impossible for the Russians to appear to be cooperating with the West by advancing the formation of an organization which would never be acceptable to the United States. They can then show their good faith by joining the Organization for Trade Cooperation and assume, of course, the obligations which such membership entails.

Mr. President, in my remarks of June 20 on the subject of the OTC, I said:

I have no fear that this administration would ever accept an amendment to the OTC agreement that would compromise its stated position. Unfortunately some future administration may not be so dedicated to these principles. Therefore, I shall support United States participation in OTC provided the resolution, which I know we shall adopt, contains a reservation that any new obligation to be imposed upon the United States as an amendment to this agreement can only be accepted by the United States with the concurrence of the Congress.

The introduction of this resolution by the Russians makes my reservation absolutely necessary if we are to protect the economy of the United States. We are making progress, Mr. President, and I again commend the Secretary of State for the fine work by our delegation to the 20th session of the Council.

ESTABLISHMENT OF LOCAL SELF-GOVERNMENT AT THE COMMUNITIES OF OAK RIDGE, TENN., AND RICHLAND, WASH.

The Senate resumed the consideration of the bill (S. 2630) to facilitate the establishment of local self-government at the communities of Oak Ridge, Tenn., and Richland, Wash., and to provide for the disposal of federally owned properties of such communities.

Mr. ANDERSON. Mr. President, S. 2630, the Atomic Energy Community Act of 1955, is designed to permit the residents of Oak Ridge, Tenn., and Richland, Wash., to buy the houses in those cities and assume the responsibilities of local self-government.

These cities were built by the Manhattan Engineer District in order to house the many thousands of persons employed at the tremendous atomic plants at Oak Ridge and at Richland. At the present time the population of these 2 towns totals nearly 61,000 persons. There are nearly 20,000 units of property which will be sold under the provisions of this proposed bill.

The bill was reported unanimously by the subcommittee of the Joint Committee on Atomic Energy; it was reported unanimously by the full Joint Committee on Atomic Energy; and it comes to the Senate with the strongest possible recommendation as a result of hearings which have been held in the field.

The bill contemplates having the Commission map the town and obtain appraisals on all of the property by the Federal Housing Commissioner. Appraisals will be the fair market value of the Government's interest in the property. The bill would permit the people in the cities to obtain the residential property for 85 percent of the appraised value. This reduction of 15 percent is to encourage the immediate purchase of as much of the property as possible.

The bill also provides that the Commission may transfer the municipal facilities to the city incorporated at the community or to any other appropriate municipal entity and to hospitals being turned over to nonprofit organizations.

There are four utilities which are also involved in the disposal program. These are the bus system at Oak Ridge, the electrical distribution system at Oak Ridge, the electrical distribution system at Richland, and the telephone system at Richland. The members of the committee individually have spent more time on the telephone system problem than on any other facet of the bill. We believe that the present bill fairly takes care of the telephone system at Richland, as well as any of the other utilities. The bill provides that the transferee must have the legal authority to receive and operate the utility, and in determining the transferee the commission may consider the pattern of ownership of comparable utilities in the State in which the community is located, the ability of the transferee to operate the utility, the probable price of the sale of the utility, and the objections of the voters of the community.

I mention those things because we had a stream of letters from a telephone company which said, "Don't set up a municipally owned telephone company and start giving us a pattern different from what we have known." The pending bill tries its best to insure that will not happen, that the telephone facility will be disposed of to some existing utility, but it does not permit one utility to be the only bidder. Therefore, it says that some other utility or some other organization or political entity could get it solely for the purpose of making sure a fair bid is received for that utility.

If, after having made the choice of the transferee on the basis of the items I have specified, the Commission decides that transferee of any of the utilities should be the city, the Commission is authorized to give the utility to the city. This authorization is given solely because

the Commission will have to make assistance payments to the city. If revenues from the utility can be used to diminish those payments, this is one factor that the Commission can and must consider in reaching its basic decision as to the transferee.

The Manhattan Engineer District selected the sites for the town in view of the needs for national defense. It constructed the town and established the level of services at rather high rates. The schools especially have become well known for their excellence. The towns immediately surrounding the communities do not have high tax rates. If these towns are to attract any new industry, and it is hoped that they will, then they must not be forced at the outset to charge high taxes, for the tax rate will prevent any new industry from coming in.

After examining the draft legislation prepared by the Commission and listening to the residents, the joint committee felt that as long as the Commission required the high level of services in the towns which it had established in order to attract atomic scientists, the Commission should help pay for so much of that burden for which the town has no other revenue.

Furthermore, because of the one-industry nature of this town as established by the Federal Government, it was thought wise to provide the indemnity clause for people who buy property in the town. If the employment in the area drops below 90 percent of the present levels, there can be serious repercussions on those persons who have to move. The real-estate market can seriously be affected. One of the provisions in this bill permits priority purchasers to buy the property without the indemnity clause. For this purpose there is a 10 percent additional deduction permitted.

The joint committee has been especially anxious that the Commission remove itself from the field of community operation for a long time. We think that this bill is the first step. We hope that it will pass and that the citizens of these towns will at last shortly be able to assume the obligations of local self-government.

I recognize that there can be and probably will be read into the debate a letter from the Atomic Energy Commission pointing out that it does not subscribe to the provisions of the bill. I believe also there will be a letter from the Bureau of the Budget likewise saying it does not approve the provisions of the bill.

Mr. President, they have been attempting for years to solve this problem. Year after year the Atomic Energy Commission has said, "Yes, we believe these communities should be self-sustaining. We believe they should be allowed to have self-government. But we just cannot see giving them all the things they now ask for."

I wish to say there is a vast difference between the community at Los Alamos and the two other communities. It has been brought out that the community at Los Alamos should not be entirely self-governing. I can understand a valid objection made to such a setup. Los Alamos is primarily a laboratory. If we did get ourselves into a time of difficulty, it would be wise to protect the laboratory from prying eyes. However, that argument does not apply to Richland and Oak Ridge. We have entirely different conditions there. Those communities ought to have self-government.

I wish to say only this with respect to the views of the Bureau of the Budget and the Atomic Energy Commission. The Atomic Energy Commission had a chance to work out the problem. Year after year the Atomic Energy Commission has failed to come up with a good solution. Every time the Atomic Energy Commission comes up with an answer, the people living in that area will not take it. Yet there are 61,000 people living in those two communities. They have a right to self-government.

Mr. President, I will leave this thought, which I hope will stay in the minds of every Member of the Senate: There is no doubt that there should be no local self-government in either of these communities unless the people are willing to incorporate their communities and undertake the responsibility of self-government and buy their homes. If we put such provisions in the bill and so frame it that there will be no desire on the part of these communities to do those things, then the whole program will fall flat.

I say that while theoretically it is nice for the Bureau of the Budget to say the payments should be guaranteed only for 3 years, the man who wrote that letter did not realize the peculiar character of these communities.

At Oak Ridge we have a gaseous diffusion plant. I am not trying to discuss any scientific possibilities; I am merely using a hypothetical case; but there is a possibility that there could develop a situation which could affect the whole town of Oak Ridge overnight. So Oak Ridge is different from the ordinary community. It is all very well and good to say to a farming community that it should sustain itself; that, after 3 years, it should be able to get on its own feet, and therefore must guarantee to carry these burdens after 3 years. But that is not the situation in these communities.

Today we saw a release about a satellite that is going to be outside the atmosphere, circling the globe. That is a sort of Buck Rogers story, and there are Buck Rogers stories in connection with the development of atomic energy. There are persons who believe that soon it will be possible to have direct transformation of uranium into electrical energy. Once that happens, one of these plants might be closed overnight. Then are we to say to the people of these communities, "You have to buy them and within 3 years you will have to assume the entire burden"?

That does not make a lick of sense, Mr. President; and if such a provision is included in the bill, we shall merely be saying to 61,000 persons, "We have given lip service to self-government, but you shall not have self-government, because we shall make it impossible for you to have it."

Mr. President, let us bear in mind that these are high-cost communities. In these communities, the percentage of persons with college educations is higher than probably in any other areas in the United States. The people of these communities have demanded a good education for their children—and properly so. But the cost of these communities is relatively high.

If, after 3 years, we place the entire burden on the communities, we shall be saying, in effect, that no new industries shall come there; because if the communities have to bear the entire tax burden after that length of time, and if those who live in the communities, including all private firms and industries doing business there, will have to absorb and handle the entire tax burden—because the other industries will be Government owned, and will not pay taxes—then no new industries will be willing to move there, because the entire tax burden will have to be carried by the non-Government groups.

In connection with the establishment of new industries, I may mention the business of supplying isotopes. There is in Houston a firm whose sole business is the supplying of isotopes to the oil industry. Suppose someone wished to establish such a business at Oak Ridge. Would he do so, knowing that if the Government closed the plant at Oak Ridge, the entire burden of the community would fall on his business and other private businesses there, and thus result in their confiscation?

That is why the bill includes a provision which protects the people of the community over a long period of years.

Mr. MORSE. Mr. President, at this point, will the Senator from New Mexico yield to me?

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from New Mexico yield to the Senator from Oregon?

Mr. ANDERSON. I shall yield after I make a final statement, Mr. President.

Let me say that many times I have seen an advertisement to the effect that one picture is worth a thousand words. I submit that the impression these communities have made upon the joint committee has been worth a thousand words which could be written about this matter. The joint committee went to Oak Ridge, and visited with the people who live there and who wish to have self-government, if it is to be established there. The joint committee went to Richland, and visited there the people who will be involved in this situation. The joint committee brought back testimony to the effect that if the bill is not handled in this fashion, those people naturally will not accept self-government.

So, Mr. President, I say that the Senate must decide whether these 61,000 persons shall be allowed to live as free American citizens should live; or whether because of the position once taken by the Atomic Energy Commission, and from which the Commission apparently is unwilling to recede, the people of these communities shall be told, "We will never give you self-government; we are always going to keep you where we can move you out if we feel like doing it."

I think the latter is a wrong principle. I think the bill should be passed in the

form in which it has been reported. Again, I remind the Senate that the bill was reported unanimously by the subcommittee—by both Republican members and Democratic members alike. As a matter of fact, at the last hearing at Oak Ridge, a Republican Member of the House of Representatives, from Pennsylvania—Representative VAN ZANDT—did a great deal of the work; and in reporting the bill he also did a great deal of the work. Within the subcommittee there was no division whatsoever on political lines; and within the full committee, again, the vote was unanimous. There was no division as between the parties; all members of the joint committee recognized that this is the way this matter should be handled.

Mr. President, for a long time we have been promising the people of these communities that they will have self-government. This is the time to give it to them, if we meant what we said.

Now I yield to the Senator from Oregon.

Mr. MORSE. Mr. President, I congratulate the Senator from New Mexico for being one who, over a long period of time, has worked very hard in going most carefully into this matter.

I wish to inform him that I have checked very carefully into the property transfers involved, and I am satisfied that the Government will be well compensated for its interest.

Insofar as transfers are concerned, I think the bill stands on the same footing as that of the Boulder City, Nev., bill, which the Senate passed in the last several days, and in regard to which I explained at some length that the bill met all the requirements of the Morse formula.

I wish to say that in my judgment the bill now pending also meets all the requirements of the Morse formula, as regards having the Federal Government receive adequate compensation for all its interest in the property to be transferred.

Mr. ANDERSON. I thank the Senator.

Mr. President, I wish to say that these communities are becoming older, and all the houses are becoming older, and are beginning to present a very heavy financial burden on the Government. The reason is rather simple: If a man owns his own home, and if a downspout develops a leak, he can try to patch it; he may have in his home a soldering iron, and he may try to solder the broken spot, and thus patch the downspout and cure the leak. Or if a shingle comes loose from the roof, he may try to fix the shingle himself, instead of calling for a carpenter to fix it.

But in Oak Ridge, the people who live in these houses are not permitted to make the repairs; and the minute a shingle comes off the roof, a call must be made to the service agency, which sends there a truck, in charge of 1 or 2 men, who examine the damage; and they decide what damage has occurred and what repairs shall be made, and then they send for a carpenter to make the repairs. All that costs the Government a great deal of money.

So we believe that the saving to be made in this connection will be ample to pay for any guaranties the Government will be making to the people there. That is the situation as regards Oak Ridge and similar communities.

The joint committee has gone thoroughly into this situation. Year after year after year there has been a promise that there will be a bill which will take care of these people. Finally we have a bill which will do that—and a bill about which the joint committee is happy, and one which the Atomic Energy Commission should have been willing to accept, although I regret very much to say that it has not done so.

So, Mr. President, we hope very much that the bill will be passed by the Senate, and will become law.

Mr. KNOWLAND. Mr. President, I offer the amendments, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendments will be stated.

The CHIEF CLERK. On page 3, in the table of contents, it is proposed to strike out:

SEC. 94. Level of service.
SEC. 95. Commission contracts.

And insert in lieu thereof:

SEC. 94. Commission contracts.

On page 29, line 1, after the word "shall", it is proposed to insert "for a period of 3 years."

On page 30, beginning with line 1, it is proposed to strike out all down to and including line 19.

On page 30, line 20, it is proposed to strike out "c" and insert in lieu thereof "b."

On page 31, line 8, it is proposed to strike out "d" and insert in lieu thereof "c."

On page 31, after line 14, it is proposed to insert:

d. With respect to any entity, not less than 6 months prior to the expiration of the 3-year period referred to in subsection a, the Commission shall present to the Joint Committee on Atomic Energy its recommendations as to the need for any further contribution payments to such entity. If it recommends further contribution payments, it shall propose a definite schedule of such contribution payments which will provide for an orderly and reasonably prompt withdrawal of the Atomic Energy Commission from participation in and contribution toward local government.

On page 32, beginning with line 6, it is proposed to strike out all down to and including line 16.

On page 32, in line 17, it is proposed to strike out "95" and insert in lieu thereof "94."

Mr. KNOWLAND subsequently said: Mr. President, I ask unanimous consent that immediately following the point at which my amendments were submitted to the pending bill, there may be printed in the RECORD a statement relative to the amendments which I have prepared.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KNOWLAND

The purpose of the amendments to S. 2630 which I have offered is to meet objections which have been raised by the executive branch. These objections are set forth in a letter from the Bureau of the Budget which I inserted in the CONGRESSIONAL RECORD of July 28 (p. 11805) and a letter from the Atomic Energy Commission which appears in the joint committee report on this bill.

The amendments would limit the initial provision for annual assistance payments to a period of 3 years, subject to reconsideration and, if necessary, extension following a review of the situation to be made by the Atomic Energy Commission.

It appears that without the time limit contained in these proposed amendments, the Federal Government would continue to be intimately concerned with the details of the operation and financing of municipal activities into the indefinite future. This relationship would be undesirable to both the residents and the Federal Government.

The proposed amendments also would eliminate provisions which would involve the Commission, or some other Federal agency on its account, in a new type of Federal-local governmental relationship requiring (1) a Federal evaluation of the services rendered in all cities in the United States of population groups comparable to Oak Ridge and Richland, (2) a judgment as to the level of services in the upper quartile of these comparable communities, and (3) a comparison of this level with those prevailing locally in Oak Ridge and Richland. Federal Government evaluation of local government services would represent a most undesirable innovation in the relationships between the Federal Government and local governments.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. Are the amendments just read now the pending question before the Senate?

The PRESIDING OFFICER. The Senator is correct.

Is it the purpose of the Senator to have the amendments considered en bloc?

Mr. KNOWLAND. Yes. I ask unanimous consent that the amendments which I have offered may be considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed the bill (S. 2126) to extend and clarify laws relating to the provision and improvement of housing, the elimination and prevention of slums, the conservation and development of urban communities, the financing of vitally needed public works, and for other purposes, in which it requested the concurrence of the Senate; that the House insisted upon its amendments to the bill; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. RAINS, Mr. WOLCOTT, Mr. GAMBLE, and Mr. TALLE were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7117) making appropriations for the legislative branch for the fiscal year ending June 30, 1956, and for other purposes;

requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. NORRELL, Mr. KIRWAN, Mr. ROONEY, Mr. CANNON, Mr. HORAN, Mr. BOW, and Mr. TABER were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 100) to permit the mining, development, and utilization of the mineral resources of all public lands withdrawn or reserved for power development, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ENGLE, Mr. ASPINALL, Mr. ROGERS of Texas, Mr. SAYLOR, and Mr. YOUNG were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 4048) making recommendations to the States for the enactment of legislation to permit and assist Federal personnel, including members of the Armed Forces, and their families, to exercise their voting franchise, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BURLESON, Mr. ASHMORE, and Mr. MORANO were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 3653. An act to amend the Tariff Act of 1930 to provide for the free importation of amorphous graphite;

H. R. 4376. An act to exempt from duty the importation of certain handwoven fabrics when used in the making of religious vestments;

H. R. 4581. An act to amend the Internal Revenue Code of 1954 with respect to the tax on cutting oils;

H. R. 5249. An act to amend the Internal Revenue Code of 1954 to provide for refund or credit of internal-revenue taxes and custom duties paid on distilled spirits and wines lost, rendered unmarketable, or condemned by health authorities as a result of the hurricanes of 1954;

H. R. 5428. An act to amend the Internal Revenue Code of 1939 with respect to the period of limitation for filing claims by certain transferees and fiduciaries for credit or refund of income taxes;

H. R. 6122. An act to remit the duty on certain bells to be imported for addition to the carillons of The Citadel, Charleston, S. C.;

H. R. 6595. An act to amend certain provisions of law relating to the estate tax;

H. R. 6634. An act to provide for the conveyance of 1.8 acres of land, more or less, within the Grapevine Dam and Reservoir project to the city of Grapevine, Tex., for sewage disposal purposes;

H. R. 7012. An act to amend section 209 (a) of the Technical Changes Act of 1953.

H. R. 7054. An act to amend the Internal Revenue Code of 1939 to provide a credit against the estate tax for Federal estate taxes paid on certain prior transfers;

H. R. 7095. An act to provide that the tax on admissions shall not apply to certain athletic events held for the benefit of the United States Olympic Association;

H. R. 7364. An act relating to the application of the documentary stamp tax to transfers of certain obligations paid for in installments; and

H. R. 7618. An act to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 291. An act to extend the retirement income tax credit to members of the Armed Forces;

H. R. 542. An act to amend the Internal Revenue Code;

H. R. 727. An act to authorize the conveyance of certain land to the Pecwan Union School District for use as the site of a school;

H. R. 898. An act to provide for the approval of deeds executed by the heirs of Anna Hollywood Fickz;

H. R. 910. An act to authorize and direct the sale of certain land in Alaska to John Ekonomos, of the Fairbanks Precinct, Alaska;

H. R. 939. An act for the relief of Laura Safir;

H. R. 999. An act for the relief of Nurith Spier;

H. R. 1159. An act for the relief of Anna Histed (nee Wiesneth);

H. R. 1160. An act for the relief of Vittorio Capano;

H. R. 1408. An act for the relief of Caterina Ruello;

H. R. 1976. An act for the relief of Luigi Tomasella;

H. R. 2788. An act for the relief of Miguel Sandoval-Michel (also known as Arturo Rodriguez-Gomez);

H. R. 2851. An act to make cornmeal and wheat flour available to needy persons;

H. R. 3437. An act to amend the Internal Revenue Code of 1954 to provide for a maximum manufacturers' excise tax on the leases of certain automobile utility trailers;

H. R. 3712. An act to extend the period during which claims for floor stocks refund may be filed with respect to certain manufacturers' excise taxes which were reduced by the Excise Tax Reduction Act of 1954;

H. R. 3856. An act for the relief of Leopoldine Simonetti;

H. R. 3956. An act for the relief of Elizabeth Rotics Whitney;

H. R. 3990. An act to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development, and utilization of the water resources of Alaska;

H. R. 4718. An act to authorize and direct the issuance of patent to Robert W. Retherford, of Anchorage, Alaska, to certain land in Alaska;

H. R. 5080. An act for the relief of Florence E. McConnell;

H. R. 5936. An act to provide wage credits under title II of the Social Security Act for military service before April 1956, and to permit application for lump-sum benefits under such title to be made within 2 years after interment or reinterment in the case of servicemen dying overseas before April 1956;

H. R. 6002. An act for the relief of Helene Rapp;

H. R. 6036. An act for the relief of Mrs. Florentine Kintzel;

H. R. 6896. An act for the relief of Luisa Guidi Miller;

H. R. 7148. An act to amend the Internal Revenue Codes so as to provide a personal exemption with respect to certain dependents in the Republic of the Philippines; and

H. R. 7224. An act making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred, or placed on the calendar, as indicated:

H. R. 3653. An act to amend the Tariff Act of 1930 to provide for the free importation of amorphous graphite;

H. R. 4376. An act to exempt from duty the importation of certain handwoven fabrics when used in the making of religious vestments;

H. R. 4581. An act to amend the Internal Revenue Code of 1954 with respect to the tax on cutting oils;

H. R. 5249. An act to amend the Internal Revenue Code of 1954 to provide for refund or credit of internal revenue taxes and custom duties paid on distilled spirits and wines lost, rendered unmarketable, or condemned by health authorities as a result of the hurricanes of 1954;

H. R. 5428. An act to amend the Internal Revenue Code of 1939 with respect to the period of limitation for filing claims by certain transferees and fiduciaries for credit or refund of income taxes;

H. R. 6122. An act to remit the duty on certain bells to be imported for addition to the carillons of The Citadel, Charleston, S. C.;

H. R. 6595. An act to amend certain provisions of law relating to the estate tax;

H. R. 7012. An act to amend section 209 (a) of the Technical Changes Act of 1953;

H. R. 7054. An act to amend the Internal Revenue Code of 1939 to provide a credit against the estate tax for Federal estate taxes paid on certain prior transfers;

H. R. 7095. An act to provide that the tax on admissions shall not apply to certain athletic events held for the benefit of the United States Olympic Association; and

H. R. 7364. An act relating to the application of the documentary stamp tax to transfers of certain obligations paid for in installments; to the Committee on Finance.

H. R. 6634. An act to provide for the conveyance of one and eight-tenths acres of land, more or less, within the Grapevine Dam and Reservoir project to the city of Grapevine, Tex., for sewage disposal purposes; to the Committee on Public Works.

H. R. 7618. An act to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; placed on the calendar.

UNITED STATES CONFERENCE WITH RED CHINA

Mr. JENNER. Mr. President, it is deeply shocking to me to learn of the meeting set for August 1 in the ill-fated city of Geneva between an Ambassador of the United States and an Ambassador from the blood-stained gangster regime of Red China.

How much more shocking it must be to men who fought in the Korean war, and who watched their comrades die, in hope of ending the ruthless violence of the Chinese Reds.

How sad it must be to the brave Americans who endured months and years of torture in Chinese prisoner-of-war camps to know that our Government is willing to sit down and negotiate what is called peace with these gangsters.

The United States has nothing to discuss with Red China.

We cannot in honor discuss the freeing of our prisoners of war, now held by Red China in violation of their solemn agreement at Panmunjom.

The United States cannot trade in the honor of its fighting men.

Our fighting men are part of the sovereign dignity of the United States itself.

We cannot permit our concern for these men to be the subject of bargaining with Red China any more than we could permit any other limitation on our sovereign honor to be the subject of bargaining with Red China.

I do not care whether the publicists of the State Department call these men members of a U. N. military force or not.

These men are American fighting men.

They were drafted by an American Congress, under the power of Congress to raise forces for the defense of the United States.

They served the American commander in chief, not the agent appointed by U. N. to head its mythical "peace forces."

We cannot surrender our support of our fighting men to any secretary-general of the U. N. who is the employee of the Soviet Union, as much as of the United States.

These prisoners of war must be released because America demands it, as her sovereign right, not because our diplomats have become brokers making a deal with an international Al Capone, in the name of "peace."

It is likewise none of our business to discuss a cease-fire in the Formosa Strait.

A cease-fire there is a matter between the free Chinese and the Communist usurpers on the mainland.

The Red Chinese have dangled every incentive before us, to get us to sit down and talk about a cease-fire in the Formosa Strait, because it is the perfect booby trap.

The minute we put ourselves in the position of discussing a cease-fire which involves free China, but does not involve us, the Reds will trumpet it all over Asia that Nationalist China is not free, but only a satellite of the United States.

What better argument could they have to take the heart out of the patriots on mainland China, than to say, "You cannot hope for a return to freedom by way of the Nationalists. The government on Formosa, which calls itself free China, is only a puppet of America."

The newspapers tell us that, after the conference of ambassadors from Red China and the United States, we shall need a conference of foreign ministers.

That, of course, they say, will not mean recognition of Red China.

Oh, no, of course it will not seem to be the pitiful slaves of communism that we are catering to with the powers that enslaved them.

Oh, no. U Nu has already told us that the next step is all prepared—admission of Red China to the U. N.

He made a slip, and betrayed the confidence someone in the State Department imposed upon him.

His propaganda role was to be subtle and delicate, while Krishna-Menon wielded the blackjack.

Our newspapermen tell us Krishna-Menon bluntly told the American Government, on his visit here, that the Red Chinese would mount an attack on Formosa at once, if we failed to arrange a properly respectful conference with Red China.

What did our Government do?

It cringed before the threat of Krishna-Menon.

It bowed to the demands of the gangster leaders at Peiping.

It used the great American diplomatic establishment, founded by George Washington and Thomas Jefferson, and guided, over the generations, by brilliant scholars and patriots of both parties, to do the dirty work of bending the neck to the Reds.

I have taken due note of the statement by the minority leader that he had categorical assurances from a very high level in the State Department that no demand or ultimatum was made by Mr. Krishna-Menon upon the United States.

The denial, I believe, concerned the fancy writing rather than the facts.

Mr. Alsop dramatized his story, but other writers have given us essentially the same report—Red China threatened that she would attack free China, right after the Geneva Conference if she did not get the conference she wanted.

Krishna-Menon has been their spokesman, so presumably he conveyed their warning or demand or ultimatum, call it what you will.

Mr. President, I call attention, briefly, to the dangerous deterioration of our position in Asia.

When the Korean fighting ended, our forces had completely defeated the Red Chinese, even with our hands tied behind our backs.

Three years ago, we were in a position to demand whatever settlement we desired, to keep the peace in Asia.

What did we do instead?

Korea has one of the largest fighting forces in the world.

It has guns but no bullets.

It has planes, but not planes equal to those the Red Russians are giving the Korean Reds.

North Korea has been completely rebuilt in violation of the armistice, but we have made no objection.

We are withdrawing our forces from Korea, as we did in 1949 and 1950.

We hear from Seoul that the Koreans would now like to be recognized as a "neutral" country like Austria.

When Koreans ask to put their heads into the Communist bear-trap, the morale of free Asia must have fallen very low.

On Formosa a patriotic Chinese Army, eager to fight for its homeland and for its own blood relatives in Communist toils, wastes away in inaction.

We gave this army guns and training, but for defense only.

Meanwhile the Red Chinese have built airfields and concentrated troops and equipment in readiness, as near as possible to Formosa, while we pretend not to look.

We were promised here in the Senate, when we voted the Formosa resolution, that our Government would never again tolerate the buildup of Red Chinese airpower and firepower at points on the border of the free world.

There were to be no more Yalus.

The Red Chinese were not deterred by these promises.

They went ahead and built their airfields, and they have never been molested.

Perhaps someone in our Government told them they would never be molested, as someone told the Reds during the Korean war they could freely move their armies from central China to Korea, because Free China would not be permitted to move against them.

In Indochina, Premier Diem was able, in spite of the shameful Geneva agreement of 1954, to rally his people and make a stable government in what was left of Indochina.

We know the Reds have violated the cease-fire agreement in every possible way, but there is no protest by our Government.

Instead, we hear from Geneva that the United States has promised France and England that it will put pressure on Diem to go ahead wtih the elections which Red military preparations in North Vietnam have made into a mockery of free voting.

We have just given a triumphal reception to the premier of Burma, U Nu, who boasted after his visit, that Burma had got rid of both its Communists and anti-Communists.

We give audience to Krishna-Menon, as the great authority on the problems of China, but we have forgotten the existence of the Nationalists who are our friends.

Neither do we have time to notice the Japanese.

Small nations spoke out bravely in defense of freedom at Bandung.

Their leader, Carlos Romulo of the Philippines, spoke with the true accents of 1776.

These nations, young in freedom, are our truest friends, but someone in our Government prefers to be friends with Red China.

Mr. President, in 1951, the United States had valiant, well-armed friends in Asia, each of which had a strong anti-Communist government and each of which had patriotic, well-armed divisions ready and waiting to spring upon Red China, if it attacked.

Mr. President, our strength in Asia has melted like snow in August.

Now we are losing our last shred of moral leadership by taking part in diplomatic conferences with Red China.

Do not imagine the people of Asia do not see.

Do not imagine the people of Europe do not see.

Do not imagine the people in the captive nations do not understand.

What they see is the progressive abandonment by the United States of all genuinely anti-Communist nations, and the gradual but continuous shift to support of the pro-Communist governments.

Mr. President, that is not American foreign policy.

These people may speak in the name of America, and use, or misuse, the governmental agencies of the United States.

But they cannot speak for America and they cannot bind America.

The American people love peace but they mean peace with honor. We have heard much talk about peace in the past few days, but I have not heard a word about liberty and freedom being coequal with peace.

The American people know there can be no peace without liberty.

Our policy is not peace at any price.

It is peace with freedom.

America does not need a band of satellite states to protect it from attack.

It does not need a wasteland of neutralist dependencies to protect its freedom.

Dictatorships need satellites and neutralist dependencies.

We do not.

All that America wants of other nations can be best achieved if they are free.

Free nations, ready and willing to defend themselves, are the only support we need for American foreign policy.

There is only one cause of tension in the world.

That is the fact that the Communists have established a police state over their own people.

They enslave the workers of their country to make them into a military machine, to win more conquests.

There is only one way to relax international tension, and that is to end the police state control of the Communists over their own people, and the enslavement of human beings to build a military machine.

The only possible American foreign policy is unremitting support of nations which have the will to be free, and unremitting pressure, through diplomacy and trade, against the dictatorships which put an end to freedom.

I do not know what commitments may have been made at Geneva, to make deals with the Red governments and let the anti-Communist governments fall without letting it look as if we pushed them.

I trust the President's categorical insistence that he made no deals, but I have no evidence whatever that the deals have not been made, by other officials at Geneva, or at other times or places.

I hereby serve notice, Mr. President, to the Soviet Union and to Chinese Reds, that if any such deals were made by any American official, they will not be honored by the American people.

I hereby promise the free anti-Communist governments of Europe, of Asia and Africa, that I shall do all in my power to see that our policies and actions help strengthen their freedom.

I believe many, if not most, of the Members of Congress are ready to make the same commitment.

The United States will not abandon its historic position as the friend of nations which love liberty.

It will not build a system of alliances with great powers which rest on slavery, by surrendering the freedom of small nations which are injuring no one.

Such alliances are not the road to peace.

They are the road to appeasement, that temporary lull which is always followed by a more horrible war.

To insure, Mr. President, that Congress can support its policy of peace with freedom by prompt action, in the event of danger, I suggest to the leadership that they consider this possibility: Instead of adjourning sine die, let the Congress adjourn, with a date set for reconvening about October 1.

That will be assurance to the smaller nations of Asia, Africa, and Europe that the soul of America has not changed.

That can be our promise, that we will not be moved by all the threats of the dictators, and we will never abandon our friends among the nations which wish to be free.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks an editorial which appeared yesterday in the Indianapolis Star entitled "Both Peace and Freedom."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BOTH PEACE AND FREEDOM

President Eisenhower has unquestionably seized and kept the diplomatic initiative by his brilliant performance at the Big Four Conference. He has achieved one fundamental aim of American policy—to make it clear to the rest of a doubting world that the United States means what it says when it speaks of working for peace in the world. His dramatic offer of mutual arms and bases inspection has shown beyond a doubt that this country will make great concessions for peace if they are met with equal concessions from the Soviet Union.

But American foreign policy is concerned with more than peace, for, if peace is all we want, we could have it tomorrow. All we would have to do is to surrender our liberties to the Kremlin in return for it. It would be the peace of the prison, but it would be peace.

So it is peace with freedom that must be the combined American policy everywhere in the world. At Geneva the President did much to advance the cause of peace. But little, if anything, was done to advance the cause of freedom and national independence.

Mr. Eisenhower, in his initial summation of American objectives in Europe, called for the creation of a united, independent Germany plus political liberty for all of the captive peoples behind the Iron Curtain. But if the freedom of these enslaved peoples was discussed thereafter with the men in the Kremlin, the rest of the world did not hear about it. The subject—a distasteful one to the Soviets—was just dropped. Perhaps it was postponed. But it should not be postponed for long, for it seems clear that no American policy can succeed in achieving the objectives of traditional American principles unless the issues of national independence and political liberty are a part of it.

The plain truth is that the Soviet Union has not retreated 1 inch from its aggressive political capturist. It has not granted political freedom to those nationals over which it gained control at Yalta. It has not permitted free elections in any of its captive states. Nor has it in any way changed its record of violating every single treaty it has made with any state since the founding of the Soviet Republics. We have no concrete evidence whatsoever that any future agreements with the Kremlin will be honored if any are made.

We do not share the President's optimism about the possibilities of peaceful and fruitful agreements with the Soviets in the future. While he has won a dramatic victory for America's position in the world by his own personal achievements at Geneva, he has not caused any noticeable change in Soviet strategy or tactics nor achieved any real concessions from the Soviets.

The present weakness of American policy lies in the failure of the President to make the issue of liberty coequal with the issue of peace. For real peace can only be assured in our world when the peoples of all nations are free to choose their own governments and restrain them from aggressive war. Real peace will only be possible when the revolution that began in this country becomes worldwide when dictatorial governments that can make war without popular approval are replaced by governments controlled by the people themselves.

The President has taken a long step toward the objectives of a sound American policy. But one step is not enough. The second step—toward the reassertion of the principle of liberation for all captive peoples—must come next. We hope the President will not be long in taking it.

Mr. JENNER. Mr. President, I also ask unanimous consent to have printed in the RECORD as a part of my remarks an article by David Lawrence entitled "How—," published in U. S. News & World Report, on July 29, 1955.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

How—

(By David Lawrence)

Assuming the sincerity of a Soviet desire for peace and not for just a breathing spell, how can such a goal be achieved?

The statesmen at the summit have struggled with that dilemma. They have tried conciliatory words. They have tried fraternization. They have tried earnest argument. The net result thus far has been little change on substantive matters from the fixed positions that have prevailed now for several years.

Why? The simple answer is that, while the desire for peace may be strong on both sides, the instinct for self-preservation—a defense against possible attack—is still stronger.

Try as President Eisenhower might to persuade his former comrade in arms, Marshal Zhukov, to see that the North Atlantic Treaty Organization could protect Soviet Russia against a rebirth of German militarism, the Russian Defense Minister can hardly accept such a thesis if he is convinced that behind NATO is a military alliance aimed at Soviet Russia alone.

Conversely, when Marshal Bulganin proposes a 50-year collective-security treaty for Europe which is based primarily on the abrogation of the North Atlantic Treaty and the Paris Accords, the President and his Western colleagues naturally brush it aside as devious.

What we are witnessing is a demonstration of the impossibility of negotiating any important agreements when there is basic distrust.

How, then, can distrust be removed and trustfulness substituted? The Big Four meeting would have made more progress had it engaged in an analysis of what brought about the present differences of viewpoint rather than a discussion of proposals which, however meritorious in themselves, cannot be accepted on a background of bad faith.

Doctors tell us that, before they can prescribe a cure, there must be a diagnosis. Can the statesmen bring out the facts and outline accurately the points of digression since 1945 so that both sides may see clearly why there is an impasse?

They can, of course, yet they have preferred to assume that by wishful thinking the past can be made to seem nonexistent.

But the past is there—before our eyes. So is the present. The satellites in Eastern Europe are there—oppressed and tyrannized—notwithstanding the pledges of the Atlantic Charter.

The situations in other vital areas are there—from North Korea to Indochina and from one end of North Africa to the other, where Communist subversion has stimulated uprisings and aroused national passions.

The situations inside Latin America and, indeed, inside the United States are there, too—plain to see as the Alger Hisses and the Klaus Fuchses and the whole Soviet espionage system have infiltrated our institutions.

These pages of history must be reexamined and the facts hammered home. We must acquaint the people of Soviet Russia with the whole background of Communist faithlessness which has brought us to the point where today we hesitate to accept the word of the Moscow regime.

How can we make worthwhile agreements with a group of evil men who run a police state and keep millions of persons in Siberian prison camps? A dictatorship can arbitrarily start a war of aggression without giving the people a voice in such a momentous decision. We can photograph each other's military installations to satisfy a world craving for steps toward preventing war, but nobody can photograph the minds of evil men who can conceal from the camera their satanic purposes. How can we negotiate effectively with rulers who permit no political opposition, no free elections, no guaranties of individual rights?

The answer is that we cannot achieve peace with such a government, and the sooner we acknowledge that fact the clearer will be the air.

We should, moreover, use every device of publicity and communication to analyze the causes of the tension of today between East and West and carry the case to the court of public opinion throughout the world—and this includes Soviet Russia.

Why not ask the Soviet regime to permit inside all countries a free discussion of the causes of mutual distrust? Why not urge Moscow to stop jamming the Voice of America and our radio broadcasts? It's a simple way to bring out the truth. And if the Soviet rulers aren't afraid of argument—if they think they can answer it all persuasively—why should they not welcome the chance for the moral forces of the world to pass judgment on the debate?

War is not a solution. Compromise with principle is not a solution. But the building of a bridge of trust with the Russian people is a solution. Governments come and go—but relations with peoples can be placed on a basis of enduring and understanding friendship.

Mr. JENNER. Mr. President, I also ask unanimous consent to have printed in the RECORD as a part of my remarks an article by Robert Brown entitled "U. N. Command Uneasy Over Reds' Military Buildup in North Korea," dated July 26, 1955.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of July 26, 1955]

U. N. COMMAND UNEASY OVER REDS' MILITARY BUILDUP IN NORTH KOREA

(By Robert Brown)

PANMUNJOM, KOREA, July 26.—It was supposed to be just a normal armistice when it was signed.

But this "temporary" Korean truce enters its third year tomorrow.

No peace is in sight. Far from it—there is a growing uneasiness in the United Nations command over the concentrated military build-up in communist North Korea.

The buildup, of course, is in flagrant violation of the armistice. In 2 years the Red violations have multiplied.

When the shooting war ended, the North Koreans had no jet fighter planes and no military air fields.

MODERN AIR FORCE

Today the Korean Reds have a modern air force of 300 Russian-built MIG jet fighters and 120 bombers. They have at least 15 air bases and more are under construction.

The 600,000-man North Korean army is getting the latest in Russian equipment, including new catapult-type guns mounted on trucks.

The U. N. Command says that the Communist military force in North Korea now totals more than 1,200,000 men.

The U. N. Command has lived up to its word in the armistice—not to strengthen its position. It has brought no new equipment into South Korea.

The United States has pulled out most of its MIG-killing jetfighter force. The U. N. ground force has dwindled from 8 United States divisions to 2 undersized divisions. Few combat veterans are left.

FEW REMAIN

Of the other Allied countries that sent ground troops to fight the Reds, all that remains are a small British Commonwealth division, 5,000 Turkish troops and a company each from Greece, Thailand, and Ethiopia.

But the Republic of Korea—South Korea—is better able to defend itself than it was when the Reds struck across the 38th parallel of latitude on June 25, 1950.

The equipment of the South Korean army is old. But South Korea now has the fourth largest army in the world with 20 active divisions of about 14,000 men each and 10 reserve divisions which are being built up to 10,000 men each.

Mr. JENNER. Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks an article by Constantine Brown entitled "United States Wavers on Peiping Stand," published in the Washington Evening Star of July 27, 1955.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES WAVERS ON PEIPING STAND—POST-GENEVA REVERSAL SEEN AS REDS SEEK TO BARTER AMERICAN PRISONERS

No sooner did President Eisenhower set foot on American soil than a surprise announcement was made: The United States and Red China will talk over on the ambassadorial level the question of the release of 51 American prisoners officially known to be held in Communist China.

The first forecast that something like that was in the wind came from the administration's spokesman on important international matters, Democratic Senator WALTER GEORGE, who was also the first to forecast our acceptance to attend the meeting at the summit.

Within less than 24 hours the State Department made the momentous announcement that conversations with the Chinese Communists would start next Monday. Besides the question of repatriating the Americans, the two Ambassadors will explore how "to facilitate further discussions and settlements of certain other practical matters now at issue between both countries." This seems to cover the whole waterfront.

The reassurance given to the American people after his conference at the White House by Senator KNOWLAND, Republican, of California, that the administration does not contemplate taking up questions affecting the Nationalist Government without their presence, was not completely reassuring. There have been "inspired" indications from the State Department that if the Chinese Reds prove themselves "understanding" and return the American captives, the road might be open to discuss other important topics such as a cease-fire in the Formosan Straits, where there has not been even desultory firing for several months, and especially resumption of trade relations. Insofar as the much-talked-of cease-fire is concerned, we have never been actively involved in the earlier affrays. If any such talks are necessary, they should take place between the involved parties, Free and Communist China, with our sitting in the role of "friend of the court."

The administration seems to have reversed itself after the Geneva conference in more than one way. Heretofore it has held the view that the Peiping Communists are holding our people as pawns, whose freedom they intended to bargain for major political concessions. The administration and many of its spokesmen held emphatically that some of the American prisoners had in effect been kidnapped; the men in uniform were held in disregard of the Korean armistice. One does not reward the kidnapper, it was said, for having returned his victim, or the bank robber for having returned the loot. Yet within 24 hours after President Eisenhower's triumphal return from Geneva, this new unexpected development occurred, to the amazement of all those who professed to know that we had not changed our position in the Far East at the summit conference.

To the chroniclers of the future, Geneva will be a city of ill omen insofar as its role as a political gathering place is concerned. It was the seat of the ill-fated League of Nations; it was there that the French surrendered Indochina to the Communists, and it may be that it was at Geneva again that some promises, irrelevant insofar as official statements of the Big Four were concerned, were made in regard to China. Undoubtedly, no secret agreements were concluded among the Big Four. We have President Eisenhower's word for it and that should be sufficient. But there is an inescapable feeling that without having committed himself to concessions to the Communists in the Far East as President Roosevelt did at Yalta, the President might have promised, "for the sake of world peace," direct conversations with Peiping for the purpose of relaxing the tension in the Far East. The ethics of conversing at a high level with a government guilty—even more than the U. S. S. R.—of murders and international brigandage; a government which still stands branded as an aggressor, seem unimportant in modern diplomacy. Expediency is the only spring that makes today's statesmanship tick. Apparently the arguments presented last month by Prime Minister Nehru's troubleshooter, Krishna Menon, to President Eisenhower and his top advisers, have planted a seed which is now coming to fruition. And when the Soviet delegates at Geneva added their own persuasive pleadings, the earlier determination of the administration to have no truck with kidnapers until our men are unconditionally returned, was shaken.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. JENNER. I yield to the Senator from Oregon.

Mr. MORSE. I share the point of view of the senior Senator from Indiana. For Congress to adjourn on August 1 and not return to Washington until the first part of January is too long a time for Congress to be out of session. I think that not only should we come back into session on or about October 1, so that we can carry out our obligations under the checks and balances system in respect to any foreign policy problems which might need congressional attention at that time, but also I think we should come back at that time and pass a road bill. We ought also to pass a school construction bill. I think, further, that we should give attention to some much

needed legislation in the field of social security benefits.

I think there is much work that ought to be done, and a session should be held starting in October, after we have spent some time at home and have listened to the people, because I am certain they will give us a great many instructions in respect to unfinished business.

Mr. JENNER. I thank the Senator from Oregon.

APPLICATION BY DIVISION OF HOUSING OF NEW YORK STATE FOR ASSISTANCE UNDER SECTION 314 OF THE 1954 HOUSING ACT

Mr. SPARKMAN. Mr. President, I was happy to learn of the initial application by the Division of Housing of New York State for assistance under section 314 of the 1954 Housing Act. This section provides for grants to assist public bodies in the development of methods and techniques for the prevention and elimination of slums and urban blight.

Under Joseph P. McMurray, Commissioner of Housing—whom, by the way, many Senators will remember as having been staff director of the Senate Committee on Banking and Currency for a long time—New York State is proposing a double-barreled attack on the problems of urban renewal. The first proposal, one which will be of national importance, will explore the field of housing codes, especially in the area of minimum occupancy standards, to determine the feasibility of a State Housing Code which can be adopted by reference at the community level. This study will not have such a code as its immediate goal, but will lay the groundwork and do the research necessary to provide the foundation for an agency of the State to develop and administer the code in its final form. The research thus completed, and the experience thus gained should be valuable to those States elsewhere in the Nation which wish to provide their cities and communities with a sound, workable housing code as part of the prerequisite workable program of an urban renewal contract.

The second proposal, the most comprehensive received to date by the Urban Renewal Administration of the Housing and Home Finance Agency, covers six phases of inquiry encompassing the entire field of urban renewal and redevelopment. The six phases will be developed within a representative community in the State, and the aspects of the pilot project applicable to the Nation will be tested and reported in detail. There will be an economic base study; combined with a physical evaluation of the community; and followed up by an inquiry into the extent of public support at the local level. This will provide the comprehensive survey which will determine the scope of the project.

The next phase will develop standards which will determine what constitutes a desirable neighborhood and how it can be created through new growth or rehabilitation.

The fourth phase will develop factors in the determination of residential, industrial, and commercial reuse potentials.

Fifth, standards will be developed to determine the condition of structures, the feasibility and practicality of rehabilitation, and the criteria or standards to be applied.

Sixth and last, the impact on a community of a comprehensive urban renewal development and housing program in terms of its physical, social, and economic structure will provide many answers to the questions now facing the cities of our country.

How best can they resolve their slum problem and the areas that are slipping into blight and decay? What can they do to lessen the costly burden of these areas and increase their tax revenues? How can they encourage private investment to join hands with public funds in rebuilding our cities?

As a means of testing the standards and techniques which the above program will develop, the Division of Housing of the State of New York anticipates a further application which will carry out a pilot project of rehabilitation in an area of the study community. Proving in brick and mortar the theories of research and study will provide the final test. This was indeed the intent of that section of the housing act dealing with demonstration grants.

I am happy to see this proposal made by the Division of Housing of New York State. It is important to develop and test the answers to the problems of urban renewal. The Division of Housing of New York State has the technical background and wealth of experience in housing and community rebuilding. Most of all, it has the initiative and leadership to carry a project through to a successful conclusion—one whose benefits will inure to the communities throughout the Nation.

I think this is an example of the kind of cooperation we expected between State and Federal agencies administering this program. I should like to commend the Director of the Urban Renewal Division, Commissioner James Follin, for his good work in getting this program underway. I know that, with the cooperation he will get from Joe McMurray, it will prove all that we hope for this program.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. LEHMAN. I was very much interested in the remarks of the Senator from Alabama. Most of us have known Joe McMurray for many years because of his long service as housing expert with the Committee on Banking and Currency. I have watched with very great interest and admiration his progress since he became housing commissioner of my State. He is doing a superb job, and is being backed up by the State and city authorities. So we are really making considerable headway in changing the very low-standard areas of ours cities into reasonably good areas. But a tremendously increased amount of shelter is needed. Large numbers of public-housing units are required in order to take care of those who are displaced from their homes by reason of urban redevelopment, than which I believe nothing is more important.

I very much hope that the efforts which are being made now by men like Joe McMurray and others throughout the Nation will receive the full support of Congress in enacting housing legislation.

Mr. SPARKMAN. I appreciate the remarks of the junior Senator from New York. I have often said that no one in the United States knows more about housing than does Joe McMurray. I think that is true. I think he is absolutely dedicated to his job.

What distresses me is that the program of slum clearance and urban renewal is tied so closely to the public-housing program that with virtually no units of public housing being provided the question naturally arises, What is going to be done with the people who are being moved out of the slum clearance housing units, people who have no place to go?

Under the law and under the procedures which have been set up, unless there is a place for them to go, we cannot move ahead with the slum-clearance and urban-renewal projects. So it seems to me that we are caught in a rather vicious circle which must, sooner or later, be broken.

Mr. LEHMAN. That is the immediate danger which confronts us.

Mr. SPARKMAN. I think so.

ABANDONMENT OF PLANS TO OFFER UNITED STATES COTTON ABROAD AT REDUCED PRICES

Mr. JOHNSTON of South Carolina. Mr. President, I wish to read to the Senate an item which appeared on the news ticker this afternoon:

WASHINGTON.—The Agriculture Department apparently has abandoned for the time being plans to offer United States cotton abroad at reduced prices in an effort to expand exports.

Several months ago, Secretary Benson told a news conference that there was a possibility the Department would announce a new cotton export policy for the marketing year beginning August 1.

It is known that the agency proposed that the Government offer private exporters a subsidy which would enable them to buy cotton on the American market and sell it abroad at lower prices in competition with foreign cotton. But the State Department opposed this plan on the contention that it would be criticized abroad as "export dumping."

The Department then turned to the idea of offering some of its own surplus stocks on the export market at reduced prices. Similar objections were made to this plan, not only by the State Department but also by some trade groups. The latter contended such action would rule private stocks of cotton out of the export market.

A statement the Department prepared for issuance later today or Monday gave an indication that there will be no immediate change in export policies.

This statement gives a list of selling prices or surplus Government-held commodities which the Department will offer for sale abroad during August. In the case of cotton, the terms are the same as they have been for months—terms which hold this cotton considerably above competitive world market levels.

What was being prepared to be done is sell surplus cotton at the world price, which usually is about 10 or 15 percent less than the market price. I was opposed to that for the reason that if cotton is dumped on the foreign market at the foreign market price instead of at the price in the United States, the man who is selling cotton at the present time is going to be affected. A large amount of cotton cannot be dumped on the market without affecting the market price.

In addition, cotton would be sold cheaper on the foreign market than it would to manufacturers in the United States. Again, it would affect competition in the United States.

All those factors enter into the picture, but the main reason for my opposition is that such action would ruin the farmers. If it were done at another time, it might be better, but right now the farmers are beginning to gather their cotton. It would be different if it were done after the farmers had gathered their cotton and had paid their little grocery bills. This is a most inopportune time to be dumping surplus cotton on the market. I do not think it should be done.

Furthermore, the Committee on Agriculture and Forestry is going to make an extensive study of the subject as soon as Congress adjourns. The committee is going to find out from all over the country what should be done with our wheat, cotton, and other agricultural products which exist in surplus quantities in the United States at the present time. Why should action such as is contemplated be taken before an investigation is made? It is entirely wrong.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. HUMPHREY. I merely wish to express my thanks to the Senator from South Carolina for his explanation of what is becoming a matter of discussion and deep concern in the Senate. There are different points of views. I happen to believe that the Senator from South Carolina has made a logical presentation, and I wish to thank him for doing so. I have discussed this matter with other Senators. I believe the statement of the Senator from South Carolina makes very good sense.

CHARLES L. McNARY AND PUBLIC POWER POLICIES IN PACIFIC NORTHWEST

Mr. NEUBERGER. Mr. President, on July 29, 1935, the first bill providing for the sale and distribution of hydroelectric power from Bonneville Dam was introduced in the United States Senate. The author of the bill was Charles Linza McNary, Republican minority leader and Senator from Oregon since 1917. Section 3 of that bill provided as follows:

> In the disposal of such power not required for navigation facilities, preference shall be given to States, counties, municipalities and to cooperative organizations of citizens not organized for doing business at a profit.

Although Charles L. McNary was the most distinguished Republican whom my State has ever produced, the Republican Party in Oregon is now engaged in an all-out effort to prove that any such clause as was contained in section 3 of Senator McNary's bill must be regarded as some form of so-called creeping socialism.

Early in April of 1955, a prominent Oregon Republican was testifying before the Senate Interior Committee on the question of the proposed Hells Canyon Dam. He said that any proposal to give preference to nonprofit agencies in the sale of Government power was "inequitable, un-American, and discriminatory."

Yet Charles Linza McNary, Republican minority leader in the Senate, fathered the preference clause in the Bonneville Act. Is it the purpose of Oregon Republican leaders, in 1955, to convince voters that Oregon's greatest Republican was guilty of fathering legislation which is "inequitable, un-American, and discriminatory"? These are rather harsh words, I would say.

Another Oregon Republican leader, at the Hells Canyon hearing of 1955, told the Interior Committee of the Senate that Charles L. McNary "did submit to it—the preference clause—under pressure of the public-power advocates of Oregon at the time."

Mr. President, I challenge this unfavorable and unflattering picture which contemporary Republican leaders in Oregon of the 1955 vintage are trying to portray of the illustrious Charles L. McNary. They are trying to claim that Senator McNary never really believed in the public-power preference clause at all, but merely included it in his Bonneville bills because of "pressure."

NEUBERGER VOTED FOR M'NARY ON OREGON BALLOT

Lawyers have a saying, Mr. President. It is in Latin, like so many legal expressions. It goes like this: De mortuis nil nisi bonum.

It means, literally, "of the dead nothing but good." Most civilized human beings try to live up to this maxim. Why attempt to blacken the name of a man or woman who has passed on, who has gone to whatever Valhalla awaits us? Yet, Mr. President, Oregon Republican leaders seem so anxious to thwart public power that they even will belittle the character of Oregon's greatest Republican in an effort to make a point. If it will help to lessen public faith in the public-power-preference clause, these Republican sachems in Oregon will paint the late Charles L. McNary as a political weakling who had no mind or opinion of his own, but merely bent under so-called pressure from public-ownership advocates.

I knew Charles L. McNary. I often wrote about him. I visited him at his home in the Willamette Valley, Fir Cone. I tramped over his rolling acres with him. I corresponded at length with him on issues of the day. Although I am a Democrat and have been proud to be a Democrat since my 21st birthday, I voted for Charles L. McNary for the United States Senate, and I have never made any secret of that fact. Principles are more important than political partisanship with me, Mr. President. I glory in the fact that I occupy Charles L. McNary's seat here in the Senate, but I would be happy if that distinguished public-power advocate were still alive, and I could be one of his many loyal constituents.

Mr. President, I renounce the suggestion of certain Oregon Republican leaders that Senator McNary bent under any application of the political thumbscrews and submitted to the preference clause.

I already have noted how the public-power preference clause was included in the first Bonneville act which Senator McNary sponsored in 1935. Two years later, as the great dam on the Columbia River neared completion, he introduced another proposal for marketing power. Section 4 of that bill provided as follows:

> In order to insure that the facilities for the generation of electric energy at the Bonneville project shall be operated for the benefit of the general public, and particularly of domestic and rural customers, the Administrator shall at all times, in disposing of electrical energy generated at said project, give preference and priority to public bodies and cooperatives.

This is the language which certain prominent Oregon Republicans—not rank-and-file Republicans, thank goodness—regard as inequitable, un-American, and discriminatory.

Mr. President, present Republican philosophy in the field of waterpower is so far distant from that of Senator McNary that supporters of the two concepts could not even communicate with each other by smoke signals. They are as wide apart as the North Pole and the South Pole.

PARTNERSHIP NEVER ADVOCATED BY CHARLES L. M'NARY

In 1921 Senator McNary began crusading for a Federal dam at tidewater on the Columbia River. Not once during long years of heartache and disappointment and failure did he ever suggest that a compromise form of partnership be arranged with the private power companies, so the utilities could control the revenues and output from the powerplant at the dam. He fought for a Federal dam and he never bartered with the utilities to get the dam authorized. The result is Bonneville Dam—a 100-percent Federal project with no partnership gimmick.

Go upstream on the mighty Columbia from Bonneville and look at McNary Dam. Whenever I see the long row of concrete piers at McNary Dam, Mr. President, I get a real thrill. If Charles McNary were here with us, I know he would be thrilled, too. The naming of that dam represents the height of nonpartisanship—the kind of political cooperation which America needs—at its best. McNary Dam was approved and built during the administration of Democratic Presidents of the United States. But the dam was unhesitatingly named in tribute to a lifelong Republican, Charles Linza McNary. This cooperation in the naming of McNary Dam symbolizes the way Charles L. McNary acted while he was alive. He worked with Franklin D.

Roosevelt and with Harry S. Truman to promote Federal power projects on the continent's greatest river for waterpower, the majestic Columbia.

Contrast this cooperation with what is happening in the Congress of the United States today.

Leading Republican Members of Congress from Oregon tell us that we can expect no more Federal projects, like Bonneville, and thus we must surrender the valuable power-producing features of Government dams to private-utility companies. This challenges the entire approach to resource development taken by Charles L. McNary, who served in the United States Senate from 1917 until his untimely death in 1944 without once proposing legislation to form a partnership between the Government and private utilities to build or operate Columbia River power projects.

A great ceremony in honor of Charles L. McNary was arranged as a Republican political feature of the 1954 campaign. At that ceremony, Federal dams were criticized and partnership dams were heralded. No one can speak for the dead. Yet I wonder, Mr. President, if Charles L. McNary would not have preferred to be honored in deeds rather than words? Might he not have favored speeches upon that occasion at McNary Dam which promised that future dams on the Columbia River would be Federal projects, like Bonneville and Grand Coulee and McNary, and not some hybrid affairs that are half-Government and half-private-power company?

LIKE M'NARY, EARL WARREN UPHELD PREFERENCE CLAUSE

When I think of Charles L. McNary, Mr. President, I think also of another progressive Republican who reminds me of McNary in character and in viewpoint and temperament.

This man is Earl Warren, the Chief Justice of the United States Supreme Court. Is Earl Warren guilty of views which are inequitable, un-American, and discriminatory? Yet, in one of the last interviews which Earl Warren gave in California, before he ascended to the highest judicial post in the land, Governor Warren was favorable to the public-power preference clause. He told members of the press:

> When power is developed under those circumstances, through tax moneys, as it is under reclamation law, the Federal law should be followed, giving preference to any public agencies that desire to purchase it, whether they be irrigation districts, water-conservation districts, or cities.
>
> Because the people pay for the development of such power, they are entitled under the law and by right to first call on it. The law in my own State for the past 20 years has followed the Federal reclamation law of 1903, in providing that public agencies are entitled to preference in the purchase of such power where it is developed by the State.

Mark well that date, Mr. President, 1903. Theodore Roosevelt, another progressive Republican, sat in the White House when this law was enacted. Three illustrious Republicans of liberal views—Teddy Roosevelt, Charles L. McNary, and Earl Warren—all have championed the public-power preference clause, which certain prominent Oregon Republicans now consider to be "inequitable, discriminatory, and un-American." Are we to be told by these folks that Teddy Roosevelt and Earl Warren likewise submitted "under pressure from public-power advocates"?

Let me say that the hostility of Oregon Republican sachems to the policies of Charles L. McNary does not extend to rank-and-file members of the Republican Party. I am convinced, Mr. President, that the average Republican in Oregon still cherishes and upholds the public-power beliefs which motivated Senator McNary during his notable career. Senator McNary has been deserted only by the top rung of Oregon Republicans, who have heard the siren song of the private-utility propagandists. He has not been abandoned by the typical man and woman in the Republican Party. They are continuing to be loyal to McNary's liberalism and to his faith in genuine conservation of our great natural resources.

M'NARY VERSUS THE REPUBLICANS OF 1955

In two decisive and major particulars, the power policies of this national administration differ fundamentally from those of Charles L. McNary, the famous Oregon native son who served longer than anyone else in Oregon history as a United States Senator.

First, Senator McNary favored the use of such sites as Grand Coulee and Bonneville for wholly Federal multipurpose projects. This administration has adopted a totally different course. At the great John Day site—a site similar geographically to Bonneville—the administration proposes partnership with a galaxy of private-utility companies. These companies will get the profitable powerhouse at John Day Dam, the Government will receive the unprofitable fish ladders, locks, and flood-control gates. At the great Hells Canyon site—a site similar to Grand Coulee—the administration suggests complete surrender of the site to the Idaho Power Co., with no Federal project at all along this roaring stretch of the Snake River.

Second, Senator McNary persistently favored the public-power preference clause, as I have described. Quite obviously, there will be no application whatsoever of the public-power preference clause under either the proposed partnership arrangement at John Day or under the relinquishment of the Hells Canyon location to Idaho Power Co.

This explains why the present administration is of space-ship distance from the late Charles L. McNary, so far as power policies are concerned. Mr. President, Charles L. McNary has a memorable place in the history of Oregon because he was for the public interest rather than for special privilege. He sponsored power development fair to all citizens, whether they were farmers or homeowners or industrialists. He fought for enactment of the Clarke-McNary Forestry Conservation Act, to safeguard our timber in the public interest. He championed the McNary-Haugen farm debenture bill, which finds its modern counterpart in the domestic parity plan for wheat, now sponsored in S. 1770, which I have been privileged to introduce with the senior Senator from Oregon [Mr. MORSE] and with the Senators from Washington [Mr. MAGNUSON and Mr. JACKSON]. Senator McNary never subscribed to the Hoover doctrines now heard in the land, that "user charges" should be levied upon use of the locks at Bonneville, the Dalles, and McNary Dams; nor did he go along with proposals that the postal savings system be abolished and that private utilities be allowed to purchase Federal power at the busbar of Government dams. He proposed Government transmission lines to the major load centers, where the people could decide for themselves whether they favored public or private distribution of the energy in their local communities.

M'NARY FOUGHT 12 YEARS FOR BONNEVILLE DAM PROJECT

I subscribe heartily to Senator McNary's position. I do not believe public ownership should be imposed upon local areas from Washington, D. C., any more than I believe that private-power dominance should be imposed from the National Capital. But I doubt, Mr. President, if Senator McNary would look with favor or enthusiasm at the efforts of the present national administration to force upon the Northwest the supremacy of the Idaho Power Co. at Hells Canyon, on the dubious theory that the Idaho Power Co. represents so-called local interests. The Idaho Power Co. is incorporated in Augusta, Maine. This is the first time I ever knew Augusta, Maine, was in the State of Idaho.

Mr. President, I think we should support the power and resource views of Senator Charles L. McNary. Those views are reasonable and mild. They typify the man who held them. They stand for Federal development of such vast multipurpose sites on our rivers as Hells Canyon, Bonneville, and Grand Coulee. They stand for what McNary referred to as comprehensive use of our rivers, which means full development of great sites for hydroelectricity, for irrigation, for flood-control, for navigation, for protection of fish and scenery and wildlife.

I regard Charles McNary as so great a man that, if there is to be a monument to any United States Senator on our Capitol Plaza, I believe a monument should be there to McNary, too. But I refuse to honor him in name, as some leading Oregon Republicans do, and then to renounce him in deed, to say nothing of claiming that his stand on a vital and crucial issue occurred under pressure.

I cannot speak for my senior colleague [Mr. MORSE], but it is my considered opinion that, if the Republican Party in Oregon had followed Charles L. McNary's progressive attitude on river and resource development, my colleague still would be registered as a Republican, rather than having felt he should change to the Democratic Party after Republi-

can desertion of Senator McNary's public-power program. Of course, other policies figured in his decision.

It is ironic, I think, that in September of 1954 the Oregon Democrat, official monthly magazine of the Democratic Party in Oregon, published a memorial edition saluting Charles L. McNary, who was an Oregon Republican Senator for 27 years and his party's floor leader in the Senate. This took place, of course, because the top brass—not the rank and file—of the Republican Party in Oregon had abandoned Senator McNary's program.

M'NARY'S PROGRAM ENVISIONED FEDERAL MULTIPURPOSE DAMS

What is that program? What policies would have to be followed in resource development to be consistent with what Senator McNary stood for all through his career? I would enunciate this seven-point program, after a thorough study of the illustrious Senator's statements and acts:

First. Federal multipurpose development of the great power sites on the main stems of the Columbia and Snake Rivers.

Second. The public-power preference clause to guide the sale and distribution of that energy into channels for the widest possible use, free of monopoly restraints.

Third. Government transmission lines to take the energy to major load centers.

Fourth. Local sale of the power in each community according to the preference of the residents of that community.

Fifth. A postage-stamp rate structure to make sure that all areas within the region benefit equally from energy generated at Federal projects.

Sixth. Delay until the last possible moment in the use of any sites which threaten migratory fish runs, scenic values, or open ranges essential to wildlife.

Seventh. A policy of the "greatest good for the greatest number, in the long run," whenever such resources as timber, water, minerals, and recreational areas are put to beneficial use.

The political parties or individuals in Oregon who adhere generally to this program will be true to the distinguished tradition of Charles Linza McNary, one of Oregon's most illustrious native sons.

SALARIES OF SCHOOLTEACHERS AND OTHER EMPLOYEES OF BOARD OF EDUCATION OF THE DISTRICT OF COLUMBIA—CONFERENCE REPORT

Mr. BIBLE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1093) to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. BIBLE. Mr. President, I may say for the benefit of Senators who are present, that the conference report makes 3 changes in the original Senate bill. No. 1, it increases the teachers' salaries across-the-board $100. No. 2, it makes 3 classifications for the superintendent. If he has a bachelor's degree, he would receive the sum of $14,000. If he has a master's degree, he would receive the sum of $16,000. If he has a Ph. D. he would receive the sum of $18,000.

The Senate bill sent to the House and the conference likewise provided a special classification for those with master's degrees plus 30 hours.

That classification was retained in conference, although the amount of the raise was decreased from $300 to $200.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). The question is on agreeing to the report.

The report was agreed to.

TRIBUTE TO SIR WINSTON CHURCHILL

Mr. SMATHERS. Mr. President, on yesterday the Senate of the United States passed unanimously a resolution expressing its high appreciation for the outstanding contribution which Sir Winston Churchill, former Prime Minister of Great Britain, has made to the cause of freedom, and of his tireless efforts in behalf of world peace.

On this occasion, I rise to personally comment upon the tribute which has been paid to this truly great statesman, who, through a lifetime of service for the benefit of all mankind, has justly earned a place of high respect and admiration in the hearts of all free men.

Sir Winston Churchill is unquestionably a man who has achieved a rare and extraordinary kind of greatness. I cannot help but recall his heroic and immortal words which sparked the torch of liberty, not only in the hearts of his countrymen in Britain's darkest days, but in the hearts of all other freedom-loving peoples throughout the world, when he said:

> We shall not flag or fail. We shall go on to the end. We shall fight in France, we shall fight on the seas and oceans * * * we shall fight on the beaches, we shall fight on the landing grounds, we shall fight on the fields, and in the streets, we shall fight on the hills, we shall never surrender.

Those were the words, Mr. President, which rallied not only his country, but all other free nations which at that time were either buried by or threatened by a totalitarian avalanche. His outstanding qualities of leadership during those darkest days will forever be embedded in the annals of history.

Americans have an unlimited warm affection for Winston Churchill. As all of us know, his mother was an American; and for this reason we have a strong claim to share in the glory that comes to the British people through their great leader. Churchill, himself, has frequently spoken of the United States as a second home; and America is honored by occupying such a warm place in his heart.

One of the amazing qualities of Winston Churchill's greatness is his sense of history. He has known when the moment was right to act, when the moment was right to consolidate, and when the moment was right to advance. This sense of history has been demonstrated by him in time of peace no less than in time of war. At the decisive moment, he has never failed to strike a devastating blow on behalf of human dignity and the rights of the individual. Just as he rallied the British people in time of war to meet the great challenge of invasion and to launch counteroffensives, so, too, did he rally the friendly nations of the world to resist the basic fallacies and insidious nature of the doctrines of totalitarianism in any form.

Future generations will know of his sense of history and of his profound insight into the forces which lead men and nations, and of his unique talent of applying this knowledge to the good of mankind. We, today, know him as a magnificent and courageous leader—a living leader who, in unparalleled words, spoke from the depths of his own heart to the depths of our own hearts and the hearts of freemen everywhere, in the most decisive moment of our lives.

The free world, Mr. President, owes an everlasting debt of gratitude to Winston Churchill, one of the greatest men of our time.

POLITICAL MANIPULATION IN THE FARM PROGRAM IN MISSOURI

Mr. SYMINGTON. Mr. President, on September 30, 1952, at Columbia, S. C., the following campaign promise was made:

> The management and direction of the farm program—federally financed though it will be—must be turned over to farmers.

And on October 15, 1952, at Memphis, Tenn., General Eisenhower said:

> With single-minded purpose we must move toward farmer-run programs. I pledge you an administration that * * * will increase farmer participation.

Missouri farmers know these promises have not been carried out in our State.

On July 22, 1954, my distinguished colleague, the senior Senator from Missouri [Mr. HENNINGS], called the attention of the Senate to some of the abuses of the Agricultural Stabilization and Conservation program, as administered in Missouri. This organization was formerly the Production Marketing Administration.

On March 25, 1953, Mr. Benson, the present Secretary of Agriculture, issued a press release announcing a change in operating methods in the County PMA offices. I ask unanimous consent this release be included at this point in my remarks.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

Greater uniformity, efficiency and economy in the operation of State and county offices of the Production and Marketing Administration are called for in changed operating methods announced today by Secretary of Agriculture Ezra Taft Benson.

Under the new policy, which is to take effect immediately, the local policy-forming and policy-execution functions of these farm program offices are being separated. The program and administrative policy-forming functions will continue to rest with the State PMA committees, which are selected by the Secretary of Agriculture, and the county PMA committees, which are elected by farmers themselves.

The policies which are determined by the State committee, however, will be carried out by committee employees under the direction of a State administrative officer, working under the committee's direction and responsible to it. All State committeemen, including the chairman, will work on a when actually employed basis, rather than as full-time employees.

"This change in handling PMA field work," stated Secretary Benson, "will result in savings of an estimated $125,000 annually in State and another $500,000 in county office operation. This is based on an estimated average of 75 days actual employment by State and county committeemen."

At the county level a county office manager, selected by the county committee and responsible to it, will carry out the policies determined by the county committee and be responsible for day-to-day operations. County committeemen, like the State committeemen, will work only on a part-time basis.

"This method of operation will enable each member of the team to perform functions which he is best able to carry out," Secretary Benson said in commenting on the operational changes. "The State and county committees will in effect serve as a 'board of directors' to determine policy, but they will not be asked to spend their time on routine administrative matters. They will be paid for the time they spend in policy-forming work, while staffs trained in office management and administrative work will carry out such policy.

"We are also establishing a rotation system for each State committee under which one or more State committeemen will be replaced each year. This will make it possible to bring fresh and wider viewpoints to bear. It will also insure stability and continuity of policy."

Mr. SYMINGTON. Mr. President, in that press release, the Secretary of Agriculture, Mr. Benson promised greater unifromity, efficiency, and economy. Not one of these goals has been realized in Missouri.

In fact, as my colleague [Mr. HENNINGS] and I pointed out last year, administration of the farm program in Missouri was taken from both the farmer and the farmer-elected county committeemen, and was placed in the hands of the politically appointed State ASC Committee.

Secretary Benson justified the changes he made by claiming there would be major savings.

Let us look at the record.

Recent hearings before a House subcommittee show that the total expenses of all county ASC programs, exclusive of CCC grain storage structures, increased from $35,700,000 in fiscal 1952, to $66,900,000 for fiscal 1954.

Instead of any savings, therefore, the increase in cost has been some 87 percent.

At this point in the record, Mr. President, I ask unanimous consent to place a statistical analysis entitled "Agricultural Stabilization and Conservation County Committee Expenses, Fiscal Years 1952, 1953, and 1954."

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

Agricultural stabilization and conservation county committee expenses, fiscal years 1952, 1953, and 1954

State	Fiscal year 1952			Fiscal year 1953			Fiscal year 1954		
	All programs except CCC grain storage structures	CCC grain storage structures	Total expenses	All programs except CCC grain storage structures	CCC grain storage structures	Total expenses	All programs except CCC grain storage structures	CCC grain storage structures	Total expenses
Connecticut	$68,494		$68,494	$65,222		$65,222	$69,519		$69,519
Delaware	41,328	$1,022	42,350	43,729	$6,012	49,741	66,651	$325	66,976
Maine	151,090		151,090	131,374		131,374	151,348		151,348
Maryland	199,402		199,402	267,930		267,930	353,739		353,739
Massachusetts	88,603		88,603	88,084		88,084	91,840		91,840
New Hampshire	67,521		67,521	68,474		68,474	74,691		74,691
New Jersey	110,403	4,391	114,794	135,496	3,249	138,745	157,546	536	158,082
New York	530,151		530,151	590,112		590,112	804,929		804,929
Pennsylvania	444,651	1,570	446,221	553,050	1,455	555,105	766,073	1,213	767,286
Rhode Island	19,677		19,677	20,100		20,100	17,991		17,991
Vermont	$120,146		$120,146	$108,721		$108,721	$110,313		$110,313
Virginia	814,433	$484	814,917	970,817	$714	971,531	1,134,678	$33,408	1,168,086
West Virginia	253,297		253,297	304,715		304,715	355,769		355,769
Northeast area	2,909,196	7,467	2,916,663	3,348,424	11,430	3,359,854	4,155,087	35,482	4,190,569
Alabama	986,475	8,982	995,457	1,185,079	19,699	1,204,778	2,250,564	595	2,251,159
Arkansas	835,399		835,399	959,025		959,025	1,983,588	420	1,984,008
Florida	451,425		451,425	542,533		542,533	584,003		584,003
Georgia	1,618,095		1,618,095	2,040,895		2,040,895	2,838,157		2,838,157
Louisiana	628,850		628,850	768,716	150	768,866	1,382,632		1,382,632
Mississippi	777,482		777,482	871,830		871,830	2,055,827		2,055,827
North Carolina	1,795,373	2,043	1,797,416	2,083,550	2,160	2,085,710	3,249,656	639	3,250,295
South Carolina	743,144	5,394	748,538	829,301	10,016	839,317	1,746,274	20,993	1,767,267
Tennessee	1,088,268	3,203	1,091,471	1,441,155	3,922	1,445,077	2,217,021	2,712	2,219,733
Southeast area	8,924,511	19,622	8,944,133	10,722,084	35,947	10,758,031	18,307,722	25,359	18,333,081
Illinois	1,234,080	807,302	2,041,382	1,698,455	717,414	2,415,869	2,980,857	4,501,540	7,482,397
Indiana	830,040	220,357	1,050,397	1,164,536	212,943	1,377,479	1,679,534	969,982	2,649,516
Iowa	1,609,533	2,871,916	4,481,449	2,393,025	2,232,918	4,625,943	3,084,427	9,712,161	12,796,588
Kentucky	1,382,823	1,380	1,384,203	1,585,071	1,156	1,586,227	1,881,660	11,938	1,893,598
Michigan	779,834	4,224	784,058	1,022,192	7,963	1,030,155	1,372,224	240,703	1,612,927
Missouri	1,474,482	310,835	1,785,317	1,317,874	192,979	1,510,853	2,656,954	815,914	3,472,868
Ohio	964,356	278,195	1,242,551	1,282,926	227,861	1,510,787	2,028,747	757,246	2,785,993
Wisconsin	822,112	5,053	827,165	1,168,660	3,107	1,171,767	1,073,893	104,970	1,178,863
Midwest	9,097,260	4,499,262	13,596,522	11,632,739	3,596,341	15,229,080	16,758,296	17,114,454	33,872,750
Arizona	129,204		129,204	123,926		123,926	203,057		203,057
California	710,704	3,171	713,875	870,511	2,116	872,627	1,410,800	10,749	1,421,549
Colorado	509,755	20,327	530,082	639,605	53,712	693,317	1,021,082	131,313	1,152,393
Kansas	1,464,661	144,404	1,609,065	1,569,549	269,372	1,839,121	2,879,779	1,192,835	4,072,614
Nevada	69,899		69,899	70,551		70,551	124,356		124,356
New Mexico	309,078	11,194	320,272	324,177	14,211	338,388	873,525	156	873,681
Oklahoma	1,587,764		1,587,764	1,969,046	500	1,969,546	2,811,768	10,667	2,822,435
Texas	3,620,424	21,590	3,642,014	4,552,866	57,019	4,609,885	7,068,411	9,747	7,078,158
Utah	257,846		257,846	288,009		288,009	303,833		303,833
Southwest area	8,659,335	200,686	8,860,021	10,408,240	397,130	10,805,370	16,696,611	1,355,467	18,052,078
Idaho	452,465		452,465	565,350		565,350	825,737		825,737
Minnesota	1,283,483	840,056	2,123,539	1,662,259	383,869	2,046,128	2,003,750	2,361,332	4,365,082
Montana	472,922	13,606	486,528	618,400	1,580	619,980	901,877	19,580	921,457
Nebraska	1,095,154	990,371	2,085,525	1,557,699	877,757	2,435,456	2,417,058	2,900,616	5,317,674
North Dakota	975,192	85,387	1,060,579	1,249,987	60,291	1,310,278	2,098,298	266,972	2,365,270
Oregon	395,059		395,059	477,461		477,461	552,700		552,700

Agricultural stabilization and conservation county committee expenses, fiscal years 1952, 1953, and 1954—Continued

State	Fisca lyear 1952			Fiscal year 1953			Fiscal year 1954		
	All programs except CCC grain storage structures	CCC grain storage structures	Total expense.	All programs except CCC grain storage structures	CCC grain storage structures	Total expenses	All programs except CCC grain storage structures	CCC grain storage structures	Total expenses
South Dakota	864, 483	387, 535	1, 252, 018	1, 125, 025	633, 437	1, 758, 462	1, 278, 527	1, 734, 387	3, 012, 914
Washington	413, 745		413, 745	475, 700		475, 700	608, 412		608, 412
Wyoming	232, 025		232, 025	249, 483		249, 483	288, 769		288, 769
Northwest area	6, 184, 528	2, 316, 955	8, 501, 483	7, 981, 364	1, 956, 934	9, 938, 298	10, 975, 128	7, 282, 887	18, 258, 015
Total, States	35, 774, 830	7, 043, 992	42, 818, 822	44, 092, 851	5, 997, 782	50, 090, 638	66, 892, 844	25, 813, 649	92, 706, 493
Alaska				974		974			
Hawaii	7, 609		7, 609	6, 200		6, 200	6, 000		6, 000
Puerto Rico	160, 191		160, 191	160, 000		160, 000	118, 900		118, 900
Total insular	167, 800		167, 800	167, 174		167, 174	124, 900		124, 900
Total States and insular	35, 942, 630	7, 043, 992	42, 986, 622	44, 260, 025	5, 997, 782	50, 257, 807	67, 017, 744	25, 813, 649	92, 831, 393
Penalty mail and other services	44, 813		44, 813	29, 532		20, 532	1, 945, 620	37, 300	1, 982, 920
Total	35, 987, 443	7, 043, 992	43, 031, 435	44, 280, 557	5, 997, 782	50, 278, 339	68, 963, 364	25, 850, 949	94, 814, 313

Mr. SYMINGTON. Mr. President, the increased costs are startling, but farmers in Missouri are even more concerned about the partisan politics which have been injected into the picture in the past 2½ years.

Early in this administration, the Republican State committee sent a letter to all Republican county chairmen.

That letter said, in part:

It is recommended that you immediately decide who would be the logical choice for county office manager in your county, start boosting him and file his application for the post at your county PMA office. Lest this be the type of office that would conveniently lose a Republican application, you are advised to file a duplicate with the Republican State committee.

There are 4,300 PMA employees in Missouri. They should be Republicans if we lend our energy to see to it that they are. The salary of county office manager ranges from $2,500 to $4,000, depending upon the workload of the county. By workload is meant the scope of the program in the county. The chief clerk's salary is approximately $2,300, and it is recommended that this post be given to a woman. In addition, there will be in each county 1 to 3 clerks, dependent upon workload.

Enclosed is a list of the members of the present PMA board in your county. Copies of this information are being sent to you under separate cover for distribution to your committee who will have to help you at the township level.

Will you keep the Republican State headquarters, Montgomery City, advised as to the progress you are making and feel free to ask our assistance at any time.

When this letter became known, Missouri's State Democratic chairman, Mr. Wilbur F. Daniels, issued the following statement:

The Democratic State committee or the county committees have never interfered or made a political issue of this program administered for and by farmers. Yet we find the Republican State committee exhorting their county officers to make politics—not necessity—the basis upon which PMA benefits would be issued in the future. I believe some sort of official renunciation of this brazen effort by Missouri Republicans should come from the national administration and their national party leaders.

Two years later, the people of Missouri are still awaiting this renunciation.

Meanwhile, in many counties, where the farmers did not elect ASC committees willing to take dictation from the State committee, the State committee moved in with suspensions and dismissals.

In Texas County, first the county ASC chairman and then the entire committee were summarily dismissed.

In Green County, the county ASC chairman was dismissed.

In Callaway County, the entire ASC committee was dismissed.

The Springfield News-Leader, an outstanding independent Republican newspaper, took editorial notice of the situation. Mr. President, I ask unanimous consent that these comments be inserted at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Springfield News-Leader of April 25, 1954]

LOOK WHO TALKS OF NONCOOPERATION

Among the farmers of Missouri, State ASC Chairman Murray Colbert can stir up more furor than Evangelist Billy Graham could cause in a convention of atheists.

This week, 200 angry Callaway County farmers held a mass meeting at Fulton and raised $664 to launch a Federal court fight to stay the firing of the county's agricultural stabilization and conservation committee.

When farmers raise that much money in a year when drought and the price squeeze have teamed up to send thousands of them to the wall, it's a certainty that they are fighting mad.

Maybe the committee needed firing? Maybe.

And in Texas County the old committee was fired in January by Colbert who, balked by its successor, ousted the second committee last week. Perhaps the Texas County ASC committee deserved that fate? Perhaps.

And could be W. H. Pipkin, chairman of the Greene County committee, needed kicking out? Could be.

And it's possible that many others over the State, fired by the doughty ASC chief, got just what they deserved? It's possible.

Without proof to the contrary, there's no gainsaying that Mr. Colbert may have acted in the best interests of the ASC program in his wide wielding of the ax of dismissal. But ask yourself: Isn't it odd that he should find so many noncooperators in the program at one time—especially since it has rolled along for years without all this trouble?

Which suggests a nasty thought: Could these firings be politically prompted?

Of course not. Didn't Agriculture Secretary Benson say there would be nothing political in the administration of his reorganized ASC?

Why does Colbert fire these men? "For noncooperation," he says. Just that and nothing more.

Yet, in Texas County, Chairman Stanley Haliburton was fired last January for insisting, he explained, that newsmen be permitted to attend an ASC meeting. The word of those newsmen tends to bear out Haliburton.

Actually, however, there was more to it than that. The State committee had a choice for office manager and the county committee wouldn't go along. So the old committee was fired and a new one finally named. But the new one—Republicans and Democrats—refused to be coerced, too, and foolishly thought it could name its own choice. Bingo. The results were just like that. Out the new committee went this past week, for, as the Houston Herald declares: "If State Chairman Murray Colbert and his committee can't get the job done one way, they will try it another way." Even so, Colbert's refusal to admit reporters is ample condemnation in itself.

Isn't the ASC a public office, entirely maintained by public funds? Then by what right did Mr. Colbert try to bar newsmen whose duty it is to tell the public what goes on at such meetings?

The right of precedent, perhaps, for a reporter was barred from the Greene County ASC meeting last spring, presumably on State committee orders. But precedent or no precedent, no public agency has the right to exclude newsmen from any of its business sessions.

Greene County farmers have no love for Mr. Colbert, either. An order for several thousand bushels of drought emergency feed oats lay in his office 3 weeks, last December, unprocessed until the deadline for receiving orders had passed. That cost local farmers badly needed feed. It also cost them a few thousand dollars in Uncle Sam's bargain buy feed program.

Not very cooperative of a man who has fired so many others for noncooperation, is it?

Mr. SYMINGTON. Last summer, Secretary Benson again issued new orders for the ASC, this time changing the election rules governing the selection and election of farmer-committeemen.

The new rules established an election board in each county. That board was composed of paid employees of governmental agencies, plus representatives of farm organizations.

The election board appointed a nominating committee to choose candidates for each community committee.

The effect of this regulation was to take away from the farmers the direct choice of farm representatives.

A companion regulation issued at this time made all committeemen who had served 3 consecutive years ineligible for renomination. In the 1954 election, one 3-year man could be retained.

Later the distinguished junior Senator from Minnesota [Mr. HUMPHREY] proposed an amendment to the Agricultural Act of 1954, which would repeal this limit on length of service.

Following requests from a number of us, Secretary Benson postponed the new county election rules until final action was taken on the Humphrey amendment. But his order was so late more than half of the county committee elections for 1954 were held under the Benson rule.

The length of service restriction, therefore, was in effect during a great number of elections.

Later Secretary Benson ruled that Senator HUMPHREY's amendment did not apply to community committeemen. Thus practically a new group of community committeemen was elected.

After this wholesale displacement of experienced community committeemen had taken place, Secretary Benson withdrew his ban on committeemen serving more than 3 consecutive years—and so the new committeemen were eligible for unlimited reelection. No one is stupid enough not to recognize the purpose of this maneuver.

The way the people of Missouri felt about this on-again-off-again policy of the Secretary of Agriculture is set forth in an editorial which appeared in the Gallatin Democrat.

I ask unanimous consent to have the editorial printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MORE ABOUT ASC

The farmers complain that the State ASC office has interfered with local affairs, tossed out local elections and rejected local choices for local offices, sometimes keeping press and public out of hearings in which such high-handed tactics were employed. Murray Colbert has been likened by the Columbia Tribune to King John of England.

It was Secretary of Agriculture Benson, however, who set the stage for this dispute. He took administrative power away from the local farmer committees and established the new position of office manager. Then he ordered that committee jobs be limited to 3 years.

Democrats quickly took this to mean that the Agriculture Department was interested in making way for Republicans. The argument reached Congress where Senator HENNINGS, of Missouri, made a blistering speech. Finally a new farm bill was passed, which one of its sponsors says erases the Benson order on tenure. This is disputed in part by Mr. Benson.

Aside from the extended bitterness which this argument has aroused in Callaway and other counties, and not only in Missouri, the remarkable thing is that such a dispute was precipitated by a Secretary of Agriculture who promised to give farmers more freedom to conduct their own affairs, with less interference from the "agricrats."

If that was the supposed aim of the new farm program, it is moving in reverse.

Mr. SYMINGTON. Mr. W. D. Gebhart, of St. Joseph, Mo., last fall wrote as follows to the great Kansas City Weekly Star-Farmer:

DEAR EDITOR: Again we have read in the press of a flareup in the administration of the Missouri ASC, and we hear again that the State committee is unable to get along with personnel at a county level—this time in Callaway County.

For the past 12 to 18 months we have periodically read or heard of difficulty with the ASC of Missouri. The condition has spread through Callaway, Texas, Holt, Nodaway, and other counties and now back to Callaway County. There always has been involved some one of the farmer-elected group of a county with whom some one of the appointed group of the State cannot get along. For unknown reasons, the State group has assumed an authoritarian or tyrannical attitude and summarily dismissed the legal county officials. The differences each time have appeared to be those of personnel administration where understanding, tolerance, and common sense should be used.

Surely the ASC is not so difficult to administer that a minor political party difference should alter the benefits to the farmers. Many of us are beginning to tire of having our tax money paid out in good salaries to perpetuate either party or personal controversies among agricultural personnel of the ASC.

Speaking as a Republican, it seems unwise on the part of Republicans in Missouri to permit such bickering to continue when service to farmers is the primary intent of the ASC laws. The farmers are certainly fed up with it, and this feeling should be be reflected at the polls next month.

And now we come to the story of the "unhung" picture.

The incident is described in an editorial from the January 19, 1955, issue of the Springfield Leader and Press, Springfield, Mo.

Mr. President, I ask unanimous consent to have the editorial printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE PRESIDENT'S PICTURE

After long and bitter controversy, the picture of President Eisenhower hangs at last in the office of the Dent County Agricultural Stabilization and Conservation Committee, in Salem.

Nothing wrong or unusual about that, of course—but the way that picture got there.

It was really a foolish squabble from the first. When Murray Colbert, Missouri ASC chairman, sent the picture out before the fall elections with orders to hang it, the Dent County ASC objected on the grounds it was purely a political maneuver before election time.

Colbert took offense and the squabble started. It has brewed seethingly since then until last week when Colbert sent out what the committee described as stern instructions that that picture be hung immediately or the committee would find itself without jobs.

Further, Colbert declared, pictures of Eisenhower were to go up in all Missouri ASC offices. That was an order.

There's no particular reason why a picture of the President of the United States shouldn't hang in every ASC office. But again, there's no particular reason why it should hang there, either, as we see it. And when orders come down from high officials that such pictures must be there—well, doesn't it sound somewhat like the orders issued in Communist Russia, or in former Fascist Italy and Nazi Germany, where the pictures of the leader must be exhibited promptly in all public places?

We don't like it. We don't think President Eisenhower would like it.

Mr. SYMINGTON. However, the Dent County Committee, referred to in the editorial, was more fortunate than many of the other county groups. Their members were not fired.

For 2½ years, the Department of Agriculture and its Secretary have been repeatedly requested to take the necessary steps to correct the abuses in the ASC program in Missouri.

Two and one-half years would seem to be a sufficient period of time for correction of any such mess. But the situation has not improved.

Reports from the Department of Agriculture have generally been incomplete and have invariably been based on information supplied Washington by the offending State committee, often resulting in more flagrant abuses of power by this committee.

For example, on January 4, 1954, Mr. R. D. Cummins, chairman of the Newton County, Mo., PMA committee, wrote us pointing out how far politics had been injected into office manager appointments, with the result that fewer farmers were participating in the program; and he also pointed out how, in his opinion, money for the County ASC program could be spent more wisely.

Mr. President, I ask unanimous consent that Mr. Cummins' letter be made a part of my remarks at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Friends of the PMA program, both Republicans and Democrats, have asked me to write you a word of protest in regard to the program being a political football.

This is being done through the office manager appointment at the State level, to replace the county PMA committees.

These office managers must be Republicans.

Many farmers are refusing to take part in the program. On account of the program being mixed in politics, we had 1,960 farmers participating in 1953, with only 633 in 1954.

My Republican friends think this is being handled at the State level by a man named Reed Grainger, who was once an applicant for United States marshal for the western district of Missouri.

Congress is being asked for special funds for the drought States. We feel this would not have been necessary had the money for the PMA in Newton County, $56,000, been handled a little more wisely.

We think this money should have been used for grass seed and fertilizer and not for extra salaries.

It should not be tied up with soil tests, with all elements added, which average for the county about $30 per acre.

I realize you are very busy and I shouldn't bother you, but feel I am expressing the feelings of the majority of the farmers of Newton County.

Mr. SYMINGTON. We promptly forwarded this letter to the United States Department of Agriculture, feeling that Secretary Benson and his staff would take corrective steps.

A reply from the USDA merely repeated assurances of the State ASC Committee that nothing was amiss in Newton County. But almost immediately Mr. Cummins, the chairman of the Newton County committee, was fired by the State committee.

Mr. Cummins then wrote me:

DEAR SENATOR SYMINGTON: In replying to your letter dated March 15 and contents noted, I want to thank you for your efforts in trying to obtain information regarding my statements made in the letter to you dated January 4. Also, I think you should know that the contents of that letter were sent to the State ASC committee at Columbia, Mo., and consequently, I was relieved of my duties as County ASC chairman.

The letter from Mr. Colbert to Mr. Cummins stated:

Mr. ROY D. CUMMINS,
Stark City, Mo.

DEAR MR. CUMMINS: Due to the fact the Missouri State ASC Office has no record showing that you have retracted the misstatement of facts in your recent letter to Senator STUART SYMINGTON and since the time given you to retract these statements has elapsed, you are hereby notified that for the good of the program you are permanently dismissed as chairman of the ASC committee in Newton County.

The State ASC committee regrets very much that this action is necessary, but certainly feels that you have been given every chance to correct your statements before this action was taken.

Very truly yours,
MURRAY C. COLBERT,
Chairman, Missouri State ASC Committee.

At this point I should like to have printed in the RECORD an affidavit sworn to by Mr. Cummins on July 15, 1955. Perhaps as much as any record presented, this illustrates the problem that has arisen in Missouri, as a result of this incredible mismanagement.

There being no objection, the affidavit was ordered to be printed in the RECORD, as follows:

DEPOSITION OF ROY CUMMINS, PRODUCED, SWORN, AND EXAMINED ON JULY 15, 1955, BEFORE PAUL E. CARVER, NOTARY PUBLIC IN AND FOR NEWTON COUNTY, MO.

Roy Cummins, of lawful age, being produced, sworn and examined on the part of the plaintiff deposeth and says:

Question. Please state your name.

Answer. Roy Cummins.

Question. Where do you live Mr. Cummins?

Answer. Route No. 1, Stark City, Mo.

Question. I'll ask you whether or not you were ever connected with the ASC committee of Newton County, Mo.?

Answer. Yes.

Question. Where did you serve?

Answer. I served with the ASC committee in Newton County, Mo. The main office was at Neosho.

Question. I'll ask you whether or not you are still employed by the ASC committee in Newton County?

Answer. No; I am not.

Question. Please state why you are not employed.

Answer. There are several reasons and I will probably have to wander in giving the full basis in writing as a full answer to your question. Sometime in the latter part of 1953 Mrs. L. C. Davis, vice chairman of the Republican State Committee, who resided at Route No. 1, Boonville, Mo., caused to be sent to all of the Republican chairmen of Newton County a letter in which she demanded that all of the members of the PMA who were Democrats should be ousted and replaced by Republicans. Some of my Republican friends showed me this letter and, in fact, gave me a copy of it. I do not have it at this time as it has been misplaced, but what I have just said is the substance of the letter. Thereafter, an election was held to elect members to the PMA committee here in Newton County. At the time of the election Frank Short, who is a Republican and connected with this department, called me outside of the meeting place and said "Do you know what is going on?" and I said, "I understand that there is to be no Democrats elected to this committee." He said that was right and that he and Phil Everhard, who is a Republican, couldn't go along with them. After that the election was held and I was again elected to the PMA committee here in Newton County.

Question. What took place after that?

Answer. I continued to serve until the question of appointing an office manager occurred. The members of the committee didn't believe that an office manager was necessary to the job and that it was a waste of money to employ one. As a result, the appointment of an office manager was delayed until Mr. Hobart Little, of Clever, Mo., who was the PMA field man, contacted me and told me that we were going to have to elect an office manager. I told him that I did not believe that it was necessary. He insisted that it was, and after discussing this matter with the members of the committee, both Democrats and Republicans, we decided that we would support F. W. Short. I told Mr. Little that I was going to support him, and Mr. Short did not meet with the approval of Mr. Little because Mr. Short did not have the recommendation of the Republican committee of Newton County. Mr. Little, having been very anxious to have the office manager immediately appointed, found out that Short would be elected to this office and instead of carrying out this matter he decided, "Well, it's gone along this far, I guess it can wait a little longer." Thereafter, we did elect Mr. Short, who took office on January 2, 1954.

Question. What happened after that?

Answer. I wrote the Honorable STUART SYMINGTON, United States Senator from Missouri, a letter stating that politics was being injected into the PMA setup in this county. The contents of this letter, or a copy of the letter, was sent to the State PMA head, a Mr. Murray Colbert, whose address I do not know at this time.

Question. Then what happened?

Answer. Within the next few days I received a letter stating that I was being discharged.

Question. For what reason?

Answer. Because I had written a letter to Mr. SYMINGTON, and the letter to me said that if I would apologize and take back what I said about politics being involved that I would be reinstated. I still state that politics was involved, and I refuse to retract the statement in the letter. They also told me that if I would come up to Columbia that I could have a hearing on my ouster. I went to Columbia, Mo., in the latter part of February 1954, and there I met Colbert and Bailey, who were the head of the PMA in Missouri.

Question. What took place there?

Answer. They asked me why I put what I did in the letter and I told them that that was what I believed and that it was true.

Question. What else?

Answer. They again told me that if I would retract the statement that I had made to Senator SYMINGTON that I would be reinstated. I again refused because the statement is true and correct. Thereafter, in about 2 weeks, I received a letter from them stating that I had been discharged because I refused to retract the statement that I sent to Senator SYMINGTON. There is no doubt in my mind but that it was the effort of the Republican Party of the State of Missouri, acting through Mrs. L. C. Davis, to put the PMA under the exclusive control of the Republican Party, and particularly in this county the Newton County Republican Committee.

Question. Did you receive any pay for this job?

Answer. I received only a small amount of compensation for the services rendered and it was immaterial to me whether or not I had the job. But, I do state that in my opinion there was a definite effort to oust all of the Democratic members of the PMA in the State of Missouri.

Question. What was Mr. Colbert's reaction when you refused to retract your statement to Mr. SYMINGTON.

Answer. The meeting in Columbia with Mr. Colbert was a very stormy session as Mr Colbert was very angry and pounded on the desk with his fist demanding that I retract the statement made to Senator SYMINGTON.

Question. Is that all you have to say?

Answer. Yes, sir.

ROY D. CUMMINS.

Subscribed and sworn to before me this 18th day of July 1955.

[SEAL] PAUL E. CARVER,
Notary Public in and for Newton County, Mo.

Mr. SYMINGTON. Mr. Cummins is a reputable farm leader of my State, with many years' experience in this farm program.

This is by no means an isolated case, as my good friend, the able and distinguished senior Senator from Missouri [Mr. HENNINGS] well knows and has so clearly pointed out to the Senate on other occasions. There are many other letters from other county chairmen, committeemen, and farmers which describe the way the ASC program has been abused in Missouri.

In Benton County several qualified applicants for office manager were turned down because the State ASC Committee insisted on a local mechanic.

In Callaway County the entire county committee was first suspended, then dismissed, because of their refusal to accept the State committee's choice for office manager.

Later, in this same county, the entire newly elected committee was suspended for firing an office manager who had been appointed by the State committee.

Still later, after a conference with the area director, the State committee reinstated the county committee.

In Franklin County the county committee was given to understand they could go along with the State committee's choice for office manager or get out.

In Greene County the chairman of the county committee was dismissed because he appeared before the Senate Agriculture Subcommittee in Springfield and criticized political and administration difficulties of the ASC and drought programs.

In Howard County, the county committee was ordered to hire a Republican office manager.

In Lewis County, the office manager was dismissed by the State committee after the State committee field man had inquired about his politics.

The alleged basis for this dismissal was a poor audit. But this particular

audit had been described by the ASC auditor as one of the best in the State.

In Madison County, because her husband's car carried a sticker, "Don't blame me, I voted Democratic," a woman office employee of 15½ years' experience was dismissed by the county office manager, at the direction of the field man.

In Saline County, the able and highly respected vice chairman of the county committee was suspended and then dismissed for alleged incompetence and for refusal to discharge an experienced, competent employee at the dictation of the State ASC bin-site supervisor.

In Texas County, the county chairman was dismissed by the State chairman for refusal to bar a newspaper reporter from a meeting. The other members of this county's committee were dismissed when they refused to accept the State committee's preference for office manager.

The reporter ordered from the committee hearing in Texas County was also a feed dealer. Later, this man was suspended as a drought feed dealer on complaints of the local Republican office manager.

Cleared of the original charges and reinstated, this feed dealer was nevertheless again suspended, only to be cleared and reinstated the second time, after a State committee hearing attended by the regional ASC attorney.

Most recently, on May 10 this year, in Mississippi County, the entire county committee was suspended.

These committee members were later reinstated pending continued investigation, but have never received any formal statement of the basis for their suspension.

Mr. President, the continued flagrant disregard of both the regulations and the intent of Congress by the Missouri ASC State committee has crippled this important farm program and resulted in the character assassination of honest and respected Missouri citizens.

Abuses of the program should be stopped and the innocent victims of political maneuvering have the right to clear their good names.

Therefore, I request this entire matter be referred to the proper committee for adequate investigation of the Missouri ASC program.

Mr. HENNINGS. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to my distinguished colleague from Missouri, provided I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HENNINGS. Mr. President, first, I wish to commend in the highest terms my distinguished colleague the junior Senator from Missouri [Mr. SYMINGTON] for his very incisive, timely remarks and thorough documentation of the facts in many of the more serious instances of political manipulation by the administration in its handling of the agricultural stabilization and conservation program in Missouri as a piece of political patronage. I ask unanimous consent to have printed in the RECORD a statement I have prepared, which contains letters and editorials on the same subject.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HENNINGS

My colleague's remarks were directed toward many of the more serious instances of political manipulation by the Republican administration of the agricultural stabilization and conservation program in Missouri. I wish to join with him in calling the attention of the Senate to the urgent and immediate necessity for a thorough investigation by the Senate Agriculture Committee.

I wish particularly to comment upon the episode of "the President's picture"—an extraordinary incident, to my way of thinking—but an episode which typifies the degree to which the Eisenhower administration has reached down into the local structure of the ASC program in an effort to establish an atmosphere of Republicanism.

In the fall of 1954 Murray Colbert, Missouri ASC chairman, sent to each county committee office in the State a picture of President Eisenhower with instructions, purportedly based upon a directive from Washington, that the picture be appropriately displayed. The Springfield Leader and Press commented editorially on January 19, 1955, as follows:

"There's no particular reason why a picture of the President of the United States should not hang in every ASC office. But again, there's no particular reason why it should hang there, either, as we see it. And when orders come down from high officials that such pictures must be there—well, doesn't it sound somewhat like the orders issued in Communist Russia or in former Fascist Italy and Nazi Germany where the pictures of 'the leader' must be exhibited prominently in all public places?"

"We don't like it. We don't think President Eisenhower would like it."

Of course, no Senator has greater respect or reverence for the office of the Presidency than I. I daresay, Mr. President, that I have held this feeling for the high office of the Presidency even at the times when Republican spokesmen assailed its prior occupants as purveyors of treason and treachery, and in doing so besmirched the office itself. But it is something else again when within a few weeks prior to the Congressional elections of 1954 an open and apparently unashamed attempt is made to use that high office for a purpose I consider to be highly unethical if not disgracefully dishonest. In 1952 candidate Eisenhower promised us time and again a farmer-run agricultural program, a program in which the wishes of the farmers themselves expressed in elections free of political taint or atmosphere, would govern in the selection of township and county agricultural committees. At Memphis, Tenn., on October 15, 1952, for example, candidate Eisenhower stated:

"I pledge you an administration that will cleanse all farm programs of partisan politics."

Many farmers at that time believed what came to their ears. Farmer participation, free of politics, had become a familiar concept to farmers during preceding administrations.

I cannot believe it was a mere coincidence that a few short weeks before the elections of 1954 the Republican-appointed chairman of the Missouri State ASC committee should have demanded the display of President Eisenhower's picture on the walls of each county office.

The episode of "the President's picture" in the State of Missouri illustrates the extent to which the pledge of Candidate Eisenhower has been disowned by the Eisenhower administration.

Late in 1954 the situation in Henry County, Mo., was described to me as having reached the point where not even a clerk could be employed by the ASC committee without having been cleared by the Republican township committeeman, the Republican county chairman, the Fourth District Congressman, at that time a Republican, and by the chairman of the Missouri State Republican committee. I quote the pertinent parts of a letter from a farm leader of Clinton, Mo., which graphically portrays this unfortunate state of affairs in Henry County:

"DEAR SENATOR HENNINGS: I recently received a copy of your speech of July 23, on the broken promises of the President on the farm program. It is one of the best speeches of its kind that I have ever read and it is thoroughly documented. It happens that during the past 16 years I have been intimately associated with the farm program in Henry County and every committeeman during that period has been a close friend of mine. Consequently I am thoroughly familiar with the background of the situation about which you spoke. I am also familiar with the President's speeches, as quoted by you, during the campaign.

"I will not go on to any great detail in commenting but do desire to inform you that in Henry County and I believe throughout this district and the State of Missouri it is a fact that even a secretary cannot be employed in the ASC office unless he or she first has the approval of the Republican Committeeman of the township from which the employee comes; second, the approval and endorsement of the Republican County Chairman, Reid Wells of Montrose; next the endorsement of the Congressman from this district, Jeffry Hillelson; then the application goes to the State chairman, Perry Compton of Montgomery City, and after having received the endorsement of the various Republican officers and elective officials down the line, the chairman of ASC State committee sees to it that he is appointed. I am not sure whether or not approval has to be obtained from Secretary Benson, but you may be assured that that is the procedure that is followed.

"At the ASC meeting in Benton County at which the committee was elected, the great majority of delegates were Republicans. The delegates openly criticized the administration on the ground that farmers were not given the right to conduct their affairs without the close supervision of the ASC committee. They were very bitter in their denunciation and that from a strong Republican county, one of the strongest in the State.

"With very best wishes, I am,

"Sincerely yours."

Events in Barton County are also typical of the manner in which the Republican administration has injected political partisanship into the agricultural program. I quote the forceful letters from Mr. Otis Smith of Lamar, Mo., and Mr. Fred Lakin of Liberal, Mo., former Barton County ASC committeemen, along with an excellent editorial from the Lamar County Democrat written by its able editor Mrs. Madeline Aull Van Hafften:

"LAMAR, MO., *June 21, 1955.*

"Hon. THOMAS C. HENNINGS,

"*Washington, D. C.*

"DEAR SIR: My politics is Republican. I vote for a Democrat when I think he is the better man. I have worked with the farm program ever since it started except 1 year, either as a local committeeman or a county committeeman. I know what this program has done for Barton County farmers. I also realize the state it is in now. Politics was never mentioned in the county during these years. I will enclose newspaper clipping. It tells the story pretty well. You will note a special election was to be held. This was not done. A county administrator was appointed. This was to be done only where county committeemen were fired or suspended.

"We presented our resignations about 2 minutes before we were fired, or expected to be. The last local committeemen election, the afternoon before the election, word was received, vote for five men; if you vote for four, your ballot would not be counted. The afternoon before the county election, the election was called off. It was held several days later with no further announcement. I think if ASC cannot hold their own elections without the lead of other agencies, it is time to close the doors. Yours for a better farm program.

"Yours truly,

"OTIS SMITH."

"LIBERAL, MO., *September 9, 1954.*

"Hon. THOMAS C. HENNINGS, Jr.,

"United States Senator,

"Washington, D. C.

"DEAR SIR: I received a copy of your speech given in the Senate of the United States on July 22, 1954. To me, this was a wonderful speech. I am a Barton County (Mo.) farmer, have been all my life, and have worked for Barton County AAA, PMA, and ASC. I have worked about 15 years for this organization, resigning June 9, 1954. Politics was never mentioned until Mr. Benson came up with the 'bright idea' of an office manager.

"I was serving as county committeeman, when we were told to recommend a person for office manager. We have 3 or 4 applications, none of them having specified qualifications. One person (without any high school education) being a Republican, we were told by our fieldman (Mr. Hobert Little) to recommend him. We would not recommend him and the matter continued this way until February 17, 1954. Then another man (a Republican, backed by county Republican chairman, Mr. Kolterman, of Goldern City, Mo.) applied for office manager. He had no personality whatever, and could not get along with people. He was a bookkeeper for M. F. A. Mr. Little (fieldman) said being a bookkeeper for M. F. A. was good enough qualifications for him, so he suggested we compromise (to please Mr. Colbert) and recommend him. Mr. Little told us that he could be removed if he was not satisfactory.

"He was immediately approved by the State office. He had no ASC experience whatever. He didn't know what ASC, and ACP meant. He spent a month reading, and, of course, drawing his pay (more than the county committee drew). Then he started telling us, county committee, what to do. He knew it all. He would tell the farmers things that were not true, and simply wrecked all cooperation in the office. The clerks began to resign. Things grew worse and worse. We asked Mr. Burkett (office manager) to resign. He flatly refused.

"We asked Mr. Colbert for an investigation, but the State committee did not have time to do any investigating. They permitted the office manager, fieldman, and county committee to come to Columbia on June 9 for a hearing. We were taken behind closed doors with a stenographer taking down every word. We were told by Mr. Bailey (acting for Mr. Colbert), that the office manager was right in whatever he did, and he could do whatever he saw fit to do. We were told that we would cooperate with the office manager or else. They did not have time to come to our county to investigate. We resigned as a whole then and there. We could work no longer in a situation like this, if that was the way Mr. Colbert wanted things run.

"There has been much dissatisfaction among farmers and inefficiency in the office since then, but the State office is overlooking these things. Our county is a large wheat county and the State appointed 1 man from June 10 to act as county administrator until a new committee was elected September 1. This man had only 22 months of experience in the county office, but never did learn program while there. It looks like the ASC will be wrecked by Mr. Colbert and if an investigation is ordered there are a lot of irregular things in the Barton County office that could be found by a person with the authority. As a farmer and friend, thank you for the consideration and help you are giving us. Hoping I can be of service to you.

"Very respectfully,

"FRED LAKIN."

"[From the Lamar (Mo.) Democrat of June 10, 1954]

"BARTON COUNTY ASC COMMITTEE RESIGNS

"John Stansberry, chairman and salient force in the Federal agricultural program in Barton County, for almost 20 years, and his associates on the executive committee, Otis Smith, from east Barton, and Fred Lakin from west, submitted their resignations to the State committee, after a heated session in the State office in Columbia, Wednesday afternoon.

"The resignations came as no surprise since things have been in a turmoil in the local ASC office since the employment of the new office manager, George Burket, in January. The latter, though totally unfamiliar with the program and apparently not cognizant of the problems and the needs of the Barton County farmers, immediately set out to usurp the powers of the committee and to criticize and harass the office force. This resulted in the resignation of Mrs. Nell Wilson, long-time, capable and experienced office employee, early in May.

"All three of the members of the executive committee as well as the greater number of the remaining county committeemen at that time expressed not only dissatisfaction but deep concern for the fate of the ASC program in Barton County, as a result of the methods and inexperience of the new office manager.

"The three executive officers presented their sentiments to the office manager, bluntly suggesting that he resign for the good of the program. But this, as was to have been expected, the office manager refused to do.

"The committee then wrote to the State committee asking that representatives be sent to Barton County to make a thorough investigation of the situation, including conferences with farmers chosen by themselves. The State committee turned down the suggestion but offered to allow the committee members to present their case at the office in Columbia. This offer resulted in the meeting, Friday, at the close of which the resignations were presented. Incidentally, John Stansberry was unable, for reasons of health, to make the trip, but he had given Fred and Otis instructions to present the resignation in case the committee refused to take steps to remedy an impossible situation.

"A Mr. Bailey, who presided over the meeting, stood fast by the office manager, virtually ignoring the evidences of confusion and misunderstanding that had torn up the program in Barton County.

"The situation is, of course, a political one. The positions of office managers were created by the new administration in Washington for patronage purposes. In addition, the new State committee appointed by Secretary Benson, has from the first brought about strife in the committees all over the State of Missouri. They have arbitrarily fired the committees in some counties and in others have set about to make things disagreeable and miserable in the hope that the members would resign as occurred in Barton County.

"Just what they hoped to gain nobody really knows since the committee members are elected by the farmers in the county on a strictly nonpolitical basis. Mr. Bailey expressed regret that John Stansberry resigned since, had he remained as chairman, the State committee could have appointed two members to serve until the late August elections. But since John quit, a special election must be called.

"The Barton County farmers in this election will have a chance to either repudiate the office manager and the State committee or approve them. Reelection of the members who have just resigned would represent repudiation but it would do no good. It strikes us that if the local farmers are as dissatisfied with the local current management, as they led folks to believe, they'd better get out and elect some Republicans that can cut some ice with the State Republican Committee that in turn could put some pressure on the State ASC committee in regard to the tangled and disagreeable situation in Barton County, and more important yet, save the ASC program from falling to pieces."

"Later: Mr. Bailey, when called on the phone at Columbia, said that a special election would be necessary for the convention. He explained that the members of the township committees would be called into a convention. The two alternates elected in the last general election would be named to replace Otis Smith and Fred Lakin. It would be necessary for the convention then to name a chairman and two alternates. He said that the call for the convention would be made in the near future. However Barton County farmers would be in a position to make use of such strategy as they chose in the convention just as well as would have been the case in an election. The general annual election date had not been set, Mr. Bailey said, although in the past it has been held in late July or early August."

In August 1954 Mr. Homer L. Pruett, of Higginsville, Lafayette County, Mo., wrote me to the effect that "the present administration is making a strictly political agency out of the supposed-to-be nonpolitical ASC or PMA."

In February of this year Mrs. James R. Hunter of Hartville in Wright County wrote to me about the problems encountered by her husband in his efforts to serve this county as county office manager. Mrs. Hunter is a Democrat, but Mr. Hunter it seems is a Republican. In October of 1954 various charges were made against Mr. Hunter by the county ASC and after being threatened with dismissal, Mr Hunter resigned. Thereafter an investigation was conducted by the Compliance and Investigation Division of the Department of Agriculture. Seven months later, the results of this investigation were made known, in a letter from J. A. McConnell, Assistant Secretary of Agriculture, which in effect exonerated Mr. Hunter of the charges which had been made against him.

I read the letter as follows:

"DEAR SENATOR HENNINGS: Reference is made to your letter of March 31, 1955, and our previous correspondence in connection with the resignation of Mr. James R. Hunter as office manager for the Wright County ASC Committee.

"An investigation of the administrative difficulties in the Wright County office has been completed by the Compliance and Investigation Division, Commodity Stabilization Service. The investigation report discloses the following facts and sequence of events:

"1. Shortly after new committeemen were elected to the Wright County ASC committee, two members requested the State ASC committee to remove Mr. Hunter as office manager. As a result a representative of the State committee obtained Mr. Hunter's resignation on October 26, 1954, effective October 29, 1954.

"2. The State committee continued to receive complaints concerning irregularities and improper administration of the county office and an investigation was made by the

State administrative officer and the State ASC fieldman. [They found that the office apparently had been run efficiently while Mr. Hunter was office manager; that proper procedures had been followed in allotting quotas and administering programs; and that the difficulties in the office appeared to have stemmed from political differences between Mr. Hunter and a member of the county committee, both of whom are Republicans but members of different factions within the party.]

"3. No substantiation was found of charges that Mr. Hunter had hauled voters to the polls on election day or had solicited or purchased votes. While he had spent considerable time at the polls on two occasions, he was on annual leave on the first occasion and had already resigned his position on the second occasion. He did permit a friend to use his car to carry relatives and one other person to the polls because of the friend's car being in the repair shop.

"4. In December 1953, Mr. Hunter had accompanied Mr. Olan Morelan, then county ASC chairman, in the latter's car on a personal trip to Ava, Mo. Mr. Hunter stated he thought he had taken compensatory leave on that day for overtime work performed previously. However, his salary claim for the day failed to indicate this and he was unable to explain why no mention of the compensatory leave was made on his claim. It was also found that, in connection with this trip and other official travel, failure to report actual speedometer readings in all cases presented the possibility that claims included personal mileage. Both Mr. Hunter and Mr. Morelan denied that they had ever made any false claims for services or mileage.

"5. Two of the present county committeemen stated that they believed Mr. Hunter had performed the duties of his office in a satisfactory manner. The third member of the committee was not available for interview, but was reported to share their opinion.

"We have requested the Missouri State ASC committee to advise what final action is taken with respect to the office manager position in Wright County as a result of this investigation, and will inform you concerning such action at an early date. Please accept my kindest personal regards.

"Sincerely yours,

"J. A. McCONNELL,
"Assistant Secretary."

It is now nearly 2 months since Mr. McConnell's letter reached my office with its assurance that I would be informed "at an early date" of the nature of the final action to be taken in this case. As yet no formal report has been forthcoming from the Department of Agriculture, but I have been advised by citizens in Wright County that both Mr. Hunter and his successor now have been found unsuitable for the State ASC Committee because of their respective factional affiliations within the Republican Party. Apparently, the ASC program in Missouri has fallen prey not only to partisanship directed by Republicans against Democrats but even to the internecine struggles within the Republican Party itself.

My colleague today presents the facts with respect to many other instances of political manipulation and abuse, instances of inefficiency, of inconsistency, of unfairness and of pure stupidity. My files are replete with irate letters from Missouri farmers and critical editorial expressions about the administration of the ASC program in Missouri. Without discussing these in detail, and in the interest of brevity in these busy closing days of the session I wish merely to call the roll, the roll of Missouri counties whose citizens have indicated their dissatisfaction and their displeasure. They are:

Barton, Benton, Callaway, Chariton, Crawford, Dent, Franklin, Greene, Henry, Holt, Howard, Lafayette, Lewis, Madison, Mississippi, Monroe, Newton, Nodaway, Pike, Ste. Genevieve, Saline, Sullivan, Texas, and Wright.

It is not with pride that I relate to my colleagues these circumstances about my home State. Rather it is with a sense of sadness and regret. Missouri farmers now have lived for 2½ years under a system which has given rise to complaints multiplied by condemnation compounded by denunciation. For these reasons, I am convinced of the necessity for a comprehensive study by the Congress of the administration of the ASC program in Missouri and in other States where similar conditions prevail. Together with my distinguished colleague, the junior Senator from Missouri [Mr. SYMINGTON], I respectfully urge the Senate Agriculture Committee to initiate at the earliest possible date a thorough investigation of ASC problems in Missouri and elsewhere with a view toward formulating remedial legislation which, once and for all, will remove this valued program from the field of partisan politics.

Mr. SYMINGTON. I thank my distinguished colleague for his remarks. He has always had the interest of Missouri farmers close to his heart, and has been a leader in calling this serious problem to the attention of the Senate.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. HUMPHREY. First I wish to commend the Senator from Missouri [Mr. SYMINGTON] for his address. It is fair to say that the evidence before the subcommittee of which it is my privilege to be chairman, with reference to the farmer committee system, indicates that the situation in Missouri has been a very unfortunate one and has been, up to this time, at least, one which has been filled with political considerations and surely borders upon gross mismanagement.

I wish to assure the Senator from Missouri that it is my intention, as chairman of the subcommittee, to come into his area. I shall notify the respective Senators and the other Members of the congressional delegation, and I shall hold whatever hearings may be necessary.

I have discussed the situation with representatives from the Department of Agriculture. I believe the testimony to date will reveal that they recognize the fact that there is a very unfortunate, or I might use a more blunt word and say "incredible" situation in the ASC program in the State of Missouri.

I want the Senator to know that what he has referred to in his State is not necessarily unique in the State of Missouri. I have in my hand a number of copies of letters, the originals of which are either in the files of the Committee on Agriculture and Forestry or in the files of my office. I ask unanimous consent that the copies of the letters be printed in the RECORD, at this point.

There being no objection, the copies of the letters were ordered to be printed in the RECORD, as follows:

IOLA, WIS., *June 2, 1955.*

Senator HUBERT H. HUMPHREY,
Washington, D. C.

DEAR SENATOR HUMPHREY: I received your fine letter some time ago with a copy of bill S. 544 which you are sponsoring.

A few days ago I was asked to find out if this bill has been voted upon yet since ASC elections will soon be under way.

I sincerely hope you will be able to secure passage of this excellent bill, the same as you were able to revoke last year's dictatorial order. We realize you have tough opposition to overcome.

The vast majority of farmers who believe in democratic control of their own programs would certainly be happy if your fight ends in victory. Could you inform me of its fate?

Thanking you for all the good you are doing for the farmers of America, yes, for all the people, I am,

Yours truly,

MARTIN THORSEON,

DEVILS LAKE, N. DAK., *July 18, 1955.*

Senator HUBERT H. HUMPHREY.

DEAR SENATOR HUMPHREY: Freshwater Farmers Union Local No. 924 met Thursday evening, July 14—when we discussed your Senate bill S. 544 and unanimously favorably endorsed it.

We farmers of Ramsey County, North Dakota, are in favor of this bill and wish to support your good work.

Keep it up.

Mrs. O. TOLLEFSON,
Secretary, Freshwater Local 924.

PILOT POINT, TEX., *July 16, 1955.*

Senator HUBERT HUMPHREY,
Washington, D. C.

DEAR SIR: I wish to let you know that we are very much interested in the bill S. 544.

Thanks.

A. J. SCHON.

PILOT POINT, TEX., *July 14, 1955.*

DEAR SENATOR HUMPHREY: I am in favor of Senate bill S. 544. Hope you will have the best of luck with this bill.

Truly yours,

FRANK A. PEZEL.

BELCOURT, N. DAK., *July 1, 1955.*

Hon. Senator HUMPHREY:

Congratulations to you for introducing S. 544. I am highly in favor of it. More power to you.

Sincerely,

Mrs. SPENCER LUND,
R. S. M. Local.

FARMERS EDUCATIONAL AND
COOPERATIVE UNION,
DEVILS LAKE, N. DAK., *July 2, 1955.*

Senator HUBERT HUMPHREY,
Washington, D. C.

DEAR SENATOR: As an organization we believe in more authority and status of democratically elected farmer committees, and support your introduced bill No. 544.

Best wishes for the continued liberal program you support.

Sincerely,

RICHARD LEE,
County Secretary.

FINLEY, N. DAK., *July 7, 1955.*

Hon. HUBERT HUMPHREY,
United States Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: The Steele County Farmers Union Board of Directors at their last meeting heartily endorsed passage of Senate bill 544 which was introduced by you. We sincerely hope adequate effort will be exercised to gain its passage. Please feel free to contact us for additional support that you may desire. We are doing everything within our power to support your bill.

Sincerely,

H. J. VOSSETEIG,
Legislative Director,
Steele County Farmers Union.

ROLETTE, N. Dak., *July 1, 1955.*

Hon. HUBERT H. HUMPHREY:

You are to be congratulated upon the introduction of Senate bill 544. I am strongly in favor of this bill.

Mrs. PIERRE MONGEON.

ROLETTE, N. Dak., *July 1, 1955.*
Hon. HUBERT H. HUMPHREY:
You are to be congratulated upon the introduction of Senate bill 544. I am strongly in favor of it.
PIERRE MONGEON.

ROLETTE, N. Dak., *July 1, 1955.*
Hon. HUBERT H. HUMPHREY:
You are to be congratulated upon the introduction of Senate bill 544. I am strongly in favor of this bill.
ALFRED MONGEON.

STEVENSVILLE, MONT., *June 20, 1955.*
Hon. HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.
DEAR MR. HUMPHREY: Members of the Ravalli County Farmers Union favor Humphrey bill, S. 544, and urge the passage of this legislation.
Sincerely,
EMMA CLEVIDENCE,
Secretary, Ravalli County Farmers Union.

JUNE 22, 1955.
We, the undersigned farmers of Pulaski County, urge you to vote in support of S. 544.
Thanking you in past for agriculture support.
Palmer J. Leonard, Michael C. Milo, Elliott H. Brady, Winamac, Ind.; Ernest Cosgray, Star City, Ind.; Earl Mendenhall, Winamac, Ind.; Verl Peterson, Monterey Ind.; Margaret Brady Winamac, Ind.; La Vonne Peterson, Monterey, Ind.

BUCYRUS, N. DAK., *June 25, 1955.*
Hon. SENATOR HUMPHREY,
United States Senate,
Washington, D. C.
DEAR SENATOR HUMPHREY: We are proud to support you on Senate bill 544. Senate bill No. 544, as I understand it will eliminate election boards and nominating committees in the selection of local ASC committees, which will take politics out of the ASC, and give us back the democratic way of majority rule which this democracy was based on in the first place. We like to be a free people.
Thanking you for your untiring efforts you are giving for the betterment of agriculture and the people of this great country of ours.
Very sincerely,
OBERT THORSON,
Legislative Secretary,
Argonne Farmers Union Local.

REEDER, N. DAK., *June 27, 1955.*
Senator HUBERT H. HUMPHREY,
Washington, D. C.
DEAR HONORABLE SIR: We, of the Darling Spring's Farmers Union, local No. 1097, do urge your full support of S. 544.
We do not favor these decisions being left to the Secretary of Agriculture. He has far too much power as it is. He is very surely eliminating the family-size farmer with his ridiculous farm program, etc.
We heartily approve of the bill you presented to Congress concerning the farm price system, that would be fair and just to all farmers and consumers alike.
Thanks for your good work always in behalf of the common man.
We are thankful to have some good legislators like yourself, but we wish there were many more there in Washington.
Thanks very much again.
Sincerely,
Mrs. SWEN J. SWENSON,
Legislative Secretary,
Farmers Union, Local No. 1097.

STERLING, COLO., *June 27, 1955.*
Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:
Believe your bill S. 544 offers best solution yet proposed to our farm problems. Hope you get necessary support.
DEWEY J. HARMAN.
FLEMING, COLO.

LEWISTON, MONT., *June 23, 1955.*
Senator HUBERT H. HUMPHREY,
Washington, D. C.
DEAR SENATOR: I strongly urge the passage of your bill S. 544 which would if enacted, reestablish the system of democratically elected local farm committees which I am sure should stop the political abuse and tampering which has crept into the system the last couple of years.
Sincerely yours,
FRED J. KOTTAS.

MINOT, N. DAK., *June 27, 1955.*
Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.
DEAR SIR: Please use your position and influence for the passage of Senate Bill 544, because if we don't regain local control of our County Agriculture Committees in the near future and to be supervised by local people instead of being controlled from the Secretary of Agriculture in Washington, D. C., who is not working for the benefit of the family type farmer.
Respectfully yours,
DAIL MOFFITT.

NEWMAN HOLSTEIN FARMS,
Culver, Ind., June 17, 1955.
Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.
DEAR MR. HUMPHREY: I am interested in Senate bill 544. I feel that the present way of electing our township committees for the agriculture program is not working. This year a nominating committee made up as directed chose the nominees. After their names were sent out, the Republican Party, or some Republicans, at least, sent letters urging "Vote for ——— and listed names." In many cases these recommended "by means not exactly democratic or nonpolitical" were elected.
Now they won't do the work, and so they are going out just asking folks to do it. It looks like they meant to thus sabotage the program.
I think farm programs should be administered by locally farmer-elected representatives, with promise they will do the work.
When we had a good, workable, democratic system why change it? I certainly am not in favor of putting administrative duties of farm program in hands of extension division and Farm Bureau and other big organization officials.
Thank you.
J. DICK NEWMAN.

ILLINOIS FARMERS UNION,
Springfield, Ill., June 21, 1955.
Hon. HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.
DEAR SENATOR HUMPHREY: Your sincere interest in farm problems and your statesmanshiplike manner in helping to establish legislation that preserves and protects the family type of agriculture has not gone unnoticed in Illinois. We recognize your great insight into agricultural situations as relates to the economic and social problems of farm families everywhere. It is good to know that we have such people as yourself that we may feel free to call upon when such legislation is up for action as Senate bill 544, which tends to reestablish authority of the democratically elected farmers committee system in carrying out the agricultural programs which especially relate themselves to the Agriculture Stabilization Act.
First, I would like to make it very clear that the farmers felt it was unfair when the new community committee system was abolished by the 82d Congress. Therefore, they are appealing through the Illinois Farmers Union to have that authority restored. I need not point out to you that this is the only truly democratic way to operate such a program. What could be a greater expression of democracy itself than the farm people coming together and selecting from their own numbers committeemen to represent them and administer their own program. A municipality of such committeemen equals a democratically selected county group who in turn convene for the purpose of selecting from their own group men who will administer their farm program on a county level. This immediately, and by the very nature of this method, places the county and community committeemen in the capacity as servants of their own people. They are not handpicked bosses, etc., etc.
It is my honest opinion that the farmers in Illinois feel deeply enough about this that it will become an issue in our coming elections. It seems so unnecessary for farmers to have to cry their hearts out for something that everyone should recognize to be right.
Since by law the county agent, known in Illinois as farm adviser, is chairman of the county election board by virtue of his office, he has become a very controversial individual. Frankly, farmers just outright resent it. However, in all fairness to the farm adviser I think it should be stated that even under trying circumstances he has attempted to do a good job. The fact remains, however, that it is still a sore spot at the grassroots level of the farm people.
First of all, whether it is true or false, farmers think of the farm adviser as the manager of the farm bureau. Quite naturally you and I know this is not legally true, but as so many people think he is, it might as well be true because the results are the same. Since the farm adviser is closely related in the association of thought with the farm bureau in our State, and also since the extension service and the farm bureau is a controversial issue here, much division is found among our farm people. Being the farm adviser at the head of this very important election committee seems rather stupid, to say the least. This in itself should be sufficient evidence to validate any reason why the election board should be returned to the well-established farmers elected committee system which served farm people so well over a great many years. This would relieve the farm adviser from his unpleasant task. Farmers here feel that a farm adviser could best serve the farmers if he is placed in a neutral office and position, strictly in an advisory capacity where people voluntarily seek out his services. As a matter of fact, we hope to effect a separation between the farm bureau and the extension service in our State in the very near future. This is consistent with a memorandum issued by Mr. Benson several months ago.
Another recommendation I would like to make regarding this farm program is that after the farmers themselves, through their community and county committee elections, have selected personnel that at least one from the county committee be available to the people every day of the year at the ASC office. A farmer whom the people have elected and placed their confidence in would certainly be a much better person to serve his people than anyone else would because of his insight into problems with which he is so familiar. We believe that he should have a good, efficient office manager, but the office manager should be subservient to the county committee and should not become an administrator. That should be left in charge of the county committee.

I have tried to put into this letter what I think to be a composite thinking of our farm people based upon information gathered in over 400 farm meetings in practically every county in Illinois.

I hope when the Senate Committee on Agriculture takes its tour over the States among farm people that this question be given an opportunity to be aired, if it has not already been acted on. I am sure farm people in Illinois at the grassroots level would be happy to express themselves.

May I again thank you for your interest in farm families and express our very warm feeling toward you for the fine work you are doing.

Sincerely,

RALPH S. BRADLEY,
President.

Mr. HUMPHREY. The letters show the deep concern felt by farm leaders and farm organizations in farmer committee matters. They show what has been transpiring and what they are afraid may transpire in the future.

It is perfectly clear that a year ago we tried to correct the situation by an amendment which it was my privilege to submit. It was adopted by the Senate and maintained in conference.

As the Senator has accurately stated, the purpose and intent of that amendment was ignored by an interpretation made by the legal counsel of the Department of Agriculture, which was carried out by the Secretary of Agriculture.

After disrupting the entire community committee and township committee system by denying the reelection of township committeemen for more than 3 years or 3 terms, what was finally done? The head of a great system in the Department of Agriculture came before our subcommittee and said, "We were wrong. We have reversed our policy now. We are now permitting individual members to be elected as many times as the farmers want them to be elected."

I am sure the Senator would be interested to know that at the township level the Department now has a scheme by which a nominating board is set up for those who are to be elected township committeemen. In that way there is a little more administrative control over the election process. I point out that while presently the Department may permit free elections for as many terms as the farmers may wish to elect their neighbors, the Department of Agriculture, which gives that permission, is the same Department, composed of the same officers, which denied that privilege only a year ago. He who giveth, can take away.

Mr. President, that is not democracy. It is the spirit of paternalism and the spirit of a benovelent king. In other words, they say to the farmers, "You can have the right to choose your people now, as long as you abide by the way we think." Therefore, Mr. President, it is the intention of the junior Senator from Minnesota—and I so expressed it by introducing a bill, S. 544, to put into public law what the Secretary now says is good policy.

I will tell the Senator why I intend to do that. I do not trust the Secretary of Agriculture. I am afraid, very frankly, that if someone who is elected to a county committee starts to act like an individual, and does not kowtow and take orders and follow dictates, the Department will switch right back again to the old election system.

I wish to say to my colleagues in the Senate that we ought to be quite concerned with how people change the election system. Changing the rules in the middle of the game is not a good thing to do. We would not like it if our own rules for election were changed in the middle of our terms. We, too, like tradition.

The whole county committee system, which once was an administrative unit, and which did the job of running the farm program, is now being relegated to an advisory capacity. More and more the system is being administratively sterilized. It is being made into a sort of window dressing. The farmers do not want that. But I intend to pursue this study until all the facts are obtained.

May I say, most kindly, to the Senators from Missouri that we will go into Missouri to find some of the facts, and into other States, because there are complaints from every State in the Nation.

Mr. SYMINGTON. I thank the distinguished junior Senator from Minnesota. Speaking for myself and for my able senior colleague, the people of Missouri will be most honored to have the committee come into our State and investigate this terrible mess. I have discussed it with the distinguished chairman of the Committee on Agriculture and Forestry. I am glad that the people of Missouri will have someone, at long last, to look at what is going on in our State from the standpoint of what the State Republican committee has tried to do to the farmers. By far, the most bitter complaints we have received in this matter have come from counties which are almost invariably Republican counties.

Mr. CAPEHART. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I yield.

Mr. CAPEHART. Is it a matter of politics concerning both Democrats and Republicans?

Mr. SYMINGTON. It is a matter of politics through the State committee controlled by the Republican Party in the State. Probably the bitterest protests which have come to us in this matter have come from Republican counties and not from Democratic counties.

Mr. President, only yesterday I received from a leading Missouri farmer a letter, which in itself reemphasizes the present difficulties resulting from the political maneuvering of the Missouri State ASC Committee.

This farm leader, speaking for himself and his farmer neighbors, asked: "Is there any hope of getting this matter changed?"

He further expressed the feeling of many other farmers in Missouri, stating that if the administration of the ASC program in Missouri cannot be improved, "we do not feel that we want to elect people again that have served us well without regard to personal sacrifice and again put them in a position to take the abuse of unscrupulous fieldmen and snoopers."

Mr. President, I ask unanimous consent that this entire letter, coming from a farm leader in a strongly Republican Missouri county, be inserted at this point in the RECORD. I am deleting the signature and the name of the town from which the letter comes, because this county committee is trying to do a good job and I do not want them subjected to any more pressure tactics from the Missouri ASC Committee than they have already undergone.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 25, 1955.

Hon. STUART SYMINGTON,
United States Senator,
Washington, D. C.

DEAR SIR: Election time is again getting near for the election of the county and community committeemen in our ASC farm program. We as a group of farmers feel that if something is not done in Congress about the county committee regaining power to run the program instead of office managers that our farm program is fast losing its intended purpose.

We, in the county, feel we do not want to elect a county committee and then let them try to run a program or be responsible for it on practically no time at all or as it happens in our particular county, donated time while at the same time money is being squandered for excess help in some counties, overpaid office managers, and just plain snoopers that are sent into the county to see if something can be found to suspend the county committee or the office help as seems to be the case in our county.

We have a good committee. We feel that we have one of the best office forces that a county can have. I say this because I personally know that our county is being run more efficiently with our limited personnel who operated under the committee system than other counties who have more clerks who have been put on to offset the lack of experience of both personnel and committee.

I understand that other counties are getting raises in pay. (That is the counties where the fieldman's and State committees' favored people are located.) In this county such has not been forthcoming, although at one time I understand the fieldman stated they were entitled to one.

What we as a group of farmers would like to know: Is there any hope of getting this matter changed? If not, we do not feel that we want to elect people again that have served us well without regard to personal sacrifice and again put them in a position to take the abuse of unscrupulous fieldmen and snoopers.

We would like to be notified, if possible, if something can be done. Thanking you for past favors, I am,

Yours very truly,

Mr. HUMPHREY. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I yield.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have a statement which I have prepared on this subject matter printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FARMER COMMITTEE HEARING—INTRODUCTORY STATEMENT BY SENATOR HUBERT H. HUMPHREY, MONDAY, JUNE 13, 1955

This hearing is being conducted on S. 544, to amend section b (b) of the Soil Conservation and Domestic Allotment Act, as amended, to provide for administration of farm programs by democratically elected farmer committeemen.

Our aim is to inquire into present operations of this committee system, and to provide whatever protection is necessary to assure preservation of this farmer-committee structure as an effective device for farmer participation, instead of letting it become just a hollow gesture.

One of the great concepts of grassroots democracy developed during the past two decades has been direct farmer participation in administration of the farm programs, through these democratically elected community and county farmer committees. I am convinced we must preserve this opportunity for farmers themselves to have a voice in how the farm program is administered. We must protect the right of farmers to elect neighbors of their own choosing to serve on the farmer committees that have proven so effective in putting democracy into action in rural America.

Many of us have been disturbed over policies which appear to be aimed at undermining this great system, and making these committees less and less effective. There apparently appears to be a move underway to relegate them to an advisory status with very little actual authority. There has also appeared to be unjustified interference with free choice in the farmer elections, through administrative regulations requiring rotating of committee members regardless of what the farmers themselves may decide.

We want to look into this thoroughly, and see that the original intent of our committee system is preserved.

To set the stage for this hearing, I want the record to show that during the 1952 campaign Candidate Eisenhower repeatedly assured farmers he would let them run their own farm programs.

Let me cite a few such instances.

At Kasson, Minn., he said:

"I pledge you that the Republican Party is going forward with positive, aggressive, farmer-run farm programs. * * * Our goal will be sound, farmer-run programs that safeguard agriculture * * * the programs must be transferred into genuinely farmer-run operations * * *."

At Columbia, S. C., he said:

"Management and direction of the farm program, * * * federally financed though it will be * * * must be turned over to the farmer."

At St. Cloud, Minn.:

"At Kasson, I had the opportunity to outline a part of the farm program that the Republicans will support and urge and operate * * * There was another part of it; that every kind of program adopted for the future would be a farmer-run, locally run."

At New Orleans:

"What we need is to start from here and build a better program based on more farmer participation. * * *"

At Memphis:

"I pledge you an administration that will cleanse all farm programs of partisan politics, that will decentralize their administration, that will increase farmer participation in their own programs."

Despite such assurances, we seem to have been headed in just the opposite direction. It is my hope we can redirect the use of these committees back to their original intent. For that reason we are pleased to have among the witnesses accepting an invitation to come here for this hearing, some of the early leaders who had the vision to set up this farmer-committee system.

I hope the hearings will also develop the vital role these committees played in service to our country during the war and the success they have had in obtaining farmer participation in our programs.

One of the great assets of the system has been its adaptability to local conditions and regional commodity differences. We hope it can be kept that way, rather than have attempts at the national level to arbitrarily order uniform national methods of operations that might work well in some localities but not in others.

During the past 2 years a major change in operations has been under way in the Midwest, where traditionally the farmer committeemen acted as actual administrators of the programs. Under orders from the Department of Agriculture, they have been prevented from doing so and instructed to hire "office managers" instead. I have had many complaints from farmers that this has meant a lessening of efficiency and increased costs, exactly the opposite to what the Department claimed was their purpose.

So I hope these hearings can provide us some accurate information on comparative costs of the operations of these programs at the county levels in such a State as Minnesota last year with costs of 2 or 3 years ago. And I think these costs should be broken down to show the cost per farmer participant in the program, too, for it is my understanding great losses in farm participation have developed in the last year or so as a result of some of these changes.

I understand the Department of Agriculture has reversed some of its earlier administrative orders regarding election of committeemen—after the elections of last year are over.

I consider that no answer to the problems that were created by turning down farmers who had been elected in their communities to serve on these committees.

Because administrative orders can be changed at any time, I want to see the right of farmers to elect men of their own choosing to these committees spelled out in the law, so it cannot be tampered with.

That will be our goal.

Mr. HUMPHREY. Mr. President, I should like to add that while the Senator from Missouri has pointed out that this is one of the cruelest blows that has ever befallen the farmer, another blow is reported today by the Associated Press, as follows:

The Agriculture Department reported today that farm prices declined 2 percent during the month ending in mid-July.

The mid-July farm price level was 3.2 percent below that of a year ago and about 23 percent below the record high set in February 1951.

Prices paid by farmers for goods and services in production and family living declined about one-third of 1 percent between mid-June and mid-July.

These prices were about one-third of 1 percent higher than a year ago but about 3 percent below the record high of May 1952.

The Department said the general level of prices received by farmers averaged 84 percent of parity compared with 86 percent in mid-June, 88 percent a year ago and a record high of 123 percent in October 1946.

The price figures were at the lowest level reached under the Eisenhower administration.

Mr. President, that is from the Associated Press. I think it is an objective comment, and it is reported by what I think is an objective news service, as to the condition of prosperity which seems to be "busting out all over" except in the countryside where we expect things to burst out and to grow.

I predict that this fall the situation will be even more serious, with hog prices down, grain prices down, and cattle prices down.

While all this goes on, we read a report concerning the United States Steel Corporation's profits, which are double in the first half of this year as compared with the first half of last year.

Those are the figures which we are supposed to look at and then feel that everything is just wonderful, while the farmer is being economically strangled.

Mr. President, it is high time that proper attention be paid to this matter before we find a repetition of the so-called prosperity of the 1920's which found itself in jeopardy because of the recession and depression in the rural areas, culminating in the collapse of the early 1930's.

Mr. SYMINGTON. I thank the Senator from Minnesota. Only recently the Secretary of Agriculture stated in my State that he was quite happy now with the position of the American farmer. I have a chart which I will send the Senator from Minnesota tomorrow, showing what has happened in recent years to parity, which is a term for justice to the farmer, as against what happened to the stock market. Steadily the income of the farmer has dropped in recent years, and steadily the prices of stocks have gone up. The people who are fortunate enough to be able to clip coupons are getting steadily richer, as compared with the farmers who toil from dawn until sunset. It is about time, in my opinion, that this matter be looked into, not only in the State of Missouri, but all over the country.

Again I wish to assure the Senator from Minnesota a warm welcome when he visits our State in the fall.

THE WASTE AND MISUSE OF WATER

Mr. DUFF. Mr. President, before the close of the session I rise to bring to the attention of the Senate the gross waste and misuse of one of the basic natural resources of this Nation—water.

No year passes without a devastating drought in some sector of the Nation, yet we have been so remiss in capturing excesses of water when it occurs that constantly recurring floods cost hundreds of millions of dollars. These waters if captured before attaining flood stage could not only materially lessen the damage from floods but as well eliminate in many sectors the damage from drought by providing abundant water for irrigation.

In the Ohio Valley alone the 24-year average loss from floodwaters from 1927 to 1951 was $31,720,000 while the catastrophic flood of 1937 caused an estimated damage in the vast sum of $413,937,000.

While flood loss is sporadic and apt to shift from one sector of the Nation to another from time to time, there is another type of damage appertaining to water that for the most part occurs everywhere every day where there is water. This is the damage occurring by reason of the wholesale pollution of our streams and lakes.

Even here at the National Capital, at Washington, amidst the beauty of extraordinary natural and landscaped surrounding, and within sight of the magnificence of national monuments and world famous buildings, the famed Potomac winds its way to the Chesapeake so foully laden with human excrement and other offensive and poisonous pollutants that it is vile and pestilential—a disgraceful cesspool in the

very heart of the capital city of the world.

Going away from the Capital, the waters of the Hudson, the Delaware, the Susquehanna, the Ohio, and the Mississippi, all tell the same terrible tale.

In September 1609, when Henrik Hudson was exploring the waters of our middle Atlantic coast, before he reached the great river which now bears his name, he passed on his voyage northward what later was identified as the mouth of the Delaware River. On that day he entered in the logbook of his ship, the *Half Moon*, that never had he known waters of such sweetness and fragrance. Could he return to the same waters today he would find them stinking like a suppurating wound and filled with various kinds of offensive and pestilential filth. The same could be said of most of the waters flowing through the great populous and industrial centers of America.

In recognition of the serious consequence entailed by such pollution, the Congress of the United States in the River and Harbor Act approved August 26, 1937, directed a survey of the Ohio River and its tributaries to ascertain what pollutive substances are being deposited, directly or indirectly, therein and the sources and extent of such deposits, with a view to determining the most feasible method of correcting and eliminating the pollution of these streams and inferentially all streams so polluted.

Pursuant to that authorization and directive there was conducted between 1937 and 1943, as shown by the report, "the most complete and comprehensive examination ever made into the sanitary condition of a major river and its tributaries draining an area highly developed commercially, industrially, and agriculturally. About 4 years were required to obtain and analyze the voluminous field data necessary for a sound financial, administrative, and other associated questions, and to develop a plan for remedial improvements recommended therein."

The 3 extensive volumes of the Report of the Ohio River Committee are 3 volumes seriously commended to everyone concerned by the gross and outrageous misuse of one of the greatest of all our natural resources—our water supply.

Although 12 years have elapsed since the filing of that report, relatively little effect has been given to its serious and grave recommendations. Meanwhile our population has increased by more than 20 million souls, and the industrial components of such pollution in a fabulously greater proportion.

What that report shows in the Ohio Basin is true of every river basin where like or similar conditions prevail, and therefore intimately concerns the Nation as a whole.

In sum, the more our population increases, the greater the expansion of our industrial complex, and consequently the greater the demand for a supply of potable and usable industrial water, the more we increase pollution and the more we decrease the usable supply.

This situation, if permitted to continue unremedied, will inevitably result in disaster.

When the French in Canada explored the upper Ohio prior to establishing themselves at Fort Duquesne, now Pittsburgh, they named the Ohio "the Beautiful River" and stated in their reports to the mother country that it was the most beautiful river they had ever beheld.

Two hundred years later the report on the Ohio River shows it to be vile and filthy almost beyond fully accurate description.

There are reaches in the Ohio River where the water is so hard, as the result of pollution, that even when processed by the usual methods of filtration, in a period of 10 or 12 years it will eat pinpoint holes in galvanized and brass plumbing and only copper plumbing will withstand its continuous ravages. When it is remembered what constant irritation can induce in the delicate membranes of the body, it becomes clear what a major threat to the public health the necessitous use of water of such character may become.

As the result of domestic and industrial pollutants, all water supplies from the river are subject to bacterial pollution.

The report shows that while excellent facilities are available for bathing, that indiscriminate use of the streams for this purpose constitute a dangerous hazard to public health. The deposition of sewage solids along the river bank below sewer outfalls is a common occurrence. These deposits constitute a source of disease which may be transmitted by flies or other insects.

In places the accumulation of human and industrial wastes is so great that a chemist for the Wheeling Waterworks about 60 miles below Pittsburgh was led to observe that the Ohio, as it passed Wheeling, was not water, it was merely thinly diluted sewage.

As the report concludes, the principal damages from stream pollution are to public health, domestic and industrial water supply, recreation, navigation, plant and animal life, and aesthetic values.

Let no one self-righteously point a finger at the Ohio. What obtains there obtains everywhere to the streams in America to a greater or less degree depending only upon the concentration of population and industry.

A continuation unremedied of these conditions is a serious threat to the health, prosperity and welfare of the Nation. The time is long past to do something about it. When do we intend to begin on a national basis? This proposition is squarely up to the Congress. The time is late. Effective remedial measures ought to be one of the first objectives of the next session of the Congress.

MINING DEVELOPMENT AND UTILIZATION OF MINERAL RESOURCES ON CERTAIN PUBLIC LANDS

The PRESIDING OFFICER (Mr. BIBLE in the chair) laid before the Senate a message from the House of Representatives announcing its disagreements to the amendment of the Senate to the bill (H. R. 100) to permit the mining, development, and utilization of the mineral resources of all public lands withdrawn or reserved for power development, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MURRAY. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ANDERSON, Mr. O'MAHONEY, Mr. SCOTT, Mr. KUCHEL, and Mr. GOLDWATER conferees on the part of the Senate.

AMENDMENT OF DOMESTIC MINERALS PROGRAM EXTENSION ACT OF 1953—ADDITIONAL CONFEREES

Mr. MURRAY. Mr. President, I ask unanimous consent that the names of the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Idaho [Mr. DWORSHAK] be added as additional conferees on the bill (H. R. 6373) to amend the Domestic Minerals Program Extension Act of 1953 in order to extend the programs to encourage the discovery, development, and production of certain domestic minerals.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE IMMORTAL CORDELL HULL

Mr. NEELY. Mr. President, as Shelley wept for Adonais, so I weep for the illustrious Cordell Hull, whose remains were interred last Tuesday at the Washington Cathedral, in a crypt of the Chapel of St. Joseph of Arimathea:

Till the future dares,
Forget the past, his fate and fame shall be
An echo and a light unto eternity.

Earth became poorer and heaven grew richer last Saturday when Cordell Hull passed from the narrow bank and shoal of time through the pearly gate into paradise to receive a starry crown and the endless enjoyment of the fulfilled promise:

Blessed are the peacemakers: for they shall be called the children of God.

From the distant day in November 1913, when it was my privilege to become acquainted with Judge Hull as a fellow Member of the House of Representatives, until he passed away, he was my beloved, generous, just, and faithful friend.

To the end of his busy, long and lustrous life, where duty led he followed, unseduced by flattery, undaunted by opposition, and untempted by rewards. His character was as spotless as the ermine in its winter dress; his reputation was as stainless as the Nation's flag.

As judge, Congressman, Senator, party leader, and Secretary of State, he walked the rugged road of right; like the apostle Paul, he constantly kept the faith; he habitually wore the snow-white plume of a blameless life. He was

as patriotic as George Washington, as courageous as Andrew Jackson, as statesmanlike as Woodrow Wilson. In the temple of righteousness he worshiped; upon the altar of truth he burned his incense; at the shrine of peace he bowed his knees.

His diversified actions in promotion of the general welfare were legion; his legislative achievements were unnumbered; his diplomatic endeavors in behalf of lasting peace were innumerable, his deeds of loving kindness to his fellow men were as countless as the sands on the shore of the sea. His crowning public service, which the world will forever remember, and for which humanity will forever sing his praise, was his matchless contribution to the creation of the United Nations organization—the first, the last, the best, and the only hope of the human race for enduring deliverance from the distressing fear, the terrifying threat and the appalling reality of grim-visaged, agonizing, annihilating war. The seed of peace, which he planted in soil cultivated by his own hands, has grown into a various mighty fabric of root and trunk and flower which, like the apocalyptic tree of life, "yields her fruit every month," and the leaves of which "are for the healing of the nations."

For Cordell Hull's patriotism we lauded him; for his service to the world we honored him; for his devotion to his God, his country, his family, and his friends we loved him. As we lauded, honored, and loved him in life, so we revere him in death, tenderly cherish his memory, and, in imagination, with bowed heads, loving hearts and lavish hands, strew the freshest, the fairest, and the most fragrant of flowers above his hallowed dust. We now wrap the resplendent record of his brilliant achievements in the silver foil of appreciation, entwine it with the golden threads of affection, and carefully store it in the jeweled treasure chest of fondest recollections, where neither moth nor rust can corrupt it; and where thieves cannot break through and steal it.

It is our fervent hope and devout prayer that eventually we may all be reunited with this beloved friend, this noble prince of public servants, this peerless architect of peace in "that fair and happy land just across on the evergreen shore." In the interval between the now and then, dear heart—

Farewell. * * *
All our thoughts go onward with you.
Come not back again to labor,
Come not back again to suffer,
Where the famine and the fever
Wear the heart and waste the body.
Soon our task will be completed.
Soon your footsteps we shall follow,
To the Islands of the Blessed,
To the Land of the Hereafter.

To the radiant land where the rainbow never fades, where friends never part, and loved ones never, never die.

ESTABLISHMENT OF LOCAL SELF-GOVERNMENT AT THE COMMUNITIES OF OAK RIDGE, TENN., AND RICHLAND, WASH.

The Senate resumed the consideration of the bill (S. 2630) to facilitate the establishment of local self-government at the communities of Oak Ridge, Tenn., and Richland, Wash., and to provide for the disposal of federally owned properties of such communities.

The PRESIDING OFICER. The question is on agreeing en bloc to the amendments of the Senator from California [Mr. KNOWLAND].

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	George	Millikin
Allott	Goldwater	Monroney
Anderson	Gore	Morse
Barkley	Green	Mundt
Barrett	Hayden	Murray
Beall	Hennings	Neely
Bender	Hill	Neuberger
Bible	Holland	O'Mahoney
Bricker	Hruska	Pastore
Bridges	Humphrey	Payne
Bush	Ives	Potter
Butler	Jackson	Purtell
Byrd	Jenner	Robertson
Capehart	Johnston, S. C.	Russell
Carlson	Kefauver	Schoeppel
Case, N. J.	Kerr	Scott
Case, S. Dak.	Kilgore	Smathers
Chavez	Knowland	Smith, Maine
Clements	Kuchel	Smith, N. J.
Cotton	Langer	Sparkman
Curtis	Lehman	Stennis
Daniel	Long	Symington
Dirksen	Magnuson	Thurmond
Douglas	Malone	Thye
Duff	Mansfield	Watkins
Dworshak	Martin, Iowa	Welker
Eastland	Martin, Pa.	Wiley
Ellender	McCarthy	Williams
Ervin	McClellan	Young
Fulbright	McNamara	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing en bloc to the amendments of the Senator from California [Mr. KNOWLAND].

Mr. KNOWLAND. Mr. President, the purpose of the amendments I have offered to Senate bill 2630 is to meet the objections which have been raised by the executive branch. Those objections are set forth in a letter from the Bureau of the Budget, which I inserted in the CONGRESSIONAL RECORD of July 28; and if the Members of the Senate will examine the CONGRESSIONAL RECORD of yesterday—of course a copy of that issue of the RECORD is on each Senator's desk—and will look at page 11805, they will see the letter, dated July 26, 1955, from the office of the Bureau of the Budget.

Mr. President, my amendments would limit the initial provision for annual assistance payments to a period of 3 years, subject to reconsideration and, if necessary, extension, following a review of the situation to be made by the Atomic Energy Commission.

It appears that without the time limit contained in these amendments, the Federal Government would continue to be intimately concerned into the indefinite future with the details of the operation and financing of municipal activities. This relationship would be undesirable to both the residents of the locality and to the Federal Government.

The amendments also would eliminate provisions which would involve the Commission, or some other Federal agency on its account, in a new type of Federal-local government relationship requiring, first, Federal evaluation of the services rendered in all cities in the United States of population groups comparable to Oak Ridge and Richland; secondly, a judgment as to the level of services in the upper quartile of these comparable communities; and third, a comparison of this level with those prevailing locally in Oak Ridge and Richland.

Federal Government evaluation of local government services would represent a most undesirable innovation in the relationships between the Federal Government and local governments.

The letter from the Bureau of the Budget is dated July 26, and is addressed to the Chairman of the Atomic Energy Commission.

I may point out to the Members of the Senate that the bill was reported from the Joint Committee on Atomic Energy as recently as July 25; and the bill is quite an important one, and I would suggest that the Members of the Senate give considerable consideration to it.

The letter of July 26, from the Bureau of the Budget, addressed to the Chairman of the Atomic Energy Commission, as found on page 11805 of yesterday's CONGRESSIONAL RECORD, reads as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., July 26, 1955.

Hon. LEWIS L. STRAUSS,
Chairman, United States Atomic Energy Commission, Washington, D. C.

DEAR MR. STRAUSS: This is in response to Mr. Field's letter of July 22 to Mr. Roger Jones, transmitting copies of the Commission's letter to the Joint Committee on Atomic Energy expressing its views on the July 19 committee print of a community disposal bill.

The Bureau concurs in the Commission's analysis of the committee prints. Moreover, although the provisions of S. 1824 and H. R. 5845 are still regarded as preferable, there is no objection to the chapter 9 provisions proposed by the Commission to the committee as a possible substitute for those in the committee print. As your letter to the Joint Committee on Atomic Energy points out, the administration strongly favors the enactment of legislation which would enable the residents of Oak Ridge and Richland to purchase their homes and establish local self-government. However, it appears that under the provisions of the committee print the Federal Government would continue to be intimately concerned with and would exercise control over the details of the operation and financing of municipal activities. This condition, mutually undesirable to the residents and the Government, could well continue into the indefinite future, inasmuch as the bill provides no incentive to the communities to become financially independent and specifies no time limit for the special relationship.

In addition, the provisions of chapter 9 would involve the Commission, or some other Federal agency on its account, in a new type of Federal-local government relationship requiring an evaluation of the services rendered in all cities of population groups comparable to Oak Ridge and Richland, a judgment as to the level of services in the upper quartile of these comparable communities, and a comparison of this level with those prevailing locally in Oak Ridge and Richland. It is the view of this Bureau that the introduction and continued application of the proposed process of Federal Government evaluation of the level of local government services would represent a most undesirable innovation in the relationships between the Federal Government and

local governments in the United States. In addition, we know of no existing Federal agency which is presently prepared to deal with the difficult administrative problems involved in the annual surveys and determinations which would be required by these provisions.

As your letter makes clear, the provisions of the committee print also raise serious questions of cost. Thus, chapter 9 would obligate the Federal Government to finance high quality municipal services and relatively low tax rates in each community for an unlimited period of time. These and other provisions would result in substantially greater costs to the Government than would those of H. R. 5845 and S. 1824, the bill transmitted to the Congress by the Commission. That bill provides for disposal on terms which are regarded as equitable. It is not clear why the Federal Government should bear the additional costs and furnish the additional benefits to the residents of these two communities which the committee print would provide.

It is requested that you forward a copy of this letter to the Joint Committee on Atomic Energy as representing our advice to the Commission on your report on the committee print of July 19.

Sincerely yours,

RALPH W. REID,
Assistant Director.

I should also like to read into the RECORD at this time, because I think it raises some questions of public policy which the Congress should at least consider, a letter addressed to me under date of July 22 from the United States Independent Telephone Association. It reads as follows:

UNITED STATES
INDEPENDENT TELEPHONE ASSOCIATION,
Washington, D. C., July 22, 1955.

Hon. WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.

DEAR SENATOR KNOWLAND: As the national trade organization for the independent telephone industry, we are gravely concerned regarding certain language contained in the committee print dated July 19, 1955, of the so-called Government property disposal bill applicable to the cities of Oak Ridge, Tenn., and Richland, Wash.

On page 28, lines 4 and 5, the print reads: "The Commission may give the utility to the city incorporated at the community * * *." This language is subject to interpretation that the Congress endorses municipal ownership and operation of communication systems used in providing service to the general public. For the first time, to our knowledge, it is apparently proposed to encourage, through this unprecedented action, municipal ownership in a field heretofore occupied throughout the Nation by private enterprise. Municipal ownership of the telephone properties at Richland would be wholly inconsistent with the local, State, and National pattern of ownership and operation of such facilities. In all other atomic energy locations telephone service is provided by commercial companies. Unlike electric distribution and transportation systems, telephone communications have consistently been provided the American people under conditions of private ownership and operation.

During World War II the Richland communications facilities were provided and operated by the Federal Government with the specific understanding, documented in the files of the Washington Public Service Commission, that at the end of the emergency the operation would revert to the commercial telephone company which has serving rights in the territory. This understanding has not been carried out notwithstanding the entire willingness of the telephone company to proceed. The company is ready and able to take over the federally owned property at its fair and reasonable value and operate the telephone system in the public interest under jurisdiction of the State regulatory body.

Our association, through its counsel, has requested that a further public hearing be held on the disposal bill in Washington, D. C., and also submitted written statements on behalf of the association and the affected company at Richland in support of the position of the telephone industry. It is again urged that a public hearing be held, or that the language referred to above be amended to clearly provide that the communications property shall not be transferred to a governmental entity.

Sincerely yours,

CLYDE S. BAILEY,
Executive Vice President.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I will yield in a moment.

I understand that subsequently an attempt was made by the committee, in the present bill, to meet the situation in any area where the local laws will not permit the community to operate a telephone company.

However, I invite the attention of Senators to the fact that in connection with the matter of the disposal of so-called municipal utilities, there is a provision in the bill which, so far as the municipality is concerned, provides that the utility shall be turned over to the community without cost. If it were to be sold to an outside utility, it would be done under competitive conditions.

I would have no particular objection, if a utility had some value, to saying that in the event of equal bids the local community, if it decided to operate its utilities, might get them under what we might call a preference clause; but it seems to me that the question whether the utility should be turned over to the community with no charge, and whether or not there should be an unlimited obligation on the part of the Federal Government, is worthy of some discussion, as a matter of policy.

I now yield to the Senator from New Mexico.

Mr. ANDERSON. Mr. President, I merely wished to ask the Senator if he will again state to what page of the bill the letter refers.

The Senator from California in reading the letter referred to a page number in the bill, as shown by the letter. I believe he will find that he is referring to a bill which has been completely discarded and is not even before the Senate. Will the Senator give the page and line number again?

Mr. KNOWLAND. The letter refers to page 28, lines 4 and 5.

Mr. ANDERSON. If the Senator will look at page 28, line 4, of the bill before the Senate, he will see it has nothing to do with what he is talking about.

Mr. KNOWLAND. I quite agree that that is the fact so far as the bill is concerned. However, I point out that the bill was reported to the Senate on July 25. I assume that those who wrote the letter had procured a copy of the committee print, and they were referring to the pages in the committee print. My only point is, when we have a bill of considerable importance before the Senate in the closing hours of the session, with respect to which bill legitimate private business has some questions which have not been answered, in connection with which the Bureau of the Budget raises some grave questions, and in which the Atomic Energy Commission has a vital interest, along with the Joint Committee on Atomic Energy, it seems to me there is some reason for not trying to rush the bill through in the closing hours of the session.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. JACKSON. I point out to the distinguished minority leader that at no time has the Joint Committee on Atomic Energy ever attempted to put either the city of Oak Ridge or the city of Richland, Wash., into the telephone business. It has been the unanimous intention of the committee—of both the subcommittee and the full committee, I may say—to maintain the status quo. I assure the minority leader that the city of Richland, Wash., obtained a legal opinion which states that under the laws of the State of Washington, a municipality cannot own a telephone system.

If the distinguished minority leader will turn to page 25 of the bill, and refer to section 73, he will find:

(a) Transfer may be made to one or more of the following—

That is, the utility—

if the transferee has the legal competency to receive and operate the utility:

(1) The city at the community;

(2) The State in which the community is located;

(3) Any political subdivision or agency of that State; or

(4) Any person, firm, corporation, or other legal entity.

Mr. KNOWLAND. Let us take a hypothetical case. The Senator, as I understand, states that, so far as Richland is concerned, it could not do it because the laws of Washington do not permit the municipal operation of a telephone company. Is that correct?

Mr. JACKSON. The authority has not been granted to a municipality.

Mr. KNOWLAND. Let us assume that the authority was granted. What would it take to grant authority to the community?

Mr. JACKSON. If, under the laws of the State of Washington, a municipality——

Mr. KNOWLAND. Let us assume that a community wished to go into the telephone business.

Mr. JACKSON. Just a moment. If, under the laws of the State of Washington, a municipality had the legal competency to receive, own, and operate a utility, certainly Congress should not interfere with that situation, and should respect local law.

Mr. KNOWLAND. That is correct. I am a great believer in States' rights.

Mr. JACKSON. What we are doing is to preserve the rights of States. It so happens that in the case of Oak Ridge, Tenn., the Bell System is already oper-

ating the telephone system. Therefore, there is no problem there.

With respect to Richland, Wash., I may say that I am becoming sick and tired of the telephone people badgering everyone on the committee in connection with this matter. What the telephone people really want is for Congress to grant a franchise at the Federal level to the local telephone company in Richland. We have had about enough of that. We are taking no part in that dispute. The people who want a city-owned telephone system would like to see the city set itself up in the telephone business. We say we will keep hands off. We say we will maintain the status quo.

Mr. KNOWLAND. I should like to ask a question for information in behalf of the Senate. I quite agree that, so far as the Federal Government is concerned, the question of whether a municipality shall operate its own municipal power system, or its own telephone system, or its own water system, is for the people of the local community to determine. Some communities in the State of California have voted for publicly owned powerplants. Other communities in that State have voted overwhelmingly, 16 or 20 to 1, against public ownership. Those are matters which each community must decide for itself.

However, in this case, certain Federal assets are involved. I should like to develop this question in the course of the debate, and I believe the Senate is entitled to have it developed. I say that because I have been a Member of the Senate long enough to know that sometimes a very small precedent which may be established in one bill will be picked up and magnified in a hundred bills to come. At least we ought to develop the facts.

I should like to ask the Senator from Washington this question. What is the law in the State of Washington today with respect to granting permission to the city of Richland to go into the municipal telephone business?

Mr. JACKSON. A municipal corporation in the State of Washington, as is the case in most States, is a creature of the State. The legislature of the State grants certain powers to the municipal corporation. The municipal corporation can do only that which it has express authority to do. The point is that the legislature of the State of Washington has failed to give affirmative authority for a city to engage in the telephone business. In our State, a city can, however, engage in the electric power business. A city can operate its own water system or its own sewer system, and so on. However, a city can exercise only those powers which the legislature has granted to it. It does not have any implied powers so far as what we call proprietary functions are concerned. There are implied powers where police functions are involved.

Mr. KNOWLAND. Does it take an act of the State legislature, or can a municipality apply to a commission?

Mr. JACKSON. It takes an act of the State legislature. I should like to refer the distinguished minority leader to page 14 of the report, where it speaks of Richland. I read:

> The telephone system in Richland has been a particularly knotty problem since the city desires to have the phone system for itself in order to provide revenues to help operate the city. The attorney general for the State of Washington has ruled that the city of Richland will not have the legal authority to receive the telephone system under present statutes. The telephone company which had the franchise in the area before it was partially condemned at the time of the acquisition of the real estate for the Manhattan Engineering District desires to reestablish itself in accordance with the rights given to it in its franchise.
>
> The reason the Commission is authorized to give a utility to a city is that it may be in the best interests of the United States, if all other factors are equal, to give the utility to the city and permit the city to use the operating revenues as increased sources of revenues for the city. Such an arrangement would bring in revenues which would, to that extent, decrease the amount of assistance which would be required to be given to the city under the assistance sections.

Mr. KNOWLAND. For the sake of the RECORD, and recognizing the fact that, because of the lateness of the session, Members of the Senate may not have had the benefit of the committee hearings, and many of them may not have had an opportunity to read the report or the bill, let us take the situation of the utilities in Richland or Oak Ridge.

Normally the utilities would be the telephone system—and the Senator has covered the question of the telephone company—electric power, water, sewage disposal——

Mr. JACKSON. The bus system.

Mr. KNOWLAND. The bus system. I do not suppose there is a streetcar system there.

Mr. JACKSON. No. I can read the utilities involved. I can read them briefly, from page 6 of the report of the Joint Committee on Atomic Energy:

> (d) Municipal facilities authorized to be transferred under this section include, without limitation, schools, hospitals, police and fire protection facilities, sewage and refuse disposal facilities, electrical distribution systems, water supply and distribution facilities, streets and roads, libraries, parks, playgrounds and recreational facilities, municipal government buildings, other properties suitable for municipal, utility, or comparable local public service purposes, and any fixtures, equipment, or other property appropriate to the operation, maintenance, or repair of the foregoing, but shall not include property which the Commission determines to be needed for its own use or property designated for disposal under sections 305–312 of this chapter.

The term "utility" has been defined on page 9 as being any electrical distribution system, any public transportation system, or any public communication system, and any fixtures, equipment, or other property appropriate to the operation, maintenance, or repair of the foregoing.

Telephone systems are not mentioned. Communication systems are mentioned.

Mr. KNOWLAND. If I may go on, under section 73 of the bill, page 25, it is provided as follows:

> Transfer may be made to one or more of the following if the transferee has the legal authority to receive and operate the utility.

As I understand, the only utility which Richland, Wash., would not have the authority to operate would be a telephone company.

Mr. JACKSON. The attorney general of the State of Washington has rendered a legal opinion to the city council of Richland to the effect that under the laws of the State of Washington a municipality cannot receive, own, or operate a telephone system.

Mr. KNOWLAND. But that applies only to a telephone system?

Mr. JACKSON. That is correct. That is his opinion.

Mr. KNOWLAND. Let us take the order of priority.

First. The city or the community presumably has the first priority.

Second. The State in which the community is located.

Third. Any political subdivision or agency of the State.

Mr. ANDERSON. That is not a priority; that is a listing.

Mr. KNOWLAND. I think the legislative history is important. We have had many cases involving the disposal of surplus Government property where the property went to another Federal agency, then, perhaps, to a State agency, then to a county or a school district, and lastly it would be sold to the public.

Mr. ANDERSON. The Senator is entirely correct, and his question is a very proper one. Will he indulge me to deal with the telephone matter?

Mr. KNOWLAND. I should like to finish with the next group, even though the Senator does not consider it a priority.

The fourth is any person, firm, corporation, or other legal entity.

When we turn to the following page, we find section 75. Here, I think, the Federal Government is getting into a problem, not involving a question of States' rights, but a matter of Federal policy which may plague the Congress of the United States in connection with future legislation.

Section 75, on page 26 of the bill, provides for charges for utilities transferred.

We have heard what the various utilities are. Telephone companies do not apply to Richland, Wash., but there are other utilities, such as transportation, sewage disposal, water disposal, and so forth.

Reading from section 75:

> The Commission may give—

I assume "give" means free, gratis, for nothing—

> may give the utility to the city incorporated at the community; and must charge in selling the utility to any other transferee. The charges and terms for the transfer of any utility may be established by advertising and competitive bid, or by negotiated sale or other transfer at such prices, terms, and conditions as the Commission shall determine to be fair and equitable.

In the case of public buildings which are used for schools in these communities or which might be used as city halls, I would have no particular objection to their being given to the city, despite the Morse formula to the contrary. I think there may be a very meritorious case, particularly when we are trying to induce people to buy their own homes and

get them back on the tax rolls. They will get certain facilities which are normally used for the operation of municipal governments. But I submit, Mr. President, that there is likely to be established a somewhat new precedent, and, I think, a far-reaching one.

Perhaps in Washington we should not speak about transportation companies. Let us say, a power company, a telephone company, a water company, or some other facility. There would be a considerable inducement on the part of the Federal Government if a private group would be willing to purchase it and put it on the local tax rolls, if it has a value, let us say, for instance, a value of $500,000 or $250,000, or $1 million. If we want to say that the property should be made subject to public bidding, it could be provided that if the municipality wanted to match the bid it would have a preference. I think that is one way of dealing with the assets of the Federal Government. If an asset has some value, generally it must be made subject to bidding, but, so far as a municipality is concerned, it is given to it at no charge whatsoever. I think the sentence in the letter which I heretofore read, which contained some material which was not applicable to this bill because of the change in the bill, has some merit.

This may be the first time in the history of the Federal Government that we have written into a law passed by the Congress language encouraging general public ownership on the part of municipal governments at the expense of the Federal Government. At least, Mr. President, that point ought to be very clearly understood, and we should have some legislative history with reference to it.

Mr. CAPEHART. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. CAPEHART. Are we to understand that we are going to give these utilities to a city if the city wishes to accept them, but if someone wishes to buy them and operate them, then they must pay for them?

Mr. KNOWLAND. That is correct, as I understand.

Mr. CAPEHART. I should like to have someone give me one reason why that makes sense.

Mr. ANDERSON. I shall be very happy to try to do so, if the Senator will listen.

Mr. CAPEHART. I am listening.

Mr. ANDERSON. Let me say to the Senator that if he had had an opportunity to go through the hearings of the committee, he would understand why the committee unanimously, Republicans and Democrats alike, reported the bill without a dissenting vote.

Suppose a certain telephone company is worth two and a half million dollars. Does the Senator think it should be given to the Bell Telephone System?

Mr. CAPEHART. It should be sold to the Bell Telephone System for two and a half million dollars.

Mr. ANDERSON. That is what the bill provides.

Mr. CAPEHART. It does not provide any such thing.

Mr. ANDERSON. The Senator does not realize that it could not go to the city, because the city is not authorized to accept it, under the law of the State of Washington.

Mr. CAPEHART. I understand that; but let us talk about a power company or a bus company at Oak Ridge or at Richland. Let us forget the telephone company for a moment. Let us talk about whether it is proposed in this bill to give utilities to the cities, but if they do not want to accept them, then they must be sold to private parties. If that is the way it is, I shall vote against the bill, or I shall make a motion to recommit the bill.

Mr. ANDERSON. I should be perfectly happy to have the Senator move to recommit the bill. As a matter of fact, the Atomic Energy Commission has struggled with the problem for 6 or 7 years, and the joint committee has wrestled with it for years. We finally have a bill with which many thousands of persons would be satisfied.

Mr. CAPEHART. Will the Senator tell me why?

Mr. ANDERSON. I have not had a chance to tell the Senator why.

Let us say that here is a community operating on a high tax basis. If the utility is transferred immediately to the community, there is no taxable value to maintain the community. The able Senator from Indiana was a manufacturer. His plant was on the tax roll. But the Oak Ridge plant is not on the tax roll. Therefore, if we transfer it immediately to the community there is not any tax value in the community. Any business man knows that is true.

Mr. CAPEHART. What point is the Senator trying to make?

Mr. ANDERSON. That the bill provides that the community may be given the property so that they will have revenues coming in. But if there is an opportunity to sell it, it should not be given away. It was worked out in such a way that the telephone company itself is now satisfied that we intend to sell it or permit it to be sold to the telephone system.

Mr. CAPEHART. Let us talk about the powerplant and the bus line.

Mr. ANDERSON. The same thing applies to those utilities. Many communities have municipal plants. The able minority leader said he could not understand how it could be given to a municipality, but if it went to someone else, it would have to be paid for. We dispose of hundreds and hundreds of millions of dollars worth of surplus property with exactly that sort of provision.

Mr. CAPEHART. We never gave it away; it was purchased and paid for.

Mr. ANDERSON. We gave millions of dollars worth to schools and universities.

Mr. CAPEHART. I have no objection to giving to schools, hospitals, and churches.

Mr. ANDERSON. Does not a community consist of schools, hospitals, and people?

Mr. CAPEHART. Can the Senator give me one good reason why a utility in Oak Ridge or Richland should be given to the city?

Mr. ANDERSON. The city needs to have revenue, and it cannot get revenue from the industries which exist in the community, because they are Government-owned.

Mr. CAPEHART. Cannot the city levy taxes?

Mr. ANDERSON. Not against the Government of the United States. The Senator from Indiana knows that.

Mr. CAPEHART. It is proposed to sell the homes, is it not?

Mr. ANDERSON. Yes.

Mr. CAPEHART. When the people buy the homes, will they not begin to pay taxes on them?

Mr. ANDERSON. Precisely. The Senator from Indiana knows that there is not a community in the United States which can live, grow, and prosper simply upon the taxes collected on its homes. It is necessary to have industries and businesses.

Mr. CAPEHART. There will be businesses there. Will there not be retail and wholesale stores?

Mr. ANDERSON. Exactly.

Mr. CAPEHART. If a utility were sold to a private company, the private company would pay taxes on the utility, would it not?

Mr. ANDERSON. Yes, indeed; and it is my desire that the properties shall be sold to private utilities. That is what is contemplated by the bill.

Mr. CAPEHART. Would it not be better to sell the properties at a nominal figure, and allow 50 years for payment, rather than to give them away?

Mr. ANDERSON. The Senator from Indiana was in business long enough to know that he would not pay 5 cents for the utility system at Oak Ridge, where there is only a gaseous diffusion plant, making a certain substance for the Atomic Energy Commission, which might be closed down next week. One does not buy a utility unless it has a reasonable life expectancy.

Mr. CAPEHART. Why will the people buy a home? Who will want to buy them under such circumstances?

Mr. ANDERSON. There is a saving clause in the bill which provides that if the Government closes down at Oak Ridge, the Government will move back into the picture, where it now is.

When the committee went to Richland to look at the site, it was accompanied by an able Republican Representative, HAL HOLMES. I do not think he is inclined to want to have community ownership; but he went out to see the situation, and he supported the bill.

In the case of Oak Ridge, Representative BAKER, of Tennessee, is extremely anxious to have the bill passed. If anyone on the other side of the aisle doubts it, let him call Representative BAKER, because he will say that it was necessary to work out this plan slowly and patiently. It is not an ordinary situation.

I observe on the floor the able Senator from Illinois. I think he recognizes that there is interest in Oak Ridge in trying to get the homes there into the hands of the people.

I said earlier this evening that every time it is necessary to patch a roof, it is not possible simply to let a man patch

his own roof. He must send for a service truck, and the serviceman makes an estimate. The estimate must be approved before the man finally can get a carpenter and a helper to put a single shingle back on the roof.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. CASE of South Dakota. I should like to raise a question in respect to the ability of the Commission to consider benefits to the Government in transferring a utility to the municipality. I read from page 14 of the report:

> The reason the Commission is authorized to give a utility to a city is that it may be in the best interests of the United States, if all other factors are equal, to give the utility to the city and permit the city to use the operating revenues as increased sources of revenues for the city. Such an arrangement would bring in revenues which would, to that extent, decrease the amount of assistance which would be required to be given to the city under the assistance sections.

The report suggests that as a reason for having authority to transfer a utility to the municipality. But on page 25 of the bill, subparagraph B of section 73, I read:

> b. In determining the transferee for any utility, the Commission may consider the following:
>
> (1) the pattern of ownership of the comparable utilities in the State in which the community is located;
>
> (2) the ability of the transferee to operate the utility;
>
> (3) the probable price of the sale of the utility, the ability of the transferee to pay that price, and any probable expense; and
>
> (4) the desires of the eligible voters of the community as directly expressed in any vote in any officially recognized procedure or in any procedure established by the Commission.

In specifying those 4 factors, and in failing to include 1 factor which is recited in the report, I am wondering if there is not an exclusion of the right of the Commission to consider the benefit to the United States in reducing the requirements for local assistance.

Mr. CAPEHART. The argument has been made that the city cannot, perhaps, support itself; that it may not have enough homes or sufficient businesses to tax. If that be so, would not a better system be to lease or to give the utilities to private industries, with the understanding that they in turn will operate them for a period of 25 or 50 years?

Mr. ANDERSON. As I said, I am certain that the Bell Telephone Co. would be glad to give $2,500,000 for the telephone facility. They do not object. All we say is that because of the uncertainty of the situation, they may not wish to purchase the property in that fashion. The Commission is authorized to work out a transfer to them. We hope it will go through.

The able minority leader said he would almost be willing to provide a preference clause—I am not trying to put words into his mouth—to protect the city. We tried to put it on the other foot. I wanted to give a preference clause to the telephone company, to let them get the utility, because I think it ought to be purchased by the telephone company. But if the Government is unable to work out any sort of arrangement with the telephone company, then, of course, the property should revert to the city until such an arrangement can be made.

If the Senator will read the words, "any probable expense," that is what the offsetting factor is.

Mr. CAPEHART. Since the Senator raised the point that the cities may not be able to support themselves, and thus may not be able to support a utility, would he consider an amendment which would permit a private enterpriser to come in and guarantee to operate the utility on a lease basis, let us say, and to pay a rental fee for a period of 10, 15, 20, or even 25 years? Why is it proposed simply to give the utilities to the cities? Is not what is sought to be done to make certain that the two cities will have proper utilities?

Mr. ANDERSON. There is nothing to bar what the Senator suggests. There are businessmen on the Atomic Energy Commission. All that is necessary to be done is to trust them to work out the arrangements.

Mr. CAPEHART. The bill provides:

> The Commission may give the utility to the city incorporated at the community; and must charge in selling the utility to any other transferee.

Should not a provision be included to the effect that the Commission may lease the utility to a private enterpriser for a period of 25 years, if the private enterpriser will guarantee to maintain the utility and service the community?

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. JACKSON. The Atomic Energy Commission studied the question of utility disposal for a long period of time. They hired experts, who made all sorts of findings. I think, in fairness to all Members of the Senate, it should be understood that provision for the transfer of the utilities was contained in a bill submitted by the administration and approved by the Bureau of the Budget. The text is contained in a joint committee print of the Joint Committee on Atomic Energy, 84th Congress, 1st session, entitled "Disposal of Government-Owned Communities at Oak Ridge, Tenn., and Richland, Wash.," which was released in connection with a letter sent by W. F. Libby, the Acting Chairman of the Atomic Energy Commission, under date of April 25, 1955. In the proposal submitted by the administration, it is stipulated, on page 5, as follows:

> SEC. 303. Transfer of municipal facilities: (a) The Commission is authorized to transfer, without charge, to one or more of the entities specified herein such municipal facilities as, in the judgment of the Commission, will be appropriate to enable the transferees to meet the needs of the residents of Oak Ridge and Richland, respectively, for adequate school, hospital, utility, and other municipal services.

On the next page, page 6, subparagraph (d) reads:

> (d) Municipal facilities authorized to be transferred under this section include, without limitation, schools, hospitals, police and fire protection facilities, sewerage and refuse disposal facilities, electrical distribution systems, water supply and distribution facilities, streets and roads, libraries, parks, playgrounds and recreational facilities, municipal government buildings, other properties suitable for municipal, utility, or comparable local public service purposes, and any fixtures, equipment, or other property appropriate to the operation, maintenance, or repair of the foregoing, but shall not include property which the Commission determines to be needed for its own use or property designated for disposal under sections 305–312 of this chapter.

The point is that unless some reasonable program is worked out for the disposition of these two towns, Congress will have to continue to carry the burden of maintaining the two communities.

Moreover, unless something else is worked out, in an effort to make a further disposition of the communities, the Atomic Energy Commission is going to continue to spend more and more time over local municipal problems and less and less time in splitting the atom.

Mr. CAPEHART. It struck me rather odd to think that there would be a willingness to give something to someone, but if someone else wanted it, he could not have it.

Mr. ANDERSON. If the Senator will yield, I should like to say that the part of the bill to which the Senator objects was submitted by the Atomic Energy Commission and was not changed. If the Senator will only look at the report, he will find that there was printed a letter addressed to me by the Atomic Energy Commission which said that in his budget message the President stated:

> I again recommend that the Congress approve legislation to allow the residents of Oak Ridge, Tenn., and Richland, Wash., to purchase their homes and establish self-government, thus taking the Federal Government out of the business of owning and governing these communities.

That is the genesis of what happened, and the Commission submitted language to us which contains that thought.

Mr. CAPEHART. I do not know who presented it, but I am highly in favor of doing that. Would the Commission be able to lease to private enterprise, for 25 years, for example, the power utility at Oak Ridge, provided it would agree to maintain service, at a certain rate, for 25 years?

Mr. ANDERSON. The answer is no. I do not know why that was. All I can say to the Senator from Indiana is that we took the request of the Bureau of the Budget and the Atomic Energy Commission very literally. The only point of difference, I may say to the distinguished minority leader, is that relating to the utilization of the homes. The amendment of the minority leader does affect that difference. I think it is a very fundamental difference. Personally I think the amendment is wrong, but I say that is a difference. As to the other questions, I assure the Senator from Indiana there is not a difference concerning them.

Mr. CAPEHART. The amendment of the minority leader, of course, would enable the Federal Government to get out in 5 years' time; is that not correct?

Mr. ANDERSON. That is correct.

Mr. CAPEHART. Is that not a good thing?

Mr. ANDERSON. It could be a fine thing. I merely say to the Senator that someone might come along tomorrow and say, "we will transfer to the residents of the District of Columbia all the Federal buildings in the District," but if the capital were moved from Washington, who would want to keep the Capitol Building? That is the whole story. The whole story is that one cannot say, "Who will want Oak Ridge?" If someone comes up with a new process for making plutonium, Oak Ridge would be closed down, and if Oak Ridge were closed down, no one would want it.

The PRESIDING OFFICER. The question is on agreeing en bloc to the amendments of the Senator from California.

Mr. KNOWLAND. Mr. President, I merely wish to say that I suggested before there might be some reasonable period of time provided. It was suggested in a letter of the Atomic Energy Commission that there should not be unlimited obligation on the part of the Federal Government.

I had an amendment prepared which would put a 3-year limitation on the Federal obligation. I suggested to Senators who were originally interested in the bill that we should try to work out some adjustment. So far as I am concerned, the period of time could be advanced to 5 years. I think the distinguished Senator from Ohio suggested that a 5-year period would be a more reasonable period of time than would 3 years. I would have no objection to changing the period of time from 3 to 5 years, but it seems to me there ought to be some termination date of the Federal Government's obligation in this matter.

If that would be acceptable to Senators who are supporting the bill, I would be glad to change the provision in the amendment from 3 to 5 years, and suggest that the chairman of the committee take the amendment to conference. In the meantime we will try to work it out.

I think generally all of us are in favor of disposing of the facilities on a basis that would be equitable to the community, but also would be equitable to the Federal Government, and would not establish a precedent which might rise to plague us in the future. On that basis, we would have some further opportunity to look into the matter.

Mr. GORE. Mr. President, I realize it is getting very late, and I shall not undertake to delay the Senate more than 5 minutes.

The proposal with respect to the community at Oak Ridge has been troublesome. So has the situation with respect to Richland, Wash.

What is the first requirement for the Federal Government to dispose of the community at Oak Ridge? It is for the residents to be willing to incorporate and accept all the responsibilities that would go along with that community. A vote was taken at Richland, Wash., this past spring. The referendum resulted in a 3-to-1 vote against the proposal.

We tried to work the problem out. Members who have not served on the committee cannot know the problems involved.

Hearings were held at Oak Ridge and Richland. Then do my colleagues know what happened? Richland did not want to come under such an arrangement, but a committee of citizens from Richland came to Washington and met with a committee of citizens of Oak Ridge. They spent 3 days in Washington. They went back to their respective communities, talked to their people, and came back to Washington.

The joint committee has tried to work out a program which would be acceptable to the 61,000 people in the communities.

I think the Senator from California [Mr. KNOWLAND] made a valid point when he stated that there should be some termination of Federal aid to these communities. I believe the people themselves want that. However, if a 3-year cutoff date were to be fixed, and we were to say to the people of Oak Ridge that the Federal Government will no longer provide community facilities after 3 years, what would happen? People would not buy their homes. Why? Because there would not be a taxable piece of property there. There would not be a business there.

Mr. President, one must crawl before he walks. There are scientists in both communities. It is in the interest of the Government to keep those scientists there. It is in the interest of the Government to keep a fine school system there. We cannot hope to keep the kind of personnel we must have there to operate the atomic plants unless we make sure they have a high standard of living.

There is no assurance that all these homes will be sold next year, regardless of what kind of bill Congress passes. There is no assurance that more than half of the homes will be sold 3 years from now. Yet it is proposed to say to the people, "Here is a cutoff date." I say to my colleagues the communities will not be sold by that method. The people will not incorporate. The attempt will fail. They will not make a go of it.

Something was said about the utilities. What would be given to the people of Oak Ridge except some streets and a water system and an electrical distribution system? What else is there to give them? The land would be sold.

The committee worked hard on the problem. The bill was reported unanimously. The subcommittee was presided over by Representative VAN ZANDT, of Pennsylvania. Unanimously, the full committee then recommended it.

Mr. President, I pledge to you that if this program is not workable 1 year or 2 years from now, I will work to try to iron out any inequities, either from the local standpoint or from the Federal standpoint.

But, Mr. President, if we are to make it possible for the people of these two Federal communities to come into the American pattern, to purchase their homes, to operate their communities, and to have the standard of living necessary to the maintenance of these national-defense plants, it is necessary that this measure be passed with caution and with the cooperation of the citizens.

I hope the distinguished senior Senator from California, able and fine as he is, and interested as he is in the atomic-energy program, will not insist upon his amendments; because if his amendments—technical and far reaching as they are—are adopted, they will completely rewrite the bill; and I do not believe the bill as thus rewritten will be acceptable to the people of the communities.

Mr. KNOWLAND. Mr. President, I modify my amendments by changing the 3-year period to one of 7 years.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The Senator from California has a right to modify his amendments, and they will be modified accordingly.

Mr. CAPEHART. Mr. President, I do not think one can quarrel very much with what the able Senator from Tennessee has just said.

I also wish to call attention to the fact that if we do not provide some cutoff date, these cities will never take it upon themselves to raise sufficient taxes to be able to run their own affairs. Why would they? So long as they can get the Federal Government to support them, they will do so. Possibly 3 years would be too short a time, but I think 7 years would be ample time for these cities to discover whether they can handle their own affairs. Unless we provide some cutoff date, the Federal Government will, in my opinion, be supporting these cities for 10, 20, 30, or 40 years. Why should they tax themselves if, as a result of this measure, the Federal Government is under obligation to support them?

I think we should provide for a 7-year cutoff date. If at the end of the 7 years we find—although I am sure we shall not—that these cities need further support, then we can enact legislation providing for it.

But if a Member of the Senate were living in one of these cities, and were, perhaps, its mayor or one of its other officials, why would he ever get to the point where he would not call upon the Federal Government, when this measure would permit him to do so forever.

Mr. KNOWLAND. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays on the question of agreeing to my amendments, as modified.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing en bloc to the modified amendments of the Senator from California. The chair will state that, as modified, the amendments provide for a 7-year period, instead of a 3-year period.

Mr. ANDERSON. Mr. President, I wish to say that I appreciate the spirit in which the distinguished minority leader has offered his amendments, and I fully agree with him that there has to be some cutoff date.

I thought—and started to propose some time ago—that a 7-year cutoff date might be satisfactory; such a date seemed to me to be a reasonable one.

However, the amendments the Senator from California has proposed would eliminate entirely the section beginning on page 30, dealing with the reappraisal of these properties.

I do not know exactly how this matter should be handled. The bill will have to go to conference. I had hoped that we would make provision for a framework adequate to make it possible for us to work within it in the conference, and thus to obtain a good bill.

I say to the distinguished minority leader that the only reason I spent a moment on this proposal was that the President of the United States included it in his budget, and representatives of the Atomic Energy Commission came to me and said to me, "Will you be willing to wrestle with this thing? We have had it year after year."

Mr. President, I am frank to say that if there is a desire to lay down the burden now, I am willing to proceed with the rest of the Senate in laying it down.

In June of this year, the Study Committee on Payments in Lieu of Taxes and Shared Revenues submitted to the Commission on Intergovernmental Relations a report on payments in lieu of taxes and shared revenues. I now read from page 3 of that report, in chapter 1, which is entitled "Properties Not Associated With Shared Revenues":

Accordingly, the Committee was guided by the consideration, among others, that it was generally fair that the costs of local government allocable under the property-tax system to an item of federally owned property should be borne by the Federal taxpayer if the property serves primarily a national or broad regional purpose—

Which is exactly what we have going on at Oak Ridge.

Then, on page 50, the committee begins talking about "Payments of a sum for each person connected by residence or employment with Federal property"; and at that point in the report we find the following:

Proponents of per capita payments emphasize their adaptability to solve problems not solved by the property tax—especially in the case of "bedroom communities" whose residents work on commercial or industrial properties located in neighboring local governments. These residential communities suffer under the property-tax system because they lack a supporting industrial property tax base.

Finally, I read from page 59 of the report:

The Federal Government should make payments in lieu of property taxes on the following categories of properties, other than those enumerated under recommendations 1 and 2.

And the first one listed is:

Commercial and industrial properties, including properties employed by private contractors or subcontractors in the performance of contracts with the Federal Government, title to which has passed to the Federal Government pursuant to any partial or advance payment contract clause—

And items of that general nature.

I can only say to the able minority leader that I think a 7-year period will make this measure unacceptable to the communities. The people who represent these cities do not agree with me.

I would accept a 10-year period, and then see what the House of Representatives would do. I should like to get rid of this proposed legislation; I have spent more time on it than I have cared to.

I say to the distinguished minority leader that a period of 15 years once was proposed, with a schedule for gradually working downward.

I think this bill will be a long time in conference, anyway.

I do not say the distinguished minority leader is wrong in proposing a 7-year period, because I do not know how the matter will finally work out. But the 5-year program was proposed to the communities, and was rejected; and I would dislike to go through that procedure on the basis of a 7-year program proposal.

Mr. ELLENDER. Mr. President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. I yield.

Mr. ELLENDER. I wonder whether the committee has any figures to indicate whether, if the transfer is made, as proposed in the bill, it will cost the Government less.

Mr. ANDERSON. It will cost the Government several million dollars less.

Mr. ELLENDER. Per annum?

Mr. ANDERSON. Yes; per annum.

Mr. ELLENDER. Is that a guess?

Mr. ANDERSON. No. Of course it is impossible to calculate that; but the cost of maintaining these houses, which are growing older, comes to a terrific sum of money—when all one who lives in one of the houses has to do, if a downspout is leaking, is to make a telephone call, and direct that the repairman be sent to fix it, whereas normally, if that person were the owner of the house, he would make such a repair himself.

Mr. KNOWLAND. Mr. President, at the suggestion of the chairman of the committee, I modify my amendments—and I ask unanimous consent for that purpose—so as to provide for 10 years. I think that is a longer period than should be provided; but in the interest of adjustment, I so modify the amendments.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California for modification of the amendments? The Chair hears none. Without objection, the amendments of the Senator from California are modified accordingly.

Mr. ANDERSON. Mr. President, will the Senator from California withdraw his request for the yeas and nays on the question of agreeing to his amendments?

Mr. KNOWLAND. Yes, Mr. President; I ask unanimous consent that the order for the yeas and nays on the question of agreeing to my amendments be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ANDERSON. Mr. President, I desire to express my appreciation of the courtesy and cooperation of the distinguished Senator from California.

The PRESIDING OFFICER. The question is on agreeing en bloc to the modified amendments of the Senator from California. The Chair will state that as the amendments have been modified, they provide for a 10-year period.

The question now is on agreeing en bloc to the modified amendments of the Senator from California.

The amendments, as modified, were agreed to.

Mr. JACKSON subsequently said: Mr. President, I should like to have the RECORD show that I, as well as my senior colleague from the State of Washington, are opposed to the Knowland amendments to S. 2630.

Mr. CASE of South Dakota. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 25, after line 25, it is proposed to add a new subsection, as follows:

(5) The benefit to the United States in reducing possible requirements for local assistance as authorized in chapters 8 and 9 of this act.

Mr. ANDERSON. Mr. President, will the Senator from South Dakota yield to me?

Mr. CASE of South Dakota. I yield.

Mr. ANDERSON. Mr. President, of course the Senator from South Dakota can explain his amendment; but I wish to say to him that in view of the way he explained it to me, I think it will be a valuable contribution to the bill.

Mr. CASE of South Dakota. Mr. President, this amendment would permit the Commission to take into consideration the very thing which the report says the Commission should be able to take into consideration in determining the transferability of a utility, and the Commission ought not be excluded from considering that possible benefit. It should be specified in the paragraph to which it was added.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota [Mr. CASE].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That this act may be cited as the "Atomic Energy Community Act of 1955."

Chapter 1. Declaration, findings, and purpose

Sec. 11. Declaration of policy.
Sec. 12. Findings.
Sec. 13. Purpose.

Chapter 2. Definitions

Sec. 21. Definitions.

Chapter 3. Lots, appraisals, and prices

Sec. 31. Lots.
Sec. 32. Appraisals.
Sec. 33. Basis of appraisal.
Sec. 34. Posting.
Sec. 35. Sales prices.
Sec. 36. Improvements.

Chapter 4. Classification of property and priorities
Sec. 41. Classification of property.
Sec. 42. Priorities.
Sec. 43. Transferability.

Chapter 5. Sales of property for private use
Sec. 51. Application.
Sec. 52. Disposal of property.
Sec. 53. Sales.
Sec. 54. Cash sales.
Sec. 55. Form and provisions of instruments.
Sec. 56. Occupancy by existing tenants.
Sec. 57. Lots.

Chapter 6. Financing
Sec. 61. Contract purchase.
Sec. 62. Commission financing.
Sec. 63. Commission indemnity.
Sec. 64. Community employment and population.
Sec. 65. Amount of indemnity.
Sec. 66. Conditions of indemnity.

Chapter 7. Utilities
Sec. 71. Authorization to transfer utilities.
Sec. 72. Date of transfer.
Sec. 73. Entity receiving transfer.
Sec. 74. Utilities transferable.
Sec. 75. Charges for utilities transferred.

Chapter 8. Municipalities
Sec. 81. Assistance in organization.
Sec. 82. Authorization to transfer municipal installations.
Sec. 83. Date of transfer.
Sec. 84. Entity receiving transfer.
Sec. 85. Installations transferable.
Sec. 86. Charges for municipal installations transferred.

Chapter 9. Local assistance
Sec. 91. Basis of assistance to cities and other State and local entities.
Sec. 92. Commission reductions.
Sec. 93. Area of service.
Sec. 94. Commission contracts.

Chapter 10. Transfer of functions, and review
Sec. 101. Transfer of functions.
Sec. 102. Review.
Sec. 103. Joint Committee on Atomic Energy.

Chapter 11. General provisions
Sec. 111. Powers of the Commission.
Sec. 112. Qualification to purchase.
Sec. 113. Contract forms.
Sec. 114. Evidence.
Sec. 115. Administrative review.
Sec. 116. Repossession.
Sec. 117. Net proceeds.
Sec. 118. Appropriations.
Sec. 119. Separability of provisions.
Sec. 201. Amendment to National Housing Act.

Sec. 202. Amendment to Public Law 874.

CHAPTER 1. DECLARATION, FINDINGS, AND PURPOSE

SEC. 11. Declaration of policy: It is hereby declared to be the policy of the United States of America that Government ownership and management of the communities owned by the Atomic Energy Commission shall be terminated in an expeditious manner which is consistent with and will not impede the accomplishment of the purposes and programs established by the Atomic Energy Act of 1954. To that end, it is desired at each community to—

a. facilitate the establishment of local self-government;

b. provide for the orderly transfer to local entities of municipal functions, municipal installations, and utilities; and

c. provide for the orderly sale to private purchasers of property within those communities with a minimum of dislocation.

SEC. 12. Findings: The Congress of the United States hereby makes the following findings concerning the communities owned by the Atomic Energy Commission:

a. The continued morale of project-connected persons is essential to the common defense and security of the United States.

b. In issuing rules and regulations required or permitted under this act for the disposal of the communities and in disposing of the communities in accordance with the provisions of this act and in accordance with the rules and regulations required or permitted by this act, the Commission is acting under authority delegated to it by the Congress.

c. Funds of the United States may be provided for the disposal of the communities and for assistance in the operation of the communities thereafter under conditions which will provide for the common defense and promote the general welfare.

SEC. 13. Purpose: It is the purpose of this act to effectuate the policies set forth above by providing for—

a. the maintenance of conditions which will not impede the recruitment and retention of personnel essential to the atomic energy program;

b. the obligation of the United States to contribute to the support of municipal functions in a manner commensurate with—

(1) the fiscal problems peculiar to the communities by reason of their construction as national defense installations, and

(2) the municipal and other burdens imposed on the governmental or other entities at the communities by the United States in its operations at or near the communities;

c. the opportunity for the residents of the communities to assume the obligations and privileges of local self-government; and

d. the encouragement of the construction of new homes at the communities.

CHAPTER 2. DEFINITIONS

SEC. 21. Definitions: The intent of Congress in the definitions as given in this section should be construed from the words or phrases used in the definitions. As used in this act—

a. The term "Commission" means the Atomic Energy Commission.

b. The term "community" means that area at—

(1) Oak Ridge, Tenn., designated on a map on file at the principal office of the Commission, entitled "Minimum Geographic Area, Oak Ridge, Tenn.," bearing the legend "Boundary Line, Minimum Geographic Area, Oak Ridge, Tenn." and marked "Approved, April 21, 1955, K. D. Nichols, General Manager"; or

(2) Richland, Wash., designated on a map on file at the principal office of the Commission, entitled "Minimum Geographic Area, Richland, Wash.," bearing the legend "Boundary Line, Minimum Geographic Area, Richland, Wash." and marked "Approved, April 21, 1955, K. D. Nichols, General Manager."

c. The term "house" includes the lot on which the house stands.

d. The term "member of a family" means any person who, on the first offering date, resides in the same dwelling unit with one or more of the following relatives (including those having the same relationship through marriage or legal adoption): spouse, father, mother, grandfather, grandmother, brother, sister, son, daughter, uncle, aunt, nephew, niece, or first cousin.

e. The term "mortgage" shall include deeds of trust and such other classes of lien as are given to secure advances on, or the unpaid purchase price of real estate under the laws of the State in which the real estate is located.

f. The term "municipal installation" includes, without limitation, schools, hospitals, police and fire protection systems, sewerage and refuse disposal plants, water supply and distribution installations, streets and roads, libraries, parks, playgrounds and recreational means, municipal government buildings, other properties suitable for municipal or comparable local public service purposes, and any fixtures, equipment, or other property appropriate to the operation, maintenance or repair of the foregoing.

g. The term "occupant" means a person who, on the date on which the property in question is first offered for sale, is entitled to residential occupancy of the Government-owned house in question, or of a family dwelling unit in such house, in accordance with a lease or license agreement with the Commission or its property-management contractor.

h. The term "offering date" means the date the property in question is offered for sale.

i. The term "project area" means that area which on the effective date of this act constitutes the Federal area at Oak Ridge, Tenn., or Hanford, Wash.

j. The term "project-connected person" means any person who, on the first offering date, is regularly employed at the project area in one of the following capacities:

(1) An officer or employee of the Commission or any of its contractors or subcontractors, or of the United States or any agency thereof (including members of the Armed Forces), or of a State or political subdivision or agency thereof;

(2) An officer or employee employed at a school or hospital located in the project area;

(3) A person engaged in or employed in the project area by any professional, commercial, or industrial enterprise occupying premises located in the project area; or

(4) An officer or employee of any church or nonprofit organization occupying premises located in the project area.

k. The term "resident" means any person who, on the date on which the property in question is first offered for sale is either—

(1) an occupant in a residential unit designated for sale at the community, or

(2) a project-connected person who is entitled, in accordance with a lease or similar agreement, to residential occupancy of privately owned rental housing in the community.

l. The term "utility" means any electrical distribution system, any public transportation system, or any public communication system, and any fixtures, equipment, or other property appropriate to the operation, maintenance or repair of the foregoing.

CHAPTER 3. LOTS, APPRAISALS, AND PRICES

SEC. 31. Lots: The Commission is authorized to plat each community immediately upon passage of this act, or immediately upon the inclusion of the community within the provisions of this act. The Commission may establish lot boundaries, and realine, divide, or enlarge existing tracts as it deems appropriate.

SEC. 32. Appraisals: The Commission shall proceed to secure appraisals of all property at the community which is to be sold pursuant to this act. The appraisals shall be made by the Federal Housing Commissioner or his designee. The Commission shall reimburse the Federal Housing Commissioner for the cost of such appraisals. Appraisals made under this section shall be the appraisals on which the Federal Housing Commissioner may insure any mortgage or loan under the National Housing Act until such time as he finds that the appraisal values generally in the community no longer represent the fair market values of the properties.

SEC. 33. Basis of appraisal: Except for lots sold pursuant to the provisions of section 57a, the appraised value shall be the current fair market value of the Government's interest in the property.

SEC. 34. Posting: Lists showing the appraised value of each parcel of property to be offered for sale to priority purchasers shall, prior to the offering of such property for sale, be made available for public in-

spection, at reasonable times, at the offices of the Commission at the community.

SEC. 35. Sales prices:

a. In the sale to priority purchasers of properties on which are located Government-owned single or duplex houses, the sales price shall be the appraised value less a deduction of 15 percent of the appraised value and less the deductions provided by section 36.

b. In all other cases the sales price to priority purchasers shall be the appraised value less the deductions provided by section 36, except that sales made under sections 53 b. and c. shall be made at the prices set forth therein.

SEC. 36. Improvements:

a. In addition to any other deduction which may be permitted from the sales price for residential property, there shall, upon application by the prospective purchaser, be deducted the amount by which the current fair market value of the Government's interest in the premises is enhanced as a result of improvements to the premises made by, or at the expense of, the prospective purchaser.

b. A junior occupant of a duplex house, which was purchased by the senior occupant, shall, upon application therefor, be entitled to a credit, against the purchase price of any residential property purchased through the exercise of a priority right established under the provisions of section 42, for the amount by which the current fair market value of the Government's interest in the duplex house of which he was an occupant is enhanced as a result of improvements to the premises of such duplex house made by, or at the expense of, the junior occupant.

c. The value of the improvements as specified in subsections 36 a. and b. shall be determined in accordance with the provisions of section 32.

d. Persons purchasing property pursuant to the provisions of section 52, who do not desire to avail themselves of the indemnity provisions contained in sections 63 through 66, shall be entitled to an additional deduction of 10 percent of the appraised value of the property in addition to any other deduction set forth in this section.

CHAPTER 4. CLASSIFICATION OF PROPERTY AND PRIORITIES

SEC. 41. Classification of property:

a. Immediately upon passage of this act, the commission shall classify all real property (including such improvements and such fixtures, equipment and other personal property incident thereto as it may deem appropriate) within each community in accordance with such classifications as shall insure reasonably similar treatment for reasonably similar property. The classification shall be made by such procedures, consistent with this chapter, as it shall determine.

b. The commission may, but shall not be required to, classify any other real property at or in the vicinity of the community, whether within or outside of that community.

SEC. 42. Priorities: The Commission shall establish, by rule or regulation, a detailed system of reasonable and fair priority rights applicable to the sale of Government-owned property to private purchasers at each community. The priorities shall—

a. be uniform in each class or subclass of property;

b. give such preference to occupants and project-connected persons and to incoming employees of the Commission, of a contractor, or of a licensee as the Commission finds necessary or desirable, giving due consideration to the following factors:

(1) The retention and recruitment of personnel essential to the atomic energy program;

(2) The minimization of dislocations within the community;

(3) The expeditious accomplishment of the disposal program; and

(4) The desirability of encouraging private firms to locate or remain in the community;

c. give the occupant of a Government-owned single family house, and the senior occupant of a duplex house, at least 90 days in which to exercise the first right of priority;

d. permit persons who have formerly been occupants, project-connected persons, or inhabitants of the community, upon application therefor, to have such priority as the Commission finds to be fair and equitable;

e. not impair any rights, including purchase rights, conferred by existing leases and covenants.

SEC. 43. Transferability: No priority shall be transferable, except—

a. a husband and wife may exercise a priority in their joint names;

b. a religious organization may exercise the priority which would otherwise belong to its priest, minister, or rabbi, regardless of whether that position happens to be filled at the time of the exercise of the priority;

c. two or more priority holders having a common interest in a building or location may assign their interests to a single assignee; and

d. the Commission may permit such other transfers as it finds to be fair and equitable.

CHAPTER 5. SALES OF PROPERTY FOR PRIVATE USE

SEC. 51. Application: The provisions of this chapter shall be made applicable at each community as soon as the Commission makes a finding in writing that there is a reasonable possibility that the Government-owned real property at such community can be disposed of in accordance with the provisions of this chapter.

SEC. 52. Disposal of property:

a. The Commission shall offer for disposal all real property (including such improvements thereon and such fixtures, equipment, and other personal property incident thereto as it may deem appropriate) within the community which is presently under lease or license agreement with the Commission or its community management contractor for residential, commercial or industrial, agricultural, church or other nonprofit use, or which, in the opinion of the Commission, is appropriate for such use, other than—

(1) structures which in the opinion of the Commission should be removed from the community because of their unsatisfactory type of construction, condition, or location; or

(2) property which in the opinion of the Commission should be transferred pursuant to chapter 7 or chapter 8.

b. The Commission may, but shall not be required to, dispose of any other real property at the community, whether within or outside of that community.

c. Such property shall be disposed of on such terms and conditions, consistent with this chapter, as the Commission shall prescribe in the national interest, and without regard to any preferences or priorities whatever except those provided for pursuant to this act. Transfers by the Commission of such property shall not impair rights under existing leases and covenants, including any purchase rights therein conferred.

SEC. 53. Sales:

a. Where rights of priority have been granted pursuant to the provisions of this act to Government-owned property, it shall be offered for sale to priority purchaser by giving notice to those eligible for such priority. Such notice shall (1) be in such manner as the Commission shall prescribe, (2) identify the property to be sold, and (3) state the terms and conditions of sale and the date of the offer which, in the case of occupants of single family or duplex houses, shall expire not less than 90 days after the date of the offer.

b. Any property (other than church property) classified for sale under section 41 and offered for sale under section 52, as to which no priority right has been conferred, or as to which all priority rights have expired, shall be advertised for sale to the highest bidder, subject to the right of the Commission to reject any or all bids, and also subject to the right of an occupant of a Government-owned single family or duplex house to buy such house by paying an amount equal to the highest bid. No bid shall be accepted which is below the appraised value or, in the case of Government-owned single and duplex houses, is below 85 percent of the appraised value.

c. As to any property which has not been sold under subsection 53 b. within 1 year after the first advertisement for sale under subsection 53 b. the Commission may make such disposition, on such terms and conditions, as it may deem appropriate, but the Commission shall give an occupant of a Government-owned single family or duplex house such further opportunity to purchase such house as shall be fair and equitable.

d. Property for use of churches, in respect of which all priority rights have expired, may be disposed of by advertising and competitive bid, or by negotiated sale or other transfer at such prices, terms, and conditions as the Commission shall determine to be fair and equitable.

SEC. 54. Cash sales: All sales shall be for cash, and the buyer shall arrange for the necessary financing, except as provided in chapter 6 of this act.

SEC. 55. Form and provisions of instruments: Deeds executed in connection with the disposal of property pursuant to the provisions of this act—

a. shall be as simple as the Commission shall find to be appropriate, and may contain such warranties or covenants of title and other provisions (including any indemnity) as the Commission may deem appropriate;

b. with respect to any dormitories or apartment houses and any property used or to be used for construction of housing developments for rental purposes, may retain or acquire such rights to the Commission to designate the future occupants of part or all of such properties as it may deem appropriate to insure the availability of housing for employees of the Commission and its contractors;

c. may require that the transferee, his heirs, successors, and assigns shall compensate the Commission for any municipal services provided by the Commission at rates which will not be in excess of the average tax for such services in the immediate vicinity of the community; and any amounts due and unpaid for such compensation (together with interest and costs thereon) shall, as of the date on which such amounts become delinquent, be a lien in favor of the United States upon the premises sold by the Commission, though not valid as against any mortgagee, pledgee, purchaser, or judgment creditor until notice thereof has been filed in accordance with the laws of the State in which the property is situated or in the office of the clerk of the United States district court for the judicial district in which the property subject to the lien is situated, if such State has not by law provided for the filing of such notice;

d. in transferring any property pursuant to sections 31 and 52, may impose such restrictions and requirements relating to the use of the premises and to public health and safety, as the Commission may deem appropriate, which restrictions and requirements shall not be valid beyond 1 year after the incorporation of the city at the community; and

e. may require that any payments in lieu of property taxes or assessments for local

improvements made by the Commission with respect to the property shall be equitably prorated.

SEC. 56. Occupancy by existing tenants: Upon application by any occupant of a single or duplex house made within the period of the first priority when such house is first offered for sale under this act, the Commission shall execute a lease to such occupant for a period not to exceed 1 year from the date on which such property is first offered for sale, or for such period as he remains a project-connected person, whichever is shorter. In selling any house with respect to which a lease executed under this section is in effect, the Commission may provide that the purchaser shall assume any or all obligations of the lessor, but the Commission shall guarantee the lessee's performance under the terms of the lease.

SEC. 57. Lots:

a. Notwithstanding any other provision of this act, the Commission is authorized, immediately upon passage of this act, or immediately upon the inclusion of the community within the provisions of this act, to offer for sale to the lessees single residential lots, which were leased by competitive bid and which do not have a Government-owned building thereon, at a price equal to the initial valuation of the lot as stated in the lease.

b. The Commission is authorized to offer for sale, as soon as possible, other lots, to individual owners, upon which single family or duplex houses may be erected, taking into consideration the zoning restrictions the new city is likely to enact with respect to those lots.

CHAPTER 6. FINANCING

SEC. 61. Contract purchase: The Commission may, in the sale of any single-family or duplex house to a priority purchaser, enter into a contract to purchase which provides that the purchaser shall conclude his purchase within not more than 3 years after the date the contract is entered into. Such contracts to purchase shall provide for such periodic payments, including payments on account of principal, interest, or tax equivalents, as the Commission shall prescribe.

SEC. 62. Commission financing:

a. In the event that the Commission finds that financing on reasonable terms is not available from other sources, the Commission may, in order to facilitate the sale of residential property under chapter 5 of this act, accept, in partial payment of the purchase price of any house, apartment building, or dormitory notes secured by first mortgages on such terms and conditions as the Commission shall deem appropriate. In the case of houses and apartment buildings, the maturity and percentage of appraised value in connection with such notes and mortgages shall not exceed those prescribed under section 223 (a) of the National Housing Act, as amended, and the interest rate shall equal the interest rate plus the premium being charged (and any periodic service charge being authorized by the Federal Housing Commissioner for properties of similar character) under section 223 (a) of the National Housing Act, as amended, at the effective date of such notes and mortgages.

b. The Commission may sell any such notes and mortgages on terms set by the Commission.

SEC. 63. Commission indemnity: For a period of not more than 15 years after the date of enactment of this act, the Commission shall indemnify the purchaser (except a purchaser taking advantage of the provisions of subsection 36 (d)), and any successor in title, of any such single family or duplex house as set forth in this chapter. This indemnity shall be deemed to be incorporated in the deeds given on the sale of Government-owned houses. One person may not invoke the indemnity in respect of more than one house.

SEC. 64. Community employment and population: The indemnity obligation specified in section 63 shall arise only if, for the 6 months just preceding the date on which it is invoked—

(a) the total number of operating, maintenance, and administrative employees in the project area, as determined by the Commission, has been less than 14,337 in the case of Oak Ridge or 7,622 in the case of Richland; and

(b) the population in the community has been less than 29,250 in the case of Oak Ridge or 25,200 in the case of Richland.

For purposes of this section employment shall be determined on the basis of the pay period or periods ending nearest the 15th of each month.

SEC. 65. Amount of indemnity: The indemnity obligation of the Commission specified in section 63 shall be for such amount, less the sales price of the property, as would have remained unpaid under a loan entered into on the date of the execution of the original deed by the Commission—

(1) which was in the amount of the purchase price from the Commission and provided for equal monthly payments of principal and interest over a period of 20 years computed on the basis of the average interest and other charges recorded for property of the same class at the community; and

(2) on which all payments due to the date when notice was received by the Commission had been made.

SEC. 66. Conditions of indemnity: The Commission shall make the indemnity payment specified by section 65 only if the Commission receives a notice from the then owner of the property that he is about to sell the property for a sum less than the unpaid balance of the real or hypothetical loan calculated pursuant to section 65. Such payment shall be made only if—

a. notice is given to the Commission at a time when the conditions of section 64 are satisfied;

b. the sale is made within such time as the Commission may prescribe and in a manner which the Commission determined to afford adequate assurance of a fair price without excessive costs; and

c. the Commission is given such prior notice of the sale and such opportunity to become a purchaser as it shall prescribe.

In such circumstances the Commission is hereby authorized to purchase the property. Sales pursuant to this section and payment by the Commission of such amount, if any, as is owing pursuant to sections 63 through 66 shall end the obligation of the Commission under sections 63 through 66 with respect to that property.

CHAPTER 7. UTILITIES

SEC. 71. Authorization to transfer utilities: The Commission is authorized to transfer to one or more of the entities specified in this chapter such utilities as in the judgment of the Commission will be appropriate to enable the transferee to meet the needs of the residents of the community for adequate utility services of the kind to be transferred.

SEC. 72. Date of transfer: Transfers of utilities shall be made as soon as possible, but in any event, not later than 5 years after the date of enactment of this act.

SEC. 73. Entity receiving transfer:

a. Transfer may be made to one or more of the following, if the transferee has the legal authority to receive and operate the utility:

(1) the city at the community;

(2) the State in which the community is located;

(3) any political subdivision or agency of that State; or

(4) any person, firm, corporation, or other legal entity.

b. In determining the transferee for any utility, the Commission may consider the following:

(1) the pattern of ownership of the comparable utilities in the State in which the community is located;

(2) the ability of the transferee to operate the utility;

(3) the probable price of the sale of the utility, the ability of the transferee to pay that price, and any probable expense; and

(4) the desires of the eligible voters of the community as directly expressed in any vote in any officially recognized procedure or in any procedure established by the Commission;

(5) the benefit of the United States in reducing possible requirements for local assistance as authorized in chapters 8 and 9 of this act.

SEC. 74. Utilities transferable: All utilities are authorized to be transferred under this chapter, but shall not include property which the Commission determines to be needed for its own use.

SEC. 75. Charges for utilities transferred: The Commission may give the utility to the city incorporated at the community; and must charge in selling the utility to any other transferee. The charges and terms for the transfer of any utility may be established by advertising and competitive bid, or by negotiated sale or other transfer at such prices, terms, and conditions as the Commission shall determine to be fair and equitable.

CHAPTER 8. MUNICIPALITIES

SEC. 81. Assistance in organization: The Commission is authorized, for a period not to extend beyond 5 years after the date of enactment of this act to cooperate with and assist the residents of the community in preparation for and establishment of local self-government and in the transfer of municipal installations and responsibilities to local entities. Such assistance may include payment of any amounts reasonably necessary to meet expenses incident to the establishment and organization of a city government and other local entities at the community, until such time as the municipal installations are transferred in accordance with the provisions of this chapter.

SEC. 82. Authorization to transfer municipal installations: The Commission is authorized to transfer to one or more of the entities specified in this chapter such municipal installations as in the judgment of the Commission, will be appropriate to enable the transferees to meet the needs of the residents of the community for adequate school, hospital, and other municipal services.

SEC. 83. Date of transfer: Transfers of municipal installations may be made at any time, not later than 5 years after the date of enactment of this act.

SEC. 84. Entity receiving transfer:

a. Transfers may be made to one or more of the following, if the entity has the legal authority to receive the installation: (1) the city at the community; (2) the State in which the community is located; (3) any political subdivision or agency of that State; or (4) a private nonprofit organization in the case of the hospital installation or cemetery at the community.

b. In determining the entity to which school, hospital, and other municipal installations, respectively, shall be transferred, the Commission shall be governed, in order, by—

(1) the results of a vote in which the eligible voters in the community expressed themselves directly on the transfer in the vote on the incorporation of the city;

(2) the results of a vote in which the eligible voters have directly expressed themselves on the proposed transfer in a referendum or other officially recognized procedure;

(3) there being only one entity which is legally authorized to receive the municipal intallation; or

(4) in the absence of the other alternatives, the Commission has conducted a vote of the eligible voters of the community on the proposed transfer under such procedures as it may establish.

SEC. 85. Installations transferable: All municipal installations are authorized to be transferred under this chapter, but shall not include property which the Commission determines to be needed for its own use.

SEC. 86. Charges for municipal installations transferred: The transfer of any municipal installation authorized to be made under the provisions of this chapter may be made without charge to the entity receiving the installation.

CHAPTER 9. LOCAL ASSISTANCE

SEC. 91. Basis of assistance to cities and other State and local entities.

a. From the date of transfer of any municipal installations to a governmental or other entity at or for the community, the Commission shall for a period of 10 years make annual assistance payments of just and reasonable sums to the State, county, or local entity having jurisdiction to collect property taxes or to the entity receiving the installation transferred hereunder. In determining the amount and recipient of such payments, the Commission shall consider—

(1) the approximate real property taxes and assessments for local improvements which would be paid to the governmental entity upon property within the community if such property were not exempt from taxation by reason of Federal ownership;

(2) the maintaining of municipal services at a level which will not impede the recruitment or retention of personnel essential to the atomic-energy program;

(3) the fiscal problems peculiar to the governmental entity by reason of the construction at the community as a single purpose national defense installation under emergency conditions; and

(4) the municipal services and other burdens imposed on the governmental or other entities at the community by the United States in its operations in the project area.

b. Special interim payments may be made under the provisions of this section to any governmental entity which—

(1) has a special burden due to the requirement under law imposed upon it in assisting in effectuating the purposes of this act for which it will not otherwise receive adequate compensation or revenues; or

(2) will suffer a tax loss or lapse in place of which it will not receive any other adequate revenues until the new governmental entities contemplated by this chapter are receiving their normal taxes and performing their normal functions,

c. Payments made under this section shall be payments made for special burdens imposed on the local governmental entities in accordance with the second sentence of section 168 of the Atomic Energy Act of 1954. Payments may be made under this section notwithstanding the provisions of the act of September 30, 1950 (Public Law 874, 81st Congress), as amended.

d. With respect to any entity not less than 6 months prior to the expiration of the 10-year period referred to in subsection a, the Commission shall present to the Joint Committee on Atomic Energy its recommendation as to the need for any further contribution payments to such entity. If it recommends further contribution payments, it shall propose a definite schedule of such contribution payments which will provide for an orderly and reasonably prompt withdrawal of the Atomic Energy Commission from participation in and contribution toward local government.

SEC. 92. Commission reductions: Any payment which becomes due under section 91 prior to the transfer of all municipal installations at the community may be reduced by such amount as the Commission determines to be equitable based on the municipal services then being performed by the Commission, and the municipal services then being performed by such governmental entity.

SEC. 93. Area of service: The payments made pursuant to section 91 to transferees of municipal installations are in anticipation that the respective recipients of those payments furnish, or have furnished, for the community, the school, hospital, or other municipal services in respect of which the payments are made. Any such payment may be withheld, in whole or in part, if the Commission finds that the recipient is not furnishing such services for any part of the area so designated.

SEC. 94. Commission contracts: The Commission is authorized, without regard to section 3679 of the Revised Statutes, to enter into a contract with any governmental or other entity to which payments are required to be made pursuant to section 91, obligating the Commission to make to such entity the payments as directed to be made by section 91.

CHAPTER 10. TRANSFER OF FUNCTIONS, AND REVIEW

SEC. 101. Transfer of functions: The President is authorized to delegate the duties and responsibilities placed on the Commission by this act to such other agencies of the United States Government as are reasonably qualified to perform those duties and responsibilities. The President may delegate any or all of the duties and responsibilities of the Commission in the operation of the communities to such other agencies of the United States Government that are reasonably qualified to perform those duties and responsibilities. The Commission shall retain no financing duties and responsibilities.

SEC. 102. Review: The Commission shall present to the Joint Committee on Atomic Energy of the Congress a full review of its activities under this act every 3 years in addition to any other presentation which may be required or requested by the Joint Committee.

SEC. 103. Joint Committee on Atomic Energy: The provisions of chapter 17 of the Atomic Energy Act of 1954 shall be applicable to all matters under this act.

CHAPTER 11. GENERAL PROVISIONS

SEC. 111. Powers of the Commission: The Commission shall have all powers conferred by the Atomic Energy Act of 1954, including the power to make, promulgate, issue, rescind, and amend such rules, regulations, and delegations as may be appropriate to carry out the provisions of this act and shall be subject to the limitations contained in chapter 14 of that act. Nothing contained in this act shall impair the powers vested in the Commission by the Atomic Energy Act of 1954, as amended, or any other law.

SEC. 112. Qualification to purchase: No officer or employee of the Commission or of any other Federal agency (including officers and members of the Armed Forces) shall be disqualified from purchasing any property or exercising any right or privilege under this act, but no such officer or employee shall make any determination as to his own eligibility or priority, or as to valuation, price, or terms of sale and financing of property sold to him.

SEC. 113. Contract forms: Contracts entered into pursuant to this act and other instruments executed pursuant to this act shall be in such form and contain such provisions, consistent with this act, as the Commission shall prescribe; and shall be as simple and concise as possible. Any mortgage shall contain terms which will place the United States in the same position, with respect to any mortgages it may hold under the provisions of chapter 6, as that occupied by a private lender under the applicable State laws for the relief of mortgagors with respect to deficiency judgments.

SEC. 114. Evidence: A deed, lease, contract, or other instrument executed by or on behalf of the Commission purporting to transfer title or any other interest in property disposed of pursuant to this act shall be conclusive evidence of compliance with the provisions of this act and rules and regulations promulgated thereunder, insofar as concerns title or other interest of any bona fide grantee or transferee for value without notice of lack of such compliance, and his successors in title.

SEC. 115. Administrative review: Determinations authorized by this act to be made by the Commission as to classification, priorities, prices, and terms and conditions of sale of property disposed under this act shall be subject to review only in accordance with such provisions for administrative review or reconsideration as the Commission may prescribe.

SEC. 116. Repossession: The Commission is authorized to repossess any property sold by it in accordance with the terms of any contract to purchase, mortgage or other instrument, and to sell or make any other disposition of any property so repossessed and any property purchased by it pursuant to section 66.

SEC. 117. Net proceeds: The net proceeds derived by the Commission from the disposal of property pursuant to this act, after defraying expenses incident to appraisal, sale or other transfer and any financing under section 62, shall be covered into the Treasury. Annually, upon advice of the Commission, there shall be transferred to miscellaneous receipts of the Treasury such portion of such net proceeds as may no longer be needed to meet the contingent obligations provided for in subsection 118 c.

SEC. 118. Appropriations:

a. There are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this act.

b. There are authorized to be appropriated the sum of $518,000 at Oak Ridge and the sum of $2,165,000 at Richland for construction, modification, or expansion of municipal installations authorized to be transferred pursuant to chapter 8 of this act.

c. As much as may be necessary of net proceeds from section 117 are hereby appropriated and made available for use by the Commission (without fiscal year limitations) to pay any costs, losses, expenses, or obligations incurred by the Commission in connection with obligations entered into pursuant to section 37 or section 63, with repossession or repurchase, rehabilitation, and further disposition pursuant to sections 63 through 66 and section 116, and with the defense and payment of any claims for breaches of warranties and covenants of title of any property disposed of pursuant to this act.

SEC. 119. Separability of provisions: If any provisions of this act, or the application of such provision to any person or circumstances, is held invalid, the remainder of this act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

AMENDMENT TO NATIONAL HOUSING ACT

SEC. 201. Section 223 (a) of the National Housing Act, as amended, is further amended as follows:

(a) After paragraph (3) thereof there is added the following new paragraph:

"(4) executed in connection with the sale by the Government, or any agency or official thereof, of any housing (including any property acquired, held, or constructed in connection therewith or to serve the inhabitants thereof) pursuant to the Atomic

Energy Community Act of 1955, as amended: *Provided*, That such insurance shall be issued without regard to any preferences or priorities except those prescribed by the Atomic Energy Community Act of 1955, as amended; or."

(b) The paragraph numbered (4) is renumbered (5).

(c) The paragraph numbered (5) is renumbered (6) and is revised to read as follows:

"(6) executed in connection with the first resale, within 2 years from the date of its acquisition from the Government, of any portion of a project or property of the character described in paragraph (1), (2), (3), and (4) above; or."

(d) The paragraph numbered (6) is renumbered (7) and the last proviso therein is amended by striking "(4) or (5)" and inserting "(4), (5), or (6)" and by striking "(3), or (5)" and inserting "(3), (4), or (6)."

AMENDMENT TO PUBLIC LAW NO. 874, 81ST CONGRESS

SEC. 202. Section 8 (d) of the act of September 30, 1950 (Public Law No. 874, 81st Cong.), as amended, is further amended by adding, after the words "Indian Affairs," the following: ", or the availability of appropriations for the making of payments directed to be made by section 91 of the Atomic Energy Community Act of 1955, as amended."

INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar 1215, Senate bill 2604.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2604) to increase the borrowing power of Commodity Credit Corporation.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

LEGISLATIVE PROGRAM

Mr. CLEMENTS. Mr. President, I should like to announce to the Senate, before Senators begin conversing—which I am afraid they may do—that there are four conference reports on the desk. I am hopeful that there will be little if any controversy in connection with them. I should like to suggest that the Senate act tonight on the first one, the conference report on Senate bill 2168, the minimum-wage bill.

However, before that conference report is taken up, I should like to announce to the Senate that it is the intention of the acting majority leader to move, when the Senate completes its work tonight, that it convene at 11 o'clock tomorrow morning.

We are hopeful that we may not encounter very many controversial questions tomorrow before a reasonable number of noncontroversial items can be disposed of.

I note that the Senator from Illinois [Mr. DOUGLAS] is present——

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. CLEMENTS. I yield.

Mr. LEHMAN. I know that the acting majority leader is entirely within his authority in continuing to bring up bills tonight. I can speak only for myself, as a Member of the Senate.

We were in session late last night. We came here early this morning. All of us had to attend committee meetings before the Senate convened. It is now half past 11 p. m. I know that some very controversial matters will be coming up, notably the conference report on housing and the Patterson nomination. It does not seem to me that it is essential that the Senate finally adjourn tomorrow night. It is very questionable whether the House will get through tomorrow night.

Mr. BENDER. Mr. President, will the Senator yield?

Mr. LEHMAN. Let me finish.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. CLEMENTS. Let me say to my friend from Ohio that when the Senator from New York concludes I will yield to the Senator from Ohio if he desires to ask the Senator from New York a question.

Mr. LEHMAN. The majority leader of the House announced publicly this afternoon that there would be a session of the House on Monday.

I do not think I have shirked my duties in the Senate. I think I am safe in saying that I have been present at every recorded vote that has been taken throughout this session.

It seems to me that the Government and the Nation would be better served if we were to consider matters of grave importance in an orderly fashion, and in such manner that they can receive orderly and intelligent consideration.

I can only appeal to the acting majority leader not to take up very important, controversial legislation at this late hour.

I think it is possible, for example, when the conference report on the minimum wage bill comes before us, that it may lead to controversy. We considered that very important bill only a little while ago.

Mr. CLEMENTS. Mr. President, it is certainly not the intention of the acting majority leader to bring up for consideration, during the remaining minutes the Senate may be in session tonight, any matters with respect to which there is great controversy.

The bill which has just been disposed of would not have been likely to have been before the Senate tonight, except that the acting majority leader was advised that its consideration would require less than an hour. There were some other matters of unusual importance.

If the minimum wage conference report should require considerable debate, we can take it up at another time.

The Senator from Illinois [Mr. DOUGLAS] is now present, and if he desires to bring it up, we shall then be able to determine whether or not it will require much time tonight.

Mr. LEHMAN. Of course I accept the judgment of the acting majority leader.

INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (S. 2604) to increase the borrowing power of Commodity Credit Corporation.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CLEMENTS. I yield.

Mr. AIKEN. Inasmuch as the bill now pending to increase the borrowing power of the Commodity Credit Corporation, is a "must" bill——

Mr. CLEMENTS. It is a Senate bill, and we wish to dispose of it tonight.

Mr. AIKEN. If the United States Government is to discharge its obligations—and I am sure we all want it to do so—would it not be well, if there is no debate on the bill, and no substantial opposition to it, to dispose of it tonight? I do not see how there can be any opposition, if we regard the obligations of our Government as binding. Let us pass the bill tonight, and make the next one, with respect to which there may be more or less debate, the unfinished business for tomorrow.

Mr. CLEMENTS. Mr. President, I am glad to say to my friend from Vermont that it is my opinion that consideration of the conference report on the minimum-wage bill would require a very short time. The sooner we can dispose of it the better off we shall be. The bill which the Senator has in mind, to increase the borrowing power of the Commodity Credit Corporation, would require only a very short time, unless the Senator from Vermont desires to make a lengthy speech on it.

Mr. AIKEN. I do not desire to make any speech. It is "must" legislation.

Mr. DOUGLAS. Mr. President, will the Senator yield for the presentation of a conference report?

Mr. CLEMENTS. It is a privileged matter.

Mr. HOLLAND. Mr. President, I invite the attention of the acting majority leader to the fact that Senate bill 2604, the bill to increase the borrowing power of the Commodity Credit Corporation, is a Senate bill.

Mr. CLEMENTS. That is correct.

Mr. HOLLAND. It has not been acted upon in the House.

Mr. CLEMENTS. That is true. In my judgment it would require less time to pass it than we have already consumed.

Mr. ELLENDER. Mr. President, I have been sitting around since 6 o'clock waiting to take up the pending bill. The bill received the unanimous support of the entire membership of the committee who were present.

It would increase the borrowing power of the Commodity Credit Corporation from $10 billion to $12 billion.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CLEMENTS. Am I correct in understanding that the Senator is presenting a justification for the passage of the bill?

Mr. ELLENDER. The Senator is correct.

Mr. CLEMENTS. How long does the Senator think it would require him to complete his statement?

Mr. ELLENDER. One more minute.

The Department of Agriculture estimated that as of June 30, this year, $8.6 billion of its borrowing authority was in use. It estimates that its current borrowing authority will probably be exceeded in November of this year, and that the peak use of borrowing authority for the fiscal year 1956 will be reached in February, when it is estimated that $11.1 billion of borrowing authority may be used. The Department has also estimated that with record yields, record proportions of crops being supported, and greatly reduced sales of inventories and repayments of loans, $12.6 billion of borrowing authority might be used in February. However, since this assumes the worst, it is not expected that anything like this amount will be needed. Estimates of the use of borrowing authority during fiscal 1956 are set out in the committee report, broken down by month and by commodity. Mr. Morse, the Under Secretary, appeared before the committee and testified in favor of the bill. Sometime earlier, before the bill was introduced, he had written to me under date of June 15, 1955, indicating that the amount necessary on the basis of the facts known at that time would be between $10 billion and $11 billion. However, he pointed out in that letter that a better appraisal of the amount needed could be made after the July crop report had been received. Under date of July 20 another letter was sent, indicating that on the basis of the July report, which predicted the second highest production of record, the amount necessary would be between $11 billion and $12 billion. I ask unanimous consent that both letters be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., June 15, 1955.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry,
United States Senate,

DEAR SENATOR ELLENDER: On the basis of the economic assumptions as set forth in the 1956 budget estimate for the Commodity Credit Corporation, and the resultant estimated volume of price support and related activities, the Department has recently prepared a monthly projection of the use of the borrowing authority of the CCC through June 30, 1956.

These projections are reflected in the attached statement showing the status of the Corporation's borrowing authorization at the end of each month of the fiscal years 1955 and 1956. The statement also sets forth the specific assumed economic factors upon which the budget estimates were predicated. It will be noted that the estimates indicate that the present borrowing power of $10 billion will be exceeded in December 1955 and that a peak of $10.8 billion in obligations will occur in February 1956—$600 million more than the Corporation's borrowing authority.

Since the estimates are based upon a number of factors such as market prices, weather, exports, and economic conditions generally, each of which is variable as well as unpredictable, they must be regarded as highly tentative and subject to widely fluctuating changes. There are several specific aspects of their composition which should be fully recognized, particularly with respect to the fiscal year 1956.

(1) The bulk of the 1955 crops have not been harvested and the estimated production from these crops is predicated upon yields per acre in line with recent averages. With acreage controls in effect for several major crops, conditions are conducive to producers obtaining abnormal and even record yields per acre. Such excess production would tend to enter price support and increase the use of the Corporation's borrowing authority accordingly.

(2) As indicated in the attached statement, these estimates assume increased exports and a continued stable general price level and economic conditions. Any departure from these relatively favorable conditions to more unfavorable economic activity would immediately reflect itself in the agricultural economy and result in increased quantities of commodities being placed under price support and smaller dispositions from inventories of the Corporation.

(3) The estimates assume the continuance of existing legislation. A number of the pending legislative proposals have a direct influence upon the use of the borrowing authority of the Corporation. For example, it has been estimated that the enactment of H. R. 12, to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities, would increase the use of the Corporation's borrowing authority by nearly $247 million.

Therefore, it is believed that these estimates represent conservative rather than liberal projections of the volume of price-support activities. It will be recalled that last July when Congress was considering the proposed increase in the borrowing authority of the Corporation from $8.5 to $10 billion, there were two types of estimates prepared reflecting the estimated use of borrowing authority through June 30, 1955, based on the July 9, 1954, crop report. The first type, based upon normal conditions similar to these supporting the attached statement, indicated the estimated peak use of borrowing authority to be $8.4 billion. This was expected to occur in January and February 1955. The second type, based upon conditions which would result in greater use of borrowing power, including situations such as those described in (1) and (2) above, indicated an estimated peak use of borrowing authority of $9.8 billion. The Department has not yet made estimates for the fiscal year 1956 similar to the second type prepared last year for 1955, but it may be assumed that the margin of difference in 1956 between the two types of estimates would remain approximately the same.

Although there were instances of record production, record yields per acre, and record quantities placed under support with respect to certain of the 1954 crops, the general agricultural situation which materialized must be regarded as falling more nearly within the assumptions described under the first type of estimates. Against the peak use of borrowing authority of $8.4 billion estimated last year to occur in January and February 1955, actual borrowing authority in use as of January 31, 1955, and February 28, 1955, was $8.2 billion and $8.4 billion, respectively. Comparing the estimates made last summer with certain actual operations through February 28, 1955, loans made were overestimated by $390 million, loan repayments were overestimated by $325 million, and sales were underestimated by $230 million. Other types of estimated obligations and receipts were also at variance with actual operations. The net result, however, of the combination of under- and over-estimating was quite close to the original projection.

Of more significance, however, is the radical departure of actual circumstances as of March 31 and current estimates from the previous estimates for March 31, 1955, and the balance of this fiscal year.

Actual borrowing authority in use as of March 31, 1955, was $8.5 billion compared with previous estimates of $8.1 billion. In addition, we had formerly estimated a decline of about $200 million in borrowing authority in use during the period March 31 through June 30, 1955, and it is now estimated that borrowing power in use will increase by about $200 million during this period—a further increase of approximately $400 million. Most of these changes are accounted for by the fact that repayments of wheat and cotton loans and sales of wheat are not expected to materialize to the extent previously anticipated.

Current estimates for the fiscal year 1956 are that from a June 30, 1955, level of $8.7 billion, obligations will reach a peak of $10.6 billion in February 1956, and taper off to $9.9 billion by June 30, 1956. The estimated increase of $1.9 billion between June 30, 1955, and February 29, 1956, and the decrease of $.7 billion between February 29 and June 30, 1956 are anticipated to consist of:

[Millions of dollars]

Activity	Increase June 30, 1955–Feb. 29, 1956	Decrease Feb. 29, 1956–June 30, 1956
Obligations:		
Loans made	$1,951	$239
Purchases	250	150
Carrying charges	248	266
Other	783	390
Total obligations	3,232	1,045
Receipts:		
Loan repayments	342	609
Sales	779	1,062
Other	230	30
Total receipts	1,351	1,701
Net increase or decrease	1,881	656

During the course of the hearings last year, it was stated that it was the belief of representatives of this Department that a borrowing power of $10 billion would enable the Corporation to complete 1954 crop operations and operate until 1955 crops started to move in the next year. Under normal conditions, and using the assumptions upon which the 1956 budget estimates were predicated, it appears that the $10 billion borrowing authority will be insufficient for the 1955 crops by approximately $600 million. Under the more favorable assumptions referred to above, the borrowing authority would be insufficient by approximately $2 billion.

The report of the Department released March 18, 1955, reflecting prospective plantings for 1955 in the overall, contains no estimates which would greatly change the estimates of crop production upon which the 1956 budget estimates were predicated. Here again, however, estimated production is based upon recent average yields per planted acre. The crop production report for June 1955 indicated further revision in the estimated production from the 1955 crop of wheat and contained the first estimate of the production of rye on the basis of current conditions. The comparison of these latest estimates of production with the production upon which the budget estimates were predicated is remarkably close, as shown below:

Commodity	Budget estimate	June crop report
Wheat ..... bushels	850,000,000	845,000,000
Rye ..... do	26,000,000	25,800,000

The crop production report for July will contain more reliable information regarding production from the 1955 crops. At that time the Department will be in a better position to appraise the potential use of the Corporation's borrowing authority and the amount of the increase needed. We are hopeful that our proposal for legislative action can be deferred until mid-July.

An important factor in the availability of borrowing power over the period through June 30, 1956, is the amount of losses sustained by the Corporation. It now appears that realized losses of the Corporation may aggregate $1 billion during the fiscal year 1955. Other reimbursable expenses of the Corporation incurred during the fiscal year 1955 for such programs as the International Wheat Agreement and dispositions under the Agricultural Trade Development and Assistance Act may total another $500 million. Restoration of the capital impairment and reimbursement of these amounts will be requested in the 1957 budget, but borrowing authority would not be affected until the funds actually became available to the Corporation, probably in July 1956.

It is not the purpose of this letter to recommend any legislative action with respect to the borrowing authority of the Commodity Credit Corporation at this time. Rather, it is in the nature of a report of current and estimated status of the Corporation's borrowing authority. Your committee may wish to consider how best to deal with the situation that is developing.

If you have need for additional information or questions concerning this subject, we shall be happy to furnish it. We will advise you further, not later than the week following the release of the July 10 crop report.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., July 20, 1955.

The PRESIDENT OF THE SENATE,
United States Senate.

DEAR MR. PRESIDENT: This Department recommends the enactment of legislation to increase the borrowing authority of the Commodity Credit Corporation from $10 billion to $12 billion.

There is attached a copy of a letter dated June 15, 1955, which was addressed to the chairmen of the House Banking and Currency Committee, the Senate Committee on Agriculture and Forestry, and the House Committee on Agriculture, and the Director, Bureau of the Budget, advising them as to the situation at that time with respect to the borrowing authorization of the Commodity Credit Corporation.

In this letter it was indicated that the outlook at that time was for obligations to exceed the Corporation's borrowing power of $10 billion by December 1955, and a peak use of borrowing power of $10.6 billion by February 1956. It was also indicated that a legislative proposal would be made after release of the July crop report made it possible for a reappraisal of the estimates.

The crop report released on July 11 indicated our earlier estimates to be conservative, in view of the fact this report predicts total 1955 crop production to be the second highest of record. Feed grain production will include near-record crops of corn and oats, a record barley crop, and a potential record crop of sorghums. Although we have not yet formulated complete estimates of the effects of such crop production on the price-support operations of the Commodity Credit Corporation, it is apparent that more borrowing power will be required to complete 1955 crop price-support operations than indicated by our earlier estimates. A rough approximation on the basis that all of the additional production now estimated will be placed under price support makes it apparent that between one and two billion dollars additional borrowing power will be required.

It is therefore our recommendation that the borrowing power of the Commodity Credit Corporation be increased to $12 billion before the current session of Congress adjourns. A major factor resulting in this request is the cumulative effect of mandatory rigid price supports on 1954 and prior-year crops. The Agricultural Act of 1954 prescribed a gradual transition to a flexible support system, but for 1955 crops the degree of flexibility is restricted. Consequently, the new legislation will not greatly affect the use of borrowing power in the fiscal year 1956.

There is attached a draft of a bill embodying the necessary amendments to existing legislation to accomplish an increase in the borrowing authority.

The Bureau of the Budget advises that there is no objection to the submission of this proposed legislation to the Congress for its consideration.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

Mr. ELLENDER. I respectfully refer Members of the Senate to the report, which treats the subject in detail.

Mr. CLEMENTS. I cannot help but think that with the very fine explanation given by the Senator from Louisiana the Senate will concur in his judgment and pass the bill.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered to the bill, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That section 4 of the act approved March 8, 1938 (52 Stat. 108), as amended, is amended by striking out "$10,000,000,000" and inserting in lieu thereof "$12,000,000,000."

SEC. 2. Section 4 (1) of the Commodity Credit Corporation Charter Act (62 Stat. 1070), as amended, is amended by striking out "$10,000,000,000" and inserting in lieu thereof "$12,000,000,000."

REVISION OF THE ELECTION LAW

Mr. HENNINGS. Mr. President, I ask unanimous consent to have printed in the RECORD at this point, a statement prepared by me, a newspaper article, a letter which I addressed to the Attorney General, and a copy of a letter addressed to the Senator from Rhode Island [Mr. GREEN], by the Attorney General.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HENNINGS

Recently I received a letter from an anonymous American. I believe that this letter is sufficiently interesting that the Senate will bear with me while I read it in its entirety. "Senator THOMAS HENNINGS:

"I note from the enclosed news clipping that you have sold the American people down the river to the crooked union chiefs. Undoubtedly you were well paid for the deal.

"Apparently Missouri produces one kind of politician, crooks.

"I hope every dollar you received on the deal as per clipping is a curse to you. And may you also be obliged to join a union to make a living.

"AN AMERICAN."

This anonymous correspondent enclosed with the above letter a column taken from a newspaper which I cannot identify, written by Mr. Victor Riesel. I attach to my statement the article as it appeared in the Birmingham News on July 19. The first two paragraphs of this column are sufficiently important when considered in connection with the above letter to warrant my reading them now.

"Labor leaders have already launched the 1956 campaign—and are prepared to supply almost half the Democrats' political funds in many States.

"For a while it seemed that both the AFL's and CIO's high geared political committees would be put out of business by a new election law. They would not have been able to supply manpower, money or even a campaign poster in the coming presidential election. But the Washington union chiefs got after Missouri's Senator THOMAS HENNINGS, who was handling the bill, and he struck from it all restrictions on labor's participation and spending in national campaigns."

As a general rule I prefer to disregard such ridiculous allegations as this, for I feel that no useful purpose is served by taking the time of the Senate to discuss such a matter. In this case, however, I feel that discussion is justified, not because of the allegation made in this column, but rather because of the fundamental misunderstanding of the truth which the column reveals.

It is true that S. 636 in its original form had a section which concerned the activity of labor unions and other national organizations. It is also true that this section was stricken from the bill when it was reported by the Subcommittee on Privileges and Elections under my chairmanship to the Senate Committee on Rules and Administration. However, it is not true that this section was stricken because union chiefs "got after" me. Rather, the section was stricken from the bill when it was reported by the subcommittee because the Department of Justice had advised the subcommittee that the section was of dubious constitutionality and that it would complicate the work of the Department of Justice. Lest there be a misunderstanding in this regard, I would like to quote some of the conversation which transpired in our hearings.

But first, I might point out that when the subcommittee originally decided to schedule hearings on S. 636 it realized that certain portions of that bill raised questions of constitutionality which had to be considered. Accordingly, on March 18, I, as chairman of the Subcommittee on Privileges and Elections, addressed a letter to Mr. Herbert Brownell, Attorney General of the United States, inviting him to appear before the subcommittee and testify on the bill (S. 636). Twenty-one days passed and I had heard nothing from the Attorney General. On April 8 I wrote to him a second time, again asking him to come and help us. Eighteen additional days passed with no reply. And so on April 26 I wrote to him a third time. In this third letter I said:

"I would like to renew the invitation to you to appear personally before the subcommittee and give us the benefit of your ideas and your experience. As Attorney General of the United States you are responsible for the enforcement of Federal corrupt practices legislation. It is my view that existing legislation is seriously inadequate and I feel that it presents to your Department unnecessary and unwise obstacles to enforcement. Therefore, I believe that your testimony will be virtually indispensable if the subcommittee is to accomplish its duties intelligently."

Let me repeat one sentence from this letter: "I believe that your testimony will be virtually indispensable if the subcommittee is to accomplish its duties intelligently."

Seven days later I received, in reply to my third request, a letter from William P. Rogers,

Deputy Attorney General. I would like to read two sentences from that letter. Mr. Rogers said:

"I would like to suggest that Mr. Warren Olney III, Assistant Attorney General in Charge of the Criminal Division, present the views of the Department of Justice to the subcommittee. As you know, he has charge of the enforcement of the present laws relating to Federal elections and is, therefore, in the best position to testify along the lines suggested in your letter."

While I had specifically invited the Attorney General to appear, he apparently had elected to send a subordinate and I was, of course, willing to accept the suggestion that Mr. Olney present the views of the Justice Department, particularly since, according to Mr. Rogers, he was "in the best position" to testify on this matter. Mr. Olney appeared before the subcommittee on May 10, and testified at some length. He was a most helpful and intelligent witness, and I have nothing but praise for him. He testified freely, and openly, and was of great assistance to the subcommittee.

One of the subjects about which Mr. Olney testified was section 304 of the original bill (S. 636), which read as follows:

"(a) Section 610 of title 18 of the United States Code is amended by inserting after the first paragraph thereof the following new paragraph:

" 'It is unlawful for any candidate or political committee to make any contribution or expenditure in connection with any Federal election from funds received directly or indirectly from a labor union, corporation, or national bank.'

"(a) The existing second paragraph of such section is amended by adding at the end thereof the following: 'Every candidate and every political committee and the treasurer of every political committee which makes any contribution or expenditure in violation of this section shall be fined not more than $1,000 or imprisoned not more than 1 year, or both, and if the violation was willful, shall be fined not more than $10,000 or imprisoned not more than 2 years, or both.' "

This section was intended to clarify the present status of section 610, title 18 of the code, the so-called Taft-Hartley provision banning political activity by labor unions as such. Mr. Olney testified that at the present time the constitutionality of this provision "is most obscure" as a result of the decision of the Supreme Court in *United States* v. *C. I. O.* (335 U. S. 106). Mr. Olney was interrogated by the counsel for the subcommitteee on this section of the bill. The following colloquy transpired:

"Mr. DUFFY. Do you believe that it would be better to leave section 610 of Title 18 exactly as it is, or do you think that by allowing it to stand unchanged you would still be confronted with the constitutional problem as stated in the C. I. O. case?

"Mr. OLNEY. Well, if section 304 of S. 636 is enacted, it still will not affect the dilemma and the difficulty that we are faced with because of the C. I. O. decision.

"Mr. DUFFY. It wouldn't help you at all?

"Mr. OLNEY. No; it wouldn't.

"Mr. DUFFY. In fact, it might increase the difficulty; is that true?

"Mr. OLNEY. Yes; simply because it would be a new expression by Congress reaffirming this same statute notwithstanding the CIO decision. I am sure you can imagine the consternation of my predecessors when the Supreme Court disposed of that CIO case by ducking the issue. They just didn't pass on the constitutional point. They expressed so many doubts about it, all of them did, that it made it almost impossible, certainly impractical, to prosecute under it. And yet they have not clearly decided the constitutional point."

I feel that this exchange was quite straightforward, and its meaning seems clear to me. And since the officially designated representative of the Justice Department had said that adoption of the provision in question would not help the Justice Department, and might well increase its difficulty under the law, the subcommittee recommended that this provision be stricken from the bill. This was in accord with my often-expressed desire to do nothing to complicate the tasks of any person or department by this bill. I might add that a stenographic copy of Mr. Olney's testimony was sent to the Department of Justice a day or two after he had appeared, for the Department's comments and consideration, and this was returned with the exchange I have quoted, left intact and not questioned.

On June 13, the Subcommittee on Privileges and Elections voted to report S. 636 favorably to its parent committee, with the suggestion that section 304 be stricken. The minority member voted against reporting the bill favorably. On June 15, the Committee on Rules and Administration voted 5 to 3 to report the bill favorably to the Senate, with the recommendation that it pass. The three dissenting votes were by the minority members present at the meeting. They asked for, and were given, time to file additional views in dissent. The minority filed their dissenting views a week later, on June 22.

In their report, the minority objected to S. 636 for four principal reasons. I shall discuss these in detail at a later date. For the moment I would like to mention their fourth objection. In substance, they said the bill did not include one provision which they believed essential, a provision completely outlawing political contributions by labor unions. They ignored the majority's statement that the section of the original bill that might have accomplished such an objective had been stricken because of the views expressed by the representative of the Justice Department. When I read this fourth objection, I was somewhat surprised, to say the least, for the Justice Department is staffed by members of their party, not mine. And I confess I was not too disturbed by this objection, for the Department of Justice was in our corner, on this subject at least. Or so I thought. But 2 days later a most curious thing occurred.

On June 24, Senator GREEN, distinguished chairman of the Committee on Rules and Administration, forwarded to me a letter he had received from Mr. Brownell. This most remarkable letter was dated June 23, one day after the minority had filed its report. It is so remarkable that I would like to read it in its entirety:

JUNE 23, 1955.

Hon. THEODORE FRANCIS GREEN,
Chairman, Committee on Rules and Administration, United States Senate, Washington, D. C.

DEAR SENATOR GREEN: We have reviewed the report of the Subcommittee on Privileges and Elections and there are certain aspects which we would like to call to your attention in order that there be no misunderstanding as to the position of the Justice Department.

On pages 13 and 14 of the report proposed amendments to section 610 of the United States Code are discussed. These amendments are set forth as section 304 in the original Senate bill 636, which is under consideration by your committee. The subcommittee recommends that section 304 be stricken which has the effect of eliminating the suggested amendments to section 610 of title 18. In connection with this recommendation the report of the subcommittee states:

"This provision of S. 636 was intended to clarify the present confused status of section 610 of title 18 of the United States Code. In view of the decision of the Supreme Court in *U. S.* v. *Congress of Industrial Organizations* (355 U. S. 106 (1948)), the present status of section 610 is not clear. However, the subcommittee was advised by the representative of the Department of Justice that section 304 of S. 636 would most probably further complicate this present status. Therefore, the subcommittee recommends that section 304 as it appears in S. 636 be stricken, and that section 305 of the bill be renumbered section 304."

The Department of Justice representative who testified before the subcommittee was Warren Olney III, Assistant Attorney General in charge of the Criminal Division. Certain portions of Mr. Olney's testimony might support the interpretation set forth above. However, when his testimony is read in its entirety we believe that the views of the Department of Justice are clearly ascertainable and were not meant to carry the meaning indicated in the subcommittee report. Mr. Olney pointed out the difficulty we have encountered with court interpretations of section 610, particularly as pertains to a possible conflict of that section with the first amendment. However, as his testimony indicates, the constitutional question has never been passed upon squarely, and the position of the Justice Department is that section 610 is constitutional and that in proper cases prosecution may be had under this section.

In order to clear up any possible misunderstanding I wish to set forth the position of the Department of Justice as it relates to the proposed amendments. The amendments to section 610 would definitely strengthen the position of the Government to prosecute persons and organizations who violate the election laws, but who have been able to take advantage of certain loopholes in existing law. Although the Department recognizes there are problems of constitutional law still unanswered, nevertheless, inclusion of the amendments to section 610 of title 18 would not complicate enforcement under the law.

The Department of Justice, therefore, takes the position that in consideration of this bill the amendments proposed to section 610 should be retained.

Sincerely,

HERBERT BROWNELL, Jr.,
Attorney General.

The letter reveals on its face several interesting facts. It clearly indicates that the position of the Justice Department, as expressed by Mr. Olney on May 10, differs from the position of the Justice Department as expressed by Mr. Brownell on June 23. For example, Mr. Brownell states that the position of the Justice Department is that section 610 is constitutional; Mr. Olney said the status of this section is "most obscure." Brownell says prosecution may be had under this section in proper cases; Mr. Olney said it was almost impossible, and certainly impractical, to prosecute under it at all. Brownell says adoption of the section would not complicate enforcement under the law; Olney says it would.

I shall not speculate on the reason for the conflicting views of Mr. Olney and Mr. Brownell, although, naturally, I do have opinions on the subject. All that I wish to do at this moment is to indicate clearly, and the testimony which I have read from the hearings substantiates this, that the subcommittee deleted from the original bill the section which pertained to labor unions, banks, and corporations because of the testimony presented by Mr. Warren Olney III, testimony which the subcommittee necessarily had to accept as reflective of the views of the Department of Justice, since Mr. Olney was sent to us as the man in the best position to express such views.

I find this whole matter extremely disturbing. When a committee of the Senate calls upon an executive department for assistance and advice, it necessarily must assume that,

in the absence of a prompt and timely statement to the contrary, the advice and assistance rendered by the representative of the department truly represents the views of the department. In this instance we did so accept such testimony, and I personally am distressed to now discover that the Attorney General of the United States is apparently attempting to rewrite testimony given before our subcommittee by a representative of the Justice Department and to torture and subvert Mr. Olney's conclusions and observations.

JULY 25, 1955.

The Honorable HERBERT BROWNELL, Jr.,
Attorney General of the United States,
Washington, D. C.

DEAR MR. ATTORNEY GENERAL: Senator GREEN, chairman of the Senate Committee on Rules and Administration, has forwarded to me a letter dated June 23, 1955, signed by you as Attorney General. This letter refers to the recent report of the Subcommittee on Privileges and Elections and states that there are certain aspects of this report which you wish to call to Senator GREEN's attention "in order that there be no misunderstanding as to the position of the Justice Department."

Your letter is directed to section 304 in the original bill, S. 636. The subcommittee recommended that this section be stricken from the bill. On June 15, 8 days before your letter was written, the bill was favorably reported to the Senate by the Committee on Rules and Administration with section 304 stricken. Your letter, therefore, arrived somewhat late.

You apparently question a portion of the subcommittee report which stated:

"This provision of S. 636 was intended to clarify the present confused status of section 610 of title 18 of the United States Code. In view of the decision of the Supreme Court in *U. S.* v. *Congress of Industrial Organizations* (355 U. S. 106 (1948)), the present status of section 610 is not clear. However, the subcommittee was advised by the representative of the Department of Justice that section 304 of S. 636 would most probably further complicate this present status. Therefore, the subcommittee recommends that section 304 as it appears in S. 636 be stricken, and that section 305 of the bill be renumbered section 304."

The representative of the Department of Justice mentioned in the report was, of course, Mr. Warren Olney III, who was sent to us by your department as the person "in the best position" to testify on the bill. Mr. Olney appeared before the subcommittee on May 10 and was a most helpful and intelligent witness. On the basis of Mr. Olney's testimony, the subcommittee believed that it was acting in accordance with the position of the Department of Justice when it recommended that section 304 be stricken from the bill. You appear to take a different attitude toward section 304.

After rereading Mr. Olney's testimony most carefully, I agree with your statement that "the views of the Department are clearly ascertainable." I believe that the subcommittee correctly interpreted those views as expressed by Mr. Olney on May 10. Since this is so, I would appreciate answers from you to the following questions:

1. You assert that in the view of the Department of Justice, section 610 of title 18 is constitutional; Mr. Olney said that the status of this section "is most obscure" (p. 211). Which of these two attitudes may I now accept as being representative of the Justice Department?

2. You state that prosecution under section 610 may be had in proper cases; Mr. Olney asserted that prosecution under this section is "almost impossible, and certainly impractical" (p. 210). Which of these two attitudes may be considered accurate?

3. You assert that section 304 of the original bill would "definitely strengthen" the position of the Government to prosecute violators of the election laws; Mr. Olney asserted that enactment of section 304 might increase the difficulty of prosecution. Which position may we now regard as authoratative?

4. In view of the fact that Mr. Olney was referred to the subcommittee as the representative of the Department of Justice in "the best position" to testify on this bill, why is it that the position of the Department of Justice, as expressed by him on May 10, differs from the position of the Department of Justice as expressed by you on June 23?

5. A copy of the transcript of Mr. Olney's testimony was sent to your Department within a few days after he appeared before the subcommittee. Why did you wait for more than 6 weeks before you advised the Committee on Rules and Administration, in effect, that the statements of Mr. Olney evidently differed from your views concerning this matter?

I am sorry that this situation has arisen. I call to your attention the fact that I personally addressed three letters to you asking that you appear in person and aid the subcommittee. I did this because I was aware of the significant questions on which we needed advice and counsel from the Justice Department. Evidently, you were not inclined to appear for some reason or reasons of which I had no knowledge since you at no time communicated with me. We, of course, wanted your views, Mr. Attorney General, not the views of a subordinate which you now have chosen to interpret and clarify.

I trust that I will hear from you soon.

Sincerely yours,

THOMAS C. HENNINGS, Jr.,
United States Senator.

MERGER WILL ADD FORCE—
LABOR LAUNCHES '56 CAMPAIGN; ITS IMPACT WILL BE ANTI-GOP

(By Victor Riesel)

Labor leaders have already launched the 1956 campaign—and are prepared to supply almost half the Democrats' political funds in many States.

For a while it seemed that both the AFL's and the CIO's high-geared political committees would be put out of business by a new national election law.

They would not have been able to supply manpower, money or even a campaign poster in the coming presidential election. But the Washington union chiefs got after Missouri's Sen. THOMAS HENNINGS, who was handling the bill, and he struck from it all restrictions on labor's participation and spending in national campaigns.

As a result union political directors have begun to whip their machinery into action 10 months before the presidential primary. They have drawn up a list of nine Senators and 25 Representatives they plan to beat. Labor's opponents call this a purge list—but labor insists it has the right to elect its friends and defeat its enemies.

Whichever way you look at it, the impact of labor's campaign will be anti-Republican.

That impact will have pile-driving force next year because the CIO's Political Action Committee and the AFL's Labor League for Political Education will be merged into one national organization by that time. Already James L. McDevitt, AFL political director, and Jack Kroll, PAC chief, have held several conferences—briefing each other on the details of each organization.

Shortly after December 5, when the AFL and CIO merge, the two political departments will merge and run one campaign across the land. Just how tough an opponent this combine will be can be seen from the fact that these outfits in the past have supplied the Wisconsin Democrats with 40 percent of all their party funds, the Michigan Democrats with more than 60 percent and the New York Democrats with an estimated 50 percent.

Combined, these two campaign machines have several hundred thousand precinct workers in thousands of cities and towns, including even Las Vegas.

Typical of what has been happening, while the two major parties have not even gotten up a party leaflet, is the recent activity of the AFL's political league. It has invaded the South, where it has announced that it would try to drive Representatives BARDEN and DURHAM from office by fighting them in the primaries.

The AFL group has distributed at least a million leaflets on political activity. It has used vaudeville shows and orchestras at political rallies. All this has gone on to give their 1956 campaign a lift despite the summer heat.

AFL Political Chief McDevitt traveled constantly for 25 days in June, covering every State. He left behind him a lively political outfit divided into 4 major areas of 12 States each. Each area was cut in half and a conference held in each half sector. This meant eight big regional political parleys in all.

At each conference, McDevitt consulted with all national, regional, and city leaders in the immediate region. They discussed candidates and methods of beating or electing them. In all, the AFL will concentrate on 32 elections. Labor will try to elect 15 Democrats to the Senate and defeat 17 Republicans. Of course, all the seats in the House are up for reelection.

The conferences at which these plans were made were held between June 3 and June 29 in Harrisburg, Pa., Boston, Columbia, S. C., Birmingham, Chicago, Des Moines, Boise, and Phoenix. No part of the country was left uncovered.

The CIO Political Action Committee, meanwhile, has had parleys of its own—mostly devoted to raising funds.

When the labor machines mesh next January, they will hit hard on two issues. The labor people will make much of the polio vaccine situation and charge that the administration "played politics with children's lives" and snafued the distribution of the Salk vaccine.

And they will make an issue of the new law in Wisconsin which prohibits unions from donating money or anything of value to a candidate or party. The labor leaders will warn their people that this is the first of many such laws which may put labor out of politics.

One thing is uncertain—it is not yet sure that the AFL leaders will throw the national AFL headquarters into a direct fight on President Eisenhower, as they did in 1952. But that won't keep them from trying to defeat all other Republican candidates. And they sure are starting early.

RETIREMENT OF GOVERNMENT CAPITAL IN CERTAIN INSTITUTIONS UNDER SUPERVISION OF THE FARM CREDIT ADMINISTRATION

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1216, H. R. 5168.

The PRESIDING OFFICER. The Secretary will state the bill by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 5168) to provide for retirement of the government capital in certain institutions operating under the supervision of the Farm Credit Administration; to increase borrower participation in the management and control of the Federal Farm Credit System; and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with an amendment.

FAIR LABOR STANDARDS ACT OF 1938—CONFERENCE REPORT

Mr. DOUGLAS. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2168) to amend the Fair Labor Standards Act of 1938, in order to increase the national minimum wage, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of July 30, 1955, pp. 12361–12362, CONGRESSIONAL RECORD.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. DOUGLAS. Mr. President——

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. DOUGLAS. Would the Senate like to have me make a statement on the conference report?

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. KUCHEL. Mr. President, I wonder whether the Senator would make a very few brief remarks on what we are voting?

Mr. DOUGLAS. I was ready to do that when the cry for action on the bill came.

Both Houses have agreed to an increase in the minimum wage from 75 cents to $1. The Senate set the date of the increase for the 1st of January 1956. The House set the date for the 1st of March. We have accepted the House provision.

The major difference between the two bills concerned the method by which the minimum wage should be handled in Puerto Rico and the Virgin Islands. The Senate bill prescribed a percentage increase within a year for Puerto Rico and the Virgin Islands equal to the percentage increase for the mainland, namely, one-third, with the proviso that after 2 years the absolute increase in Puerto Rico and the Virgin Islands would be the same as the increase on the mainland, namely, 25 cents an hour.

The House made no provision for Puerto Rico, and therefore continued the existing industry committee system, with a review by the Secretary of Labor. In the main, we have adopted the House proposal. In other words, we have given up the idea of a mandatory statutory increase in wages for Puerto Rico. However, we have stiffened the committee procedure for Puerto Rico, with the proviso that there shall be an annual review of the wages and that the recommendations of the committee are to go into effect after 15 days, instead of, as at present, being subject to a second hearing before the Secretary of Labor, with the Secretary of Labor being given the power of veto.

I still believe it would have been better to have had a mandatory increase of some degree for Puerto Rico, in order to lessen the differential in wages between the mainland and that island, and to protect American industry and American labor.

However, the House conferees were adamant. In order to get any bill at all, we conceded. Only the future can tell the degree to which the Department of Labor and the government of Puerto Rico will provide protection for their workers.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that there be printed in the RECORD, at this point a further statement which I have prepared on the conference report.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FURTHER STATEMENT BY SENATOR DOUGLAS ON CONFERENCE COMMITTEE MINIMUM WAGE BILL

In addition to the brief explanation of provisions of the minimum-wage bill (S. 2168) agreed to by the conference committee which I have already given to the Senate, there are one or two points that I would like to discuss in somewhat greater detail.

One of these points concerns the problem of the rates for learners under section 14 of the Fair Labor Standards Act. The conference report does not deal with this problem. However, as stated in the report of the Committee on Labor and Public Welfare which recognized this problem, in the light of the increase in the minimum wage from 75 cents an hour to $1 an hour, the Secretary of Labor and the Administrator of the Wage and Hour and Public Contracts Division should reexamine existing regulations with respect to the setting of minimum-wage rates for learners. Insofar as these regulations will no longer be appropriate to the new conditions which will result from the increase in the minimum wage, it will undoubtedly be necessary to revise these regulations to meet the new conditions, to safeguard the new minimum wage and to prevent its evasion or avoidance.

Another point which requires more detailed discussion is the action of the conference committee on the problem of the minimum-wage rates prescribed under the act for employees in Puerto Rico and the Virgin Islands. While the conferees did not accept the provision of the Senate bill for automatic statutory increases in the existing rates in these islands, they endorsed the second basic principle of the Senate bill in connection with the fixing of these rates, namely, the need for greater expedition and dispatch in the raising of minimum-wage rates in Puerto Rico and the Virgin Islands through the medium of special industry committee procedures.

Thus, section 4 of the conference committee bill requires that each minimum wage rate for employees in Puerto Rico and the Virgin Islands fixed in accordance with section 8 of the act shall be reviewed by an industry committee at least once each fiscal year. This provision should prevent in the future the condition which has prevailed in the past, of rates being allowed to continue in effect for a number of years without being reviewed by an industry committee for the purpose of determining whether it should not be adjusted upward in accordance with the requirements and objective of the act. Of course, it will be incumbent on the Appropriations Committees of the Congress and the administration to make sure that adequate funds are available to enable this review to be accomplished in accordance with the purpose which the conference committee had in mind. Adequate funds must not only be supplied for industry committees, but also for additional staff and other expenses needed to insure prompt and effective action by industry committees.

As I have already explained, the conference committee bill eliminates the authority of the Secretary of Labor, which he now has under section 8 (d) of the act, to approve or disapprove special industry committee recommendations. Under the present law these special industry committees simply recommend the minimum wage rates to be fixed for the various industries for which they are appointed; but the Secretary of Labor determines whether these rates are to be approved and carried into effect.

Under the conference committee bill the recommendations of the special industry committees are final, subject to appeals to the courts. They are not subject to review or approval by the Secretary of Labor. He has only the ministerial duty of publishing in the Federal Register an order putting the committees' recommendations into effect 15 days thereafter.

The scope of the discretion vested in the industry committees under the conference committee bill is limited in the same way as it is under the present law, i. e., the points of reference for their deliberations are the particular minimum wage rates which they are appointed to consider. They may recommend minimum wage rates no higher than $1 an hour, the national minimum wage fixed in the bill, nor lower than the rates in effect at the time the various committees are appointed. Furthermore, the act contains specific standards which the committees must observe in making their determinations. They are required to find and determine the highest minimum wage rates (not in excess of $1 an hour) which will not cause a substantial curtailment of employment in the particular industries involved in Puerto Rico or the Virgin Islands and will not give any such industries a competitive advantage over any industry in the United States outside of Puerto Rico and the Virgin Islands.

I think it is clear that under the conference bill, the function of the industry committee is not that of legislating minimum wage rates for industries in Puerto Rico and the Virgin Islands. Instead, these committees have the function of making a determination of minimum wage rates which will meet the standards set forth in the act.

These standards are that the highest rate which (1) will not substantially curtail employment in Puerto Rico or the Virgin Islands, and (2) will not give a competitive advantage over mainland industry to industries in Puerto Rico or the Virgin Islands. The determinations by the industry committees will be made on the basis of a thorough investigation and after a public hearing which will give interested parties an opportunity to be heard. In this connection, I might point out that under section 5 (c) of the act, it is required that, "The Administrator * * * shall by rules and regulations prescribe the procedure to be followed by the committee." It is clear that the Administrator has the authority to establish procedures which will meet all the requirements of due process.

It is the act itself that requires employers in Puerto Rico and the Virgin Islands to pay at least the rates put into effect as a result of the recommendations of the special industry committees. The penalties prescribed in the act are applicable to violations of the act rather than to violations of the industry committees' determinations.

Finally, the conference committee bill provides that the determinations of special industry committees are subject to review by the United States courts of appeals, in accordance with the amended section 10 of the act, upon written petition filed in any such court by "any person aggrieved by an order of the Secretary issued under section 8," just as is a wage order issued by the Secretary under the present law. The only changes which have been made in this amended section 10 are those which are made necessary by the fact that under the conference bill it is the determinations of the industry committees which will be the subjects of court review rather than the orders of the Secretary.

These provisions should help materially to speed up the process of raising minimum wage rates through industry committee proceedings as rapidly as is economically feasible toward the $1 an hour minimum wage, in accordance with the objective stated in the act. Of course, if for any reason these new provisions do not accomplish this purpose (and as one who was in large part responsible for and strongly supported the Senate bill's provisions for automatic statutory increases in minimum wage rates in Puerto Rico and the Virgin Islands as both necessary and as economically justified I have grave doubts whether this will be the case) the Congress will have to take another look at the whole problem. I think we can all agree that rates as low as 22½ cents an hour have no place in our economy today. We can sympathize with the problems of the Puerto Rican people and their Government, but we do not have to tolerate indefinitely impossible standards of living for them, and a constant and growing competitive problem for industry on the mainland and for its employees. I am hopeful, but not sanguine, about this conference committee bill. We will watch developments with keen interest.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

VICTOR HELFENBEIN—CONFERENCE REPORT

Mr. CLEMENTS. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5078) for the relief of the estate of Victor Helfenbein. I ask unanimous consent for the present consideration of the report..

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The Chief Clerk read the report.

(For conference report, see House proceedings of July 30, 1955, p. 12362, CONGRESSIONAL RECORD.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the conference report.

Mr. KNOWLAND. Is this the conference report which the Senate had under discussion previously?

Mr. CLEMENTS. It is.

Mr. KNOWLAND. I have checked it, and I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

KOREAN WAR ORPHANS

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the unfinished business, H. R. 5168, be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1231, S. 2312.

The PRESIDING OFFICER. The Secretary will state the bill by title for the information of the Senate.

The CHIEF CLERK. A bill S. 2312 for the relief of Korean war orphans.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and to insert:

That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Joseph Han Holt, Mary Chae Holt, Helen Chan Holt, Paul Kim Holt, Betty Rhee Holt, and Nathanial Chae Holt shall be held and considered to be the natural-born alien children of Harry and Bertha Holt, citizens of the United States.

Mr. NEUBERGER. Mr. President, the bill is brief and humane. A prominent lumberman in my State, Mr. Harry Holt, desires to adopt eight Korean war orphans. He can bring in only two orphans under the law. The bill would permit him to bring in six additional war orphans. It is a worthy and humanitarian measure, of high spiritual purpose.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COMMISSION FOR THE CELEBRATION OF THE 200TH ANNIVERSARY OF THE BIRTH OF ALEXANDER HAMILTON

Mr. CLEMENTS. I ask unanimous consent that the unfinished business, H. R. 5168, be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1247, S. 1395.

The PRESIDING OFFICER. The Secretary will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1395) to amend the joint resolution entitled "Joint resolution to establish a commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton," approved August 20, 1954.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 8, after the word "sums", to insert a comma and "not to exceed $150,000 in addition to the sum of $25,000 heretofore appropriated,", so as to make the bill read:

Be it enacted, etc., That section 7 of the joint resolution entitled "Joint resolution to establish a commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton," approved August 20, 1954, is amended to read as follows:

"SEC. 7. There are hereby authorized to be appropriated such sums, not to exceed $150,000 in addition to the sum of $25,000 heretofore appropriated, as the Congress may determine to be necessary to carry out the provisions of this joint resolution."

Mr. MUNDT. Mr. President, an identical bill was passed a year ago, but, due to a conflict with the House, a new bill must be passed. The appropriation for the purpose of the bill has already been granted. The pending bill is merely the authorization bill.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SALE OF COMMODITY CREDIT CORPORATION STOCKS OF COTTON

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1214, Senate bill 2446.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2446) to permit sale of Commodity Credit Corporation stocks of cotton that are in excess supply for unrestricted use at current market prices.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and insert:

That section 407 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof of a new sentence reading as follows: "Notwithstanding any other provision of this section, if the quantity of a particular quality or group of qualities of cotton in the United States on August 1, 1955, exceeds 50 percent of the estimated domestic consumption and export thereof for the 1955–56 marketing year as determined by the Secretary of Agriculture, the Corporation may sell from its owned stocks during such marketing year at the current market price in the United States for unrestricted use (other than for purposes of tender under a future contract on any exchange or board of trade) a quantity of such quality or group of qualities of cotton not in excess of the difference between such quantity on August 1 and 50 percent of such estimated domestic consumption and export."

Mr. EASTLAND. Mr. President, this is a bill which the Commodity Credit Corporation desires to have passed, to assist in the disposal of certain surplus low-grade cotton stocks which it has on hand, and on which it has a loan.

I cannot conceive of any objection to the passage of the bill.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AGREEMENT FOR COOPERATION WITH GOVERNMENT OF THAILAND, RELATING TO ATOMIC RESEARCH REACTORS

Mr. PASTORE. Mr. President, yesterday I filed with the Senate a report by the Joint Committee on Atomic Energy on 20 agreements for cooperation. Today one more agreement has been filed with the committee and I request unanimous consent that it be printed in the RECORD at this point.

There being no objection, the agreement was ordered to be printed in the RECORD, as follows:

UNITED STATES
ATOMIC ENERGY COMMISSION,
Washington, D. C., July 29, 1955.

HON. CLINTON P. ANDERSON,
Chairman, Joint Committee on Atomic Energy, Congress of the United States.

DEAR SENATOR ANDERSON: Pursuant to section 123c of the Atomic Energy Act of 1954, there are submitted with this letter certified copies of the following:

1. A proposed agreement for cooperation with the Government of the Kingdom of Thailand;

2. A letter from the Commission to the President recommending his approval of the proposed agreement;

3. A letter from the President to the Commission approving the proposed agreement, authorizing its execution, and containing his determination that it will promote and will not constitute an unreasonable risk to the common defense and security.

This agreement, when executed, would make possible cooperation between the United States and Thailand on the design, construction and operation of research reactors, including related health and safety problems; the use of such reactors in medical therapy; and the use of radioactive isotopes in biology, medicine, agriculture, and industry. Thailand, if it desired to do so, would be able to engage United States companies to construct research reactors, and private industries in the United States will be permitted, within the limits of the agreement, to render other assistance to Thailand. No restricted data would be communicated under this agreement. The Atomic Energy Commission, however, would lease to Thailand up to 6 kilograms of contained U–235 in uranium enriched up to a maximum of 20 percent U–235, plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of the reactor or reactors while replaced fuel elements are radioactively cooling in Thailand or while fuel elements are in transit. The amount of special nuclear material which would be made available to Thailand under this agreement would not be important from the military point of view and the limitation expressed will restrict Thailand in determining the choice of reactor to be constructed to a research reactor.

Article VI of the proposed agreement records the obligations undertaken by Thailand to safeguard the special nuclear material to be leased by the Commission, and article VII contains the guaranties prescribed by section 123 of the Atomic Energy Act.

The agreement expresses the hope and expectation of the two Governments that this first stage of cooperation will lead to further development of the peaceful uses of atomic energy in Thailand.

Sincerely yours,

LEWIS L. STRAUSS,
Chairman.

AGREEMENT FOR COOPERATION CONCERNING CIVIL USES OF ATOMIC ENERGY BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE KINGDOM OF THAILAND

Whereas the peaceful uses of atomic energy hold great promise for all mankind; and

Whereas the Government of the United States of America and the Government of the Kingdom of Thailand desire to cooperate with each other in the development of such peaceful uses of atomic energy; and

Whereas there is well advanced the design and development of several types of research reactors (as defined in art. X of this agreement); and

Whereas research reactors are useful in the production of research quantities of radioisotopes, in medical therapy and in numerous other research activities and at the same time are a means of affording valuable training and experience in nuclear science and engineering useful in the development of other peaceful uses of atomic energy including civilian nuclear power; and

Whereas the Government of the Kingdom of Thailand desires to pursue a research and development program looking toward the realization of the peaceful and humanitarian uses of atomic energy and desires to obtain assistance from the Government of the United States of America and United States industry with respect to this program; and

Whereas the Government of the United States of America, represented by the United States Atomic Energy Commission (hereinafter referred to as the "Commission"), desires to assist the Government of the Kingdom of Thailand in such a program;

The parties therefore agree as follows:

ARTICLE I

Subject to the limitations of article V, the parties hereto will exchange information in the following fields:

A. Design, construction, and operation of research reactors and their use as research, development, and engineering tools, and in medical therapy.

B. Health and safety problems related to the operation and use of research reactors.

C. The use of radioactive isotopes in physical and biological research, medical therapy, agriculture, and industry.

ARTICLE II

A. The Commission will lease to the Government of the Kingdom of Thailand uranium, enriched in the isotope U–235, subject to the terms and conditions provided herein, as may be required as initial and replacement fuel in the operation of research reactors which the Government of the Kingdom of Thailand, in consultation with the Commission, decides to construct and as required in agreed experiments related thereto. Also, the Commission will lease to the Government of the Kingdom of Thailand uranium enriched in the isotope U–235, subject to the terms and conditions provided herein, as may be required as initial and replacement fuel in the operation of such research reactors as the Government of the Kingdom of Thailand may, in consultation with the Commission, decide to authorize private individuals or private organizations under its jurisdiction to construct and operate, provided the Government of the Kingdom of Thailand shall at all times maintain sufficient control of the material and the operation of the reactor to enable the Government of the Kingdom of Thailand to comply with the provisions of this agreement and the applicable provisions of the lease arrangement.

B. The quantity of uranium enriched in the isotope U–235 transferred by the Commission and in the custody of the Government of the Kingdom of Thailand shall not at any time be in excess of 6 kilograms of contained U–235 in uranium enriched up to a maximum of kilograms of contained U–235, plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of the reactor or reactors while replaced fuel elements are radioactively cooling in Thailand or while fuel elements are in transit, it being the intent of the Commission to make possible the maximum usefulness of the 6 kilograms of said material.

C. When any fuel elements containing U–235 leased by the Commission require replacement, they shall be returned to the Commission and, except as may be agreed, the form and content of the irradiated fuel elements shall not be altered after their removal from the reactor and prior to delivery to the Commission.

D. The lease of uranium enriched in the isotope U–235 under this article shall be at such charges and on such terms and conditions with respect to shipment and delivery as may be mutually agreed and under the conditions stated in articles VI and VII.

ARTICLE III

Subject to the availability of supply and as may be mutually agreed, the Commission will sell or lease through such means as it deems appropriate, to the Government of the Kingdom of Thailand or authorized persons under its jurisdiction such reactor materials, other than special nuclear materials, as are not obtainable on the commercial market and which are required in the construction and operation of research reactors in Thailand. The sale or lease of these materials shall be on such terms as may be agreed.

ARTICLE IV

It is contemplated that, as provided in this article, private individuals and private organizations in either the United States or the Kingdom of Thailand may deal directly with private individuals and private organizations in the other country. Accordingly, with respect to the subjects of agreed exchange of information as provided in article I, the Government of the United States will permit persons under its jurisdiction to transfer and export materials, including equipment and devices, to, and perform services for, the Government of the Kingdom of Thailand and such persons under its jurisdiction as are authorized by the Government of the Kingdom of Thailand to receive and possess such materials and utilize such services, subject to:

A. Limitations in article V.

B. Applicable laws, regulations, and license requirements of the Government of the United States, and the Government of the Kingdom of Thailand.

ARTICLE V

Restricted data shall not be communicated under this agreement and no materials or equipment and devices shall be transferred and no services shall be furnished under this agreement to the Government of the Kingdom of Thailand or authorized persons under

its jurisdiction if the transfer of any such materials or equipment and devices or the furnishing of any such services involves the communication of restricted data.

ARTICLE VI

A. The Government of the Kingdom of Thailand agrees to maintain such safeguards as are necessary to assure that the uranium enriched in the isotope U–235 leased from the Commission shall be used solely for the purposes agreed in accordance with this agreement and to assure the safekeeping of this material.

B. The Government of the Kingdom of Thailand agrees to maintain such safeguards as are necessary to assure that all other reactor materials, including equipment and devices, purchased in the United States of America under this agreement by the Government of the Kingdom of Thailand or authorized persons under its jurisdiction, shall be used solely for the design, construction, and operation of research reactors which the Government of the Kingdom of Thailand decides to construct and operate and for research in connection therewith, except as may otherwise be agreed.

C. In regard to research reactors constructed pursuant to this agreement the Government of the Kingdom of Thailand agrees to maintain records relating to power levels of operation and burn-up of reactor fuels and to make annual reports to the Commission on these subjects. If the Commission requests, the Government of the Kingdom of Thailand will permit Commission representatives to observe from time to time the condition and use of any leased materials and to observe the performance of the reactor in which the material is used.

ARTICLE VII. GUARANTIES PRESCRIBED BY THE UNITED STATES ATOMIC ENERGY ACT OF 1954

The Government of the Kingdom of Thailand guarantees that—

A. Safeguards provided in article VI shall be maintained.

B. No material, including equipment and devices, transferred to the Government of the Kingdom of Thailand or authorized persons under its jurisdiction, pursuant to this agreement, by lease, sale, or otherwise will be used for atomic weapons or for research on or development of atomic weapons or for any other military purposes, and that no such material, including equipment and devices, will be transferred to unauthorized persons or beyond the jurisdiction of the Government of the Kingdom of Thailand except as the Commission may agree to such transfer to another nation and then only if in the opinion of the Commission such transfer falls within the scope of an agreement for cooperation between the United States and the other nation.

ARTICLE VIII

This agreement shall enter into force on and remain in force until , inclusively, and shall be subject to renewal as may be mutually agreed.

At the expiration of this agreement or any extension thereof the Government of the Kingdom of Thailand shall deliver to the United States all fuel elements containing reactor fuels leased by the Commission and any other fuel material leased by the Commission. Such fuel elements and such fuel materials shall be delivered to the Commission at a site in the United States designated by the Commission at the expense of the Government of The Kingdom of Thailand, and such delivery shall be made under appropriate safeguards against radiation hazards while in transit.

ARTICLE IX

It is the hope and expectation of the parties that this initial agreement for cooperation will lead to consideration of further cooperation extending to the design, construction, and operation of power producing reactors. Accordingly, the parties will consult with each other from time to time concerning the feasibility of an additional agreement for cooperation with respect to the production of power from atomic energy in the Kingdom of Thailand.

ARTICLE X

For purposes of this agreement:

A. "Commission" means the United States Atomic Energy Commission or its duly authorized representatives.

B. "Equipment and devices" means any instrument or apparatus and includes research reactors, as defined herein, and their component parts.

C. "Research reactor" means a reactor which is designed for the production of neutrons and other radiations for general research and development purposes, medical therapy, or training in nuclear science and engineering. The term does not cover power reactors, power demonstration reactors, or reactors designed primarily for the production of special nuclear materials.

D. The terms "Restricted Data," "atomic weapon," and "special nuclear material" are used in this agreement as defined in the United States Atomic Energy Act of 1954.

In witness whereof, the parties hereto have caused this agreement to be executed pursuant to duly constituted authority.

Done at Washington in duplicate this day of , 1955.

For the Government of the United States of America:

WALTER S. ROBERTSON,
Assistant Secretary of State for Far Eastern Affairs.

LEWIS L. STRAUSS,
Chairman, United States Atomic Energy Commission.

For the Government of the Kingdom of Thailand:

POTE SARASIN,
Ambassador.

JULY 14, 1955.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: The Atomic Energy Commission recommends that you approve the enclosed agreement entitled "Agreement for Cooperation Concerning Civil Uses of Atomic Energy Between the Government of the Kingdom of Thailand and the Government of the United States of America," and authorize its execution after the proposed agreement has been placed before the Joint Committee on Atomic Energy in accordance with section 123c of the Atomic Energy Act of 1954. This agreement has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954 and is, in the opinion of the Commission, an important and desirable step in advancing the development of the peaceful uses of atomic energy in Thailand, in accordance with the policy which you have established. The Government of the Kingdom of Thailand has signified its agreement to the guaranties prescribed by the Atomic Energy Act and which are recorded in the proposed agreement.

The proposed agreement calls for cooperation with respect to the design, construction, and operation of research reactors, including related health and safety problems; the use of such reactors in medical therapy; and the use of radioactive isotopes in biology, medicine, agriculture, and industry. Under the agreement Thailand, if it desires to do so, may engage United States companies to construct research reactors, and private industry in the United States will be permitted, within the limits of the agreement, to render other assistance to Thailand. No restricted data would be communicated under this agreement. The Atomic Energy Commission, however, would lease to Thailand up to 6 kilograms of contained U–235 in uranium enriched up to a maximum of 20 percent U–235.

The agreement expresses the hope and expectation of the two Governments that this first stage of cooperation between the United States and Thailand will lead to further discussions and agreements relating to the peaceful uses of atomic energy in Thailand.

Respectfully yours,

LEWIS L. STRAUSS,
Chairman.

THE WHITE HOUSE,
Washington, D. C., July 15, 1955.

The Honorable L. L. STRAUSS,
Chairman, Atomic Energy Commission, Washington, D. C.

DEAR MR. STRAUSS: Under date of July 14, 1955, you informed me that the Atomic Energy Commission had recommended that I approve a proposed agreement between the Government of the Kingdom of Thailand and the Government of the United States for cooperation concerning the peaceful uses of atomic energy. The agreement recites that the Government of the Kingdom of Thailand desires to pursue a research and development program looking toward the realization of the peaceful and humanitarian uses of atomic energy and desires to obtain assistance from the Government of the United States and United States industry with respect to this program.

I have examined the agreement recommended. It calls for cooperation between the two Governments with respect to the design, construction, and operation of research reactors, including related health and safety problems; the use of such reactors as research development, and engineering tools and in medical therapy; and use of radioactive isotopes in biology, medicine, agriculture, and industry. The agreement contains all of the guaranties prescribed by the Atomic Energy Act. No restricted data would be communicated under the agreement, but the Commission would lease to the Kingdom of Thailand special nuclear material for use as reactor fuel.

Pursuant to the provisions of section 123 of the Atomic Energy Act of 1954 and upon the recommendation of the Atomic Energy Commission, I hereby—

(1) Approve the within proposed agreement for cooperation between the Government of the United States and the Government of the Kingdom of Thailand concerning the civil uses of atomic energy;

(2) Determine that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States; and

(3) Authorize the execution of the proposed agreement for the Government of the United States by appropriate authorities of the United States Atomic Energy Commission and the Department of State after the proposed agreement has been submitted to the Joint Committee on Atomic Energy of the United States Congress and a period of 30 days has elapsed while Congress is in session.

It is my hope that this agreement represents but the first stage of cooperation in the field of atomic energy between the United States and Thailand, and that it will lead to further discussions and agreements relating to other peaceful uses of atomic energy in Thailand.

Sincerely,

DWIGHT D. EISENHOWER.

ADDITIONAL MESSAGE FROM THE PRESIDENT

An additional message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

ADDITIONAL EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. McNAMARA in the chair) laid before the Senate a message from the President of the United States submitting several nominations, which were referred to the Committee on Post Office and Civil Service.

(For nominations this day received, see the end of Senate proceedings.)

ADDITIONAL REPORTS OF COMMITTEES

The following additional reports of committees were submitted:

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

S. 2629. A bill to provide for entry and location, on discovery of a valuable source material, upon public lands of the United States classified as or known to be valuable for coal, and for other purposes; with an amendment (Rept. No. 1259).

By Mr. BYRD, from the Committee on Finance, without amendment:

H. R. 4581. A bill to amend the Internal Revenue Code of 1954 with respect to the tax on cutting oils (Rept. No. 1260);

H. R. 5249. A bill to amend the Internal Revenue Code of 1954 to provide for refund or credit of internal revenue taxes and custom duties paid on distilled spirits and wines lost, rendered unmarketable, or condemned by health authorities as a result of the hurricanes of 1954 (Rept. No. 1262);

H. R. 6122. A bill to remit the duty on certain bells to be imported for addition to the carillons of The Citadel, Charleston, S. C. (Rept. No. 1263); and

H. R. 7095. A bill to provide that the tax on admissions shall not apply to certain athletic events held for the benefit of the United States Olympic Association (Rept. No. 1264).

By Mr. CHAVEZ, from the Committee on Public Works:

H. R. 6634. A bill to provide for the conveyance of one and eight-tenths acres of land, more or less, within the Grapevine Dam and Reservoir project to the city of Grapevine, Tex., for sewage disposal purposes; without amendment (Rept. No. 1261).

OVERCROWDING AT WASHINGTON NATIONAL AIRPORT—REPORT OF A COMMITTEE (S. REPT. NO. 1265)

Mr. MONRONEY. Mr. President, I have been directed by the Committee on Interstate and Foreign Commerce to submit a report of that committee's Subcommittee on Aviation on the overcrowding at the Washington National Airport, and the need for an additional airport for the National Capital. I submit the report, and ask that the report be printed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and the report will be received and printed.

ADDITIONAL EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following additional favorable report of a nomination was submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

One hundred and twenty-seven postmasters.

ADDITIONAL BILL INTRODUCED

Mr. KEFAUVER, by unanimous consent, introduced a bill (S. 2691) for the relief of Cale P. Haun and Julia Fay Haun, which was read twice by its title and referred to the Committee on the Judiciary.

ADDITIONAL MATTER ORDERED TO BE PRINTED IN THE RECORD

By Mr. LEHMAN:

Correspondence between him and Assistant Secretary of State Morton relative to the smuggling of heroin into the United States.

PERMISSION FOR SENATOR JOHNSON OF TEXAS TO INSERT IN THE RECORD THREE SEPARATE MATTERS

Mr. CLEMENTS. Mr. President, I ask unanimous consent that permission be granted to the majority leader, the senior Senator from Texas [Mr. JOHNSON], to have inserted in the RECORD, either before or after the sine die adjournment, three separate matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CALL OF THE CALENDAR TOMORROW

Mr. CLEMENTS. Mr. President, I ask unanimous consent that there be a call of the calendar tomorrow for the consideration of bills to which there is no objection, at some time following the completion of the morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. CLEMENTS. Mr. President, I should like to state for the information of the Senate that there will likely be some legislative matters taken up tomorrow prior to the call of the calendar, in order to give the Calendar Committees and their staffs an opportunity to be prepared when the calendar is called.

Mr. MORSE. Mr. President, will the Senator from Kentucky yield at that point?

Mr. CLEMENTS. I am glad to yield.

Mr. MORSE. Will the Senator advise me whether one of the bills might be Senate bill 2576, the transit company bill?

Mr. CLEMENTS. I can assure my friend from Oregon that it is among the bills which are on the list.

Mr. MORSE. Mr. President, I would say, most respectfully, that those of us on the subcommittee of the Committee on the District of Columbia, who have had the responsibility of trying to get some information with reference to the proposed legislation, have been in communication several times today with District of Columbia officials. They advise us that they consider the proposed legislation essential if they are going to reach a solution of the Capital Transit problem in the District of Columbia which will be in the public interest.

The three District Commissioners are deserving of the support of the Congress in carrying out their duties.

We are satisfied that with a very short debate the bill will be ready to go to a vote. I certainly think that tomorrow, which will possibly be the last day of the Senate session, although the House will meet the first of next week, we should get the bill through the Senate. I sincerely hope that at an early hour tomorrow we can have the debate on the bill, get it behind us, pass the bill, and send it on its way to the House.

Mr. CLEMENTS. After the very lengthy discussion we have had on a measure tonight, it is encouraging to hear my friend from Oregon reaffirm what he told me privately today, that he did not think much time would be consumed in the consideration of his bill. I take it from that statement that my friend would be willing tomorrow that a request be made for a limitation of time in connection with the bill.

Mr. MORSE. I would be even so accommodating as to agree to submit the bill without debate.

Mr. CLEMENTS. No one could be more considerate than that.

Mr. BEALL. Mr. President, will the Senator from Kentucky yield?

Mr. CLEMENTS. I yield.

Mr. BEALL. Mr. President, I wish to concur in the remarks made by the Senator from Oregon. It would be most unfortunate if the bill were not considered tomorrow. I think it should be apparent to the people living in the metropolitan area of Washington that if some action is not taken the result will be very unfortunate.

Mr. CLEMENTS. Did I correctly understand my friend from Maryland to say that he agreed with all the statements made by the Senator from Oregon?

Mr. BEALL. I am not given to long speeches. I have not been noted for any long speeches. I certainly do not wish to consume much time on the bill, or on any other bill.

The subcommittee of the District of Columbia Committee has done a magnificent job in perfecting a measure designed to give to the people of Washington the right of home rule.

Mr. CLEMENTS. I can assure my friend from Maryland that I share his views with reference to home rule, and my record shows it.

Mr. President, I am about to move that the Senate adjourn——

Mr. MORSE. Mr. President, will the gentleman from Kentucky withhold his motion for a moment?

Mr. CLEMENTS. I shall be glad to do so.

Mr. MORSE. Mr. President, the District of Columbia Committee worked

hard in connection with the District primary law. I think the record should be made tonight in the hope that it will do the people of the District of Columbia some good between now and tomorrow afternoon, so that they can correct a situation which they and they alone can correct.

The primary election bill has gone to conference. The District of Columbia Committee spent many hours in hearings and in conference with officials of the two major parties in the District of Columbia in connection with that bill. We were led to believe by them that the bill, as it was approved by the District of Columbia Committee, met with their approval.

The measure went into conference today, and it was announced by one of the House conferees that he understood an official of one of the parties did not approve the bill. We took the position that if the representatives of the two major parties could not get together on the bill, we did not propose to sit in conference and try to work out a bill with the representatives of the two parties, because their duty was to work out and agree upon the procedure. We have been told within the past few hours that they are now willing to take the Senate bill. But, as the chairman of the Senate conferees, I wish to have official notice to that effect tomorrow before I sit down again and waste any more time in conference on any primary bill for the political parties in the District of Columbia. If they will agree on the bill, it will not take very long to get it out of conference.

Mr. President, while I am on my feet, I wish to discuss another subject.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

HAROLD E. TALBOTT, SECRETARY OF THE AIR FORCE

Mr. MORSE. Mr. President, so long as the Senate is in session, and so long as Mr. Talbott is Secretary of the Air Force, I intend to comment upon his remaining in that office, because I think it is of the utmost importance that he either resign or be dismissed at a very early hour. I have quite an accumulation of information, and I intend to add more information on the installment plan with reference to this question.

A high official of the Air Force called me within the past 4 hours and said that the continued retention of Mr. Talbott in the Secretaryship will simply cause morale to sink lower and lower.

I wish not only to repeat what I have said heretofore on the Talbott case, but to say that an interesting document was handed to me this afternoon in the form of hearings of an investigation by the Department of Justice. On page 52 and page 515 I read some very interesting testimony on behalf of the vice president of the Seagram Whisky Corp., which discloses the transfer of an envelope containing some $20,000 as a campaign contribution. It occurred in the Chrysler Building, in New York, in 1952. It makes very interesting reading and shows further evidence of the insensitivity of this man when it comes to money matters.

Speaking most seriously, I think good government calls for quick action on the part of the President of the United States in regard to this matter. The American people are entitled to know whether he is going to keep Mr. Talbott or is not going to keep Mr. Talbott. I think Congress is entitled to know before it adjourns. I think it is highly important that Mr. Talbott either be removed from office or resign.

I am glad to notice, according to the news ticker, that apparently some Republican Senators are interesting themselves in this matter, and have taken the position that Mr. Talbott should resign. As I talk with my colleagues in the Senate, I am willing to say that I think that that would be the consensus in the Senate, if Members had an opportunity to vote on the matter.

I close my remarks tonight, expecting to speak longer on the subject tomorrow, and to refer to some information I have obtained in regard to some other activities of Mr. Talbott, by saying that I think clean government calls for either the dismissal of Mr. Talbott or his resignation within the next few hours.

ADJOURNMENT TO 11 A. M. TOMORROW

Mr. CLEMENTS. Mr. President, I move that the Senate stand adjourned until 11 o'clock tomorrow morning.

The motion was agreed to, and (at 11 o'clock and 51 minutes p. m.) the Senate adjourned until tomorrow, Saturday, July 30, 1955, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 29, 1955:

UNITED NATIONS DISARMAMENT COMMISSION

Harold E. Stassen, of Pennsylvania, to be deputy representative of the United States of America on the United Nations Disarmament Commission.

POSTMASTERS

The following-named persons to be postmasters:

KANSAS

Benjamin Taylor, Independence, Kans., in place of G. L. Blades, retired.

MINNESOTA

John W. Burch, Cannon Falls, Minn., in place of W. P. Tanner, retired.

SOUTH CAROLINA

Horace K. Sanders, Myrtle Beach, S. C., in place of G. S. Beard, retired.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 29, 1955:

INTERSTATE COMMERCE COMMISSION

John A. Hall, of California, to be Director of Locomotive Inspection.

UNITED STATES CUSTOMS COURT

Mary H. Donlon, of New York, to be a judge of the United States Customs Court.

UNITED STATES DISTRICT JUDGES

Francis L. Van Dusen, of Pennsylvania, to be United States district judge for the eastern district of Pennsylvania.

John W. McIlvaine, of Pennsylvania, to be United States district judge for the western district of Pennsylvania.

Herbert P. Sorg, of Pennsylvania, to be United States district judge for the western district of Pennsylvania.

UNITED STATES ATTORNEY

Franklin P. R. Rittenhouse, of Nevada, to be United States attorney for the district of Nevada for a term of 4 years.

POSTMASTER

MONTANA

Robert F. Haurigan, Custer.

IN THE ARMY

The officers named herein for promotion as Reserve commissioned officers of the Army under the provisions of the Reserve Officer Personnel Act of 1954, Public Law 773, 83d Congress:

To be major generals

Brig. Gen. Wayne Russell Allen, O171232.
Col. Anthony Joseph Drexel Biddle, Jr., O544174 (formerly brigadier general, Army of the United States).
Brig. Gen. Henry Cotheal Evans, O124891.
Brig. Gen. Charles Ralph Fox, O347935.
Brig. Gen. Whitfield Jack, O267915.
Brig. Gen. Paul Kistler MacDonald, O296004.
Brig. Gen. Ralph Hendricks McKee, O234931.
Brig. Gen. Spencer Hurley Mitchell, O270810.
Brig. Gen. George Clifford Moran, O184043.
Brig. Gen. Charles Eskridge Saltzman, O275984.
Brig. Gen. Irving Otto Schaefer, O110672.
Brig. Gen. Lilburn Halsey Stevens, O275376.
Brig. Gen. Alfred Girard Tuckerman, O181648.

To be brigadier generals

Col. William Gibbs Barrett, O182445.
Col. Paul Bela Bell, O215450.
Col. Ridgely Brown Bond, Jr., O237069.
Col. Grady Stoddard Brooks, O248317.
Col. Spencer Jennings Buchanan, O231626.
Col. Edward Lee Carmichael, O256012.
Col. John Purley Cooper, Jr., O274573.
Col. Harold Stone Dillingham, O315416.
Col. Charles Herman Gardner, O273050.
Col. John Williams Guerard, O253797.
Col. Wesley Burt Hamilton, O172732.
Col. Richard Townsend Henshaw, Jr., O313288.
Col. Frank Leo Howley, O299977.
Col. Oscar James Jahnsen, O943408.
Col. John Wallace Kaine, O360270.
Col. Arthur Dickson Kemp, O254584.
Col. Harold Charles Lueth, O285937.
Col. Stuart de Jong Menist, O337970.
Col. Chauncey Dean Merrill, O112486.
Col. de Lesseps Story Morrison, O302989.
Col. James Hadlow Myers, O297521.
Col. Byron Evans Peebles, O339282.
Col. Frank Ira Pethick, Jr., O248060.
Col. Dillman Atkinson Rash, O274004.
Col. Fred Gallagher Rowell, O399384.
Col. George Roy Schmucker, O141906.
Col. Carroll Lee Wood, Jr., O901329.
Col. Ninian Lindsay Yuille, O270933.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

The nominations of John P. Agnew, and 1,192 other officers for promotion in the Regular Army, under the provisions of secs. 502 and 509 of the Officer Personnel Act of 1947, which were received by the Senate on July 18, 1955, and which appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date under the caption "Nominations," beginning with the name of John P. Agnew, appearing at page 10721, and ending with the name of Loston Harris, which is shown on page 10725.

HOUSE OF REPRESENTATIVES

FRIDAY, JULY 29, 1955

The House met at 11 o'clock a. m.

The Chaplain Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, who art our refuge and strength and whose divine providence is ever 'round about us, we desire to begin, to continue, and to end this day with Thee.

May it be a day of new adventures and advances in faith and in friendship with Thee and with all mankind.

Grant that it may be the purpose of our minds and the passion of our hearts to harness all the forces of righteousness in the great spiritual task of building a better world.

We beseech Thee that the spirit of men everywhere may have in it a new dimension of understanding and good will and a new sense of responsibility for the welfare of humanity.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McBride, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 291. An act to extend the retirement income tax credit to members of the Armed Forces;

H. R. 542. An act to amend the Internal Revenue Code;

H. R. 727. An act to authorize the conveyance of certain land to the Pecwan Union School District for use as the site of a school;

H. R. 898. An act to provide for the approval of deeds executed by the heirs of Anna Hollywood Fickz;

H. R. 910. An act to authorize and direct the sale of certain land in Alaska to John Ekonomos, of the Fairbanks Precinct, Alaska;

H. R. 939. An act for the relief of Laura Safir;

H. R. 999. An act for the relief of Nurith Spier;

H. R. 1159. An act for the relief of Anna Histed (nee Wiesneth);

H. R. 1160. An act for the relief of Vittorio Capano;

H. R. 1408. An act for the relief of Caterina Ruello;

H. R. 1976. An act for the relief of Luigi Tomasella;

H. R. 2788. An act for the relief of Miguel Sandoval-Michel (also known as Arturo Rodriguez-Gomez);

H. R. 3437. An act to amend the Internal Revenue Code of 1954 to provide for a maximum manufacturers' excise tax on the leases of certain automobile utility trailers;

H. R. 3587. An act granting the consent of the Congress to the negotiation of a compact relating to the waters of the Klamath River by the States of Oregon and California;

H. R. 3626. An act for the relief of Ilse Werner;

H. R. 3712. An act to extend the period during which claims for floor stocks refunds may be filed with respect to certain manufacturers' excise taxes which were reduced by the Excise Tax Reduction Act of 1954;

H. R. 3856. An act for the relief of Leopoldine Simonetti;

H. R. 3956. An act for the relief of Elizabeth Rotics Whitney;

H. R. 4718. An act to authorize and direct the issuance of patent to Robert W. Retherford, of Anchorage, Alaska, to certain land in Alaska;

H. R. 4970. An act for the relief of Edeltraudt Margot Gallagher, nee Hackelberg;

H. R. 5080. An act for the relief of Florence E. McConnell;

H. R. 5767. An act for the relief of Sally S. Shulman or Zell Sholman;

H. R. 5936. An act to provide wage credits under title II of the Social Security Act for military service before April 1956, and to permit application for lump-sum benefits under such title to be made within 2 years after interment or reinterment in the case of servicemen dying overseas before April 1956;

H. R. 6002. An act for the relief of Helene Rapp;

H. R. 6036. An act for the relief of Mrs. Florentine Kintzel;

H. R. 6886. An act to amend the act of October 19, 1949, entitled "An act to assist States in collecting sales and use taxes on cigarettes";

H. R. 6896. An act for the relief of Luisa Guidi Miller; and

H. R. 7148. An act to amend the Internal Revenue Codes so as to provide a personal exemption with respect to certain dependents in the Republic of the Philippines.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 100. An act to permit the mining development and utilization of the mineral resources of all public lands withdrawn or reserved for power development, and for other purposes;

H. R. 1393. An act for the relief of the E. J. Albrecht Co.;

H. R. 4744. An act to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act;

H. R. 5546. An act for the relief of Francisca Alemany;

H. R. 6887. An act to extend for 1 year the application of section 108 (b) of the Internal Revenue Code of 1954 (relating to income of a railroad corporation from discharge of indebtedness);

H. R. 7024. An act to remove the manufacturers' excise tax from the sales of certain component parts for use in other manufactured articles, and to confine to entertainment-type equipment the tax on radio and television apparatus.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 366. An act for the relief of Bart Krijger;

S. 421. An act for the relief of Jose Alvarez;

S. 433. An act for the relief of Markos Demetrius Spanos;

S. 912. An act to amend the act of April 23, 1930, relating to a uniform retirement date for authorized retirements of Federal personnel, and the Foreign Service Act of 1946, as amended;

S. 1105. An act for the relief of Mrs. Lieselotte Emilie Dailey;

S. 1118. An act for the relief of Katherine Lajimodiere (nee Schneeberger);

S. 1125. An act for the relief of Stephen Fodo;

S. 1226. An act for the relief of Soterios Christopoulos;

S. 1299. An act for the relief of Mrs. Esteni Rodriguez Estopinan de Witlicki;

S. 1348. An act for the relief of Anna Jerman Bonito;

S. 1357. An act for the relief of Ingeburg Edith Stallings (nee Nitzki);

S. 1594. An act for the relief of Dosinda Gonzalez Mendez;

S. 1676. An act for the relief of Antonio Domenico Narciso Bianchi;

S. 1682. An act for the relief of Maria Del Carmen Intriago Martinez;

S. 1706. An act for the relief of Spyridon Saintoufis and his wife, Efrossini Saintoufis;

S. 1732. An act for the relief of Panagiotis Nicolas Lalos and his wife, Antyro Panagiotis Lalos;

S. 1787. An act for the relief of Edith Kalwies;

S. 1818. An act to limit the amount of land on Federal irrigation projects which may be exchanged under the act of August 13, 1953;

S. 1882. An act for the relief of Constantine Salmon;

S. 1888. An act for the relief of Cesare Picco;

S. 1905. An act for the relief of Winston Bros. Co. and the Utah Construction Co. and the J. A. Terteling & Sons, Inc.;

S. 1917. An act to authorize the construction within Grand Teton National Park of an alternate route to United States Highway No. 89, also numbered U. S. 187 and U. S. 26, and the conveyance thereof to the State of Wyoming, and for other purposes;

S. 1933. An act for the relief of Dr. Elpidio Dosado, Aurelia, Deanna, Elpidio, Jr., and Ambrosio Dosado;

S. 1965. An act to repeal a particular contractual requirement with respect to the Arch Hurley Conservancy District in New Mexico;

S. 1972. An act for the relief of William Theodore and Emily Sansur Saad;

S. 1973. An act for the relief of Toufic N. Jildeh;

S. 1983. An act for the relief of Myra Louise Dew;

S. 2036. An act for the relief of Rosa Roppo;

S. 2053. An act for the relief of Ivan Gerasko;

S. 2060. An act to amend the act of March 3, 1901 (31 Stat. 1449), as amended, to incorporate in the Organic Act of the National Bureau of Standards the authority to use the working capital fund, and to permit certain improvements in fiscal practices;

S. 2087. An act to amend the act of May 19, 1947 (ch. 80, 61 Stat. 102), as amended, so as to permit per capita payments to the individual members of the Shoshone Tribe and the Arapahoe Tribe of the Wind River Reservation in Wyoming, to be made quarterly;

S. 2197. An act to authorize the Secretary of the Interior to distribute equally to members of the Kaw Tribe of Indians certain moneys to the credit of the tribe in the United States Treasury;

S. 2556. An act to provide assistance for certain landless Indians in the State of Montana;

S. 2569. An act to provide certain basic authority for the Department of State;

S. 2575. An act for the relief of Mrs. Gertrud Hildegard Nichols; and

S. J. Res. 82. A joint resolution to authorize the Secretary of the Interior to execute a certain contract with the Toston Irrigation District, Mont.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 665. An act to revive section 3 of the District of Columbia Public School Food Services Act.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is

requested, a bill of the House of the following title:

H. R. 5881. An act to supplement the Federal reclamation laws by providing for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects.

The message also announced that the Senate insists upon its amendments to the foregoing bill; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ANDERSON, Mr. LONG, Mr. BIBLE, Mr. MILLIKIN, and Mr. WATKINS to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7224) entitled "An act making appropriations for Mutual Security for the fiscal year ending June 30, 1956, and for other purposes."

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government" for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 56–3.

REPORT ON H. R. 7466

Mr. COOPER. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a report, including any minority views, on the bill H. R. 7466.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. COOPER]?

Mr. CURTIS of Missouri. Mr. Speaker, reserving the right to object, as I understand it, that would give me until midnight, and, if I were to object, there is a possibility it might give me until tomorrow sometime, in order to be able to compose my minority views. Is that correct?

Mr. COOPER. No; I think the reverse is true. It would mean you would have to file them today, because the report will be filed today if this consent is granted.

Mr. CURTIS of Missouri. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection?

There was no objection.

TAX ON ADMISSIONS TO ATHLETIC EVENTS

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 7095) to provide that the tax on admissions shall not apply to certain athletic events held for the benefit of the United States Olympic Association, which was unanimously reported favorably by the Committee on Ways and Means.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. JENKINS. Mr. Speaker, reserving the right to object, I wish to say again, as I have said before when the gentleman from Tennessee has presented bills of this character for consideration, that he will present several bills today. I want to state to the Members of the House that every one of these bills has been very thoroughly gone into. They are devoid of politics and devoid of any consideration except the real merits of the bill. There is no bill in the group to be called up except those which have been accepted unanimously by the Ways and Means Committee. For that reason, I hope that every bill called up by the gentleman will be accepted and passed without objection.

Mr. WILSON of Indiana. Mr. Speaker, reserving the right to object, and I do so for the purpose of asking the chairman of the Ways and Means Committee when they are going to get to some of the bills that some of us have introduced and are interested in just as much as members of the Ways and Means Committee are interested in their bills?

I think the gentleman knows the bill in particular to which I am referring and that is the one pertaining to depletion allowances for minerals which provision was in the act at the time H. R. 8300 was passed. It was merely an oversight in the drafting of the bill H. R. 8300 that this matter was not taken care of. It is thoroughly meritorious. It is merely corrective legislation. I introduced the bill. I wrote to the Treasury for clearance on the bill.

Lack of the reenactment of this provision is putting some of these companies to terrific disadvantage. Some are on a calendar year, some are on a fiscal year. Unless this bill is passed one limestone company with a February 1st fiscal year will have a 10 months' advantage in depletion allowance over another company which is on a fiscal year ending November 30, or beginning December 1.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. WILSON of Indiana. I yield.

Mr. COOPER. I know about the gentleman's bill, and will state that it is scheduled for consideration by the committee today. We expect to return to our meeting as soon as these bills are disposed of. These bills already have been unanimously reported by the committee and many of these bills are by Members of the House who are not members of the Ways and Means Committee. The Ways and Means Committee is now, and has been for about 3 weeks, giving consideration to bills introduced by Members of the House, not just members of the Ways and Means Committee.

Mr. WILSON of Indiana. My bill was brought up at one time but was passed over and then was set down at the bottom of the list. I have never been able to understand why. It must have been because of some misunderstanding. It was the law. It is merely correcting a mistake made in the passage of H. R. 8300, in which bill it was omitted.

I am going to withdraw my reservation of objection for I know that the gentleman from Tennessee is acting in good faith. I am acting in good faith but I feel I am derelict in my duty in letting all these bills go through which are no more meritorious than mine. My bill apparently was put at the bottom of the list just because somebody else wanted their bill first.

I withdraw my reservation of objection.

Mr. COOPER. If the gentleman will yield, the gentleman is mistaken in that respect. The gentleman's bill is just like about 46 other bills, some of them by members of the Ways and Means Committee, that were brought up. It was found that some additional information was needed. They were passed over for that reason in most instances. As stated to the gentleman, his bill is on the list to be considered today, and the sooner we can get through with these bills the sooner we can get to the consideration of it.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. WILSON of Indiana. I yield.

Mr. McCORMACK. I understand the bill under consideration is one I introduced. Is that correct?

Mr. COOPER. That is correct.

Mr. McCORMACK. I just came into the Chamber a moment ago. I introduced that bill at the request of the officials of the United States Olympic Association. It has to do with the games to be held in this country next year.

Mr. WILSON of Indiana. I have no objection to the gentleman's bill, understand, and I withdraw my objection. I merely wanted information from the gentleman from Tennessee on my bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 4233 (a) (1) (C) of the Internal Revenue Code of 1954 (relating to denial of exemption from tax on admissions to certain athletic events, etc.) is hereby amended by adding at the end thereof the following: "Clauses (i) and (ii) shall not apply in the case of any athletic event if all the proceeds of the admission inure exclusively to the benefit of the United States Olympic Association."

SEC. 2. The amendment made by the first section of this act shall apply only with respect to amounts paid on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act for admission on or after such first day.

With the following committee amendment:

Page 1, strike out all of lines 3 to 10 inclusive and insert the following: "That amount 4233 (a) of the Internal Revenue Code of 1954 (relating to exemptions from the admissions tax) is hereby amended by adding at the end thereof the following new paragraph:

"(10) Athletic events for benefit of United States Olympic Association: Any admissions to an athletic event, if (A) such event is conducted by the United States Olympic Association, or the conduct of such event for the benefit of such association is authorized in advance by such association, and (B) all the proceeds of the admissions inure exclusively to the benefit of such association."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, the United States is one of the few remaining nations of the world which do not subsidize the athletes who represent them in the Olympic games. As a nation, we are justifiably proud of the fact that the United States Olympic Association can raise all of the funds necessary for sending our athletes to the Olympic and pan-American games by public gifts and subscriptions.

H. R. 7095 would provide an exemption from the admissions tax now levied upon athletic events where the event is being sponsored by the United States Olympic Association. The athletic event must be conducted by or for the United States Olympic Association and all of the proceeds must inure exclusively to the benefit of the association, otherwise the exemption would not be granted.

The bill was unanimously reported by the Committee on Ways and Means.

Mr. JENKINS. Mr. Speaker, H. R. 7095 provides that the tax on admissions shall not apply to certain athletic events held for the benefit of the United States Olympic Association. The bill was reported unanimously by the Committee on Ways and Means.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the bill just passed and I also ask unanimous consent that immediately following consideration of each of these bills I may extend my remarks in the RECORD at that point giving an explanation of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. JENKINS. Mr. Speaker, I ask unanimous consent that I may be permitted to extend my remarks in the RECORD immediately after consideration of these bills that we are about to consider.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. COOPER. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks in the RECORD immediately following the consideration of each of these bills.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

AMENDING TARIFF ACT OF 1930 TO PROVIDE FOR FREE IMPORTATION OF AMORPHOUS GRAPHITE

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 3653) to amend the Tariff Act of 1930 to provide for the free importation of amorphous graphite, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph 213 of the Tariff Act of 1930 is hereby amended by striking out "Amorphous, 10 percent ad valorem;". Title II of the Tariff Act of 1930 (relating to the free list) is hereby amended by adding at the end thereof the following new paragraph:

"PAR. 1818. Amorphous graphite or amorphous plumbago."

SEC. 2. The amendments made by the first section of this act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption, after the date of the enactment of this act.

With the following committee amendments:

Page 1, line 8, strike out "1818" and insert "1819."

Page 1, line 9, after the word "plumbago", insert "crude or refined."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, H. R. 3653 would amend the Tariff Act of 1930 to transfer amorphous graphite or plumbago from paragraph 213 of the dutiable list to the free list.

Amorphous graphite or plumbago, crude or refined, was made dutiable in the Tariff Act of 1930 at the rate of 10 percent ad valorem. This mineral is presently dutiable at 2.5 percent ad valorem, pursuant to negotiated tariff reductions under the trade agreements authority.

Imports of the natural amorphous material come principally from Ceylon. These imports are of a high quality especially suitable for certain strategic items required by the Air Force. This material is listed by the Federal Government as strategic and critical for stockpiling purposes.

Amorphous graphite is a mineral having a wide variety of essential uses; for example, it is used for foundry facings and in the manufacture of carbon brushes, dry-cell batteries, and paints. Although the United States is probably the world's most important consumer of amorphous graphite, it depends upon foreign sources to furnish approximately 90 percent of its requirements. During the 1950–54 period the average annual domestic consumption of amorphous graphite was almost 40,000 short tons. Of this amount, domestic mines supplied only about 3,000 tons a year or 8 percent of the total consumed. Domestic reserves of amorphous graphite are small and generally are of low quality.

The Department of Commerce's report to the Committee on Ways and Means in support of the enactment of H. R. 3653 stated as follows:

It is believed that the abolition of the import duty on amorphous graphite may aid domestic consumers without affecting adversely domestic producers.

Favorable reports on this legislation were received from the Departments of State and Treasury.

The amendments approved by the Committee on Ways and Means are technical in nature.

H. R. 3653, as amended, was approved by the unanimous vote of the Committee on Ways and Means.

Mr. JENKINS. Mr. Speaker, H. R. 3653 amends the Tariff Act of 1930 to transfer amorphous graphite or plumbago from paragraph 213 of the dutiable list to the free list. All of the interested agencies of the Government have furnished favorable reports on this legislation, and it was reported unanimously by the Committee on Ways and Means.

EXEMPTING FROM DUTY IMPORTATION OF CERTAIN HANDWOVEN FABRICS

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 4376) to exempt from duty the importation of certain handwoven fabrics when used in the making of religious vestments which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That title II of the Tariff Act of 1930 (relating to the free list) is amended by adding at the end thereof the following new paragraph:

"PAR. 1818. Handwoven fabrics imported in good faith by a society or institution incorporated or established solely for religious purposes, to be used by such society or institution in making religious vestments for sale, if there is presented to the Collector of Customs an affidavit of a responsible officer of the importing society or institution, that the substantial equivalent of the fabric is not handwoven in the United States."

SEC. 2. The amendment made by this act shall apply to articles entered for consumption or withdrawn from warehouse for consumption on or after the day following the date of enactment of this act.

With the following committee amendments:

Page 1, line 6, strike out "1818" and insert "1819."

Page 1, line 10, after "Customs", strike out "an affidavit" and insert "a written declaration."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, H. R. 4376 would amend title II of the Tariff Act of 1930—relating to the free list—by adding a new paragraph to allow free entry to handwoven fabrics imported by certain religious societies or institutions for their use in making religious vestments for sale if a written declaration is presented showing that the substantial equivalent of the fabric is not handwoven in the United States.

Congress has historically extended limited exemptions from duty on articles imported by or for the use of religious societies and institutions. During our consideration of this legislation it was brought to the attention of the Committee on Ways and Means that certain religious orders are required to pay duty on certain handwoven fabrics imported for the purpose of making religious vestments.

The committee was advised that little or no handwoven fabrics are produced commercially in the United States in any appreciable quantities; nor is it likely that the enactment of H. R. 4376 would result in any large scale imports of handwoven fabrics by religious societies or institutions for the manufacture of religious vestments.

H. R. 4376 is safeguarded against abuses by the provision in the bill which requires that the exemption would be accorded only in those instances where an officer of the importing institution or society presents to the Collector of Customs a written declaration that the substantial equivalent of the fabric is not handwoven in the United States.

The amendments to H. R. 4376 as approved by the Committee on Ways and Means are technical in nature.

The Committee on Ways and Means is unanimous in urging the enactment of H. R. 4376, as amended.

Mr. JENKINS. Mr. Speaker, H. R. 4376 exempts from duty the importation of certain handwoven fabrics when used in the making of religious vestments for sale. The bill requires that a written declaration be presented showing that the substantial equivalent of the fabric is not handwoven in the United States. The bill was reported unanimously by the Committee on Ways and Means.

AMENDING SECTION 4091 OF THE INTERNAL REVENUE CODE OF 1954 RELATING TO IMPOSITION OF TAX UPON LUBRICATING OILS AND AMENDING SECTION 6416 (B) OF THE INTERNAL REVENUE CODE RELATING TO OVERPAYMENTS OF TAX

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means I ask unanimous consent for the immediate consideration of the bill (H. R. 4581) to amend section 4091 of the Internal Revenue Code of 1954, relating to imposition of tax upon lubricating oils, and to amend section 6416 (b) of the Internal Revenue Code of 1954 (relating to overpayments of tax), which was unamimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. COOPER].

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) section 4091 of the Internal Revenue Code of 1954 is amended to read as follows:

"SEC. 4091. Imposition of tax.

"There is hereby imposed upon lubricating oils sold in the United States by the manufacturer or producer a tax at the rate of 6 cents a gallon (except that, in the case of cutting oils the tax shall be 2 cents per gallon), to be paid by the manufacturer or producer. For the purposes of this section, the term "cutting oils" means oils sold for use in cutting and machining operations (including forging, drawing, rolling, shearing, punching, and stamping) on metals."

(b) Section 6416 (b) (2) (H) of the Internal Revenue Code of 1954 is amended by striking the period at the end thereof, inserting a semicolon and inserting a new subparagraph (I) to read as follows:

"(I) in the case of lubricating oils, used or resold for use as cutting oils: *Provided*, That such credit or refund shall not exceed the difference between the tax imposed upon lubricating oils and the tax imposed upon cutting oils. For the purposes of this subparagraph the term "cutting oils" means oils shown under section 4091."

(c) The amendments shall take effect on the first day of the first quarter which begins more than 10 days after the date of the enactment of this act.

With the following committee amendment:

Page 1, strike out all after the enacting clause and insert the following: "That (a) section 4091 of the Internal Revenue Code of 1954 is amended to read as follows:

"'SEC. 4091. Imposition of tax

"'There is hereby imposed upon the following articles sold in the United States by the manufacturer or producer a tax at the following rates, to be paid by the manufacturer or producer:

"'(1) cutting oils, 3 cents a gallon; and

"'(2) other lubricating oils, 6 cents a gallon.'

"(b) Section 4092 of the Internal Revenue Code of 1954 is amended to read as follows:

"'SEC. 4092. Definitions

"'(a) Certain vendees considered as manufacturers: For purposes of this subpart, a vendee who has purchased lubricating oils free of tax under section 4093 shall be considered the manufacturer or producer of such lubricating oils.

"'(b) Cutting oils: For purposes of this subpart, the term "cutting oils" means oils sold for use in cutting and machining operation (including forging, drawing, rolling, shearing, punching, and stamping) on metals.'

"(c) The table of sections to subpart B of part III of subchapter A of chapter 32 of the Internal Revenue Code of 1954 is amended by striking out 'Definition of certain vendees as a manufacturer' and inserting in lieu thereof 'Definitions.'

"SEC. 2. Section 6416 (b) (2) of the Internal Revenue Code of 1954 is amended by striking the period at the end of subparagraph (H) and inserting in lieu thereof a semicolon, and by inserting after subparagraph (H) the following new subparagraph:

"'(I) In the case of lubricating oils in respect of which tax was paid at the rate of 6 cents a gallon, used or resold for use on or after the effective date of this subparagraph as cutting oils (within the meaning of section 4092 (b)); except that the amount of such overpayment shall not exceed an amount computed at the rate of 3 cents a gallon.'

"SEC. 3. The amendments made by this act shall take effect on the first day of the first calendar quarter which begins more than 10 days after the date of the enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill to amend the Internal Revenue Code of 1954 with respect to the tax on cutting oils."

Mr. COOPER. Mr. Speaker, the Excise Tax Reduction Act of 1954 defined cutting oils to mean oils "used primarily in" cutting and machining operations on metals and "known commercially as" cutting oils. The act also imposed an ad valorem tax on cutting oils at the rate of 10 percent, but provided that the tax imposed should not exceed 10 percent of the manufacturers price.

Neither of these changes has worked out very well in practice.

A specific gallonage tax is to be preferred in the case of cutting and other lubricating oils both because the industry is accustomed to this type of tax and because it provides a uniform tax irrespective of whether the manufacturer sells at the wholesale or at the retail level. The cutting oils industry has had difficulty with the definition of cutting oils adopted by the Excise Tax Reduction Act of 1954 because there is no uniform agreement as to what oils are "used primarily in" and "known commercially as" cutting oils.

To correct these mistakes, H. R. 4581 redefines cutting oils and provides a tax upon them on a specific gallonage basis.

This bill was unanimously reported by the Committee on Ways and Means.

Mr. JENKINS. Mr. Speaker, H. R. 4581 revises the application of the lubricating oils excise tax in the case of cutting oils to provide that the tax on such oils is to be 3 cents per gallon. The bill also provides certain clarifications in the definition of the term "cutting oils." The bill, which was introduced by the distinguished gentleman from Pennsylvania [Mr. SIMPSON], was reported unanimously by the Committee on Ways and Means.

AMENDING THE INTERNAL REVENUE CODE OF 1954 TO PROVIDE FOR REFUND OR CREDIT OF CERTAIN INTERNAL REVENUE TAXES AND CUSTOM DUTIES

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 5249) to amend the Internal Revenue Code of 1954 to provide for refund or credit of internal revenue taxes and custom duties paid on distilled spirits and wines lost, rendered unmarketable, or condemned by health authorities as a result of the hurricanes of 1954, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to make refund, or allow credit in the case of a distiller, winemaker, or rectifier if he so elects, in the amount of the internal revenue tax and customs duties paid on distilled spirits and wines previously withdrawn, and lost or rendered unmarketable

or condemned by a duly authorized health official of the United States or of a State by reason of the hurricanes of 1954 while such spirits or wines were in the possession of (1) the person originally paying such tax, or such tax and duty, on such spirits or wines, (2) rectifier for rectification or for bottling, or which have been used in the process of rectification, under Government supervision as provided by law and regulations, or (3) a wholesale or retail liquor dealer, all hereinafter referred to as the possessor or possessors. The refunds and credits authorized by this act may be made to (1) any of the possessors, except a retail liquor dealer, or (2) to any distiller, winemaker, rectifier, importer, or wholesale liquor dealer who replaced for the possessor the full equivalent of the distilled spirits or wines so lost or rendered unmarketable or condemned, without compensation, remuneration, payment, or credit of any kind in respect of the tax, or tax and duty, on such spirits or wines. A claim for the amount of such tax, or such tax and duty, shall be filed with the Secretary of the Treasury within 90 days from the date of enactment of this act. The claimant shall furnish proof to the Secretary's satisfaction that (1) the internal revenue tax on such spirits or wines, or the tax and duty if imported, was fully paid, (2) such spirits or wines were lost or rendered unmarketable or condemned by a duly authorized health official of the United States or of a State, (3) the claimant was not indemnified by any valid claim of insurance or otherwise against loss of the tax, or tax and duty, paid on the spirits or wines, and (4) in those cases where applicable, that the claimant has had replaced for the possessor the full equivalent of the spirits or wines so lost or rendered unmarketable or condemned, without compensation, remuneration, payment, or credit of any kind in respect of the tax, or tax and duty, on such spirits or wines.

(b) When the Secretary, pursuant to this act, makes refund, or allows credit, in the amount of the tax, or tax and duty, on spirits or wines rendered unmarketable or condemned by a duly authorized health official, such spirits or wines shall be destroyed under the supervision of the Secretary or his delegate, unless such spirits or wines were, prior to the enactment of this act, destroyed under the supervision or observation of the Secretary or his delegate.

(c) Where credit is allowed to a distiller, winemaker, or rectifier for the internal revenue tax previously paid as aforesaid, the Secretary is authorized and directed to provide for the issuance of stamps to cover the tax on distilled spirits or wines subsequently withdrawn or rectified to the extent of the credit so allowed.

(d) The Secretary is authorized to prescribe such rules and regulations as may be necessary to carry out the provisions of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, the various hurricanes which occurred in 1954 resulted in large losses of distilled spirits and wines held by wholesale, retail, and other liquor and wine dealers. In these cases much of the price of the lost or damaged spirits or wines represented excise tax paid the Federal Government upon withdrawal from bond of the spirits or wines. The large portion of the price represented by tax distinguishes these beverages from other tax-paid products which also were destroyed by the hurricanes in 1954.

This bill relieves this situation by providing for refunds or credits in the case of distillers, winemakers, or rectifiers for the excise tax and customs duties paid on distilled spirits and wines lost, rendered unmarketable, or condemned by reason of the 1954 hurricanes.

The refunds may be made with respect to tax paid on distilled spirits and wines which were still in the possession of the original taxpayer, a rectifier, or a wholesale or retail liquor dealer. However, to avoid administrative complications, the refunds may not be made directly to a retail liquor dealer. A credit or refund may also be made to a distiller, winemaker, rectifier, importer, or wholesale liquor dealer who replaced spirits or wine of others holding such stock for sale.

To be sure that only proper credits or refunds are made, the claimant of a credit or refund must furnish proof that—

First. The tax and any duty has been paid;

Second. The beverages were lost, were rendered unmarketable, or were condemned by a duly authorized health official;

Third. The claimant is not indemnified by insurance or otherwise against loss of the tax and any duty; and

Fourth. Where applicable, the claimant has replaced for the possessor the equivalent of the spirits or wines lost, rendered unmarketable, or condemned without compensation for the tax and any duty.

Where the beverages have been rendered unmarketable or condemned the bill provides that the beverages must be destroyed under the supervision of the Secretary or his delegate. Any claim for refund or credit must be filed with the Secretary within 90 days of the enactment of this bill.

This bill has been reported unanimously by the Committee on Ways and Means.

Mr. JENKINS. Mr. Speaker, H. R. 5249 amends the Internal Revenue Code of 1954 to provide for refund or credit of internal-revenue taxes and custom duties paid on distilled spirits and wines lost, rendered unmarketable, or condemned by health authorities as a result of the hurricanes of 1954. The bill was reported unanimously by the Committee on Ways and Means.

AMENDING INTERNAL REVENUE CODE OF 1954 RELATIVE TO TRANSFEREES AND FIDUCIARIES

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means I ask unanimous consent for the immediate consideration of the bill (H. R. 5428) to amend the Internal Revenue Code of 1954 to provide that chapter 71 relative to transferees and fiduciaries shall apply with respect to any tax imposed by the Internal Revenue Code of 1939, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 7851 of the Internal Revenue Code is hereby amended by adding to subsection (a) (6) (C) a new subparagraph as follows:

"(i) Chapter 71, relating to transferees and fiduciaries."

SEC. 2. The present subsections (i) to (viii), inclusive, are renumbered (ii) to (ix), inclusive.

SEC. 3. This act shall be effective in all circumstances in which, and applicable to all taxes to which, it would have been effective or applicable if it had been enacted into law as part of the Internal Revenue Code of 1954.

With the following committee amendment:

Page 1, strike out all after the enacting clause and insert the following: "That section 311 (b) (4) of the Internal Revenue Code of 1939 is hereby amended by inserting '(A)' after '(4)' and by adding at the end thereof the following:

"'(B) For the purpose of determining the period of limitation on credit or refund to the transferee or fiduciary of—

"'(i) overpayments of tax made by such transferee or fiduciary, or

"'(ii) overpayments of tax made by the transferor of which the transferee or fiduciary is legally entitled to credit or refund, the agreement referred to in subparagraph (A) and any extension thereof shall be deemed an agreement and extension thereof referred to in section 322 (b) (3).

"'(C) If the agreement referred to in subparagraph (A) is executed after the expiration of the period of limitation for assessment against the taxpayer with reference to whom the liability of such transferee or fiduciary arises, then, in applying the limitations under section 322 (b) (3) on the amount of the credit or refund, the period specified in section 322 (b) (3) shall be increased by the period from the date of such expiration to the date of the agreement.'

"SEC. 2. This act shall be effective in all circumstances in which it would have been effective if it had been enacted on August 17, 1954."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill to amend the Internal Revenue Code of 1939 with respect to the period of limitation for filing claims by certain transferees and fiduciaries for credit or refund of income taxes."

Mr. COOPER. Mr. Speaker, H. R. 5428 amends the Internal Revenue Code of 1939 to provide that an agreement extending the period within which the liability of a transferee or fiduciary with respect to income tax may be assessed shall also extend the period within which a credit or claim for refund of such liability can be made.

Section 311 of the 1939 Code permitted the period of limitations for the assessment of the income tax liability of a transferee or a fiduciary to be extended by an agreement between such taxpayer and the Commissioner of Internal Revenue. However, such an agreement did not extend parity of treatment by granting an extension of the time for the filing of the claim for credit or refund by the transferee or fiduciary in most cases.

The Internal Revenue Code of 1954 removed this inequity with respect to the liability of transferees or fiduciaries, but only in the case of taxes imposed by this Code. H. R. 5428 would grant similar treatment to transferees or fiduciaries with respect to income taxes imposed under the 1939 Code, as if it had been enacted on August 17, 1954.

This bill was unanimously reported by the Committee on Ways and Means.

Mr. JENKINS. Mr. Speaker, H. R. 5428 amends the Internal Revenue Code of 1939 to provide that an agreement extending the period within which the liability of a transferee or fiduciary with respect to income taxes may be assessed also extends the period with respect to credit or refund of such liability. The bill was reported unanimously by the Committee on Ways and Means.

REMITTING THE DUTY ON CERTAIN BELLS TO BE IMPORTED FOR ADDITION TO THE CARILLONS OF THE CITADEL, CHARLESTON, S. C.

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 6122) to remit the duty on certain bells to be imported for addition to the carillons of The Citadel, Charleston, S. C., which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to admit free of duty 12 bells imported for addition to the carillons possessed by The Citadel, an educational institution situated in Charleston, S. C.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, H. R. 6122 would provide for the admission free of duty of 12 bells imported for addition to the carillon possessed by The Citadel, an educational institution located in Charleston, S. C.

Carillons and parts thereof are subject to duty under paragraph 1541 (c) of the Tariff Act of 1930, as modified. The duty originally imposed on carillons and parts under the Tariff Act of 1930 was 20 percent ad valorem. A reduced rate of 10 percent ad valorem is in effect on carillons containing over 34 bells, and parts thereof, pursuant to tariff reductions effected under the trade agreements authority.

The original carillon for which the additional bells are intended was admitted duty free under Public Law 580 of the 82d Congress. Public Law 499 of the 83d Congress authorized the admission free of duty of 24 bells by The Citadel for addition to the original carillon. As stated in the Commerce Department report, favoring the enactment of H. R. 6122:

The benefits of the action proposed by this legislation will accrue to the general public as well as the importer of the bells.

Favorable reports on this legislation were received from the Departments of State and Commerce.

H. R. 6122 was reported unanimously by the Committee on Ways and Means.

Mr. JENKINS. Mr. Speaker, H. R. 6122 simply provides for the duty-free admission of 12 bells imported for addition to the carillons of The Citadel, an educational institution located in Charleston, S. C. This bill was reported unanimously by the Committee on Ways and Means.

AMENDING CERTAIN PROVISIONS OF LAW RELATING TO THE ESTATE TAX

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 6595) to amend certain provisions of law relating to the estate tax, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That if, in the case of property transferred by a decedent dying after November 11, 1935, and before January 30, 1940, refund or credit of any overpayment resulting from the application of subsections (a) and (b) of section 7 of the act entitled "an act to amend certain provisions of the Internal Revenue Code," approved October 25, 1949 (63 Stat. 891; Public Law 378, 81st Cong.), was prevented on October 25, 1949, by the operation of any law or rule of law (other than sec. 3760 of the Internal Revenue Code of 1939, relating to closing agreements, and other than sec. 3761 of such Code of 1939, relating to compromises), refund or credit of such overpayment may, nevertheless, be made or allowed if claim therefor is filed within 1 year from the date of the enactment of this act. No interest shall be allowed or paid on any overpayment resulting from the application of this act.

With the following committee amendments:

Page 1, after line 9 insert "or from the application of the first sentence of section 207 (b) of the Technical Changes Act of 1953 (67 Stat. 615; Public Law 287, 83d Cong.)."

Page 2, line 9, strike out "No interest shall be allowed or paid on any overpayment resulting from the application of this act."

Page 2, after line 11 insert the following:

"SEC. 2. The amount of the reduction referred to in the first section of this act is the amount of gift tax refunded (together with interest paid thereon) by the United States by reason of the inclusion in the gross estate of the value of the property causing the overpayment resulting from the application of subsections (a) and (b) of section 7 of the act approved October 25, 1949, or from the application of the first sentence of section 207 (b) of the Technical Changes Act of 1953.

"SEC. 3. No interest shall be allowed or paid on any overpayment resulting from the application of this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, in 1949 the Supreme Court decided the famous Church and Spiegel cases which radically changed the principles of law governing estate planning and because they had not been anticipated, worked hardship in many cases. In 1935, the Supreme Court decided *Helvering* v. *St. Louis Union Trust Company* (296 U. S. 39) which held that a trust was not subject to tax by reason of a contingent reversionary interest in the grantor. The Treasury Department's regulations were to the same effect. However, the Court changed its mind in 1940 and overruled the St. Louis Union Trust Co. case in *Helvering* v. *Hallock* (309 U. S. 106). Thus, those who had relied upon the principle of stare decisis were adversely affected by the decisions in the Hallock, Church, and Spiegel cases.

In 1949, Congress provided relief from the effects of the Church and Spiegel cases. However, the relief provided in the so-called Technical Changes Act of 1949, as amended, applies only to cases which were not barred on January 16, 1949, the date of the decision in the Church case.

H. R. 6595 reopens cases involving persons dying after November 11, 1935, the date of the decision of the Supreme Court in Helvering against St. Louis Union Trust Co. and before January 30, 1940, the date of the Supreme Court decision in Helvering against Hallock. The bill would permit a refund or credit otherwise prevented on October 25, 1949, by any law or rule of law other than a closing agreement or compromise settlement if a claim is filed within 1 year from the date of the enactment of the bill. In essence, the bill will authorize refund to estates of decedents who, because of the date of their death, could not protect themselves against the unanticipated effects of the Church and Spiegel cases.

This bill was unanimously reported by the Committee on Ways and Means.

Mr. JENKINS. Mr. Speaker, H. R. 6595 provides that in the case of certain transfers of property described in the Technical Changes Act of 1949 by persons who died after November 11, 1935, and before January 30, 1940, refund or credit of any overpayment of estate tax may be made if it was presented in 1949 by any law or rule of law—other than a closing agreement or compromise—and if a claim is filed within 1 year from the date of enactment of this bill. The bill was reported unanimously by the Committee on Ways and Means.

TECHNICAL CHANGES ACT OF 1953

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 7012) to amend section 209 (a) of the Technical Changes Act of 1953, which was unanimously reported favor-

ably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That (a) section 209 (a) of the Technical Changes Act of 1953 is hereby amended by striking out the date "January 10, 1941," and inserting in lieu thereof the date "February 10, 1939": *Provided*, That in the case of the estate of any decedent dying after February 10, 1939, and before January 11, 1941, the decedent shall be deemed to possess incidents of ownership in any policy of insurance wherein he had a reversionary interest which, at the date of his death, had a value exceeding 5 percent of the value of the policy and which arose by the express terms of the policy or other instrument and not by operation of law.

(b) If refund or credit of any overpayment resulting from the application of subsection (a) is prevented on the date of the enactment of this act, or within 1 year from such date, by the operation of any law or rule of law (other than section 7121 or section 7122 of the Internal Revenue Code, or corresponding provisions of prior law, relating to closing agreements and compromises), refund or credit of such overpayment may, nevertheless, be made or allowed if claim therefor is filed within 1 year from the date of the enactment of this act. No interest shall be allowed or paid on any overpayment resulting from the application of subsection (a) with respect to any payment made prior to the date of the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, prior to January 10, 1941, life insurance was taxed in the gross estate of a decedent only if he possessed an "incident of ownership" in the policy at the time of his death. However, on that date the Treasury issued a decision which for the first time imposed a "premium payment" test. In the Revenue Act of 1942 this test was limited to premiums paid after January 10, 1941, if the decedent possessed no "incident of ownership" in the policy after that date. Later the Revenue Act of 1950 provided that the term "incident of ownership" as used in the act should not include a reversionary interest which at the time of the death of the decedent did not exceed 5 percent of the policy or one which arose only by operation of law. The Technical Changes Act of 1953 further extended the application of these rules to decedents who died after the announcement of the Treasury's ruling of January 10, 1941, and before the date of enactment of the 1942 act.

It is the belief of the Committee on Ways and Means that the treatment granted by these acts should be further extended to the estates of persons dying between February 10, 1939, the effective date of the 1939 code, and January 11, 1941, the date to which the Technical Changes Act of 1953, has already extended this treatment. Accordingly, H. R. 7012 extends relief in such cases.

This bill was unanimously reported by the Committee on Ways and Means.

Mr. JENKINS. Mr. Speaker, H. R. 7012 applies the same incidents of ownership test for determining whether insurance on the life of any decedent who died between February 10, 1939, and January 11, 1941, is to be included in his gross estate for estate-tax purposes as applies in the case of a decedent who died after January 11, 1941. In such cases, insurance on the life of a decedent payable to beneficiaries other than the executor is not included in the gross estate of the decedent if the only incidents of ownership in the policy he possessed at the time of his death were reversionary interests not in excess of 5 percent of the value of the policy. The bill was reported unanimously by the Committee on Ways and Means.

INTERNAL REVENUE CODE OF 1939

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 7054) to amend the Internal Revenue Code of 1939 to provide a credit against the estate tax for Federal estate taxes paid on certain prior transfers, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That subpart I of part II of subchapter A of chapter 3 of the Internal Revenue Code of 1939 (relating to computation of estate tax) is hereby amended by adding at the end thereof the following new section:

"SEC. 814. Credit for tax on certain prior transfers.

"(a) General rule: If the executor so elects, the tax imposed by sections 810 and 935 in the case of a decedent dying after December 31, 1951, shall be credited with all or a part of the amount of the Federal estate tax paid with respect to the transfer of property (including property passing as a result of the exercise or nonexercise of a power of appointment) to the decedent by or from a person (herein designated as a 'transferor') who died within 6 months before the decedent's death. The credit shall be the amount determined under subsections (b) and (c).

"(b) Computation of credit: Subject to the limitation prescribed in subsection (c), the credit provided by this section shall be an amount which bears the same ratio to the estate tax paid (adjusted as indicated hereinafter) with respect to the estate of the transferor as the value of the property transferred bears to the net estate of the transferor (determined for purposes of the estate tax) decreased by any death taxes paid with respect to such estate and increased by the exemption provided for by section 935 (c) in determining the net estate of the transferor for purposes of the estate tax. For purposes of the preceding sentence, the estate tax paid shall be the Federal estate tax period increased by any credits allowed against such estate tax under sections 813 (a) and 936 (b) on account of gift tax, and for any credits allowed against such estate tax under this section on account of prior transfers where the transferor acquired property from a person who died within 6 months before the death of the decedent.

"(c) Limitation on credit:

"(1) In general: The credit provided in this section shall not exceed the amount by which—

"(A) the estate tax imposed by sections 810 and 935 (after deducting the credits for State death taxes, gift tax, and foreign death taxes provided for in sections 810, 813, and 936) computed without regard to this section, exceeds

"(B) such tax computed by excluding from the decedent's gross estate the value of such property transferred and, if applicable, by making the adjustment hereinafter indicated.

If any deduction is otherwise allowable under section 812 (d) (relating to charitable deduction) then, for the purpose of the computation indicated in subparagraph (B), the amount of such deduction shall be reduced by that part of such deduction which the value of such property transferred bears to the decedent's entire gross estate reduced by the deductions allowed under section 812 (b) (relating to deduction for expenses, losses, etc.). For purposes of this section, the value of such property transferred shall be the value as provided for in subsection (d) of this section.

"(2) Two or more transferors: If the credit provided in this section relates to property received from two or more transferors, the limitation provided in paragraph (1) of this subsection shall be computed by aggregating the value of the property so transferred to the decedent. The aggregate limitation so determined shall be apportioned in accordance with the value of the property transferred to the decedent by each transferor.

"(d) Valuation of property transferred: The value of property transferred to the decedent shall be the value used for the purpose of determining the Federal estate tax liability of the estate of the transferor but—

"(1) there shall be taken into account the effect of the tax imposed by sections 810 and 935, or any estate, succession, legacy, or inheritance tax, on the net value to the decedent of such property;

"(2) where such property is encumbered in any manner, or where the decedent incurs any obligation imposed by the transferor with respect to such property, such encumbrance or obligation shall be taken into account in the same manner as if the amount of a gift to the decedent of such property was being determined; and

"(3) if the decedent was the spouse of the transferor at the time of the transferor's death, the net value of the property transferred to the decedent shall be reduced by the amount allowed under section 812 (e) (relating to marital deductions) as a deduction from the gross estate of the transferor.

"(e) Property defined: For purposes of this section, the term 'property' includes any beneficial interest in property, including a general power of appointment (as defined in section 811 (f)).

"(f) Denial of deduction for property previously taxed: If the executor elects the credit provided by this section, the deduction provided by section 812 (c) shall not be allowed."

SEC. 2. The amendment made by the first section of this act shall apply with respect to estates of decedents dying after December 31, 1951, and on or before August 16, 1954 (the date of the enactment of the Internal Revenue Code of 1954).

With the following committee amendments:

Page 2, line 1, after "decendent", insert "(but only if the decendent was a citizen or resident of the United States at the time of his death)."

Page 2, line 17, strike out "estate tax" and insert "tax imposed by section 935."

Page 5, strike out lines 15 to 19, inclusive, and insert:

"SEC. 2. No interest shall be allowed or paid on any overpayment resulting from the amendment made by the first section of this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, section 812 (c) of the Internal Revenue Code of 1939 provided that the value of any property previously taxed either as a gift or in the gross estate of a person dying within 5 years prior to the death of the decedent could be taken as a deduction from the gross estate of the decedent for estate-tax purposes. As a result of general dissatisfaction with the operation of that deduction, the Internal Revenue Code of 1954 treated the problem differently by allowing a credit against the estate tax imposed upon the decedent of all or a portion of any estate tax previously paid with respect to property transferred to the decendent within 10 years prior to his death.

It is the belief of the Committee on Ways and Means that this treatment should be applied to certain hardship cases arising under the 1939 Code. For example, cases where a husband and wife have died within a short time of each other, and where most of the estate of the decedent first dying has passed to the other spouse. In such cases the 1939 Code denied the deduction for previously taxed property to property received from the decedent's spouse. Therefore, to the extent that the property passing to the spouse exceeded the amount which could be taken as a marital deduction there resulted a substantial diminution of the estate by the successive levying of estate taxes within a brief period of time.

H. R. 7054 would give relief to these cases by making the credit granted by the Internal Revenue Code of 1954 available in cases arising under the 1939 Code. The Committee on Ways and Means unanimously reported this bill.

Mr. JENKINS. Mr. Speaker, H. R. 7054 adds a new section 814 to the Internal Revenue Code of 1939 providing that an executor of an estate may elect to take a credit against the estate tax for the amount of tax paid on property passing to the decedent from a person who died within 6 months prior to decedent's death. Those who claim such a credit must forego any deduction for previously taxed property allowed by section 812 (c) of the 1939 code. This new election is to be available with respect to estates of decedents dying after December 31, 1951, and before August 16, 1954. Mr. Speaker, this bill corrects a very severe hardship under the 1939 tax laws. The legislation was sponsored by the distinguished gentleman from Tennessee [Mr. BAKER] who is to be congratulated on bringing the matter to the attention of our committee. The bill was reported unanimously by the Committee on Ways and Means.

DOCUMENTARY STAMP TAX

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 7364) relating to the application of the documentary stamp tax to transfers of certain installment obligations, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That effective as of January 1, 1955, section 4332 of the Internal Revenue Code of 1954 (relating to exemption from tax on sales or transfers of certificates of indebtedness) is hereby amended by relettering subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

"(b) Certain installment obligations: The tax imposed by section 4331 shall not apply to any instrument under the terms of which the obligee is requested to make payment therefor in installments and is not permitted to make in any year a payment of more than 20 percent of the cash amount to which entitled upon maturity of the instrument."

With the following committee amendments:

Page 1, line 9, strike out "Certain Installment Obligations" and insert "Installment Purchase of Obligations."

Page 2, line 2, strike out "requested" and insert "required."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill relating to the application of the documentary stamp tax to transfers of certain obligations paid for in installments."

A motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, section 1801 of the Internal Revenue Code of 1939 imposed a tax upon the issuance of certain certificates of indebtedness. However, this tax was specifically inapplicable to any instrument with respect to which the obligee was required to make payments in installments and was not permitted to make in any year a payment of more than 20 percent of the cash amount to which the obligee was entitled upon maturity of the instrument. Section 3481 of the Internal Revenue Code of 1939 imposed a documentary stamp tax upon the transfer of instruments subject to the stamp tax at the time of their issuance.

As a result of a mistake, section 4331 of the Internal Revenue Code of 1954 which imposes the stamp tax on transfer of certificates of indebtedness imposes the tax on any certificate of indebtedness issued by a corporation rather than on instruments subject to tax on issuance, thereby omitting the exemption applicable to certificates of indebtedness payable in installments as described above. H. R. 7364 corrects this mistake.

This bill was unanimously reported by the Committee on Ways and Means.

Mr. JENKINS. Mr. Speaker, H. R. 7364 simply corrects an omission in the Internal Revenue Code of 1954 relating to the application of the documentary stamp tax to transfers of certain installment obligations. The bill was reported unanimously by the Committee on Ways and Means.

FOREIGN CLAIMS SETTLEMENT COMMISSION

Mr. RICHARDS. Mr. Speaker, I call up the conference report on the bill (H. R. 6382) to amend the International Claims Settlement Act of 1949, as amended, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1475)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6382) to amend the International Claims Settlement Act of 1949, as amended, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 5.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, and 6, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "the effective date of this title"; and the Senate agree to the same.

JAMES P. RICHARDS,
CLEMENT J. ZABLOCKI,
THOMAS J. DODD,
JOHN M. VORYS,
FRANCES P. BOLTON,
Managers on the Part of the House.

JOHN J. SPARKMAN,
HUBERT H. HUMPHREY,
MIKE MANSFIELD,
H. ALEXANDER SMITH,
BOURKE B. HICKENLOOPER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6382) to amend the International Claims Settlement Act of 1949, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

There are six Senate amendments to the House bill which were in conference. The managers on the part of the House receded in five instances and the Senate in one.

The bill passed by the Senate, except for these six amendments, incorporates the language of the bill passed by the House. It was reported by the Committee on Foreign Affairs after extended hearings and substantial rewriting by the committee. It was then passed by the House after further amendment. The Senate, by accepting the House bill except for the six amendments in conference, in effect has given recognition to the position of the House on most controversial issues.

Amendment No. 1: This amendment restricts the class of individuals eligible to receive awards for war damage claims against Bulgaria, Hungary, and Rumania. Under general principles of international law a claim against a foreign government must be continuously owned by a national of the claimant state from the time the claim arose until it is presented. The House bill provided for an exception from this rule in cases where the person who suffered the loss was not a national of the United States, but (1) had declared his intention to become an American citizen before the armistice; (2) became a citizen by September 15, 1947; and (3) resided in the United States permanently from the date of the armistice to the date of the peace treaty. The Senate amendment struck out this provision of the House bill, thereby applying the general rule limiting claimants to nationals of the United States. The House recedes.

Amendment No. 2: This amendment broadens the class of expropriation claims compensable from the Bulgarian, Hungarian, and Rumanian claims funds. The House bill authorizes compensation only if the taking occurred before September 15, 1947. The Senate amendment authorizes compensation for any taking occurring before the effective date of the bill. The managers on the part of the House in accepting the more inclusive provision of the Senate bill recognize that United States citizens are entitled to the full support of their Government in pressing their claims against foreign governments, not only in the case of claims for war damage but also in the case of nationalization claims. The House recedes with a technical amendment which changes "Act" to "Title."

Amendment No. 3: This amendment rewrites the provision dealing with contract claims (mostly bond claims) against Bulgaria, Hungary, and Rumania, in order to make it clear that the obligations on which such claims are based must be payable in currency of the United States, and that such claims must have arisen in favor of nationals of the United States. The House recedes in the belief that the amendment is fully consistent with and serves to clarify the House bill.

Amendment No. 4: This amendment relates to speculation in claims covered by the bill. The House bill provides that any award under the bill based on a transferred claim shall not exceed the consideration last paid for the claim before January 1, 1953. Any sale after that date would not affect the amount of the claim, under the House bill. The Senate amendment retains the limit provided for in the House bill, and provides also that for claims sold at a price lower than this limit after January 1, 1953, and before presentation of the claim to the Commission, the award cannot exceed the lower price.

The managers on the part of the House accept the Senate amendment imposing a more precise restriction on awards to persons who purchased claims, which is entirely consistent with the provision in the House bill.

Amendment No. 5: This amendment requires that there be deducted from awards made to claimants the amount of any reduction in Federal or State income taxes resulting from property losses for which such award is made. The Senate recedes on this amendment but the committee of conference desires to make clear that this action was taken on the basis of their understanding that there will be no windfalls to claimants receiving awards who had previously written off losses for tax purposes. The committee of conference was impressed by the statement of the Treasury representatives that retention of this provision in the bill would substantially delay the final settlement of claims because of administrative problems which would result.

The position of the Treasury on these points, as stated in letters to the chairmen of the Committees on Foreign Relations and Foreign Affairs from Acting Secretary of the Treasury, David W. Kendall, dated July 26, 1955, is as follows:

* * * * *

"The Internal Revenue Code makes provision for recoupment of any reduction in Federal taxes which resulted from the allowance in prior years of a deduction on account of the destruction or seizure of property for which an award is made. The payment of an award to a taxpayer who has taken a deduction in prior years does not, therefore, constitute a windfall.

* * * * *

"The Treasury Department believes that the language added by the Senate will almost certainly make for delays in the payment of awards. Since the language is not needed to prevent tax windfalls, and in fact would affect what amounts to a second recoupment, the desirability of eliminating it is strongly suggested."

Amendment No. 6: This amendment applies to minority stockholders in corporations the same eligibility requirement as to citizenship as is provided in the language deleted by amendment No. 1. The managers on the part of the House believe that the considerations determining their action on amendment No. 1 apply equally in this case. The House recedes.

JAMES P. RICHARDS,
CLEMENT J. ZABLOCKI,
THOMAS J. DODD,
JOHN M. VORYS,
FRANCES P. BOLTON,
Managers on the Part of the House.

The conference report was agreed to; and a motion to reconsider was laid on the table.

UTILIZATION OF THE WATER RESOURCES OF ALASKA

Mr. ENGLE. Mr. Speaker, I call up the conference report on the bill (H. R. 3990) to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development, and utilization of the water resources of Alaska, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1447)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3990) to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development, and utilization of the water resources of Alaska, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and the Senate agree to the same.

CLAIR ENGLE,
WAYNE N. ASPINALL,
LEO W. O'BRIEN,
A. L. MILLER,
JOHN P. SAYLOR,
Managers on the Part of the House.

HENRY M. JACKSON,
RUSSELL B. LONG,
ALAN BIBLE,
THOMAS H. KUCHEL,
BARRY GOLDWATER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3990) to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development, and utilization of the water resources of Alaska, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

Language in the House-passed bill would have required that all unexpended balances of any annual appropriation for carrying out the purposes of the bill be returned to the Treasury at the end of each fiscal year. The Senate deleted this language on the basis that it was not in accord with the customary practice in appropriating investigation funds and that it would create a grave danger of unnecessary interruptions each year in the investigations program because the investigations work would have to be done during a short season with the end of the fiscal year falling in the middle of the season. The conference committee agreed to accept the Senate amendment deleting this language.

With respect to the recommendation of the Bureau of the Budget that the word "may" be substituted for the words "shall immediately," used in connection with the transmittal of the reports resulting from the investigations to the Congress, it is pointed out that the purpose of the language in the bill is to make it mandatory that the reports be submitted to the Congress. The amendment recommended by the Bureau of the Budget would make it optional on the part of the Department of the Interior as to whether the reports would be submitted. The committee understands the procedure established by Executive Order 9384 whereby all Departments and establishments of the executive branch are required to submit project proposals to the Bureau of the Budget for clearance prior to transmittal to the Congress and does not consider that the wording of the bill adversely affects this procedure or prevents ample opportunity for the Bureau of the Budget to review and analyze the project reports prior to such transmittal. The committee understands the language of the bill to mean that the reports shall be submitted to the Congress immediately following the completion of the established executive branch procedures for the review and clearance of project reports.

CLAIR ENGLE,
WAYNE N. ASPINALL,
LEO W. O'BRIEN,
A. L. MILLER,
JOHN P. SAYLOR,
Managers on the Part of the House.

The conference report was agreed to; and a motion to reconsider was laid on the table.

LEASING OF RESTRICTED INDIAN LANDS

Mr. ENGLE. Mr. Speaker, I call up the conference report on the bill (S. 34) to authorize the leasing of restricted Indian lands for public, religious, educational, recreational, residential, business, and other purposes requiring the grant of long-term leases, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1562)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 34) to authorize the leasing of restricted Indian lands for public, religious, educational, recreational, residential, business, and other purposes requiring the grant of long-term leases, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill, and agree to the same with an amendment as follows: In lieu of the matter inserted by the House amendment insert the following: "That any restricted Indian lands, whether tribally or individually owned, may be leased by the Indian owners, with the approval of the Secretary of the Interior, for public, religious, educational, recreational, residential, or business" purposes, including the development or utilization of natural resources in connection with operations under such leases, for grazing purposes, and for those farming purposes which require the making of a substantial investment in the improvement of the land for the production of specialized crops as determined by said Secretary. All leases so granted shall be for a term of not to exceed twenty-five years, excepting leases for grazing purposes, which shall be for a term of not to exceed ten years. Leases for public, religious, educational, recreational, residential, or business purposes with the consent of both parties may include provisions authorizing their renewal for one additional term of not to exceed twenty-five years, and all leases and renewals shall be made under such terms and regulations as may be prescribed by the Secretary of the Interior.

"SEC. 2. Restricted lands of deceased Indians may be leased under this Act, for the benefit of their heirs or devisees, in the circumstances and by the persons prescribed in the Act of July 8, 1940 (54 Stat. 745; 25 U. S. C., 1946 edition, sec. 380, as amended): *Provided*, That if the authority of the Secretary under this section is delegated to any subordinate official, then any heir or devisee shall have the right to appeal the action of any such official to the Secretary under such rules and regulations as he may prescribe.

"SEC. 3. The Act of March 3, 1909 (35 Stat. 783; 25 U. S. C. 396) is amended by inserting before the period at the end thereof the following proviso: ': *Provided*, That if the said allottee is deceased and the heirs to or devisees of any interest in the allotment have not been determined, or, if determined, some or all of them cannot be located, the Secretary of the Interior may offer for sale leases for mining purposes to the highest responsible qualified bidder, at public auction, or on sealed bids, after notice and advertisement, upon such terms and conditions as the Secretary of the Interior may prescribe. The Secretary of the Interior shall have the right to reject all bids whenever in his judgment the interests of the Indians will be served by so doing, and to readvertise such lease for sale'.

"SEC. 4. No rent or other consideration for the use of land leased under this Act shall be paid or collected more than one year in advance, unless so provided in the lease.

"SEC. 5. The Secretary of the Interior shall approve no lease pursuant to this Act that contains any provision that will prevent or delay a termination of Federal trust responsibilities with respect to the land during the term of the lease.

"SEC. 6. Nothing contained in this Act shall be construed to repeal any authority to lease restricted Indian land conferred by or pursuant to any other provision of law."

And the Senate agree to the same.

That the House recede from its amendment to the title of the bill.

CLAIR ENGLE,
JAMES A. HALEY,
STEWART L. UDALL,
E. Y. BERRY,
JOHN J. RHODES,
Managers on the Part of the House.

JOSEPH C. O'MAHONEY,
CLINTON P. ANDERSON,
RICHARD L. NEUBERGER,
ARTHUR V. WATKINS,
BARRY GOLDWATER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House, at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 34) authorizing the leasing of restricted Indian lands for public, religious, educational, recreational, residential, business, and other purposes requiring the grant of long-term leases, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to the amendments to the text and title of the bill:

Section 1: As originally approved by the Senate, section 1 of S. 34 provided for the lease by the Indian owners of any restricted Indian lands, whether tribally or individually owned, for public, religious, educational, recreational, residential, or business purposes, including the development or utilization of natural resources in connection with operations under such leases, and for those farming purposes which require the making of a substantial investment in the improvement of the land for the production of specialized crops as determined by the Secretary of the Interior; all leases would be subject to the approval of the Secretary of the Interior.

The original Senate version provided for a lease term of not to exceed 25 years for all leases, but made provision that leases for public, religious, educational, recreational, residential, or business purposes could include provisions authorizing their renewal—with the consent of both parties—for an additional term of not to exceed 25 years.

The House version of S. 34 would have permitted leases for all purposes and would have permitted inclusion of provisions authorizing renewal thereof—with the consent of both parties—for 1 additional term of not to exceed 25 years.

The conference committee has reached agreement with respect to section 1 as follows:

The language of the Senate version which permits leases for the purposes specified has been amended to permit leases for grazing purposes. All leases granted, except grazing leases, shall be for a term of not to exceed 25 years, but leases for public, religious, educational, recreational, residential, or business purposes—with the consent of both parties—may include provisions authorizing their renewal for 1 additional term of not to exceed 25 years. Grazing leases under the language agreed upon shall be for a term of not to exceed 10 years with no authority for including a renewal provision in such initial 10-year lease.

The conference committee is in agreement that authority for grazing leases for the limited period indicated may serve to encourage attraction of private loans for grazing purposes.

Section 2: The Senate conferees have agreed to the House amendment to section 2 of S. 34. This amendment, in the form of a proviso, provides that if the authority of the Secretary to lease restricted lands of deceased Indians for the benefit of their heirs or devisees is delegated to any subordinate official, then any heir or devisee shall have the right to appeal from the action of the official to whom the Secretary's authority has been delegated. The conference committee is in agreement that this basic right of appeal, comparable to the right of non-Indians to appeal to a district court from the decision of a court having probate jurisdiction, should be preserved to the heirs or devisees of deceased Indians.

The balance of the amendment to the text of the bill contains language upon which there was no disagreement.

Title amendment: The managers on the part of the House have agreed to the Senate title language, which accurately reflects the language incorporated in section 1 by the conference committee.

CLAIR ENGLE,
JAMES A. HALEY,
STEWART L. UDALL,
E. Y. BERRY,
JOHN J. RHODES,
Managers on the Part of the House.

The conference report was agreed to; and a motion to reconsider was laid on the table.

INTERSTATE COMPACT ON APPORTIONMENT OF THE WATERS OF THE RED RIVER

The ENGLE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2260) granting the consent of Congress to the States of Arkansas, Louisiana, Oklahoma, and Texas to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Red River and its tributaries.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby given to the States of Arkansas, Louisiana, Oklahoma, and Texas to negotiate and enter into a compact relating to the interests of such States in the development of the water resources of the Red River and its tributaries, and providing for an equitable apportionment among them of the waters of the Red River and its tributaries, and for matters incident thereto, upon the condition that one qualified person appointed by the President of the United States shall participate in such negotiations as chairman, without vote, representing the United States, and shall make a report to the President of the United States and the Congress of the proceedings and of any com-

pact entered into. Such compact shall not be binding or obligatory upon any of the parties thereto until it shall have been ratified by the legislatures of each of the respective States, and approved by the Congress of the United States.

With the following committee amendments:

Page 1, lines 5, 6, and 7, strike out the words "relating to the interests of such States in the development of the water resources of the Red River and its tributaries, and."

Page 1, line 9, strike out the words "and for matters incident thereto."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill granting the consent of Congress to the States of Arkansas, Louisiana, Oklahoma, and Texas to negotiate and enter into a compact providing for the apportionment of the waters of the Red River and its tributaries."

A motion to reconsider was laid on the table.

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS of Louisiana. Mr. Speaker, I am supporting this compact legislation on Red River because the time has come when it is necessary. The increasing population in the Southwest has stepped up the consumption of water in this part of the United States. This water is being used in increasing quantities by the cities, towns, and villages throughout this great area of the country. During the last 12 months rainfall has been much less than normal, and the need of water for irrigation purposes and for the crops has been much more than usual. Those who have made a study of the situation feel that the time has come to take some mutual steps to properly use the waters of this stream.

I have been guided in my decision on this matter by engineers who have made a study of the local water conditions. Under this enabling act, engineers from my own State will go to work with those of other States to form an agreement which will be mutually satisfactory to each of the States involved. At a later date we will have an opportunity of studying the work accomplished and judging for ourselves as to how close we have come to our objectives.

FEDERAL COOPERATION IN NON-FEDERAL PROJECTS

Mr. ENGLE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5881) to supplement the Federal reclamation laws by providing for Federal cooperation in non-Federal projects, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from California? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. ENGLE, ASPINALL, O'BRIEN of New York, MILLER of Nebraska, and SAYLOR.

TO AMEND CIVIL SERVICE RETIREMENT ACT OF MAY 29, 1930

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7618) to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. MARTIN. Mr. Speaker, reserving the right to object, I understand the report of the committee is unanimous, and has the approval of the gentleman from Kansas [Mr. REES], the ranking Republican member?

Mr. MURRAY of Tennessee. That is correct. It is a unanimous report of the entire committee; also, it is not objected to by the Civil Service Commission.

Mr. BALDWIN. Mr. Speaker, reserving the right to object, it is my understanding that this is the bill which provides for an increase in pensions of retired civil-service employees; is that correct?

Mr. MURRAY of Tennessee. This is the bill to provide an increase in the annuities of retired employees.

Mr. BALDWIN. Mr. Speaker, I should like to commend the chairman and the members of the Committee on Post Office and Civil Service for bringing this bill before us, prior to adjournment, so that we may pass it and put it into effect.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. CANFIELD. Mr. Speaker, reserving the right to object, is there a provision in this bill in behalf of survivors of annuitants?

Mr. MURRAY of Tennessee. No; this bill gives an increase to retired employees of 12 percent on the first $1,500 and 8 percent thereafter, up to $4,000.

Mr. CANFIELD. There is nothing provided for survivors?

Mr. MURRAY of Tennessee. No; that is not included.

Mr. PELLY. Mr. Speaker, reserving the right to object, may I say at this time that I want to express my appreciation to the committee of their efforts to look after our retired people. I commend the chairman and the committee for bringing out this legislation, even at this late date.

Mr. WIER. Reserving the right to object, Mr. Speaker, I have not seen the bill, but does this bill have application only to retired employees?

Mr. MURRAY of Tennessee. It aplies also to employees that retire through December 31, 1957. It provides first 12 percent, and then it graduates 1 percent less in each 6-month period until December 31, 1957.

Mr. WIER. I was concerned that other employees might be included in this bill, but it applies only to retirement, fine.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 7 of the Civil Service Retirement Act of May 29, 1930, as amended (5 U. S. C. 736c), is amended by adding at the end thereof the following:

"(d) (1) The annuity of any person who now or hereafter is receiving or entitled to receive an annuity from the civil-service retirement and disability fund shall be increased, effective on the first day of the second month following enactment of this amendment or on the commencing date of the annuity, whichever is later, in accordance with the following schedule:

"If annuity commences between—	Annuity not in excess of $1,500 shall be increased by—	Annuity in excess of $1,500 shall be increased by—	The total increase in annuity may not exceed—
Aug. 20, 1950, and June 30, 1955	12 per centum	8 per centum	$360.
July 1, 1955, and Dec. 31, 1955	10 per centum	7 per centum	$300.
Jan. 1, 1956, and June 30, 1956	8 per centum	6 per centum	$240.
July 1, 1956, and Dec. 31, 1956	6 per centum	4 per centum	$180.
Jan. 1, 1957, and June 30, 1957	4 per centum	2 per centum	$120.
July 1, 1957, and Dec. 31, 1957	2 per centum	1 per centum	$60.

"The monthly installment of each annuity so increased shall be fixed at the nearest dollar.

"(2) The increases provided by this subsection, when added to the annuities of retired employees, shall not operate to increase the annuities of their survivors, except that the annuity of any such survivor who becomes entitled to annuity shall be increased by the percent provided in subsection (d) (1) of this section appropriate to the commencing date of such survivor's annuity."

With the following committee amendments:

Page 1, line 3, after "section", strike out "7" and insert "8."

Page 2, line 3, strike out "schedule:" and the accompanying table and insert the following:

"Schedule:

If annuity commences between—	Annuity not in excess of $1,500 shall be increased by—	Annuity in excess of $1,500 shall be increased by—
August 20, 1920, and June 30, 1955	12 per centum	8 per centum.
July 1, 1955, and December 31, 1955	10 per centum	7 per centum.
January 1, 1956, and June 30, 1956	8 per centum	6 per centum.
July 1, 1956, and December 31, 1956	6 per centum	4 per centum.
January 1, 1957, and June 30, 1957	4 per centum	2 per centum.
July 1, 1957, and December 31, 1957	2 per centum	1 per centum.

Such increase in annuity shall not exceed the sum necessary to increase such annuity, exclusive of annuity purchased by voluntary contributions under the second paragraph of section 10 of this act, to $4,000.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SURPLUS PROPERTY FOR CIVIL DEFENSE PURPOSES

Mr. BROOKS of Texas. Mr. Speaker, by direction of the Committee on Government Operations, I ask unanimous consent for the immediate consideration of the bill (H. R. 7227) to amend further the Federal Property and Administrative Services Act of 1949, as amended, to authorize the disposal of surplus property for civil defense purposes, to provide that certain Federal surplus property be disposed of to State and local civil defense organizations which are established by or pursuant to State law, and for other purposes.

I may say that this bill was unanimously reported favorably by the Committee on Government Operations.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. BROWN of Ohio. Reserving the right to object, Mr. Speaker, I understand this is the measure our committee reported unanimously.

Mr. BROOKS of Texas. Yes.

Mr. OLIVER P. BOLTON. Mr. Speaker, reserving the right to object, is this the bill which gives certain rights to the civil defense agencies to take over property?

Mr. BROOKS of Texas. This is the bill which enables the Federal and State civil defense agencies to utilize property declared surplus by the Federal Government.

Mr. OLIVER P. BOLTON. I will certainly not object. I congratulate the gentleman from Texas and the whole committee on getting this bill through.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That paragraph (1) of section 203 (j) of the Federal Property and Administrative Services Act of 1949, as amended, is further amended to read as follows: "Under such regulations as he may prescribe, the Administrator is authorized in his discretion to donate for educational purposes, for civil defense purposes or public health purposes, including research, in any State without cost (except for costs of care and handling) such equipment, materials, books, or other supplies whether or not capitalized in a working-capital or similar fund under the control of any executive agency as shall have been determined to be surplus property and which shall have been determined under paragraphs (2), (3), or the new paragraph (6) added by section 4 of this act to this subsection to be unable and necessary for educational purposes, for civil defense purposes or public health purposes, including research. In determining whether or not property is to be donated under this subsection, no distinction shall be made between property capitalized in a working-capital fund established pursuant to section 405 of the National Security Act of 1947, as amended, or any similar fund, and any other property."

SEC. 2. The parenthetical expression appearing in paragraph (2) of section 203 (j) of said act is amended to read as follows: "(except surplus property donated in conformity with paragraph (3) or the new paragraph (6) added by section 4 of this act to this subsection.)"

SEC. 3. That paragraph (3) of section 203 (j) of said act is amended to read as follows:

"(3) In the case of surplus property under the control of the Department of Defense, the Secretary of Defense may determine whether such property is usable and necessary for educational activities that are of special interest to the armed services, such as maritime academies or military, naval, Air Force, or Coast Guard preparatory schools; or the Secretary of Defense may determine whether such property is usable and necessary for civil defense activities that are of special interest to the armed services such as State and local civil defense organizations which are established by or pursuant to State law. If such Secretary shall determine that such property is usable and necessary for such purposes, he shall allocate it for transfer by the Administrator to such educational or civil defense activities. If he shall determine that such property is not usable and necessary for such purposes, it may be disposed of in accordance with paragraph (2) or the new paragraph (6) added by section 4 of this act to this subsection."

SEC. 4. After the last paragraph of section 203 (j) of said act, insert the following new paragraph:

"(6) Determination whether such surplus property (except surplus property donated in conformity with paragraphs (2) or (3) of this subsection) is usable and necessary for civil defense purposes shall be made by the Federal Civil Defense Administrator, who shall allocate such property on the basis of needs and utilization for transfer by the Administrator of General Services to civil defense organizations of the States, political subdivisions and instrumentalities thereof which are established by or pursuant to State law, except that in any State where another agency is designated by State law for such purpose such transfer shall be made to said agency for such distribution within the State."

SEC. 5. Section 203 (k) of said act is amended as follows:

(a) By deleting the comma and the words "is authorized and directed" in the last line of subparagraph (2) (D) and by inserting in lieu thereof a semicolon and the word "or".

(b) By inserting the following new subparagraph after subparagraph (2) (D):

"(E) the Federal Civil Defense Administrator, in the case of property transferred pursuant to this act to civil defense organizations of the States, political subdivisions and instrumentalities thereof which are established by or pursuant to State law,

is authorized and directed—".

SEC. 6. In carrying out the responsibilities of the Federal Civil Defense Administrator under this act, the provisions of sections 201 (b), 401 (c), 401 (e), and 405 of the Federal Civil Defense Act of 1950, as amended, shall apply.

With the following committee amendment:

Page 3, strike out lines 5 to 9, inclusive, ending with the word "law" and insert "the Secretary of Defense may determine whether only such property as is peculiarly adaptable for civil defense (not to include common-use items) is usable and necessary for State and local civil defense activities, established by or pursuant to State law, that are of special interest to the armed services."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. BROOKS of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BROOKS of Texas. Mr. Speaker, this bill, H. R. 7227, further amends the Federal Property and Administrative Services Act of 1949 to authorize the disposal of surplus property for civil defense purposes.

H. R. 7227 was passed unanimously by the Government Operations Committee after minor amendments were adopted and is the product of 2 years of intensive, continuous study by the committee and various Government agencies, particularly interested in the surplus disposal program. The worthwhile object of this legislation has been approved by all of these agencies and the Bureau of the Budget.

According to testimony from a representative of the General Services Administration during hearings on H. R. 7227, personal property which cost taxpayers about $2,800,000,000 will be declared surplus by the Federal Government during the current fiscal year. Indications are that the disposal program will remain at the $2 billion level for some years to come. This is property that the American public has paid for.

Recent reports from Government agencies reveal that when personal property is sold as surplus the Government gets an average of less than 10 cents on the dollar of what it originally cost. It is the intent of H. R. 7227 to get a higher value received from the tax money spent on this property by continuing to keep equipment that can be used for civil defense purposes in the public use rather than dumping it to junk dealers.

At least one outstanding example of how the Federal Government can actually save cash as well as better serve the public need was brought out in committee hearings. The case of the State of Connecticut was cited in which the State bought 10,000 litters for civil defense work at $9.98 apiece. Later the State officials discovered that the dealer who had sold the litters had purchased them from Government surplus stocks for only $4 apiece. The Federal Government alone, which shares the cost of some State civil defense expenditures, would have saved 99 cents in cash on each litter if they had been assigned to the civil defense agency in the first place, and the taxpayers in Connecticut would have saved almost $100,000 if they had not been put in the ridiculous position of having to buy back public property for civil defense.

More than 75 Members of Congress have expressed a personal interest in support of this legislation, and hundreds of favorable telegrams, telephone calls, and letters have been received by the

committee from civil defense officials over the entire country.

In an effort to more fully utilize the taxpayers' investment in this surplus property, which cost us billions of dollars, by making civil defense organizations eligible to receive equipment which is desperately needed in every State, I respectfully urge the favorable adoption of this bill.

DISTRICT OF COLUMBIA TEACHERS' SALARY ACT OF 1955

Mr. ABERNETHY. Mr. Speaker, I call up the conference report on the bill (S. 1093) to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1560)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1093) to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 2, 4, 5, 7, 8, and 9.

That the Senate recede from its disagreement to the amendments of the House numbered 6 and agree to the same.

Amendment numbered 1: That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"Salary class and position	Service step 1 minimum	Service step 2	Service step 3	Service step 4	Service step 5	Service step 6	Service step 7
Class 1: Superintendent of schools:							
Bachelor's degree	$14,000						
Master's degree	16,000						
Doctor's degree	18,000						
Class 2: Deputy superintendent	11,700	$12,000	$12,300	$12,600	$12,900	$13,200	$13,500
Class 3: Assistant superintendent; president, teachers college	10,100	10,400	10,700	11,000	11,300	11,600	11,900
Class 4	9,500	9,700	9,900	10,100	10,300	10,500	10,700
Class 5:							
Group B, master's degree	8,600	8,800	9,000	9,200	9,400	9,600	9,800
Group C, master's degree plus 30 credit hours	8,800	9,000	9,200	9,400	9,600	9,800	10,000
Class 6:							
Group A, bachelor's degree	7,700	7,900	8,100	8,300	8,500	8,700	8,900
Group B, master's degree	8,200	8,400	8,600	8,800	9,000	9,200	9,400
Group C, master's degree plus 30 credit hours	8,400	8,600	8,800	9,000	9,200	9,400	9,600
Director, Department of Food Services							
Class 7:							
Group B, master's degree	7,700	7,900	8,100	8,300	8,500	8,700	8,900
Group C, master's degree plus 30 credit hours	7,900	8,100	8,300	8,500	8,700	8,900	9,100
Chief Examiner							
Director							
Principal, senior high school							
Class 8: Professor, teachers college	7,700	7,900	8,100	8,300	8,500	8,700	8,900
Class 9:							
Group B, master's degree	7,200	7,400	7,600	7,800	8,000	8,200	8,400
Group C, master's degree plus 30 credit hours	7,400	7,600	7,800	8,000	8,200	8,400	8,600
Principal, vocational high school							
Principal, junior high school							
Principal, Americanization school							
Class 10:							
Group B, master's degree	6,800	7,000	7,200	7,400	7,600	7,800	8,000
Group C, master's degree, plus 30 credit hours	7,000	7,200	7,400	7,600	7,800	8,000	8,200
Director, Department of School Attendance and Work Permits							
Superivising Director							
Principal, elementary school							
Principal, laboratory school							
Class 11: Associate professor, teachers college	6,800	7,000	7,200	7,400	7,600	7,800	8,000
Class 12:							
Group A, bachelor's degree	6,300	6,500	6,700	6,900	7,100	7,300	7,500
Group B, master's degree	6,800	7,000	7,200	7,400	7,600	7,800	8,000
Group C, master's degree, plus 30 credit hours	7,000	7,200	7,400	7,600	7,800	8,000	8,200
Assistant Director, Department of Food Services							
Class 13:							
Group B, master's degree	6,100	6,300	6,500	6,700	6,900	7,100	7,300
Group C, master's degree plus 30 credit hours	6,300	6,500	6,700	6,900	7,100	7,300	7,500
Assistant Director							
Principal, Capitol Page School							
Assistant principal, senior high school							
Class 14: Assistant professor, teachers college; chief librarian, teachers college	6,100	6,300	6,500	6,700	6,900	7,100	7,300
Class 15:							
Group B, master's degree	5,900	6,100	6,300	6,500	6,700	6,900	7,100
Group C, master's degree, plus 30 credit hours	6,100	6,300	6,500	6,700	6,900	7,100	7,300
Assistant principal, vocational high school							
Assistant principal, junior high school							
Class 16:							
Group B, master's degree	5,700	5,900	6,100	6,300	6,500	6,700	6,900
Group C, master's degree, plus 30 credit hours	5,900	6,100	6,300	6,500	6,700	6,900	7,100
Class 17:							
Group B, master's degree	5,400	5,600	5,800	6,000	6,200	6,400	6,600
Group C, master's degree plus 30 credit hours	5,600	5,800	6,000	6,200	6,400	6,600	6,800
Assistant							
Supervisor							
Chief attendance officer							
Class 18:							
Group A, bachelor's degree	3,900	4,060	4,220	4,380	4,540	4,700	4,860
Group B, master's degree	4,400	4,560	4,720	4,880	5,040	5,200	5,360
Group 3, master's degree plus 30 credit hours	4,600	4,760	4,920	5,080	5,240	5,400	5,560
Instructor, teachers college							
Librarian, teachers college							
Teacher, senior high school							
Teacher, vocational high school							
Teacher, junior high school							
Teacher, elementary school							
School librarian							
Counselor							
Research assistant							
Class 19:							
Group A, bachelor's degree	3,900	4,060	4,220	4,380	4,540	4,700	4,860
Group B, master's degree	4,400	4,560	4,720	4,880	5,040	5,200	5,360
Attendance officer							
Child-labor inspector							
Census supervisor							

"Salary class and position	Service step 8	Service step 9	Service step 10	Service step 11	Service step 12	Service step 13
Class 1: Superintendent of schools						
Class 2: Deputy superintendent						
Class 3: Assistant superintendent; president, teachers college						
Class 4	$10,900	$11,100				
Class 5:						
Group B, master's degree	10,000	10,200				
Group C, master's degree plus 30 credit hours	10,200	10,400				
Class 6:						
Group A, bachelor's degree	9,100	9,300				
Group B, master's degree	9,600	9,800				
Group C, master's degree plus 30 credit hours	9,800	10,000				
Director: Department of Food Services						
Class 7:						
Group B, master's degree	9,100	9,300				
Group C, master's degree plus 30 credit hours	9,300	9,500				
Chief Examiner						
Director						
Principal, senior high school						
Class 8: Professor, teachers college	$9,100	$9,300				
Class 9:						
Group B, master's degree	8,600	8,800				
Group C, master's degree plus 30 credit hours	8,800	9,000				
Principal, vocational high school						
Principal, junior high school						
Principal, Americanization school						
Class 10:						
Group B, master's degree	8,200	8,400				
Group C, master's degree plus 30 credit hours	8,400	8,600				
Director, Department of School Attendance and Work Permits						
Supervising Director						
Principal, elementary school						
Principal, laboratory school						
Class 11: Associate professor, teachers college	8,200	8,400				
Class 12:						
Group A, bachelor's degree	7,700	7,900				
Group B, master's degree	8,200	8,400				
Group C, master's degree plus 30 credit hours	8,400	8,600				
Assistant Director, Department of Food Services						
Class 13:						
Group B, master's degree	7,500	7,700				
Group C, master's degree plus 30 credit hours	7,700	7,900				
Assistant Director						
Principal, Capitol Page School						
Assistant principal, senior high schoo						
Class 14: Assistant professor, teachers college; chief librarian, teachers college	7,500	7,700				
Class 15:						
Group B, master s degree	7,300	7,500				
Group C, master's degree, plus 30 credit hours	7,500	7,700				
Assistant principal, vocational high school						
Assistant principal, junior high school						
Class 16:						
Group B, master's degree	7,100	7,300				
Group C, master's degree, plus 30 credit hours	7,300	7,500				
Class 17:						
Group B, master's degree	6,800	7,000				
Group C, master's degree plus 30 credit hours	7,000	7,200				
Assistant						
Supervisor						
Chief attendance officer						
Class 18:						
Group A, bachelor's degree	5,020	5,180	$5,340	$5,500	$5,660	$5,800
Group B, master's degree	5,520	5,680	5,840	6,000	6,160	6,300
Group C, master's degree plus 30 credit hours	5,720	5,880	6,040	6,200	6,360	6,500
Instructor, teachers college						
Librarian, teachers college						
Teacher, senior high school						
Teacher, vocational high school						
Teacher, junior high school						
Teacher, elementary school						
School librarian						
Counselor						
Research assistant						
Class 19:						
Group A, bachelor's degree	5,020	5,180	5,340	5,500	5,660	5,800
Group B, master's degree	5,520	5,680	5,840	6,000	6,160	6,300"
Attendance officer						
Child labor inspector						
Census supervisor						

And the House agree to the same.

Amendment numbered 3: That the Senate recede from its disagreement to the amendment of the House numbered 3, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"(c) When used in this Act—

"(1) The terms 'master's degree' and 'doctor's degree' mean, respectively, a master's degree and a doctor's degree granted in course by an accredited higher educational institution.

"(2) The term 'plus thirty credit hours' means the equivalent of not less than thirty graduate credit hours in academic, vocational, or professional courses beyond a master's degree, representing a definite educational program satisfactory to the Board. Graduate credit hours beyond thirty which were earned prior to obtaining a master's degree may be applied in computing such thirty credit hours.

"(3) The terms 'Board' and 'Board of Education' mean the Board of Education of the District of Columbia.

"(4) The term 'Salary Act of 1947' means the District of Columbia Teachers' Salary Act of 1947, as amended."

And the House agree to the same.

T. G. ABERNETHY,
JAMES C. DAVIS,
WOODROW W. JONES,
A. L. MILLER,
DEWITT S. HYDE,
Managers on the Part of the House.

ALAN BIBLE,
J. GLENN BEALL,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1093) to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment no. 1: This amendment struck out the salary schedule contained in the Senate bill and inserted a new salary schedule which differed from that contained in the Senate bill in the following ways:

(1) The House amendment increased the salaries for teachers, school officers, and other employees of the Board of Education of the District of Columbia (except the Superintendent of Schools) by $100 over the amounts provided in the Senate bill.

(2) The House amendment provided a salary of $18,000 for the Superintendent of Schools of the District of Columbia if he has a doctor's degree, $16,000 if he has a master's degree, and $14,000 if he has a bachelor's de-

gree. The Senate bill provided a flat salary of $18,000 for the Superintendent of Schools.

(3) The Senate bill contained a subclassification in classes 5, 6, 7, 9, 10, 12, 13, 15, 16, 17, and 18 of the salary schedule providing different salaries for teachers, school officers, and other employees who have a master's degree plus not less than 30 graduate credit hours in academic, vocational, or professional courses beyond a master's degree, representing a definite educational program satisfactory to the Board of Education of the District of Columbia. Teachers, school officers, and employees in this subclassification, designated group C, would have received salaries $300 above teachers, school officers, and employees who have only a master's degree. The House amendment eliminated this subclassification.

The conference agreement retains the schedule of salaries provided in the House amendment but adds thereto the group C subclassification contained in the Senate bill. However, teachers, school officers, and employees in this subclassification will receive only $200 more than teachers, school officers, and employees who have only a master's degree.

Amendments nos. 2, 4, 5, 7, 8, and 9: These were clerical amendments made by reason of the amendment of the House in eliminating the group C subclassification contained in the Senate bill. In view of the action of the conferees on amendment numbered 1, which restored this subclassification, the House recedes.

Amendment no. 3: This amendment also was made by reason of the amendment of the House in eliminating the group C subclassification contained in the Senate bill. The Senate recedes with a technical amendment which restores, in substance, the provision of the Senate bill.

Amendment no. 6: This was a clerical amendment to correct a mistake in the Senate bill. The Senate recedes.

T. G. ABERNETHY,
JAMES C. DAVIS,
WOODROW W. JONES,
A. L. MILLER,
DEWITT S. HYDE,
Managers on the Part of the House.

The conference report was agreed to; and a motion to reconsider was laid on the table.

RECONSTRUCTION FINANCE CORPORATION

Mr. DAWSON of Illinois. Mr. Speaker, by direction of the Committee on Government Operations, I ask unanimous consent for the immediate consideration of the bill (H. R. 6182) to amend the Federal Property and Administrative Services Act of 1949 to make temporary provision for making payments in lieu of taxes with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments.

This bill was reported unanimously by the Committee on Government Operations.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. DEROUNIAN. Reserving the right to object, Mr. Speaker, and I shall not object, I wish to commend the chairman for having brought this bill up for consideration and passage before adjournment. I also commend the gentleman from Michigan [Mr. MEADER], with whom I have cooperated on this type of legislation. I think it is an excellent start.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the table of contents contained in the first section of the Federal Property and Administrative Services Act of 1949 is hereby amended by inserting immediately below "Sec. 605. Effective date." the following:

"*Title VII—Property transferred from the Reconstruction Finance Corporation*

"Sec. 701. Declaration of policy.
"Sec. 702. Definitions.
"Sec. 703. Property transferred by the Reconstruction Finance Corporation.
"Sec. 704. Limitations.
"Sec. 705. Effective date."

SEC. 2. Section 3 of such act is hereby amended by inserting immediately after "As used in" the following: "titles I through VI of."

SEC. 3. Such act is hereby further amended by adding at the end thereof the following:

"TITLE VII—PROPERTY TRANSFERRED FROM THE RECONSTRUCTION FINANCE CORPORATION

"DECLARATION OF POLICY

"SEC. 701. The Congress recognizes that the transfer of real property having a taxable status from the Reconstruction Finance Corporation or any of its subsidiaries to another Government department has often operated to remove such property from the tax rolls of States and local taxing authorities, thereby creating an undue and unexpected burden upon such States and local taxing authorities, and causing disruption of their operations. It is the purpose of this title to furnish temporary measures of relief for such States and local taxing authorities by providing that payments in lieu of taxes shall be made with respect to real property so transferred on or after January 1, 1946.

"DEFINITIONS

"SEC. 702. As used in this title—

"(a) The term 'State' means each of the several States of the United States and the Territories of Alaska and Hawaii.

"(b) The term 'real property' means (1) any interest in land, and (2) any improvement made thereon prior to any transfer thereof occurring on or after January 1, 1946, from the Reconstruction Finance Corporation to any other Government department, if for the purpose of taxation such interest or improvement is characterized as real property under the applicable law of the State in which such land is located.

"(c) The term 'local taxing authority' means any county or municipality, and any subdivision of any State, county, or municipality, which is authorized by law to levy and collect taxes upon real property.

"(d) The terms 'real property tax' and 'real property taxes' do not include any special assessment levied upon real property after the date of a transfer of such real property occurring on or after January 1, 1946, from the Reconstruction Finance Corporation to any other Government department.

"(e) The term 'Government department' means any department, agency, or instrumentality of the United States, except the Reconstruction Finance Corporation.

"(f) The term 'transfer' means—

"(1) a transfer of custody and control of, or accountability for the care and handling of, any real property, or

"(2) a transfer of legal title to any real property.

"(g) The term 'Reconstruction Finance Corporation' includes all subsidiaries of the Reconstruction Finance Corporation.

"PROPERTY TRANSFERRED BY THE RECONSTRUCTION FINANCE CORPORATION

"SEC. 703. Where real property has been transferred on or after January 1, 1946, from the Reconstruction Finance Corporation to any Government department, and the title to such real property has been held by the United States continuously since such transfer, then on each date occurring on or after January 1, 1955, and prior to January 1, 1959, on which real property taxes levied by any State or local taxing authority with respect to any period become due, the Government department which has custody and control of such real property shall pay to the appropriate State and local taxing authorities an amount equal to the amount of the real property tax which would be payable to each such State or local taxing authority on such date if legal title to such real property had been held by a private citizen on such date and during all periods to which such date relates.

"LIMITATIONS

"SEC. 704. (a) The failure of any Government department to make, or to make timely payment of, any payment authorized by section 703 shall not subject—

"(1) any Government department, or any person who is a subsequent purchaser of any real property from any Government department, to the payment of any penalty or penalty interest, or to any payment in lieu of any penalty or penalty interest; or

"(2) any real estate or other property or property right to any lien, attachment, foreclosure, garnishment, or other legal proceeding.

"(b) No payment shall be made under section 703 with respect to any real property of any of the following categories:

"(1) Real property taxable by any State or local taxing authority under any provision of law, or with respect to which any payment in lieu of taxes is payable under any other provision of law.

"(2) Real property used or held primarily for any purpose for which real property owned by any private citizen would be exempt from real property tax under the constitution or laws of the State in which the property is situated.

"(3) Real property used or held primarily for the rendition of service to or on behalf of the local public, including (but not limited to) the following categories of real property: courthouses; post offices, and other property used for purposes incidental to postal operations; and federally owned airports maintained and operated by the Civil Aeronautics Administration.

"(4) Office buildings and facilities which are an integral part of, or are used for purposes incidental to the use made of, any properties described in paragraph (1), (2), or (3) of this subsection.

"(c) Nothing contained in this title shall establish any liability of any Government department for the payment of any payment in lieu of taxes with respect to any real property for any period before January 1, 1955, or after December 31, 1958.

"EFFECTIVE DATE

"SEC. 705. This title shall take effect as of January 1, 1955."

PAYMENT IN LIEU OF TAXES ON CERTAIN FEDERAL INDUSTRIAL PROPERTIES

Mr. MEADER. Mr. Speaker, this bill will correct an inequity, enhance the vitality and financial stability of local governments and contribute materially to the betterment of relations between the Federal Government and State governments and their subdivisions. It provides payments in lieu of taxes on certain Federal industrial properties to local units of government.

Mr. Speaker, in a sense this legislation was made necessary as a result of

unusual measures taken in the defense of our country in World War II. Our plant capacity at the beginning of World War II was wholly inadequate to meet the requirements of war production and at the same time fill necessary civilian wants. Accordingly, of the $20 billion plant expansion in World War II, $15½ billion, over three-fourths of the total, was financed by the Federal Government. Many of these factories were built by the Defense Plant Corporation, a subsidiary of the Reconstruction Finance Corporation.

At the end of the war, as these plants were no longer needed for war production, many were sold to private business concerns, but others were simply declared excess to the needs of the Reconstruction Finance Corporation and found their way into the custody and control of other departments of the Government. Many of these plants were transferred to the various branches of the armed services.

Mr. Speaker, when the Congress provided for the financing of these plants through the Reconstruction Finance Corporation and its subsidiaries, it properly and wisely provided that local real-estate taxes should be paid on these plants the same as if they were privately owned. Thus, federally owned property contributed its fair share of the cost of services provided by local units of government.

July 15, 1952, the United States Court of Claims handed down its decision in the Sedgwick County case—*Board of County Commissioners of Sedgwick County* v. *United States* (123 C. Cls. 304). October 6, 1952, the Comptroller General issued an opinion to be found in 32 Comptroller General 164. The effect of these two decisions was to declare that when industrial plants built by the Reconstruction Finance Corporation or its subsidiaries were declared excess to the needs of those agencies, the sovereign immunity of the Federal Government from taxation by local units of government attached and the statutory authority of the Reconstruction Finance Corporation to make payments in lieu of taxes on its real property ceased.

One such plant, an aluminum extrusion plant, constructed at a cost of $25 million, is located in the city of Adrian, Mich., in my congressional district. From the time of its construction until 1952 that plant paid taxes to the city of Adrian, the school district, the township, and the county. These taxes totaled approximately $90,000 annually and represented about one-tenth of the total revenues of the local units of government.

The abrupt cessation of these Federal tax payments, which were stopped without warning in 1952, caused these local units of government, whose budgets had already been set and taxes assessed, undue hardship requiring them to perform 100 percent of the local services on only 90 percent of the revenue. In subsequent years, of course the share which the Federal Government had been contributing was thrown upon the remaining taxpayers who were thus forced to pay more than their rightful share of the cost of local services. The Government-owned aluminum plant, however, continued to enjoy services such as police and fire protection, sewage, water, street repairs, and educational facilities.

For 1952 and subsequent years the Federal Government has thus been getting a free ride for its industrial properties, and local units of government with their limited resources for raising tax revenue have been hard pressed.

The measure before the House would alleviate that distress and correct the inequity.

Mr. Speaker, it might be interesting to note that during the hearings of the House Government Operations Committee it developed that the General Services Administration in leasing some of these industrial plants to private manufacturing concerns incorporated in the lease a provision requiring the tenant to pay in addition to rent an amount equal to the local taxes. The sums received, however, are not turned over to the local community which provides the services but are covered into the Federal Treasury. I claim this constitutes an unjust enrichment of the Federal Government and rightfully engenders resentment on the part of the local communities deprived of the funds so badly needed to defray the cost of the services they render.

It should be stated that this policy on the part of General Services Administration was not for the purpose of getting additional funds for the Federal Government but rather to avoid a windfall to the tenant and to prevent the tenant from being at an advantage over his competitors.

Mr. Speaker, this is admittedly piecemeal legislation. It relates solely to properties of the Reconstruction Finance Corporation and its subsidiaries and is temporary, expiring January 1, 1959.

The objective of this legislation is in complete harmony with the recent recommendations of the Intergovernmental Relations Commission in providing relief for distressed localities by a Federal payment in lieu of taxes program particularly on industrial and commercial properties.

For the benefit of the membership and others interested, I incorporate at this point in my remarks a list of the properties which have tentatively been identified by the executive departments as being affected by the terms of my bill:

List of properties subject to payments in lieu of taxes under the provisions of H. R. 6182

A. PROPERTIES ON WHICH PAYMENTS WOULD BE MADE IF THE LEGISLATION WERE ENACTED

Property	Reporting agency	Annual tax payments at time of transfer to agency
California:		
AF Plant No. 14 (Lockheed), Burbank. Pl. 236.	Department of Defense—Air Force.	$33,400
Columbia Steel, Pittsburg. Pl. 516.	Department of Defense—Army	52,834
Riverbank Ordnance Plant, Riverbank. Pl. 226-A-4.	do	55,512
Douglas Aircraft Co., El Segundo [1]. Pl. 890.	General Services Administration—PBA.	13,166
Permanente Metals Corp., Manteca. Pl. 707.	General Services Administration—FWA.	41,430
Rohr Aircraft, Chula Vista. Pl. 993.	General Services Administration	50,000
Connecticut:		
Naval Industrial Reserve Aircraft Plant (United Aircraft), Southington. Pl. 612.	Department of Defense—Navy	60,840
New England Lime Co., Canaan. Pl. 547.	General Services Administration—FWA.	14,380
Illinois:		
AF Plant No. 39 (Chrysler-Dodge), Chicago. Pl. 792.	Department of Defense—Air Force.	301,000
Chicago Ordnance Plant, Chicago. Pl. 91.	Department of Defense—Army	57,600
Chicago Vitreous Enamel Co., Chicago. [2] Pl. 631.	Department of Defense—Navy	5,875
Indiana:		
American Steel & Foundry, East Chicago. Pl. 269.	Department of Defense—Army	$113,976
Allison Division, General Motors, AF 26, Indianapolis. Pl. 548-A.	do	(3)
Louisiana:		
Beaird Co. [4] Pl. 2190.	do	(3)
Maryland:		
Revere Copper & Brass Co., Halethorpe. Pl. 1778.	General Services Administration	33,857
Massachusetts:		
AF Plant No. 28 (GE), Everett. Pl. 46.	Department of Defense—Air Force	59,800
AF Plant No. 29 (GE), West Lynn. Pl. 864.	do	10,423
Naval Industrial Reserve Gear plant (GE), Lynn. Pl. 153-G.	Department of Defense—Navy	66,480
Michigan:		
Bohn Aluminum & Brass, Bridgeport Brass, Adrian. Pl. 324.	Department of Defense—Air Force	87,000
Continental Motors, Muskegon. Pl. 166-M.	Department of Defense—Army	195,520
Dow Chemical Co., Bay City. Pl. 988.	General Services Administration—FWA.	7,212

[1] Used for office space, possibly exempt under sec. 705 (b).
[2] Used for Marine Corps Reserve training center.
[3] Not available.
[4] Used for Organized Reserve.

List of properties subject to payments in lieu of taxes under the provisions of H. R. 6182—Continued

A. PROPERTIES ON WHICH PAYMENTS WOULD BE MADE IF THE LEGISLATION WERE ENACTED

Property	Reporting agency	Annual tax payments at time of transfer to agency
Minnesota:		
Engineering Research Associates (Northwestern Aeronautical), St. Paul. Pl. 1931.	Department of Defense—Navy	$20,102
Missouri:		
Scullin Steel Co., St. Louis. Pl. 1672.	Department of Defense—Army	42,599
Naval Industrial Reserve Aircraft plant (McDonnell), St. Louis. Pl. 17–A.	Department of Defense—Navy	20,224
Montana:		
Anaconda Copper Mining Co., Columbus. Pl. 133.	General Services Administration	1,200
Anaconda Copper Mining Co., Columbus. Pl. 587.	do	4,740
Domestic Manganese & Development Co., Butte. Pl. 1804.	do	1,072
Nevada:		
Basic Magnesium, Inc., Henderson.[5] Pl. 201.	Interior—Bureau of Reclamation	3,614
New Jersey:		
Burlington Ordnance Plant, Burlington. Pl. 226–A3.	Department of Defense—Army	77,000
Naval Industrial Reserve Aircraft Plant (Bendix), Teterboro. Pl. 132 and 8.	Department of Defense—Navy	3,002
New York:		
Air Force Plant No. 18 (Curtiss-Wright) Kenmore. Pl. 746.	Department of Defense—Air Force.	49,968
Air Force Plant No. 40 (General Motors), Tonawanda. Pl. 155.	do	74,040
General Electric, Johnson City. Pl. 821.	do	71,725
General Electric Co., Schenectady.[6] Pl. 174.	General Services Administration	30,000
Merganthaler Linotype Co., Brooklyn.[7] Pl. 472.	do	50,020
Aluminum Company of America, Maspeth, Long Island.[8] Pl. 226–A1.	Department of Defense—Navy	150,245
Amco Magnesium Co., Wingdale. Pl. 546.	General Services Administration—FWA.	36,410
Columbia Aircraft Corp., Valley Stream, Long Island. Pl. 1266.	General Services Administration	8,342
Utica Drop Forge & Tool Co., Utica. Pl. 2386.	do	4,408
NIRAP (Symington-Gould), Rochester. Pl. 901.	Department of Defense—Navy	41,436
Ohio:		
Air Force Plant No. 36 (Wright Aero.), Lockland. Pl. 10.	Department of Defense—Air Force.	27,241
Air Force Plant No. 41 (Champion Forge), Cleveland. Pl. 145.	do	19,620
Ohio—Continued		
Ohio Steel Foundry, Lima. Pl. 875.	Department of Defense—Army	$7,200
Naval Industrial Reserve Plant (Lustron), Columbus. Pl. 18.	Department of Defense—Navy	(?)
Diamond Magnesium Corp., Painesville. Pl. 244.	General Services Administration—FWA.	39,876
Magnesium Reduction Co., Luckey. Pl. 669.	do	7,462
National Carbide, Ashtabula. Pl. 1166.	General Services Administration	8,432
Clifton Products,[9] Painesville. Pl. 1716, 1911.	do	3,332
Oregon:		
Portland Disposal Center No. 1, Troutdale.[10] LSR–563.	Department of Defense—Army	276
Pennsylvania:		
Continental Foundry, Coraopolis. Pl. 294–00.	do	16,416
Naval Industrial Reserve Ordnance Plant (Bethlehem-Lebanon Co.), Lebanon. Pl. 400.	Department of Defense—Navy	7,944
Aluminum Forgings, Inc., Erie. Pl. 1395.	General Services Administration	19,996
Benjamin Franklin Graphite Co., Chester Springs. Pl. 1254.	do	1,176
United Engineering & Foundry, New Castle. Pl. 765.	do	110,008
NIR Gear Plant, Lester. Pl. 181.	Department of Defense—Navy	83,767
Texas:		
Hughes Tool Co., Houston [4] Pl. 143.	Department of Defense—Army	2,854
Naval Industrial Reserve Aircraft Plant (Globe Aircraft), Saginaw. Pl. 898.	Department of Defense—Navy	2,473
Dow Magnesium Corp., Velasco. Pl. 243.	General Services Administration—FWA.	123,000
Washington:		
AF Plant No. 17 (Boeing), Seattle. Pl. 1577.	Department of Defense—Air Force.	NIL
Boeing, Renton. Pl. 156.	do	178,222
Wilkeson Products Co., Tacoma. Pl. 602.	Department of Defense—Army	69
Bonneville Power Administration, Electro-Metallurgical Co. powerlines, Spokane. Pl. 1008.	General Services Administration	1,104
Electro-Metallurgical Co., Spokane. Pl. 571.	General Services Administration	33,646
Pacific Car & Foundry Co., Renton. Pl. 303.	do	18,124
Wisconsin:		
AC Spark Plug, A. O. Smith, Milwaukee. Pl. 220.	Department of Defense—Air Force.	31,461

B. PROPERTIES ON WHICH THE LESSEE IS NOW MAKING PAYMENTS

Alabama:		
Republic Steel Corp., Gadsden. Pl. 269.	General Services Administration	(?)
Illinois:		
Eversharp, Inc., Chicago. Pl. 1372.	do	(?)
Granite City Steel Co., Granite City. Pl. 312.	do	(?)
Louisiana:		
Mathieson Alkali Works, Lake Charles. Pl. 264.	do	[11] $8,124
Massachusetts:		
Wyman-Gordon, Grafton [12] Pl. 2304.	Department of Defense—Air Force.	40,000
Michigan:		
General Motors Corp., Saginaw. Pl. 446.	General Services Administration	(?)
Nevada:		
Basic Magnesium, Inc., Gabbs Townsite. Pl. 201–H.	do	8,921
New York:		
National Lead Co. (Railroad), Tahawus. Pl. 1245.	General Services Administration	$34,937
General Electric, Syracuse [13] Pl. 788.	do	29,111
North Carolina:		
Firestone Tire & Rubber Co., Burlington. Pl. 506/506a.	do	(?)
Ohio:		
American Rolling Mill, Hamilton. Pl. 759.	do	(?)
Republic Steel Co., Warren and Youngstown. Pl. 259 W. & Y.	do	(?)
Waco Aircraft Co., Troy. Pl. 398.	do	(?)

[5] May be exempt under sec. 705 (b) (3).
[6] Lease in effect requires lessee to make payments in lieu of taxes if required by act of Congress.
[7] To be used for office space, possibly exempt under sec. 705 (b).
[8] Used as shipyard.
[9] Title still in RFC; declared surplus July 11, 1947.
[10] Sold to Army engineers for concrete soils laboratory.
[11] Taxes paid in 1954 on Government-owned property.
[12] Title is still in RFC, which is to declare plant excess for transfer to the Air Force. Under a special contractual arrangement, the local taxes are paid by the Air Force contractor. The Air Force points out that 99 percent of the output of the plant is sold to the Air Force, and that the price paid by the Air Force includes an amount to cover such taxes.
[13] Leased by GSA to the New Process Gear Co. The lease, which expires Jan. 31, 1956, provides for payment of local taxes by the lessee. The property was transferred from RFC on Mar. 27, 1950.

The reason it is necessary to adopt this temporary piecemeal legislation at this time is because there will be some necessary delay while various categories of federally owned property are inventoried and studied so that national policy may be determined with respect to which properties should and which should not contribute payments in lieu of taxes on a permanent and comprehensive basis.

The limited category of plants affected by my bill is clearly defined, and the relief with respect to them is urgent. In fact, it has been too long delayed.

Mr. Speaker, the House of Representatives in the 83d Congress passed similar legislation which was favorably reported by the Senate Government Operations Committee. It failed of passage in the waning hours of the last Congress when it was objected to on the Senate Consent Calendar. This relief is long overdue and should not be further postponed.

I might also mention, Mr. Speaker, that taking this step in an area which is clear cut, where the property was formerly on the local tax rolls and where it is occupied by industrial concerns, some of which produce a substantial amount of civilian products in addition to defense production, should provide a basis of experience which will lead to a more intelligent and effective handling of the broader and more permanent payment in lieu of taxes program.

Mr. Speaker, I urge the adoption of H. R. 6182.

Mr. MACDONALD. Mr. Speaker, I want to express my interest in the bill to amend the Federal Property and Administrative Services Act of 1949 making temporary provision for payments in lieu of taxes with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments. I introduced H. R. 7291 which is the same as H. R. 6182 introduced by Congressman MEADER.

This bill is designed to assist municipalities to overcome what has become one of their major problems—that of the Federal Government taking away tax revenue from the municipalities which had been paid on large amounts of real property.

This bill prevents this great inequity created in all our many municipalities when the Federal Government moves in and takes off the local tax rolls billions of dollars of assessed valuations that have heretofore been subject to local taxation.

This inequity is clearly illustrated, in capsule form, by the plight in my own Massachusetts Eighth Congressional District of a serious tax problem created in the city of Everett by the General Electric Corp. operation of a plant for the United States Air Force. This plant is known as Air Force Plant No. 28. The whole area of which I speak was owned by the General Electric Corp. from 1911 to 1941. Local taxes were paid to the city of Everett on this area by the General Electric Corp. On March 13, 1941, the area was acquired by the Defense Plant Corporation. Air Force Plant No. 28 was built in Everett by the Defense Plant Corporation and leased to the General Electric Corp. during World War II and was then known as Plancor 46. It is to be noted that the Defense Plant Corporation during World War II paid taxes to the city of Everett during the fiscal years of 1942, 1943, 1944, and 1945.

The Defense Plant Corporation was dissolved July 1, 1945. The same day, July 1, 1945, the property in question was then acquired by another governmental agency, namely, the Reconstruction Finance Corporation. Once again taxes were paid by the Reconstruction Finance Corporation to the city of Everett for the fiscal years of 1946, 1947, and 1948. In 1948 the property was assessed to the Reconstruction Finance Corporation in the amount of $1,905,000.

This property was then conveyed to the Air Force of the United States by the purely paper sale under the provisions of Public Law 364, 80th Congress, on a nonreimbursable basis. Approximately $50,000 of new construction has been added and approximately $125,000 has been required for rehabilitation. However, Mr. Speaker, I call to your attention that from September 7, 1948, up until the present time not 1 cent of taxes has been paid to the city of Everett for this very valuable property. This has resulted in an unfair tax loss to the city of Everett of approximately $90,000 annually. In view of the mounting cost of welfare, fire, police, and other services afforded by Everett to its citizens and taxpayers this tax loss has become a severe hardship on the people of that hard-working community. What is more amazing, Mr. Speaker, is that during this period and despite the fact that the city of Everett has not received 1 cent of tax from any source on that valuable property, there has been no hesitation to demand from the city of Everett that this factory be supplied water, fire and police protection, and adequate sewerage facilities. What is even more astonishing is the fact that during the summer of 1953 when the duly accredited collective bargaining agency was out on strike at this General Electric operation the officials of that company demanded that the city of Everett furnish police coverage at the plant with no expense to be charged to the General Electric plant.

It is pointed out that police coverage was furnished. Who paid the cost? The long-suffering taxpayers of the city of Everett. It is interesting to note that at the time of the request for police protection no request was made for same by the Federal Government who are supposedly owners of the plant. Here we have a Government-owned plant which is operated by a private corporation for one purpose and one purpose only: that of making a profit for the stockholders of the company. While it is perfectly clear that this is a legitimate ambition and one to be encouraged under our free-enterprise system, it also seems to me that such a company which is privately operated should not be operated at the expense of the long-suffering local taxpayers of the city of Everett.

It is clearly not fair nor in keeping with the best tradition of the free-enterprise system to have property of this nature tax free while other similarly located plants pay their fair share of costs to the city from whence their necessary local services flow.

I ask the question: Why should the Army Air Force be the first of a number of Government agencies to refuse to pay taxes when in fact the Army Air Force does not run the factory but merely is the fee holder of ownership papers? It is perfectly clear that the General Electric Corp. runs and operates this factory, and it is equally clear that General Electric, along with the other industries of the city of Everett, should pay their fair share of the tax-poor city.

The city of Everett has a population of some 46,000 but an area of only 3.61 square miles, so you can readily see that available land is at a premium and that the city of Everett can ill afford to lose any valuation. Their assessed valuation, both real and personal, approximates some $99 million. There are in the city of Everett 6 major industries, 5 of which pay taxes, and the 6th of which I speak does not, yet receives the same benefits and privileges as the other 5 major industries, including access to a highly skilled labor market.

I say to the members of this Committee that this situation in Everett cannot be permitted to go on year after year. It is clearly not fair that this transfer of property from one Government agency to another Government agency should change the tax rights. The first Government agency paid taxes to the city of Everett; why should the second Government agency, acting merely in its capacity as landlord, not pay. The inhabitants of the city of Everett, as a majority, are a working class ranging in salary from $3,000 to about $6,000 per year, with the average home being assessed in the neighborhood of $5,000. The good people of Everett can no longer afford to carry the United States Government or the General Electric Co. on their back to the tune of a $2 million valuation free ride.

It is to meet situations of that character that this proposed legislation was introduced.

Some 60 other properties, largely industrial in nature, in 20 States would also be affected by my bill, according to a list furnished by the Bureau of the Budget. I would like to point out that the payments assured by my bill will provide badly needed revenue for State and local governments and school districts in which those plants are located. In my home State of Massachusetts there are at least four such plants receiving services such as sewage disposal and water without reimbursing localities in like proportion to other similar plants. It has also been brought to my attention that school districts throughout the Nation have been educating children of parents employed in many of those federally owned plants also without paying for those services in like proportion to other school taxpayers.

The President has recognized the plight of local units of governments and their difficulty in obtaining adequate revenue to provide necessary local services, particularly in the light of heavy Federal taxation and extensive real

property holdings by Federal agencies. In fact, on March 30, 1953, he requested the establishment of a commission to study and make recommendations with respect to the Federal Government programs as they affect States and their political subdivisions. This Commission, better known as the Commission on Intergovernmental Relations, after 2 years of study, has recently filed its comprehensive report. On the subject of payment in lieu of taxes the Commission said in part:

The Commission recommends that the National Government inaugurate a broad system of payments in lieu of property taxes to State and local governments. The most important class of properties on which such payments should be made is commercial or industrial properties. Special assessment payments and transitional payments in lieu of taxes should be made in certain cases.

The Commission believes that these payments are necessary to help preserve financially healthy local governments. Present tax immunities of Federal property have weakened many local governments. The States and the National Government share in the responsibility for avoiding actions which impair the financial ability of local governments. Equity as between Federal and local taxpayers requires the National Government to make appropriate payments. These should be based largely on the property tax system, which is the main source of local revenue.

I am happy that the Commission on Intergovernmental Relations endorses the objective of this bill. I am firmly of the opinion that the Federal Government does have an obligation and a positive duty to correct situations that arise through no fault of the local governments whose tax base is being whittled away through exemption rights possessed by the Federal Government.

I sincerely hope that favorable consideration by the Congress can be given this bill in order to alleviate the financial injustice to municipalities which exists under the present state of our law.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MEADER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill H. R. 6182, immediately prior to the passage of that bill today.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

POLIOMYELITIS VACCINATION PROGRAM

Mr. O'NEIL (at the request of Mr. SMITH of Virginia), from the Committee on Rules, reported the following privileged resolution (H. Res. 330, Rept. No. 1574), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7126) to provide grants to assist States to meet the cost of poliomyelitis vaccination programs, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CONSIDERATION OF CONFERENCE REPORTS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that during the remainder of the 1st session of the 84th Congress it shall be in order to consider conference reports at any time they are reported, notwithstanding the provisions of clause 2, rule XXVIII.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MEXICAN FARM LABOR—CONFERENCE REPORT

Mr. COOLEY. Mr. Speaker, I call up the conference report on the bill (H. R. 3822) to amend title V of the Agricultural Act of 1949, as amended, and I ask unanimous consent that the report be read rather than the statement.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the title of the bill.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1449)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3822) to amend title V of the Agricultural Act of 1949, as amended, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

HAROLD D. COOLEY,
W. R. POAGE,
G. M. GRANT,
E. C. GATHINGS,
CLIFFORD R. HOPE,
AUGUST H. ANDRESEN,
WILLIAM S. HILL,
Managers on the Part of the House.

ALLEN J. ELLENDER,
OLIN D. JOHNSTON,
SPESSARD L. HOLLAND,
GEORGE D. AIKEN,
MILTON R. YOUNG,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing positions of the two Houses on H. R. 3822, as originally passed by the House and as amended by the Senate, to amend title V of the Agricultural Act of 1949, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The only amendment made by the Senate was to change the period of extension of the act from the 3½ years provided in the House bill to 1½ years. The Senate committee did not hold hearings on the bill but indicated in its report that its action in reducing the period of extension was taken as the result of a statement made to the committee by the Commissioner of Immigration and Naturalization and for the purpose of providing congressional review of the legislation at an earlier date. It was the Commissioner's contention that some employers have not been paying the full wage required under the contract of employment and that the Immigration and Naturalization Service should have authority to check on contract compliance.

Although the Department of Justice was invited by the House committee to appear on this legislation and a spokesman for the Immigration and Naturalization Service did, in fact, testify at the hearings, no evidence of the type described in the Senate report was presented to the House committee. On the contrary, the representative of the Immigration and Naturalization Service strongly endorsed the present program and apparently favored indefinite extension of the act.

The matter of compliance with the work contract is fully covered by the international agreement entered into by the United States and Mexico, and a specific procedure is provided to assure that the worker will be paid in accordance with the contract of employment. The Mexican consulate and representatives of the United States Department of Labor are given full authority to see that the contract provisions are carried out. To give the Immigration and Naturalization Service similar authority would necessitate a revision in the international agreement, create dual jurisdiction among Federal agencies and confusion of administration, and would necessarily increase the cost of the program without any corresponding benefits.

Both the Immigration and Naturalization Service and the Department of Labor have duties and responsibilities in connection with the entry of Mexican nationals into the United States for farm employment. The duty of the Immigration and Naturalization Service is to see that entry into the United States is in compliance with our laws and that aliens illegally in this country are apprehended and deported. The duty and responsibility of the Department of Labor is to administer and enforce the laws relating to the employment of Mexican nationals as farm workers in the United States pursuant to this act, the agreement with the Government of Mexico, and a work contract with the Mexican national.

While these responsibilities relate to the same general subject, they are by no means identical or overlapping. Each agency has its own duties to perform in its own field and, from evidence presented to the House committee, which went exhaustively into this subject, it appears that both the Department of Labor and the Immigration and Naturalization Service have, particularly in the past year, been doing a very effective job.

It was the sense of the committee of conference that there has been substantial improvement in the situation in the past few months as the result of effective administration and the cooperation of these two agencies of government. It was the further sense of the committee that there should continue to be a high degree of cooperation. If the Immigration Service, in the performance of its duties, has information which would indicate a violation of the work agreement, it should furnish that information to the Department of Labor in order that the agency to which Congress has delegated the responsibility of administering the program may take appropriate action under the procedures authorized by the act and written into the international agreement.

It is in anticipation of this type of cooperation that the committee of conference

has agreed to the 3½ years' extension of the act as provided in the House bill. It is the view of the committee, however, that the respective legislative committees of the House and Senate should maintain a close oversight of this program and that the agencies concerned should keep the chairman of the respective committees informed of their operations in this field not less frequently than once each 6 months.

HAROLD D. COOLEY,
W. R. POAGE,
G. M. GRANT,
E. C. GATHINGS,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
WILLIAM S. HILL,
Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to; a motion to reconsider was laid on the table.

MEAL AND FLOUR FOR RELIEF

Mr. COOLEY. Mr. Speaker, I call up the conference report on the bill (H. R. 2851) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts, and for other purposes, and I ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1450)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2851) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

HAROLD D. COOLEY,
GEORGE M. GRANT,
W. PAT JENNINGS,
CLIFFORD P. HOPE,
AUGUST H. ANDRESEN,
WILLIAM S. HILL,
Managers on the Part of the House.

ALLEN J. ELLENDER,
SPESSARD L. HOLLAND,
CLINTON P. ANDERSON,
GEORGE D. AIKEN,
JOHN J. WILLIAMS,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2851) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts, submit the following statement in explanation of the action agreed upon and recommended in the accompanying conference report:

As passed by the House, this bill transferred from the Secretary of Agriculture to the Secretary of Health, Education, and Welfare responsibility over the distribution of surplus agricultural commodities for relief purposes in two specific types of distress areas—those designated by the Secretary of Labor as areas of "substantial labor surplus" and those designated by the President as warranting assistance by the Federal Government under Public Law 875, 81st Congress, because of a major disaster.

Those agricultural commodities of a perishable nature which are acquired by the Commodity Credit Corporation in its price-support operations and must be disposed of within a limited period in order to avoid deterioration and spoilage, would have been donated to the Department of Health, Education, and Welfare without charge for use in its relief operations. Storable commodities, such as grains, would have been processed into flour or meal at the request of the Department of Health, Education, and Welfare, transferred to that agency for relief distribution, and the cost thereof charged to that Department.

The bill as passed by the House gave expression to the principle which has often been stated by the Committee on Agriculture that a line of distinction should be drawn between that distribution of surplus agricultural commodities which is a necessary and integral part of our support program and that distribution which does not contribute directly to the farm program but which is, in fact, a relief operation. The free distribution of cereals which are not in imminent danger of deterioration or spoilage, particularly when such distribution is in the form of processed products, is clearly within the field of relief operations and not a part of the farm program. No matter how worthy the operations may be, it is clearly one which should be charged to relief and welfare and not to agriculture.

The Senate amendment strikes out all of the provisions of the House bill and substitutes the provisions of a Senate bill which merely authorizes, until June 30, 1957, distribution of wheat flour and cornmeal to needy individuals and families upon the specific request of the governor of a State. The distribution to a central location or locations in each State will be made by the Secretary of Agriculture using funds, limited to $15 million a year, available under section 32 of the act of August 25, 1935.

The conferees on the part of the House have reluctantly accepted the Senate substitute not because they have changed in any degree their belief in the principle represented by the House bill but because they know that the need among unemployed coal miners and others is very great and believe that the only possibility of affording them this relief at the present time is to accept the Senate amendment.

The committee of conference considered making the relief action mandatory, rather than a mere authorization as contained in the Senate amendment. The conferees on the part of the House did not insist upon this change on assurance that the Senate amendment has the approval of high officials of the Department of Agriculture and that the Department does, in fact, intend to carry out the authorized program.

HAROLD D. COOLEY,
GEORGE M. GRANT,
W. PAT JENNINGS,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
WILLIAM S. HILL,
Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to; a motion to reconsider was laid on the table.

HELLS CANYON

Mrs. PFOST. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentlewoman from Idaho?

There was no objection.

Mrs. PFOST. Mr. Speaker, the Hells Canyon fight is approaching a climax. Subcommittees of both the House and the Senate have held successful hearings and reported the Hells Canyon bill. Final oral arguments have been heard by the Federal Power Commission on the Idaho Power Co. application to squander the great Hells Canyon site by building one or more low, single-purpose power dams, and an FPC decision is expected in the near future.

Those of us who are fighting for full multiple-purpose development of a great natural resource that belongs to all of the people were heartened yesterday by the appearance in the New York Times of an editorial supporting the Federal Hells Canyon Dam. The endorsement of this important eastern newspaper is indicative of the vast significance of the Hells Canyon fight not only to the people of the West but to those to the East and South as well.

Under unanimous consent, I include the editorial in the CONGRESSIONAL RECORD as part of my remarks:

[From the New York Times of July 28, 1955]

HELLS CANYON

Hells Canyon, in the remote fastnesses of the Snake River on the Oregon-Idaho border, is one of the finest unexploited power sites in the country. For at least 8 years the dispute has raged over the question of how the great hydroelectric potential there should be developed, whether by public or private enterprise. The solution cannot be put off much longer.

Senator MORSE and a large number of other Senators have been sponsoring a bill authorizing Federal construction of a 600-foot dam at Hells Canyon to produce over 900,000 kilowatts of power, as one more giant addition to the integrated system of Federal dams in the Columbia Basin. The Idaho Power Co., on the other hand, is proposing to build three smaller dams on the river, producing fewer kilowatts, as a strictly private operation. One thing is certain: one side or the other will have to give, because the high Federal dam and the three small private dams are incompatible.

It seems to us that the Federal proposal for a high dam at Hells Canyon would provide for realization of the full potentialities of this enormously valuable water resource, while the company's proposal for a series of low dams—only one of which would be authorized at the present time—would lead to a piecemeal development of the river and probably prevent its full utilization.

This is a natural resource that belongs to all the people. It seems clear that the maximum benefit from the resource in this case, in respect to power, irrigation, navigation, and the other facets of an integrated river program, can only be obtained by large-scale Federal investment.

ORRIN J. BISHOP—CONFERENCE REPORT

Mr. LANE submitted a conference report and statement on the bill (H. R. 4249) for the relief of Orrin J. Bishop.

SPECIAL ORDERS GRANTED

Mr. HOLIFIELD asked and was given permission to address the House for 15 minutes today, following the legislative business and any special orders heretofore entered, and to revise and extend those remarks.

Mr. O'HARA of Illinois asked and was given permission to address the House for 30 minutes today, following the legislative business and any special orders heretofore entered, and to revise and extend those remarks.

COL. McFARLAND COCKRILL

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2747) for the relief of Col. McFarland Cockrill, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 1, line 3, after "That" insert ", except as hereinafter provided."

Page 1, line 10, strike out all after "inclusive" over to and including line 4 on page 2 and insert ": *Provided, however,* That any sums heretofore withheld from the retired pay of Colonel Cockrill shall be retained by the United States."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendments were concurred in; a motion to reconsider was laid on the table.

PRISCILLA LOUISE DAVIS

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1751) for the relief of Priscilla Louise Davis, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 10, strike out "1943" and insert "1942."

Page 2, lines 5 and 6, strike out "in excess of 10 percent thereof."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendments were concurred in; a motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes today, following the legislative program of the day and any special orders heretofore entered.

CONTINUE EFFECTIVENESS OF ACT OF JULY 17, 1953, PROVIDING CERTAIN CONSTRUCTION AND OTHER AUTHORITY

Mr. DURHAM. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1138) to continue the effectiveness of the act of July 17, 1953 (67 Stat. 177), as amended, providing certain construction and other authority.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the act of July 17, 1953 (67 Stat. 177), as amended and extended by the act of July 26, 1954 (68 Stat. 531), shall remain in full force and effect until 6 months after the termination of the national emergency proclaimed by the President on December 16, 1950, or until such date as may be specified by a concurrent resolution of the Congress, or until July 1, 1956, whichever is earliest.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHANGING NAME OF GARZA-LITTLE ELM DAM, TEX.

Mr. WRIGHT. Mr. Speaker, by direction of the Committee on Public Works I ask unanimous consent for the present consideration of the bill (H. R. 6102) to change the name of Garza-Little Elm Dam, located in Denton County, Tex., to Lewisville Dam.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the dam, known as Garza-Little Elm Dam, in Denton County, Tex., shall hereafter be known as Lewisville Dam and any law, regulation, document, or record of the United States in which such dam is designated or referred to under the name Garza-Little Elm Dam shall be held to refer to such dam under and by the name of Lewisville Dam.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF LAND WITHIN GRAPEVINE DAM AND RESERVOIR PROJECT, TEXAS

Mr. WRIGHT. Mr. Speaker, by direction of the Committee on Public Works, I ask unanimous consent for the immediate consideration of the bill (H. R. 6634) to provide for the conveyance of one and eighth-tenths acres of land, more or less, within the Grapevine Dam and Reservoir project to the city of Grapevine, Tex., for sewage disposal purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Army is authorized and directed to convey to the city of Grapevine, Tex., a portion of tract A-28 within the Grapevine Dam and Reservoir project, not to exceed two acres, required by the city for the expansion of its sewage treatment plant located on adjoining land belonging to the city, the conveyance to be by quitclaim deed and without monetary consideration therefor, but on condition that in the event the property so conveyed shall fail or cease to be used for disposal purposes, the title thereto shall revert to and revest in the United States; and subject to such reservations, including flowage easements, restrictions, terms, and conditions, as the Secretary of the Army determines to be necessary in the interest of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RECONVEYANCE OF LANDS IN CERTAIN RESERVOIR PROJECTS IN TEXAS

Mr. WRIGHT. Mr. Speaker, by direction of the Committee on Public Works, I ask unanimous consent for the present consideration of the bill (H. R. 7195) to provide for the reconveyance of lands in certain reservoir projects in Texas to former owners of such lands.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That (a) the Secretary of the Army is authorized and directed to sell any land, or interest therein, acquired by the United States for or in connection with the reservoir projects as identified in section 2 of this act, to former owners of such land, whenever (1) he shall determine that such land or interest is not required for public purposes, and (2) he shall have received an application for reconveyance as hereinafter provided.

(b) The Secretary shall give notice, in such manner (including publication) as he shall by regulation prescribe, to the former owner of such land or interest, and any such sale of any such land or interest shall be made only after the Secretary has received an application for the reconveyance of such land or interest from such former owner, in such form as he shall by regulation prescribe. Such application shall be made within a period of 90 days following the date of issuance of such notice, but on good cause the Secretary may waive this requirement.

(c) Any reconveyance of land or interest therein made under this act shall be subject to such exceptions, restrictions, and reservations (including a reservation to the United States of flowage rights) as the Secretary may determine are in the public interest, except that no mineral rights may be reserved in said lands unless the Secretary finds that such reservation is needed for the promotion of the efficient operation of the reservoir projects listed in section 2 of this act.

(d) Any land or interest therein reconveyed under this act shall be sold for an amount determined by the Secretary to be equal to the price for which the land was acquired by the United States, adjusted to reflect (1) any increase in the value thereof resulting from improvements made thereon by the United States (the Government shall receive no payment as a result of any enhancement of values resulting from the construction of the reservoir projects listed in section 2 of this act), or (2) any decrease in the value thereof resulting from (A) any reservation, exception, restriction, and condition to which the reconveyance is made subject, and (B) any damage to the land or interest therein caused by the United States.

(e) The requirements of this section shall not be applicable with respect to the disposition of any land, or interest therein, described in subsection (a) if the Secretary shall certify that notice has been given to the former owner of such land or interest as provided in subsection (b) and that no qualified applicant has made timely application for the reconveyance of such land or interest.

(f) As used in this section, the term "former owner" means the person from whom any land, or interest therein, was acquired by the United States, or if such person is deceased, his spouse, or if such spouse is deceased, his children.

SEC. 2. The reservoir projects to which this act is applicable are: Belton Reservoir, Texas; Benbrook Dam and Reservoir, Texas; Garza-Little Elm Dam and Reservoir, Texas; Grapevine Dam and Reservoir, Texas; Whitney Reservoir, Texas.

SEC. 3. The Secretary of the Army may delegate any authority conferred upon him by this act to any officer or employee of the Department of the Army. Any such officer or employee shall exercise the authority so delegated under rules and regulations approved by the Secretary.

SEC. 4. Any proceeds from sales made under this act shall be available for use in administering the provisions of this act and any surplus shall be covered into the Treasury of the United States as miscellaneous receipts.

SEC. 5. This act shall terminate 3 years after the date of its enactment.

Page 1, strike out lines 3, 4, 5, and 6 and insert in lieu the following:

"That (a) in order to provide for adjustments in the lands or interests in lands heretofore acquired for the reservoir projects identified in section 2 of this act to conform such acquisition to a lesser estate in lands now being acquired to complete the real estate requirements of the project, the Secretary of the Army is authorized to reconvey any such land or interests in land heretofore acquired to the former."

Page 1, line 7, following the word "land," insert the following: "or the grantee, devisee, or successor in title of said former owners of contiguous property when rights to such property are, in the opinion of the Secretary of the Army, equitably superior in said successors in title."

Page 1, line 8, following the word "purposes," insert "including public recreational purposes,".

Page 2, line 2, following the word "interest," insert the following: "or the grantee, devisee, or successor in title of said former owner of contiguous property when rights to such property are, in the opinion of the Secretary of the Army, equitably superior in said successors in title."

Page 2, line 3, strike out the word "sale" and insert in lieu thereof "reconveyance."

Page 3, line 6, add the following:

"In addition, the cost of any surveys necessary as an incident of such reconveyance shall be borne by the grantee."

Page 4, line 4, strike out entire section 4 and insert in lieu the following:

"SEC. 4. Any proceeds from reconveyances made under this act shall be covered into the Treasury of the United States as miscellaneous receipts."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "A bill to provide for adjustments in lands or interests therein acquired for reservoir projects in Texas, by the reconveyance of certain lands or interests therein to the former owners thereof."

A motion to reconsider was laid on the table.

REPORT FROM COMMITTEE ON WAYS AND MEANS

Mr. COOPER. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight to file reports on such bills as it may order reported today.

The SPEAKER. Is there objection?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. McBride, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7117. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1956, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CLEMENTS, Mr. CHAVEZ, Mr. HAYDEN, Mr. BRIDGES, and Mr. SALTONSTALL to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6232. An act to include as Spanish-American War service under laws administered by the Veterans' Administration certain service rendered by Stephen Swan Ogletree during the Spanish-American War.

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills of the House of the following titles:

H. R. 4249. An act for the relief of Orrin J. Bishop; and

H. R. 4778. An act to provide for the purchase of bonds to cover postmasters, officers, and employees of the Post Office Department and mail clerks of the Armed Forces, and for other purposes.

NATIONAL FARM-CITY WEEK

Mr. ASHMORE. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 317 designating the last week in October of each year as National Farm-City Week.

The Clerk read the title of the bill.

Mr. HALLECK. Mr. Speaker, reserving the right to object, may I inquire whether or not this proposal has been cleared with the minority members of the committee involved or with the minority leaders?

Mr. ASHMORE. It has been.

Mr. KING of Pennsylvania. Mr. Speaker, I object.

HOUSING AMENDMENTS OF 1955

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 326 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2126) to extend and clarify laws relating to the provision and improvement of housing, the elimination and prevention of slums, the conservation and development of urban communities, the financing of vitally needed public works, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read and after the reading of the first section of such bill it shall be in order to move to strike out all after the enacting clause and insert as a substitute, the text of the bill H. R. 7473, and all points of order against such substitute and the committee amendments printed in the bill S. 2126 are hereby waived. At the conclusion of the consideration of the bill S. 2126, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

Mr. MADDEN. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Illinois [Mr. ALLEN] and at this time I yield myself 10 minutes.

Mr. Speaker, this resolution calls up the rule for debate and consideration of S. 2126, known as the housing legislation. The legislation calls for the improvement and expansion of suitable housing for low and middle-income groups, the elimination and prevention of slums, the conservation and development of urban communities, the financing of vitally needed public works and for other purposes. The time set by the Rules Committee for general debate is 2 hours which will be divided equally between the chairman and ranking member of the Banking and Currency Committee.

Members of Congress are all familiar with the fact that home construction plays an important role in our economy. In spite of propaganda and false information to the contrary, home building in the metropolitan and industrial centers throughout the United States is far below the needs of millions who are in dire need of suitable living quarters for themselves and families. It is estimated by surveys made in urban areas that one-third of our housing units are substandard.

If approximately 1½ million low-rent and low-priced housing units were built between now and 1970, we would still have at that time, over 14 million substandard dwellings throughout the country. In the last few years, by reason of the indifferent attitude of the Congress, the program for low-priced housing has been reduced and diminished. This fact is revealed by the records which show that public housing in 1954 was 50 percent less than in 1953. And in 1953 it was but one-half of the low-priced housing construction in 1951. Under the Housing Act of 1949 which the late Senator Robert Taft helped write, 135,000

low-priced units were permitted to be built annually. At that time, substantial evidence was presented before both the committees of the Senate and the House that 200,000 units would be needed to provide suitable living conditions for millions in industrial and urban areas who were raising families in slums and substandard homes.

During the period after World War II, almost all the low-priced housing which was erected, was too small for a family of more than 2 or 3. We learn now that the families of returning veterans have expanded and increased to such an extent that thousands of 3-bedroom homes are now needed for low-income groups. It has been testified before the Committee by mayors and experts on housing conditions that it is impossible for a low-income family to buy a 3-bedroom house for less than $12,000. These houses are far beyond the income of most families and cannot provide for their urgent needs. If an average factory worker makes $75 per week, 20 percent of his wages must go for housing which would be approximately $65 a month. The Bureau of Labor Statistics stated that in the last quarter of 1954, the average $12,000 house in a metropolitan area would cost $125 per month minimum to the purchaser. This is far beyond the reach of millions of low-income workers throughout America. Public Housing Commissioner Slusser testified before the committee that public housing has a great impact in preventing juvenile delinquency; that it is very helpful and beneficial to the communities. He also testified that on surveys made in different cities, police calls, fire calls and other services are far less than in areas where public housing and standard residential conditions are enjoyed by the people. Mr. Slusser also testified that the surveys made by his department bring out the fact that public housing has been the best slum-clearance weapon that the Government has had so far.

It is astounding to realize that our Government has not carried out its commitments in regard to aiding millions to secure adequate housing. Six years have passed since the 1949 act which called for 135,000 units. By this time, if that act were followed through, 810,000 units should have been built and occupied. It is astounding to know that only 350,000 have been authorized during this time and but only 164,000 have been actually built. From these figures, our commitments are about 650,000 short of what was provided for in the 1949 act. This bill also provides for public-facility loans. For 21 years the public agency division of the RFC assisted sewage and water districts throughout the country to obtain these necessary public facilities services. One and one-half billion dollars were loaned for this municipal service without a loss. During the last few years, this necessary governmental function to improve public facilities has come almost to a standstill. Out of 308 applicants for public facility loans in 1954, only 7 were processed by the department. The American Municipal Association representatives made up of over 12,000 cities throughout the country, which were represented by Mayor Clark at the hearings, stated that there is immediate need today in metropolitan areas for over 200,000 low-rent public housing units. It is indeed unfortunate that this bill has been so long delayed in this session of Congress that the Members are compelled to debate and consider it at these closing hours of the first session of the 84th Congress.

Candidate Eisenhower in the fall of 1952, made beautiful speeches in New York and Chicago, regarding the need for adequate public housing for the lower income groups. The Democratic platform also endorsed the 1949 Public Housing Act which called for 84,000 units.

The mayor of my home city, Gary, Ind., testified that the city is in a crisis as far as slum clearance is concerned. The reason is that the city has no adequate low-income public housing to accommodate the tenants who are removed from the slum and substandard areas.

The hearings before the Banking and Currency Committee reveal by witness from the Municipal League representing 12,000 cities and towns that they are in a critical low-income housing scarcity. I hope this bill is passed as reported out of the banking and currency as sponsored by Chairman Spence.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from Maryland [Mr. HYDE].

Mr. HYDE. Mr. Speaker, I take these few moments to urge upon the Congress the necessity for taking some action before it adjourns which will enable the officials of the District of Columbia adequately to cope with the transit strike which has been paralyzing the Nation's Capital for nearly a month.

Overnight developments would seem to indicate that the Congress must at least give the District Commissioners authority to take whatever action becomes necessary in order to prevent an indefinite paralysis of public transportation.

I strongly urge upon the Congress not to adjourn without some action on this troublesome problem.

Mr. MADDEN. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, I am not going to attempt to make any extended remarks on this subject at this time. I think this House knows what the issue is, and it is going to be up to the House today to reaffirm its traditional stand on this difficult question of public housing or to recede and turn coat from that traditional position.

As I understand, there will be an amendment offered by the gentleman from Michigan [Mr. WOLCOTT] which would retain and continue the provisions of the Housing Act that are necessary and desirable to so many people. The public housing will be left out of that if the House sees fit to adopt the Wolcott amendment.

Mr. Speaker, public housing, as the result of the action of this committee and this House for the past 3 or more years is dead. This committee bill would revive it. The Wolcott amendment would keep it the corpse that it is. I just cannot believe that this House, even though it is anxious to adjourn, is going to change its position at this time.

There are so many reasons that I could reiterate here if it were necessary, but I do not think it is necessary.

Mr. Speaker, when the roll is called, I hope that the Members of the House will place the welfare of the country above any desire to adjourn, and that the House will maintain its traditional position on this question of public housing.

Back during the early days of the Roosevelt administration the construction of low-rent public housing was first authorized. The bill set up housing authorities for the announced purpose of replacing the slums in our great metropolitan centers with modern housing at low rentals that low-income families could afford. The housing was to be built with funds received from the sale of Government-backed, tax-exempt bonds. Since the rental was to be based upon ability to pay and only people with low incomes were to be eligible for occupancy, the cost of maintaining and operating these housing units and retiring the bonds would be more than the income from them. This difference was to be made up by an appropriation by Congress each year; in other words, by other taxpayers.

In actual practice, although thousands of these units were built, the slum dwellings in the big cities, with few exceptions, were not torn down. Also, the Public Housing Administration got more and more ambitious, as governmental bureaus have a way of doing, and began expanding all over the country in areas far removed from big city slums.

The House finally rebelled against the fantastically mounting cost of the program and for the past 3 years has refused to continue it, only to have the Senate insist upon restoring it, with a resulting compromise.

Personally, we have opposed this program from its inception. Our opposition is based on the following facts:

First. The cost of the program is prohibitive. For example, it was shown in the hearings that if the Government built the housing requested in the overall program and then gave them outright to the tenants, it would save $14 billion. That "saving" illustrates the astronomical costs involved.

Second. It is unsound for any agency to be able to issue its own Government-backed bonds without coming back to the Congress for approval. Such a practice could destroy the credit of the Government.

Third. It kills the initiative of the individual. For, once a person becomes a tenant, he cannot substantially improve his lot in life without being removed from his house as above the income limit.

Fourth. It is unjust and unfair for the Government to tax one individual, who is frugal and industrious and builds his own modest little home, to furnish a man who works alongside him, but who is not frugal and industrious, a better home than the taxpayer can afford.

Fifth. Such a program results in the regimentation of the tenants, for it was disclosed in the hearings that in many instances the tenants were required to vote "right" or face removal. This is governmental regimentation at its worst.

Sixth. But aside from the merits of the legislation, there is another very serious objection. The Supreme Court recently held that, since these projects involved Federal funds, there could be no segregation of the races in them. This simply means that the widespread construction of these units would furnish additional causes for friction among our white and colored people, which is already bad enough with the Supreme Court ruling on school segregation.

Since my people believe in segregation of the races in housing as well as in the schools, this simply means that they would be taxed to build and maintain this type of housing for other sections, for assuredly they would not tolerate the construction of integrated housing.

The SPEAKER pro tempore. The time of the gentleman from Mississippi has expired.

CALL OF THE HOUSE

Mr. COLMER. Mr. Speaker, this is a very important matter, and I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently no quorum is present.

Mr. SIKES. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 139]

Anfuso	Hoffman, Ill.	Radwan
Barden	Kearney	Reece, Tenn.
Buchanan	Krueger	Reed, N. Y.
Celler	McGregor	Rivers
Chiperfield	Morrison	Shelley
Clevenger	Mumma	Sheppard
Dingell	Perkins	Tuck
Eberharter	Phillips	Vursell
Gray	Powell	Whitten
Gregory	Prouty	Williams, N. J.
Hillings		

The SPEAKER. On this rollcall 405 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

REPORT OF BOARD OF VISITORS TO THE UNITED STATES COAST GUARD ACADEMY

Mr. GARY submitted the following report of the Board of Visitors to the United States Coast Guard Academy, New London, Conn., May 6, 1955:

The PRESIDENT OF THE SENATE.
The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

GENTLEMEN: Pursuant to section 194 of title 14 of the United States Code, the following Senators and Members of the House of Representatives were designated to constitute the 1955 Board of Visitors to the United States Coast Guard Academy:

By the President of the Senate: Senator PRESCOTT BUSH, Republican, Connecticut.

By the chairman of the Senate Committee on Interstate and Foreign Commerce: Senator JOHN O. PASTORE, Democrat, Rhode Island; Senator WILLIAM A. PURTELL, Republican, Connecticut.

By the Speaker of the House of Representatives: Representative J. VAUGHAN GARY, Democrat, Virginia; Representative FRANCIS E. DORN, Republican, New York; Representative JOHN J. ALLEN, Jr., Republican, California.

By the chairman, House Committee on Merchant Marine and Fisheries: Representative EDWARD A. GARMATZ, Democrat, Maryland; Representative LEONOR K. SULLIVAN, Democrat, Missouri.

Ex-officio members: Senator WARREN A. MAGNUSON, Democrat, Washington (chairman, Senate Committee on Interstate and Foreign Commerce); Representative HERBERT C. BONNER, Democrat, North Carolina (chairman, House Committee on Merchant Marine and Fisheries).

A meeting of the Board of Visitors was held at the Academy on May 6, 1955. The following members of the Board were present: Senator WILLIAM A. PURTELL, Republican, of Connecticut; Representative FRANCIS E. DORN, Republican, of New York; Representative J. VAUGHAN GARY, Democrat, of Virginia; Representative HERBERT C. BONNER, Democrat, of North Carolina; Representative JOHN J. ALLEN, Jr., Republican, of California; Representative EDWARD A. GARMATZ, Democrat, of Maryland.

The following officials of the United States Coast Guard, headquarters, were also present: Rear Adm. A. C. Richmond, Commandant; Rear Adm. W. W. Kenner, Chief of the Office of Personnel; Capt. Allen Winbeck, Assistant Chief of the Office of Personnel; Capt. W. P. Hawley, Chief of the Personnel Training and Procurement Division; and Capt. A. J. Hesford, Liaison Officer.

INSPECTION TOUR OF GROUNDS AND BUILDINGS

Upon arrival at the Academy the Board, accompanied by Rear Adm. R. J. Mauerman, Superintendent of the Academy, and members of his staff, made an inspection tour of the Academy grounds and buildings. A battalion review was taken by all members of the Board. The Board then had luncheon with the Corps of Cadets.

MEETING OF THE BOARD

Following luncheon, the Board members were joined by Admiral Richmond, Admiral Mauerman, and Capt. L. H. Baker, Assistant Superintendent of the Academy, in formal session during which the Honorable J. Vaughan Gary was elected Chairman of the Board. The general comments and specific recommendations arrived at by the Board are herewith presented for the serious consideration of the Members of the Senate and the House of Representatives:

GENERAL COMMENTS

The matter of possible sources of procurement for officers of the Coast Guard was discussed. Licensed officers of the merchant marine, and college graduates and enlisted men attending officer candidate school are the sources presently used, outside the regular Academy. Seventy percent of the officers commissioned in the regular Coast Guard come from the cadet corps each year.

The suggestion was made that all members present do everything possible to interest their colleagues in disseminating information about the Coast Guard to eligible constituents.

The Board discussed the physical facilities of the Academy and the Superintendent listed the following needs in order of priority.

Installation of an oil-burning boiler and tanks to replace present heating plant. (Cost approximately $190,000, but this would be offset within 5 years by the saving in manpower and fuel.)

Construction of a new messhall to adequately provide for all cadets. (Cost approximately $270,000.)

Extension of present dormitory to house entire cadet corps. Many students live in temporary wooden barracks and adequate quarters should be provided. (Cost approximately $1 million.)

Heating of field house to permit use of this as a drill hall in winter weather. (Cost approximately $10,000.)

The completion of these items would place the facilities of the Academy in good condition. The expansion is necessary since the plant was originally designed to hold approximately 200 cadets, and the student body runs over 500 every year, necessitating the use of the temporary buildings constructed during World War II.

The Board also met in informal private session with the principal battalion officers of the corps of cadets without the presence of officials of the Coast Guard. The Board was impressed with the character and caliber of the members of the cadet corps, and with the high morale evident among the cadets.

In the discussion with the cadets, the following improvements were suggested:

Improvement in room lighting for study purposes (funds have been requested for this item; estimate $7,500).

Additional showers room in gymnasium for visiting teams (if funds can be made available in fiscal 1956, this will be accomplished; estimate $6,000).

Additional squash courts (in view of other priorities, this cannot be accomplished at present; estimate $25,000).

Questions on curriculum, honor system, class spirit, and fraternization are all under study by the Advisory Committee, the Academic Board, and the Superintendent. The question of longevity credit for time served as a cadet was presented. Various legislative bills to secure such credit have been introduced from time to time, but to date none have passed.

During the course of the visit individual members of the Board arranged for private interviews with the members of the Cadet Corps from their respective districts. These discussions bore out the general impression of the high standards of the Academy and its curriculum, and the superior quality of its staff and Cadet Corps. The Board found that almost all States and Territories of the United States are represented in the Cadet Corps, even though entrance to the Academy is gained only by means of a nationwide competitive examination.

SPECIFIC RECOMMENDATIONS

1. The installation of two new oil-burning boilers in the heating plant to replace the present coal-burning plants. This will result in a saving of manpower and fuel costs, and will eliminate the necessity of costly and uneconomical repairs to the present system.

2. Construction of a new cadet messhall large enough to accommodate 560 cadets. The galley has been completed, but at present it is necessary to use three connected messhalls to accommodate the cadets and officer candidates.

3. Construction of a new extension on the dormitory to house the expanded Cadet Corps. The cadets are now crowded 3 in a room and it is necessary to use a 3-story World War II temporary barracks to accommodate the overflow.

4. Heating of the fieldhouse which is used as a drill hall to permit its use during the winter weather. All of these items are carried on the agenda for action at such time as funds can be made available.

CONCLUSION

The Board is pleased to enter upon the record its admiration of the excellent morale and spirit that exists throughout the Academy.

The Board commends the Superintendent, Rear Adm. R. J. Mauerman, and his staff for their untiring efforts in maintaining the

high standards in evidence of this outstanding institution.

The Board wishes to extend its thanks to Vice Adm. A. C. Richmond, commandant; Rear Adm. W. W. Kenner, Chief of the Office of Personnel; Capt. Allen Winbeck, Assistant Chief of the Office of Personnel; Capt. W. P. Hawley, Chief of the Personnel Training and Procurement Division, and Capt. A. J. Hesford, liaison officer, for the assistance rendered by them.

The Board earnestly recommends to all Members of the Senate and House of Representatives that they assist in every way possible in bringing the Coast Guard Academy to the attention of eligible candidates, and urging their constituents to participate in the nationwide competitive examination held on the fourth Monday and Tuesday in February each year.

The Chairman and members of the Board wish to express their appreciation to the battalion officers and other members of the Cadet Corps for their very helpful assistance in enabling the Board to understand fully all aspects of the functioning of the Academy.

The Board strongly recommends to all Members of the Senate and House of Representatives that at a convenient opportunity they visit the institution, inspect its grounds and buildings, classrooms and laboratories, and judge for themselves its facilities and needs. There is every reason to be proud of the plant, equipment, and accomplishments of the Coast Guard Academy.

J. VAUGHN GARY, *Chairman.*
FRANCIS E. DORN.
HERBERT C. BONNER.
WILLIAM A. PURTELL.
JOHN J. ALLEN, Jr.
EDWARD A. GARMATZ.

HOUSING AMENDMENTS OF 1955

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from Connecticut [Mr. MORANO].

Mr. MORANO. Mr. Speaker, yesterday, July 28, the Senate confirmed, among other nominations, the nominations of the Honorable BROOKS HAYS, of Arkansas, and the Honorable CHESTER E. MERROW, of New Hampshire, to be representatives of the United States to the 10th session of the General Assembly of the United Nations. I wish to commend our President for having made these two splendid choices. Both of these distinguished colleagues are conscientious and hardworking members of the Foreign Affairs Committee, and will bring to their new assignment at the United Nations rich experience in the field of international organization affairs.

In the fall of 1953, along with the distinguished gentleman from Michigan [Mr. BENTLEY], I had the honor of serving as a member of a special study mission of the Foreign Affairs Committee, under the chairmanship of the distinguished gentleman from New Hampshire [Mr. MERROW], which visited all of the specialized agencies of the United Nations in Europe. The study mission filed a very thorough report, House Report 1251, 240 pages in length, covering the relations of the United States and the Specialized agencies of the United Nations and also other international organizations in which the United States participates. During the 83d Congress, thorough and exhaustive hearings were conducted by the Subcommittee on International Organizations and Movements, under the chairmanship of Mr. MERROW, and of which Mr. HAYS was a member. These hearings were held during both the first and second sessions and the printed copies are still in great demand by the public and officials throughout the Government. The hearings reflect the painstaking efforts which the chairman, Mr. MERROW, took in placing all the facts before the public in a spirit of complete fairness.

Truly, Mr. Speaker, these two distinguished members of the Foreign Affairs Committee are eminently fitted to represent the United States at the forthcoming session of the General Assembly of the United Nations. I feel certain they will bring to this assignment the same zeal, the same diligence, the same statesmanship, and the leadership which they have constantly demonstrated as members of the House Foreign Affairs Committee.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from Idaho [Mr. BUDGE].

Mr. BUDGE. Mr. Speaker, although the parliamentary situation is somewhat confusing, it is my intention to offer an amendment either to the Wolcott substitute or to the committee bill which will grant the Atomic Energy Commission the same right as the Secretary of Defense in making certifications for assisting in financing housing in areas where the Atomic Energy Commission shall find that acute shortages exist.

The purpose of the amendment would be to give the Atomic Energy Commission this right, even though it may never be used, so that in the event its utilization should become necessary the Commission will have the statutory authority.

Mr. MADDEN. Mr. Speaker, I yield 10 minutes to the gentleman from Virginia, [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, here we go again on the famous socialized public-housing project which we have been dealing with for the past 5 years. This House has defeated it repeatedly. The other body has put it back in. It has always gone to conference, and we have gotten beaten in conference, of course. Last year we repealed public housing. We repealed the authorization for public housing. Public housing is as dead as a doornail, and the simple question that is going to be presented to the House on this measure is whether or not you propose to reenact a measure that this House has four times repudiated and once repealed.

That is the question that is going to be presented. And the way it is going to be presented is by this method of having a very popular bill come up in connection with a very unpopular bill and trying to have the popular bill carry the unpopular bill. And if it does not do it, get it over into the other body and have it put on over there and come back with it.

This bill as framed undertakes to carry along the weak and repealed and repudiated socialized housing in the popular bill for FHA. And, as I say, if it does not do that here they propose to go over to the other body and after conference bring it back to us here, when nobody is looking, when everybody is busy with something else, and pass it; which will have the effect of reenacting the repudiated housing bill. That looks like skulduggery and I am opposed to all skulduggery, except when I am a party to it. I just do not like the other fellow's skulduggery.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. HOFFMAN of Michigan. I just want to say that I never knew the gentleman to be engaged in any skullduggery.

Mr. SMITH of Virginia. Well, I do not publish it.

I want to tell the House what has happened on public housing. It was enacted in 1949. The House discovered that it was socialism, pure and simple, when it came here. Those were the days of the Fair Deal, you know. And my friends on the Republican side made a noble fight to defeat that piece of socialistic legislation. And we came within four votes of defeating the original bill.

Then we came along in 1951, and the Gossett amendment was put in to strike it out of the appropriation bill. My friends on that side made a noble fight again for honest democratic government. We defeated it 181 to 113.

Then again in 1952, on the Fisher amendment, my conservative, solid, sound Republican friends on that side of the aisle, before we had elected Mr. Eisenhower, made another noble fight and it was defeated again by 192 to 168.

In 1953 we repealed it by a vote of 245 to 157. Last year we voted it down again by a vote of 211 to 176.

Of course, we are going to have to fight socialism all through the years. You will be fighting it when I am gone from this floor, and I hope you will continue the fight. We are fighting it again this time and I am appealing to my friends on that side of the aisle, who went to the country in 1952 and gave the country great hope that they, the great conservative party of the country, were going to restore to us sound government and sound financing. I wonder if they are going to do it today. Some of them have not been doing it and I have chided them before and I warned them before. I do not understand why you do not understand it. You lived with the New Deal for 20 years. You lived with the Fair Deal for 10 years. Those boys have the experience and the knowledge. You cannot come here and out-deal them with the Ike deal; you cannot do it. You keep on trying and you are losing a lot of friends who believe in sound, conservative government. I just hope that you are going to stand up with your other conservative friends and restore our faith, which we have had in your philosophy of sound government and vote down this public housing.

Do you know what public housing is? I know our old Members do; some of the new Members do not. But put in its simplest terms, here is what the socialized public housing in this bill contains, in its simplest terms, in one sentence: It taxes one citizen and takes the money out of his pocket to pay the house rent of another citizen.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from New York.

Mr. TABER. Does the gentleman know and does the House know that if we go ahead with this setup and keep going on with it year after year the cost will run to $8 billions to the Federal Government for subsidies?

Mr. SMITH of Virginia. I think the gentleman minimizes the figure. It has been estimated before the Rules Committee it will run as high as $18 billions before this program is concluded.

Mr. TABER. That may be, and that makes it worse.

Mr. SMITH of Virginia. But if you have no intention of balancing the budget, if that idea has been totally abandoned under the present administration, I do not know that there is very much we can do about it.

Mr. Speaker, I just hope that we are going to do what we have been doing. I hope when this piece of skullduggery, of bringing it back here in a conference report, reaches its culmination and it is presented to the House again, we will stand up again and stay here until Christmas before we ever agree to this kind of outrageous piece of socialistic legislation that takes the money out of the pocket of one of your constituents and pays the house rent of another. Who can justify it? Nobody.

Mr. Speaker, there will be presented today a bill from your leader on the Committee on Banking and Currency, the former chairman and now ranking minority member of that committee, the gentleman from Michigan [Mr. WOLCOTT]. That will be presented as a substitute bill. It gives you everything the country needs except public housing, and it strikes out public housing. If you all over there will stand with the conservatives over here, and give the country some encouragement that you really are for a conservative, sound, sane, democratic government, we are going to beat this thing. I look to you to stand with us as you have stood before and defeat this monstrosity.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from North Carolina.

Mr. COOLEY. If we all vote this time as we did last time we will certainly beat it. The gentleman does not mean to intimate that any of these gentlemen are going to change in 6 months?

Mr. SMITH of Virginia. Some funny things have happened around here in the last few days. I think that some of my dear friends on the other side of the aisle, having been subjected to the cruel whiplash of party discipline, come here this morning with bowed head and humble heart.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Massachusetts.

Mr. MARTIN. May I ask the gentleman from Virginia if he has not seen a few changes on his side of the House in the last few days? Some of them were so whiplashed we did not get a single vote on that side.

Mr. SMITH of Virginia. I deplore it on both sides.

Mr. MARTIN. I wish the gentleman had set the example. Then they would not need it.

Mr. SMITH of Virginia. I think I have done pretty well in my time. May I say to my dear friend, the distinguished minority leader, that all of us slip sometimes, and I think that is true even of our distinguished minority leader.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. LATHAM].

Mr. LATHAM. Mr. Speaker, the gentleman who has just addressed the House is one of the finest and one of the greatest Americans in this Congress. It has been a pleasure to serve with him on the Committee on Rules. I agree completely with most everything that he has said this morning on this subject.

Mr. Speaker, the bill which was brought before the House this morning under the rule is not at all the President's program. It is not the President's program insofar as the number of units is concerned. It is not the President's program with regard to many other very, very important substantive matters. If you will turn to the report on page 33, you will find there listed 4 or 5 of the very important items which were stricken from the proposals of this administration and the existing law.

The first thing that was stricken, I am reading from page 33 of the report, was an amendment which provides for negotiation and settlement of contracts for public housing which has not been completely constructed where disapproval of the public housing to be provided under the contract has been expressed by referendum.

In other words, under this bill, as it is before the House today, which the gentleman from Viriginia [Mr. SMITH] has asked you to turn down, you can force public housing down the throats of a community that has voted against it.

Another provision which has been stricken from the bill presently before the House, and again this is to be found on page 33 of the report, is:

> (2) A proviso that no new contracts with respect to public housing shall be entered into which would bind PHA for any future years with respect to loans or annual contributions for any additional dwelling units unless authorized by Congress to do so.

That is a very important restriction which was taken out of the legislation presented to the Committee on Banking and Currency by the administration.

Third, the so-called Roanoke amendment has been stricken, which prohibited the Public Housing Administration from authorizing the construction of any projects in any locality in which the projects have been rejected by the governing body.

In other words, these 3 provisions have been stricken from the bill so that they can force public housing down the throats of people who do not want it, and who voted against it.

The fourth and a very important provision they have eliminated is the requirement for the so-called Gwinn amendment. The report does not say what the Gwinn amendment is, but most of us know it is the requirement that before any person can get a housing unit, he must sign a statement that he was not a member of a subversive organization. That provision has been stricken by the Committee on Banking and Currency from the bill which is now before you.

I might ask the question generally: Why is it that they do not want such a statement to the effect that they are not subversive? Why is that so?

Mr. MULTER. Mr. Speaker, will the gentleman yield for an answer to the question?

Mr. LATHAM. I yield.

Mr. MULTER. The reason that provision was eliminated is that except in the State of New York, in almost every other State, and there were at least 7 other States where the courts have passed on the question in each of those States where the highest court in the State decided the question, the State courts have held that that provision is unconstitutional and unenforceable.

Mr. LATHAM. I challenge that statement. I say that the question has not yet been definitely decided by the higher courts. There have been some decisions but they have been in conflict.

Mr. MULTER. In the State of New York it has not been passed on by the court of appeals.

Mr. LATHAM. Why did the Committee on Banking and Currency have to lean over backwards, and before there was a final determination, and strike this provision out of the bill. I am sorry, I decline to yield further.

Mr. Speaker, I say to the Members of the House there is as much difference between the President's program on housing and this banking and currency bill as there is between Neapolitan ice cream and limburger cheese.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. LATHAM. I yield.

Mr. FULTON. What is the difference between this bill as it now stands and the President's program on the number of housing units? Can the gentleman spell that out a little more in detail?

Mr. LATHAM. I believe, there are 10,000 units for college housing which were not in the President's program and 10,000 units for people over 65 under very vague general conditions.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. MADDEN. Mr. Speaker, I yield the remainder of the time on this side, 5 minutes, to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Speaker, I am mindful that this is the administration of which Senator Taft might have been the head. I am mindful that during this administration Senator Taft was borne to his grave and the Nation grieved. I am mindful that public housing, as we expressed it in the law of 1949 was the child of the brain and the creation of the heart of Senator Taft. I am mindful that the man now in the White House—and but for a little turn of fate it instead might have been President Taft—because many called him "Mr. Republican" as for years he had carried

the banners of the Republican Party—I am mindful that the man now in the White House said, "Yes, we must have public housing." And the bill that is now presented to you—and I do not care what they say—I do not like this knifing, this bringing up poisonous prejudices—the bill incorporated here is substantially the program of the President of the United States. Where do you Republicans who followed Senator Taft land if you reject the bill to keep alive Senator Taft's program? Where do you Republicans who were elected hanging to President Eisenhower's coattails land if you reject the bill that incorporates his program?

I do not want controversy. I wish we might have understanding. We of the urban centers try to understand the problems of the farmers of the West and of the South. We even try to understand the problems of the peanut growers. We want this to be a bigger and a finer Nation, and to realize the responsibilites of its destiny by knitting closer together all our people. As we of the urban centers try to understand your problems, can we not expect of you a similar willingness in trying to understand our problems?

The great mayor of Philadelphia came before our committee and said that urban democracy is dying.

In the city from which I come, within the last 5 years we have had an increase in population of over 600,000 persons, and included in that were 3,000 American Indians, who are now seeking housing in the district that I represent.

You in the Congress and in your wisdom drew up the Indian relocation program, and you provided that the Indians who wished to leave tribal lands and come to the city might do it. As a result of this program that you provided, we in Chicago and in the district that I represent have 3,000 American Indians that we are trying to take care of, to educate in urban ways and meanwhile to house in an area already suffering from a housing shortage.

I hope there will be understanding. I hope that my dear friends from Virginia and from Mississippi—and I know how true are their hearts if once understanding comes to dispel confusion—I wish they would try to understand our problem and to help us. I am in complete agreement with that great statesman from Mississippi when he said we should legislate today not for one group but we should legislate for all America. That is what we are asking you to do. If urban democracy falls, all democracy falls.

Do not let a death blow fall upon the public housing program that is an everlasting monument to the memory of Senator Taft. Do not let that for which he lived pass with his passing. When that great statesman from the wonderful State of Virginia turns to you Republicans to court you and to say, "Come along with us and be merry while the flames destroy the structure and the democracy of the big cities," may I suggest that you go not a-flirting but instead retire for contemplation to the grave of one who was your great leader who today might have been President and who said on April 21, 1949, on the eve of the enactment of the Housing Act of 1949 that today it is sought forever to destroy:

> The general theory of subsidizing low-income groups is not a new theory in Anglo-Saxon political life or Anglo-Saxon economic life. The general theory that the government has a duty to assist the lowest income groups has been accepted in England for centuries; it is accepted today. It is accepted in every State of the Union, and it does not involve any departure in principle from that which we have pursued during the 150 years of the life of the Republic. We have tried different methods of accomplishing the result. We have had poorhouses. We have county homes in nearly every county of the United States to look after those who cannot take care of themselves. Every city in the country provides free hospitals and free medical care. Every city and every township recognizes the obligation to provide food relief and to provide clothing relief for those who have no other means of obtaining the absolute necessities of life. I think all of us acknowledge the duty of the community to take care of those who are unable to take care of themselves. That duty has been taught by every Community Chest in the United States. The American people are a charitable and humane people, and they do not want to see hardship and poverty in the midst of plenty.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentlewoman from Ohio [Mrs. FRANCES P. BOLTON].

Mrs. FRANCES P. BOLTON. Mr. Speaker, I confess that I agree most heartily with the distinguished gentleman from New York that it is to be deplored that the administration's program has been so little regarded by the eminent Committee on Banking and Currency. It is my earnest hope that there may come out of our deliberations today and possible conference with the other body a wise and farseeing housing legislation. It is not surprising that I should favor such legislation, for 22 years ago Ohio was the first State to enact a public housing law, and in 1934 the City of Cleveland was the first community in the Nation to begin low income public housing projects. Now the Cleveland Metropolitan Housing Authority owns and operates 5,585 low income public housing units which we feel are vital to the welfare of our community.

But, Mr. Speaker, housing need not and should not be a creature of Federal bureaucracy. We are demonstrating in Cleveland that there is a natural partnership between private enterprise, public assistance, and community support. The continuation of this endeavor depends entirely on the enactment of the legislation now before the House.

For as long as I can remember the Kingsbury Run area in Cleveland has been a blight upon the landscape. It has never before been developed and it has long been associated with some of the city's most shocking crimes.

Now, an all-out effort is being made to create a model development in the area. Private builders, the City of Cleveland and the housing authority are developing 230 acres of Kingsbury Run into the Garden Valley project. Here is what they intend to do, and how it relates to Federal legislation:

The land is being filled and a ravine culverted with Federal aid under the redevelopment program of the Housing Act of 1954.

About 450 private housing units will be erected to take care of self-sustaining families who are being dispossessed from another slum area now being torn down. These units will be built by the Cleveland Development Foundation, a nonprofit organization formed by the leading industrialists in the Greater Cleveland area. These civic-minded businessmen have contributed $2 million to the development foundation. But they need credit advantages of this proposed legislation through the amendment of section 220 of the Housing Act of 1954 if the foundation's private money is to do the maximum job.

The Cleveland Metropolitan Housing Authority will erect 784 low-income public housing units under authorization already granted.

The City of Cleveland will build a park, outdoor swimming pool, a baseball field, and so forth, as its contribution.

In one corner of this new area property owners will be encouraged to improve their homes under the urban renewal program of the Housing Act of 1954.

HOUSING FOR ELDERLY FAMILIES

This legislation also proposes the authorization of 10,000 dwelling units for the elderly for each of the next 2 years. Here again, Cleveland can advise the Nation on the benefits of such construction.

Through the foresight and planning of Ernest J. Bohn, director of the Cleveland Metropolitan Housing Authority, we have already opened a 14-story, 156-unit apartment building for elderly persons needing public low-income housing. The building offers two elevators, cantilevered galleries to provide maximum sitting and exercise space, with the sun on the east in the morning and on the west in the afternoon, hand bars for bath tubs, rails on the balcony corridors, lowset kitchen cupboards, automatic washers and driers, nonskid thresholds and many other essentials for the comfort and safety of the aged.

A home atmosphere, rather than that of an institution, pervade the building, since some young families with children are being placed on each floor. The association with younger couples will have a healthy psychological effect on the senior citizens.

Here again, private interest played an important part. Generous Clevelanders contributed to the creation and operation of the Golden Age Center—located on the main floor of this public building. The quarters include a game room, sewing room, craft room, lounge, kitchen, dining and meeting rooms. All are operated by a trained staff paid by this affiliate of our welfare federation, and is for the use of residents of the building as well for older persons in the Cleveland metropolitan area.

Mr. Speaker, we are very proud of our housing progress in Cleveland and of Ernie Bohn, who is the moving force behind it. And we all agree with Mr.

Bohn that good housing is the result of partnership. It cannot be done without local support. Neither can it be done without some help from the Federal Government.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee [Mr. BASS].

Mr. BASS of Tennessee. Mr. Speaker, it might seem strange that a country Congressman, so to speak, representing 16 rural counties in the great State of Tennessee, should come before this House in support of public housing.

After the Public Housing Act of 1949 became law, a city official of my hometown of Pulaski, Tenn., asked me if I would assist him in organizing a public housing authority for our town. I said, "Public housing? We do not need public housing here." He asked, "Will you take a trip with me?" I said I would.

He took me through some areas of my hometown that I did not know existed, where I saw people living in conditions I thought no American would live, in substandard housing, young children being raised under conditions that were worse than poverty.

Mr. Speaker, public housing is not designed to aid the generation that pays the rent—no; it does not aid the rent-paying generation, but it makes citizens, it makes real Americans out of those little boys and girls who live in the public housing units.

I have seen such changes occur in them after being placed in public housing units in my town. I have talked to the schoolteachers about the effect of public housing on the children, and the teacher said that after these children were placed in clean standard living conditions their attitude changed. The report was astounding—how their clothes were cleaner, their own personal appearance improved, their outlook on life improved.

Mr. Speaker, we hear many things about subversion and the threat of communism in America. The very breeding ground of communism is poverty. Poverty, hunger, and substandard housing as the late President Franklin Roosevelt once said, "Is the breeding ground of that element of society that would clip the wings of the American eagle in order to feather their own nest." The only way that we can ever keep this country of ours strong is to have a well-housed and a happy America. A well-housed youth is a happy Nation. A happy America is a strong America. Yes, the strength of our Nation, Mr. Speaker, rests on the advancement of the youth who are being taken care of in our public housing units. I am not interested in decreasing the rents of the adults or that generation which pays the rents in these public housing units, but I am happy to stand on the floor of the House and endorse a program which I think advances the welfare of the youth of the Nation.

The SPEAKER. The time of the gentleman from Tennessee has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. SMITH of Virginia. Mr. Speaker, will the gentleman yield?

Mr. BASS of Tennessee. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. Is the gentleman not confused between public housing as carried in this bill and what is known as slum clearance? What the gentleman has been describing pertains to the slum-clearance program.

Mr. BASS of Tennessee. I am not confused. I am well aware of the difference between the two programs.

Mr. SMITH of Virginia. What I have been talking about, public housing, is not slum clearance and slum clearance is safe in the bill.

Mr. BASS of Tennessee. I certainly am not confused, because I have worked as an unpaid commissioner of public housing for the past 6 years. I served as president of the Public Housing Officials of the State of Tennessee. I am aware of the full course that this program would take. I am aware of the fact that the slum clearance became a requisite for public housing in the last Housing Act passed by this Congress.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, what the gentleman from Tennessee [Mr. BASS], who just left the well has been saying you might have heard as long as I can remember from any soap box or pulpit anywhere in any city or town. It was a plea to take care of the undeserving as well as the deserving, who were in need. Of course, we all feel the same way about the unfortunate, but we do not all like to aid the lazy, the indolent, or the wasteful. I do not know where the gentleman has been living and, while I am not a Pharisee, I want to thank God I do not live in the kind of a community he has described. In our country we have always taken care; we now take care of the unfortunate people who are unable to adequately care for themselves. In all my years I never knew one man, woman, or child who was hungry, in need of clothing, or without adequate shelter, without adequate fuel even the in cold North, in the district in which I live, that did not receive assistance. If the conditions to which the gentleman referred exist where he lives, all I have to say is that the people down there who were charitable, kindly, and Christian, were either blind or did not know the situation, or they did not perform their duty toward their unfortunate fellow citizens.

What he would do, if I get his argument correctly, is to take everyone who does not have what he thinks he ought to have, give him a wet nurse or a bottle, and when he gets old enough to be weaned, take care of him the rest of his life.

Mr. BASS of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. No.

Mr. BASS of Tennessee. I did not think you would.

Mr. HOFFMAN of Michigan. Then why did you ask?

Mr. Speaker, I have heard his story time and time again; it always appeals to and is effective with not only the kindly and generous, but with the thoughtless, and while we all agree with the thought that we should take care of the unfortunate people no matter what the cause; except where they are lazy and will not work, we should let them go hungry or as we used to do in years gone by in our country, let them work on the rockpile making little ones out of big ones when the cause of their misfortune is their own disinclination to help themselves.

Mr. O'HARA of Illinois. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Illinois.

Mr. O'HARA of Illinois. In Berrien County and that great congressional district the gentleman so ably represents, and where I was born——

Mr. HOFFMAN of Michigan. And from which I am sorry the gentleman ever departed.

Mr. O'HARA of Illinois. They did have public housing, did they not?

Mr. HOFFMAN of Michigan. In Berrien County?

Mr. O'HARA of Illinois. Yes; in Berrien County.

Mr. HOFFMAN of Michigan. When the factories came in there——

Mr. O'HARA of Illinois. No; when you and I were boys.

Mr. HOFFMAN of Michigan. Oh, no. We took care of our people. We took care of these people over there, as the gentleman well knows.

Mr. O'HARA of Illinois. Sure we did, and we call those public houses poor houses.

Mr. HOFFMAN of Michigan. And a few of the homes may have been a disgrace to the community in which they existed. But the overwhelming number of the unfortunate were adequately and in kindness cared for by relatives or by the local communities. Today, for those who have no way of caring for themselves, we have homes with pleasant rooms or apartments, electric equipped, hot and cold water, food that is ample and tasty, quarters and surroundings equal to and in some places better than the homes from which they came. The gentleman knows that many an individual cannot care for himself; that the Government cannot supply a home and an attendant for each and every dependent. With as much reason he might argue that each ill individual should be treated in his own home.

Oh, poorhouses. I know what the gentleman is talking about.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Speaker, we have heard a great deal already today, and we will hear more about low-cost housing and low-rent housing on the bill before us, S. 2126. Neither one exists in the United States. They both mean subsidized housing; subsidized by the rest of the taxpayers of the country.

Mr. Speaker, I come from Oakland County, Mich. It is the second largest county in the State. The population is about half a million. The county seat is Pontiac, where one of the great divisions of General Motors is located, the one

that makes the Pontiac motorcars. Pontiac cars stand at nearly every curb in every town in the United States. Some other General Motors plants are located there—General Motors truck, Baldwin Rubber Co., Wilson Foundry, all connected with the automobile industry. It is an industrial city, with its environs, of nearly 100,000 population.

The city commission of that city, upon the request of citizens by the thousands who signed petitions, not only passed a resolution to express their opposition to public housing, but they went further than that. They passed an ordnance under the charter provisions of the city of Pontiac, prohibiting public housing and I am going to read that ordinance to you. It was passed on the 19th day of April this year, and here it is:

SECTION 1. That the citizens and taxpayers of the city of Pontiac oppose the establishment of additional public housing rental units in the city of Pontiac either through the use of municipal funds or with the financial assistance of the county, State, or Federal Government.

SEC. 2. Therefore, neither the city commission, city manager, Pontiac Housing Commission, or any other city of Pontiac employee or agent shall establish or in any manner negotiate, assist, or cooperate in the establishment of additional public housing rental units in the city of Pontiac with either the county, State, or Federal Governments or any instrumentality of the county, State, or Federal Governments.

That is attested, passed, and adopted April 19, 1955, and became effective April 29, 1955.

Now, in addition to that, in the report on this bill on page 33 you will find a provision which, if this bill is adopted, repeals what is known as the Roanoke amendment. What is the Roanoke amendment? It provides, and I read:

(3) The so-called Roanoke amendment which prohibited PHA from authorizing the construction of any projects in any locality in which the projects have been rejected by the governing body of the locality or by public vote unless the projects are subsequently approved by the same procedure through which they were rejected.

So, you are going to have this thing rammed down the throats of your city or any community in your district if this bill becomes law. The Roanoke amendment should stay in the law as it is. I am not in favor of the public housing sections of this bill. I am opposed to it.

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2126) to extend and clarify laws relating to the provision and improvement of housing, the elimination and prevention of slums, the conservation and development of urban communities, the financing of vitally needed public works, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 2126, with Mr. WALTER in the Chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I feel that the issue has been stated by the gentlemen who preceded me. This is a question whether you want to continue low-rent public housing or whether you want to kill it.

I think we all recognize that housing, and good housing, is essential to the stability of our institutions and the happiness of our people. That is the issue. And I know of no question that has been presented to the Congress where there is so much diversity of opinion and so many irreconcilable statements as in regard to public housing.

I may say that you ought to be somewhat grateful to the Committee on Banking and Currency, for if it had not been for the patience and the perseverance of that committee who went before the Committee on Rules and obtained a rule, you might not have had the opportunity to express your views or vote on this subject.

The Constitution of the United States places the legislative power in the Congress and not in any committee of the Congress. The Congress has never delegated to any committee the right to usurp its functions.

After a month, more than a month of delay, the Rules Committee has finally granted a rule. It has granted a rule in conformity with our wishes, but in that rule it has provided that the Wolcott amendment is in order as a substitute. That substitute was in order under the rules if it had not been stated in the rule itself. So we ask you in the consideration of this bill to consider it in some kindness to the Committee on Banking and Currency, who have by their persistence given you the opportunity to cast your vote upon it.

Is public housing socialistic and subversive of the fundamental principles of our Government, as those who fight it say it is? It has been supported through the years on both sides of the aisle by able conservative men who have been very much in favor of public housing. The President of the United States says he is in favor of public housing. In his message on January 6, on the State of the Union he said he was in favor of a firm commitment to authorize the construction of 70,000 low-rent public housing units, 35,000 a year over a period of 2 years. In his budget message on January 17, and it is in his budget now, he asked that 70,000 units be authorized over a period of 2 years. In his economic report he repeated that, and he said he wanted 70,000 low-rent public housing units.

Here are the excerpts from the three messages of the President:

State of the Union address, January 6, 1955: "We must also authorize contracts for a firm program of 35,000 additional public housing units in each of the next 2 fiscal years."

The budget—message from the President, January 17, 1955: "I recommend a 2-year authorization for contracts with local housing authorities to pay contributions for an additional 35,000 low-rent units each year. Funds necessary for this purpose have been included in this budget."

Economic report of the President, transmitted to the Congress, January 20, 1955: "For its part, the Congress should authorize the Public Housing Administration to enter into contracts for 35,000 additional units of low-rental public housing in each of the next two fiscal years, in order to assist in the relocation of families displaced as a result of slum clearance, redevelopment, or renewal programs."

Three times this year he said he was in favor of public housing, and I searched the record and he never said anything contrary to it.

I know when the issue is made we will find some gentlemen say that the President does not want it. We can rely only upon what the President says in his messages. He says it then not only to the Congress of the United States, he says it to the American people, so that every man, woman, and child in the United States who can read may know what he says. I think it is a reflection upon him for gentlemen of his own party, men who are intimate with him, to come here and say, "We had an interview with him and he does not want what in the well-considered messages sent to the American people he has told you he wants. He wants something else."

Mr. WOLCOTT. Mr. Chairman, I yield myself 12 minutes.

Mr. Chairman, probably the issues have pretty much narrowed in this bill, as usual, to the question of public housing. It was advisable that a rule be granted in order that the House solve once and for all again this question of public housing. So it was necessary that the Committee on Rules make in order, if they reported out any rule, the Senate bill. The Senate bill was before the House committee and the Senate—I should, in this respect, say the other body did a deplorable job on the housing bill. We have had housing legislation before us to my knowledge since 1937. I never saw a worse mess than what came to us from the other body. I am quick to add that the great House Committee on Banking and Currency, of which we are usually very proud, at least I am, did not do a much better job. Neither the Senate bill nor the House amendments to the Senate bill constitute the President's program on housing—anything to the contrary notwithstanding. So it was thought advisable in an attempt to salvage something of the housing program that we start almost from scratch again and see what could be done. So at the suggestion of the administration I prepared and introduced a bill, the bill H. R. 7473, but minus any public housing provisions. The provisions contained in the Senate language, the provisions contained in the House language do not reflect the wishes of the President in respect to public housing. The only similarity, even the much touted House committee language, is that it just happened by coincidence, perhaps, that both the President's recommendation and the action taken by the House committee provide for 35,000 units—and there the similarity ends.

The bill, H. R. 7473, which is introduced, will be offered as a substitute for both the Senate bill and the House amendments after the first section is read. It is a streamlined, stripped-down bill, but it contains all the essentials—every one of the essentials necessary to continue the housing program. It provides that title I, in respect to modernization loans, be continued until July 1, 1956.

It provides in effect and in substance and in fact for a continuance of the FHA financing, and provides for additional insurance authorization sufficient to carry the FHA program throughout this fiscal year 1956. It increases the authorization for that purpose by $3,400,000,000. It is estimated that something less than that will be necessary to carry the program at the rate it is now going for the balance of this fiscal year. It provides for some military housing under the so-called Wherry Act, title VIII of the act, not as broad or as comprehensive as the House language provides for, nor as specific as the Senate language. But nevertheless, at the suggestion of the administration, Wherry financing is continued, but only for those projects which have already been certified by the Secretary of Defense.

Section 4 of the bill makes some technical changes which we can pass over.

Section 5 of the substitute provides an additional $500 million for capital grant authorization for the urban renewal programs. That section also increases the amount of the capital grant authorization which could be used in any one State from $35 million to $70 million. All of the other provisions are controversial provisions, many of which, most of which, have not been parts of, and never have been included in any housing bill which we have enacted.

It is unnecessary to enlarge the concepts of the housing program, for the reason that as of this moment we are building at an annual rate of 1,320,000 units, the greatest number which has ever been built in any 1 year. I may be in error. There might have been 1 calendar year when we got up to 1,400,000.

So it is not necessary to take up all of these controversial matters. If you want the program continued at the same rate that we are building housing units at the present time all we need to continue at that rate is this additional insurance authority.

I hope we take into consideration the potentialities of the actions which we might take and be realistic about this situation. If my substitute is adopted, it will continue the program about as is for another year.

If it is adopted and passed by the House the matter will go to conference, and I do not know of anything that is not in the Senate bill; I cannot conceive of anything in respect to housing that is not in the Senate bill, so almost anything that you can imagine will be before the conference, including public housing.

This House, as the gentleman from Virginia has so rightly said, has denounced and refused to approve public housing on 4 or 5 occasions.

May I take just a moment to clear up in your minds my understanding of the President's position on public housing? We must go back a year to the time when we were considering the Housing Act of 1954. You will recall that somebody had contended that the President wanted 140,000 housing units over a 4-year period. We had conferences with the President. The President, I believe, announced publicly, but surely privately, that his concern was only that we have enough authority to build sufficient public housing units to house the people who were to be displaced by slum-clearance project, urban-renewal projects, or because of other action taken by the Government; in other words, if by Government action a person's shelter is taken away from him, then it is the duty of the Government to make available safe, sanitary shelter.

That was his purpose, and that is all we should provide for, and that is all we did provide for. We provided ample units, because it was at the President's suggestion that we wrote into the act these standards under which we have worked all this last year. Although we gave him an authorization of 35,000, and they have been working under standards which the President himself set up, they found in 51 weeks there was necessity for building only 142 of the 35,000 units; in other words, replacements of safe, sanitary housing was found for all but 142 families who were displaced.

That is all the President wants; that is all he asked us to give him, and my bill does it.

Mr. SPENCE. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

SHOULD BUILD 2 MILLION HOUSES A YEAR

Mr. PATMAN. Mr. Speaker, I do not agree with the distinguished gentleman from Michigan [Mr. WOLCOTT] that we are building enough houses, 1,320,000 a year; I think we should be building at least 2 million houses a year, at least 2 million.

At this time there is objection to the building program because they claim it will be inflationary. I do not agree that we should cut down on housing because of that danger, if it is a danger, because it can be corrected in a different way.

I do not believe we should cut down on installment purchasing because it is inflationary; you can deal with the inflationary problem in a different way from that; we do not have to deal with it in that way.

Mortgages that will be issued under the Wolcott bill will be one type that will be salable. They will go up and they will go down. The other type will be modernization loans. The bankers will receive 9.7 percent interest on a riskless security. The former will be sold in the open market and eventually they will go up and down. just like the United States Government bonds go up and down. It is a disgrace that our Government bonds go up and down just like a game of dice. These [indicating] are not a gambling device. They are too big for that. They are made large because no one by any stretch of the imagination could say that they are a gambling device. But they are used to illustrate the point I want to make.

It is like using loaded dice. I have been told that if you roll the dice and on top there is either a 7 or an 11 you win your point, and the other person has lost. Somebody loses every time. These are loaded dice. They are so arranged that they will come up 7 or 11 every time There is no way to fail.

That is the way this Government bond market is operated. It is like loaded dice, they cannot fail. When they know what the market is going to do, and they do know what the open market is going to do because they are in the know, they can go ahead and sell bonds short until the market reaches a low point; then they can buy low and the same people with the same loaded dice will cause the market to go up and they sell those bonds high.

In 1954, under the loaded dice process, the large banks, principally in New York and the large cities, made $254 million, a quarter of a billion dollars, just on the increase in value of Government securities, in addition to the interest on those bonds. That has become another important part of our banking system. It is a bad part and it should not exist. It gets good bankers out of the banking business into the gambling business and every time they win somebody else loses. It should not be that way. In 1953 they forced the price of bonds down, using loaded dice.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. KEARNS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Briefly.

Mr. KEARNS. I would like to ask the gentleman, Did he support the highway bill and all the inflationary aspects of that bill?

Mr. PATMAN. I did not support the inflationary aspects of that bill. I did not support the administration's $21 billion bond proposal. This is the first time I have ever known the Republicans in one package vote for inflation, a cheaper dollar, an unbalanced budget and fiscal irresponsibility all at one time as they did when they voted for creating $21 billion in new money and credit. That is exactly what you did in that bill. I regret that my very good friend, the gentleman from Massachusetts [Mr. MARTIN] for whom I have a high regard—he is one of our greatest Americans—kind of hit me below the belt the other day. Of course he did not intend to and I forgive him for it. He claimed I had a worse record on sound money than he did.

Now, I know that is not true. There is not a Member of this House who has a better record on sound money and against inflation than I have. I will put it up against anybody, not only in this body but the other body, because in time of war, when it was necessary to have these controls, and what they called regimentation, I was down here fighting for them, and a lot of the Members on the other side were opposing them all the time although they were needed in time of war. So, my record is as good as that of any Member of this House or the other body on sound money

and against inflation and for fiscal responsibility and against unbalanced budgets.

I was sorry to see my good friends on the Republican side the other day come out in favor of all four of them at one time. Now, there is not a Member of this House that I dislike. I like them all. I have a high regard for every Member of this body and I am not personal when I attack the stand of our Republican friends on issues.

Now, in selling these Government bonds—I am telling you something that has not been known to too many—they are actually selling United States Government bonds short using the Open Market Committee to profit from it. In this morning's American Banker, July 29, 1955, on the editorial page—imagine this—it says: "The dealers who were selling 3's"—that is, United States Government securities at 3 percent—"for future delivery at slightly under par have already done very well."

LOADED DICE

In other words, they are selling their own United States Government securities in New York short and making all kinds of money out of it. Of course, naturally, they can. They are playing with loaded dice.

CHARGES

I think the Open Market Committee is guilty of malfeasance—and I want the gentleman from Michigan to hear this—I think the Open Market Committee is guilty of malfeasance and could be convicted of malfeasance. Of course, there is no specific crime or penalty for malfeasance in that office, but you can be guilty of it just the same. That board is composed of 7 members of the Board of Governors and 5 representatives of the private bankers, and I believe if the proper investigation were made, leaks will be shown, leaks that have made hundreds of millions of dollars for people in the know, for their friends, for their relatives, and for their business associates. The $410 million made by the commercial banks in 1954, which we know about, was chicken feed compared to what was made by persons, firms, and corporations generally who were in the know. And, I believe when we get the right kind of investigation—and that is what I wanted the gentleman to hear—we will disclose and discover corruption in the administration of this crapshooting with loaded dice in the New York Federal Reserve Bank, condoned and approved by the Open Market Committee of the United States Government. Why does the Federal Reserve Open Market Committee so violently oppose such an investigation?

THE PRESENT ADMINISTRATION AND THE BANKS

First. One of the first tasks to which the new administration turned after the election of 1952 was to install bankers and their associates in the key bottleneck and high policy positions in Government. The single most important job of the new administration was in their own words to restore "freedom in the money market."

Second. The first appointments made by the new administration were the important Treasury and Budget Bureau top-level jobs, where the finance decisions are made. These went to George Humphrey, Secretary of the Treasury, a member of the executive committee of the National City Bank of Cleveland; W. Randolph Burgess, formerly economic policy adviser to the American Bankers Association, served as president of the American Bankers Association, served as manager of the Open Market Account at the New York Federal Reserve Bank, chairman of the executive committee of the National City Bank of New York, and was appointed Assistant to the Secretary of Treasury in charge of debt-management and monetary affairs; Joseph M. Dodge, appointed to be Director of the Bureau of the Budget, was president of the Detroit National Bank and a former president of the American Bankers Association.

In addition to these appointments, General Eisenhower announced on December 19, 1952, that he had asked former New York Stock Exchange President William McChesney Martin to continue to serve as Chairman of the Federal Reserve Board. The Wall Street Journal pointedly commented:

General Eisenhower has asked Mr. Martin to keep the post, and he has decided to do so. Until this surprise development, Mr. Martin had planned to resign as Chairman but stay on as a member of the Board. The significance of the Eisenhower action is this: His administration will look on the Federal Reserve not so much as an instrument to support Government bond prices but as an agency to regulate the supply and value of money. Mr. Martin is a strong believer in an independent Reserve System—working in partnership with the Treasury.

Third. In addition to these men of finance and banking, the President called in the following top-level officials from the financial world:

Robert Cutler, Boston investment banker, to serve as the President's Special Assistant;

Kenton R. Cravens, St. Louis banker, to liquidate RFC and supervise sale of its earning assets to financial institutions.

Guy M. Gidney, President Federal Reserve Bank of Cleveland, as Comptroller of the Currency.

Marion Folsom, Director New York Federal Reserve Bank, Under Secretary of Treasury on tax affairs.

R. B. Anderson, Deputy Chairman, Dallas Federal Reserve Bank, Secretary of the Navy, later Deputy Secretary of Defense.

In addition, Philip Young, Director, New York Federal Reserve Bank, was installed as Chairman of the Civil Service Commission. The bankers were taking no chances. Not a single bottleneck position was left uncovered. Even selection of lower echelon personnel would not escape scrutiny by some member of the banking fraternity.

Fourth. During the consideration of a bill to increase the debt limit from $275 billion to $290 billion in the first session of the 83d Congress, a Member of Congress asked the Secretary of the Treasury the following question and received the following reply:

Question. We have to keep these balances in the banks, upon which they pay us no interest, and on every dollar they loan the United States Government, we pay them interest on it. We don't have to bribe them or subsidize them to buy Government bonds do we?

Secretary HUMPHREY. Yes; we do.

During hearings on United States monetary policy conducted by the Joint Committee on the Economic Report in December 1954 questions were submitted to the Secretary of Treasury, including one which sought to determine whether in handling Government transactions the banking system "is being excessively compensated or undercompensated?" W. Randolph Burgess, Under Secretary for Monetary Affairs, replying, answered in part:

Bank profits have not been high compared with other kinds of business and compared with the need to build up capital funds to protect their customers' funds.

Fifth. One of the very first moves in the field of financing residential construction benefited investment and mortgage bankers tremendously. It involved a rather curious action which the Secretary of the Treasury has been invited to explain on a number of occasions but has not done so satisfactorily yet. The Senate Banking and Currency Committee in January 1953, soon after the inauguration of the President, called in the VA and FHA officials—Mortgage Interest Rate Problem, hearings, January 28, 1953—in an effort to get them to agree to an increase in the rate of interest that might be charged on Government-underwritten mortgages. To the credit of those public officials they insisted that the prevailing 4-percent rate on VA mortgages and the 4¼-percent rate on FHA mortgages were effective rates and did not need to be raised.

On April 9, 1953, Secretary Humphrey announced he was offering a 30-year bond at 3¼ percent. On April 10, 1953, the president of the National Association of Home Builders said:

Treasury action in announcing a 3¼-percent interest rate for long-term Government bonds has transformed the tight market for VA and FHA mortgages into a national emergency. This action kills the GI home-building program unless corrective action is taken.

On Saturday, May 2, 1953, a day not ordinarily devoted to the conduct of Government business, the Secretary of the Treasury ordered the reluctant Veterans' Administrator to raise the VA mortgage rate from 4 percent to 4½ percent. The FHA immediately announced that they would raise their rate from 4¼ percent to 4½ percent.

The increase was unnecessary because on May 6, just 4 days later, the Federal Reserve reversed policy and began pumping credit into the system. Both Secretary Humphrey and Reserve Board Chairman Martin have testified that cordial relations exist between the two agencies and each keeps the other informed as to their respective plans. The Reserve Board did not decide on May 6 that it would change policy. Such a move had been under discussion for some time. It is inconceivable that the Treasury was not advised about it.

The single decision by the Secretary of the Treasury to raise the rate on Government-underwritten home mortgages

has meant millions of dollars of extra profits for bankers and millions of extra interest expense for home buyers.

Another act of intervention by the Secretary of the Treasury which has helped sweeten the pot for bankers relates to the expanded use of the certificates of interest pool by the CCC. According to testimony submitted by the Secretary of Agriculture before a committee of this House, Secretary Humphrey urged that the CCC make greater use of the private banks in financing the commodity credit crop support-program rather than borrowing directly from the Treasury. The result is a higher interest charge which is charged up to the cost of the farm program and greater profits for the bankers.

Sixth. Another early target of the bankers was the RFC. Liquidation of the RFC and disposition of its most valuable earning assets to the big banks and life insurance companies was carried out under the supervision of a St. Louis banker, Mr. Kenton Cravens.

In place of RFC the Small Business Administration was created. Care was taken so that his agency would provide little or no credit aid to small business and would in no way hamper the banks. Interest rates on direct loans were raised 20 percent above the rate charged by the RFC; that is, from 5 percent to 6 percent. The revolving fund was cut from the $100 million authorization available to RFC for small business, to less than $50 million under SBA.

To oversee the operations of SBA and keep a tight checkrein on its policies, the Secretary of the Treasury, referred to in some knowledgeable quarters as the choice of the Wall Street bankers, was named a member of the Loan Policy Committee. Along with the Secretary of Commerce we have former big business and big banking figures dominating the three-man Loan Policy Board of SBA.

The American Bankers Association has, however, never concealed its opposition to even a limited Small Business Administration. The recent action of the Banking and Currency Committee to raise the maximum amount that SBA could lend unquestionably caused great alarm among the ABA leadership. It would not be surprising to find that the ABA had communicated its views on this matter to the chairman of the Rules Committee if he had not already known about them.

Seventh. The banking and financial fraternity have had a number of other reasons to be thankful to this administration and to the Republican Party. When it was proposed that Congress look into the operations of the Federal Open Market Committee and the half a billion dollars in profits banks made on Government securities transactions in 1954 the Republicans met in conference and decided to kill House Resolution 210. As in the case of the Small Business Administration amendments, my good friend, Judge Smith, also lent a helping hand; worked for the defeat of House Resolution 210.

Eighth. Many members of the banking fraternity have expressed their alarm at the rate of home building and what is regarded as an excessive amount of mortgage lending which may be left exposed if an oversupply of housing results in some decline in prices and values. This fear, I am sure, is not unrelated to the fact that we do not have a housing bill this session.

Ninth. In preparation for the 1954 congressional elections the Republican National Committee realized that the result of following bankers' policies had not endeared them to the electorate. What was more natural than to decide that since bankers had been the beneficiaries of policies which made the Republicans' election tasks more difficult, they should take over some of the burden of the 1954 campaign. It was not surprising, therefore, that the last president of the American Bankers Association, W. Harold Brenton. was named chairman of the Finance Committee for the 1954 election campaign.

Tenth. With the results of the 1954 election not reassuring to the bankers it was decided to accelerate carrying out the program to enrich bankers.

The expanded highway program was a natural. The job of coming up with the recommendations for financing was left to a five-man committee. This committee, appointed by President Eisenhower, had three banking representatives. The banks represented: Marine Midland Trust, J. P. Morgan, and Bankers Trust, of New York, are all in the business of investing in governments. Bankers Trust is, in fact, a member of that inner circle of recognized dealers in governments. It has been estimated that the $21 billion bond issue which the Clay committee recommended could not be marketed at less than 3¼ percent under the conditions set up by the committee; that is, that they would be obligations of a Government corporation. The interest cost on these 30-year bonds would run about $13 billion, more than half of the sum available for highway building. The committee's proposal would actually involve about $3 billion in higher interest costs than if the same amount of money was raised directly by the Treasury at 2½ percent.

The reason there is no highway bill today is that the Republicans were for a bill with a bankers' bonus or no highway program at all.

Mr. KEARNS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. One hundred and ten Members are present, a quorum.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman, the distinguished gentleman from Illinois [Mr. O'HARA] was quite right in his references to the late Senator Taft as a champion of public housing, The Senator was an original sponsor of the program and he never wavered. His last public address was as a speaker at the banquet concluding the annual convention of the National Housing Conference at the Hotel Statler here in the Nation's Capital late in May 1953, and in this address he reaffirmed emphatically his strong belief in public housing.

Nor can anyone dispute the fact that President Eisenhower is a strong advocate of this program and has recommended its continuance. I recall that when he addressed a large audience at the dedication of a public housing project in New York City some months ago he said that he saw before him more than brick, stone, and glass. He saw "the soul of America."

The President is not trying to drive America into socialism. Nor was "Bob" Taft, whom so many knew as "Mr. Republican."

Yesterday in this Chamber there was approved without dissent a conference report—the final vote—on the multi-billion-dollar foreign-aid bill. Check with the staff of the House Appropriations Committee, and you will note, among other things, this bill provides for the expenditure of millions of dollars for social welfare and housing in foreign lands. There was no argument about this item. But when we now, as in the past, seek to authorize the continuance of a housing program for our own people, we are "wasters and socializers."

Go to the top of our congressional office buildings, and we can see slum areas within a few blocks most unworthy of our America.

I am informed that the net income of families which were admitted to low-rent public housing projects in 1953—the last year for which full figures are readily available—averaged $2,042 a year, and of these families 23.5 percent had incomes of less than $1,500.

It disturbs me greatly to have to listen to the argument that while the Senate has approved a public housing program in its housing bill we should pass "only a skeleton bill in the hope that House and Senate conferees will come up with something that may be all right." This contention, of course, is advanced only by those who would kill all public housing.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, I rise in support of S. 2126. The bill, as reported, is a comprehensive measure designed to extend and clarify laws relating to housing, to assist our people to acquire good homes, and to assist our communities to develop wholesome neighborhoods. In addition to general housing amendments, the bill provides programs in the areas of public facilities loans, college housing, armed services housing and farm housing.

Mr. Chairman, we spent several days in consideration of this bill in the committee. There was no mention of a substitute and no discussion of a substitute. There are some things in this bill that I do not like so well; others I do. The proper thing to do is to take this bill up, read it section by section, and amend it. I, myself, would like to vote for 1 or 2 amendments that might be offered.

FEDERAL HOUSING ADMINISTRATION

Up to 1932 most prospective buyers had to make a downpayment of at least 25 percent of the appraised value of the property. A first mortgage would prob-

ably be limited to a half or two-thirds of the appraised value. On this mortgage the borrower would pay anywhere from 6 to 8 percent interest.

The loan would have a maturity of 3, 4 or 5 years, but sometimes less. If a second mortgage was necessary, as it usually was for families of moderate incomes, the purchaser could obtain one by paying a discount to the lender and perhaps a commission may have amounted to 15 or 20 percent of the loan. Interest on the second mortgage would be 8 percent or more.

The borrower was periodically at the mercy of arbitrary and unpredictable forces in the money market. When money was easy to get, renewal every 1 to 5 years was no problem. But if his mortgage expired at a time when money was hard to get, it might be impossible for the homeowner to secure a renewal, and foreclosure would ensue.

This was the situation in the early thirties. Foreclosures totaled 150,000 in 1930, nearly 200,000 in 1931, and 250,000 in 1932.

The Federal Housing Administration has changed all this. Today the home buyer faces no such formidable conditions. He can make a downpayment of as little as 5 percent. If he is a veteran he may not need to make any downpayment at all.

His interest on an FHA-insured loan is 4½ percent plus ½ percent to cover the cost of insurance. The loan may run for as long as 30 years. On a VA-guaranteed loan, the interest is 4½ percent net.

During this entire period he will have no cares about periodic renewals. At the end of the period the title to his property will be clear. The house will belong to him.

The character of the loan was changed. It is an amortized loan on which payments of both interest and principal (and, in many cases, taxes and insurance as well) are made monthly during the life of the loan. Making arrangements for financing the home has become a one-time transaction. Monthly payments are geared to the borrower's prospective income.

In the twenties a family could acquire a home only after many years of saving to meet the high initial costs. After a downpayment was finally made, interest costs on payments were high. Hopes of owning a home usually were deferred to middle or later life. There always was the risk of sudden foreclosure and liquidation.

Today a family can get a home early in life. The initial cost is relatively low. Monthly payments are reasonable and there is protection against sudden foreclosure caused by economic fluctuations.

The home has become a reality to most American families when they need it most—to bring up the family, not simply to retire to when the children have grown up.

Earlier this year the Congress enacted S. 2126 which would authorize FHA mortgage insurance up to the aggregate of outstanding insurance liability and commitments on June 30, 1955, plus $4 billion. The amount of unused authorization under existing legislation remaining on June 30, 1955, would be merged with the new additional authorization. As it is estimated that such unused amount will be over $600 million, the actual increase in authorization provided by the bill would not exceed $3,400,000,000. This increase, plus the $1½ billion increase granted earlier this year, would be within the amount prescribed for this purpose in the budget submitted by the President to the Congress in January.

Estimates of mortgage-insurance operations during the 1956 fiscal year indicate a gross use of insurance authorization totaling about $7,400,000,000. After allowance for return of authorization through expiration of commitments, scheduled repayments on insured mortgages, and prepayments of such mortgages, the net use of insurance authorization for FHA mortgage-insurance programs during that fiscal year is estimated at approximately $4 billion.

Title I of the National Housing Act, authorizing the FHA repair and modernization program, would expire under existing law on June 30 of this year. The bill would extend title I 1 year.

The title I program of insurance for modernization and repair loans constitutes an integral part of the urban renewal program for neighborhood conservation and improvement which was adopted in the Housing Act of 1954. The continuation of the title I program is also important to the maintenance of a high level of general construction activity, improvement of individual properties in need of modernization or repair, and proper maintenance of the existing housing inventory of the Nation. All are vitally affected by the availability of adequate consumer credit for modernization and repair loans and the title I program has contributed significantly toward assuring that supply of credit.

Availability of FHA insurance for this type of credit encourages lenders to make the loans available to borrowers in smaller communities and to eligible borrowers in larger communities who might otherwise have difficulty in arranging loans. It should be recognized that, without such insurance, credit for home repair purposes would not be as readily available as consumer credit for other consumer durable goods, such as automobiles and appliances. In other fields, the dealer frequently receives credit support from the manufacturer. In the case of home repair loans, however, manufacturers of building products are each likely to have a relatively small financial interest in the repair or improvement job done by the local firm. Naturally, the manufacturer or wholesale supplier is thus rarely interested in backing up credit for a repair or improvement job, especially when the largest cost item is labor at the site. Also consumer items can normally be made subject to a chattel mortgage and can be repossessed, while items financed under title I become part of the house and cannot be repossessed. Neither is it generally practical in the case of a repair loan to go through the expense of obtaining real property-mortgage security. For these reasons home repair or improvement loans, in the absence of title I aids, would be unavailable to many borrowers, or else be available at exorbitant interest rates or fees.

FEDERAL NATIONAL MORTGAGE ASSOCIATION

The Housing Act of 1954 provided that the prices to be paid for mortgages by the rechartered FNMA should be established from time to time by FNMA "at the market price for the particular class of mortgages involved." I believe that the effect of setting FNMA purchase prices at the market price for the several classifications of FHA-insured and VA-guaranteed mortgages is to require substantial discounts, increasing in amount the farther removed geographically an area may be from sources of long-term investment capital. Thus, the States which historically have found themselves most in need of the facilities of FNMA's secondary market whenever mortgage funds became scarce are roughly the same States which must pay the heavier discounts under these purchase price schedules.

Unquestionably, FNMA's price schedule freezes into the mortgage lending system a practice of discounting FHA-insured and VA-guaranteed mortgages. While FHA and VA regulations may be effective in preventing immediate transfer of these heavy FNMA financing costs onto the home buyers, over the long run they must surely result in raising the costs of housing in such areas.

Moreover, it must be presumed that these are good, sound mortgages in order for them to have obtained FHA insurance or VA guaranty. As Government-backed loans, they have an intrinsic value which, though subject to some degree of normal market fluctuation, should nevertheless bring close to par in the mortgage market. The operation of the FNMA secondary market, therefore, should not be such as to encourage the discounting of FHA-VA loans but should accord them the recognition that should be—but is not necessarily at the time—granted by the mortgage market. Obviously, if FNMA's price schedule sets a 2-, 3-, or 4-point discount upon a class of FHA or VA loans, the private market is not inclined to fix a higher value on them. Thus, the FNMA discounts serve to depress rather than aid a sagging mortgage-loan market.

S. 2126 would amend FNMA's authority to enable it to buy loans at "a reasonable price level" as determined by it from time to time rather than at the market price. This would permit FNMA to take into consideration the market price together with the reasonably foreseeable market for mortgages, Government bonds, and other forms of long-term investment. It would thereby afford to FNMA the necessary freedom of action to lead the market when necessary in certain areas or during periods of temporary money shortage. By taking into account future trends, it would enable FNMA to raise its purchase prices slightly to support a sagging market or to drop its prices when the market is strong. This should tend to stabilize the market for mortgages at a level much closer to par than has prevailed for the past year. Thereby it should provide more favorable and more uniform prices

for those areas in the South, Southwest, and Far West which necessarily at times are most dependent upon the FNMA secondary market operation.

HOME LOAN BANK BOARD

S. 2126 would make the Home Loan Bank Board an independent agency. It has always been my belief that since the Board is essentially a regulatory agency and exercises administrative, legislative, and judicial powers somewhat analogous to those performed by the Federal Reserve Board, it should not be subject to the authority of the Administrator of HHFA to transfer funds and functions to other agencies within his jurisdiction. Most, if not all, comparable regulatory agencies have independent status, reporting directly to the Congress and to the President. Furthermore, the Federal Home Loan Board system is a mutual institution owned entirely by its members. Section 109 will return to the Home Loan Bank Board the independence it had from its creation in 1932 to 1939, when it was made a part of the then Federal Loan Agency.

COLLEGE HOUSING

Title III of this bill is intended to renew and invigorate the program inaugurated by the Housing Act of 1950, which inaugurated a program of long-term loans at low interest rates to provide funds for the construction of dormitories and residences.

The amendments under this title would expand the purpose of these loans to include such other revenue-producing educational facilities as cafeterias, dining halls, student centers, infirmaries, and other service facilities, but not including such items as gymnasiums or stadiums. The authorization for this program would be increased from $300 million to $500 million, and the amendment would fix the rate of interest which the Housing and Home Finance Agency pays to the Treasury at 2½ percent, or the average rate on all interest-bearing obligations of the United States, whichever is the higher. The provisions of the title would also require HHFA to charge colleges a rate of interest of 2¾ percent, or one-fourth of 1 percent more than that paid by HHFA to Treasury, whichever is the higher.

PUBLIC FACILITY LOANS

The primary purpose of title II of S. 2126 is to assist, wherever possible, States and their political subdivisions, with preference to small municipalities, in providing sewage, water, and other necessary public facilities essential to the health and welfare of their people. The program would be administered under the supervision of the Community Facilities Commissioner of the Housing and Home Finance Agency. Restrictions are placed upon municipalities desiring assistance under this program to those that are unable to secure such financing on reasonable terms, and loans must be of such sound value as to give reasonable assurance of retirement or payment. The loan maturities are limited to 40 years and a priority is given to applications from small municipalities with populations of less than 10,000.

HHFA would be authorized to issue to the Secretary of the Treasury notes and other obligations not exceeding $100 million at any one time.

FARM HOUSING

Title V of S. 2126 would provide for a continuation through fiscal year 1956 of the farm-housing assistance program authorized in title V of the Housing Act of 1949—Public Law 171, 81st Congress. The bill as reported would authorize appropriations of an additional $100 million for farm loans authorized to be made on adequate farms, an additional $2 million to permit the payment of annual contributions made in connection with loans on potentially adequate farms, and an additional $10 million for special grants and loans required to make farm housing safe and sanitary.

During the entire life of the farm loan program under title V some 19,000 initial loans were made for a total of $97 million. This program has not been operative since June 30, 1954, but the need for it is shown by the increase in loans made under the Bankhead-Jones Act during the same period. Despite the fact that the Bankhead-Jones Act does not provide the full coverage of title V, its loan volume increased from $28 million in 1954 to $41 million for the first 10 months of 1955. From the standpoint of economic soundness the records of the title V farm-loan program indicate that a great preponderance of the loans made have been sound. As of December 31, 1954, the regular payments as a percentage of the scheduled installments on these loans were 105.6 percent. There have been very few foreclosures under the program.

Last year your Banking and Currency Committee reported and the Congress enacted as part of the Housing Act of 1954 a similar extension of the title V program. I deeply regret that the executive branch of the Government did not see fit to request any funds to carry out the intent of the Congress in this matter. As a result, the title V farm housing program has been dormant since June 30, 1954. It is my hope that this act of omission will not be repeated this year.

In conclusion, gentlemen, let me emphasize that I believe that S. 2126, the housing amendments of 1955, provides a sound and conservative solution for our national housing problem. I sincerely hope that this body will not devote an undue amount of time or effort to one controversial but relatively small section of the bill. It is imperative that the FHA mortgage insurance authorization be increased if we are to avoid a complete stoppage of our private housing program. It is also of vital importance that we extend the authority of the FHA to insure title I repair loans and that we liberalize the charter of the Federal National Mortgage Association. Housing is a far too important prop to our national economy to become a partisan political issue. I strongly urge a favorable vote on the pending measure, S. 2126.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. RAINS].

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. How many housing units has the Committee on Banking and Currency authorized since 1948, the 80th Congress?

Mr. RAINS. The 1949 act authorized about 810,000 units, and we have not begun to build even any small part of that number.

Mr. Chairman, we approach this bill today under rather peculiar circumstances. The House Committee on Banking and Currency spent 11 days hearing witnesses. We spent 7 consecutive days in executive session in that committee on the Senate bill which was passed known as S. 2126.

We did a hard, long, studious, and laborious job on this bill. I am disappointed, and I hope my distinguished friend, the gentleman from Michigan, will listen—I am disappointed that my friend from Michigan, who I understand had an important matter back up in Michigan, would leave us in the closing days of the executive session and have nothing further to do with the writing of the bill which the Senate already had passed and which the House was trying to perfect, and then come in without conference with any of the members of the Committee on Banking and Currency on the majority side and introduce a little bobtailed no-housing-bill-whatsoever, and call it a substitute to the bill which was passed by a big majority in the other body, and which was reported by an overwhelming majority favorably by the House Committee on Banking and Currency. We are playing in the sand—and the gentleman from Michigan knows he is playing in the sand. He may win a cheap, shallow victory with his little bobtailed bill on housing here today, but in the long run the bill which will pass, if any bill passes at all, will be either S. 2126 or the bill as we have amended it. When you consider the amount of public housing in the Senate bill, when you consider that in the Committee on Banking and Currency some of us labored with might and main on the majority side to try to get an acceptable bill in keeping with the President's program, I think it is absolutely ridiculous to consider a simple extension of a few items which the other body is not going to accept. Then what happens? We come back from the conference with more public-housing units than we have in this bill, and you have an hour to take it or leave it. You say, "Leave it"? Sure, leave FHA, leave college housing, leave title I, leave community facilities, leave farm housing, leave all the rest—this House is not going to do that. So in the practical reality of the situation which we have today, we should do as my esteemed friend, the gentleman from Georgia, said—if you do not like the bill which the Committee on Banking and Currency submitted, amend it—that is O. K., but let us not send some short substitute over without the essential ingredients of a real housing bill incorporated in it.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield.

Mr. MORANO. The gentleman is making a fine, sound statement, and I want to associate myself with the remarks he is making. I would like to ask the gentleman this question. Is there additional housing over the number that the President recommended in this bill, and if so what is that additional housing?

Mr. RAINS. In addition to the 35,000 units which the President has recommended, which Mr. Cole came before our committee and said he wanted, there are 10,000 units for elderly people put in on an amendment by the gentleman from Illinois [Mr. O'HARA]. That is the only additional amount of units in this bill above the President's requested program to the Committee on Banking and Currency.

Mr. MORANO. Can the gentleman state what the vote was in committee to report this bill out?

Mr. MULTER. Mr. Chairman, will the gentleman yield so that I may answer that question?

Mr. RAINS. I yield.

Mr. MULTER. The vote to report the bill out was 19 to 3.

Mr. RAINS. Mr. Chairman, my esteemed friend, the gentleman from Virginia, made the statement that he regretted and thought it was unfortunate that this bill should come here in the closing hours of this session of the Congress. Well, now, just how naive does the gentleman from Virginia think this Congress is? We reported this bill to the Committee on Rules on July 1 of this year, and it has been hanging there in the hope that there would be some way whereby the Committee on Banking and Currency would back up and cut out public housing and extend only the FHA, which is the bill of the gentleman from Michigan.

Mr. SCOTT. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield.

Mr. SCOTT. The plea of the distinguished gentleman from Virginia reminds me of the lady who killed her husband and then asked the court for mercy on the ground that she was a widow.

Mr. RAINS. I think that statement is very apt.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield.

Mr. HALLECK. If I understood the gentleman correctly, he said that if this bill went to conference, it would come back with more than 35,000 public housing units?

Mr. RAINS. That, or more, is my opinion.

Mr. HALLECK. I would like to ask the gentleman on what information he bases that.

Mr. RAINS. The Senate bill contains 135,000 units. We are going to have to do a lot of hard trading to get what the House Committee on Banking and Currency reported.

Mr. HALLECK. My information is that the program as outlined by the President, which is for 35,000, is the one that probably would be agreed upon quite quickly.

Mr. RAINS. That is the one which is written in the House Committee on Banking and Currency bill, with minor variations.

Mr. HALLECK. Of course, there are many other things in your bill that are not in line with the President's program.

Mr. RAINS. In some other particulars it is not. Neither is the Senate bill in line with the President's request.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. RAINS] has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield.

Mr. BURLESON. I want to ask the gentleman if he can briefly emphasize his ideas on military housing in this bill. Permit me to say that I have a situation in my district, an Air Force base in process of construction costing around $80 million. They are unable to get bids for the so-called Wherry housing. They have no other source to turn to. They are in dire need of some relief.

Mr. RAINS. I will say that in the Senate bill there was a provision on military housing which, in the opinion of the Committee on Banking and Currency of the House, amounted to a direct appropriation out of the Treasury. The House committee put in an expanded Wherry provision instead. In later days there has been much work between the staff of the Committee on Banking and Currency and the military housing officials on a substitute. We have had no hearings on military housing and no request was made for any hearings. I introduced a bill yesterday which is different from the Capehart amendment, in addition to the Wherry amendment, and I had hoped to offer it today. But I talked to the gentleman from Georgia [Mr. VINSON], and I have not yet received his approval. I am not going to offer any military amendment to this bill unless I have the approval of the gentleman from Georgia [Mr. VINSON].

Mr. BURLESON. Unless you offer your amendment, no military housing can be built under this bill?

Mr. RAINS. Under the present Wherry Act, which is included in the bill offered by the gentleman from Michigan, no military housing is being built, so the military say. However, the military title in the House banking and currency bill is an expansion of the Wherry Housing Act, and would, in my judgment, get military housing, but not as much as a direct approach which was in the bill which is on Members' desks, which I introduced last night. I hope something can be worked out, because the need for on-base housing is great.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield.

Mr. BASS of Tennessee. It is a fact that they are building military housing at the present time under the previous act.

Mr. RAINS. Oh, yes; under the act from the Committee on Armed Services. Now, Mr. Chairman, I would like to give a detailed analysis of the amendments to S. 2126, as reported by the Banking and Currency Committee.

The amendments contained in title I of the bill would provide the necessary law for continuing the several major housing programs administered by the Housing and Home Finance Agency and its constituent agencies. These amendments would also make a number of changes in existing law designed to enable the Agency more effectively to carry out the objectives of the existing law.

FEDERAL HOUSING ADMINISTRATION

I will discuss first the provisions of the bill which would apply to the programs administered by the Federal Housing Administration. The bill would extend the title I—Home Repair and Modernization Program for 1 year and would increase the maximum amount on home improvement loans from $2,500 to $3,000. It would modify the provision contained in the Housing Act of 1954, which provides that this type of loan could not be made on new residential structures until such new housing had been completed and occupied for at least 6 months. The committee reduced this waiting period to 2 months as it believes the 6-month waiting period unduly restrictive and prevents new home owners from financing desirable improvements permitted under the FHA title I programs.

The committee has also revised the present mortgage limitation in the National Housing Act with respect to multifamily projects. We have increased the present $5 million mortgage limitation, generally applicable to all such projects with private sponsorship, to $12.5 million. The committee took this action principally because of the increase in construction costs which has occurred since 1938 when the $5 million limitation was enacted.

The administration in its recommendations on this subject also urged the extension of the limitation of $12.5 million beyond the amount of each individual mortgage in order to make it applicable to the total amount of commitments issued and outstanding at any one time with respect to a project or projects in the same housing market area, involving the same mortgagor. The committee was not impressed by the reasons advanced by the administration in support of this recommendation. It should be pointed out that in the larger metropolitan areas proper use of available sites and the economies obtainable through continuity of building operations on such sites require the development of large rental projects. In the judgment of the committee, this additional limitation would have acted to further discourage the construction of much needed multifamily housing in our large metropolitan centers. At this point I believe it important that the following statement contained in the committee report be set forth in the RECORD:

For the express guidance of the Federal Housing Commissioner, your committee again reiterates its intention that the $12,500,000 limitation shall be applicable to the amount of each individual mortgage and that the administrative practice heretofore

applied is to be continued so as to permit several contiguous projects under common ownership so long as the amount of the mortgage on any such project does not exceed the dollar limitation and each such contiguous project is a separate project which, in the event it should become necessary, can be sold separately and managed separately from the other contiguous projects.

The committee has included provisions in the bill designed to reactivate the cooperative housing program established by Congress in 1950. While the program proved successful to the middle-income group initially it has been restricted drastically by provisions contained in the Housing Act of 1954. The committee believes that one of the principal obstacles to the continued success of this program is an amendment, recommended by the Federal Housing Administration and enacted last year, which had the effect of reducing the maximum amount of the mortgage eligible for insurance. This provision changed the basis for determining the maximum amount of the mortgage from "estimated replacement cost" to "estimated value." Our amendment provides that "estimated replacement cost" shall be the basis for making this determination in the future. In addition we have authorized FNMA to make advance commitments for this program in an amount not to exceed $50 million at any one time. Another amendment would provide for the appointment of a special assistant for cooperative housing. The special assistant would be expected to give impetus and direction to the program to the end that its principal objective be achieved—the provision of good housing at lower cost and at lower monthly carrying charges for the consumer, particularly those in the middle-income group. The bill also provides for a reduction in the required percentage of veteran participation in the cooperative projects from 65 percent to 50 percent in order to obtain the maximum allowable mortgage. Finally a provision was added which makes it possible for cooperative groups of Government-owned housing projects to use the cooperative mortgage provisions of this program in purchasing such projects on a cooperative basis.

The bill would also increase the general insurance authorization of the Federal Housing Administration. This amendment would authorize FHA mortgage insurance up to the aggregate of outstanding insurance liability and commitments on June 30, 1955, plus $4 billion.

The committee has proposed several amendments which affect mortgage insurance for housing in urban renewal areas. The first amends section 220 to provide that the maximum mortgage amount be computed on the basis of the "estimated replacement cost" of the property or project rather than the "estimated value." We believe this action is required if we are to have community action and gain the support of builders, lenders, and others in the rehabilitation of blighted areas.

Testimony received by the committee clearly indicated that the problem of securing satisfactory FHA valuations under section 220 in the older neighborhoods, where urban renewal and urban redevelopment are urgently needed, is one of the principal reasons for the absence of production under this program. We believe the new standard will eliminate or reduce some of those difficulties. While it is possible that in the course of a considerable period of time FHA's normal "valuation" procedures could be adapted to the new and different requirements of urban renewal and the necessary uniformity of these subjective judgments obtained on a basis which would eventually permit the urban renewal program to move ahead, your committee feels that the latter program is so important and urgent that we cannot afford the luxury of the slow and time-consuming process apparently required for the appropriate adjustment of FHA's valuation procedures.

The bill would extend title IX of the National Housing Act and contain other special aids for critical defense housing areas for 1 year on a standby basis. This would continue the present status of these programs, which require special action by the President for each new project undertaken.

FEDERAL NATIONAL MORTGAGE ASSOCIATION

The bill would make two changes in the charter of the Federal National Mortgage Association. One of these changes, discussed previously, relates to the association's authority to enter into certain advance-commitment contracts to purchase section 213 cooperative housing mortgages.

The second amendment would provide that FNMA shall purchase, in its secondary market operations, home mortgages at a reasonable price level. The association must consider, in establishing this price level, the market for mortgages of the same general class, and current yields on, and reasonably foreseeable price trends of, long-term Government bonds and other forms of long-term investment.

SLUM CLEARANCE AND URBAN RENEWAL

The bill would increase the authorization in title I of the Housing Act of 1949 for capital grants for slum clearance and urban renewal by an additional $200 million to be made available on July 1, 1955, and another $200 million to be made available on July 1, 1955. Also the President would be authorized to increase the authorization at any time or times by an additional $100 million. In providing for a 2-year authorization, the committee was impressed with testimony received with regard to the need requiring the use of these funds over a period of more than 2 years. The need arises because of the type of program which is involved. The committee recognized that many months of preliminary work are required by local communities to develop an urban-renewal project. In order to undertake such time-consuming activities, local communities need the assurance that capital-grant funds are authorized and will be available when needed.

Under existing law, not more than 10 percent of the total title I capital grants authorized may be expended in any one State, except that an additional $35 million may be allocated for use in States where more than two-thirds of the amounts they could otherwise receive have been legally obligated. The provisions of the bill would increase this cushion from $35 million to $70 million. Information has come to us that this increase is necessary since the present limitation has been reached by several States.

The bill would also amend the Housing Act of 1949 so as to permit loans and advances in order to assist in the redevelopment of either predominantly open land or open land for industrial or other nonresidential uses. Such advances would be limited to not more than 2½ percent of the estimated gross project costs of all other projects undertaken by a public agency. The local governing body would be required to determine such redevelopment is necessary and appropriate to aid in the sound development of the community.

The bill would also amend the Territorial Enabling Act of 1950 to broaden the authority of the governments of the Territories to enact laws for urban renewal activities. We find this amendment is necessary since the present authority for territories to enact urban redevelopment laws is too limited and restricts the governments from enacting broader urban renewal laws, so that they may participate fully in the total program.

PUBLIC HOUSING

The next section of the bill extends the authority of the Public Housing Administration to assist communities undertaking low-rent housing. You will recall that this program was established initially by the United States Housing Act of 1937. The program was implemented by the Housing Act of 1949 which authorized a program of public housing of not more than 810,000 dwelling units. The program, authorized in the 1949 act, has been cut down by restrictions in appropriation acts in successive years until finally the Appropriation Act for 1954 prohibited any further public housing contracts unless expressly authorized by Congress. The House, last year, authorized 35,000 additional units during fiscal year 1955.

The Banking and Currency Committee recognized that if the slum clearance and urban renewal program is to go forward, public housing must be provided for low-income families displaced by these operations. The administration has recommended an extension of the present program with authorizations to contract for 35,000 additional units for fiscal year 1956 and an additional 35,000 units for fiscal year 1957.

Your committee is recommending, therefore, that PHA be authorized to use any remainder of the authorization for 1955 and to enter into further contracts for 35,000 additional units in fiscal year 1956 and a like number in fiscal year 1957. Any authorization not used during those fiscal years would be available until June 30, 1958.

We have also recommended the repeal of certain provisions in the Housing Act of 1954 which have unduly restricted the public housing program and which

have tied it exclusively to the slum clearance and urban renewal program. We have also recommended the repeal of several provisos in the Appropriation Acts for 1952, 1953, and 1954 which have had the effect of limiting the provisions of the Housing Act of 1949.

A further amendment would increase from 10 percent to 15 percent the total amount of financial assistance which can be made available for low-rent housing in any one State. The 10-percent limitation has proved to be too restrictive in the case of some States.

HOUSING FOR ELDERLY FAMILIES OF LOW INCOME

In order to assist in meeting the ever-increasing housing problems of elderly persons of low income your committee has recommended a new subsection to the Housing Act of 1937. The amendment would authorize the Public Housing Administration to enter into annual contribution contracts for 10,000 units for each of 2 years for this purpose. Such units would in general be incorporated in other projects in order to permit the elderly to remain in contact with other families. In addition the bill would provide that persons 65 years of age or over would be included in the definition of elderly families. First preference is provided for such elderly families in admission to all units developed under this section and a first preference could be extended in other low rent units up to 10 percent of the estimated admissions in any given year. Public Housing Administration would be authorized to permit local public housing agencies to reconstruct or remodel any low-rent housing to provide accommodations designed for elderly families.

DISPOSITION OF LANHAM ACT PROPERTY

The bill would also amend the Lanham Act to authorize the Housing and Home Finance Administrator to acquire by condemnation a fee title to certain lands in Richmond, Calif., in which the Administrator now holds less than fee simple interest, for use in war housing and veterans' housing programs. The Administrator would be authorized, at the request of the city, to sell such land at fair market value to the city under certain terms and conditions.

HOME LOAN BANK BOARD

The next several sections of the bill would make changes in the law being administered by the Home Loan Bank Board.

The bill would remove the Home Loan Bank Board, including the Federal Savings and Loan Insurance Corporation, from the jurisdiction of the Housing and Home Finance Agency and establish it as an independent agency and change its name to the Federal Home Loan Bank Board. Your committee believes that the Board should again be made an independent agency of Government. Your committee was guided in arriving at this decision by the fact that the Board's operations are entirely self-supporting; the Federal home loan banks are completely owned by their member institutions; and the fact that the Board was created originally as an independent agency.

In addition the bill would define the authority of the Board to terminate membership in the bank system; increase the number of elective directors in certain Federal home-loan banks; change the admission fee requirements of the FSLIC program; and raise the maximum dollar loan for noninsured on nonguaranteed home improvement loans and removes the limitation on FHA and VA improvement loans.

COMMUNITY FACILITIES

The bill would modify and extend the present advance planning program and the Housing and Home Finance Administrator would be authorized to establish a revolving fund for the making of planning advances to local agencies for the preparation of a reservoir of planned public works. The bill would authorize, in additional to the $10 million authorized under the present law, appropriations of $12 million in 1956, another $12 million in 1957, and $14 million in 1958.

The bill would also raise the annual sayary of the Community Facilities Commissioner from $14,800 per annum to $15,000 per annum in order that such salary would be the same as the heads of the constituent agencies of the Housing Agency.

TITLE II. PUBLIC FACILITY LOANS

The primary purpose of this title is to assist, wherever possible, States and their political subdivisions, with preference to small municipalities, in providing sewage, water, and other necessary public facilities essential to the health and welfare of their people. The program would be administered under the supervision of the Community Facilities Commissioner of the Housing and Home Finance Agency. Restrictions are placed upon municipalities desiring assistance under this program to those that are unable to secure such financing on reasonable terms, and loans must be of such sound value as to give reasonable assurance of retirement or payment. The loan maturities are limited to 40 years and a priority is given to applications from small municipalities with populations of less than 10,000.

HHFA would be authorized to issue to the Secretary of the Treasury notes and other obligations not exceeding $100 million at any one time.

TITLE III. COLLEGE HOUSING

Title III of the bill would make several amendments to the college housing program administered by the Administrator of the Housing and Home Finance Agency. These amendments would, first, broaden the loan authority to include loans for other essential service facilities; second, extend the maximum loan term from 40 years to a maximum of 50 years; third, change the interest-rate formula which at the present time would provide a 2¾-percent interest rate on new loans and be made applicable to loans now under contract but on which final disbursements have not been made; fourth, relate the test of availability of outside financing to terms "equally as favorable" rather than "generally comparable"; fifth, increase the revolving fund by $200 million; and, sixth, prohibit any loan on a facility the construction of which was completed prior to the filing of a loan application.

Your committee added a cost-certification requirement to the college-loan provisions of the bill. This cost-certification requirement is consistent with the cost-certification requirements in the National Housing Act and requires a borrower to apply the surplus, if any, of loan proceeds over actual costs to reduction of the loan. In practice such cost certification is already required by regulations issued under the college housing program, but the committee was of the opinion this should be a statutory requirement.

TITLE IV. MILITARY RENTAL HOUSING

This title relates to amendments to title VIII—Wherry-Spence Act—of the National Housing Act, as amended. The amendments, in the judgment of the committee, will do much toward making the program more workable, and thus providing needed military housing which will be built by private enterprise with private funds.

The bill would extend the program for 3 years. The committee believes this 3-year extension necessary in order that the military may have adequate time for planning and development of such housing. The bill would also eliminate the present requirement that the military installation must be a permanent part of the Military Establishment. It would increase the present mortgage amount per unit for both multifamily housing and single-family housing. The former—multifamily housing—would be raised from $8,100 to $9,900 with discretion in the Commissioner to increase the mortgage amount in high-cost areas to $10,800. The mortgage amount for single-family housing would be increased from $9,000 to $10,800. Allowance would be made for contractor's or builder's profit of 10 percent of actual costs.

The bill also includes a provision which would permit the military to purchase any Wherry Act project at the fair market value of the property as determined by independent appraisal or to acquire the property by condemnation in case reasonable efforts to purchase such projects are unsuccessful. The bill would require that a project's fair market value shall not be less than the cost of construction, less normal depreciation, where there has been no deterioration chargeable to the negligence or fault of the builder.

TITLE V. FARM HOUSING

The last title of the bill would provide for a continuation of the farm housing assistance program, authorized in title V of the Housing Act of 1949, for 1 year. The bill would authorize appropriations of an additional $100 million for farm loans to be made on adequate farms, an additional $2 million to permit the payment of annual contributions in connection with loans on potentially adequate farms, and an additional $10 million for special grants and loans required to make farm housing safe and sanitary.

Your committee recommended and Congress enacted a similar extension of this program last year. The executive branch of the Government, however, did

not see fit to request funds to carry out the intent of Congress in this matter. As a result this program has not been operative since June 30, 1954. Your committee believes there is a real need for the program, this need, we believe, is shown by the increase in loans made under the Bankhead-Jones Act. Though this act does not provide the full coverage of title V, its loan volume increased from $28 million in 1954 to $41 million for the first 10 months of 1955. It is the hope of your committee that this act of omission by the executive department will not be repeated this year.

The bill would also authorize the Public Housing Administration to transfer farm-labor camps without monetary consideration to any local public-housing agency whose area of operation includes such a project. The amendment would establish preferences of occupancy with first preference being given to low-income agricultural workers and their families. Provision is also made for reservation to the United States of all mineral rights upon, in, or under the property.

This is a good bill and ought to be perfected by amendments and passed.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. RAINS] has again expired.

Mr. GAMBLE. Mr. Chairman, I yield 6 minutes to the gentleman from New Jersey [Mr. WIDNALL].

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield.

Mr. BURLESON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BURLESON. Mr. Chairman, as indicated by the gentleman from Alabama [Mr. RAINS] it appears that there is nothing in this bill which will facilitate the building of military housing. I hope the gentleman will offer his amendment to which he referred in order that something can be done in those areas where an immediate critical situation exists.

Under the present law, bids cannot be received to erect housing on a $75 million airbase now under construction at Abilene, Tex., located in my congressional district.

In discussing this matter with military officials, it seems what they need is a direct approach whereby the military can build on-base housing. The present Wherry Act is not doing the job.

From some source, housing must be provided on this base and unless something is done in the immediate future, there is good reason to believe the operation of the base may be delayed. It is an extremely important strategic airbase and it makes no sense that housing for personnel should not be provided from some source and at a very early date.

It seems to me that there are more reasons found by those responsible as to how not to do something, rather than to find a way to do the job.

Although I continue to think that direct appropriated funds would be more desirable, I hope the gentleman from Alabama [Mr. RAINS] will introduce his amendment to the pending bill and that it will be adopted. If such an amendment as the gentleman proposes can be adopted, then surely something satisfactory could be worked out in a conference with the Senate, between the two versions.

The CHAIRMAN. The gentleman from New Jersey is recognized.

Mr. WIDNALL. Mr. Chairman, since I first came to the House in 1950 I have supported public housing as part of the housing needs of the people of America. I felt there was a definite place for public housing in a well-rounded housing program. My thoughts along that line have been that we should have some public housing units built each year until private industry showed that they could build some comparable units available at low rent for people with low income who did not have the financial ability to provide a decent, adequate, sanitary home for themselves.

Last year a provision was adopted in the conference between the House and the Senate tying the 35,000 units that were to be built during the coming fiscal year to a workable slum clearance and urban renewal plan. I offered that amendment in the House. It was only because of the inclusion of that provision that we passed the continuance of a public housing program.

Under this proposed bill the tie-down to slum clearance is removed. I read the early debates in connection with the need for public housing. It was projected to the Congress that public housing was needed in order to take care of clearing up the slums and providing the slum dwellers with better houses. Each time a housing program is considered Representatives argue almost tearfully for continuance of public housing. They plead to help the slum dwellers, yet those same Representatives vigorously oppose tying down public housing for that purpose.

The amendment I offered last year sought to provide a workable plan, so that not only there would be slum clearance, but also it would be insured that there would be no slums of tomorrow.

I remember very well the attacks made on that amendment in the last election, saying that the administration, the Republicans, had killed public housing in America. The record does not bear that out. I would like to call your attention to the fact that since the provisions of the act became effective on August 2 of 1954, 53 cities varying in size from 7,000 population to more than 7 million, have gained approval of their workable programs for clearance of slums, rehabilitation of savable substandard housing and coordination of good housing in what are now slum areas.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I will yield to the gentleman from Georgia.

Mr. BROWN of Georgia. The gentleman claims that public housing ought to be tied down to slum clearance. Public housing is for every section of the country. If the gentleman's idea were carried out, just a few big cities would have public housing and the rest of the country would be left out.

Mr. WIDNALL. Visibly the need is greatest in the big cities, where there is the impact of a concentrated population and you do not normally have the ability to seek out new quarters because all of the available land has been built on.

Seventy-three other communities are in the position of awaiting Federal approval of their workable programs.

Eligibility for low-rent public housing was predicated in the 1954 act upon the need for relocation of families displaced by slum-clearance activities. Those who desire unlimited and unrestrained public housing claim that the integration of public housing with our slum-clearance program is undesirable and unworkable. Permit me to dispel this myth. Of the 35,000 public-housing units authorized by Congress for fiscal 1955, 29,509 were put under contract by June 30. If we recognize that this was done not throughout the full year, but in the period from November 1954 to June 30, 1955, approximately 7 months, it can readily be seen that the amount of public housing authorized by Congress can be made available through this method. In the communities certified for the more than 29,000 units there was a demonstrable need for 71,972 units over the total period of urban renewal activities, permitting in subsequent fiscal years allocation of 42,463 units, or more than Congress has authorized in the preceding years. With 73 additional communities waiting approval of their workable programs this number will increase proportionately. The only conclusion we may reach is that integration of public housing with urban renewal and workable program provisions is desirable and workable.

The general prosperity of our Nation under the Eisenhower administration, coupled with the liberalized provisions of the 1954 Housing Act with respect to home mortgages, have increased home ownership to 56 percent of American families, an unprecedented percentage. For 3 consecutive years more than 1 million nonfarm homes have been constructed annually. The construction rate for this year indicates that there will be approximately 1.4 million private housing starts in the current year.

These are concrete accomplishments which we wish to preserve and continue. Adoption by Congress of housing legislation in conformity with that proposed by President Eisenhower will assure that America will be a land of safe, sanitary, and decent homes.

Mr. RHODES of Pennsylvania. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RHODES of Pennsylvania. Mr. Chairman, I would like to address myself to the public housing sections of the

housing bill, including the provision for housing units for the aged.

First let me say that I am gratified that the deadlock on the Rules Committee, which has stalled this legislation for the past month, has been broken and that we are thus given the opportunity of openly debating the issue on the House floor.

Mr. Chairman, it is shocking to realize that in this great land of ours, where we enjoy the highest standard of living in human history, one out of every five nonfarm homes are substandard. According to the 1950 Census of Housing, 8.5 million of the 40 million nonfarm homes still lack private indoor flush toilets. In addition another 3.2 million dwellings are classified as dilapidated, or on the verge of becoming substandard. Of course our critical housing problems are concentrated among the lower income groups, people averaging about $2,000 a year income.

The housing industry boasts of its accomplishments in postwar housing, having built over 90 percent of all homes constructed. It is true that in 1954, for instance, 1.2 million housing starts were made. However, of this total, 306,000 were built under VA-guaranteed loans and another 270,000 constructed under FHA loans—almost half the total number of housing starts. Such loan guaranties cut the financial risks of the builders to a minimum. In effect private builders have been subsidized by the Federal Government.

Yet, when legislation has come before Congress to provide Federal assistance in the construction of public housing for low-income people whose needs the building industry has ignored because it would not be profitable, these same groups vigorously oppose what they term "subsidized" or "socialized" housing.

I will not dwell upon the blight of slums in our cities and the resulting high costs of police and fire protection, and its influence on juvenile delinquency and crime rates. This is an area of the problem which is well known and debated at length many times before.

The 1949 Housing Act sought to provide a workable long-range solution to the housing problems of the low-income and farm groups. A total of 810,000 public-housing units were authorized over a 6-year period. However, crippling and restricting amendments added by Congress in subsequent years have prevented more than a token beginning toward solution of this housing shortage.

Mr. Chairman, we are now at the crossroads of our public-housing program. The Senate has passed a bill to renew the farsighted housing objectives of the original 1949 act to provide for 135,000 public-housing units annually until the full 810,000 units originally authorized are completed. It also provided 10,000 public-housing units for each of 5 years for aged persons. Other Federal housing activities, including mortgage insurance for private construction were also authorized.

We in the House must face up to the tremendous need for public housing in our communities across the Nation. Unfortunately, the House bill falls far short of actual needs. Thirty-five thousand units of public housing for each of 2 years is woefully inadequate, as is the 10,000 aged housing units per year also provided for in the House bill.

It is my sincere hope that adequate increases in public housing units will be voted.

Mr. Chairman, I now turn to a relatively new concept in housing which I have favored for some time. I refer to the provisions for public housing for our aged citizens. As I pointed out last week in a discussion of the Townsend plan, more than 25 percent of persons aged 65 and over have no money income from any source. The average per capita income of all such persons was only $1,227 in 1953. This is the group of our citizens who are so badly in need of housing assistance. According to the latest available figures, there are now 13,707,000 persons aged 65 and over. Our aged population is growing at a rapid rate. There is an increasing demand for a housing program which will meet the needs of many of these senior citizens.

I need not dwell on the problems caused by old folks doubling up with their children or other relatives, often in already overcrowded quarters. All of us can fully realize the nature of this situation and its inherent dangers to our society. We must meet the social and economic problems resulting from the tremendous progress made by medical science to prolong life expectancy. Housing for the aged is a positive step toward solution of one of the most vexing of these problems.

The aged housing provisions of the pending legislation are quite simple. It would provide 10,000 public housing units for each of two years for persons or couples 65 years of age and over. First preference could be extended to elderly families in other low-rent housing up to 10 percent of the estimated admissions in any given year. In addition, the public housing authority would be authorized to permit local public housing agencies to reconstruct or remodel any low-rent housing to provide accommodations designed for elderly families.

Experience has shown that old folks dislike being segregated into housing projects of their own age groups. Integration of these people into public housing developments containing younger families has worked to the advantage of both young and old.

It is my hope that the aged housing provisions of this bill will be wholeheartedly accepted by the House as an important step toward simple economic justice for our deserving senior citizens.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, it is indeed unfortunate that some of the Members opposed to this legislation neither attended the hearings before the Committee on Banking and Currency nor obviously have taken the time to read the testimony adduced there as set forth in some 627 pages of hearings before our committee. While pretending to know all about the bill they make some statements which merely becloud and confuse the issue, and then leave the floor so as not to hear the answers to the issues they attempted to raise. Nevertheless, I will try to clear up some of these matters at the present time in the hope that those Members will read the record before they vote on this bill.

Mr. Chairman, we heard during debate on the rule the old cry that this bill is socialism. I am happy to note that now added to the long roster of "Socialists" who have advocated public housing, such as Roosevelt, Truman, Taft, Wagner, Ives, Ellender, Dewey, Harriman, and too many others to mention here, we now add a former very distinguished member of our own Banking and Currency Committee, and a good Republican, the Housing Administrator, Mr. Cole; we also add a very distinguished gentleman who is now the Public Housing Administrator, the former Republican mayor of a very fine Republican city, Akron, Ohio; and we also add to this fine roster of "Socialists" the distinguished name of our very fine President, Mr. Eisenhower.

If all these men are really the kind of "Socialists" that are bad for this country you should vote to eliminate public housing and kill the program. If you think those men really had the interests of our country at heart and those who are still with us have the interest of our country at heart, then you are going to meet this issue head-on and forthrightly. You will not accept the Wolcott substitute when it is offered. You will take this bill as reported by the Committee on Banking and Currency and when we get to the public-housing title you will debate that issue on its merits, then determine whether there should or should not be any public housing and, if so, how much.

There has been a great deal said about the time to consider the bill and its coming up so late in the session. It has already been pointed out to you that if there has been any skullduggery, and the word is borrowed from the remarks of the distinguished chairman of the Rules Committee as he used that word on the floor this very day, I repeat, if there has been any skullduggery, I think he and the Republican members of the Rules Committee will have to assume the burden of that, and enter a plea of confession but certainly not of avoidance.

As has been already pointed out, this bill has been lying in the Committee on Rules for almost a full month, and what they have done by bringing out this rule now could have been done a month ago, and we would not have been under the pressure of trying to enact this legislation in the last hours of this session.

There has been an attempt to make you believe that the 2-page bill introduced by the distinguished ranking minority member of our committee, the gentleman from Michigan [Mr. WOLCOTT] is the President's program. His bill runs exactly 2 pages. The bill as sent to us from the other body after that body passed it consisted of 77 pages. The House Committee on Banking and Currency considered that bill along with the Spence bill, H. R. 5827, which runs some 16 pages and which I also hold in my hand. But, the significant thing

about that is just this: If you take the Spence bill as we considered it before our committee and take the Senate bill, S. 2126, which we are now considering, as amended and reported out by the House Committee on Banking and Currency, you will find that that bill is as close to the President's message and as close to the administration policy as you can possibly get, having in mind that as to some of these details there necessarily is controversy and difference of opinion.

Let us take the basic provisions of the bill and see which bill is really the President's program. May I take the time to quote very briefly from the President's housing representative, the distinguished former Member of the House and of our committee, who now is the Housing Administrator, the Honorable Albert M. Cole?

May I digress long enough to say that I remember during Democratic administrations and Democratic Congresses when bills were brought to the floor we always heard someone get up on the Republican side of the aisle and query "Who wrote the bill? Where did it come from? Did it not come from downtown?" I have not heard that in this session. You know why? Because downtown still sends us their programs. The White House representatives still prepare administration and department bills and send them to the Hill here, and Democratic chairmen introduce them as the administration program. Certainly we do not always go along with them in their every detail, and sometimes not in their principle, but we do not hesitate to introduce them when the administration asks for them. So, too, with this Spence bill, H. R. 5827. The administration prepared the bill. I do not care whether you say it was the White House or the Housing Administration. But Mr. Cole is the President's representative; he is the President's appointee, and his department, the President's department, that wrote H. R. 5827 in the first instance, sent it up to our chairman, and he introduced the bill as the administration program, and the bill as reported is very close to that program, in principle, and in almost every last item of it.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from California.

Mr. YOUNGER. Would the Federal aid highway bill come under that definition of cooperation of your chairman?

Mr. MULTER. No; it would not come under the scope of our chairman, because our committee had no jurisdiction over the bill. I suggest that the gentleman direct that question to the members of the committee in charge of that bill.

Let us stick to the housing bill. That is what we have before us. Temporarily, the highway bill has been disposed of.

Now, at this time, let us see what the administration wants on housing and let us determine then, is it good or is it bad for the country? If it is good for the country, let us enact it. If it is bad, let us reject it.

What did Mr. Cole say about this when he was before our committee? The distinguished member of our committee, Mr. REUSS, asked Mr. Cole a question, with reference to H. R. 5827 and I read from the hearing record:

I take it, Mr. Cole, that you are thoroughly in favor of the low-rent public housing section of H. R. 5827 and that it is your hope that the Congress will enact that?

Mr. COLE. That is correct.

Mr. REUSS. What is the position of President Eisenhower on that?

Mr. COLE. I reflect his position. This is the administration's position and the President's position.

I repeat what Mr. Cole said:

This—

That is, H. R. 5827, this bill—

is the administration's position and the President's position.

The gentlemen on the Republican side and some on our side who do not want any public housing try to confuse the issue and tell you you have got to take the Wolcott substitute, in order to get the President's program. That just is not so. You do not get any public housing unless you get the President's program. There is not a single unit in the Wolcott bill. You can vote against the President's program, I will say to my friends on my left, if you do not want public housing. Those of you on my right who want public housing will vote for it and we will vote for the other titles in this bill without which you get no housing of any kind.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I am happy to yield to my distinguished colleague.

Mr. NICHOLSON. Do you get the kind of housing in this bill for trailers?

Mr. MULTER. No, sir; that has been eliminated from the House version of the bill as reported by our committee. And we say in our report that the Subcommittee on Housing will make a further study of the subject and then if it sees fit, will recommend legislation on that subject in the next session.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield further?

Mr. MULTER. I yield further to the gentleman.

Mr. NICHOLSON. How many houses are there that have been authorized but not built since the 80th Congress, but are available under any law?

Mr. MULTER. Is the gentleman referring merely to public housing?

Mr. NICHOLSON. Yes.

Mr. MULTER. I think we have built approximately 400,000 public housing units since 1939 when the law was first enacted and which are available for use.

Mr. NICHOLSON. Can the gentleman tell me why they do not proceed and build some of these 800,000 that we have authorized?

Mr. MULTER. Because as of this moment the law prohibits the building of any more. And unless we enact this program as recommended by the President, as recommended by his Public Housing Administrator, as recommended by the Housing Administrator, and as recommended 19 to 3 by the Committee on Banking and Currency, you can get no more public housing. That is the issue we must meet on this bill. Shall there be no more public housing or shall we continue to build at the rate of 35,000 units a year for the next 2 years as recommended by the President and his administrators and as recommended in this bill?

Mr. NICHOLSON. How many units have been built in the last 8 years? Is not the figure more than 8 million homes?

Mr. MULTER. Now the gentleman is not talking about public housing, he is talking about all private housing. Yes, we have been building about 1 million units of private housing per year and we hope that this year we will build 1,200,000 private-housing units. But bear in mind that as against that—if we build 1,250,000 private dwelling units this year as is anticipated under this program, we still will not be able to build more than 35,000 public-housing units if this bill passes.

That is the maximum that our bill will provide.

Mr. NICHOLSON. But private enterprise meets the requirements for a million and a half people in this country.

Mr. MULTER. A million and a half people who have the money and the income with which to buy or to rent and pay what is required by private enterprise.

I will be the first one to say, "Let us stop this public-housing program," the day that private enterprise comes in and says, "We will build houses that these people in the low-income brackets can afford to rent," the day they come forward and say, "We will build those houses and sell or rent them for sums these people can afford to pay."

We may need no more public housing, President Eisenhower said, if we continue this public-housing program for another 2 years, and if, in the meantime, private enterprise will take over and begin to produce for this lowest-income group who cannot get any decent housing, sanitary housing, the kind of housing that is fit for human beings to live in. They cannot get it today except through public housing.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Ohio.

Mr. ASHLEY. In response to the inquiry of our colleague, I think it is interesting that as of June 30, 1955, 489,465 units have been completed under the Housing Acts of 1937 and 1949. Since the 1949 act there have been 172,691 units completed. Further, a total of less than 55,000 public housing starts were made in 1953 and 1954 as compared with nearly 130,000 in the preceding 2 years of President Truman's administration.

Mr. MULTER. I thank the gentleman for supplying that information to the committee.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Michigan.

Mr. WOLCOTT. Apropos of what the gentleman has just said, I have here a wire from the Public Housing Administration dated the 6th of June 1955, stating that they had contracted for 237,108

of the original 810,000 authorized in the 1949 act, which leaves a balance unobligated of 572,892.

Mr. MULTER. The gentleman's bill will put an end to all of that and stop all future public housing. The bill reported will permit 35,000 units a year for another 2 years. Is that too much?

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. JONES of Alabama. Mr. Chairman, the rural-housing program as contained in title 5 of the Housing Act of 1949 has been of immense benefit to the farm families of the country. In fact, I believe it can be said that there has never been a program that has served a better purpose or has been of more benefit to the hard working and deserving farm families of America.

It is important to extend the rural housing loan program which has done so much to enable thousands of farm families of America to obtain decent housing.

This housing-loan program has been used extensively by farmers throughout the country and it has been a financial success. It has stimulated and inspired farm people to invest in better living conditions and improve their living standards.

Just how extensively it has been used can best be shown by the following figures. Over $97 million has been loaned to a total of 18,919 borrowers. Most of these loans have been made to the small or family-size farmer. Of the total amount loaned, over $9.5 million has been repaid in full by 2,276 borrowers. Considering the very short time the program has been in operation this is a remarkable record. It is actually one of the best repayment records of any program ever established. It shows conclusively that the program is a useful one and a good investment for our Government.

I also want to point out that the farm loans which have been made to date are only a small percentage of the demand. A large number of applications are on file with the Farmers' Home Administration and cannot be processed because of lack of appropriations. As a matter of fact, the program has not operated since June 1954 because the funds were exhausted.

The continued deterioration of the farm situation makes it more important than ever to extend the existing rural-housing program. Farm income today is down 22 percent from 1951 and 6 percent from 1954. Farmers more than ever need the assistance of the housing-loan program to help them meet their housing needs as well as the construction of farm buildings so necessary in operating a farm successfully.

There are many thousands of families in the farm areas that still live in substandard dwellings and who are not able to obtain the financial backing to do anything about these deplorable conditions. The loans which might be obtained from private lending agencies are short-term loans. And, as a general rule, farmers simply cannot repay over a short period of time and at a high interest rate a loan sufficient to construct a dwelling.

Under the rural housing loan program, however, the amortization of the loans is such that the farmers can keep their payments current and meet operating expenses and other necessary obligations.

As author of legislation providing the rural housing program, I have followed its progress and its record very closely. I have seen the improvements made in the farm dwellings and the other farm buildings that have been constructed with these loans. I know what they have meant to farm people and I know, too, that the need is far from fulfilled.

I have studied many hundreds of loans made to farmers living in the Eighth District of Alabama which I represent. These loans have made it possible for farm owners to construct decent and comfortable dwellings for their families. It has helped them build farm buildings such as dairy barns, chicken houses, and so on, which are necessary to get maximum production from their land.

I would like to repeat the words of a resident in Limestone County, Ala., who obtained a loan in 1952 in order to construct a decent dwelling for his family on his 70-acre farm: "The rural housing loan is the only possible way we could have ever had a decent home on our farm. I owed some on the land and was unable to secure a loan from any other source. If I could have secured a loan the interest would have been so high and the terms so short I could never have paid for it. I have now paid off the first mortgage and am repaying my farm housing loan."

How much is this program worth to America?

Better homes make better citizens. This is just as true of farm families as it is of city dwellers. When standards of living are improved it brings with it a brighter outlook on life. I sincerely believe that a farm family will work harder, will be better citizens if the farm home is comfortable. If the place is dilapidated and run down, or if it lacks modern conveniences which make life in America the envy of the world, the family is more likely to have an "Oh, what is the use?" attitude. They have less reason to desire to farm efficiently, participate in community affairs.

Of all the housing programs none has been more successful than rural housing. It has been widely accepted by farmers and utilized by them. A program which has demonstrated its usefulness and one which has operated for the benefit of rural people deserves to be continued.

Mr. SPENCE. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, I have asked for this time to answer the suggestion that this is a program of socialized public housing and a program that has come to us in these later days.

When my very good friend [Mr. HOFFMAN] was speaking of the district in which I was born, my mind went back to my boyhood; the drive 3 miles over roads deep either in dust or in mud in a horse-drawn bus from Berrian Springs to Berrian Center. Looking out from that bus with its straining horses halfway to Berrian Center, one could see the county poorhouse. There was such a poorhouse in every county, and the poem that everyone knew and recited was entitled "Over the Hill to the Poorhouse." That was the America of my boyhood.

Mr. Chairman, that was public housing. Public housing is as old as the heart of America. We have always had public housing.

In those days, when people were poor, the county poorhouse was the biggest structure in the county because people realized that when people did not have any money and the years were coming on, you could not just drive them out into the streets and into the cold. People dug deep into their pockets. Those were the days when there was not very much money to provide public housing—and we called them poorhouses. Now we are a bigger country, a richer country, but still we have poor people and we have aged people. In making provision for them we are not embarking upon new ways. We are continuing to follow the path of the heart that always has been the path of our country.

I have here a photograph of a family living in one of the public houses in Chicago, a man 80 years old together with his wife. They had had money—they had worked to accumulate savings, but the depression took their money. Now they are living, and thank God we have provided this place for them—they are living in the public housing of Chicago. Does anyone here begrudge that to them?

Mr. Chairman, if understanding comes to them, the great majority of this House will vote the right way. The proposition is made that we should vote down the public housing program which is a continuance in modern times of the pattern of county poorhouses in simpler times. In voting for that amendment or the substitute bill, you vote against everything that America from the very earliest colonial days has believed in. Again I say, as Senator Taft said to you in April of 1949, that America always has rested her faith, as she believed in God and country, upon public housing.

I know that on the Democratic side and on the Republican side, a great majority will say "We have taken our stand long, long ago in our America with humanity, and we do not cast people out into the streets and into the cold."

That is what the Eskimos did at one time when people got old. The old father and mother would walk out into the cold because they could not go on. They did not have the strength, they did not have the means to go on with their families, and they went out into the cold to die.

We today are not going to take that position. My colleagues, I am asking you now, you on the Republican side—to remember the great man you revere.

If you vote today to kill public housing, you are going to his grave not to grieve but to mock. You are going there to say: "We have forgotten you. You are gone. The things that you preached to us and that we said we believed in, now that you are gone we are going to throw into the grave with you and not

to remain alive to live with us. The public housing that you thought was a part of the very American tradition and a part of the American heart, we are going to cast into the grave with you." You Republicans who are now appropriating money to build a memorial of granite and mortar to the memory of your leader will you deny him the living memorial for which he fought while he was alive?

Do not do what your hearts forbid, you Republicans—and you, Democrats, you great liberal Democrats who have given America a broadening of the horizons of human existence—I have always felt that the Democratic Party was an instrumentality for carrying to political expression the impulses of the human heart, for you there must not be the acquiring of new habits in taking backward steps.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. WOLCOTT. Mr. Chairman, we have no further requests for time.

Mr. SPENCE. Mr. Chairman, I yield such time as he may require to the gentleman from New Jersey [Mr. ADDONIZIO].

Mr. ADDONIZIO. Mr. Chairman, it seems to me that debates on low-rent public housing have become a permanent item on the House calendar. Not a year goes by without heated and sometimes acrimonious discussion on a program that was first placed on the statute books back in 1937. I often wonder how many volumes of testimony and pages of debate have been printed on this subject. Regular committees, joint committees, and special commissions have devoted untold hours to probing into the low-rent public-housing program. I am glad to report that it has survived. Its survival is due to its inherent soundness.

Stripped of all the fancy legal language, the federally aided low-rent public-housing program provides decent homes for low-income families at rents they can afford to pay. The Federal Government does not foist public housing upon a community. The Federal statute is crystal clear on this point. The locality must demonstrate conclusively that Federal aid is required to rehouse families from slums. All sorts of local approvals are required as well as certifications by the Federal agencies concerned before a single dollar is loaned to a local housing authority.

For many years now, and 1955 is no exception, the very vocal and well-financed opposition to low-rent public housing has tagged it with an assortment of uncomplimentary names. This program with less than 500,000 dwellings has been called socialistic, fascistic, and communistic. It has been accused of leading the country into ruination, undermining the construction industry, and in general playing havoc with the Nation's economy. The opposition also charges that public housing is un-American, degrades the families living in it, sets up ghettos, and colonizes voters.

What is American about slums? What is so elevating about an overcrowded, decrepit, 4-story walkup bursting at the seams with an overload of humanity? As for colonization of votes, families living in low-rent public housing vote as they please—as do all American citizens. After all, the ballot is still secret.

The opposition rants against a Federal subsidy for decent low-rent public housing—but with the same fervor argues in favor of subsidies to permit families to pay rents to slum landlords.

Subsidies are not new—public housing is not the only recipient of a Federal subsidy. The Federal Government helps defray the cost of agricultural production, of mail service, of transportation, and highways. It contributes to our progress in medical and scientific research.

We also pay subsidies on rosin, peanuts, linseed oil, tung oil, and olive oil. What is wrong with a subsidy that helps American families escape from the squalor of slums?

Why balk at voting a realistic public-housing program when we know that private enterprise has not yet shown that it can or will build homes within the reach of low-income families? I have listened to the testimony presented to the House Banking and Currency Committee, of which I am proud to be a member. I have read the testimony given before the Senate Banking and Currency Committee. I was amazed at some of the specious arguments advanced by those who maintain that the federally aided low-rent public-housing program poaches upon the preserves of private enterprise. I was not convinced by their arguments, and I do not stand alone in this respect. They are not building homes for America's low-income citizens. True, they have embarked on "Build Better America," and "No Slums by 1960" programs. They have started rehabilitation and cleanup programs. All of these are meritorious—all will ultimately result in cleaner American cities and in a better housed people. But are they building homes that low-income families can afford?

We know that private enterprise is concentrating its building efforts in the outlying areas, in the suburbs. But what of the close-in, densely populated neighborhoods rapidly sliding into blight? Not only do the buildings deteriorate, but likewise the families who are forced to live in them—not by choice, but because they have no alternative.

Private enterprise so far has not come forward with the alternative—but the Federal Government has with its public-housing program.

I am informed by the Public Housing Administration that during the first half of 1954, a recheck of over 142,000 families living in low-rent public housing showed an average annual income of $1,852 after allowable exemptions. For families admitted during that time, the figure was $1,810. No data are yet available on rehecks for the rest of 1954, but the 30,000 families moving in during October, November, and December 1954 had average annual incomes of only $1,803 after exemptions, $7 less than those admitted in the first half of the year.

I am a stanch advocate of the private enterprise system. But I do not believe that it is building homes for families with incomes such as described above. I believe that the Federal Government is acting properly when it moves to help the Nation's ill-housed families. And I also maintain that it should continue to do so until private enterprise steps in and takes over the job.

We are not only discussing low-rent public housing today. The entire framework of the Federal Government's housing structure is being carefully examined to correct any flaws. Public housing may not be the keystone, but it is an integral part, and it must be recognized as such by both sides of the House. To do less would be a betrayal of the less fortunate of our fellow Americans.

Mr. SPENCE. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Missouri [Mrs. SULLIVAN].

Mrs. SULLIVAN. Mr. Chairman, the housing bill deals entirely with the welfare of human beings, our friends and our neighbors. It provides an extension of a great program of urban renewal and redevelopment. It would clear slums. Experience thus far has proven that when slums are cleared, people are displaced. It has proven that at least half of those displaced have incomes so low that it is impossible for them to achieve proper shelter through normal channels of private enterprise, and that includes private enterprise as assisted by FHA and its numerous titles and VA housing. There is no place for them to go except into other, and often worse, slums. If the slum-clearance program is pursued without provision for proper low-rent shelter under a continuing public housing program, it will fail. The same process follows when we repair existing substandard shelter that may be salvaged. The cost of repairs to put such property into habitable conditions forces rents to go up, and low income families are forced out. We have that situation right here in this neighborhood—Capitol Hill.

Urban renewal and slum clearance would be a hardship—almost a tragedy—to those displaced unless we think in terms of human welfare, and of properly housing those we evict from slum areas. Slum clearance is a mockery if by clearing out one pocket of decayed shelter we create even worse situations elsewhere.

Mr. Chairman, let me speak of my own city, St. Louis. The 1950 census, and we have grown since then, showed that we have 251,000 occupied dwelling units of which 88,000 were substandard. I am not suggesting that all 88,000 could, or should, be demolished. Many thousands of them are doubtless subject to rehabilitation. We have in St. Louis a great program of urban redevelopment, slum clearance, and urban renewal underway. We have an officially approved workable program approved under the Housing Act of 1954 which includes an allocation of 1,474 units of public housing from the 35,000 units approved last year. This broad program has total community support, including the support of the great business and banking interests of our city. Recently, the Board of Aldermen of the City of St. Louis adopted a resolution asking for

approximately 4,800 more low-rent public housing units in connection with present and immediate plans for urban renewal. As our city, in a workmanlike, intelligent manner, attacks the problem of eliminating or rehabilitating our 88,000 substandard homes, we will in the years ahead require many more units of public housing—many times the number now requested for immediate needs.

And, Mr. Chairman, St. Louis is typical of the urban centers of our country. The 35,000 units requested by the President, and which our committee approved, have no relationship to our national needs. It is only a beginning in the right direction. It is unthinkable that this great body representing all of the American people would turn its back when asked to make a start toward the provision of decent homes for those who desperately need good shelter, including families to be displaced by the clearance of slums in our gigantic effort to restore urban communities to a healthful, sound, social and economic basis.

Housing for our senior citizens is of particular interest to me. The provision of 10,000 additional units a year for 2 years for single persons or couples when they reach the age of 65 is, in my opinion, one of the great forward steps that has been taken in the field of public housing in the last decade. I only wish that we had more detailed information concerning just exactly how our older families are housed. The 1950 census disclosed that we had 12.3 million persons over 65 years of age, representing 8.1 percent of our population, and something over 10.5 million of them living in nonfarm areas of the United States. In St. Louis our city population totaled 865,000 in 1950, of which some 80,000 were 65 years of age or older. From 1940 to 1950 the percentage of these persons to the total population gained from 6.8 to 8.1 percent. As the life span continues to increase the proportion of our elderly citizens will likewise increase.

On page 18 of the committee report it was pointed out that:

> The housing conditions of the elderly are, in general, worse than those of other families.
>
> The 1950 census, for example, showed in respect to rented dwellings, that 37.4 percent of those occupied by families over 65 were substandard, whereas only 29.9 percent of those rented by younger families were substandard.

Mr. Chairman, those families living on social security or old-age assistance certainly are in no position to rent good shelter out of their meager income. The social-security pensioner without substantial savings is in a decidedly poor situation in this respect. And we all know that after rearing a family and educating the children and otherwise launching them on their way, the parents have usually little left for themselves. Yet they want to remain independent.

I am very pleased that the committee accepted my amendment to define elderly families, for the purpose of this part of the bill, to include single persons over 65, including widows and widowers or unmarried persons, this closes a big gap in the present program, since only family units can be admitted to public-housing projects.

Mr. Chairman, I therefore hope that for the welfare of my community, my State, and our Nation, that S. 2126 as reported by the Committee on Banking and Currency be passed.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, I want to take this opportunity to indicate my support of the housing bill as it has been reported out of the committee. It is a good bill; it is a bill that we of the committee thought would be acceptable to the majority of the membership of this Congress.

I want to point out that the public-housing units which are authorized in this bill are necessary in order to keep up with the local programs which had been started throughout the country. It manifests only a modest interest at the national level in the problem of supplying housing for the low-income families.

I want to point out that in my home city of Cleveland over 30 percent of these public-housing units have been used to take care of families who are receiving some kind of public assistance and who are dependent upon public support. This has been a great way to reduce the load on the State and local governments in order to provide for dependent families who cannot take care of themselves because of the low amount of assistance they receive from other sources.

This bill is only a symbol of what ought to be done. It is an obligation on the Congress, because our local communities have made tremendous investments in planning for slum clearance and urban redevelopment. We need this program to redevelop and redesign our cities to care adequately for the people who reside therein.

People all over America are watching with keen interest to determine whether this Congress will keep faith in its obligation to lift the housing standards of America. In the large cities as well as in the villages and rural areas there is need to improve the housing for the families of low and moderate income as well as for the families who have become dependent through no fault of their own.

The housing laws of our Government have contributed perhaps as much to the social advancement of our Nation as any other body of legislation. A high percentage of our families have been able to acquire a home of their own because of an FHA loan. Urban communities have been able to plan for redevelopment and urban renewal. We must inspire a nationwide effort to make city life more attractive and abate the trend toward suburban living.

The development of suburban living is reaching critical proportions. The exodus to the open country is affording many people with a combination of country-city living, but the roads to and from the employment centers in the cities are glutted with traffic. Public transportation facilities are inadequate and miserably slow in heavy traffic. There is no substitute for decent and suitable housing accommodations in close proximity to the areas of employment.

In my own city of Cleveland great progress has been made in developing a program of urban renewal and redevelopment. Our citizens have banded together to help make city life more attractive. The success of our program in Cleveland, as well as the similar programs of other great cities of America, is dependent upon adequate legislation.

Mr. SPENCE. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. GREEN].

Mr. GREEN of Pennsylvania. Mr. Chairman, more than 50 years ago Theodore Roosevelt said in a message to Congress:

> The slum exacts a heavy total of deaths from those who dwell therein. No Christian and civilized community can afford to show a happy-go-lucky lack of concern for the youth of today; for if so, the community will have to pay a terrible penalty of financial burden and social degradation in the tomorrow.

What was true in 1904 is equally valid today—despite the tremendous progress made in eliminating slums and blight through various combinations of local, State, and Federal action. In this regard no one overlooks the contributions by private enterprise in making America a better place to live in.

The International News Service reported recently that this year's housing output would total about 1.3 million units, second highest output in history. For the first 5 months of 1955 builders chalked up a new record—$6 billion in residential construction spending, and the number of starts only ran 2 percent behind the 1950 all-time record.

Despite the private housing output, America still has a considerable number of substandard houses to contend with—houses like those Theodore Roosevelt spoke about. The number of existing substandard units is given variously as 8, 12, or 15 million.

In 1950, according to the census, there were 10.6 million occupied nonfarm dwellings which were dilapidated or deficient in plumbing facilities. Of these, 6.1 million were in urban areas and 4.5 million in rural nonfarm localities.

There seems to be general agreement today, however, that about 8 million would be a good estimate of the number of substandard dwellings. Now, I have never heard public housing proponents say that every substandard unit beyond redemption should be replaced by a brand new public housing unit. But they are correct in asserting that public housing has demonstrated that it must be considered an integral part of any systematic attack on America's slums. Local housing authorities throughout the country have built between 5 and 6 hundred projects in whole or in part on slum sites. That adds up to some 22,000 acres or 31 square miles, half the entire area of Washington, D. C.

Cleaning up America's slums is a tremendous, but not impossible job. The urban renewal concept of the Housing Act of 1954 envisioned a bulldozer attack.

If utilized to the extent possible, urban renewal could give new faces to many of our cities. It should be able to rescue run-down houses, of basically sound construction, by rehabilitation. It can find within its area of operations a place for new private housing that previously could not have been built in some areas, because to do so would have been economic folly.

There is also a place for public housing. As far as I am concerned, and I am not alone, there is no substitute yet for public housing—not if we want to rebuild the sick areas of urban America. Of course there are other proposals, and there will be more. Private enterprise wants to "build a better America" and says "No slums by 1960." Some proposals entail clearing the land, and others build buildings, but they all look to the general welfare of the people. Such objectives are highly laudable. But when some public housing opponents cry that public housing will drive to extinction the private home building industry, I am inclined to disregard the charge, especially in view of the past and present performance in the private housing field.

No one has yet come up with a satisfactory substitute for low-rent public housing. It has been called many uncomplimentary names, every one unwarranted. A sober analysis of the views of the antipublic housers, as recently expounded before several congressional committees, only reaffirms my conviction that low-rent public housing is one excellent and tried method of combatting slums and their expense. It is also an escape hatch for families lost in the hopeless slum environment, and it is the only way that a family, unable to buy or rent in the private market today, can obtain a decent home.

What we must do today is not only vote a realistic public housing program in terms of number of units, but also vote to remove the crippling restrictions that practically rendered the program inoperative in the closing fiscal year.

The CHAIRMAN. Are there further requests for time?

Mr. SPENCE. We have no further requests for time.

The CHAIRMAN. There being no further requests for time the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Housing Amendments of 1955."

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 1, line 3, strike out all after the enacting clause and insert in lieu thereof the following:

"That section 2 (a) of the National Housing Act, as amended, is hereby amended by striking 'August 1, 1955' and inserting 'July 1, 1956'.

"SEC. 2. Section 217 of said Act, as amended, is hereby amended by striking 'July 1, 1954' and inserting 'July 1, 1955', and by striking '$3,500,000,000' and inserting '$4,000,000,000.'

"SEC. 3. Section 803 (a) of said Act, as amended, is hereby amended by striking 'pursuant to a commitment to insure issued on or before such date' and inserting 'pursuant to a certification by the Secretary of Defense or his designee made on or before such date and a commitment to insure issued on or before June 30, 1956.'

"SEC. 4. The second sentence of section 104 of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended by striking in clause (a) thereof 'designate hereunder' and inserting 'designate hereunder or (iii) pursuant to a commitment to insure issued pursuant to the preceding clause (ii).'

"SEC. 5. (a) Section 103 (b) of the Housing Act of 1949, as amended, is hereby amended by striking '$100,000,000, which limit shall be increased by further amounts of $100,000,000 on July 1 in each of the years 1950, 1951, 1952, and 1953, respectively: *Provided*, That (subject to the total authorization of not to exceed $500,000,000)' and inserting '$500,000,000, which limit shall be increased by further amounts of $200,000,000 on July 1 in each of the years 1955 and 1956, respectively: *Provided*, That.'

"(b) Section 106 (e) of said Act, as amended, is hereby amended by striking '$35,000,000' and inserting '$70,000,000'."

Mr. GAMBLE. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and forty-nine are present, a quorum.

Mr. WOLCOTT. Mr. Chairman, the issues here are pretty well crystallized and I doubt very much whether it is necessary for us to discuss this matter any further. I have been close to this subject in recent years, but I do not know of anything which can be said now which would add to the volumes of information which have been written on the question of housing throughout the years.

Some of us recall away back in 1937 when the first Public Housing Act was passed, and then the controversies incident to the continuance of that act in 1938, and the culmination of the pubhousing debates in 1949.

It is interesting to note that statements are made that in 1948 a great and very lovable statesman whom we all admired very deeply, the late Senator Taft, allegedly was in favor of public housing. I do not think that on this issue any 2 men were any closer so far as our understanding was concerned than Senator Taft and I. The proudest and most enjoyable experiences that I ever had were the conferences which we had with Senator Taft with respect to the housing bill. Starting in 1947, you recall, through 1948—that was the 80th Congress, and I am surprised that certain gentlemen would contend that anything good ever came out of the 80th Congress, but, if you recall, back in those days we had hardly gotten into the stride of production following World War II and there was a decided shortage of housing of all kinds, and not only the great humanitarian, Senator Taft, but many others thought that within certain limitations the Government could well provide the incentive to build homes sufficient to take care of the people who were ill-housed. So, many went along with the so-called public housing program at that time because of the same reason that they will go along with any other emergency. But even then there were certain standards set up with which the localities and the public housing had to comply. Senator Taft was even more anxious than any others that there be standards set up, the interpretation of which was that the American system of free enterprise should be preserved, and therein lies the difference between the Taft concept of public housing and the concept of public housing which is now brought before you on the floor of the House. Bob Taft was one of the outstanding free-enterprisers this country has ever known, and public housing to him was a crutch, by which the economy could be supported, temporarily, until nature had cured the illness.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as has been stated, the Committee on Banking and Currency worked long and laboriously over the bill which we have presented here today. It is a bill that has in it substantially what the President said he wanted in his message on the state of the Union. It is a bill that has in it what the President said he wanted in his budget message. It has in it what the President said he wanted in his economic report.

Now, this is a skeleton substitute that has been offered. And, I am surprised always to hear some people talk about private enterprise. What is private enterprise? Is private enterprise a self-sustaining enterprise without Government help? Is private enterprise as independent as the pioneer who built his hut on the mountainside and relied on his rifle for his protection and for his food? No. That kind of private enterprise is gone, and the people that prate mostly about private enterprise have their hands in the Public Treasury. Who is most in opposition to the public housing? Who has fought this bill most vigorously because it contains what they say is a socialistic provision?

It is the builders, my friends. And what do the builders get? The Government now has a potential liability of over $20 billion in FHA insurance in order that the builders might continue to build. They also asked to have Fanny May continued. Fanny May is what? It is a Government operated and controlled mortgage market which would support the builders' operations.

Let somebody talk about private enterprise that has not been the beneficiary of Government help. Let somebody throw the stones at public low-rent housing who is without fault. If we adopt that as a principle, we would have few stones thrown because most of the stones would be thrown by people who themselves are the beneficiary of Government favor.

If you take the substitute of the distinguished gentleman from Michigan [Mr. WOLCOTT] who is a very able gentleman, you take a bill that has never been considered by the committee that has jurisdiction of such bills. The gentleman offers a bill in the House for only one purpose, to sabotage by indirection a bill that the Committee on Banking and Currency has brought here after long study and which is entitled at least to your consideration, unconfused by amendments such as this.

They still come here and say that this bill we have offered is not what the President wants. The President said he

wanted 70,000 units of low-rent housing, 35,000 a year distributed over 2 years. There is not a word in the bill that the gentleman from Michigan has brought before you that has any public housing in it. It is a skeleton bill with but one purpose, to help the builders. I do not object to their being helped in a reasonable way, but if they accept public help they ought not to be so violent against those in great need from obtaining some temporary assistance which will be beneficial to the whole community. The people who have had their hands deepest in the Treasury are the people who are most violently opposed to low-rent public housing.

We have got to take care of our people. We have always done so. Christianity demands it. This is a better way to do it than the poorhouse.

Mr. RAINS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like if I could to get some kind of realistic approach to what appears to me to be a dead-end street.

The gentleman from Michigan is a very astute and keen parliamentarian. The bill which he offers was never offered in the Committee on Banking and Currency, of which he is the esteemed ranking minority member. It was not offered until the committee had reported and had put before the Rules Committee amendments to the Senate bill which passed in the Senate.

In view of the fact, I assume, that the distinguished gentleman from Michigan speaks for the administration on public housing, I should like to read from the state of the Union message of the President. I would like to know who is right. I would like to know whether the gentleman from Michigan [Mr. WOLCOTT] is right or whether the plain English in the state of the Union message is correct. This is from the President's state of the Union message of January 6, 1955.

> As part of our efforts to provide decent, safe, and sanitary housing for low-income families, we must carry forward the housing program authorized during the past Congress. We must also authorize contracts for a firm program of 35,000 additional public housing units in each of the next 2 fiscal years. This program will meet the most pressing obligations of the Federal Government into the 1958 fiscal year for planning and building public housing. By that time the private building industry, aided by the Housing Act of 1954, will have had the opportunity to assume its full role in providing adequate housing for low-income families.

I ask you in all sincerity, if you adopt the Walcott substitute and send it to Congress with a 135,000-unit Senate bill in your face, which bill is closest to the President's program, the Banking and Currency Committee bill with 35,000 public housing units, and 10,000 additional for old age, or one without any in it?

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from California.

Mr. McDONOUGH. The gentleman knows the bill we passed last year carried certain restrictions on the building of public-housing units.

Mr. RAINS. Yes; I know that.

Mr. McDONOUGH. The President's state of the Union message said to carry forward the program of the previous Congress.

Mr. RAINS. It does not say that.

Mr. McDONOUGH. At any rate, it was his intention. I think we can agree on that.

Mr. RAINS. I want to be sure the gentleman is correct. It does not say to carry forward the program.

Mr. McDONOUGH. In the bill passed by the Senate and considered by the committee there were no such restrictions on the building of public-housing units.

Mr. RAINS. Mr. Cole, who I assume can speak for the President on public housing, told the Committee on Banking and Currency that he wanted 35,000 units of public housing without it being tied up with unnecessary restrictions. I am not here upholding the amendments. They ought to be considered. The amendment you are speaking about cannot be put into a bill which has no public housing in it. In other words, if it takes the amendments the gentleman mentions to correct the public-housing units, how are you going to put them onto a bill that has none in it?

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from Indiana.

Mr. HALLECK. We are acting on the Senate bill, as I understand, as amended by the House committee.

Mr. RAINS. That is correct.

Mr. HALLECK. If the Wolcott substitute prevails, then it will still be the Senate bill, hence all the public housing features of the Senate bill will be in conference.

Mr. RAINS. Also the 135,000 units.

Mr. HALLECK. That is right, also the 135,000 units. So there are ample provisions in the Senate bill to take care of 35,000, if that is what is decided on.

Mr. RAINS. The gentleman does not mean to tell me he expects to go to the Senate with a bill without any in it in order to preserve 2 or 3 restrictions that came in in amendments in the Banking and Currency Committee?

Mr. McDONOUGH. If the gentleman will yield further, another point the gentleman made concerning the substitute bill offered by the gentleman from Michigan was this. He said the committee should have considered it. The committee did consider it. Everything that is in the Wolcott bill was under consideration and subject to hearings. There is nothing in the Wolcott bill that is not in the bill reported out by the committee.

Mr. RAINS. The gentleman will remember that when we considered it, after we had put the 35,000 public housing units in it the gentleman from California made a motion to strike those 35,000 units, and the gentleman will remember the vote of the Banking and Currency Committee on that.

Mr. McDONOUGH. That is correct. That was their intention, and it is my intention now.

Mr. ASHLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am very much opposed to the Wolcott amendment for the following reasons: First, it completely eliminates public housing; second, it fails to grant independent status to the Home Loan Bank Board, despite the fact that this Board is primarily a lending rather than a financial agency; third, it eliminates loans to municipalities for public facilities, such as waterworks, sewage plants, and so forth; fourth, it fails to liberalize the present college-building program; fifth, it contains no cooperative housing program for middle-income groups; sixth, it hamstrings FHA section 220 loans—that is, private housing on slum-cleared areas—by keeping them on a value rather than a cost basis; and, seventh, it fails to extend the present farmbuilding program.

Because I don't have time to discuss all of these points in detail, and because the Wolcott amendment is apt to stand or fall on the question of public housing, I want to address the remainder of my remarks to this very important topic. The basic question, it seems to me, is whether or not the problem of providing adequate housing for low-income groups requires for its solution some sort of joint activity by private enterprise and by the Federal Government through a low-cost public-housing program.

From the bleating outcries from some quarters, the impression is often given that Government responsibility in this area is a little more than a deliberate and devious effort to compete with private enterprise or to destroy private enterprise in this area by socialization of the home-construction industry.

For this reason, I would like to say that—during the course of the recent hearings on the legislation before us—even the most ardent supporters of public housing agreed outright that the job of providing decent housing at reasonable rates for low-income families is properly the function of private enterprise.

The sole question is whether private enterprise at the present time is doing the job. If not, then it falls within the legitimate province of the Federal Government to meet this human need until such time as private enterprise is able to fulfill the function.

To start with, let us look at the job which the home construction industry faces. According to the figures based on the last census, we have today in the United States 15 million substandard homes—homes which are dilapidated, which are located in slum areas, or which lack interior plumbing facilities. Of these 15 million homes, 10 million must be cleared and replaced, while 4½ million additional substandard units may be brought up to standard by rehabilitation and modernization.

On the basis of population figures also obtained from the Bureau of the Census, it is estimated that 1.4 million new units will be needed annually from 1955 to 1960 for new families, for dwellings which are demolished by fire or other disaster, or which are cleared in highway and other construction programs.

So, our total housing requirements in the United States at the present time include 1,400,000 units per year to meet

current growing housing needs, plus replacement for rehabilitation of nearly 15 million units.

Recent history shows that private construction simply has not met this tremendous need. Since 1950, an average of only slightly over 1 million new nonfarm units have been provided by private enterprise. And needless to say, these units have benefited mainly people who have been able to pay the market price of the new homes. There has been practically no abandoning of substandard housing for better quarters provided by private builders.

Mr. Chairman, perhaps these are dry figures which I am citing to point up the need for joint activity by private enterprise and by the Federal Government to meet the housing needs of the Nation. Certainly much more startling is the fact that nearly 20 percent of the metropolitan residential area in the United States is comprised of slum or blighted districts. These blighted areas account for 33 percent of the population, 35 percent of the fires, 45 percent of the major crimes, 50 percent of the arrests, and 55 percent of the juvenile delinquency in the great cities of our country from New York to California and from Minneapolis to New Orleans. Who can say this is not a national problem to be met by the combined facilities and joint efforts of Government and private enterprise?

Mr. Chairman, the President of the United States has gone on record as favoring limited public housing; that is, 35 thousand units for each of the next 2 years. In his budget message last January, the President stated:

> The basic principal underlining budget recommendations for programs in the fields of transportation, housing, and business is that the national interest is best served by privately owned and operated industry, which is assisted by a minimum of Federal funds and Federal basic facilities.

I submit, Mr. Chairman, that 70,000 public housing units for the next 2 years is a minimum, if not less, of Federal assistance needed to meet the very real and very human need for shelter which exists in our country today.

Mr. BUDGE. Mr. Chairman, I offer an amendment to the substitute.

The Clerk read as follows:

> Amendment offered by Mr. BUDGE to the amendment offered by Mr. WOLCOTT: On page 2, strike line 3 and insert the following in lieu thereof: "'issued on or before June 30, 1956', and by inserting before the period at the end of said section ', or (C) pursuant to a certification by the Atomic Energy Commission or its designee made on or before June 30, 1956'."

Mr. BUDGE. Mr. Chairman, the purpose is to include along with the Department of Defense the Atomic Energy Commission, under the title military housing provisions of whichever of these bills which may ultimately be adopted by the House. It would apply in very few places in the country; probably not over a half dozen at the outside. In my particular district there is a large Atomic Energy Commission installation at Arco, where the atomic submarine was developed and where it is hoped the atomic airplane will be developed. The influx of new people to work in that plant has created a very severe housing shortage in the area, and it is extremely difficult to secure financing to take care of the personnel that the Government is shipping in to carry out the Atomic Energy program. Certainly it is just as important to the defense of this Nation as are the military installations, and I feel that a certification by the Atomic Energy Commission should be treated in just the same manner as a certification by the Department of Defense.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. BUDGE. I yield.

Mr. WOLCOTT. I have read the gentleman's amendment. I think the gentleman has made a very fine point, and as far as I am concerned his amendment should be supported and should be satisfactory to everyone.

Mr. BUDGE. I certainly appreciate the support of the distinguished gentleman from Michigan [Mr. WOLCOTT]. I hope the committee will see fit to adopt this amendment which may be of extreme importance in a very few areas in the Nation.

Mr. BARRETT of Pennsylvania. Mr. Chairman, I rise in opposition to the Wolcott amendment. I believe the key to his amendment is to kill public housing. I am for S. 2126.

Mr. Chairman, as a member of the House Committee on Banking and Currency, which handles all housing legislation, I am proud to have a share in writing the kind of bill that means better housing for all—and particularly for the low-income groups. There is nothing we do in the course of a session of Congress that is more significant or long-lasting in improving the lives of the American people than good housing legislation.

The trend, which has greatly changed and improved the housing situation in America, was pioneered by the Democratic Party under the leadership of the late Franklin D. Roosevelt. As a result, today more people own their own homes than rent. This is a phenomenal accomplishment, bringing home ownership within the means of a majority of American families. Further, we have been very successful in putting into operation an excellent low-rent and slum-clearance housing program, which has been beneficial to millions.

In Philadelphia we are deeply proud of our public-housing projects because we know what they have meant to our people. Decent living accommodations have been substituted for deplorable slums. Families have found dignity in their daily lives because they have been helped to live rather than just to exist. They are better Americans for having had the chance to share in the good things of America, including decent shelter. Slums are a disgrace to our whole country and must be eliminated.

We in Philadelphia, too, have made great progress with our redevelopment work, thanks to the far-sighted legislation passed in 1949 under President Truman. Each year this work is proving to be more and more important to the future growth of America's cities, which previously were strangling in crowded, deteriorating, high-cost but uneconomic land use. We are bringing fresh air and park vistas and sunlight and vast new beauty to our urban centers, and the city is on its way back not only as a business center, but as a place to live and enjoy the many advantages of city life.

The controversial urban redevelopment programs initiated by our party are now popular with all segments of the community and the business world. Businessmen, including the real estate group, have seen how broadly they benefit because of increased property values in the community and they realize they are contributing to more prosperity for all.

Unfortunately, some of the groups which so bitterly fought urban redevelopment but finally came around to see the error of their ways still, however, fight against public housing. It seems they hate to see the poor family get any kind of break at all.

Both our efficient mayor, Joseph Clark, and I have repeatedly fought for a more flexible public housing program. During the series of hearings before the Committee on Banking and Currency we urged and recommended that 70,000 public housing units be authorized annually. We further recommended, in addition to adequate provisions for public housing, that those people in the middle income group and those who are elderly be provided with decent housing facilities.

An effort will be made on the floor of the House to report the Wolcott bill, H. R. 7473, which I shall vigorously oppose because it eliminates all public housing. This bill endangers the various programs now in operation by the Federal Housing Administration. It does not provide the changes the Committee believes necessary for rehabilitation of housing and slum clearance in urban areas. It fails to provide for needed corrections for housing for our elderly families. It fails to provide for any of the Administration's recommendations regarding the operation of the Home Loan Bank Board. It makes no provision for public facility loans which would provide needed assistance to the smaller municipalities of the country. The bill makes no provision for any of the needed amendments for the college housing program or for the continuation of the farm housing assistance program. Lastly, no mention is made regarding military rental housing, which is one of the more critical housing programs in existence today. Now you can understand why this substitute bill must be opposed and defeated.

S. 2126, as reported out of our committee, is not as broad as I would like to see. It provides only the 35,000 units a year of public housing the President requested, although I support a much greater amount. But we should pass as at least a bare minimum this 35,000 unit authorization. We in Philadelphia could use twice this number all by ourselves, but if we face the choice of 35,000 units or none, we will settle for this small and insufficient number—for this year, anyway.

The country is waiting to hear and see what is done on this bill in order to get a measure of the degree of humanitar-

ianism in the Congress of the United States. They must get an answer which tells them Congress is alert to the needs of the people, and cannot again be swayed and deterred by special interests which want only for themselves and would deny the poor.

Mr. Chairman, I favor and urge the passage of a housing bill that will get our people out of slums and into decent places to live. Let all who would vote against this objective know that a negative vote on this bill is a vote for slums.

Mr. BYRNE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BARRETT. I yield.

Mr. BYRNE of Pennsylvania. I would like to associate myself with my colleague the gentleman from Pennsylvania [Mr. BARRETT], and I ask unanimous consent to revise and extend my remarks at this point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BYRNE of Pennsylvania. Mr. Chairman, the measure before us today is of vital concern to each and every one of us and to our constituents. We are being asked to consider and act upon legislation to extend and liberalize existing laws regarding housing. It is my firm conviction that this bill is one of the most important presented to us in this Congress. Its passage is extremely necessary to the continued welfare of this Nation.

Perhaps the most significant, and also the most controversial, feature of this bill is the provision for 35,000 public-housing units each year for the next 2 years. This is a far cry from the 135,000 public-housing units each year for the next 4 years provided for in a bill passed by the Senate. Thirty-five thousand units erected throughout the Nation will take care of only a small percentage of the families in dire need of assistance. However, inadequate as this figure is, it is better than nothing. We must support it and trust that a more liberal program will result from the conference between House and Senate Members.

The public-housing program performs a very necessary function in our society. It was set up and has been operated for the benefit of low-income families.

Over the past few years, as the cost of living has risen and the cost of privately owned apartments and homes has increased accordingly, more and more families have been forced to live under conditions that insult the dignity of any individual. In my district in the heart of the birthplace of the Nation, Philadelphia, people are living in squalor and filth. While money is appropriated liberally to improve and beautify the Independence Hall Mall, my constituents are packed into houses, meant for half as many, which lack even the most primitive plumbing facilities. Needless to say, disease runs rampant throughout these areas. In 5 years' time the lower end of the district will be a blighted area.

Accompanying these degrading conditions is the inevitable rise in the crime rate, particularly among adolescents. Juvenile delinquency thrives in areas where there are insufficient playgrounds and recreation facilities. These youngsters are the future voters and leaders of our country. They are currently in their formative years. What they experience now will influence their outlook in later years. We have a duty not only to them but also to ourselves and to our country to provide them with decent living conditions and adequate play areas.

Benefiting also from this bill will be elderly, low-income families. The number of these families is on the upswing and it is expected that the problems which they face will become more of a concern to the country in the years to come. This bill makes a provision for 10,000 dwelling units expressly for the use of elderly people. This will fill a long-felt need.

Mr. Chairman, I earnestly solicit the support of all the members of this body in passing this bill.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to extend my remarks immediately following those of the gentleman from Illinois [Mr. O'HARA] made earlier in the day on this bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I think the Members ought to realize the differences between the Wolcott substitute and the committee bill. Of course, outside of the killing of any kind of public housing, the Wolcott substitute for all practical purposes will wipe out the Wherry military housing program. To the contrary, the committee bill broadens existing law.

This particular program is confined to military reservations, and I might say that the Secretary of Defense has already certified that the armed services need at least 110,000 additional units in order to house properly the servicemen and their families.

I might say also that this particular program is carried on by private enterprise through private money. The administration has recommended the extension of it. The Secretary of Defense urgently calls for it, but the substitute offered by the gentleman from Michigan, my friend [Mr. WOLCOTT] for all practical purposes will limit the present program to those already certified by the Secretary of Defense but not any more in the future.

So there is a very sharp difference between the Wolcott bill in that respect and the committee bill, and between the gentleman from Michigan [Mr. WOLCOTT] and President Eisenhower and Secretary Wilson and the other Secretaries of the Department of Defense.

The first two sections are substantially the same in both bills. Title I relates to the home repair program. There may be a difference in expiration dates.

Section 2 relates to FHA insurance, authorizing $4 billion of addition authority to the Administration.

Section 4 of the Wolcott bill is the same as the committee bill. This relates to defense housing which at the present time is in an active status but will be continued on a standby basis.

Section 5 is substantially the same as the committee bill, authorizing $500 million more for urban redevelopment and slum clearance.

Section 106 of the Wolcott bill is more or less a technical amendment and is in the committee bill.

There are many sharp differences in addition to the one I have just stated on the housing program for those in the armed services.

Authorized loans on public housing: The Wolcott bill leaves out 10,000 units for the next 2 years for elderly persons. I do not think it is necessary to argue the case for elderly persons.

The only difference between the committee bill and the recommendations of the President is that the administration recommended an additional 10,000 units for each of the next 2 years for elderly persons and the carryover of about 5,400 units from the past fiscal year's authorization.

The President recommended 35,000 units for each of the next 2 years. So in respect to public housing the committee bill is identical with the recommendation of the President, with the exception of the carryover of 5,400 units from the last fiscal year and the 10,000 units for each of the next 2 years for elderly persons.

The Wolcott substitute leaves out perfecting amendments to sections 220 and 221 relating to the FHA but necessary to make the private enterprise phase of urban redevelopment workable. There is the public-enterprise feature, and there is the private-enterprise feature in connection with urban redevelopment. The Wolcott substitute leaves out provisions of the committee bill which will make the private-enterprise feature in connection with urban redevelopment workable.

It also leaves out the broadening of the municipal loan program and it leaves out the college housing program.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

(By unanimous consent (at the request of Mr. McCORMACK) Mr. McCORMACK was allowed to proceed for 2 additional minutes.)

Mr. McCORMACK. Mr. Chairman, the membership ought to have in mind the sharp differences between both bills. The Wolcott substitute not only wipes out public housing but it wipes out several very important activities. We have been through this fight so often on public housing that it is unnecessary to enter into lengthy debate.

I sincerely hope that the authority for 70,000 units in the next 2 years, as recommended by President Eisenhower, which, of course, is consistent with good Democratic policy, and the additional 10,000 units for elderly persons for the next 2 years, will be carried in the bill. For this reason and for other reasons, and in view of the damage that the Wolcott substitute will do, I urge defeat of the Wolcott substitute.

Mr. HALLECK. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, let me say at the outset I am for the administration proposal in respect to the housing program and by that I include the request for 35,000 units a year for the next 2 years. It seems to me that if we are for the administration proposal, the only question before us is, How shall we best reach that result?

The gentleman from Massachusetts, our very amiable and distinguished majority leader, has just referred to the public housing feature as being good Democratic doctrine. I have heard many of his colleagues on his side of the aisle in debate to this point assert that actually that policy originated with and was brought about by the late great Senator Robert Taft of Ohio.

But be that as it may, and speaking for myself, my position through the years has been known. I have not been an advocate of Federal public housing as such, but when the proposals were made by the present administration and I understood the attitude of the administration I took the position, and it is borne out in the last state of the Union message, that the question was not whether you are for or against Federal public housing, but since we now have something over 800,000 units, When do you end the program?

In that regard I call attention to a statement made in the state of the Union message in which the President used these words:

> We must also authorize contracts for a firm program of 35,000 additional public housing units in each of the next two fiscal years. This program will meet the most pressing obligations of the Federal Government into the 1958 fiscal year for planning and building public housing. By that time the private building industry, aided by the Housing Act of 1954, will have had the opportunity to assume its full role in providing adequate housing for low-income families.

Now, as I read that, it is the express hope of the President that public housing, the need for it, such as there might be said for any need to be, will be over at the time this particular program ends.

So, what is the situation before us? We have, first of all, the bill from the other body. That certainly contains enough provisions for public housing that the conferees could agree on 35,000, if that is what they want to do. Then, of course, we have the bill as reported by the Committee on Banking and Currency.

Now, you can find in that provisions that are in line with the President's program, but you can find many, many more provisions that are not in line with the President's program. For instance, there are 20,000 more units of public housing provided for, and many of the restrictions that were asked to be continued, are not continued in that measure.

So, as I see it, here is where we are. We adopt the Wolcott substitute and go on and pass the bill. The measure then goes to conference, because the bill we are now considering, the original committee bill, is the Senate bill with certain committee amendments.

As I say, we have been through this controversy time and time again. I heard the gentleman from Michigan refer back to an original housing bill in 1937. I was here at that time, and I took part in those debates. But we know, through the recent years, at least, that on every occasion these bills are written in conference. So, why not adopt the Wolcott substitute and let it go to conference? I am for that, because I am convinced that in that way we shall more quickly and more nearly achieve the administration proposal, which I say is a good proposal.

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Alabama.

Mr. RAINS. What would be the difference in going to conference on the Banking and Currency Committee bill as amended by the House? Why would there be any advantage in going to conference on the Wolcott bill?

Mr. HALLECK. The difference is that you have an additional 20,000 public housing units, and I assume the figure in the bill from the other body being greater than that, that probably would not be in conference. And many provisions desired by the President are not in either bill and would not be in conference. Unless the Wolcott substitute is adopted many of the proposals of the President would be eliminated.

But here is a simple and practical matter before you. An amendment could be offered now to put 35,000 units into the Wolcott substitute. I do not know whether it would prevail or not. If such an amendment were offered, let me say for myself I would support it. But I know this, that whatever would prevail, ultimately this bill will go to conference, and when it comes back from conference, then every Member of this House will have an opportunity to express himself with respect to the provisions of the bill. In other words, the quickest way to get at it, the best way to get at it, is to adopt the Wolcott substitute, and that I advocate.

Mr. PATMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is never pleasing to me to oppose my good friend, the gentleman from Michigan [Mr. WOLCOTT]. He is a very fine and able Member of this body, very sincere. But I believe in this instance he is clearly wrong. I believe he has left out too many of the important parts of the bill that we have before us. He has what could be considered just the bare running gear of the housing bill. I think he reduced it entirely too much, and I hope that his amendment or substitute is defeated.

It is often said and truthfully said that there are four great evils. The greatest evils are poverty, ignorance, disease, and crime. I know that public housing will not cure all these great evils, but it is a part of the answer. Many people are criminals and land in our jails and penitentiaries primarily because they did not have an opportunity to enjoy a decent place to live. We have never been economy-minded, we have never pinched pennies when it was necessary to build fine jails. We have built the finest jails in the country and never asked any questions about it. Nobody ever argues about who is going to occupy those jails. We have never been penny-pinchers when it came to having fine penitentiaries and fine equipment for the penitentiaries, and to take care of those unfortunate people who must go to the penitentiaries.

If we had spent a little more time and a little more money in providing decent housing for people, the people who suffer misfortunes and troubles over which they have no control, who have no decent place on earth to live, I have a feeling that we would have less need for the jails and less need for the penitentiaries.

I know it is contended that they get into this public housing and remain there. Unfortunately, a lot of people have been permitted to remain in these houses who were not qualified. But it was because of the exceptional circumstances. It was right after the war when we had few houses, as few had been built during the war. There was a shortage of houses. Some very deserving people were in these public housing projects who were not qualified to remain there. In some cases they were heroes of the war, men with families, and although they had incomes larger than would qualify them to remain there, the local authorities would not put them out because it would have been tantamount putting them out on the street. They did not want to do that, so they permitted a great many people to remain on and on in public housing who were really not qualified to remain there, and it was because of an unusual situation over which none of us had any control.

But normally public housing is intended as a temporary living place for people when they are unable to get any other place. They go there for a period of time which is temporary, until their economic status changes and they can go out and buy a home under private enterprise, or in any way they wish. But they need that period of time. It is no more reasonable to say that we should, in order to save money, give a deed to all the people who are in this public housing than to say that we ought to give a deed to all the inmates of our jails and penitentiaries, because it would be cheaper. That is not the point.

I think a limited number of units of public housing is in the interest of the country. I know that the cities get most of it. I do not have any big cities in the district I have the honor to represent. It probably will not help me at all, I do not know. But I am certainly willing to help the cities. They are not selfish when it comes to helping the country people. I know that our Members here from New York and Chicago and the other great cities of this country, many of them have a better voting record for the farmer than many Members who actually come from farming districts in our country, because they are unselfish. They are looking at it strictly from the standpoint of the country.

Although it just helps the rural communities they do not stand back on that, they vote for the rural areas just the same. I feel that it is incumbent on me to be just as unselfish as they are,

and when they have a problem that takes public funds to help them solve that problem that is in the interest of and for the benefit of the entire country, I feel that we ought to help them, not just to help them but because it is in the public interest.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the substitute amendment and all amendments thereto close at 4 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, I have heard many adroit arguments in my time but few to match the one we have just listened to from the minority whip, Mr. HALLECK. He says that he is in favor of the President's program on public housing. Yes; he is in favor of it just so long as it is passed by the Senate and not by the House of Representatives. He says it is perfectly all right with the President for members of the Republican Party in the House to vote against the public-housing program. In this way they will be supporting the President completely inasmuch as the Senate has already approved more public-housing units that the President requested. Does the gentleman really believe we are simple enough to accept such a specious argument? In response to the question from the gentleman from Alabama [Mr. RAINS], he replied: "Let us go to conference on the basis of what the Senate has passed. There is no need for us to approve any public-housing in this body." As far as he is concerned, Mr. Chairman, the House of Representatives need take no position at all on one of the most important parts of the administration's national housing program.

The gentleman from Indiana is the President's spokesman in this House. Presumably his advice to his Republican colleagues to refrain from voting for the public-housing program has the President's blessing. How long can the country continue to tolerate such double-talk where the administrative branch of the Republican Party proposes one course of action and the legislative branch of the Republican Party disposes of such a proposal by taking contrary action?

We see here again an example of what has transpired time and again. The President's so-called dynamic crusade stumbles and founders when it hits the House of Representatives. The Republican Party refuses to support its President on his housing program just as it has refused again and again to support him on other major legislation for which he has sought their assistance.

The President's crusade calls for slum clearance, urban redevelopment and renewal, and municipal rehabilitation. It endorses programs which would destroy slums and rebuild neighborhoods and cities. But these proposals fail to appreciate the consequences which must inevitably flow if they are to be implemented. What do the gentlemen propose to do with the people who are displaced by the destruction of their ancient and ill-suited habitats? Where do the gentlemen propose to house those who are displaced? These people cannot be dislodged without giving them the opportunity to find other places to shelter themselves and their children.

Here are but a few basic facts which must be recognized. The first is that when you clear slums you displace people. The second is that nearly half of those families displaced have incomes so low that they must have public housing if they are to secure proper shelter. The third is that the other half of the displaced families generally fall in the middle-income brackets that find it almost impossible to secure adequate homes within their capacity to pay, supplied by private enterprise. Yet the administration would do nothing to give more than token assistance to them. And so we set forth on a crusade to clear slums with all of the skills of the very best public relations experts, lacking fuel and ammunition. It is comparatively easy to tear down slums if we do not care about what happens to people. We happen to care first about what happens to people. The Wolcott amendment would deny them any consideration at all.

It is obvious that we need a housing program that will satisfy the housing needs of all Americans, of every economic level, not just those who can afford to buy their own houses at current prices. We must have a housing program for those who cannot afford to buy current housing, as well. If the Wolcott amendment is passed and the public-housing program rejected, the Government will be depriving a major segment of our people of the opportunity to obtain decent homes in decent surroundings in which to raise their children. I urge that the Wolcott amendment be voted down.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. Mr. Chairman, I am opposed to the Wolcott amendment because I believe what is involved here is the simple issue of whether or not the Federal Government should do its small part in the joint attack by private enterprise and by Government at the city, county, and State level to wipe out slums and to substitute clean, decent housing with adequate green space and light, where kids can play and old people can enjoy the air.

Frankly, I do not follow the argument made by the distinguished gentleman from Indiana [Mr. HALLECK] that the best way to support the President's modest request for 35,000 units for each of 2 years is to vote against it. There have been arguments advanced here this afternoon that the supporters of the 35,000 units are socialistic. If so, this is a Socialist administration, because, as HHFA Administrator Code said on June 8:

> I'd like to give you the basis of our thinking behind the administration's public housing recommendation. This administration is convinced that additional public housing is absolutely essential for carrying forward the President's comprehensive housing and urban renewal program.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. SCOTT].

Mr. SCOTT. Mr. Chairman, I have heard a lot of specious arguments in my time, but I think today takes the cake. We have some gentlemen who come up here and say, "If you want to honor the memory of the great late Senator Taft who was for public housing, vote against it." You have heard other Members come here and say, "If you want to carry out Eisenhower's program for public housing, vote against it." You have heard people who only this morning had the chance to listen to an inspiring speech by the President of the United States get up at that meeting and yell, "We want Ike, we want Ike." Now they say the way to be for what Ike wants is to vote against it. In other words, they say, "We want Ike, but we do not want Ike's program." Mr. Chairman, I am for public housing, and I am for the Spence bill. I am against the substitute, and I hope you vote it down.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. FISHER].

(By unanimous consent, the time allotted to Mr. DIES, Mr. WILLIAMS of Mississippi, and Mr. GROSS was given to Mr. FISHER.)

Mr. FISHER. Mr. Chairman, I shall vote for the Wolcott substitute. I think it is imperative in pursuance of an orderly way of handling this situation that it be adopted now. Every year for the last 5 years, this House has gone on record as being apposed to public housing. For the information of the new Members who may not be familiar with what has happened in the past, beginning in 1951, every year we have voted against public housing in the House of Representatives. Usually by overwhelming votes—it has been nothing close. This program is unpopular in the House of Representatives. It would have been killed several years ago except for the insistence of the other body. So we have the same clamor, the same talk, and the same arguments and the same old line brought in here today in defense of it that we have had every year, year in, and year out. What does this do? Through the years the House very laboriously has been able to adopt a number of restrictive amendments, as they call them—and we will call them that—to eliminate some of the evils of the public housing program as it is being administered. What are some of those evils? What are some of those restrictive amendments? One of them was a law prohibiting subversives from living in those places. The committee bill that we are asked to adopt here strikes that out so that they can live in them—do you understand what that means? Second, we were able to get inserted in the law, and it is a law today, if the committee does not repeal it here by the committee bill, a formula so that a community does not have to accept a public housing project after it decides by a referendum to reject it. The committee bill strikes that out and it would no longer be the law.

Third, it repeals the Roancke amendment which was previously referred to,

which prohibits projects where they have been rejected by public vote unless it is specificaly approved by the same procedure.

That is stricken out of the law under the committee bill.

Fourth. Another requirement which we were able to put in the housing law in the form of a restriction requires that the number of housing units be related to the number of persons displaced by slum clearance. What is wrong with that? They struck that out. That is no longer the law if the committee bill is adopted.

All efforts at progress that have been made in the last 5 years would be wiped out.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. FISHER. I yield.

Mr. HALLECK. I think it should be pointed out in connection with the statement the gentleman is making that these restrictive provisions are out of the Senate bill; they are out of the committee bill here; so if we are to retain these provisions which should be retained, then we must adopt the Wolcott substitute.

Mr. FISHER. That is another one of the imperative reasons why the Wolcott substitute must be adopted.

No. 5: Another provision that is in the law today which the committee bill would repeal, provides that no public-housing contracts would be entered into for future years for additional units without the consent of Congress. In other words, they cannot project them into the future. That is the anti-leapfrog amendment which the gentleman from Texas [Mr. THOMAS] and the gentleman from California [Mr. PHILLIPS] fought for for so many years. It is the law today. But the committee bill strikes it out and it will be no longer the law if the committee bill is approved.

Still another one: The committee bill includes 20,000 new units for old folks, known as the Townsend plan, a completely new thing and the beginning of a brand-new program.

Now, they say this is the President's program—the committee bill. But that is not true. Housing Administrator Albert M. Cole, on July 13 last, was quoted as saying the administration wanted the housing bill to require that:

First. Cities develop approved programs of urban renewal prior to participation in Federal public-housing aid.

Second. Public housing be made available only to families displaced by slum-clearance projects.

The committee bill contains neither of those provisions. Indeed instead of continuing such requirements, as is now in the law, the committee bill strikes out and repeals both of them. And yet they harp here about this being President Eisenhower's program—the administration's request on the subject of public housing. Nothing could be further from the truth.

Now, Mr. Chairman, if you are opposed to public housing, here is a chance to vote against it. Public housing is now dead. It was killed last year by the House and the Senate. Today we decide not whether it be continued but whether we attempt to breathe the breath of life into the dead carcass. Let us not march back down the hill and wipe out the progress that has so laboriously been made in the past. The House has voted against it repeatedly. Of course, if this goes to conference, we have been told already that probably there will be some compromise. There will be a record vote and those who favor it will have a chance to go on record at that time. But at this time the only proper thing to do, if you have any question about the propriety of public housing or if you are for it and you feel it should be restricted to the so-called welfare level, is to vote for the Wolcott substitute.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. FISHER. I yield.

Mr. DIES. There is more reason to vote against the committee bill today than there was last year; is that not true?

Mr. FISHER. Oh, yes. Above everything. Now is the time to strike out the committee bill and to take the Wolcott substitute and let it go to conference and retain these provisions that we have fought for over the years, which in one fell swoop are wiped out by the committee bill. Now is the time to act and not postpone or compromise a decision.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The Chair recognizes the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, I wish to touch upon a phase that has not as yet been considered.

I think the Committee on Banking and Currency has a fine reputation in this House. I think over all the years it has been respected as a great committee. The Committee on Banking and Currency worked many days on this bill. There were many days of public hearings, many days in executive session. Finally a bill resulting from weeks of hard labor was reported out. The Rules Committee refused to grant a rule because some of the members did not like some of the provisions in the bill.

A distinguished member of the committee—and no one has greater affection and esteem for the gentleman from Michigan than have I—unfortunately was called from the sessions of the committee in the closing days, and on his return he drew up a bill which was not submitted to the committee. It was his own handiwork.

It was merely a skeleton continuing many of the authorizations that the construction people want. If we pass no housing bill at all we are going to have sorry times because construction is bound to stop with the cessation of governmental financing. So the gentleman from Michigan brought up this bill merely extending those authorizations. He argues that upon the framework of his skeleton the conferees can construct their own creation.

The question presented is whether the House sitting as Committee of the Whole shall substitute for the will of one of its great committees the will of one member of that committee. It is a dangerous precedent to establish, a precedent that will arise in the future to plague the House.

The adoption of the substitute bill will deprive this body of the right to pass upon its own bill and turn over to the conferees the rights and responsibilities of this body.

In the bill reported by the Committee is provision for housing for the aged. There is no such provision in the begravied skeleton of the gentleman from Michigan. There is gravy in the skeleton for others, for the aged there is not even a crumb.

If the majority of this body does not wish to make even a gesture toward helping our senior citizens, it can vote to strike the provision from the Committee's bill. By adopting the substitute of the gentleman from Michigan it will be sneaking around the corner to avoid showing its intention to give our senior citizens the Eskimo treatment.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HIESTAND].

Mr. McDONOUGH. Mr. Chairman, I ask unanimous consent that the time allotted to me may be transferred to the gentleman from California [Mr. HIESTAND].

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. MASON. Mr. Chairman, I object. I am back on the job. From now on there will be no more transfers or extensions.

Mr. HIESTAND. Mr. Chairman, in the 11 days of hearings that our committee had, no evidence was supplied that we needed any additional public housing. I have gone through the minutes very carefully. No evidence was offered.

We have been told that the President's message of 1955 advocated 35,000 more units. That is not the way he worded it. He said: "Carry out the program of the previous Congress." The program of the last Congress was carefully geared to serve the needs of the country and to carry out the will of the Congress as expressed in the great Housing Bill of 1954.

Mr. Chairman, the Spence bill is not an administration bill. There are some 11 major points to which the administration objects. It is not an administration bill. It takes away, as the distinguished gentleman from Texas just mentioned, all of the restrictions and safeguards this Congress had voted into the bill as a protection to the basic principles of free enterprise. The administration bill definitely said it would supply all the needs of the victims of slum clearance.

The Wolcott substitute provides all of the essential parts that need to be carried over.

I advocate the Wolcott substitute.

The committee repeals all restrictions in the Housing Act of 1954. They include:

The requirement that a community must show a workable program of slum clearance and urban rehabilitation, that the total number of housing units covered by such new contracts shall not

exceed the total number of dwelling units of families to be displaced as a result of Federal, State, or local governmental action in such community.

It would repeal the protection of communities against unwanted projects, as at Los Angeles, Roanoke, and many other places.

It would repeal the Gwinn anti-Communist provision.

It completely repeals the administration's defense housing request known as the Capehart bill which passed the other body.

We have three times voted down the Socialist public housing program. This Spence bill would revive it and revive it without limit. The sky is the limit and no safeguards.

In Los Angeles a hundred thousand people more voted to throw it out than voted in favor, yet the public housing bureaucrats said "You shall have it anyway."

And believe it or not, Mr. Chairman, we had it jammed down our throats, in spite of the will of the people.

Subsidized public housing costs the taxpayers of our country $26.90 per month per unit on the average, and as vacancies climb it will increase. The request for deficit coverage has increased from $21 million in 1951 to $87 million for this year—and these projects run on for 40 years.

Let us not reverse our three votes against public housing. The country does not want it. Let us let it stay dead.

The Wolcott amendment supplies the urgent need. I ask its approval.

Mr. BUDGE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BUDGE. Some time ago I offered an amendment. I am wondering if it would not be well to dispose of that amendment at this point. The amendment is still pending.

The CHAIRMAN. The Chair understands that. The request submitted by the gentleman from Kentucky related to the Wolcott amendment and all amendments thereto, which included the amendment offered by the gentleman from Idaho.

The gentleman from New York [Mr. POWELL] is recognized.

Mr. POWELL. Mr. Chairman, at 4 o'clock, after the Budge amendment is voted on, there will be an amendment read by the Clerk which I have prepared, to clean up the slums of unhealthy thinking on the part of our Federal Housing Administrators, which has worked contrary to the decisions against segregation by the Supreme Court and policies voiced by the President. What do we have at the present time? A picture that shows that segregation in the North is worse than it is in the South when sponsored by our Federal Housing Authorities. We have more segregation in Levittown, Pa., than we have in Jackson, Miss.

It is time that we pass legislation that will make builders, renters, lenders, buyers, borrowers become Americans.

I will use as background the statement of Clarence Mitchell, director, Washington Bureau, National Association for the Advancement of Colored People.

The national housing program is a cruel and disgusting hoax so far as colored citizens of the United States are concerned. Each year, through the expenditures of millions of dollars in FHA, VA, and slum clearance programs, the United States is expanding housing segregation.

It is an incredible paradox that the same Government which has valiantly and successfully fought racial segregation on other fronts is actively promoting segregation in the places where our citizens live.

An analysis of census data, 1940–50, reveals the following facts:

Nonwhites comprised 10.3 percent of the total population in 1950, but occupied only 8.6 percent of all occupied dwelling units.

The nonwhite population increased at a faster rate than the number of dwelling units it occupied—15 percent against 10 percent—wheras the reverse was true for whites—14 percent against 23 percent. For nonfarm areas alone, the nonwhite population rose by nearly 40 percent, while the number of dwelling units it occupied increased by only 31 percent.

The proportion of overcrowded units, with more than 1½ persons per room, among nonfarm dwellings occupied by nonwhites was some 4 times as high as that for whites.

In nonfarm housing only, the proportion of dilapidated homes among nonwhites was 5 times as high as among whites—27 percent as compared to 5.4 percent—and, in addition, the proportion of homes not dilapidated but lacking in one or more of piped running water, private flush toilet, private bathtub or shower, was more than twice as high among nonwhites as among whites, 35 percent as compared to 17 percent.

Although homeownership rose sharply among nonwhites during the decade 1940–50, nearly two-thirds of the nonwhite households in nonfarm areas were still renters in 1950 as compared with 45 percent of white nonfarm households.

Our efforts have been partly successful in that we have ended court enforcement of racial, restrictive covenants. Where there is a willing seller, and a colored purchaser has the money and access to lending resources, segregation is ending in many old housing units in metropolitan areas.

In contrast, where new housing is built with the help of the resources of the Veterans' Administration, the Federal Housing Agency, and other Federal agencies, there is an ironclad policy of building whole cities for whites only.

The classic example of this is found in Bucks County, Pa., in a development known as Levittown.

I hope the next time that any of you gentlemen go to New York you will just look to the left on the northbound train and see that huge sign which advertises "Levittown," a whole new city in Bucks County, Pa.

The builder of this development could not have done so without the aid of the Federal Government. To many he may be the example of a successful builder, but, in the eyes of minority group members who are denied housing by him solely because of race, he is a symbol of the encroachment of police-state methods in America.

In other words, he has, by his personal fiat, with the help of the Government, set up a rule in that town of several thousand people that you may bring a dog in, but you may not buy a house if you are a colored man, even though you have the money.

A comprehensive suggestion for providing a remedy was submitted to Raymond Foley, Administrator of the Housing and Home Finance Agency, on January 11, 1952. Mr. Foley and his aides took the suggestions under advisement. Nothing was done to correct the problem.

When the new Administrator took office, our organization met with him on March 15, 1953, to discuss the problem and to make recommendations for correction. During that year we had additional meetings with the Administrator on May 7 and July 22. It is significant that in the July 22 meeting seven major national organizations also urged the Administrator to act on this problem.

When the President sent his housing message to Congress on January 25, 1954, it contained a reference to the problem of minorities in the housing field as well as a promise that something would be done about it. Questions on what would be done have been raised with the President from time to time by various organizations, including the NAACP.

On April 7, 1954, Miss Ethel Payne, Washington correspondent of the Chicago Defender, asked the President in his press conference what was being done to implement the promise of his January 25 message. At that time he said he would look into the matter. On May 5, 1954, the same reporter asked what had been learned when he looked into the matter, and the President suggested that she check with the housing agencies for her answer.

The New York Times of August 5, 1954, carried this version of what the President said at his press conference on the previous day when he was asked about minority housing problems:

> He had tried as hard as he knew how to have accepted this idea, that where Federal funds and Federal authority were involved, that there should be no discrimination based on any reason that was not recognized by our Constitution. He would continue to do that.

The courts have struck that down by saying that you can put a restrictive covenant on property, but you cannot enforce it in court. The result is that colored people are able to buy in any neighborhood where there is existing housing, if there is a willing seller, and if they have the money to buy. The Federal Government has done the thing which the courts, we believe, prohibit, and that is, as an arm of Government has said that it will promote and extend racial segregation. The Court has said you cannot enforce segregation through the courts, and it is not being enforced through the courts. It said that the legislatures may not have segregation,

and the legislatures do not have segregation in the laws, but the Federal Government contends that as an administrative arm of Government it is not reached by these Court decisions and, therefore, they continue to segregate.

Mr. MULTER was on the floor, and I believe Mr. Javits, the present attorney general of the State of New York, a great liberal, offered an amendment which would have acomplished the purpose that we seek here. Mr. MULTER read into the RECORD some correspondence from Mr. Bovard, who was the counsel for the FHA. The burden of that correspondence was that "we don't need this amendment because we can handle it by administrative procedure."

This was the time when the Democrats were in power.

Then after the amendment was defeated on the floor, because FHA said that they could handle it by administrative regulations, we went to FHA. FHA said, "There is nothing we can do about it because if we do Congress will cut our appropriations and make it tough for us." In other words, it is just a vicious circle.

How, in your opinion, has the Voluntary Mortgage Loan Organization facilitated in any way the lending of money or provisions for lending of money to minority groups?

It is strictly a paper program. I think they have made some 200 or more—201 loans.

Loans under that program, but so far as I know, very few have been for minority groups. The Housing Agency made an announcement when it made a loan to a colored man in Washington. It had a big news release on it and had a picture. It turned out there wasn't anything controversial about it. The man lived in a neighborhood where colored people were already living and apparently could have gotten aid from another source. In other words, it is sort of a hoax.

Here is an example of brutal Jim Crow in the Housing and Home Finance Agency. On Monday, July 25, Albert M. Cole, Administrator of the Housing and Home Finance Agency, issued to Frank S. Horne, Assistant to the Administrator, a formal reduction-in-force notice, effective midnight August 25, 1955. The notice states:

> Budgetary considerations have made a reduction in force in the Office of the Administrator necessary. As a result, the position which you occupy will be eliminated.

Frank Horne was reassigned to the position he now holds in October 1953 in response to nationwide protest over his political ouster from his former civil-service position as Assistant to the Administrator, in charge of the Racial Relations Service. An official HHFA press release, dated October 1, 1953, announcing Frank Horne's replacement as Racial Relations Adviser and his new appointment as Assistant to the Administrator, stated:

> Mr. Cole also announced that Dr. Frank S. Horne, whom Mr. Ray succeeds, is being named Assistant to the Administrator. In his new responsibility, Dr. Horne will conduct special studies and develop proposals for the Administrator for possible new approaches to the housing problems of minorities.
>
> "The Agency's policy of giving active and strong support to improved housing opportunities for minorities will continue under these new assignments and the integrity and professional quality of these services will be fully maintained," Mr. Cole said.
>
> "Dr. Horne has had long experience and rendered valuable service in housing and racial relations," Mr. Cole said, "and I believe his abilities will be given broader scope in his new assignment. The need for these services at the policy level is apparent as more and more cities, in their efforts to clear slums and remedy blight, face the need for new and more effective means for housing minorities."

Dr. Horne's services from that day to this have been considered by Mr. Cole and his staff as well as by national leadership across the Nation to be highly satisfactory and of the caliber anticipated from a career Federal employee who, through a period of some 19 years of governmental service—17 of those years in the housing agencies—has become recognized as one of the Nation's leading authorities in racial relations and minority group considerations in the housing field.

Those who protested the original displacement of a highly effective career employee to make possible a political appointment accepted Mr. Cole's "compromise" action appointing Horne to a new job as having been effected in good faith in order to, as Cole stated, maintain in the Agency the skills and mature experience attained by Frank Horne. National organizations and leadership have felt that Horne's presence in the HHFA reflected the continuing intent of the Federal Government to see to it that Negro families received an equal opportunity with all others to buy or rent good housing in decent neighborhoods anywhere in the community. Mr. Cole's use of budgetary considerations to eliminate Horne from the Agency can, therefore, but lead us to question the integrity of the original compromise.

This doubt is aggravated by questions arising as to the validity of the budgetary considerations referred to as justification for Horne's reduction in force. The appropriation for the Office of the Administrator for fiscal 1956 is $5 million, as compared to only $2,868,500 last year, during which Horne was maintained in his job. Further, there has been additional recruitment during past weeks which is still proceeding, especially in the urban renewal program, which is an integral part of the Office of the Administrator with which Horne's new activities are associated. In addition, it has been announced that three additional racial relations officers (grade GS–13) are to be appointed to the staffs of the regional representatives of the Office of the Administrator. It would, therefore, appear at least questionable and even racially discriminatory to absorb budgetary reductions by eliminating 1 of only 8 Negroes employed at grades GS–13 or above, when there are 220 such positions now maintained in the Office of the Administrator. This action of Mr. Cole's, therefore, would ultimately necessitate appeal to and review by the President's Committee on Government Employment Policy. If it is possible by partisan political action, first, to displace such a proficient career employee, with veterans' preference, from the position in which he attained distinction and civil service status, place him in a new job, also in the classified service, and then subsequently summarily dismiss him from the Agency by application of budgetary considerations, then no one—regardless of race or status or degree of achievement or political affiliation—can attain any security in Federal employment in a job at any significant professional level.

Further, there was considerable question of the legality of Horne's removal from his original position. Although Horne's job was "excepted" from the Classified Service to make possible a political appointment, there remained a question as to his legal right to remain in the position and the right of the agency to remove him without written notice of the reasons subject to his appeal. Such question appears to have been resolved by the decision of the United States Court of Appeals for the District of Columbia on July 16, 1954, in the case of Roth against Brownell. The Court said:

> "Neither the formula of "excepting" the kind of position a person holds, nor any other formula, can obviate the requirement of the Lloyd-LaFollette Act that "no person in the classified civil service of the United States shall be removed * * * therefrom" without notice and reasons given in writing.

This decision was cited by the United States Civil Service Commission in its Departmental Circular No. 789, issued January 24, 1955 which outlined appeals procedure for all other employees against whom previous adverse action may be deemed improper. Frank Horne, in formal memorandum, raised a question with the HHFA some 90 days ago regarding the implications for him of Departmental Circular No. 789. He has as yet received no response whatsoever.

The above facts would lead observers to conclude that the determination now to eliminate Horne's job and, with it, Horne himself from the agency is simply the conclusion of the political effort to oust him from his original job in October 1953. In that instance, the effort was not to eliminate the job but the man in order to make the position available for patronage. In response to demand by an aroused public opinion which protested loudly the political spoliation of a competent, experienced professional operation, a "new job" was set up for Horne. Now "budgetary considerations" are invoked to eliminate the job and Horne. The result now to be effected is revealed as the original intent. The main issue is still whether or not partisan political action is to disrupt a tested professional operation in the field of racial relations and to dislodge a competent career employee of 19 years' service. If Horne goes through this process, the remaining personnel of the Racial Relations Service, in Washington and the field, can be picked off in the same manner.

Finally, many church, labor, business, consumer, and minority group organizations are seriously questioning Govern-

ment housing policy in regard to the administration of governmental housing programs as far as Negroes and other racial minorities are concerned. They are insisting that federally aided housing be open to all eligible families without regard to race. Since Frank Horne, over a period of years in public service, has been clearly identified as one of the leaders in the fight for equal opportunity for all families to attain decent housing which results from the use of governmental funds and powers, his elimination at this juncture can only be considered by a very large segment of public opinion as overt repudiation by this administration of his work and of the nondiscriminatory principles with which he has become identified.

My bill would do the following:

Section 101, loans for home improvements could not be denied to any applicant because of race.

Sections 102 and 103, rental projects built with FHA mortgages in excess of $5 million would be available to renters without regard to race; cooperative housing projects financed under the revived program would be open to all persons without regard to race; any FHA project guaranteed under the $4 million authorization in this act would be open to all applicants without regard to race.

Section 104, any housing constructed under the Defense Housing and Community Facilities Service Act in the year 1955–56 would be open to all eligible persons without regard to race.

Sections 105 and 106, any slum clearance project financed by the money authorized under this section—$200 million for the years 1955 and 1956—must be open to all eligible persons without regard to race.

Section 107, any public housing units authorized under this act must be open to all qualified applicants without regard to race.

Any residences constructed on property acquired by the Housing Administrator under powers granted him under this section and made available for private development for permanent residential development must be open to all applicants without regard to race.

Section 108, any housing for elderly persons made available under this section must be open to all eligible elderly persons without regard to race.

Section 109 relating to the Home Loan Bank Board and section 110, relating to the Home Owners Loan Corporation, would not appear to be affected by title VI.

Sections 202 to 205, any public facility financed by money advanced by the Federal Government by loan or purchase of obligations of a State or its political subdivisions must be open to all persons without regard to race.

Sections 301 to 303, any college housing constructed with loans authorized under title III of this act must be open to all qualified applicants without regard to race.

Sections 401 to 403, any housing constructed under the Wherry Act until 1958 would be available to eligible applicants on an open occupancy basis without regard to race.

Sections 501 and 502, loans made under the farm housing program could not be denied any applicant on the basis of race.

The CHAIRMAN. The time of the gentleman has expired.

The gentleman from New York [Mr. McVEY] is recognized.

Mr. McVEY. Mr. Chairman, I wish to associate myself with the gentleman from Michigan [Mr. WOLCOTT] in support of his amendment to H. R. 7473.

It seems to me that the Wolcott amendment provides essential elements for a sound, constructive public housing program. Much has been said about the administration program here this afternoon. We do not have before this House any administration program in its entirety. S. 2126 goes much beyond the recommendations of the President of the United States. It provides for 50,400 new housing units. The President asked for only 35,000.

It seems to me that by adopting the Wolcott amendment we should have the best opportunity of coming out of that conference with a bill that will be satisfactory to the President of the United States.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Chairman, I would like to call the committee's attention to one of the items the gentleman from Texas [Mr. FISHER] referred to that has been repealed by the committee bill. It is a provision in the Independent Offices Appropriation Act of 1954 which provided that no locality, community, State, or other governing body could have public housing facilities built in it without a vote of the governing body.

You are going to give a Federal bureaucracy complete control to walk into any community, as they did in my community, and foist public housing on the people against their will in many instances where they proceeded to condemn property and proposed to build public housing units that the people did not want. We voted against that. On several occasions we have expressed our views and have voted consistently against public housing.

If you adopt the committee bill you are repealing that section that this Congress put into the act in order to protect the local communities from such an imposition of a Federal bureaucracy.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, it is unfortunate that so many Members who speak with such great authority about this bill have not taken the time to read the committee's hearings, the President's messages, the bill or the law. The fact of the matter is that the Roanoke amendment, the Phillips amendment, the McDonough amendment are all covered by the Hiestand amendment which is a part of the law and is not affected by anything in this bill. The President's appointee, Mr. Cole, who came before our committee, said this bill is the President's program. He said the President asked for 35,000 public housing units. That is what we have provided for.

As to the technical amendments in this bill that are not in the Senate bill and will not be in conference if you adopt the Wolcott amendment, let me quote what Mr. Cole said:

> And there is another phase of this public housing legislation that is just as vital as the number of units. It is the revision of unworkable and hobbling restrictions that discourage communities from proceeding with their plans and made the authorization itself extremely cumbersome and in some cases impossible of application.

The amendment that you have in the Spence bill to remove the "unworkable and hobbling restrictions" is not in the Senate bill, it is not in the Wolcott bill. Therefore you must vote down the Wolcott substitute if you want the President's program or if you want the public housing program to proceed without the limitations against which the President himself has personally spoken.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, I am glad the gentleman from New York brought up that question because I have before me the President's attitude in respect to his stand on public housing. It is stated:

> The low-rent public housing legislation requested by the administration, unlike the provisions of S. 2126, would be limited to meeting the relocation needs of families of low income displaced by slum clearance and urban renewal projects or by other governmental action. The legislation proposed by the administration would authorize continuation of the public housing program but would retain present requirements which make public housing a part of the Government's overall program for helping cities to eliminate and prevent slums and urban blight.

Therein lies the fundamental difference between what the House and Senate did and what the President wants.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Massachusetts.

Mr. MARTIN. I might say to the gentleman from Michigan that the administration feels that in adopting the Wolcott amendment and getting the whole subject to conference they will get a bill that more nearly conforms to the wishes of the administration than the bill that is before the House officially today.

Mr. WOLCOTT. I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. GREEN].

Mr. GREEN of Pennsylvania. Mr. Chairman, I am happy that I have been a stanch supporter of public housing over the years. If I had to depend on what the President stood for and listening to the different members of his own party get up on the floor, I would certainly say that I would be very much confused. I am not voting for the public housing program because of the memory of Bob Taft or because the President is for it. If Bob Taft or the President happen to be for public housing, I am glad to have them associated with me. I think the

Wolcott amendment should be defeated and the committee bill should be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, I will not delay the vote very long. It has been suggested by the distinguished gentleman from Indiana [Mr. HALLECK] that the proper way to legislate in the House is to send a skeleton bill to conference and work it out in conference. I admit that would be a very easy way for the House to discharge its duty, but I think it is not in conformity with what the framers of the Constitution meant. They wanted us to work it out in this body. I am not in favor of surrendering the dignity of the House, the influence of the House, to the Senate by any such proceeding as that.

Mr. WILSON of Indiana. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. WILSON of Indiana moves that the committee do now rise and report the bill back to the House with instructions that the enacting clause be stricken out.

Mr. WILSON of Indiana. Mr. Chairman, I just happened to walk in at the time that the gentleman from New York [Mr. POWELL] was making his plea on behalf of non-segregation, so I take this time to ask the gentleman from New York a question. It was just the other day—I believe it was day before yesterday—that I offered an amendment to the public roads bill which would have given the Negro an equal opportunity with the whites to work on public works projects, paid for by tax money taken from them both, in building roads. Also to make the facilities built with funds raised through taxes on the Negroes as well as the white people, equally available to all races, colors, and creeds.

Now, I would like to ask the gentleman from New York how he voted on that amendment which I offered.

Mr. POWELL. Mr. Chairman, if the gentleman will yield, I was not here, but if I had been here, I would gladly have voted for it, because the gentleman discussed his amendment with me.

Mr. WILSON of Indiana. I noticed two folks on the gentleman's side of the aisle, great champions of the Negro, who belong to the gentleman's race, stand up and vote against my amendment. Now, I want to know who the real champions of the Negroes are, those who stand on the floor of the House giving lip service to this cause or those who stand on the floor of the House fighting for equal rights for all people regardless of race, color, or creed.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Indiana [Mr. WILSON].

Mr. SPENCE. Mr. Chairman, I rise in opposition to the preferential motion.

I certainly do not think the gentleman is serious if he expects the Committee to rise when it has not considered the bill, when we have not voted on a single amendment. Certainly we would be recreant to our duties if we did anything like that. We have spent a long time in the consideration of this bill in committee. We have considered it today to this point. Not a single person knows what will be done with this bill now.

It has been suggested that we might send over a skeleton bill to the Senate, and let the conferees work our will. I hope, and I sincerely hope, the House will not vote for the preferential amendment. It not only means that we have not considered this great question, but it means that we are unwilling to consider it in the ordinary processes of legislation. Certainly there is no sentiment for such a proceeding as that at this time.

Mr. WILSON of Indiana. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. SPENCE. I yield.

Mr. WILSON of Indiana. Mr. Chairman, I ask unanimous consent to withdraw the preferential motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

Mr. BOYLE. Mr. Chairman, I object.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. MULTER. Mr. Chairman, I hold in my hand a copy of the most recent of the press conferences of our great President of this country, which was held on July 27, 1955. At that time he was told of the controversy in the House and in the Congress and asked whether or not the Spence bill or the bill as reported by the Committee on Banking and Currency now before us represented his program, or whether the Wolcott substitute represented his program. His answer was that he wanted public housing without the limitations that are in the existing law, and those limitations, the President in that conference indicated he did not want, are eliminated by the Spence bill or by the Banking and Currency Committee bill as now before us in the Senate version as amended by us, and not in the Wolcott bill, anything to the contrary by any Member notwithstanding.

Mr. SPENCE. Of course, that is true. The President reiterated it three times previously in state messages.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. DIES. It is my understanding that the President was misquoted.

Mr. SPENCE. Was misquoted by whom?

Mr. DIES. By the press.

Mr. SPENCE. You do not have to look to the press to quote the President. We can read his state papers, three of them, in each of which he said the same thing; one in his message on the state of the Union, another in his Budget message, and another in his message on the Economic Report. He reiterated his position in each. That seems to be what the President wants with reference to public housing and it is certainly a closed issue and to endeavor to debate it any more would almost be a reflection on the President. The President said what he wanted and he said it in unequivocal language.

Mr. BOYLE. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman.

Mr. BOYLE. I have a letter sent to me by the Administrator of the Housing and Home Finance Authority, which I received this morning. He indicates that the District of Columbia had mortgage commitments for 1,429 public housing units for 1954. I submit that if it is evident, as it surely is, because he so testified in answer to a question I asked, that there were and I quote, "People are living in unsafe and indecent slums and squalor on 7th and 8th Streets," and that he had committed 1,400 units right here in the District of Columbia where you have practically all the money in the world and where about 80 percent of the married couples have two incomes—I submit that if it is necessary here there are a great many other places in the country equally in need of public housing.

Mr. SPENCE. There is no doubt about that. Our capital is the most beautiful city in the world, but you do not have to go far to see slums in this beautiful city.

Mr. BUDGE. Mr. Chairman, I rise in opposition to the pro forma amendment.

The CHAIRMAN. All debate on the preferential motion has ended.

The question is on the preferential motion of the gentleman from Indiana [Mr. WILSON].

The preferential motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho [Mr. BUDGE] to the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The question was taken; and on a division (demanded by Mr. BUDGE) there were—ayes 138, noes 114.

So the amendment was agreed to.

Mr. POWELL. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. POWELL to the amendment offered by Mr. WOLCOTT: At the conclusion of section 5, line 22, add a new section as follows:

"SEC. 6. The aids and powers made available under the several sections of this act are not to be conditioned or limited in any way on account of the race, religion, or national origin of builders, lenders, renters, buyers, or families to be benefited."

The CHAIRMAN. The question is on the amendment to the amendment.

The question was taken; and on a division (demanded by Mr. POWELL) there were—ayes 113, noes 168.

Mr. POWELL. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. POWELL and Mr. WOLCOTT.

The Committee again divided; and the tellers reported there were—ayes 112, noes 158.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. WOLCOTT and Mr. BROWN of Georgia.

The Committee divided; and the tellers reported that there were—ayes 200, noes 147.

So the amendment was agreed to.

Mr. GUBSER. Mr. Chairman, I am particularly concerned about title 3 of H. R. 5827, the college housing program. I consider this program to be most worthy and hope that the House sees fit to include it under any House bill finally passed.

I am informed that if the Wolcott substitute passes today, an attempt will be made to insert title 3 in the House-Senate conference. In reliance upon this information, I shall support the Wolcott substitute in the hope that title 3 will be restored in conference and that the requests of President Eisenhower as to public housing will be complied with.

Mr. DONOHUE. Mr. Chairman, ever since becoming a Member of Congress, I have been vitally concerned about the legislative problem of Federal assistance to provide adequate housing facilities for the American people. As a matter of fact, the first bill I introduced in the Congress was a housing bill to assist our war veterans in the buying and building of homes so that they could resume a natural, normal civilian life with their families.

I rise in support of this housing bill before us now because I very deeply believe that its basic objectives of providing further limited public housing, elimination of slums, and development of urban communities are in the national interest.

It is quite true that we have made some real progress toward reducing the overall critical housing shortage that has existed in this country. It is equally true that there are still a great many cities and communities in desperate need of help for slum clearance and urban development programs. It is also true that there are yet a great many American families who, through no fault of their own, cannot find decent places in which to live.

Under the public housing provisions of this measure, the vast number of low-income families will be afforded vitally needed assistance in locating themselves in wholesome neighborhoods; families who have been evacuated because of slum clearance will be given assistance in relocating themselves, and families of elderly people, who have so long been neglected in this housing problem, will be extended practically lifesaving aid. It is, therefore, with the greatest sincerity, I urge you to reject any amendments that may be offered here to remove public housing from this bill. I would remind you that the President himself has recognized the need for the continuation of this program and repeatedly requested its retention, advocating authorization for the construction of at least 35,000 units per year for 4 years.

Mr. Chairman, no one will question that slum areas in the cities throughout this Nation are recognized breeding places of crime and disease and as such, should be eliminated. From the evidence of record it is obvious that most cities and communities cannot do the job within their own resources and must have Federal help, especially in the matter of relocating the families who formerly resided in those blighted areas. Public housing is absolutely essential in providing that relocation and development. It therefore appears but simple common sense to reasonably continue this program which has proven so beneficial to so many American families at such comparatively small cost, especially when measured against the foreign financial subsidies we so generously grant to allies of dubious friendship.

Mr. Chairman, there are many other commendable provisions in this bill, prominent among which are: the so-called college-loan program authorizing loans to educational institutions to assist in providing housing for their students and faculties; the military rental housing title of the bill bringing the Wherry Act up to date and making it a fully workable vehicle for obtaining privately built, privately financed and privately owned housing in many areas where housing for the military is critically needed; the provision under title II reviving the program of assistance to municipalities in financing public facility improvements, such as sewage and water distribution systems; the provision for the continuation through fiscal year 1956 of the farm housing assistance program, as well as provisions of guaranties that there will be no more windfalls for unscrupulous operators by Federal mortgages and loans for the construction of multidwelling units. All these titles, and the several others in the measure, have been carefully explained by the members of the committee and floor managers of the bill, so I shall not transgress upon the time of this House by expanding on them further.

Mr. Chairman, in substance this measure enables us to grant modest and reasonable assistance to American parents who vitally need help in trying to bring up their families in godly cleanliness, healthful happiness, and patriotic loyalty. It affords us an opportunity to strike a real legislative blow against the danger of any American acceptance of subtle communistic propaganda against our capitalistic system.

Mr. Chairman, the basic unit of this Nation is the American family, and the first necessity for Christian family life is a decent place in which to live. Therefore, I earnestly urge you all to reject any crippling amendments and unanimously approve this legislation designed for the good of all Americans.

Mr. WOLVERTON. Mr. Chairman, I am in full accord with the provisions of bill S. 2126 as reported by the Committee on Banking and Currency.

This extends and clarifies laws relating to the provisions for improvement of housing, the elimination and prevention of slums, the conservation and development of urban communities, and the financing of vitally needed public works.

I prefer this bill to the so-called Wolcott bill because it is more nearly in accord with what the President has recommended, and provides a much more expanded and extensive program than the Wolcott bill.

The bill reported by the committee, and now before us for consideration, is particularly preferable to the Wolcott bill because among other things it provides a program for building 35,000 additional units for each of the next 2 fiscal years. It is now generally recognized that if the slum clearance and urban renewal program is to go forward, public housing must be provided for low-income families displaced by these operations.

Another feature of the bill, as reported, that has a particular appeal to me relates to the provision that makes possible a program of housing for elderly families of low income.

The committee in its report to Congress states it has been particularly impressed by the housing difficulties confronting elderly families of low income. We must not overlook the fact that elderly persons are progressively increasing, not only in number, but also as a percentage of our whole population. In 1940 there were 9 million persons over 65 years who represented 6.8 percent of our population, while by 1950 this number had increased to 12.3 million, representing 8.1 percent of the whole population. As the span of life continues to increase, the proportion of elderly citizens in our population will likewise increase.

A study reveals that the housing conditions of the elderly are, in general, worse than those of other families. This is largely due to the fact that elderly families have lost most of their earning capacity and have much lower incomes than other families.

In order to assist in meeting the housing problems of elderly persons of low income, the bill authorizes the Public Housing Administration to permit local public housing agencies to construct dwelling units designed for use of the elderly, or reconstruct or remodel any low-rent housing to provide accommodations for such elderly families.

There are many other admirable and necessary improvements in the existing public housing program provided for in the committee bill. It is my intention to give such bill my support, and if it should fail of passage in the House then it will be necessary for me to support such measure as will clear the House. In so doing the program for housing will be kept alive sufficiently for the Senate to act and with the hope that the conference between the House and Senate will support the present House committee bill.

Mr. VURSELL. Mr. Speaker, the American taxpayer already is on the hook for $4,700,000,000 to carry out provisions for public-housing units which have been approved by the Congress. If we pass the bill now before us it will add an additional $2,306,000,000 to the back-breaking debt now carried by the American taxpayer.

In short, passage of this bill today will increase the total commitment to over $7 billion over the next 40 years.

The so-called liberals and members of the Americans for Democratic Action do not tell you the real name—and the real purpose—of this evil monstrosity which

is more popularly known as a socialized housing bill. The leftwingers are smart, cunning experts in mob psychology. They call this a low-cost housing bill designed to give shelter to the needy and the homeless. The fact is this is a high-cost housing bill and benefits only the privileged classes. If you bear with me a few minutes I will document that statement and any others that I make on this issue.

The purpose of socialized housing is political. There are today 457,000 public-housing units. Here live approximately 1,500,000 men, women, and children—complete wards of a beneficent Government which now owns their bodies and soon will own their minds.

The economic planners—those who are out to destroy the free-enterprise system—have not yet completed contracts for housing units already approved by the Congress and yet they have the gall to come here today with tear-jerking pleas for additional authority and, of course, additional money.

Using the figures of the housing authorities themselves, we can arrive at an average cost of these so-called low-cost housing units. That figure, for construction and land, is about $10,000 a unit. In practice, however, the figure is much higher. Under terms of its subsidy contracts the Government agrees to pay about 4½ percent a year based on the construction costs and this subsidy runs to a maximum of 40 years. The true cost of this scandalous waste, therefore, is 40 years multiplied by 4½ percent or 180 percent. You then multiply $10,000 by this 180 percent and you see that these units are costing the public $18,000. In all fairness, it cannot be said that $18,000 for an ordinary housing unit is low-cost housing.

In the bill before us we find the following items: 35,000 additional units for the coming fiscal year and another 35,000 units for the year after that—a total of 70,000. There is also an item of 10,000 public housing units for elderly families next year and another 10,000 for the year after that—a total of 20,000 for this item which was inserted to give this bill an emotional appeal that will make it difficult for honest men to vote against it. In the earlier days, the public housing advocates were crying about the welfare of children living in the slums which, they falsely claimed, were the breeding grounds for juvenile delinquency. The second-grade student of American history knows that some of our greatest men and women were born and raised in the slums. They also know that juvenile delinquents are found in the homes of our wealthiest people. At any rate, the public planners and do-gooders have changed their mournful pleas from children to elderly families, and I might add that this is one of the sliest bits of propaganda I have ever seen.

But today's bill, the one now under discussion, contains another item of about 15,000 housing units which was approved by the Congress last year but which the planners did not get around to using.

The bill before us calls for the construction of 105,000 units. Despite the fact that of the 35,000 units we permitted them to use last year, on May 23 of this year Mr. Slusser, head of the Housing and Home Finance Agency, testified before the House Banking and Currency Committee that he had actually put under contract only 142 units out of the total of 35,000 the Congress authorized last year.

Later, on June 27, Mr. Slusser informed my office that they had completed letting contracts on 20,000 in the past 30 days. I want to ask you this question: If it took 11 months to put 142 units under contract, how is it possible that Mr. Slusser and his organization became swift-footed enough to put 20,000 units under contract in a little over 20 working days? You know the answer as well as I do. If they have done it, they have done it with such speed and with so little consideration that it could only result in waste to the taxpayers. Doubtless, their purpose in blanketing 20,000 units supposedly under contract is to get the Congress to give them the authorization they are now asking for.

If it took 11 months to put 142 units under contract, why do they need 35,000 more units, or the 105,000 they are asking for in this bill? It is the old reckless bureaucratic maneuvering.

Here and now I want to make my position clear on this subject. I am opposed to socialized housing in any form. It is dishonest, immoral, and repugnant to the American sense of decency and human dignity. Socialized housing degrades the human being and places him in eternal bondage to Government bureaucratics. Actually, it is offensive to the very people it was intended to help.

I do not know where the planners get their figures for construction of these new units. Why do they say 35,000 units for this year? Why do they not just pull the figure 350,000 or 3,500,000 out of the hat? It would make just as much sense as what they are doing.

Since World II, more than 9½ million privately financed dwelling units have been built and occupied in this country. This fact alone should be enough to call a halt to all of this public housing and it shows beyond doubt that private industry can do the job.

The social planners and the do-gooders with other people's money talk so much about slum clearance that you would think that they alone are opposed to slum clearance. As usual, they try to get across the notion that they have a monopoly on social virtue and that those who oppose public housing are not in favor of slum clearance. This is a bit of devious trickery in argument that not even a child would fall for.

Slum clearance is not a problem of the Federal Government. That problem can and should be solved by the States and local governments. To eradicate their slums, all the big cities have to do is enforce existing housing and sanitary codes that will take the profit out of slum housing. They have this authority. All they have to do is exercise it.

Here, I want to go into considerable detail about this bill to show how far afield it is from the original intent of the Congress when it enacted the first public housing bill in 1937. The sole objective, at that time, was to create shelter for the very needy and the destitute. The public planners have perverted this original intent to a point where public housing today is a luxury that only the privileged classes can afford.

The poor and the needy—and we shall always have them with us, despite our prosperity—are not qualified for public housing. They cannot afford the high rents which the Public Housing Authority charges in an effort to hoodwink the Congress into the belief that public housing is a sound and socially useful venture.

If public housing does not include the poor, if it does not contribute to the social welfare of the country, it has no justification whatever for existence.

Now, here is how it works and you can see for yourselves that the Congress never intended this sort of monkey business with public funds:

The city council sets up the local housing authority. When it approves such a local housing authority, the Federal Government provides for payment of a subsidy of about 4½ percent, for 40 years, based on development cost, to the local housing authority. This 4½ percent, taken from all of the taxpayers of the Nation, each year subsidizes about one-third of the rental cost to the occupants in the local housing authority.

In other words, none of the tenants is supposed to pay full rental; some pay two-thirds, others a little more or less, while the ordinary taxpayers who pay their own taxes or rent still are called upon by the Government to pay their pro rata share of the rent losses of those who live in public housing.

For example: In Detroit, a family of 2 adults and 3 children can earn as high as $4,500 per year net income, and still have other citizens paying part of their rent.

This is one reason that Walter Reuther and the big labor leaders are so vigorously supporting this public-housing legislation. It would be interesting to know the number of thousands of people who earn a high net income, while the other citizens of the Nation are forced to pay a part of their rental.

The public is being deceived in the thought that the really lowest-income group is being housed under this act. Unless they can afford to pay a certain amount per month, they cannot rent these houses. That excludes the lowest-income group which still have to get aid from the townships, counties, and local communities.

More of the lowest income groups could secure housing when the act was passed, but those managing this public housing have continued to raise the ceiling on how much people could earn net and still occupy these houses, with the rest of the people helping to pay their rent. They are now taking in the $4,500 and up to the $5,000 net-income groups and the poor people in greater numbers are excluded from renting these so-called low-cost houses. The people in the greatest need get the cold shoulder from these big-hearted do-gooders.

When this law was first enacted it was intended as a welfare measure to house

the lowest income group. Now advocates and managers of this welfare program, to perpetuate their socialistic philosophy, and keep themselves in power, and probably to get the support of the big labor organizations, have continued to raise the limit one could earn and yet be a beneficiary of this public housing.

They provide cheap rent to those who are earning net up to $4,000 and $5,000 and live in public-housing units.

The facts are that it is not carrying out the welfare purpose established when this act was first written. It is a hoax. It is a deception. It is dishonest to the public that has to pay the bill and it is a dangerous policy for the Nation to continue to follow.

In 1952, the House voted to end public housing in 1953. The Senate, however, authorized a very limited expansion and the House reluctantly went along. In 1954, on two rollcall votes, the House rejected this program by a substantial majority. Then it went over to the Senate again, and the Senate reopened the program on a modest scale.

Now, the Senate acting on the bill first this time, has authorized over 600,000 units, of which they approve up to 210,000 units per year. When the House reluctantly went along last year, it served notice that the program must be brought to a close on June 30 of this year. This should be done.

I agree with my colleague the gentleman from Virginia [Mr. SMITH] that it is an evil program, and that the Members of this House cannot condone even a small amount of evil. This socialistic waste of the people's money, which, at the same time, destroys the morale of our citizens, who left alone would take pride in owning or renting the roof over their heads, should be completely stopped in this session. It is wasting the substance of all of our citizens, and will continue to waste away the incentive and pride of our citizens as well.

The real promoters of this so-called public housing have used every device to keep themselves in power. For many years, they have played on the emotions of our people by stating their purpose was to help the children in the lowest income group, and now, for the first time, they are making a shabby appeal to the old people by asking that 20,000 of these units be set aside for them.

Back of all of this, down deep in this organization they have two purposes in mind: One is to keep themselves in jobs of power, and the other is to wield a political power, and control, and influence over those who will and do occupy these Government-owned rental units. The more they can convince the citizen that they are dependent upon the Government, the more control they will have over his thinking and his life, and it will be easier to control him politically.

In conclusion, allow me, please, to drive home one important point about this bill. This is not President Eisenhower's bill. The leftwingers and the social planners have planted that notion in the minds of some who might be inclined to vote against the bill but will go along with it if they feel that the President is behind it.

The bill as it now stands is wide open for all sorts of abuse, waste, and even corruption. They have thrown aside all of the safeguards we previously had built into this type of legislation. Let me give you a few examples of what I mean:

The bill as it now stands permits Communists, Fascists, and all other members of groups who would destroy our way of life, to take advantage of these low rentals. In other words, American taxpayers are now called upon to carry the freight of free-riding Communists and others who do not believe in our form of government. This to me is one of the most shocking features of this abominable bill. As Members of the House know, we had inserted a clause in previous housing bills—the so-called Gwinn amendment—which required certification by public-housing occupants that they do not belong to subversive organizations. Now, that is knocked out of the bill we are now debating.

Under terms of the present bill, the public housing authorities can ram down the throats of local groups a housing project that they do not want. Imagine that in a free country. Somewhere along the line the so-called Los Angeles amendment was stricken from the bill. That amendment provided a formula whereby a community does not have to accept a public-housing project after it decides by referendum to reject it. Now the local community must accept a public-housing project whether it wants to or not.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 2126) to extend and clarify laws relating to the provision and improvement of housing, the elimination and prevention of slums, the conservation and development of urban communities, the financing of vitally needed public works, and for other purposes, pursuant to House Resolution 326, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

Mr. SPENCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 217, nays 188, answered "present" 2, not voting 27, as follows:

[Roll No. 140]

YEAS—217

Abbitt	Avery	Bosch
Abernethy	Barden	Bow
Adair	Bates	Boykin
Alexander	Beamer	Brooks, La.
Alger	Belcher	Brown, Ohio
Allen, Calif.	Bell	Broyhill
Allen, Ill.	Bentley	Budge
Andersen, H. Carl	Berry	Burdick
Andresen, August H.	Betts	Burleson
Andrews	Blitch	Bush
Arends	Bolton, Frances P.	Byrnes, Wis.
Ashmore	Bolton, Oliver P.	Carlyle
Auchincloss	Bonner	Cederberg
		Chase
		Chatham
Chenoweth	Holt	Rhodes, Ariz.
Church	Hope	Richards
Cole	Horan	Riehlman
Colmer	Hosmer	Riley
Coon	Hyde	Robeson, Va.
Coudert	Ikard	Rogers, Fla.
Cramer	James	Rogers, Tex.
Crumpacker	Jarman	Rutherford
Cunningham	Jenkins	Sadlak
Curtis, Mo.	Jensen	St. George
Dague	Johansen	Schenck
Davis, Ga.	Johnson, Calif.	Scherer
Davis, Tenn.	Jonas	Schwengel
Davis, Wis.	Jones, Mo.	Scrivner
Dawson, Utah	Jones, N. C.	Scudder
Derounian	Kearns	Selden
Devereux	Keating	Sheehan
Dies	Kilday	Short
Dixon	Kilgore	Siler
Dolliver	King, Pa.	Simpson, Ill.
Dondero	Knox	Simpson, Pa.
Dorn, S. C.	Laird	Smith, Kans.
Dowdy	Landrum	Smith, Miss.
Durham	Latham	Smith, Va.
Ellsworth	LeCompte	Smith, Wis.
Fenton	Lipscomb	Springer
Fernandez	Lovre	Taber
Fisher	McConnell	Talle
Fjare	McCulloch	Taylor
Flynt	McDonough	Teague, Calif.
Ford	McIntire	Thomas
Forrester	McMillan	Thompson, La.
Gamble	McVey	Thompson, Mich.
Gary	Mack, Wash.	Thomson, Wyo.
Gathings	Mahon	Tuck
Gavin	Martin	Utt
Gentry	Mason	Van Pelt
George	Matthews	Velde
Grant	Meader	Vorys
Gross	Merrow	Vursell
Gubser	Miller, Md.	Weaver
Gwinn	Miller, Nebr.	Westland
Hale	Miller, N. Y.	Wharton
Haley	Minshall	Whitten
Halleck	Murray, Tenn.	Wickersham
Harden	Nelson	Widnall
Hardy	Nicholson	Wigglesworth
Harrison, Nebr.	Norblad	Williams, Miss.
Harrison, Va.	Norrell	Williams, N. Y.
Harvey	O'Hara, Minn.	Willis
Hébert	Osmers	Wilson, Calif.
Henderson	Ostertag	Wilson, Ind.
Herlong	Passman	Winstead
Hess	Pillion	Withrow
Hiestand	Poage	Wolcott
Hill	Poff	Wright
Hinshaw	Ray	Young
Hoeven	Reed, Ill.	Younger
Hoffman, Mich.	Rees, Kans.	

NAYS—188

Addonizio	Dempsey	Jones, Ala.
Albert	Denton	Judd
Ashley	Diggs	Karsten
Aspinall	Dodd	Kean
Bailey	Dollinger	Kee
Baker	Donohue	Kelly, N. Y.
Baldwin	Donovan	Kelley, Pa.
Barrett	Dorn, N. Y.	Keogh
Bass, N. H.	Doyle	King, Calif.
Bass, Tenn.	Edmondson	Kirwan
Baumhart	Elliott	Klein
Becker	Engle	Kluczynski
Bennett, Fla.	Fallon	Knutson
Blatnik	Fascell	Lane
Boggs	Feighan	Lanham
Boland	Fine	Lankford
Bolling	Fino	Lesinski
Bowler	Flood	Long
Boyle	Fogarty	McCarthy
Bray	Forand	McCormack
Brooks, Tex.	Fountain	McDowell
Brown, Ga.	Frelinghuysen	Macdonald
Brownson	Friedel	Machrowicz
Buckley	Fulton	Mack, Ill.
Burnside	Garmatz	Madden
Byrd	Gordon	Magnuson
Byrne, Pa.	Granahan	Mailliard
Canfield	Gray	Marshall
Cannon	Green, Oreg.	Metcalf
Carnahan	Green, Pa.	Miller, Calif.
Carrigg	Gregory	Mills
Celler	Griffiths	Mollohan
Chelf	Hagen	Morano
Christopher	Hand	Morgan
Chudoff	Hays, Ark.	Morrison
Clark	Hays, Ohio	Moss
Cooley	Hayworth	Moulder
Cooper	Heselton	Multer
Corbett	Holifield	Murray, Ill.
Cretella	Holmes	Natcher
Curtis, Mass.	Holtzman	O'Brien, Ill.
Davidson	Huddleston	O'Brien, N. Y.
Dawson, Ill.	Hull	O'Hara, Ill.
Deane	Jennings	O'Konski
Delaney	Johnson, Wis.	O'Neill

Patman	Robsion, Ky.	Thornberry
Patterson	Rodino	Tollefson
Pelly	Rogers, Colo.	Trimble
Pfost	Rogers, Mass.	Tumulty
Philbin	Rooney	Udall
Pilcher	Roosevelt	Vanik
Polk	Saylor	Van Zandt
Powell	Scott	Vinson
Preston	Seely-Brown	Wainwright
Price	Sieminski	Walter
Priest	Sikes	Watts
Prouty	Sisk	Wier
Quigley	Spence	Williams, N. J.
Rabaut	Staggers	Wolverton
Rains	Steed	Yates
Reuss	Sullivan	Zablocki
Rhodes, Pa.	Thompson, N. J.	Zelenko
Roberts	Thompson, Tex.	

ANSWERED "PRESENT"—2

Harris	Jackson

NOT VOTING—27

Anfuso	Frazier	Phillips
Ayres	Hillings	Radwan
Bennett, Mich.	Hoffman, Ill.	Reece, Tenn.
Buchanan	Kearney	Reed, N. Y.
Chiperfield	Kilburn	Rivers
Clevenger	Krueger	Shelley
Dingell	McGregor	Sheppard
Eberharter	Mumma	Shuford
Evins	Perkins	Teague, Tex.

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Jackson for, with Mr. Shelley against.

Mr. Rivers for, with Mr. Radwan against.

Mr. Chiperfield for, with Mr. Anfuso against.

Mr. McGregor for, with Mrs. Buchanan against.

Mr. Shuford for, with Mr. Perkins against.

Mr. Harris for, with Mr. Dingell against.

Mr. Hoffman of Illinois for, with Mr. Sheppard against.

Mr. Krueger for, with Mr. Frazier against.

Mr. Teague of Texas for, with Mr. Ayres against.

Until further notice:

Mr. Evins with Mr. Hillings.

Mr. Eberharter with Mr. Phillips.

Mr. JACKSON. Mr. Speaker, on the vote just concluded, I voted "aye." I have a pair with the gentleman from California, Mr. SHELLEY. Had he been present he would have voted "nay." Therefore, I withdraw my vote "aye" and vote "present."

Mr. HARRIS. Mr. Speaker, I have a live pair with the gentleman from Michigan, Mr. DINGELL. If he were present he would have voted "nay." I voted "aye." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. MULTER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MULTER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. MULTER moves to recommit the bill S. 2126 to the Committee on Banking and Currency, with instructions to report it back forthwith with the following amendment: Strike out all after the enacting clause and insert the following: "That this act may be cied, as the 'Housing Amendments of 1955.'

"TITLE I—GENERAL HOUSING AMENDMENTS

"Home improvement loans

"SEC. 101. (a) Section 2 (a) of the National Housing Act, as amended, is hereby amended by striking 'July 1, 1955' and inserting 'July 1, 1956.'

"(b) Clause (iii) of the second paragraph of section 2 (a) of said Act, as amended, is hereby amended by striking 'six months' and inserting in lieu thereof 'two months.'

"(c) Section 2 (b) of said act, as amended, is hereby amended by striking 'exceeds $2,500' and by inserting a comma immediately preceding 'exceeds $3,000.'

"Mortgage insurance

"SEC. 102. (a) Section 203 (1) of said act, as amended, is hereby amended by striking ', the total amount of insurance outstanding at any one time under this proviso not to exceed $100 million.'

"'(1) not to exceed $12½ million, or, if the mortgage is executed by a mortgagor coming within the provisions of clause (b) (1) of this section, such dollar limit with respect to any one mortgage instrument and with respect to the aggregate amount of such commitments shall be $50 million;';

"(2) by striking clause 1 of section 213 (b) and inserting:

"'(1) not to exceed $12½ million, or, if the mortgage is executed by a mortgagor regulated or supervised under Federal or State laws or by political subdivisions of States or agencies thereof, as to rents, charges, and methods of operation, such dollar limit with respect to any one mortgage instrument and with respect to the aggregate amount of such commitments shall be $25 million; and;'

"(3) by striking clause (i) of section 220 (d) (3) (B) and inserting:

"'(i) not to exceed $12½ million, or, if executed by a mortgagor coming within the provisions of paragraph (2) (B) of this subsection (d), not to exceed $50 million; and;' and

"(4) by striking '$5 million' in sections 213 (c) and 221 (d) (3) and inserting: '$12½ million.'

"(c) Section 213 (b) (2) of said act, as amended, is amended by striking out 'the estimated value' both times it appears and inserting in lieu thereof 'the amount which the Commissioner estimates will be the replacement cost.'

"(d) Section 213 (b) (2) of said act, as amended, is further amended by striking out '65 percent' and inserting in lieu thereof '50 percent.'

"(e) Section 213 of said act, as amended, is hereby amended by adding, in the last sentence of subsection (d), after the words 'subsection (a) of this section,' the words 'may include eight or more family units and.'

"(f) Section 217 of said act, as amended, is hereby amended by striking 'July 1, 1954' and inserting 'July 1, 1955,' and by striking '$3½ billion' and inserting '$4 billion.'

"(g) Section 220 (d) (3) of such act, as amended, is amended as follows:

"(1) In subparagraph (A) by striking out 'the appraised value' and inserting in lieu thereof 'the amount which the Commissioner estimates will be the replacement cost, and by striking out 'such value' and inserting in lieu thereof 'such cost;' and

"(2) In subparagraph (B) (ii) by striking out 'the estimated value' and inserting in lieu thereof 'the amount which the Commissioner estimates will be the replacement cost, and by striking out 'value' and inserting in lieu thereof 'replacement cost.'

"(h) In the performance of, and with respect to, the functions, powers, and duties vested in him by section 213 of the National Housing Act, as amended, the Commissioner, notwithstanding the provisions of any other law, shall appoint a Special Assistant for Cooperative Housing, and provide the Special Assistant with adequate staff, whose sole responsibility will be to expedite operations under such section and to eliminate obstacles to the full utilization of this section under the direction and supervision of the Commissioner. The person so appointed shall be fully sympathetic with the purposes of such section.

"(i) Clause (a) of the second sentence of section 227 of said act, as amended, is hereby amended by striking 'under section 221' and inserting 'under section 221 if the mortgage meets the requirements of paragraph (3) of subsection (d) thereof.'

"(j) Clause (iii) of section 227 (a) of said act is amended to read as follows: '(iii) under section 220 if the mortgage meets the requirements of paragraph (3) (A) of subsection (d) thereof and covers a dwelling designed principally for residential use for more than four families, or if the mortgage meets the requirements of paragraph (3) (B) of subsection (d) thereof,'.

"(k) Section 221 (a) of said act, as amended, is amended as follows:

"(1) By inserting after the words 'in order to assist in relocating families' the following: 'from urban renewal areas and in relocating families;'

"(2) By striking out the words 'to be so displaced' in the first proviso of the second sentence;

"(3) By striking out the words 'to be so displaced and' and inserting 'referred to above' in the second proviso of the second sentence.

"(l) Section 223 (a) of said act, as amended, is amended by striking out 'section 203 or section 207' each time it appears and inserting in lieu thereof 'section 203, 207, or 213.'

"Federal National Mortgage Association

"SEC. 103. (a) The second sentence of section 304 (a) of said act, as amended, is amended by striking out the words 'at the market price for the particular class of mortgages involved, as determined by the Association' and inserting in lieu thereof 'at a reasonable price level, as determined by the Association, taking into consideration the market for mortgages of the same general class, and current yields on, and reasonably foreseeable price trends of, long-term Government bonds and other forms of long-term investment.'

"(b) Section 305 of said act, as amended, is amended by adding at the end thereof the following:

"'(e) Notwithstanding any other provision of this act, the Association is authorized to enter into advance commitment contracts which do not exceed $50 million outstanding at any one time, if such commitments relate to mortgages with respect to which the Federal Housing Commissioner shall have issued pursuant to section 213 either a commitment to insure or a statement of eligibility; but not more than $5 million of such authorization shall be available for such commitments in any one State.'

"Extension of title IX of the National Housing Act

"SEC. 104. The second sentence of section 104 of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended as follows:

"(1) By striking out the figures '1955' both times they appear therein and inserting in lieu thereof '1956';

"(2) In clause (a) thereof by striking out the words 'designate hereunder' and inserting in lieu thereof 'designate hereunder or (iii) pursuant to a commitment to insure issued pursuant to the preceding clause (ii)'; and

"(3) In clause (b) thereof by striking out the words 'designate hereunder' and inserting in lieu thereof 'designate hereunder or

thereafter pursuant to a commitment to extend assistance for such community facilities or services or to construct such temporary housing or community facilities, issued before the close of July 1, 1956.'

"Slum clearance and urban renewal

"SEC. 105. (a) Section 103 (b) of the Housing Act of 1949, as amended, is hereby amended by striking '$100,000,000, which limit shall be increased by further amounts of $100,000,000 on July 1 in each of the years 1950, 1951, 1952, and 1953, respectively: *Provided*, That (subject to the total authorization of not to exceed $500,000,000)' and inserting '$500,000,000, which limit shall be increased by further amounts of $200,000,000 on July 1 in each of the years 1955 and 1956, respectively: *Provided*, That'.

"(b) Section 106 (e) of said act, as amended, is hereby amended by striking '$35,000,000' and inserting '$70,000,000.'

"(c) Section 110 (c) of said act, as amended, is hereby amended by inserting between the first and second sentences thereof the following sentence: 'Where land within the purview of subparagraph (1) (ii) or (1) (iii) hereof (whether it be predominantly residential or nonresidential in character) is to be redeveloped for predominantly nonresidential loans and advances under this title may be extended therefor if the governing body of the local public agency determines that such redevelopment for predominantly nonresidential uses is necessary and appropriate to facilitate the proper growth and development of the community in accordance with sound planning standards and local community objectives and to afford maximum opportunity for the redevelopment of the project area by private enterprise: *Provided*, That loans and outstanding advances to any local public agency pursuant to the authorization of this sentence shall not exceed 2½ percent of the estimated gross project costs of the projects undertaken under other contracts with such local public agency pursuant to this title.'.

"SEC. 106. The Territorial Enabling Act of 1950 (64 Stat. 344) is hereby amended—

"(1) by inserting 'urban renewal,' after 'urban redevelopment,' in the title;

"(2) by inserting ', and urban renewal' after 'redevelopment' in the heading of title I;

"(3) by inserting 'and urban renewal projects' after the term 'urban redevelopment projects' in each place where that term appears in title I;

"(4) by inserting 'urban renewal,' after 'redevelopment,' in the heading of title III;

"(5) by inserting 'urban renewal,' after 'urban redevelopment,' in sections 301 and 303;

"(6) by inserting 'or urban renewal' after 'urban redevelopment' in section 304;

"(7) by inserting 'as amended,' after '(Public Law 171, Eighty-first Congress),' in sections 101, 301, and 304;

"(8) by inserting 'as amended,' after 'Housing Act of 1949,' in the clause numbered '(1)' in section 304; and

"(9) by inserting ', as amended,' after 'this act' in sections 101, 301, and 304.

"Public housing

"SEC. 107. (a) Section 101 (c) of title I of the Housing Act of 1949, as amended, is amended by striking out 'or for annual contributions or capital grants pursuant to the United States Housing Act of 1937, as amended, for any project or projects not constructed or covered by a contract for annual contributions prior to the effective date of the Housing Act of 1954,'.

"(b) There are hereby repealed—

"(1) the third proviso and clause (2) of the eighth proviso appearing in that part of the First Independent Offices Appropriation Act, 1954, which is captioned 'Annual contributions:' under the heading 'Public Housing Administration';

"(2) clause (2) of the third proviso, and the fourth proviso, appearing in that part of the Independent Offices Appropriation Act, 1953, which is captioned 'Annual contributions:' under the heading 'Public Housing Administration';

"(3) the fourth proviso appearing in that part of the Independent Offices Appropriation Act, 1952, which is captioned 'Annual contributions:' under the heading 'Public Housing Administration';

"(4) the sixth and seventh provisos appearing in that part of the First Independent Offices Appropriation Act, 1954, which is captioned "Annual contributions:' under the heading 'Public Housing Administration', and the fifth and sixth provisos under the same caption in the Independent Offices Appropriation Act, 1953; and

"(5) as of its effective date subsection 10 (j) of the United States Housing Act of 1937, as amended.

"(c) Subsection (i) of section 10 of the United States Housing Act of 1937, as amended, is hereby amended to read as follows:

"'(i) Notwithstanding any other provisions of law (except as hereinafter provided in this section) the Authority shall not enter into any new contracts for loans and annual contributions for more than 35,000 additional dwelling units during each of the fiscal years 1956 and 1957, and may enter into only such new contracts for preliminary loans in respect thereto as are consistent with the number of dwelling units for which contracts for annual contributions may be entered into: *Provided*, That in respect to the fiscal year 1956 such number shall be increased by the difference between 35,000 and the number of units for which new annual contributions contracts for additional units were entered into during the fiscal year 1955: *Provided further*, That any balances of this authorization not utilized in such years shall be available until June 30, 1958: *And provided further*, That no new contracts for loans and annual contributions for additional dwelling units in excess of the number authorized in this sentence shall be entered into unless authorized by the Congress.'

"(d) Subsection (d) of section 21 of the United States Housing Act of 1937, as amended, is hereby amended by striking out the figure '10' in both places it appears and inserting in lieu thereof the figure '15,' and by striking out 'of $336 million.'

"(e) The act entitled 'An act to expedite the provision of housing in connection with national defense, and for other purposes,' approved October 14, 1940, as amended, is hereby amended by amending the last paragraph of section 605 (a) to read as follows:

"'In any city in which, on March 1, 1953, there were more than 10,000 temporary housing units held by the United States of America, or any 2 contiguous cities in 1 of which there were on such date more than 10,000 temporary housing units so held, the Administrator may acquire, by purchase or condemnation, a fee simple title to any or all lands in which the Administrator holds a leasehold interest, or other interest less than a fee simple, acquired by the Federal Government for national defense or war housing or for veteran's housing where (1) the Administrator finds that the acquisition by him of a fee simple title in the land will tend to expedite the orderly disposal or removal of temporary housing under his jurisdiction by facilitating the availability of improved sites for privately owned housing needed to replace such temporary housing and will tend to expedite the transition of the city from a war-affected community containing, as of said date, a large number of temporary houses to a community having additional permanent, well-planned, residential neighborhoods, (2) the local governing body of the city makes a like finding and requests the Administrator to acquire such title to the land, and (3) the city has furnished assurances satisfactory to the Administrator that no individual who is employed by, or is an official of, the government of the city in which the land is located, or any agency thereof, shall be permited, directly or indirectly, to have any financial interest in the purchase or redevelopment of such land: *Provided*, That such acquisitions by the Administrator pursuant to this sentence shall be limited to not exceeding 425 acres of land in the general area in which approximately 1,500 units of temporary housing held by the United States of America were unoccupied on said date: *And provided further*, That funds for such acquisition by the Administrator, which are authorized, pursuant to subsection (c) of this section and title II of the Independent Offices Appropriation Act, 1955, to be expended from the revolving fund established by that title under the heading "Housing and Home Finance Agency Office of the Administrator, revolving fund," shall be taken into consideration, to the extent that they are needed in making any determination pursuant to the second proviso under that heading. All or any part of any land so acquired by the Administrator may, during the 5-year period following the date of its acquisition, be sold by the Administrator, through negotiated sale, to such city or any local public agency where (1) the city or local public agency has represented to the Administrator that it is duly authorized under State law to purchase and resell such land, that such land will be made available to private enterprise for development in accordance with local zoning and other laws, and that the aggregate of such land and any other land in the same city previously sold under the authority of this paragraph to the city or a local public agency will be developed for predominantly residential use, and (2) the city or local public agency has agreed to pay the fair market value of the land as determined by the Administrator, after giving consideration, among other relevant information, to the cost to the Federal Government of acquiring the fee simple title and of holding the land pending sale (including estimated amounts to cover legal and overhead expenses of such acquisition and to cover interest costs to the Federal Government of moneys invested in the land pending sale). Any such negotiated sale of land to the city or a local public agency shall be made upon terms which require (1) that the city or public agency shall pay in cash at least one-third of the price of the land upon its conveyance and the entire price within 1 year after its conveyance, and (2) that any portion of the entire price not paid upon such conveyance shall be represented by indebtedness which shall bear interest on outstanding balances at a rate of 4 percent per annum and which shall be secured by a first-mortgage lien upon the land or such portion of the land as the Administrator deems adequate to protect the financial interest of the Federal Government. The Administrator may, at any time that he deems it to be in the public interest to do so, dispose, under authority of other provisions of this act, of any land acquired by him pursuant to this paragraph. Any land acquired by the Administrator pursuant to this paragraph which has not been disposed of within 5 years after its acquisition shall be disposed of by him as expeditiously as possible in the public interest in accordance with other authority contained in this act. Notwithstanding the provisions of section 306 of this act or any other provisions of law, no payments in lieu of taxes shall be made for any tax year beginning subsequent to the date of the acquisition of title to the property by the Administrator.'

"SEC. 108. (a) Section 2 of the United States Housing Act of 1937, as amended, is

amended by adding the following at the end of subsection (2) thereof: "The term "elderly families" means families consisting of a single person 65 years of age or over, or families the head of which or his spouse is 65 years of age or over.'

"(b) The United Sates Housing Act of 1937, as amended, is amended by adding the following new subsection at the end of section 10:

"'(m) For the purpose of increasing the supply of decent, safe, and sanitary housing for elderly families available at rents they can afford to pay, the Authority may, with the approval of the President, after July 1, 1955, without regard to the provisions of any other law, enter into contracts for annual contributions which include not to exceed 10,000 dwelling units (either as separate projects or as parts of projects) designed for elderly families, which amount shall be increased by 10,000 dwelling units on July 1, 1956. Such dwelling units shall be in addition to the dwelling units for which annual contributions contracts are authorized by any other provision of law. The total authorization for annual contributions shall be increased by $3 million per annum on July 1, 1955, and by the same amount on July 1, 1956. The provisions of the first sentence of subsection 15 (5) shall not be applicable to such dwelling units. Notwithstanding the provisions of subsection 10 (g), annual contributions contracts covering such dwelling units shall require that in the selection of tenants for such units the public housing agency shall extend a prior preference to elderly families and that as among such families the "first" preferences in subsection 10 (g) shall apply. Notwithstanding the provisions of subsection 10 (g), the Authority may permit any public housing agency, in respect to any other dwelling units to extend a prior preference to elderly families: *Provided,* That such preference shall not be extended during any portion of a year when the number of elderly families already admitted in such year to all dwellings owned or operated by the public housing agency as low-rent housing within the meaning of this act equals 10 percent of the estimated number of all admissions in such year to all such dwellings: *And provided further,* That as among such families, the "first" preferences in subsection 10 (g) shall apply. The Authority may authorize public housing agencies to reconstruct or remodel any low-rent housing to provide accommodations designed for elderly families.'

"Home Loan Bank Board

"SEC. 109. The Federal Home Loan Bank Act, as amended, is hereby amended—

"(1) by striking the first sentence of section 6 (i) and inserting: 'Any member other than a Federal savings and loan association may withdraw from membership in a Federal Home Loan Bank 6 months after filing with the Board written notice of intention so to do, and the Board may, after hearing, remove any member from membership, or deprive any nonmember borrower of the privilege of obtaining further advances, if, in the opinion of the Board, such member or nonmember borrower (i) has failed to comply with any provision of this act or regulation of the Board made pursuant thereto; (ii) is insolvent: *Provided,* That any member of a bank which is a building and loan association, savings and loan association, cooperative bank, or homestead association shall be deemed insolvent if the assets of such member are less than its obligations to its creditors and others, including the holders of its withdrawable accounts; or (iii) has a management or home-financing policy of a character inconsistent with sound and economical home financing or with the purposes of this act:';

"(2) by striking the period at the end of section 7 (a) and inserting a colon and the following: '*Provided,* That the Board may by regulation increase the number of elective directors of any Federal Home Loan Bank having a district which includes five or more States to a number not exceeding twice the number of States comprising such district, but such additional elective directors shall be apportioned as nearly as may be practicable in the same manner and order as is provided for the apportionment of elective directors under subsections (c) and (d) hereof: *Provided further,* That there shall be not less than 1 elective director from any of the States nor more than 3 elective directors from any of the States in any district referred to in the preceding proviso and in no event shall the total number of elective directors in any 1 district exceed 11. The term "States" as used in the preceding proviso shall mean the States of the Union and the District of Columbia.';

"(3) by inserting '(a)' after the section number in section 17 and adding at the end thereof a new subsection (b) as follows:

"'(b) The Home Loan Bank Board which was, pursuant to Reorganization Plan No. 3 of 1947, established and made a constituent agency of the Housing and Home Finance Agency shall, from the effective date of the housing amendments of 1935, cease to be such a constituent agency and shall be an independent agency (including the Federal Savings and Loan Insurance Corporation) in the executive branch of the Government: *Provided,* That the functions vested in the chairman of said Board under clause (2) of the last sentence of subsection (b) of section 2 of said reorganization plan are hereby transferred to said Board. Notwithstanding any other provision of law, said Board, the Chairman thereof except as herein otherwise provided, and the Federal Savings and Loan Insurance Corporation, respectively, shall have and may exercise all functions which they respectively had or could exercise, immediately prior to the effective date of the housing amendments of 1955 or immediately prior to the effective date of the Independent Offices Appropriation Act, 1955. Said Board shall annually make a report of its operations (including those of the Federal Savings and Loan Insurance Corporation) to the Congress as soon as practicable after the first day of January in each year. The name of the Home Loan Bank Board is hereby changed to "Federal Home Loan Bank Board".'

"SEC. 110. The Home Owners' Loan Act of 1933, as amended, is hereby amended by striking the proviso at the end of the second paragraph of section 5 (c) and inserting: '*Provided,* That no such loan, unless so insured or guaranteed, shall be made in excess of $3,000.'

"SEC. 111. Subsection (e) of section 406 of the National Housing Act, as amended (12 U. S. C. 1729 (e)), is hereby amended by striking the words 'Housing and Home Finance Administrator' and inserting in lieu thereof the word 'Congress'.

"SEC. 112. The National Housing Act, as amended, is hereby amended by striking section 403 (d) and inserting:

"'(d) Any institution which applies after the effective date of the Housing Amendments of 1955 for insurance under this title shall pay, in the event its application is approved, an admission fee in such amount as the Corporation shall determine, taking into consideration the total cost of processing all insurance applications.'

"Community facilities administration

"SEC. 113. Section 702 of the Housing Act of 1954 is hereby amended to read as follows:

"'SEC. 702. (a) In order (1) to encourage municipalities and other public agencies to maintain at all times a current and adequate reserve of planned public works the construction of which can rapidly be commenced, particularly when the national or local economic situation makes such action desirable, and (2) to help attain maximum economy and efficiency in the planning and construction of public works, the Administrator is hereby authorized to make advances to public agencies (notwithstanding the provisions of section 3648 of the Revised Statutes, as amended) to aid in financing the cost of engineering and architectural surveys, designs, plans, working drawings, specifications, or other action preliminary to and in preparation for the construction of public works: *Provided,* That the making of advances hereunder shall not in any way commit the Congress to appropriate funds to assist in financing the construction of any public works so planned: *And provided further,* That advances outstanding to public agencies in any one State shall at no time exceed 10 percent of the aggregate then authorized to be appropriated to the revolving fund established pursuant to subsection (e) of this section.

"'(b) No advance shall be made hereunder with respect to any individual project unless it is planned to be constructed within a reasonable period of time, unless it conforms to an overall State, local, or regional plan approved by a competent State, local, or regional authority, and unless the public agency formally contracts with the Federal Government to complete the plan preparation promptly and to repay such advance or part thereof when due. Subsequent to approval and prior to disbursement of any Federal funds for the purpose of advance planning, the applicant shall establish a separate planning account into which all Federal and applicant funds estimated to be required for plan preparation shall be placed.

"'(c) Advances under this section to any public agency shall be repaid without interest by such agency when the construction of the public works is undertaken or started: *Provided,* That if the public agency undertakes to construct only a portion of a planned public work it shall repay such proportionate amount of the advances relating to the public work as the Administrator determines to be equitable: *And provided further,* That in the event repayment is not made promptly such unpaid sum shall bear interest at the rate of 4 percent per annum from the date of the Government's demand for repayment to the date of payment thereof by the public agency.

"'(d) The Administrator is authorized to prescribe rules and regulations to carry out the purpose of this section.

"'(e) In order to provide moneys for advances in accordance with this section, the Administrator is hereby authorized to establish a revolving fund which shall comprise all moneys heretofore or hereafter appropriated pursuant to this section, together with all repayments and other receipts in connection with advances made under this section. There are hereby authorized to be appropriated to such revolving fund, in addition to the amount authorized by this section as originally enacted, the further amounts of $12,000,000 which may be made available to the revolving fund on or after July 1, 1956; $12,000,000 which may be made available to such fund on or after July 1, 1957; $14,000,000 which may be made available to such fund on or after July 1, 1958; and such additional sums which may be made available from year to year thereafter as may be estimated to be necessary to maintain not to exceed a total of $48,000,000 in undisbursed balances in the revolving fund and in advances outstanding for plans in preparation or for completed plans with respect to projects which, in the determination of the Administrator, can be expected to be undertaken within a reasonable period of time.'

"SEC. 114. Effective upon the date of enactment of this act the basic rate of compensation of the Community Facilities Commissioner of the Housing and Home Finance

Agency shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency.

"TITLE II—PUBLIC FACILITY LOANS

"Declaration of policy

"SEC. 201. It has been the policy of the Congress to assist wherever possible the States and their political subdivisions to provide the services and facilities essential to the health and welfare of the people of the United States.

"The Congress finds that in many instances municipalities, or other political subdivisions of States, which seek to provide essential public works or facilities, are unable to raise the necessary funds at reasonable interest rates.

"It is the purpose of this title to authorize the extension of credit to assist in the provision of certain essential public works or facilities by States, municipalities, or other political subdivisions of States, where such credit is not otherwise available on reasonable terms and conditions.

"Federal loans

"SEC. 202. (a) The Housing and Home Finance Administrator, acting through the Community Facilities Administration is authorized to purchase the securities and obligations of, or make loans to, States, municipalities and other political subdivisions of States, public agencies, and instrumentalities of one or more States, municipalities and political subdivisions of States, and public corporations, boards, and commissions established under the laws of any State, to finance specific public projects under State or municipal law. No such purchase or loan shall be made for payment of ordinary governmental or nonproject operating expenses.

"(b) The powers granted in subsection (a) of this section shall be subject to the following restrictions and limitations:

"(1) No financial assistance shall be extended under this section unless the financial assistance applied for is not otherwise available on reasonable terms, and all securities and obligations purchased and all loans made under this section shall be of such sound value or so secured as reasonably to assure retirement or repayment, and such loans may be made either directly or in cooperation with banks or other lending institutions through agreements to participate or by the purchase of participations or otherwise.

"(2) No securities or obligations shall be purchased, and no loans shall be made, including renewals or extensions thereof, which have maturity dates in excess of 40 years.

"(c) In the processing of applications for financial assistance under this section the Administrator shall give priority to applications of smaller municipalities for assistance in the construction of basic public works (including works for the storage, treatment, purification, or distribution of water; sewage, sewage treatment, and sewer facilities; and gas distribution systems) for which there is an urgent and vital public need. As used in this section, a 'smaller municipality' means an incorporated or unincorporated town, or other political subdivision of a State, which had a population of less than 10,000 inhabitants at the time of the last Federal census.

"Financing

"SEC. 203. (a) In order to finance activities under this title, the Administrator is authorized and empowered to issue to the Secretary of the Treasury, from time to time and to have outstanding at any one time, in an amount not exceeding $100 million, notes and other obligations. Such obligations shall be in such forms and denominations, have such maturities and be subject to such terms and conditions as may be prescribed by the Administrator, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator to be issued hereunder and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

"(b) Funds borrowed under this section and any proceeds shall constitute a revolving fund which may be used by the Administrator in the exercise of his functions under this title.

"General provisions

"SEC. 204. In the performance of, and with respect to, the functions, powers, and duties vested in him by this title the Administrator shall (in addition to any authority otherwise vested in him) have the functions, powers, and duties set forth in section 402, except subsection (c) (2), of the Housing Act of 1950. Funds obtained or held by the Administrator in connection with the performance of his functions under this title shall be available for the administrative expenses of the Administrator in connection with the performance of such functions.

"The term 'States' as used in this title shall mean the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the Territories and possessions of the United States.

"SEC. 205. No loans shall be made under section 108 of the Reconstruction Finance Corporation Liquidation Act (67 Stat. 230), as amended, after the date of enactment of this act, except pursuant to an application for such loan filed prior to such date.

"Title III—College housing

"SEC. 301. Section 401 of title IV of the Housing Act of 1950, as amended, is hereby amended to read as follows:

"'SEC. 401. (a) To assist educational institutions in providing housing and other educational facilities for students and faculties, the Administrator may make loans of funds to such institutions for the construction of such facilities: *Provided*, That (1) no such loan shall be made unless the educational institution shows that it is unable to secure the necessary funds for such construction from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this title, and (2) no such loan shall be made unless the Administrator finds that the construction will be undertaken in an economical manner, and that it will not be of elaborate or extravagant design or materials.

"'(b) Any educational institution which, prior to the date of enactment of this act, has contracted for housing or other educational facilities may, in connection therewith, receive loans authorized under this title, as the Administrator may determine: *Provided*, That no such loan shall be made for any housing or other educational facilities, the construction of which was begun prior to the effective date of this act, or completed prior to the filing of an application under this title.

"'(c) A loan to an educational institution may be in an amount not exceeding the total development cost of the facility, as determined by the Administrator; shall be secured in such manner and be repaid within such period, not exceeding 50 years, as may be determined by him; and with respect to loan contracts under which loan funds have not been fully disbursed prior to the date of enactment of the College Housing Amendments of 1955 shall bear interest at a rate determined by the Administrator which shall be not more than the higher of (1) 2¾ percent per annum, or (2) the total of one-quarter of 1 percent per annum added to the rate of interest paid by the Administrator on funds obtained from the Secretary of the Treasury as provided in subsection (e) of this section.

"'(d) To obtain funds for loans under this title, the Administrator may issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed $500,000,000: *Provided*, That the amount outstanding for other educational facilities, as defined herein, shall not exceed $100,000,000.

"'(e) Notes or other obligations issued by the Administrator under this title shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Administrator, with the approval of the Secretary of the Treasury. Such notes or other obligations issued to obtain funds for loan contracts entered into after the effective date of the College Housing Amendments of 1955 shall bear interest at a rate determined by the Secretary of the Treasury which shall be not more than the higher of (1) 2½ percent per annum, or (2) the average annual interest rate on all interest-bearing obligations of the United States forming a part of the public debt as computed at the end of the fiscal year next preceding the issuance by the Administrator and adjusted to the nearest one-eighth of 1 percent. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator issued under this title and for such purpose is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public-debt transactions of the United States.

"'(f) There are hereby authorized to be appropriated to the Administrator such sums as may be necessary, together with loan principal and interest payments made by educational institutions asssisted hereunder, for payments on notes or other obligations issued by the Administrator under this section.

"'(g) No loan shall be made under this section unless the educational institution receiving the loan has agreed (1) to certify, upon completion of the physical improvements with respect to which the loan is made, either (A) that the total of all actual costs of the facility approved by the Administrator for disbursement under the loan agreement equaled or exceeded the proceeds of all obligations authorized and issued pursuant to the loan agreement or (B) the amount by which the proceeds of such obligations exceeded such total actual costs, as the case may be, and (2) to pay forthwith for the redemption of such obligations, in such manner as shall be provided in the loan agreement, the amount, if any, certified to be in excess of such total actual costs: *Provided*, That any portion of such excess amount less

than $1,000 shall, in lieu of being paid for the redemption of such obligations, be deposited in a sinking fund account established for the payment of interest on, and principal of, such obligations.'

"SEC. 302. Subsection (c) of section 404 of title IV of the Housing Act of 1950, as amended, is hereby amended to read as follows:

"'(c) "Development cost" means costs of the construction of the housing or other educational facilities and the land on which it is located, including necessary site improvements to permit its use for housing or other educational facilities.'

"SEC. 303. Section 404 of title IV of the Housing Act of 1950, as amended, is amended by—

"(1) striking out subsection (b) and inserting in lieu thereof the following:

"'(b) "Educational institution" means any educational institution offering at least a 2-year program acceptable for full credit toward a baccalaureate degree, including any public educational institution, or any private educational institution no part of the net earnings of which inures to the benefit of any private shareholder or individual'; and

"(2) adding at the end thereof the following new subsection:

"'(h) "Other educational facilities" means (1) new structures suitable for use as cafeterias or dining halls, student centers or student unions, infirmaries or other inpatient or outpatient health facilities, and for other essential service facilities, and (2) structures suitable for the above uses provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for such uses.'.

"SEC. 304. This title may be cited as the 'College Housing Amendments of 1955'.

"TITLE IV—MILITARY HOUSING

"Privately financed military housing

"SEC. 401. Section 803 of the National Housing Act, as amended, is hereby amended—

"(1) by striking out of the second proviso of subsection (a) 'June 30, 1955' and inserting in lieu thereof 'June 30, 1958';

"(2) by striking out the last sentence of paragraph (2) of subsection (b) and inserting in lieu thereof the following: 'No mortgage shall be insured under this title unless the Secretary of Defense or his designee shall have certified to the Commissioner that the housing with respect to which the mortgage is made is necessary to assure that adequate housing, within reasonable commuting distance of the installation, will be available for such personnel and that there is no intention, so far as can reasonably be foreseen, to substantially curtail activities at such installation or the personnel assigned or to be assigned to such installation.';

"(3) by striking clause (C) of paragraph (3) of subsection (b) and inserting:

"'(C) not to exceed an average of $9,900 per family unit for such part of such property or project as may be attributable to dwelling use, except that where the Secretary of Defense or his designee, in exceptional cases, certifies and the Commissioner concurs in such certification that the needs would be better served by single-family detached dwellings or dwelling structures designed for two-family residence the mortgage may involve a principal obligation not to exceed $10,800 per dwelling in the case of single-family detached dwellings, or not to exceed $20,500 per structure in the case of two-family structures, for such part of such property as may be attributable to such dwellings or structures: *Provided*, That the Commissioner may by regulation increase the $9,900 limitation by not exceeding $900 in any geographical area where he finds that cost levels so required.'; and

"(4) by inserting after the word "amended" at the end of the second sentence of paragraph (3) of subsection (b): ', except that the amount to be included in "actual cost" (as defined in subsection (c) of said section 227) as the allowance for builder's profit where the mortgagor is also the builder as defined by the Commissioner shall be an amount equal to 10 percent of said "actual cost" '.

"SEC. 402. Whenever the Secretary of Defense or his designee shall deem it necessary, he may enter into an agreement with the owner or owners thereof to purchase unimproved land or any housing financed with mortgages insured under title VIII of the National Housing Act, as amended. Notwithstanding the provisions of any other law except as may hereafter be enacted in express amendment hereof, the price paid for any such unimproved land or housing purchased by the Secretary of Defense or his designee under this or any other law shall be the fair market value of such unimproved land or housing as determined by the Secretary of Defense or his designee on the basis of an independent appraisal. In connection with any agreements to purchase any such housing, the Secretary of Defense or his designee may assume, or may purchase subject to, any such mortgage and pay in cash any difference between the outstanding principal obligation of such mortgage and the fair market value of such housing which in the case of new housing built in conformance with specifications furnished by the armed services and where there has been no deterioration chargeable to the negligence or fault of the builder the fair market value shall not be less than the actual cost of construction making due allowance for normal depreciation. Whenever the Secretary of Defense or his designee shall deem it necessary, he may cause proceedings to be instituted in any court having jurisdiction of such proceedings to acquire by condemnation any unimproved land or any housing financed with mortgages insured under title VIII of the National Housing Act, as amended, either subject to said mortgages or acquiring all interest in said property. Any condemnation proceedings herein provided shall be conducted in accordance with the provisions of the act of August 1, 1888 (25 Stat. 357), as amended, or any other applicable Federal statute. Before condemnation proceedings are instituted pursuant to this section, an effort shall be made to acquire the property involved by negotiation unless, because of reasonable doubt as to the identity of the owner or owners, because of the large number of persons with whom it would be necessary to negotiate, or for other reasons, the effort to acquire by negotiation would involve, in the judgment of the Secretary of Defense or his designee, such delay in acquiring the property as to be contrary to the interest of national defense. In any condemnation proceeding instituted pursuant to this section, the court shall not order the party in possession to surrender possession in advance of final judgment unless a declaration of taking has been filed, and a deposit of the amount estimated to be just compensation has been made, under the first section of the act of February 26, 1931 (46 Stat. 1421), providing for such declarations. Unless title is in dispute, the courts, upon application, shall promptly pay to the owner at least 75 percent of the amount so deposited, but such payment shall be made without prejudice to any party to the proceeding. Property acquired under this section may be occupied, used, and improved for the purposes of this section prior to the approved title by the Attorney General as required by section 355 of the Revised Statutes, as amended.

"SEC. 403. There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of section 402 of this title.

"TITLE V—FARM HOUSING

"SEC. 501. Title V of the Housing Act of 1949, as amended, is hereby further amended, as follows:

"(1) In the first sentence of section 511 immediately following the phrase 'July 1, 1953' strike out the word 'and' and insert at the end of the sentence immediately before the period a comma and the following: 'and an additional $100,000,000 on and after July 1, 1955.'

"(2) In section 512 (A) strike out 'and 1954' and insert '1954, and 1955', and (B) strike out 'and $2,000,000' and insert '$2,000,000 and $2,000,000.'

"(3) In section 513, strike out 'and $10,000,000 on July 1 of each of the years 1950, 1951, 1952, 1953, and 1954' and insert '$10,000,000, and $10,000,000 on July 1 of each of the years 1950, 1951, 1952, 1953, 1954, and 1955.'

"SEC. 502. The United States Housing Act of 1937, as amended, is hereby amended by adding the following sentences to subsection 12 (f): 'Notwithstanding any other provisions of law, upon the filing of a request therefor within 6 months after the effective date of this sentence, the Authority may relinquish, transfer, and convey without monetary consideration, all its rights, title and interest in and with respect to any such project or any part thereof (including such land as is determined by the Authority to be reasonably necessary to the operation of such project and contractual rights to revenues, reserves, and other proceeds therefrom) to any public housing agency whose area of operation includes such project. Any such relinquishment shall be conditioned upon preference for occupancy in such projects being given first to low-income agricultural workers and their families and, second, to other low-income persons and families: *Provided*, That any vacant accommodations for which there are no eligible applicants in these preference groups may be occupied by other persons or families but shall be vacated promptly when needed to house any such eligible applicants: *Provided further*, That the project shall be so utilized, or utilized for other public purpose, for a period of 10 years from the date of relinquishment. In any conveyance hereunder, the Authority shall reserve to the United States of America all mineral rights of whatsoever nature upon, in, or under the property including the right of access to and use of such parts of the surface of the property as may be necessary for mining and saving the minerals. The Authority may dispose of any project or part thereof not relinquished or conveyed under this subsection, or any reversionary or other rights in any such project, pursuant to subsection (e) of section 13 of this act, notwithstanding the parenthetical clause in said subsection.' "

Mr. HALLECK. Mr. Speaker, a point of order. I make a point of order against the motion to recommit. No motion to recommit would be in order except a straight motion to recommit, because the entire bill is the amendment just voted upon in committee and in the House.

The SPEAKER. The rule provides "except one motion to recommit with or without instructions."

Mr. MULTER. Mr. Speaker, for the sake of expedition, since the instructions are to report back the bill reported by the Committee on Banking and Currency, I ask unanimous consent that the reading of the remainder of the motion be dispensed with.

The SPEAKER. Is there objection?

Mr. HALLECK. Reserving the right to object, do we understand that the mo-

tion to recommit is the committee bill exactly as reported?

Mr. MULTER. Yes.

Mr. HALLECK. Mr. Speaker, I make a point of order against the motion to recommit because it involves matter upon which the House has just voted.

The SPEAKER. The House has never had an opportunity to vote on the Senate bill as amended by the Committee on Banking and Currency.

Mr. HALLECK. I submit that the vote on the substitute was a vote against the bill.

The SPEAKER. The House voted on the substitute, but this is on a different matter.

Mr. NICHOLSON. Mr. Speaker, a point of order.

Mr. Speaker, I made the point of order that the gentleman from New York is in favor of this bill that is going to be sent back with instructions, and therefore has no right to make the motion.

The SPEAKER. The gentleman qualifies as being opposed to the bill, and the Chair must take his word for it, and always does.

Mr. MULTER. I assure the Speaker that I am opposed to the bill.

Mr. NICHOLSON. The gentleman is on record as voting for the bill.

The SPEAKER. He is not on record as voting on the substitute.

Mr. HALLECK. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. PATMAN. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken, and there were—yeas 396, nays 3, answering "present" 4, not voting 31, as follows:

[Roll No. 141]

YEAS—396

Abbitt	Betts	Celler
Abernethy	Blatnik	Chase
Adair	Blitch	Chatham
Addonizio	Boggs	Chelf
Albert	Boland	Chenoweth
Alexander	Bolton, Frances P.	Christopher
Alger	Bolton, Oliver P.	Church
Allen, Calif.	Bonner	Clark
Allen, Ill.	Bosch	Cole
Andersen, H. Carl	Bow	Colmer
Andresen, August H.	Bowler	Cooley
Andrews	Boyle	Coon
Arends	Bray	Cooper
Ashley	Brooks, La.	Corbett
Ashmore	Brooks, Tex.	Coudert
Aspinall	Brown, Ga.	Cramer
Auchincloss	Brown, Ohio	Cretella
Avery	Brownson	Crumpacker
Bailey	Broyhill	Cunningham
Baker	Buckley	Curtis, Mass.
Baldwin	Budge	Curtis, Mo.
Barden	Burdick	Dague
Barrett	Burleson	Davidson
Bass, N. H.	Bush	Davis, Ga.
Bass, Tenn.	Byrd	Davis, Tenn.
Bates	Byrne, Pa.	Davis, Wis.
Baumhart	Byrnes, Wis.	Dawson, Ill.
Beamer	Canfield	Dawson, Utah
Becker	Cannon	Deane
Bell	Carlyle	Delaney
Bennett, Fla.	Carnahan	Dempsey
Bentley	Carrigg	Denton
Berry	Cederberg	Derounian
		Devereux
		Dies
Diggs	Judd	Rhodes, Ariz.
Dixon	Karsten	Rhodes, Pa.
Dodd	Kean	Richards
Dollinger	Kearns	Riehlman
Dolliver	Keating	Riley
Dondero	Kee	Roberts
Donohue	Kelley, Pa.	Robeson, Va.
Donovan	Kelly, N. Y.	Robsion, Ky.
Dorn, N. Y.	Keogh	Rodino
Dorn, S. C.	Kilday	Rogers, Colo.
Dowdy	Kilgore	Rogers, Fla.
Doyle	King, Calif.	Rogers, Mass.
Durham	King, Pa.	Rogers, Tex.
Edmondson	Kirwan	Rooney
Elliott	Knox	Roosevelt
Ellsworth	Knutson	Rutherford
Engle	Laird	Sadlak
Fallon	Landrum	St. George
Fascell	Lane	Saylor
Feighan	Lanham	Schenck
Fenton	Lankford	Scherer
Fine	Latham	Schwengel
Fino	LeCompte	Scott
Fisher	Lesinski	Scrivner
Fjare	Lipscomb	Scudder
Flood	Long	Seely-Brown
Flynt	Lovre	Selden
Fogarty	McCarthy	Sheehan
Forand	McConnell	Sheppard
Ford	McCormack	Short
Forrester	McCulloch	Sieminski
Fountain	McDonough	Sikes
Frelinghuysen	McDowell	Siler
Friedel	McIntire	Simpson, Ill.
Fulton	McMillan	Simpson, Pa.
Gamble	McVey	Sisk
Garmatz	Macdonald	Smith, Kans.
Gary	Mack, Ill.	Smith, Miss.
Gathings	Mack, Wash.	Smith, Va.
Gavin	Madden	Smith, Wis.
Gentry	Magnuson	Spence
George	Mahon	Springer
Gordon	Mailliard	Staggers
Granahan	Marshall	Steed
Grant	Martin	Sullivan
Gray	Mason	Taber
Green, Oreg.	Matthews	Talle
Green, Pa.	Meader	Taylor
Gregory	Merrow	Teague, Calif.
Griffiths	Metcalf	Teague, Tex.
Gross	Miller, Calif.	Thomas
Gubser	Miller, Md.	Thompson, La.
Gwinn	Miller, Nebr.	Thompson, Mich.
Hagen	Miller, N. Y.	Thompson, N. J.
Hale	Mills	Thompson, Tex.
Haley	Minshall	Thomson, Wyo.
Halleck	Mollohan	Thornberry
Harden	Morano	Tollefson
Hardy	Morgan	Trimble
Harris	Morrison	Tuck
Harrison, Nebr.	Moss	Tumulty
Harrison, Va.	Moulder	Udall
Harvey	Murray, Ill.	Utt
Hays, Ark.	Murray, Tenn.	Vanik
Hays, Ohio	Natcher	Van Pelt
Hayworth	Nelson	Van Zandt
Hébert	Nicholson	Velde
Henderson	Norblad	Vinson
Herlong	Norrell	Vorys
Heselton	O'Brien, Ill.	Vursell
Hess	O'Brien, N. Y.	Wainwright
Hiestand	O'Hara, Ill.	Walter
Hill	O'Hara, Minn.	Watts
Hinshaw	O'Konski	Weaver
Hoeven	O'Neill	Westland
Hoffman, Mich.	Osmers	Wharton
Holifield	Ostertag	Whitten
Holmes	Passman	Wickersham
Holt	Patman	Widnall
Holtzman	Patterson	Wier
Hope	Pelly	Wigglesworth
Horan	Pfost	Williams, Miss.
Hosmer	Philbin	Williams, N. J.
Huddleston	Pilcher	Williams, N. Y.
Hull	Pillion	Willis
Hyde	Poage	Wilson, Calif.
Ikard	Poff	Wilson, Ind.
James	Polk	Winstead
Jarman	Preston	Withrow
Jenkins	Price	Wolcott
Jennings	Priest	Wolverton
Jensen	Prouty	Wright
Johansen	Quigley	Yates
Johnson, Calif.	Rabaut	Young
Johnson, Wis.	Rains	Younger
Jonas	Ray	Zablocki
Jones, Ala.	Reed, Ill.	Zelenko
Jones, Mo.	Rees, Kans.	
Jones, N. C.	Reuss	

NAYS—3

Bolling	Burnside	Multer

ANSWERING "PRESENT"—4

Chudoff	Machrowicz	Powell
Kluczynski		

NOT VOTING—31

Anfuso	Fernandez	McGregor
Ayres	Frazier	Mumma
Belcher	Hand	Perkins
Bennett, Mich.	Hillings	Phillips
Boykin	Hoffman, Ill.	Radwan
Buchanan	Jackson	Reece, Tenn.
Chiperfield	Kearney	Reed, N. Y.
Clevenger	Kilburn	Rivers
Dingell	Klein	Shelley
Eberharter	Krueger	Shuford
Evins		

So the bill was passed.

The Clerk announced the following pairs:

Mr. Anfuso with Mr. Ayres.
Mr. Shelley with Mr. McGregor.
Mr. Klein with Mr. Phillips.
Mr. Dingell with Mr. Radwan.
Mr. Perkins with Mr. Chiperfield.
Mr. Frazier with Mr. Hand.
Mr. Evins with Mr. Hillings.
Mr. Fernandez with Mr. Hoffman of Illinois.
Mr. Rivers with Mr. Krueger.
Mr. Boykin with Mr. Kearney.
Mrs. Buchanan with Mr. Reece of Tennessee.
Mr. Eberharter with Mr. Bennett of Michigan.
Mr. Shuford with Mr. Kilburn.

Messrs. JONES of Missouri, NORRELL, ENGLE, and ASHLEY changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON HOUSING BILL

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 2126) to extend and clarify laws relating to the provision and improvement of housing, the elimination and prevention of slums, the conservation and development of urban communities, the financing of vitally needed public works, and for other purposes, with an amendment of the House thereto, insist on the House amendment and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. SPENCE, PATMAN, RAINS, WOLCOTT, GAMBLE, TALLE, and BROWN of Georgia.

GENERAL LEAVE TO EXTEND REMARKS

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks in the RECORD during general debate on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LEGISLATIVE PROGRAM

Mr. MARTIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN. Mr. Speaker, I have taken this time in order to ask about the program for the rest of the day and tomorrow.

Mr. McCORMACK. Mr. Speaker, the program for the rest of the day is the consideration and adoption of the rule on the extension of the Defense Production Act and also the rule on the Sugar Act. Then the House Committee of the Whole will take up the Defense Production Act under general debate.

Mr. MARTIN. I understand the conference report on the supplemental appropriation bill will be here within an hour. Does that make any difference in the gentleman's announcement of the program for the rest of this evening?

Mr. McCORMACK. I have not been advised of that but, of course, under the unanimous consent that has been granted the Speaker can recognize the gentleman from Missouri for that purpose, but I am unable to state exactly what the situation is.

The SPEAKER. The Chair advised the gentleman from Missouri that he will be recognized the first thing in the morning.

Mr. McCORMACK. Then that will be the first business tomorrow. Then tomorrow the defense production bill will be taken up under the 5-minute rule to be finished up sometime tomorrow.

The Private Calendar will be called first tomorrow and then the Consent Calendar. Following that, the following bills will be called up under suspension of the rules:

H. R. 4006, in relation to veterans in connection with farm training.

S. 1210, leases on Federal agencies, District of Columbia.

H. R. 3255, to amend the classification act of 1949.

S. 1849, a Federal employees' career appointments bill.

S. 1792, to amend the Federal Employees Group Life Insurance Act.

S. 2237, providing for an additional Under Secretary which will strengthen the State Department in some respects.

S. 890, to strengthen the water pollution act.

H. R. 7245, assistance for impacted schools.

H. R. 4045, the Texas City disaster claim bill.

S. 1189, relating to national banks with reference to certain real estate construction loans.

H. R. 7092, the Mississippi Valley improvement project.

H. R. 2552, the Great Lakes connecting channels project.

H. R. 5649, a bill relating to the restraint of the abuse of habeas corpus proceedings.

There may be one other bill under suspension that I have not announced. It is being looked into now by the leadership on both sides.

While that is a long list, I expect many of these bills will be taken up and passed by unanimous consent. Probably most of them will not take very long. Then we will proceed with a continuation of the Defense Production Act; and also, if possible, the sugar bill. I understand certain amendments will be offered to the sugar bill, which will be accepted by the committee, that will probably remove considerable honest opposition to certain features of that bill.

Mr. MARTIN. The Members on this side want me to inquire if there is any chance for consideration of the Small Business Extension Act.

Mr. McCORMACK. The Small Business Extension Act is for Monday. There will be other suspensions on Monday, because that is regular suspension day.

Mr. MARTIN. The ones you have announced are the only ones that will be taken up tomorrow?

Mr. McCORMACK. Yes. There will be a number of others on Monday, and I am confident the extension of the Small Business Administration Act will be considered then. Also the International Finance Corporation bill will be considered Monday, and the Commodity Credit Corporation bill will be considered Monday. Of course, chairmen of committees are asking me now. The leadership has considered all of these things. Certainly I would enjoy very much if the chairmen of the committees would consult me between now and Monday on the bills they would like to have the Speaker recognize them for motions to suspend the rules, so that we can take them up. Also to advise the distinguished minority leader.

Mr. MARTIN. If we keep adding to the list, we will not get out until the following Saturday.

Mr. McCORMACK. No. Everything is pretty well under control, I can assure the gentleman.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. COOLEY. The rule on the sugar bill provides for 1 hour general debate.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. MARTIN] has expired.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection?

Mr. H. CARL ANDERSEN. Reserving the right to object, Mr. Speaker, the gentleman has just stated that there is no intention of finishing tomorrow night?

Mr. McCORMACK. That is correct.

Mr. H. CARL ANDERSEN. Mr. Speaker, then I object.

REPORTS FROM COMMITTEE ON PUBLIC WORKS

Mr. DAVIS of Tennessee. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have until midnight tonight to file reports on the following bills:

H. R. 5556, authorizing a preliminary examination and survey of McGirts Creek, Fla.

H. R. 6686, providing for a preliminary examination and survey by the Secretary of the Army for the purpose of controlling water chestnut infestation in the upper Chesapeake Bay tributaries.

S. 1899, to authorize the improvement of the Amite River and its tributaries.

H. R. 6256, granting the consent of Congress to the States of Kansas and Oklahoma to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Arkansas River and its tributaries as they affect such States.

H. R. 7596, to provide for the disposal of federally owned property at obsolescent canalized waterways.

LEGISLATIVE APPROPRIATION ACT, 1956

Mr. NORRELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7117), making appropriations for the legislative branch for the fiscal year ending June 30, 1956, and for other purposes, with Senate amendments, disagree to the amendments of the Senate and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. NORRELL, KIRWAN, ROONEY, CANNON, HORAN, BOW, and TABER.

COMMITTEE ON APPROPRIATIONS

Mr. NORRELL. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file conference reports.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

TO FACILITATE EXERCISE OF VOTING FRANCHISE BY MEMBERS OF ARMED SERVICES

Mr. BURLESON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4048) making recommendations to the States for the enactment of legislation to permit and assist Federal personnel, including members of the Armed Forces, and their families, to exercise their voting franchise, and for other purposes, with Senate amendments, disagree to the amendments of the Senate and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. BURLESON, ASHMORE, and MORANO.

MINING, DEVELOPMENT, AND UTILIZATION OF MINERAL RESOURCES OF PUBLIC LANDS WITHDRAWN OR RESERVED FOR POWER DEVELOPMENT

Mr. ENGLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 100) to permit the mining, development, and utilization of the mineral resources of all public lands withdrawn or reserved for

power development, and for other purposes, with Senate amendments, disagree to the amendments of the Senate and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. ENGLE, ASPINALL, ROGERS of Texas, SAYLOR, and YOUNG.

STEPHAN SWAN OGLETREE

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6232) to include as Spanish-American War service under laws administered by the Veterans' Administration certain service rendered by Stephen Swan Ogletree during the Spanish-American War, with Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That, for the purpose of laws administered by the Veterans' Administration, it shall be considered that Stephan Swan Ogletree was honorably discharged from Company G, Second Regiment Alabama Volunteer Infantry, after having rendered at least 70 days active military service therein during the Spanish-American War. No benefit shall be afforded hereunder for any period prior to the date of receipt of an application therefor filed subsequent to the date of enactment of this act."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendment was concurred in; a motion to reconsider was laid on the table.

COMMISSIONER OF ATOMIC ENERGY COMMISSION

Mr. DURHAM. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 7684) to authorize the Atomic Energy Commission to pay the salary of a Commissioner during the recess of the Senate, and for other purposes.

The Clerk read the title of the bill.

Mr. COLE. Mr. Speaker, reserving the right to object, will the gentleman from North Carolina give a brief explanation of the bill?

Mr. DURHAM. Mr. Speaker, this bill simply permits the President to pay the salary of a Commissioner to fill a vacancy at the present time, provided appointment is made as an interim appointment. It also contains a provision dealing with certain information regarding the Commissioners.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc.—

AUTHORIZATION

SECTION 1. Notwithstanding the provisions of the act of June 7, 1924 (43 Stat. 699; 5 U. S. C. 56), the United States Atomic Energy Commission is authorized to pay the salary of any person appointed by the President during the recess of the Senate to fill the presently existing vacancy on the Atomic Energy Commission: *Provided*, That a nomination to fill such vacancy shall be submitted to the Senate not later than 40 days after the commencement of the next succeeding session of the Senate.

LIMITATION

SEC. 2. The authority granted in section 1 hereof shall not extend beyond the recess of the Senate next following the session of Congress during which this act is enacted.

SEC. 8. The first sentence of section 21 of of the Atomic Energy Act of 1954 is amended to read as follows: "Each member of the Commission, including the Chairman, shall have equal responsibility and authority in all decisions and actions of the Commission, shall have full access to all information relating to the performance of his duties or responsibilities, and shall have one vote."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMITTEE ON PUBLIC WORKS

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have until midnight tonight to file a report on the bill H. R. 7596.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

HOUR OF MEETING JULY 30

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 10:30 o'clock a. m.

Mr. H. CARL ANDERSEN. Mr. Speaker, I have no objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDING THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 320, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7470) to amend the Defense Production Act of 1950, as amended. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, adoption of House Resolution 320 will make in order the consideration of the bill (H. R. 7470) to amend the Defense Production Act of 1950, as amended.

House Resolution 320 provides for an open rule with 1 hour of general debate on the bill.

Mr. Speaker, this bill would extend the provisions of the Defense Production Act to the close of June 30, 1956. As the report indicates the necessity for the extension of this act lies in the fact that the country is still engaged in mobilization and defense programs and it is imperative that the program be continued.

The bill has been reported from the Committee on Banking and Currency without amendment and the committee report complies with the Ramseyer Rule.

Since the rule is an open one and therefore the bill would be open for amendment I hope that the House will adopt House Resolution 320 which will make consideration of H. R. 7470 possible.

Mr. Speaker, I yield 30 minutes of my time to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I reserve my time.

Mr. THORNBERRY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

AMENDING AND EXTENDING THE SUGAR ACT OF 1948, AS AMENDED

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 328 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, and all points of order against such bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Agriculture now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Illinois [Mr. ALLEN], and at this time I yield myself such time as I may consume.

Mr. Speaker, as indicated by the reading of the resolution, it makes in order consideration of the bill H. R. 7030, to amend and extend the Sugar Act of 1948.

Mr. ALLEN of Illinois. Mr. Speaker, I know of no opposition to this rule. It makes in order consideration of the bill H. R. 7030. Certain comments were made in regard to three amendments that might be offered, but I shall not go into that now.

Mr. Speaker, I reserve the balance of my time.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

AMENDING THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7470) to amend the Defense Production Act of 1950, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 7470, with Mr. SHEPPARD in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this bill would extend the Defense Production Act for another year. The Defense Production Act is an emergency act. It was enacted during the Korean war, and the only justification for its continuance is that there still is an emergency. I think we can all agree to that. The world is in such an unsettled state that we have to be constantly prepared for any emergency; that we must keep the administrative machinery in operation so it will not be hard to continue it in its full vigor if we need it.

The Defense Production Act now contains only three titles relating to allocations and priorities, defense production assistance, and administrative provisions. The bill makes few changes in the act. The administration has asked for the services of men who have special skills, who work without compensation. Many of these are men who have vast holdings in various enterprises that might conflict with their duties to their Government. These men have not been under very close supervision. They have largely exercised their judgment without the strict control that it seems to me should be exerted over them. A man certainly cannot serve two masters, and we are told that where a man's treasure is there his heart is also. So, we have placed restrictions upon these gentlemen. We have provided that they should divulge their holdings to the heads of their agencies and they should not make any policy decisions. Some people have said that a good man would resent these requirements; that he would not come here to serve. But, I am quite sure that a man who was imbued with a patriotic spirit and a desire to serve would be glad to have such restrictions imposed on all w. o. c.'s, because if there is any breach of duty or any unfaithfulness on the part of anyone, the taint falls on all. So, we have proposed some strong provisions that will protect the interests of the Government if men should seek to enrich themselves by pretending to serve their Government.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from New York.

Mr. CELLER. I have read carefully the bill the committee reported out, and it does make a sincere effort to curb the operations of those who have dual loyalties or w. o. c.'s, without compensation, those whom we called in the Second World War "dollar-a-year men." But, in the inquiry that the House Committee on the Judiciary has made, evidence has been adduced to show, for example, that the Director of the Business Defense Services Administration—which is a successor to the old NPA—in the Department of Commerce, has ruled that w. o. c.'s may be heads of divisions. There are 25 divisions in the Department of Commerce, and 15 of those division heads are w. o. c.'s. These division heads pass upon or recommend on matters of tax amortization, matters of quotas, matters of preferred treatment, Government specifications in contracts, and, in addition, they control scores and scores of civilian employees. Now, the head of the Business and Defense Services Administration, Mr. Honeywell, said that a head of a division should be a w. o. c. He at least prefers w. o. c.'s to head divisions. He has made that decision and could make that decision even with the passage of the bill that the gentleman reported out. I am of the opinion—and I am sure the gentleman is—that the head of such a division is in a policymaking position in view of what his duties are. If he is in a policymaking position the w. o. c. should not be employed. Secretary of Commerce is not to place in a policymaking position w. o. c.'s, but Mr. Honeywell and Mr. Weeks have already decided w. o. c.'s may be the heads of divisions. In other words, the gentleman's bill will not prevent them from doing just that. The Department of Commerce heads determine what is or what is not a policymaking position. They determine in advance that a head of a division is nonpolicymaking. An amendment might well be offered to the effect that a division head is a policymaking position and cannot be filled by any w. o. c.

Mr. SPENCE. I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

EMPLOYEES WITHOUT COMPENSATION

Mr. PATMAN. Mr. Chairman, this bill permits the continuance of w. o. c.'s without compensation. During World War I the Government permitted the use of dollar-a-year men. During World War II the use of dollar-a-year men was again permitted. When the Korean war commenced in 1950, I believe in either October or November of that year, President Truman asked for the passage of this act, the Defense Production Act. It permitted the use of w. o. c.'s without compensation. He restricted their activities to a certain extent and it was intended that it apply only during the war or a great national emergency. That was the purpose of the use of w. o. c.'s.

You cannot justify their use any other way. Let us remember that in 1953 when the extension of this act was again requested by President Eisenhower, Mr. Truman's order continued as it was before for the last 2 years, it extended the act until 1955. It expired June 30, 1955 but a continuing resolution extends it to July 30, 1955. It is a simple question now, and the question is, Shall we in time of peace permit the use of people in Government service who have a conflict of interests and who have a personal ax to grind, a selfish ax to grind. In other words, whom will they serve? Will they serve their Government or will they serve the corporation that pays them a salary. That is the question involved here.

I have a simple amendment to this bill, that is really just one word, just the word "not," so it in effect will read that they shall not be permitted.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield ?

Mr. PATMAN. I yield.

Mr. BROWN of Georgia. The gentleman mentions the word "not." If this word "not" is inserted in the bill it will practically kill the effect of the bill. You have to have some of these $1-a-year men. We have corrected the situation mentioned by the gentleman by placing many amendments in the bill, and I do not see how anybody could take advantage of the Government under the amendments we have put in this bill. Of course, you have to give the Administrator, Dr. Flemming, who is one of the finest men I know anywhere, the tools with which to carry out his duties. Inserting the word "not" means that he cannot carry out these duties.

Mr. PATMAN. We will not have any w. o. c.'s, that is what I mean by this.

This amendment is to strike out all the language beginning on page 4, line 7, and all of pages 5, 6, 7, and on page 8, down to line 4. That strikes out the permission to use w. o. c.'s.

It is my contention that there is really no intelligent and effective way to regulate one in Government service who is serving without compensation. You can put all the restrictions and limitations around that that you want to, but the fact remains that they are in your Government. They are learning secrets. They know what is going to happen, what is going on. To expect them not to take advantage of it, to give their employers, who are paying them their salaries and taking care of them, well, to expect them not to disclose these secrets to their employees I think is expecting too much. You would just be expecting to have people who are not human in a case like that. If they are human beings, they are loyal. To whom will they be loyal? Will they be loyal to the Government, to whom they feel they

owe little responsibility, or will they be loyal to their employer, for whom they have worked over a long period of years under circumstances that were very favorable to them and very profitable, and they are expected to have a much longer period of time with that particular employer. A w. o. c. looks forward to that. So it does not take any particular sense to realize to whom this w. o. c. will feel he owes his greatest loyalty. I think you can use any kind of sense, booksense, commonsense, or horsesense, and you can come to only one conclusion, that is, they will feel that their greatest allegiance will be to their employer.

In time of war you can justify it. We can all justify it because patriotism comes first. I am perfectly willing to trust them in time of actual warfare. That is all right. We have done it in the past.

If we were to extend this in time of peace, it would be the first time in the history of the United States Government that we have ever recognized the use of dollar-a-year men or w. o. c.'s in time of peace. In 1953, when we extended this act for 2 years, it was in time of war. That was during the Korean war.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BROWN of Georgia. The gentleman remembers that in 1916, the year before World War I, Congress gave the President extraordinary powers. In 1940, before the Second World War, the Congress did the same thing again.

Mr. PATMAN. That is right. That is exactly right, but if I were on the other side with my good friends, the Republicans, and I wanted this thing extended, I would want the Democrats to take the responsibility for extending it because it would be a great burden for the Democrats to carry. This is the first time in the history of the United States Government that it has ever seriously been proposed to use people without compensation in the Government in time of peace. It is a long step that we are taking here. We have never done that before. That has never been done since 1789.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. HOFFMAN of Michigan. As I understand your argument, you are trying to help defense production?

Mr. PATMAN. I am for defense production; yes.

Mr. HOFFMAN of Michigan. Now tell me this, if you will. In Wisconsin, in Sheboygan, there is this Kohler strike. Some of the CIO boys went over there and committed some crimes and fled back to Michigan. Our Governor, Mennen Williams, will not honor the request of the Governor of Wisconsin or the Wisconsin authorities to get those goons back.

Mr. PATMAN. May I state to the distinguished gentleman from Michigan that that is not related to this program that we are talking about.

Mr. HOFFMAN of Michigan. But this has to do with production.

Mr. PATMAN. I know, but it is not material to this particular question that we are discussing.

Mr. HOFFMAN of Michigan. It is not?

Mr. PATMAN. No, sir.

Mr. HOFFMAN of Michigan. Then, I apologize. I just wanted to call your attention to this situation.

Mr. PATMAN. The gentleman does not need to apologize. I am glad to listen to him.

Mr. HOFFMAN of Michigan. I just wanted to call your attention to their stopping a movement of freight cars down there to Muskegon.

Mr. PATMAN. We are talking about dollar-a-year men.

Mr. HOFFMAN of Michigan. I apologize to the gentleman for interrupting him.

Mr. PATMAN. The gentleman does not have to apologize. I am glad to listen to him anyway. Go ahead and talk.

Mr. HOFFMAN of Michigan. Do you want to listen to me some more now?

Mr. PATMAN. Yes; if the gentleman can get me some more time.

Mr. HOFFMAN of Michigan. I want to say this: You know these ships——

Mr. PATMAN. The chairman indicates that he will not give me any more time, so I cannot yield further.

Mr. HOFFMAN of Michigan. I will get you 10 more minutes.

Mr. PATMAN. If I cannot get any more time, we had better stop this colloquy.

The CHAIRMAN. Is the gentleman asking that the gentleman's time be extended?

Mr. HOFFMAN of Michigan. The gentleman from Texas yielded to me as far as I am concerned.

Mr. PATMAN. I am advised that I cannot get any more time so I cannot yield further.

Mr. HOFFMAN of Michigan. Does the gentleman yield or does he not yield?

Mr. PATMAN. I cannot yield now because I have no assurance of getting additional time.

Mr. HOFFMAN of Michigan. Again, Mr. Chairman, I apologize but I understood that the gentleman yielded.

Mr. PATMAN. I had yielded, but then I found out that the chairman could not give me any more time so I cannot yield further.

The CHAIRMAN. The gentleman from Texas may proceed.

Mr. PATMAN. Mr. Chairman, this is a serious step that we are considering taking. Remember that the Democratic Party, through its leadership and through its membership in the 84th Congress, is asked to take the responsibility for adopting a policy for the first time in the history of this Nation to allow people from private industry to come into Government service without compensation and to be paid by their own employers. That has never happened before in time of peace. I do not believe that it can be justified. It is time for the Government to be training its own career men to fulfill the responsibilities of any particular position in which it wants people to serve the Government and not have to depend upon private industry to send their people into the Government in time of peace and, thus, get the benefits of the secrets of the Government and then go out and use those secrets in the interest of the particular company they are working for.

We should not put our stamp of approval on this proposal in time of peace, although we can justify it and endorse it in time of war, when for patriotic reasons we are willing to give up our conflicts of interests and our private interests, and do everything we can to win the war in which we happen to be engaged.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BROWN of Georgia. Are we not in a national emergency?

Mr. PATMAN. No.

Mr. BROWN of Georgia. If not, why should we take this Defense Production bill up at all?

Mr. PATMAN. The gentleman asked me a question as to whether we were in a real national emergency. If we were in a real national emergency we would have in this bill standby authority for the President to put on price controls, housing controls, allocations, allotments, and a lot of different things that you need in the event of war, but they have not been included; so it is a contradiction of the theory that it is an emergency, Mr. Chairman. If it were an emergency you would have some teeth in this bill, and you do not have them in it.

Mr. BROWN of Georgia. Dr. Flemming is a very outstanding man.

Mr. PATMAN. I know he is.

Mr. BROWN of Georgia. He says we are in a national emergency now and that he cannot operate without some of these men in private industry who are specialists because he cannot find them in the Government.

Mr. PATMAN. I heard what Dr. Flemming said and I think he is a very fine man, but really I do not know of much justification for this except the extension of w. o. c. I am opposed to it and I am going to offer an amendment to strike it out.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Maine [Mr. HALE].

Mr. HALE. Mr. Chairman, the papers publish statements that next Monday we are to start negotiations with representatives of the illegitimate Red government of China and that such negotiations will relate not only to the return of our prisoners of war but to a so-called cease-fire in the Formosa Straits.

Prior to the Geneva Conference described as "at the summit" those of us who were concerned were solemnly assured by the highest authority that no Asiatic questions would be on the agenda. This I believe was true and, so far as I know, no discussions were held at Geneva with respect to Asia. But if we were to start negotiations with the illegitimate government of Red China without the participation of the legitimate Government of China, we should be following the precise pattern of Yalta. What right has this Government to give away what is not ours to give? The President and Secretary of State have given solemn assurances that negotiations will not cover such matters.

I know of no firing in the Straits of Formosa. We have virtually forbidden the Nationalist Government of China to go to the Chinese mainland. We have served notice on the world that we shall not allow the illegitimate Red government of China to capture Formosa. What could there be to negotiate about unless we were to negotiate our own surrender?

The chairman of the Committee on Foreign Relations in the other body took a very leading and most useful part in procuring the passage of the Formosa resolution, so-called, last January. His recent utterances are frightening to me.

Mr. SPENCE. Mr. Chairman, I yield 3½ minutes to the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, in committee we made a very careful study of this bill, and I am in support of the legislation.

I just want to call the attention of the committee to a circular which I received at my home a few days ago put out by one of the leading rubber companies in the country. In this circular the company claims great credit for research in butane rubber. No credit is given to the accomplishments and expenditures of the Federal Government in its development of synthetic-rubber production. The great rubber companies of America did not see the advisability of going into this field on their own during a time of national emergency when we were at war. They waited for Government initiative and Government funds.

Under the Defense Production Act, we spend almost $2 billion annually for research for national defense. It is good, it is necessary, it is important; but incidental to the research for national defense we have developed products of great civilian value. What happens to the benefits of this research which results in discoveries of great civilian value? Does the Government try in any way to make the defense program self-liquidating by getting back some of the royalty rights on the achievements and advances in civilian products which are made possible by research at public expense? We have no subsidies available for public housing by the action of this Congress today; we have no subsidies for schools; we can do nothing about roads; yet we can afford to carry on a research program for the benefit of a great many corporations of this country who sell to the American people for profit the results of this research paid for with public funds.

I think the Federal Government should make some effort to make the defense-production program self-liquidating, at least, in some measure.

The Office of Defense Mobilization and other Federal offices will soon make available the results of this research in pamphlet form in which the purchasers will get the benefit of all this research at the cost of printing. I do not think that is enough recoupment for the tremendous public investment in research on civilian products.

With respect to the w. o. c.'s, I believe that they are necessary in our Government, but I want to announce now that when the opportunity is afforded I shall offer an amendment which will provide in effect that any of these people who come into the Government and retain their connections with private employers shall sign an affidavit in which they will state that they will not knowingly and to the detriment of Government commit any act of commission or omission which will inure to the financial benefit of either themselves or their employers, present, past or future.

It seems to me that if we make Government employees sign an affidavit that they will be loyal to the United States and in which they promise not to strike, they should be willing to sign an affidavit in which they will promise not to swindle the Government.

Any person who enters the Government service with or without compensation should be willing to sign this kind of an affidavit. It should be particularly required of the persons who enter without compensation and retain their positions and connections with and derive their compensation from private employers.

The program for bringing w. o. c.'s into the Government should never be taken to substitute for a program of in-service training. Until an adequate training program can be developed, there is need for the w. o. c.'s but they should certainly be willing to sign an affidavit in which they promise loyalty to Government over loyalty to their employer.

In order to accomplish this purpose, I will introduce the following amendment to H. R. 7470:

On page 5, line 15, add the following language to subsection 3: "Such affidavit shall include the statement that the person appointed under the authority of this subsection will not knowingly commit any act of omission or commission which will to the detriment of Government inure to his personal profit or to the profit of his employer or future employer."

Mr. SPENCE. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, there was considerable eyebrow raising recently when it turned out that a Reserve general handling military needs happened to be drawing pay from an oil company which employs him when he is not in uniform. That was an extreme case of double loyalty. Then it developed a man who is in the Interior Department's Oil and Gas Division was drawing a pension from another oil company. Then came the revelation that Harold I. Young, president of the American Zinc, Lead & Smelting Co., from 1951 to 1953 was a w.o. c. as Deputy Administrator of the Defense Material Procurement Administration. His salary from the American Zinc Co. was $79,000. His salary from the United States was $1. He permitted the WM. & W. Mining Co., Inc., to continue production of zinc concentrates. The American Zinc Co., his company, was greatly interested in the WM. & M. Mining Co. The American Zinc Co. had advanced $36,000 to that company for future supplies. Mr. Young, as Deputy Administrator of the Defense Material Production Administration, promptly arranged a contract made retroactive to 1952 calling for subsidy payments that permitted the company to fulfill its obligations to the American Zinc Co., the employer of the head of the Defense Material Procurement Administration. Thus, this w. o. c. feathered the nest of his own employer, a company of which he was an officer.

We have been conducting hearings inquiring into some of these w. o. c.'s, we members of a subcommittee of the Committee on the Judiciary, and here are some of the activities we found.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. The Joint Committee on Defense Production had a hearing on charges made by the General Accounting Office against Mr. Young. We first called the witnesses of the GAO. Then we decided to call Mr. Young to answer these charges. The contracts claimed to have been signed upon recommendation by Mr. Young were actually signed by his superior in charge, Mr. Larson, who claimed that he was responsible for these contracts and not Mr. Young.

Mr. Young's character has been proven to be good by all who know him, and I think had the GAO gone further and talked with Mr. Young probably there would not have been any hearing. Speaking for myself, I think the General Accounting Office did not go far enough and I believe they made a mistake in not talking to Mr. Young before they made their report. Mr. Young explained many charges against him to the satisfaction of some of the members of the committee. I am not criticising the GAO for bringing the charges as there were circumstances which probably justified them in doing this, but I do think they made a mistake in not talking to Mr. Young after they had certain facts.

Mr. Young made it plain that he did not benefit by the contracts he was alleged to have made and did not receive a dime directly or indirectly, and that Mr. Larson signed the contracts knowing all the facts. One charge was that he sold for his company $60,000 worth of machinery to Mid-Continent. It developed that the GAO did not go far enough and they found out when they did after the hearing that Mid-Continent bought this machinery from another concern, which was admitted by GAO.

I just wanted to tell the gentleman that, and I think it is a mighty good thing we went into it because it developed that Mr. Young was a man of good character. I am not criticizing the GAO for making the report to our committee but I do say they should have gone further and confronted Mr. Young with the charges and have given him an opportunity to explain them. Mr. Young received no benefit from the contracts with the three companies involved and he made a good impression on our committee. I do not want to reveal anything that took place in our committee but I do not think I should stand by and let this charge go unanswered when I am chairman of the committee that made the investigation. I am not criticizing the GAO for bringing to our attention the

dealings of Mr. Young when employed by the Government at this time but I do think they should have gone further into the charges before they brought them to our attention. It is the duty of the GAO when they believe there was any misconduct to report it to our committee, which they did and I believe they were sincere about it, but I repeat I think they should have gone a little further in the investigation of the contracts of Mr. Young. There were enough circumstances to justify GAO for bringing this matter to our attention and the only criticism I have is they should have gone a little further and especially they should have confronted Mr. Young with the facts they had in their possession.

Mr. CELLER. Some men are good, but sometimes they get very careless. The w.o.c.'s have done some very strange things. For example, here is what a w.o.c. did when he was head of the Forest Products Division. He interviewed personnel for employment and made recommendations thereon to his company; worked on specifications with other Government agencies; assisted industry advisory committee considering Government specifications; carried on routine activities as Washington representative for his company; worked with other company employees to promote interests of his company with other Government agencies; contacted Members of Congress on matters the company was interested in. This w. o. c. performed services for his company, in that he supplied his company with confidential material from Government agencies; encouraged his company to put pressure on full-time Government employees who were his superiors with whom he disagreed; cleared recommendations he was making as a w. o. c. to the Government with his company; passed on recommendations concerning tax-amortization applications of competitors of his company; prepared for congressional committees adverse reports on new competitive processes for making products manufactured by his company; participated in reductions in force in Government agencies; prepared materials to be used by representatives of the Department of Commerce with respect to testimony before Congress.

While w. o. c.'s were in charge of the Pulp and Paper Division of the BDSA expansion costs for numerous pulp and paper products were vastly overcertified because some of the activities of this w. o. c. head of the Pulp and Paper Division. That is only one of the many illustrations I can give you, which indicates that we should use the utmost caution when we write any kind of legislation whereby we employ w. o. c.'s.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield further?

Mr. CELLER. I yield.

Mr. BROWN of Georgia. We undertook to put safeguards around the very thing the gentleman is talking about, and I think if he will read it thoroughly you will be convinced that we have all proper safeguards around it. I am like the gentleman; I do not think we ought to get these dollar-a-year men if we can find them in Government, but sometimes we cannot.

Mr. CELLER. I agree that we must at this juncture employ w. o. c.'s. We must avail ourselves of the best possible talents, and it may be that we cannot obtain those talents from career employees. We should only use w. o. c.'s when a genuine search is made to obtain similar talent and ability from the vast array of Government-paid employees and same cannot be found. My only contention is that we must be most circumspect and careful in drafting legislation, and I congratulate the chairman and the members of the Committee on Banking and Currency in bringing out a good bill, and I will vote for it. I think in one respect it might be tightened up, in the interest of caution, and under the 5-minute rule I shall dwell upon that point. Again let me say to the gentleman from Georgia I think the members of his committee have done an excellent job in protecting the Government in the employment of these w. o. c.'s.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, I will not take but a few minutes, because the hour is growing late. There is no doubt that the evidence adduced before our committee, as well as that adduced before the Judiciary Committee under the chairmanship of our distinguished colleague, the gentleman from New York [Mr. CELLER], shows that there have been very serious abuses, and such abuses are continuing today in our Government in the use of these w. o. c.'s. As part of my remarks, pursuant to permission granted to me in the House, I include a list of some of the w. o. c.'s who have been employed by this administration, showing what their affiliations are in industry, and how they are being used in government today, in a manner entirely inconsistent with the principles of good government. The list is as follows:

Name	Position in NPA–BDSA	Period of service	Company affiliation and position at time of duty
Pendleton, Ethon M.	Director, Copper Division	Oct. 13, 1954, to Apr. 13, 1955	American Brass Co., Waterbury, Conn., vice president.
Perkins, George	Consultant	Apr. 14, 1955	
	Director, Aluminum and Magnesium Division	July 22, 1954, to Jan. 27, 1955	Reynolds Metals Co., Louisville, Ky., general director, products and application.
	Consultant	Jan. 28, 1955	
Peterson, George E.	Director, Copper Division	Apr. 14, 1955	Simplex Wire & Cable Co., Cambridge, Mass., assistant to president. Retired as rear admiral after 30 years, 1954.
Rowlands, Willis L.	Deputy Director, Containers and Pgy.	Feb. 25, 1954, to Jan. 14, 1955	Continental Can Co., Inc., Wash., D. C., special representative.
Sebastian, Robert L.	Consultant (aluminum and magnesium)	Sept. 20, 1954	Retired.
Setter, Clifford P.	Consultant (forest products)	May 31, 1955	U. S. Plywood Corp., New York, vice president.
Thomas, William H.	Director, General Industrial Equipment Division	do	Government Sales Air Products, Inc., manager.
Winston, Arthur W.	Assistant Administrator	Jan. 4, 1955	Dow Chemical Co., Midland, Mich., assistant manager, magnesium department.
Wisner, Benjamin G.	Chief, Carbon and Alloy Flat Rolled and Tubular Products Branch.	Mar. 29, 1955	Kaiser Steel Corp., Oakland, Calif., assistant manager tin plate sales.
Woodbury, Richard G.	Adviser (scientific and technical equipment)	Apr. 6, 1954	American Optical Co., Southbridge, Mass., manager Government service bureau.
Wright, Clark M.	Director, Electrical Equipment Division	May 17 to Nov. 30, 1954	General Electric Co., Schenectady, N. Y., manager marketing, gas turbine department.
	Consultant, Electrical Equipment Division	Dec. 1, 1954	

That information was supplied to our committee by the Secretary of Commerce, Mr. Weeks.

Look it over carefully.

I will have more to say about it tomorrow.

There is a direct conflict of interest between their work for our Government and their work on the outside for their employers in private industry.

I shall also insert in remarks at this point three amendments which I shall offer tomorrow under the 5-minute rule in an effort to strengthen the bill as reported out of the committee, in order to make it more workable and in order to compel these w. o. c.'s either to get out of the Government or to do the job for the Government that they undertake to do when they do come here. They must be prohibited from pretending to act for the Government in connection with this very important work, while merely promoting their own interests and that of their employers. The amendments are as follows:

Amendment offered by Mr. MULTER to H. R. 7470: Page 5, line 19, strike out the period in line 19, and insert the following: "and appointments under this subsection (b) shall not be made to the position of the director or assistant director, head or assistant head of a bureau, division, section, or other comparable policymaking or administrative position, and a person appointed under this subsection shall not perform the functions of such a director, assistant director, head or assistant head."

Amendment offered by Mr. MULTER to H. R. 7470: Page 8, after line 4, insert the following:

"(9) Appointees under this subsection (b) shall be assigned only to duties with regard to functions specifically authorized by titles I, III, and VII of this act."

Amendment offered by Mr. MULTER to H. R. 7470: Page 8, after line 4, insert the following:

"(10) Before any appointment is made under this subsection (b) the appointing official shall first certify to the Civil Service Commission the duties to be performed by such appointee and the efforts he has made to obtain a person competent to perform them and that he has been unable to employ any competent full-time salaried Government employee to perform such duties and the Civil Service Commission shall certify that there is no existing list of persons qualified

to perform such duties and the President shall certify that the appointment is necessary to carry out the purposes of this act as amended and extended. The duties of the appointee shall be limited to those set forth in the certification of the appointing official."

Mr. SPENCE. Mr. Chairman, I have no further requests for time.

Mr. WOLCOTT. Mr. Chairman, I have no requests for time, but would like to propound an inquiry of the gentleman from Kentucky [Mr. SPENCE].

Is it the gentleman's thought that we should rise after the Clerk reads the first section of the bill?

Mr. SPENCE. That is my thought; yes.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Defense Production Act Amendments of 1955."

Mr. SPENCE. Mr. Chairman, I move the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SHEPPARD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 7470) to amend the Defense Production Act of 1950, as amended, had come to no resolution thereon.

VICTOR HELFENBEIN

Mr. LANE submitted a conference report and statement on the bill (H. R. 5078) for the relief of the estate of Victor Helfenbein.

MRS. LORENZA O'MALLEY (DE AMUSATEGUI) ET AL.

Mr. LANE submitted a conference report and statement on the bill (H. R. 1003) for the relief of Mrs. Lorenza O'Malley (de Amusategui), Jose Maria de Amusategui O'Malley, and the legal guardian of Ramon de Amusategui O'Malley.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the body of the RECORD tomorrow, and to include therein certain extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERSONAL EXPLANATION

Mr. HAND. Mr. Speaker, on Rollcall No. 141, on final passage of the housing bill, I was in the chamber at the conclusion of the rollcall, but not in time to qualify to vote. Had I been allowed to do so, I would have voted for the bill.

SPECIAL ORDER VACATED

Mr. HAND. Mr. Speaker, I ask unanimous consent that the special order granted me for today be vacated.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE PERSECUTION OF ANDRIJA ARTUKOVIC

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. UTT] is recognized for 60 minutes.

Mr. UTT. Mr. Speaker, on January 20, 1955, I introduced H. R. 2789, a private bill for the relief of Andrija Artukovic. This bill would grant to Mr. Artukovic the status of permanent residence.

Since that time, the Immigration and Naturalization Service of the Department of Justice has issued a memorandum in opposition to the bill, and also opposing my bill, H. R. 2790, for the relief of Mrs. Ana Maria Artukovic, wife of Andrija Artukovic, and their minor children.

While the chronological facts of Artukovic's birth in 1899, and his American entry in 1948, are set forth correctly in the Service memorandum, the recitation initially skips a period of nearly 50 years in the life of Andrija Artukovic. I believe that a brief recitation of his interim life history in some chronological order should be clearly on record before the Judiciary Committee and the Congress, as it was before the Service.

Artukovic was the eldest son of a large Croatian farming family and at his birth and until his 19th year Croatia was part of the Austro-Hungarian Empire. As were most of their neighbors and countrymen, the Artukovic family was Roman Catholic, and Andrija's father was devout in the practice of his religion, strictly supervising the religious upbringing of his children. At all times of his life, Andrija Artukovic has been a member in good standing of one or another Catholic parish. Though it was the custom that the eldest son take over farm duties upon reaching majority, Artukovic had attracted the notice of his teachers and parish priest by diligence in and application to his youthful studies, and through their intervention, and financial assistance, his father was persuaded to permit his further education at a well known Franciscan monastery school in Croatia and later at the University of Zagreb, where he graduated with a degree in law. After completing an apprenticeship he was admitted to the practice of law.

In his youth and early manhood, Artukovic formed social attachments to several religious organizations and political attachment to the Rightist Party of Croatia, a nationalist political party existing since 1861 which sought the independence of Croatia from Hungary and the Austro-Hungarian Empire. These associations which have persisted throughout Artukovic's life were formed before the Fascists under Mussolini and the Nazis under Hitler were even heard of. Artukovic neither approved nor was a member of either the Fascist or Nazi Parties. Mention of the existence of the Croat Rightist or Independence Party is found in the volumes, "Foreign Relations of the United States, Paris Peace Conference, 1919," with comment on the unwillingness of this party that Croatia accept union with Serbia after finally achieving freedom from Hungary.

Having completed his required period of military training, Artukovic began the active practice of law in 1925 in the town of Gospic in Croatia. He continued to be active in the political party which sought Croat independence. In 1932, after King Alexander had abolished the Yugoslav constitution and parliament and set up a dictatorship in 1929, there was a brief uprising or rebellion of Croats in the province of Lika, and Artukovic, because of his open espousal of Croat independence, was suspected of participation and forced to flee Yugoslavia. For the next 2 years he traveled in Austria, Italy, France, and England, gathering material for a history of Croatia which he hoped would further the cause of recognition of an independent Croatia.

In 1934, while Artukovic was in London, King Alexander of Yugoslavia was assassinated in Marseille, France. The language in the service memorandum infers that Artukovic was lying in wait in London for King Alexander if he should perchance escape assassination at Marseille. This is inferred without the barest shred of evidence that Alexander intended to journey to London, and despite Artukovic's testimony that he was in London gathering historical data for his book.

When Artukovic's permit to remain temporarily in England was not renewed, he entered France in 1935. There, the Serb rulers of Yugoslavia caused his arrest in extradition upon charges that, among other things, he had engaged in the conspiracy to assassinate Alexander. The French, though then political allies of Yugoslavia, refused to permit his extradition on such charges, but did permit his extradition on charges that he had participated in acts of violence during the brief Lika rebellion of 1932. Artukovic was taken to Yugoslavia and imprisoned in Belgrade in chains for more than a year awaiting trial. Upon trial he was acquitted of all charges by the Yugoslav authorities and released. He returned to his native Croatia and was received in every Croatian town as a patriotic hero, a martyr to the cause of Croatian freedom. Shortly after this return in 1936, Artukovic was attacked by political assassins and a deputy to the Yugoslav parliament standing near him was killed. Again he went into exile, residing first in Berlin for medical treatment. Here he was imprisoned by the Nazis at the request of Yugoslavia, whose rulers were being successfully courted by Nazi Germany. This friendly relationship between Yugoslavia and the Nazis is evidenced by the conclusion of the Tripartite Treaty of Vienna, March 27, 1941, among Germany, Italy, and Yugoslavia.

Artukovic escaped Nazi house arrest, went into hiding in Germany, and finally reached Hungary in 1937 where he remained until 1941. Testimony to his persecution by the Nazis is recorded by independent witnesses in an American court proceeding in 1939, *U. S. ex rel.*

Jelic v. *Dist. Dir. Imm. & Nat. Svc. N. Y.* (106 F. 2d 14).

Artukovic will be the first to admit that all through his adult life he has espoused the cause of independence for Croatia and the overthrow of any foreign government exercising domination over the Croat people. Thus, in April 1941, when Croatian independence was declared, and Artukovic was called to serve in the government of the new independent State of Croatia, he responded willingly. As he was a lawyer, a nationally known Croat patriot, and thought of as a martyr to the ideal of Croatian independence because of his imprisonment in 1935–36, his selection for an important government post in the new State was natural.

It is undisputed that the Croat nationalists took advantage of the military defeat of the Yugoslav Government of Serbia and Croatia to declare an independent Croat state, and thereafter obtained recognition from the powerful military states of Germany and Italy with which the new state had common borders. History is replete with the births of states under the aegis of a powerful existing state or states, or with the assistance of such states which usually extended aid or recognition only for their own political betterment. The United States, for instance, neither felt nor feels any discredit when in successfully rebelling against England it sought and accepted the aid of the most despotic ruler of the world of that day, King Louis of France, whose form of government was precisely what we rebelled against.

Thus as Croatia struggled for its independence, its undefined territories were under the feet of soldiers of four allegiances, German, Italian, defeated Yugoslav, and borning Croat. Italy was not pleased at the creation of a new state clamoring for independence because Italy claimed a large portion of the new state's territory as a part of the ancient Roman Empire. In order to obtain a degree of independence, the new state had to cede to Italy most of Dalmatia whose residents considered themselves Croatian, and the new state had to accept an Italian prince as absentee king or prince of Croatia.

Upon the defeat and dissolution of the Yugoslav Army in 1941, certain elements of it organized as Chetnik units under the leadership of Mihailovic and commenced military actions against the new Croat state, the German troops dominating Serbia, and the Italians in Dalmatia. Likewise, other elements organized under the Communist leadership of Tito and were know as Partisans, and their operations paralleled those of Mihailovic. These two irregular armies even battled each other.

Who pillaged and ravaged the first village on the indefinite border between Croatia and the Serb state under German domination is disputed. Whether it was a Chetnik or Partisan attack upon a Croat village, or a Croat attack upon a Serb village, probably will never be clearly established. But this first attack in the early summer of 1941 was the signal for immediate and continuous retaliation, and during all of World War II a bloody civil war raged in Serbia and Croatia in which massacres of both sides were frequent.

Because of this raging civil war and the surrounding world war, the Government of the new Croat state was never able to complete its civil organization and establish internal peace and tranquillity. This task was placed under Artukovic as Minister of the Interior, a post from which he was transferred because of German dissatisfaction with his policies, according to his testimony, and the independent testimony of others in Croatia at the time. The record in proceedings before the Service reveals no other reason for his transfer to the post of Minister of Justice in 1942. In neither post was Artukovic in charge of the secret security or police units which had the name "Ustasha" or "Ustashi." There is of record in the extradition proceedings involving Artukovic an executive order of the Croat Government making the chief of the Secret or Security Police of Croatia responsible only to the Croatian Chief of State. The signature of Artukovic upon this order indicates his acceptance of this situation. In his ministerial capacities Artukovic had no control over the Croat Army or home guard.

In the Service records there are the affidavits and personal testimony of many, including Catholic priests, doctors, and other persons of integrity who were in Croatia during the period 1941–45, that Artukovic was a moderate in the Croatian cabinet, that he sought to curb and prevent unnecessary bloodshed where it lay in his power, that he was the spokesman for Archbishop Stepinac, and that he represented the archbishop's views in cabinet meetings. In the same records, there is no testimony of any person who was in Croatia during the years 1941–45 which is disparaging to Artukovic. Of course, the records referred to are those publicly made in displaced person and deportation proceedings before the Service, and not to any secret information attached to the record but not available for Artukovic's inspection and rebuttal.

The independent and even partial historians who have attempted to chronicle the events leading to the dissolution of Yugoslavia in 1941, the formation of smaller states influenced or dominated by Axis powers, and the rebirth of Yugoslavia under Communist control, have mentioned numerous Croat leaders and have charged some specifically with atrocities and misconduct. I refer to such works as The War We Lost by Fotitch, former Royal Yugoslav Ambassador to the United States; Alexander of Yugoslavia by Graham; and Balkan Caesar by White. The first and last books were written after World War II, and the second covers the period leading up to World War II. Yet not one of these chroniclers even so much as mentions Artukovic, much less charges him with responsibility for, conspiracy or complicity in the perpetration of alleged atrocities, massacres, or inhuman treatment of the civilian population. I might add that Fotitch is admittedly a pro-Serb, and Graham is a strong admirer of King Alexander. So far as is known, no journalist or chronicler on the subject of Yugoslavia has written an historical analysis condemning Artukovic's conduct or actions.

In all of the Service proceedings involving Artukovic, only three Government witnesses appeared. Their testimony was so useless that nowhere in the Service memorandum or the Board of Immigration Appeals opinion are they quoted. The first witness, John Knezevic, admittedly not in Croatia during the period 1941–44 about which he testified, gave opinion testimony of a general nature concerning Artukovic over strenuous objections of counsel, and refused to reveal the sources of his opinions, claiming some fancied immunity from answering questions other than those he wished to answer. The second, Miroslav Ostojic, testified in 1952 to an alleged radio broadcast by Artukovic on April 9, 1941, attempting to quote it, and was able to testify to no other alleged act of Artukovic because the witness was in a German prison camp for the remainder of the period 1941–45. The third witness, Branko Milenovic, was unable to testify from his personal knowledge as to the acts or conduct of Artukovic, and was therefore excused by the Government.

The Service, through interrogations of its examining officers in displaced person and deportation proceedings, using material provided by an unknown source, attempted to gain admissions from Artukovic as to wrongful acts or conduct and in more than 100 pages of testimony by Artukovic there is nothing which the Service could rely upon to sustain its position. This is reflected by the almost complete lack of quotations from the public record in the opinion of the Board.

On pages 6–7 of the Service memorandum the Board charges that the new Croat State promulgated a "complete set of Nazi-type laws providing for the establishment of concentration camps, imprisonment of Jews and Communists, summary execution, expropriation of property, and expatriation of any inhabitant who fell into disfavor with the regime," and further charges that Artukovic, as Minister of Interior, decided "who should be punished." But the record in deportation proceedings and that in displaced-person proceedings is entirely barren of any evidence or exhibits setting forth the laws of Croatia or translations thereof. This is without considering how many of such laws as charged to the Croatians were in use in most of the countries at war. For example, in the United States during the war we had concentration camps for the Japanese, our martial law may well cover the summary execution of spies, the property of our enemies was seized and blocked, and it is believed that our laws even now provide for the punishment of Communists.

Thus, ignoring a record containing much testimony from persons then in Croatia approving Artukovic's actions and conduct, ignoring the omission of his name from historical and critical accounts of Yugoslav affairs in the period 1929–45, and despite the lack of testimony derogatory to his character and conduct, the Board of Immigration

Appeals has the effrontery to state in its opinion:

However, it is difficult for us to think of any man, other than Pavelic, who could have been more responsible for the events occurring in Croatia during this period than was respondent (Artukovic).

That the Service and the Board of Immigration Appeals have condemned Artukovic upon a theory of "guilt by association" appears from the following excerpts from the Board's opinion as quoted in the Service memorandum:

We have perused this rather complete record as carefully as possible and have concluded that this man was a not unimportant official of the independent state of Croatia. That administration was solely responsible for the conditions that existed in the concentration camps of Croatia, for massacres of Serbs, Jews and Moslems, and for the promulgation of laws setting up a government following the pattern of a dictator state.

* * * Respondent, Artukovic, was a prime mover and adherent of the new state, in spite of his earlier claims of persecution in Germany by the Nazis. He held positions of importance in that government from the beginning until it fell in 1945. * * *

* * * Any discussion of a dictator state is apt to center about the dictator. Even his closest associates are union figures by comparison. * * *

There appears to be little doubt (1) that the new Croatian state, at least on paper, pursued a genocidal policy in Croatia with regard to Jews and Serbs; (2) that Artukovic helped execute this policy in that, as Minister of Justice, he had authority and control over the entire system of public security and internal administration; and (3) that during this time there were massacres of Serbs, and, perhaps to a lesser extent, of other minority groups within Croatia.

* * * It is our conclusion that respondent has had a long history, first as an agent, then as an official and prime movant of a regime of the type against which we went to war in 1941.

* * * It is our opinion that the respondent's complicity in the unfortunate events occurring in his native country between 1941 and 1945, not even considering the mysterious nature of his international activities during other periods of his life, precludes us from granting any form of discretionary relief whatever.

Here, repeatedly stated, is the Government's theory in a nutshell. The Croatian administration in the period 1941–45 was bad and wicked; Artukovic was an official of such administration; therefore, Artukovic was bad and wicked. It makes no difference whether he acted properly individually, whether he advocated a course in opposition to the alleged bad and wicked course of the administration; he was in a barrel with rotten apples, so he too must be a rotten apple.

Particularly with the "conclusion" of the Board quoted above does Artukovic take issue. It is "concluded" that he was first "an agent" and then "an official and prime movant of a regime of the type against which we went to war in 1941." If it be intended to conclude that Artukovic's activities between 1931 and 1941 were those of an "agent" of a "regime," the first question is, What "regime"? A regime is a rule, and the Croat Rightist or Nationalist Party of which Artukovic was a member then had nothing nor anyone over which to rule. Prior to establishing a new Croat state in 1941, the Croat rightists had one purpose: To establish an independent Croat state. There is no testimony or evidence that they intended or wished to establish a dictatorship—if that be the type of "regime" against which we went to war in 1941. In fact, upon viewing our allies in World War II, it is not at all clear that we went to war to destroy dictatorships. It is clear that the Croat state had its birth in the midst of waring powers and throughout its entire existence it was surrounded and split by warring factions. Far mightier nations than tiny Croatia have resorted to dictatorships to preserve their independence under such circumstances without reproach.

The ridiculousness of such conclusion becomes more apparent when it is remembered that the regime which succeeded that of 1941–45 in Croatia, that is, the Communist regime of Comrade Tito, has been even more ruthless and dictatorial than any of its predecessors. Yet, not only have we not gone to war with such a regime, but we have actually coddled and nurtured it financially and otherwise.

Particularly, also, does Artukovic take issue with the statement quoted above that he "helped execute this—'genocidal'—policy in that, as Minister of Interior, he had authority and control over the entire system of public security and internal administration." I have already pointed out that Artukovic himself signed the order which made the head of the secret police responsible only to the chief of state. He had no control over it. It is noted that the Board can refer to no specific testimony or evidence of record that Artukovic helped execute any genocidal policy, but relies upon a general allegation that Artukovic had authority and control over "the entire system of public security and internal administration." Upon what evidence or testimony of public record the Board bases such allegation, Artukovic is ignorant. The Board itself does not quote any record pages or exhibits supporting such statement.

Further, Artukovic resents the gratuitous allusion to the mysterious nature of his international activities during other periods of his life. At displaced person and deportation hearings before the Service, he testified at great length, both in response to Government's examining officers and to his own counsel, concerning the details of his life. He never once refused to answer any question which was propounded to him. Once again, there is no foundation in the record for the statement of the Board, and such language cannot help but indicate the patent prejudice of the Service and Board against Artukovic, or their reliance upon some allegations not within the record.

On page 10 of the Service memorandum can be found the following interesting statement:

He—

Artukovic—

claims that his duties as Minister of the Interior in the independent state of Croatia were principally to create a new state administration after the collapse of the Yugoslav state; that a state of civil war existed; that he worked with Archbishop Stepinac; that he never ordered executions of civilians; and that he intervened whenever possible to prevent executions or arrests for political purposes. However, as indicated above, there is conflicting evidence in the record on the point of his responsibility for executions and arrests.

Just exactly what this evidence is we are not able to determine, as the only concrete act to which a Government witness would testify was one radio broadcast in 1941. And is it not the American custom to accept the innocence of a man until there exists proof of his guilt? No such proof exists in the case of Andrija Artukovic, and the acceptance of the most questionable hearsay evidence by the Service in the face of a large body of evidence confirming the good conduct of Artukovic seems to me to reflect no credit on the Service, or the fairness and judgment of its officials.

Upon the defeat of Croatian armies by the military forces of Soviet Russia and partisan Tito, the Croat Government collapsed and the independent state of Croatia disappeared. Artukovic and his colleagues, together with thousands and thousands of Croat soldiers and civilians, fled to Austria, Italy and other places of refuge. From May 1945 to October 1946, Artukovic resided in the English, American, and French zones of Austria, identified by documents in his family name. Because of fear of Communist assassination—which had befallen more than one of his Croatian colleagues in Austria—Artukovic entered Switzerland in November 1946 under the name Alois Anich. He adopted this name because he feared for his life. In Switzerland, Artukovic took up residence in Fribourg. While in Switzerland he applied for certificate of identity for travel purposes in the name Alois Anich, disclosing his identity as Artukovic, and after hearing he was granted such certificate. The affidavit of the Rev. Dr. Louis Ivandic, then residing in Switzerland, now in Canada, to such effect was placed on record with the Service.

Artukovic traveled in July 1947 to Ireland, and there he resided for approximately a year. Being invited to visit relatives in California, he applied for and obtained visitor visa in the name Alois Anich, exhibiting an Irish certificate of identity issued him upon expiration of his Swiss certificate.

Attention is here drawn to page 1 of the Service memorandum which states that Artukovic "falsely stated under oath before an American vice consul in Dublin, Ireland, that his name was Alois Anich." But Artukovic believed, and still believes, that he was lawfully using the name Alois Anich in the light of issuance of identity certificates to him in such name by the Swiss and Irish authorities, and in view of the protective purposes for which he used the name. In fact, when a child was born to him and his wife in Ireland, the boy's name was officially recorded as Radoslav Anich. It would have been false if Artukovic had sworn under oath that he had not been known by any other name than Anich, but testimony or evidence to such

extent could not be produced by the Government because he had not done so.

Thereafter, Artukovic entered the United States in July 1948 with Irish identity certificate and visitor visa in the name of Anich, and no inquiry at entry was made of him whether he had been known by another name. Without the benefit of legal advice and after approximately 3 months' residence in the United States, Artukovic applied for extension of his visitor stay under the name Anich.

Then, on January 25, 1949, some 6 months after entry, and acting under advice of counsel, Artukovic applied for further extension of temporary stay, and in the form of application prescribed by the Service, clearly and plainly set forth his names as Andrija Artukovic and Alois Anich. Fully informed, and despite his entry under the name Anich, the Service extended his temporary stay, continued to regard him officially as Alois Anich, and requested departure bond in that name. Although fully informed as early as January 1949, and upon at least three occasions thereafter, as to the facts of his use of, and entry under, the name Anich, the Service apparently did not regard his entry as unlawful, for rather than initiating a deportation charge of unlawful entry, the Service seemingly waived this technical infraction and granted Artukovic an additional period of stay.

At almost the same time, and before requiring departure bond, the Service accepted from him an application for adjustment of residence status under section 4 of the Displaced Persons Act of 1948. Such application showed his names as Alois Anich and Andrija Artukovic, and recited correctly his origin and birth date. Still the Government found nothing in its files concerning Andrija Artukovic to cause alarm, and allowed his application to pend indefinitely although the date of his American entry, July 16, 1948, did not meet the deadline requirement of entry on or before April 1, 1948, for qualification under the 1948 Displaced Persons Act. The Service's lenience in this regard is perhaps chargeable to the fact that the Congress was then considering legislation to change the deadline for entry to April 30, 1949, which later became the law. Under such amendment in 1950, Artukovic filed another application for displaced persons status under section 4 of the 1948 act as amended.

Time moved along, and in April 1951, Artukovic's counsel, preparing to travel to Los Angeles on other business, asked informally whether hearing on the Artukovic application could be scheduled during his stay in Los Angeles. He was told informally that hearing could not be scheduled because investigation had not been completed. Upon completing his business in Los Angeles in early May, such counsel learned upon the eve of his departure that hearing under the Artukovic application had been suddenly scheduled for May 7.

The reason for such sudden action was that columnist Drew Pearson, recently returned from a goodwill tour of Yugoslavia, had blasted, by radio and column, the Service and Justice Department for lenient treatment of Artukovic, described by Pearson in several eye-catching appellations upon information supplied him by Communists in Yugoslavia.

It was also later revealed that Yugoslavia had addressed, in March 1951, a demand to our State Department for extradition of Artukovic as a "war criminal" under the Moscow Declaration of October 1943. At the same time certain sections of the Los Angeles press, notably the Hollywood Daily Worker and the Los Angeles Daily News, took up the hue and cry against Artukovic.

The Service, its tender skin spurred by lurid press accounts, leaped into the breach, held hearings on May 7 and 8 under the displaced person application and, without drawing breath, or notifying counsel, and before announcing its preconceived decision on such application, immediately arrested Artukovic in deportation proceedings on May 9, and scheduled deportation hearings for May 16. Such hearings were postponed, upon counsel's protest, when the then Commissioner realized that prejudice would be too apparent if Artukovic's deportation was ordered before his application for permanent residence as a displaced person could be acted upon.

It is interesting to note the charges under which Artukovic was arrested in deportation proceedings and so rapidly pressed for hearing. Translated into plain language, they were twofold: First, that he remained longer than permitted as a visitor; and, second, that his entry as a visitor was unlawful because he had not presented a valid passport or other document in lieu thereof showing his identity and origin at time of entry.

The facts supporting such charges had been known to the Service since January and April 1949, more than 2 years before the arrest in deportation. Despite the lurid allegations against Artukovic asserted in certain quarters, the Service has charged him with no other violation of law because it has no evidence in support of any other charge. Thus the Government had to use disputed technical infractions of our immigration laws to deport a man whose crime was and is that he was, and is, as a Croat patriot, ready to lead his countrymen in rebellion against a foreign authority.

Briefly, in relation to the deportation charges, the following should be noted. For the period that Artukovic remained longer than permitted as a visitor, he was conducting himself in accord with the policy of the Immigration and Naturalization Service that applicants under section 4 of the Displaced Persons Act should not be granted further extensions of temporary stay nor should they be required to depart while their applications were pending. Thus the final application of Artukovic for extension of visitor stay, made in March 1949, more than a month after filing section 4 application, was not acted upon by the Service until after deportation proceedings were commenced in May 1951. It is not believed that the Service can show another case where deportation proceedings were begun against a section 4 applicant before decision upon his application had been taken and opportunity given for voluntary departure, if such decision was adverse.

The charge that Artukovic's entry as a visitor was unlawful because he had not presented a valid passport or other document showing his identity and origin is predicated upon the disputed fact that his use of the name Alois Anich was unlawful. This very charge was the sole basis for the denial of Artukovic's section 4 application, although it is believed that the House Judiciary Committee records will reflect the approval of many displaced-person applications wherein the alien entered the country under one name and had been known by another name prior to entry which had not been revealed.

It is the theory of the Government as revealed in the Service memorandum that had the Service and consular officers known that Alois Anich was also Andrija Artukovic an investigation would have followed and he would have been denied visa or excluded at entry. But this is not borne out by the actions of the Government when in asking for further visitor stay in January 1949 Artukovic revealed his full birth name to the Service. To the contrary, his application was granted, and the Service continued to treat him as Anich.

I believe that the foregoing presents substantially the position of Artukovic in relation to administrative displaced person and deportation proceedings. I would add, however, that in deportation proceedings based upon noncriminal charges, Artukovic asked for discretionary relief of suspension of deportation or voluntary departure. In a punitive gesture, because of its disapproval of his political conduct in the period 1941–45, well beyond the statutory period required for good conduct, the Board of Immigration Appeals as well as the Service denied him relief. It is to the eternal discredit of the Immigration and Naturalization Service that in a panicky action it ordered deported, and denied discretionary relief to, Ana Maria Artukovic, the mother of 5 children, none older than 10, and 2 American citizens by birth, against whom not a breath had been raised, solely because she was the wife of a three-time official of the Croatian Cabinet in 1941–45. I have introduced H. R. 2790 for the relief of Ana Maria Artukovic, and the alien Artukovic children.

I might further offer a brief résumé of the extradition proceedings in the Federal courts involving Andrija Artukovic. On August 29, 1951, Artukovic was taken into custody and brought before the United States Commissioner at Los Angeles upon the formal complaint of the Yugoslav consul general at San Francisco. The consul alleged, among other things, under oath, that an indictment existed against Artukovic for murder in Yugoslavia. The falseness of this statement became apparent when the Yugoslav indictment itself was filed in October 1951 in support of the complaint, for it showed that no indictment had been obtained against Artukovic in Yugoslavia until September 5, 1951, a week after the false complaint had been filed. Thus, as he was unlawfully seized and held in jail without bail, his political enemies in Yugoslavia were busily seeking depositions and statements in 1951

as to acts alleged to have occurred in 1941–42. That such evidence was manufactured is too apparent for comment.

When the Yugoslav evidence was offered in support of the extradition complaint, Artukovic's attorneys deemed it so flimsy and irrelevant that he was counseled to waive all questions of treaty validity, jurisdiction and political nature of the charges, and meet the complaint directly. However, because there are other refugees in the United States who might have been similarly returned to Yugoslavia if treaty validity was admitted, and because of his hatred of Tito and what he stands for and a resulting wish to discredit him, Artukovic elected to challenge the validity of an alleged Yugoslav-American extradition treaty, which in fact was entered into between Serbia and the United States in 1902. The Federal district court sustained the challenge to the treaty, and ruled that it had been terminated upon the submergence of Serbia into the new Yugoslav state in 1919. The Ninth Circuit Court of Appeals reversed, and the Supreme Court refused certiorari.

Thus the issue of the political nature of the charges has been remanded to the District Court with instructions to rule thereon. Briefing on this issue has been completed this spring and the matter is ready for hearing.

As the basis of past administrative refusal to grant Artukovic discretionary relief under the immigration laws is found in the as yet unsustained charges in the extradition proceeding, and if Artukovic should be freed by the Federal courts of such charges by dismissal of the extradition complaint, it would seem that such action by the court would form a proper basis for legislative relief of his residence status. On the other hand, if the court shall find the extradition charges sustained by the evidence, then Artukovic would be held for extradition to Yugoslavia and no action of the Congress on his residence status would be necessary. Artukovic's counsel repeatedly suggested to the Immigration and Naturalization Service that hearings in deportation proceedings should be postponed until the courts finally acted, representing that the Service, if it acted unfavorably upon Artukovic's requests for discretionary relief, would be acting upon basis of accusations which had not been sustained by conviction; in effect, would be judging a man guilty before conviction—a complete reversal of the American principles of justice which had consistently theretofore held that an accused person is innocent until proved guilty. In view of the prejudice reflected by premature administrative actions ordering him deported upon basis of accusations not yet weighed by the court, Artukovic feels justifiably that he can expect no just treatment administratively. He has asked Congress to hold in abeyance an action upon the bill in his favor until the courts render final judgment upon his extradition case.

At this point in my remarks, I wish to include some of the many fine statements I have received endorsing the character and conduct of Andrija Artukovic. They include a letter from Father Robert Ross of the Blessed Sacrament Church, Westminster, Calif.; an affidavit from Rev. Prof. Dr. Louis Ivandic, who traveled with Artukovic from Austria to Fribourg, Switzerland; an affidavit from Rev. Stephen Lackovic, D. D., former secretary of Archbishop Aloysius Stepinac, of Zagreb, Croatia; affidavits from Dragutin Sostarko; Dr. Vlado Milas, M. D.; Rev. Berto Dragicevic, all of whom knew Artukovic in Croatia from the period 1941–45; a statement by the French consul at Zagreb recommending aid and assistance for Andrija Artukovic; and a statement by certain Croatian priests now residing in Spain, addressed to the American Ambassador at Madrid, testifying to the good character and conduct of Andrija Artukovic.

The statements follow:

BLESSED SACRAMENT CHURCH,
Westminster, Calif., June 23, 1955.

JAMES B. UTT,
Member of Congress,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN: I would like to add my thanks to others for your kindness in introducing bills H. R. 2789 and H. R. 2790 in behalf of Andrija Artukovic and his family.

As you know, I am not a Croatian by birth or by ancestry. Ross is a good solid Scot name. However, being both an American and a Catholic priest, I am vitally interested in justice and in the defense of those who are maligned by those who are Communists in fact or in ideals.

After careful study of the memorandum of information from the Immigration and Naturalization Service files concerning the Artukovic family I was amazed to see the misinformation that it contained. Having known the Artukovic family for the past 6 years I have had an opportunity to learn about his character, ideas, and past life. During this time I have met some 25 to 30 Catholic priests who knew Artukovic when he was in the Croatian Government. All of them speak very highly of his moral character, and brand as a lie the accusations of the Communist Yugoslav Government. Many of these testified by affidavit in his behalf. Among those who testified was Father Stephen Lackovic, secretary to Cardinal Stepinac from 1941–45. Why was his testimony and the testimony of so many others completely ignored in the memorandum?

On page 1, paragraph 3, of the memorandum, "he stated falsely under oath * * * that his name was Alois Anich." Why does the memorandum not state that the Immigration and Naturalization Service files contain a sworn affidavit from Father Louis Ivandic which upholds Artukovic's contention that he had the right to use legally the name Anich?

Paragraph 4, page 1, is misleading. I think that a close check of the immigration files will show that when on February 4, 1949, Artukovic and his family were granted a further stay, he had already applied for an extension under the name of Artukovic as well as under the name of Anich.

Paragraph 6 beginning on page 1 mentions that Artukovic sought to adjust his immigration status to that of permanent resident aliens. The applications were not acceptable because the Artukovics had entered the United States after April 1, 1948. The Immigration and Naturalization Department knew then that Artukovic and Anich were one and the same person but did not then challenge him or accuse him of "falsely stating under oath." It was not until Drew Pearson broadcast his infamous lies by radio early in 1951 that Artukovic became a persona non grata to this Government.

On page 2, paragraph 4, of the memorandum it states, "On August 29, 1951, the consul general of Yugoslavia at San Francisco, Calif., acting in behalf of the Government of Yugoslavia, filed a complaint in the United States district court at Los Angeles, seeking the extradition of Andrija Artukovic." Also the complaint charged Artukovic with three counts of mass murder. Why is not the full story given? The consul general of Yugoslavia in his sworn complaint was guilty of several counts of perjury. First he swore that he had been informed by regular consular channels that Andrija Artukovic had been indicted for murder in the People's Court of Yugoslavia, when in fact the indictment was not handed down until a full week after Artukovic's arrest. He, the Yugoslav consul general, in his complaint, accused Artukovic of the murder of the Orthodox Archbishop of Sarajevo, naming the place, date of month and year. The indictment did not accuse Artukovic of murder by his own hand as the consul general did by saying that "he caused to be murdered." And the indictment mentions a different day, a different month, a different year and a different place where the alleged murder took place. Thirdly, the Yugoslav consul general was guilty of the crime of perjury when he says that Artukovic murdered with his own hand some 10 or 11 other persons. The indictment does not in any place accuse Artukovic of murder by his own hand. It would appear that the Communists of Yugoslavia even cannot lie straight.

A careful examination of the findings of the Immigration and Naturalization Service will show that the testimony of Catholic priests and others of high moral character is completely disregarded and the testimony of known Yugoslav Communists plays an important part in the findings of the Department. Personally I, as a Catholic priest, resent the implied slur upon my fellow priests when the Immigration and Naturalization Service completely disregards the testimony of priests who lived in Croatia from 1941 to 1945 and personally knew Andrija Artukovic.

I have in my possession a letter from Archbishop Ivan Saric, Catholic archbishop of Sarajevo, now in exile in Madrid, Spain, in which he thanks me for my help to the Croatian people and "to my good friend, Andrija Artukovic." An archbishop does not have as a good friend a man such as that memorandum would have us believe Artukovic is.

Communist Yugoslavia would have us believe that Andrija Artukovic is a war criminal. Artukovic is in splendid company for the "war criminals" of Communist Yugoslavia include Cardinal Stepinac, Archbishop Saric, Bishop Cule, scores of Catholic priests and every prominent Catholic layman of Croatia.

Living in the United States today are dozens of Croatian priests and laymen who will willingly testify in defense of Artukovic. I am enclosing another memorandum written and signed by 150 Croatian Catholic clergymen. The majority of these are refugees from Tito's Communist Utopia and they are alive only because they were able to escape from Yugoslavia. Here are men who knew Artukovic and who know the truth. They are willing to testify for Artukovic. I hope that the Congress of the United States will give them a chance.

Josip Raspudic, now an American citizen living in Milwaukee, Wis., was Artukovic's personal secretary from 1941 to 1945. He certainly is a witness not to be overlooked. His wife, an American, spent the years 1941 to 1945 in Croatia and also knew Artukovic. Father Mandic, who was provincial of the Franciscan Fathers in Croatia during those years, would also be a very interesting witness. So would Father Lackovic, Archbishop (now Cardinal) Stepinac's secretary during those years, be a most willing witness for Artukovic.

One of the chief witnesses for the Government was a John J. Knezevich (see Immigration and Naturalization file A–7095961)

who declined to state whether or not he was in Yugoslavia during the war. Was he afraid to admit that he was with Tito's Partisans during the time he spent in Yugoslavia? If he was not in Yugoslavia then his testimony was merely hearsay and certainly should not have been admitted as eyewitness testimony.

It is a tragic thing that today in this country anyone who is anti-Communist is marked for character assassination. Witness the attempts of the Communists and fellow travelers to blacken the name of our own beloved Senator KNOWLAND. How many, even of our Congressmen, are aware that the derisive appellation, "Senator from Formosa," was first sneeringly used in the Communist newspaper, The Daily Worker?

Can the sworn testimony of Communists be believed? I think not, since they profess no belief in God, have no moral code and time after time in their writings have stated that the end justifies the means. Their end is the destruction of our country and the other free countries of the world. Any American is certainly naive if he thinks that the brand of communism that Tito professes is different from Moscow's communism. It is time that we began to protect those, such as Artukovic, who have from the beginning fought communism.

Thanking you again for your efforts in behalf of Andrija Artukovic.

I remain,

Sincerely yours,

Rev. ROBERT ROSS.

AFFIDAVIT

I, Rev. Prof. Dr. Louis Ivandic, being first duly sworn on oath, depose and say:

I was born in Croatia and that I am now residing at 1449 Rossini Boulevard, Windsor, Ontario, Canada.

I have known Andrija Artukovic since his childhood. He and his family were in Austria in 1946. I was also living in Austria then. In November 1946, I traveled with Andrija Artukovic from Austria to Fribourg, Switzerland.

I know by my personal knowledge that Andrija Artukovic, known as Alois Anich, made an application in Fribourg, Switzerland, to change officially the name Andrija Artukovic to Alois Anich, because his life was in danger. I know that his application for permission of the use of Anich was forwarded from Fribourg to Bern, Switzerland. I can testify to the fact that Inspector Frederick Schoenenberger was sent by the federal authorities in Bern to Fribourg, to conduct an examination for the application of Andrija Artukovic. I know and can testify that Andrija Artukovic had a hearing before the Inspector Schoenenberger, and that federal and state authorities, both in Bern and Fribourg, Switzerland, had full knowledge about the identity of Alois Anich as of Andrija Artukovic.

I further testify that after the hearing of Andrija Artukovic I saw Inspector Schoenenberger personally, talked with him and had a discussion about the case. The inspector showed me the Croatian diplomatic passport, which Mr. Artukovic presented him during the hearing. I know by my personal knowledge that Inspector Schoenenberger carried with him the same passport and went to Bern to present it to the authorities in Bern. I know that later Inspector Schoenenberger returned again to Fribourg and returned the diplomatic passport to Artukovic's wife. I know that the Swiss authorities issued a certificate of identity under the name of Alois Anich after the hearing of Andrija Artukovic.

I traveled with Andrija Artukovic, his wife, and his children from Fribourg, Switzerland, to Ireland, and from there to Canada, where now I am residing.

Rev. Prof. Dr. LOUIS IVANDIC.

Subscribed and sworn to before me this 29th day of August 1951.

OWEN R. CHAPMAN,
Notary Public.

AFFIDAVIT

UNITED STATES OF AMERICA,
CITY OF LACKAWANNA,
STATE OF NEW YORK.

In re Dr. Andrija Artukovic.

Rev. Stephen Lackovic, D. D., being first duly sworn on oath, deposes and says:

That affiant is a Catholic priest by profession and that he is the administrator of the parish of Our Lady of the Sacred Heart of Jesus, Roman Catholic Church, located at 108 Ridge Road, Lackawanna, N. Y.

That affiant is the former secretary of Archbishop Aloysius Stepinac of Zagreb, Croatia. That this innocent man of religion is now serving in Yugoslavia a prison sentence of 16 years, only because he is a church leader.

That affiant was in Croatia during the Second World War. That he is personally acquainted with Dr. Andrija Artukovic, now residing at Surfside Colony, Calif.

That affiant from his personal knowledge can testify to the following true facts: That affiant knows personally Dr. Artukovic since 1941.

That affiant, while he was residing in Croatia during the last war, was constantly in touch with Dr. Artukovic, who was at that time Minister of the Interior in Croatia. That affiant personally was calling on Artukovic requesting of him his assistance to all types of people, who were in great need of help. That Mr. Artukovic always granted affiant's request, and, therefore, affiant came to know of Dr. Artukovic's helping hand to persecuted people, and the aid he rendered to Jewish people, Slovenes, Serbs, Austrians, etc., who were fleeing from the Nazi tyranny.

That during Hitler's regime and especially during the war, people were influenced to be against God and the churches. That Dr. Andrija Artukovic in his official capacity issued orders prohibiting blasphemy and swearing against God and the churches. That he tried to help his people to continue their religion and their worship to God, and all that Christianity implies.

That Dr. Andrija Artukovic desired to have a high moral standard among the youth of Croatia, and to protect them from the vicious influence of the Nazis. To this end he had a law enacted forbidding youth under 18 years of age on the streets or in bars.

That under the advice and direction of Dr. Artukovic, the Minister of Education in Croatia ordered the establishment of "retreats" for school pupils. That the purpose of these "retreats" was the establishment of high principles of life, good character, ethics; and as a weapon against the evil influences of the Nazis and Communists.

That all of the laws of Croatia made as a bulwark against nazism and communism, were prepared and signed by Dr. Andrija Artukovic.

That the German Ambassador to Croatia received an order from Berlin to press the dismissal of Dr. Artukovic as Minister of Interior. This victory was gained by the Nazis, but due to Dr. Artukovic's popularity among people, he was given another post by the Croatian Government, that of Minister of Justice.

Affiant further wishes to state that the Croatian Republic was not established by the Nazis, but on the contrary the Republic was established against the will of the Nazis and Fascists.

That affiant knows by his own knowledge that Dr. Andrija Artukovic is a man of high Christian character, of deep democratic convictions, and a great friend and admirer of the American way of life. In desiring to serve his native country of Croatia, his ideal was to see it as an independent, free state; and to carry out the will and desire of the people to join the free, democratic nations.

Dr. Andrija Artukovic was not a Nazi collaborator and he is not a Communist. In his official capacity in Croatia, he indirectly tried to help the cause of America and her allies.

If Dr. Artukovic and his family are made to return to Yugoslavia, they will be subject to persecution and massacre.

Rev. STEPHEN LACKOVIC, D. D.

Subscribed and sworn to before me this 8th day of May 1950.

———, ———,
Notary Public in and for the County and State of New York.

AFFIDAVIT

UNITED STATES OF AMERICA,
CITY OF CHICAGO,
STATE OF ILLINOIS.

In re Dr. Andrija Artukovic.

Dragutin Sostarko, being first duly sworn on oath, deposes and says:

That affiant's address is 640 West Garfield Boulevard, Chicago 9, Ill.

That affiant is a singer and performed with the Metropolitan Opera Co. in Croatia and now he is singing in concerts in the United States. That affiant was residing in Croatia during the Second World War.

That affiant has known Dr. Andrija Artukovic for many years. That Dr. Artukovic was also residing in Croatia during the last war, and hence the affiant by his own personal knowledge can testify to the following facts:

That Dr. Artukovic helped all of the persecuted people—Jews, Slovenes, Austrians, fleeing from Nazi tyranny.

That to hundreds of French soldiers, who were escaping from the Nazi prison camps, Dr. Artukovic gave admittance into Croatia, providing them with money, food, clothing, passports, and transportation.

When American and British flyers sent to bomb Germany were forced to parachute on the fields of Croatia, they were hidden and sheltered by Dr. Artukovic. He supplied these parachutists with food, clothing, medical supplies; and placed them in the best hospitals for medical care.

That Dr. Andrija Artukovic was not a Nazi collaborator nor a Communist. During the war, he was against the Nazis and secretly tried to help the allies. Dr. Artukovic has always been a firm believer in the democratic form of government of the United States.

Dr. Andrija Artukovic is a highly educated person, possesses good moral character. He is a Christian man and he is a person who would be an asset to the United States of America.

Affiant further states that Dr. Artukovic's life is in great danger and if he is forced to return to Yugoslavia, affiant feels certain that he would be killed.

DRAGUTIN SOSTARKO.

Subscribed and sworn to before me this 8th day of May 1950.

——— ———,
Notary Public in and for the County of Cook, State of Illinois.

AFFIDAVIT

UNITED STATES OF AMERICA,
COUNTY OF LOS ANGELES,
STATE OF CALIFORNIA.

In re Dr. Andrija Artukovic.

Dr. Vlado Milas, being first duly sworn on oath, deposes and says:

That affiant's present address is 820 Yale Street, Los Angeles, Calif.

That affiant was residing in Croatia during World War II.

That affiant is acquainted with Dr. Andrija Artukovic, who was also residing in Croatia during that war. That affiant by his own personal knowledge can testify to the following true facts:

1. That Andrija Artukovic helped all of the unfortunate persecuted people. That he issued orders secretly admitting thousands of Jewish people who were escaping from Hitler's terror and massacre and furnished them with food, clothing, and shelter.

2. That to hundreds of French soldiers, who were running away from Nazi camps, Dr. Artukovic gave admittance to Croatia, providing them with money, clothing, food, passports, and transportation.

3. When American and British airmen were sent to bomb Germany and were forced to parachute on the fields of Croatia, they were hidden and sheltered by Dr. Artukovic. That affiant was counsel for the Minister of Health and can testify that Dr. Artukovic gave orders to him and to General Sertic to supply the American and British parachuters with medical supplies—this despite the fact that medical supplies were to be found only in the most minute quantities. That Dr. Artukovic had these American and British airmen placed secretly in hospitals in Croatia and given the best possible care. That affiant was then and is now a medical doctor by profession.

That affiant knows by his own knowledge that Dr. Andrija Artukovic was not a Nazi collaborator nor a Communist. That Dr. Artukovic believes in the democratic form of government of the United States.

That affiant further states that if Dr. Artukovic and his family are forced to return to Yugoslavia, he feels certain that they will be massacred. That affiant knows Dr. Artukovic for over 35 years.

Dr. VLADO MILAS, M. D.

Subscribed and sworn to before me this 8th day of May 1950.

———— ————,
Notary Public in and for the County of Los Angeles, State of California.

AFFIDAVIT

UNITED STATES OF AMERICA,
CITY OF CHICAGO,
STATE OF ILLINOIS.

In re Dr. Andrija Artukovic.

Rev. Berto Dragicevic, being first duly sworn on oath, deposes and says:

That affiant is a Catholic priest by profession and that affiant is now residing at 2823 South Princeton Avenue, Chicago 16, Ill.

That affiant was in Croatia during Second World War. That Dr. Artukovic was also residing in Croatia during that war, that affiant has known Dr. Artukovic for many years and hence the affiant by his own personal knowledge can testify to the following facts:

That Dr. Andrija Artukovic was not a Nazi collaborator nor a Communist. During the war he worked against the Nazis and secretly tried to help the Allies.

That many French civilians and soldiers, who were escaping from the Nazi prison camps, were with the help of Dr. Artukovic admitted to Croatia, provided with money, food, clothing, passports, and transportation.

When American and British flyers sent to bomb Germany were forced to parachute on the fields of Croatia, Dr. Artukovic gave orders to hide and shelter them, and provide medical supplies for them.

That Dr. Artukovic helped all of the persecuted people, Jews, Slovenes, etc., fleeing from the Nazi tyranny.

That during Hitler's regime and especially during the war people were influenced against God and against the churches. That Dr. Artukovic in his official capacity issued orders prohibiting blasphemy and swearing against God and the church. That he tried to help his people to continue their religion and their worship to God and all that Christianity implies.

That all of the laws of Croatia made as a bulwark against nazism and communism were prepared and signed by Dr. Artukovic.

Affiant further wishes to state that the Croatian Republic was not established by the Nazis, but on the contrary, against the will of Nazis and Fascists. That the Croatian people did not collaborate with the Nazis.

That affiant knows from his own knowledge that Dr. Andrija Artukovic is a man of high Christian character, he has deep democratic convictions, he opposes all totalitarian ideas, and he is a great friend and admirer of the American way of life.

The affiant is sure that if Dr. Artukovic and his family are forced to return to Yugoslavia they will be subject to persecution and will be massacred.

Rev. BERTO DRAGICEVIC.

Subscribed and sworn to before me this 12th day of May, 1950.

———— ————,
Notary Public in and for the County, of Cook, State of Illinois.

[Translation]

French Consulate at Zagreb.
Photo. Mr. Andrija Artukovic.

The consul for France at Zagreb recommends to the civil and military authorities of the Republic of France and her allied countries and those friendly to her, Mr. Andrija Artukovic, born at Klobuk (Herzegovin) on the 29th of November 1899, and begs to give him all possible aid and assistance in case of need.

Dr. Andrija Artukovic has rendered big services to the French cause during the war and has saved many French lives under the most critical of conditions.

ZAGREB, *the 5th of May 1945.*

———— ————,
French Consul.

I hereby certify that I am familiar with the French and English languages and that the foregoing is a true and correct translation.

NICHOLAS BOLOTINE.

Subscribed and sworn to before me this 8th day of February 1949.

———— ————,
Notary Public in and for the County of Los Angeles, State of California.

His Excellency, STANTON GRIFFIS,
American Ambassador, Madrid.

YOUR EXCELLENCY: The Yugoslavian Government has asked the Government of the United States of America to hand over to them Dr. Andrija Artukovic, as you will have heard. He is, like many others, charged to be a war criminal.

A small group of Croatian priests, whose signatures you will find at the end of this letter and who are actually living in Spain have been expelled from their country, this by the injustice of the Yugoslavian Government. They all know Dr. Andrija Artukovic as a perfect gentleman; furthermore they know him as a straightforward and honorable character. Therefore they want to explain to Your Excellency, the following facts:

The Yugoslavian Government is communistic-atheistic. Its program demands the liquidation of all its enemies and to carry through its plans it accuses them to be war criminals or enemies of the people. It is well known, that for the Communists a war criminal is any person that tomorrow may oppose them and become an adversary.

The Communist Yugoslavian Government, according to its program, began to carry it out soon after having come to power. The Croats in the southeast of Europe are considered to be the strongest opponents to communism in the cold war. Therefore the Yugoslavian Government has concentrated all its destructive power against the Croats. And to achieve this, more than 100,000 Croatian soldiers were murdered in those tragic days of May 1945; their unique crime was to fight boldly against communism during war years, but only to defend their homes and the independence of their beloved country. The late President of the United States of America, Franklin D. Roosevelt once has declared that those rights have been given as irrevocable by God. For the same purpose, thousands of prominent Croats, hundreds of Croatian priests and bishops were killed, to extinguish all the foes and to submit the Croats to communism.

The Croatian bishops because of the justice of communism, die nowadays far away from their episcopal sees and languish in their prisons. Please remember the case of the Primate of Croatia, His Eminence Louis Stepinac, Archbishop of Zagreb.

For the same reasons that we have just outlined, the Yugoslavian Government accuses the elite of the Croatian intellectuals who could escape them to be war criminals. The Yugoslavian Government is decided to extinguish all Croats that go on to trust in God and human dignity.

Neither the Communist tribunals, nor the Communist justice, impose penalties according to the delicts; defendants are sentenced according to the program of the Communist Party, which persecutes its enemies, claiming its heads. Archbishop Stepinac, during his famous Zagreb trial, stated that even the Communists confessed that their party has always sufficient proofs to liquidate its enemies.

That means that Dr. Andrija Artukovic would neither be handed over to the Yugoslavian Government nor to justice, but only to be murdered.

Herewith we Croatian priests protest solemnly against the delivery of Dr. Artukovic to communism. Consequently, we consider it our human and sacerdotal duty to ask you to protect Dr. Andrija Artukovic and not to allow that he is handed over to communism, like other war criminals, as a victim of the Communist Yugoslav Government.

We deeply hope that our prayer will be heard by your Excellency and that your kind heart will feel with him and us. Please help the American Government that you represent so worthily.

Rev. Father BRUNO RASPUDIC.
Rev. Father Dr. GRACIANO RASPUDIC,
Professor.
Rev. Father Dr. BRANKO MARIC,
Professor.
Rev. Father EUGENIO BELUHAN,
Dr. IVAN EU. SARIC,
Archbishop of Sarajevo.

San Francisco el Grande Madrid, 18th June 1951.

Mr. Speaker, these are just a few of the very fine statements I have received in behalf of Andrija Artukovic. Other statements containing the basic information recorded above have been received from Catholic priests who knew Dr. Artukovic in Croatia from 1941 to 1945. Some of these priests are Rev. George Vrdoljak, now residing in Sudbury, Province of Ontario, Canada; Rev. Dr. Ivo Sivric, now of St. Louis, Mo.; Rev. Mario Matic, now of Artesia, Calif.; and Very Rev. Dr. Vasilj Vendelin, Rev. Dr. Ignatius Jurkovic, Rev. Prof. Dr. Kruno Pandzic, and Rev. Celestin Raguz, all of Chicago, Ill.

The above statement of facts with supporting affidavits leads me to the conclusion that our Government is unjustly persecuting Dr. Artukovic, and in so doing we are violating our cardinal principles of freedom. To me it is just as unthinkable not only to permit but to support the extradition of Dr. Artukovic as it would be to insist on the extradition of the Polish flier who flew to freedom last year and was granted immediate status here, or to permit the North Korean Reds to extradite the pilot who flew a Russian MIG to freedom and received a $100,000 reward for stealing the MIG.

Dr. Artukovic should receive immediate status here, either under our refugee acts, or by act of Congress.

The American public should be aroused over the high-handed treatment given him by the Immigration Service, and insist that human justice and true equity be given this Croatian patriot.

HOOVER COMMISSION AND PAPERWORK MANAGEMENT

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. HOLIFIELD] is recognized for 15 minutes.

Mr. HOLIFIELD. Mr. Speaker, the Los Angeles Times of July 18, 1955, and other newspapers throughout the country carried accounts of the Hoover Commission report and its task-force report on paperwork management. This was the second of two sets of reports on this subject, the first one having been issued in January 1955.

Each report of the Hoover Commission except the one on paperwork management was prepared as a single project. In this case, it happened that the first and last reports to be released by the Hoover Commission this year dealt with the same subject of paperwork management. Although the Commission went out of existence on July 1, the second part of the report on paperwork management was not actually released until 18 days later.

The transmittal letter to the Congress from Mr. Hoover is dated June 15 in the case of the task-force report and June 29 in the case of the Commission's own report. Both reports were released to the press July 18.

The manner in which this report was publicized, together with the lack of substance to some of the findings and recommendations contained therein, suggest to me that the task force which prepared the study was serving a very selfish and personal interest.

I was dissatisfied with the approach of the task force from the very beginning. When it was first proposed to issue the report in two parts, I questioned the advisability of such a procedure. In a memorandum to the Commission of December 11, 1954, I stated:

> Two separate reports dealing with the same or closely related subject matters are apt to cause confusion in later reference to this area of study and are not warranted by the state of the information.

The Commission, nevertheless, issued the report in two parts. Thus we have 2 task force reports and 2 Commission reports on paperwork management.

The task force report in each case was prepared by a group headed by Emmett J. Leahy, who operates a management-consultant firm in this field. Mr. Leahy also directed a task force study of the first Hoover Commission on the subject of records management.

Mr. Leahy has not been bashful about identifying his business position in the task force reports. Publications of his firm are cited as footnote references in part I of the task force report and the name of his firm figures prominently in section II of part II of the task force report. This section reminds the reader:

> The report was written by the Chairman, Emmett J. Leahy, of Leahy & Co., who is also responsible for its shortcomings.

I am sure that the report has shortcomings, Mr. Speaker, although I have not had time to analyze all of them. In a separate statement in connection with the second part of the Hoover Commission report on paperwork management I said:

> A continuing objective should be the elimination of reports which are costly and irritating to business but which serve no important Government purpose.
>
> Evaluation of the need for Government reports, however, is not always a simple matter. Vital policy decisions may be involved, affecting the administration of law and the compliance of business firms with Federal statutes and regulations.
>
> The task force on paperwork management undertook upon its own initiative to act as an intermediary between Government agencies and business groups in an effort to reduce or eliminate reporting requirements in selected target areas.
>
> In effect, the task force used the authority of the Commission to conduct experiments leading to agency actions and administrative changes which were not passed upon by the Commission itself.
>
> The task force was set up as a study group to assist the Commission. I do not believe it was wise or proper for the task force to seek to influence agency action on its own responsibility and before reporting to the Commission.

One of the incidents I had particularly in mind when I wrote that statement is described in the following letter to John B. Hollister, then Executive Director of the Commission:

> Mr. JOHN B. HOLLISTER,
> *Executive Director, Commission on Organization, Washington, D. C.*
>
> DEAR MR. HOLLISTER: It has come to my attention that a staff member of the task force on paperwork management has directed a letter to members of the Interstate Commerce Commission recommending that the ICC take action to revoke an official order which authorized certain railroad traffic studies. The letter to the ICC, signed by Edward T. Freel, assistant staff director, contains the following paragraph:
>
> "As this task force has concluded that the use of the waybill studies by industry does not justify their cost, and as the operating elements within the Interstate Commerce Commission have agreed that these studies are not a necessity for cost finding in their regulatory operations, it is recommended that the carload waybill studies be discontinued. It is further recommended that the Commissioners take the necessary steps to rescind the order of September 6, 1946, which established these studies. If such action were taken prior to the submission of our report to the Commission on Reorganization of the Executive Branch, and through them to the Congress, these recommendations would not then be a part of our report. The solution to this paperwork problem would become instead a compliment to both industry and its regulatory body."
>
> In my opinion, this kind of action by a task force or any of its staff is completely unauthorized and unwarranted. Whatever the merits of the case for discontinuing the studies in question, the task force has no business making such representations to effect changes in agency actions.
>
> I would suggest that the members of the Interstate Commerce Commission be officially notified at once that the Commission on Organization has taken no position on this matter, that no task force or other persons are authorized to speak for the Commission in this capacity, and that the Commission's recommendations are made to the Congress. Also, I believe that the person or persons responsible for sending the above-quoted letter to the ICC should be properly reprimanded.
>
> I would appreciate being advised on this matter.
>
> Sincerely yours,
> CHET HOLIFIELD,
> *Member of Congress.*

Although Mr. Hoover assured me at a Commission meeting that the person committing this improper action had been called to account, the fact still remains that the second part of the Commission report on paperwork management did little more than endorse the task-force experiments and repeat its estimates of savings.

As a member of the House Committee on Government Operations, I am acquainted with the reports which the General Services Administration has been making to the Congress concerning progress in the management of costly paperwork. It was my privilege to be chairman of the subcommittee of the Committee on Government Operations which handled the legislation known as the Federal Records Act of 1950. This was the first major amendment to Public Law 152 of the 81st Congress, which established the General Services Administration. My subcommittee was also responsible for reporting out the basic legislation in 1949.

Since the Federal Records Act of 1950 was enacted, the General Services Administration has been hard at work battling against the waste known to exist in Government paperwork. Some of its results are notable, and for these the Hoover Commission seems to take full credit unto himself. That is understandable, Mr. Speaker, but in fairness to the General Services Administration the impression should not be left that the closing of this records center and the resultant savings are due to the appearance of the Hoover Commission and task force reports.

For example, part II of the Commission report on paperwork management states at page 12:

> More uneconomical agency record centers are being closed as the Commission recommended. The Veterans' Administration records center will be liquidated by July 1, with savings to the Government of space, equipment, and personnel estimated at $1,077,000.

According to the Senate Committee on Appropriations, the recommendation for the closing of the VA records center, located at Columbus, Ohio, was made by a private records management firm, known as Records Engineering, Inc. The contractor estimated savings of $417,000 in personnel and $670,000 in space and equipment—Senate Committee on Appropriations, hearings on independent offices appropriations, 1956, page 153.

The Hoover Commission report does not cite the accomplishment of this or any other private firm in records management work, but it does say at page 12:

> A private management consultant is studying the proper relationships between the

Department of Defense and the General Services Administration record centers.

I find in the record of the Senate appropriations hearings the following item of information by the Acting Administrator of General Services:

On March 14, 1955, a contract was let to the firm of Leahy & Co. to study the records retirement and records center systems of the Department of Defense and the General Services Administration. The objective of this survey is to determine whether economies or other improvements would result from a consolidation of existing systems. The survey is to be completed in 5 months at a cost of $24,000.

In other words, Mr. Speaker, the "private management consultant" referred to by the Hoover Commission report happens to be the firm of the chairman of the task force himself, employed by General Services Administration to do the defense study while he and a member of his staff were employed by the Hoover Commission.

I hope that the House Committee on Government Operations, through its subcommittee on reorganization, will find time to make a thorough study of the background of all the task force members who served on the Hoover Commission. There is good reason to believe that public and private interests were not always clearly distinguished in the recommendations of these task forces.

In the case of the paperwork management task force, it appears that the Hoover Commission became a good advertising medium for Leahy & Co.

I do not object to private firms being hired for specific surveys in records management. The General Services Administration stated to the Senate Appropriations Committee that such firms can be helpful in highly specialized areas of records management, such as microfilming. Frequently they bring to the job a fresh approach and a new point of view based on studies of industry operations—Senate Committee on Appropriations, hearings on the supplemental appropriation bill, 1955, page 936.

I notice in the Appropriations Committee hearings that the same firm, Records Engineering, Inc., which recommended the closing of the Veterans' Administration records center, was retained to make a survey of Post Office records. Savings from this project are estimated at more than $7 million, most of which are annual savings—Senate Committee on Appropriations, hearings on independent offices appropriations, 1956, pages 157–158.

The General Services Administration stated clearly that surveys by such private firms in records management of Government agencies should supplement and not supersede the central program direction and continuing staff work by the General Services Administration—Senate Committee on Appropriations, hearings on the supplemental appropriation bill, 1955, page 936. By judicious and firm central direction by the General Services Administration, the savings in records management can be very large.

BATLE FOR THE MINDS OF MEN

The SPEAKER. Under previous order of the House the gentleman from Illinois [Mr. O'HARA] is recognized for 30 minutes.

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, I am taking this time to inform the House on the proposal that will be presented early in the 2d session of the 84th Congress for a new and simple approach to the problem of winning the battle for the minds of men.

In the 1st session of the 84th Congress we have given major attention to the strengthening of our defense and the solidifying of the protective forces of the nations of the free world. But we realize that the conflict between two ideologies will be determined, not on battlefields, but in the minds of men.

This is a report of progress as well as a statement of future plans.

It will be recalled that when the appropriation bill for the Department of State was under consideration, I offered an amendment to include an item to make available to men and women everywhere, in inexpensive editions and translated into native languages, the classics of American democracy.

What I had in mind as comprising the classics of American democracy were those writings that had fired the early Americans in the periods of the conception and development of our own democracy. In a sense they may be compared to the books of the Bible, which were written by different men and at different periods and later were selected, with some but relatively small differences in versions, as constituting the foundation sources of a faith. It is proposed to select those classic books that constitute the foundation sources of American faith in democracy.

WHAT ARE THESE CLASSIC BOOKS?

What were the writings that inspired the minds of Americans in the beginning of our democracy and in the succeeding stages of its development? To what sources now shall turn the peoples in other lands who are searching for the eternal truths of self-government?

I am not referring to present-day writings. They are interpretations and evaluations, many of them of excellent quality. They may be regarded, however, in some quarters of the world, where the battle for the minds of men is keen and close, as propaganda for an American nationalism. Moreover, they are copyrighted works and not available except by arrangement.

The classics of democracy that hold the eternal truths of government for, by, and of the people now belong to all the world. All that is necessary is, first, to make the proper selection; second, to translate them into native languages; third, to print them in inexpensive paperbound editions; and, fourth, to give them grassroots sales distribution.

INTEREST IS WIDESPREAD

Many Members of the Congress on both sides of the aisle have shown heartening interest in the program to make available in this manner to all peoples everywhere the classics of democracy that inspired our forefathers. Several of our most distinguished colleagues, whose reputation for constructive statesmanship is of the highest, have been most active in the preliminary spadework.

My own interest was whetted by reports from the foreign correspondents of the Chicago Daily News to which I shall refer later. Following the publication of these reports, I moved an amendment to an appropriation bill to permit the immediate start on a classics-of-democracy program. It was ruled out of order, because there was no previous authorization. Judging from its reception by my colleagues, and the many pledges of support volunteered, I think the amendment would have been adopted.

Since that time much work has been done in preparation for presenting to the session convening in January the proposal for authorization and the request for adequate appropriation to launch the program. I wish at this point to express my deep appreciation to the distinguished gentleman from New York [Mr. ROONEY], the able chairman of the Subcommittee of the Appropriations Committee, for his friendly interest and cooperation. Also to the distinguished gentleman from Ohio [Mr. FEIGHAN], a pioneer in this field and extremely well-informed in all phases of the problem. Congressman FEIGHAN participated with me in many conferences with Dr. Theodore C. Streibert, the Director of USIA, and members of his staff, all of whom were most gracious and helpful.

Expression of appreciation likewise goes to the editors and foreign correspondents of the Chicago Daily News, including Paul Leach, for many years the very able head of the Washington Bureau, and Van Allen Bradley, the literary editor, to Dr. Harold Fey, executive editor of the Christian Century, to Jerome G. Kerwin, chairman of the Charles R. Walgreen Foundation at the University of Chicago; to Richard P. McKeon, professor of philosophy at the university and a State Department visitor to universities in India; to Emery T. Filbey, vice president emeritus of the University of Chicago; to Thomas B. Stauffer, instructor in humanities at Wilson Junior College, and to Leland G. Stauber.

HOW CLASSICS WILL BE CHOSEN

I think it will be of interest to my colleagues to learn that the first phase of the program is now under way and will be completed by the time we reconvene in January. That is the selection of the classics of American democracy that enlightened American opinion would present in translated and inexpensive editions for the reading of the world.

The list we think should not be the compilation of one person or of one group. Hence Congressman FEIGHAN and I have undertaken to correspond with a large and representative list of educators, editors, and leaders of re-

ligion, labor, industry, patriotic women's, and other organizations. They are being asked each to submit a list of 20 classics of American democracy. The works receiving the greatest number of votes can be accepted as bearing the stamp of American public approval. As to the writings that are included in all lists there can be no question. Congressman FEIGHAN and I are being counseled and aided in this survey by Dr. Fey, Mr. Kerwin, and Mr. Stauffer.

Some of the classics of American democracy that have been suggested are:

Emerson, Moral and Political Essays.

Benjamin Franklin, Autobiography.

Jefferson, Writings.

Abraham Lincoln, Writings.

Madison, Hamilton, Jay, the Federalist Papers.

John Locke, Of Civil Gvernment.

Judge Learned Hand, the Spirit of Liberty—USIA has world rights in this publication.

John Stuart Mill, Considerations on Representative Government—On Liberty.

David Thoreau, Walden, Writings on Liberty.

Alexis de Tocqueville, Democracy in America.

Thomas Paine, Common Sense.

Rousseau, Social Contract.

The Constitution.

The Declaration of Independence.

These merely are suggestions. It is possible some should be omitted, certain that others should be included. The poll of the editors, educators, leaders in all activities, will decide the official list.

WHY PROGRAM IS NECESSARY

Theodore S. Repplier, president of the Advertising Council, Inc., recently returned from 6 months' study of information and propaganda methods in the Orient, Near East, and Europe under the auspices of the Eisenhower Exchange Fellowship, makes these comments:

Millions of people in free Europe and Asia look upon the Soviets as idealists, and Americans as dollar-mad materialists.

To many, the Communists are the champions of the common man. America appears to champion nothing but its own safety. * * *

Our propaganda program needs to use more of the skills and talents of America.

Along the same line, Evangelist Billy Graham was quoted—Christian Science Monitor, May 24, 1955:

America ought to do something about the bad and false impression many foreigners have of her. The general picture of America abroad as fostered by the press, tourists, and moving pictures is that of a land of murder, crime, and violence, sexual excesses, and general immorality.

These reports coming from two widely separated sources, in juxtaposition with the fact that the 84th Congress has just appropriated $2,703,341,750 for mutual security, an appropriation including technical assistance designed to raise living standards in Asia, Africa, South America, and Eastern Europe, indicates the need for an objective review of our propaganda methods.

COMMUNIST DOMINATION GROWS

While events at Geneva may mean that the sun of a better day is rising on the international horizon, we must never lose sight of the fact that the Soviets are masters of the technique of conquest by infiltration and subversion. Moreover, that world conquest is their long-range goal even though it may temporarily seem to be eclipsed by a jovial diplomacy and an international sweetness and light.

While the free world is endeavoring to hold its own, Communist domination has been growing. Today one-third of the world's population is under Communist control. Of 800 million Communists, 600 million have been added since World War II, 89 million are numbered among the European satellites; the others are Asiatics.

Most of the Asiatics living in the free world are enjoying a new but tenuous freedom. For example, there is India. At one time its people, living on the edge of want, blamed their distress upon the British. Today the British are gone, but not poverty and all attending ills.

The bright ray of hope in this picture, we find at Manila and Bandung. The leadership of the Filipinos at Manila gave living proof that the United States is not to be classified as an exponent of colonialism and exploitation, despite some diplomatic misadventures. At Bandung, representatives of the nations of Asia and Africa quoted the language of the Declaration of Independence, the Magna Carta, and the Gettysburg Address.

HERE IS THE WORLD PICTURE

Why have the Communists succeeded in presenting themselves as idealists, champions of the common man, despite the fact that Africans and Asiatics have quoted the philosophy of domcracy? There are several answers to that question, but one is obvious: communism has made its literature easily available all over the world. It has spent millions spreading the literature of its ideology wherever anyone can read.

The Chicago Daily News has requested its foreign correspondents abroad to report upon the sale and availability of standard works presenting the philosophy of democracy on the one hand and communism on the other. Here are some of the results.

ENGLAND

From the letter of Ernie Hill, Chicago Daily News correspondent, London, England:

1. There are numerous bookstores that sell Marx and company at low cost. The Communist Party itself operates 36 regional bookstores and sells at below cost. Then there are several privately run stores that sell Communist literature at a profit * * * but still the costs are extremely low because they get them for almost nothing. Chief among these is Collett's. The manager recently wrote a letter to the Manchester Guardian stating that neither he nor his help were Communists, that they were selling Communist books because there was a demand for them. He pointed out that they also sold American books, although their trade is largely in Communist literature.

They sell Howard Fast's most venomous books at less than they sell American books. The Communists publish Howard Fast in London and send his books everywhere in the world to be sold at prices below normal.

Central Books at Red Lion Square also is in this business. It currently is advertising a new Russian book, A Book for Parents, at 7 cents a copy. It also is pushing a booklet, Public Education in the U. S. S. R., for 10 cents.

Nowhere can you buy Jefferson, Adams, Lincoln, for anything like these prices.

2. Communist pamphlets are very cheap and are given away in some of the 36 Communist bookstores. Prices range from 7 to 10 cents. A similar American paperback runs at least 30 cents.

3. There is considerable discussion of basic political philosophy at the London School of Economics, Oxford, and Cambridge. In London, the Socialist Party discusses little philosophy. It is a straight question of the working man against the investors, management, and inherited wealth.

Generally the people of England understand the basic philosophy of Marxism.

They also understand the basic philosophy of democracy in the United States. Since their own form of government is just about as democratic as ours, they are inclined to take these things for granted.

Collett's bookstore I have discovered is usually crowded with Indian students from the London School of Economics. They are generally very left wing and form a bloc of malcontents in Britain. There are something like 50,000 Indians in London and environs.

4. Practically everything from the United States and Union of Soviet Socialist Republics is available in London. In English of course.

5. American information libraries are rather inadequate to meet the Union of Soviet Socialist Republics challenge. There are only three—London, Manchester, and Edinburgh. The London library has 40,000 volumes but the other two only 4,000 each.

Manchester and Edinburgh are outposts of the London Library and handle mail requests for books to be loaned.

It is probably unfortunate that the London USIS library is in Grosvenor Square, one of the most expensive and exclusive districts of London. Very few people from East and South London ever come to Grosvenor Square, even to borrow books from the USIS. I have noticed that in some of the other world capitals the USIS library is located in a downtown area where all classes of people pass daily.

Grosvenor Square now houses the American Embassy's five buildings, the United States Navy's large establishment, and the American school for children up to 11, three residences of Indian millionaires, and a few assorted British millionaires and peers.

The library is a good one with adequate reference books but it perhaps is badly located to give the maximum benefits.

The USIS people say the trend is toward reducing library facilities rather than expanding them. * * *

The fact remains that we have nothing to compare with their (U. S. S. R.) cheap books distribution plan and are not likely to have anything. * * *

The world's opinions of the United States largely are formed from the motion pictures they see. Some of the pictures we export do us more harm than 100,000 anti-American Russian pamphlets.

ITALY

From the Chicago Daily News Bureau, Via Oreste Tommasini 13, Rome, Italy, comes this report:

1. There are many Communist bookshops in Rome, usually near neighborhood Communist headquarters, which have club rooms and reading rooms. All the Communist classics as well as later writings on Communist education for children, Communist education for workers, labor unions, etc., are available in Italian, at approximately half

the price of the paperbacks in Italian on American political and economic thought.

2. There are no American bookstores, though there is a commercial English bookstore which stocks American writings and orders them. Italian bookstores handle American books in English and in translation. The State Department has a program whereby Italian publishers translate and print American books. Instead of giving a subsidy, the Americans promise the Italian publisher they will buy a few thousand copies. These copies are then distributed free to libraries and universities in Italy, and among the people the Embassy calls public opinion molders.

3. There is a tremendous difference between the distribution methods of the Soviet Union and the United States of America. The Soviet Union subsidizes books in Italian with broad mass appeal, at a very low price, through the large Communist Party and the books are available in neighborhoods. The Americans, on the other hand, concentrate on getting their books into the hands of the intelligentia, students, and professional classes. For example, three recent books on American political thought, translated into Italian by Italian publishers, for sale in Italian bookshops and also distributed free to Italian libraries by the USIA are: The U. S. and the Permanent Revolution (cost paperback about $2.50); Peter Drucker, the New York Society (cost paperback about $3); David Hutton, the Promise of Productivity (cost paperback $3.50). That is a lot of money for an Italian earning about $100 a month. The printing is good, the paper is nice.

4. The Soviet Union's information library is run for them in the Communist Party headquarters. We, on the other hand, have a beautiful, quiet, restful library on the Via Veneto, the smartest street in downtown Rome. It is full of lawyers, doctors, economists, students, etc., but no ordinary Italian would have the nerve to walk in, even though it is on street level and a sign says "free entrance." I accompanied a young Italian architect who wanted to see some of our architectural magazines because he couldn't believe he wouldn't be thrown out of such a smart place. Now he goes there all the time and the building and House and Garden type of magazine is his joy in life. I fear there are many Italians like him who would not have gone in unless introduced or accompanied by an American. The American fashion magazines are slit to pieces by Italian women who go in with razor blades to cut out pictures of clothes, furniture, interior-decorating ideas. Also little ads concerning gadgets get cut out, indicating that Italian manufacturers take them, because they often appear on the Italian market within a few months after such a product is advertised in one of our home magazines. I think this is fine and shows our magazines are read. However, our librarians deplore the fact that the magazines get messed up and clipped. I think we ought to supply more of these magazines and let them clip away. It's cheap enough propaganda.

Here are the facts on the books Italians drew out of our American library during 1954.

A. Fiction: 21,229 withdrawals. This included Hemingway, Faulkner, Dreiser, and 19th century classics such as Melville, etc. There are no mystery books or purely popular fiction.

B. Literary criticism, poetry: 3,846.

C. Books on art: 3,781.

D. Political philosophy and psychology: 1,105.

Under political philosophy and psychology I found, in Italian: George Kennan's American Diplomacy; John Dewey, Democracy and Education; James Byrnes, Speaking Frankly; Walter Lippmann, The Good Society; Tom Paine by Dos Passos; a translation of the American Constitution; biographies of Jefferson, Franklin, but not their works; John Foster Dulles' War or Peace (looked like it had never been read, but it was there in Italian).

"Question. Why are not the Italian intelligentsia interested in our books on political philosophy?

"Answer. We judge America on what she does, not on what she says. We know all about that anticolonialism theory, but it does not work out that way in the U. N. (He was referring to our backing of France in Indochina and North Africa.)"

On the other hand, there is interest in American economic theory. Here Italians believe we practice what we preach. Almost all the books on the American way now being distributed in universities and asked for concern our economic theory of productivity, etc.

NOTE.—During 1954 the American Library drew 87,198 readers during the 227 days of the year it was open. The American Library closes on all Italian as well as American holidays and during the siesta hours between 1 and 4. This is a mistake; it could draw five times as many readers if it were open on holidays and during the siesta hour. Working Italians, apart from students, cannot possibly visit a library and browse during the hours when it is open: 9:30 to 1 and 4 to 7 excepting on Saturday afternoons when it is closed. All around the world I have found American libraries closed during the time when most people have leisure. This makes no sense to me.

The Communist bookshops and reading rooms, I notice, are always open on workers' holidays, when ordinary people have time to read.

The United States has two libraries in Italy, in Rome and Milan. The Soviet Union has its publications available through the Communist Party in every village and hamlet. Mass distribution of Communist literature is successful, because it goes into the towns and hamlets. We concentrate on the biggest cities. We think public opinion molders of Italy are in Rome and Milan. I am not so sure.

FRANCE

From Bill Stoneman, Chicago Daily News Bureau, 23 Rue de la Paix, Paris, France:

1. There are at least six bookshops in Paris which are devoted almost exclusively to the sale of Communist literature and which offer the works of Marx, Engels, Lenin, and Stalin in either Russian or French.

Two volumes of Marx-Engels which cost 24 rubles ($6) in Moscow cost 360 francs ($1) in Paris. Das Kapital, which costs 20 rubles ($5) in Moscow, costs 360 francs ($1) in Paris.

Works of the basic American political philosophies are difficult to buy in France because of the high cost of American books and the current shortage of American foreign exchange available for the purchase of books.

It is possible, however, to obtain practically anything one wants at Galignani's on the Rue du Rivoli where English books have been sold since 1800. Prices are excessive from the French point of view. A book costing $5 in New York is priced at 2,250 francs, the equivalent of $6.40.

However, a vast volume of good American literature is available in English through British publishing houses. They sell English and American classics in paperback pocket-size books at extremely low rates. The Nelson classics sell for 265 to 465 francs (80 cents to $1.40 approximately). The standard average price for a French paperback book is about 600 francs ($1.85). A very high percentage of American books are published in England and sold at less than half the price which is charged for American books.

Jefferson, Adams, and Lincoln are regarded here as peculiarly American figures many of whose ideas were acquired from British or French political philosophers. There is no natural market in France for their works or books concerning them. The principal British men of letters and formers of political thought are available in pocket classics at low cost.

There are reputed to be 38 French publishing firms, more or less controlled by the French Communist Party.

On the other hand most of the independent publishers in this country would normally turn out a large volume of anti-Communist literature because there is a heavy demand for it and, partly too, because of the influence of Catholicism.

2. The Communists churn out a lot of pamphlets and small-sized propaganda books, papers, and periodicals. They can be had in the half dozen openly Communist bookshops.

The United States alone turns out a number of giveaway publications which, on the whole, seem to be very well done and in any case are a lot more attractive than the Russian or Communist stuff.

American publications available here in France include Information and Documents, a twice-monthly periodical dealing with interesting developments in the United States and Franco-American relations; a series of brochures containing particularly significant statements by American leaders issued as part of the Plan of Peace series; and Problems of Communism, a very well-done booklet issued monthly and containing intelligent and telling attacks on the Soviet system by well-known writers of various nationalities.

The peace and liberty organization which is a militantly vigorous anti-Communist propaganda organization (financed by the United States) puts out a giveaway booklet called Defense of Truth also very well done.

3. France is a country of intellectuals and congenital philosophers and there is a greater interest in the study of political philosophy than in most countries.

The United States is not recognized as having any particular philosophy in the same sense that Russia lives on and by Marxist philosophy but the traditions of Anglo-Saxon liberalism and democracy are respected and understood. It is only when someone or something appears to challenge the fundamentals of the American system that the United States fails to enjoy the full respect of decent-minded Frenchmen.

4. Koestler's extremely damning books and Joseph Scholmer's violently anti-Communist book Vorkuta have been best sellers in France.

5. There is a large, well-organized, and heavily patronized American lending library with 15,000 volumes on the Champs Elysees. (This is presently being transferred to the left bank.) There are smaller libraries in Lyons, Lille, Strasbourg, and Marseilles.

GERMANY

From Chicago Daily News correspondent in Bonn, Germany:

The position in Germany is complicated. The Communist Party of Germany (KPD) is legal. It publishes several newspapers and maintains its own bookstores in several large cities.

By and large you won't find any of these publications in ordinary bookstores or newspaper kiosks.

There is a trial before the West German constitutional court to have KPD declared illegal (March 31, 1955).

Marx and Engels rank as German philosophers to whom a large number of non-Communist Social Democrats still pay lip service, although the Social Democrats no

longer call themselves a Marxist Party. Their works can be obtained, but there isn't much demand for them, or so it seems. Postwar editions have been few and limited for the most part to scholarly as opposed to political purposes. One combined catalog, with which I checked, listed only a new edition of the Early Writings of Marx.

The Stars and Stripes Army bookstands often have a good selection of Modern Library Giants, sometimes including Das Kapital in English translation.

Everything published in the Soviet Zone of Germany has a pronounced Soviet slant.

There is no KPD as such; only the Socialistiche Einheits Partei, or Socialist Unity Party, the SED, a forced amalgamation of the Social Democrats and the Communists which is unrecognized in Western Germany although it continues to be legal in West Berlin and presented candidates in the December election.

The principal newspapers of the Soviet Zone can still be obtained by anyone with a reasonable excuse for having them. They are not on sale publicly in the West, but I get them every day, 2 days late, from my regular newspaper dealer.

Pravda and Izvestia are available through a similar arrangement.

The Soviet Zone maintains extremely close and strict control over western publications. * * * Simple possession of a Western newspaper has been enough in some cases to produce a charge of warmongering.

From time to time it is proposed that there be a freer exchange of cultural and scientific publications between West and East Germany, but not very much has been achieved.

Works of Lenin and Stalin in German translation can be obtained only in the Soviet Zone. They are available in Russian in several large bookstores that specialize in foreign publications. One of these, in Nuremberg, had a sizable display at a meeting of Soviet refugees near Munich last summer. There were not only the Soviet originals but also a number of anti-Soviet publications in German from the Nazi period. They are described as antiquarian.

At the end of the political spectrum there is no limit to what may be published under the guise of memoirs or experiences from the Nazi and wartime periods. * * *

Basic political books in English are available at United States and British reading rooms which are scattered throughout Western Germany and Berlin and are well patronized.

I am astonished also at the number of translations that can be obtained in bookstores. Bullock's biography of Hitler, Wheeler-Bennett's study of the Wehrmacht, Churchill, Chester Wilmot's Struggle for Europe come immediately to mind.

All of these are of British origin, for which there are two reasons. Dollar royalties still are difficult to manage for German publishers; comparable books do not seem to have been written about Germany or Europe in the United States of America.

CANADA

Frank Flaherty reports from Canada:

Regular bookstores stock Communist classics put out by Modern Library and they sell for about $1.25. Modern Library editions of United States political classics are also stocked. There is no Communist bookstore in Ottawa but there is one in Toronto and perhaps one other in western Canada.

Outside of certain academic circles I don't notice much interest in questions of fundamental political philosophy. Communist principles are rarely discussed, Communist tactics often. There is no feeling that the basic philosophy of the United States lacks expression. There is too little understanding of what it is.

FAR EAST

Somewhat in contrast with the experience of Mr. Flaherty stand the observations of our Study Mission to Southeast Asia and the Pacific after visiting the USIA libraries of the Far East:

The fact that they [the libraries] are heavily used is an indication of their worth. Moreover, they are not only visited by the student and the casual reader but in a number of countries they service government officials, civil servants, and academicians. Most of the works are in English. In contrast the study mission noted the large number of Communist works printed in local language on sale in local bookstores for small sums because of heavy subsidy. These books were attractively bound and printed on expensive paper. The study mission recommends increased efforts by our agencies toward the development of a vigorous program of translation, publication, and distribution. The market is there, as evidenced by the eagerness on the part of the population to absorb foreign ideas.

The Christian Science Monitor, May 23, 1955, noted that the Communists have built a new broadcasting station at Pyongyang, North Korea's capital. They announced that personal letters from North Koreans would be read to relatives and friends in South Korea. During the first quarter of this year 2 million books, many of them editions of Marx, Engels, Lenin, and Stalin, were published or imported into North Korea.

Our own Congressional Library has given me a survey of Communist literature available in the Near and Middle East as well as an idea of its distribution. This survey I will refer to later in my remarks.

MEXICO

To Miss Joy A. Dickens, assistant to the cultural attaché of the United States Embassy in Mexico, I am indebted for a pamphlet, Lista General de Obras del Fondo de Cultura Popular, A. C. In this pamphlet are listed more than 100 Communist publications, including several pages devoted to the works of Stalin, Lenin, Marx, Engels. Miss Dickens writes:

The books are representative of the publications being distributed by the Communists through commercial channels. Their outlet is a local bookstore called Fondo de Cultura Popular. Most of the books are published in Moscow and generally sell for between 5 pesos (approximately 40 cents) and 12 pesos (96 cents). If these books were published as a commercial venture, they would be very cheap at double the price.

It might be interesting at this point to mention that about 12 percent of our books are published in Spanish; the Communist book list was 100 percent in Spanish.

NEAR AND MIDDLE EAST

The following report on Communist literature in the Near and Middle East is furnished me by Robert F. Ogden, Chief, Near East Section, Library of Congress:

The amount of Communist literature in the languages of the area, Arabic, Turkish, Persian, etc., actually in circulation has varied greatly with the political fortunes of the Communist parties and institutions active in the area. When such organizations have been banned, the amount of literature available for purchase and actually in circulation naturally decreased.

Since World War II, Communist Parties have been active in the majority of the countries of the area, with the exception of Turkey, Saudi Arabia, and some of the smaller units. Such parties have been particularly active in Iran, Iraq, Syria, Lebanon, and prepartition Palestine.

The literature used was at first locally printed but the trend is now toward Moscow imprints. The literature is of three general types: (1) Literature directed toward the idea of the peace movement and the propaganda through the orthodox churches; (2) literature dealing with the theory and accomplishments of communism, particularly the Soviet Union; (3) literature directly attacking the United States or the foreign policy of the United States.

This Section has not made a special attempt to collect such literature but some samples that have come to the Library of Congress usually by transfer are listed below. There are no examples in Turkish for the reason that Turkish control of printing and distribution of such literature has been particularly rigid and successful.

ARABIC

1. Translation: Conference of all the churches and religious sects in the Soviet Union for discussion of matters of the defense of peace.

No date or place of printing or author except the note "originated in the patriarchate of Moscow." The conference took place in May 1952.

2. Translation: America, the United States of America (in latin type), the country of the yellow satan.

3. Translation: The Way (magazine). Organ of the Israel Communist Party on problems and theory and practice. Published also in Hebrew.

4. Translation: That the Soviet people may go forward under the banner of Lenin-Stalin toward victory.

PERSIAN

5. Translation: The Great Civil War in the United States. (Moscow 1944.)

6. Translation: Orders of the High Command of the Grand Army. (Moscow 1945.)

7. Translation: Teymur and His Group (a boy's novel).

COMMUNIST PUBLICATIONS IN SOUTH ASIA

Horace I. Poleman, Chief of South Asia Section of the Library of Congress, furnishes the following report:

Communist publications fall into the three classes:

1. Russian classics (Tolstoy, Gorky, etc.) published in English in de luxe editions and sold for a few cents each.

These appear in all bookstores.

2. Pamphlets of 25–100 pages in English with attractive covers published in Russia and China and in the area of south Asia, interpreting life in Russia and China in most glowing terms. They are sold for a few cents each and appear in book bazaars everywhere.

3. Books and pamphlets in the principal vernacular (Hindi, Urdu, Bengali, Panjabi, Gujarati, Marathi, Tamil, Telugu, Malayalam, Kanhada) interpreting in simple language the principles of communism and benefits communism would bring to the peoples of these countries. They are mostly by nature authors, published in the area and sold everywhere for a few cents each.

The Peoples Publishing House in Bombay, with branches in other large cities is the principal publisher and distributor of Communist publications in the area. It has bookstores and counters by the hundreds throughout the area. It is believed to be subsidized by the Russian Government. It publishes attractive pamphlet and book material in English and the vernaculars.

Since the educated people of the area are highly literate in English, Russian classics

appear there only in that language. The material in the vernaculars is intended largely for people with little education.

Photographs of title pages of two books in English are provided, and a photograph of a title page of the constitution of the Communist Party of India in Hindi, all published by the Peoples Publishing House (Jana-Prakasana Grha).

COMMUNIST PUBLICATIONS IN SOUTHEAST ASIA

The following report is by Cecil Hobbs, Reference Librarian for Southeast Asia, Library of Congress:

1. Thailand: The sale or distribution of Communist publications in any manner has been banned by the Thai Government. Prior to this ban the Ta Chung Wen Fa Co., later known as the Hua Chiao Bookstore, sold Communist publications issued by the Foreign Languages Publishing House in Moscow. The books and pamphlets were printed in English, Thai, or Chinese.

2. Burma: Communist books and pamphlets are sold freely in the bookstores and bazaar stalls throughout Rangoon. The subject presented in the publications deal with Communist doctrine in general and the story about the development of communism in China in particular. All Communist publications which appear in both English and Burmese may be purchased for a very few pyas or kyats (e. g., from 5 cents to 35 cents).

3. Indonesia: Communist publications—books and pamphlets issued in English, Indonesian, or Chinese—are easily purchased in the principal cities. Scores of bazaar stalls carry the Communist publications along with non-Communist publications, but in larger cities—like Medan, Djakarta, Soerabaja, and Bandung—there are a couple of large bookstores which stocked and sold Communist publications almost exclusively.

Four kinds of publications were stocked in these Communist bookstores: (1) Those which present the general Communist doctrines; (2) those which pertain specifically to communism in Indonesia; (3) those which tell about communism in China; and (4) Communist comic books of a propaganda nature. These publications are issued in English, Indonesian, or Chinese. In most instances the books and pamphlets are not in expensive binding, usually paperbacks, and are sold at a very low price.

The Communist publications in the English language carry the imprint of the Foreign Languages Publishing House in Peking and Moscow.

4. Malaya, Singapore, Indochina, and Philippines: Communist publications are rarely seen in the bookstores of these countries. Apparently firm controls are exercised, although I know of no ban on Communist publications like that in Thailand.

While the picture I have presented is not complete it is derived from varied sources and covers a reasonably wide area. It is not reassuring, much less flattering; but it should jolt us out of our complacency. The world is changing. People who once stolidly accepted the status quo today are hungering for the philosophy which we enunciated in the Declaration of Independence and built into our Constitution. It is not enough that we are a world power. World leadership is within our grasp. We must reach out and seize the opportunity.

The struggle to win the hearts and minds of people all over the world is in progress. With confidence in the teachings of their own political philosophers the Communists are putting a book into the hands of anyone who can read, comic books into the hands of children. With confidence in the power of their political and economic philosophies they are sending Marx, Engel, Lenin, and Stalin into every village and hamlet where one person can read. Their books are within easy reach of the purchasing power of every worker.

Our own program is commendable but obviously inadequate. The reports which I have quoted indicate that we are not reaching the grassroots. Bandung has indicated an awakening in Asia and Africa which we must not underestimate. The democratic philosophy which was the inspiration of our own national beginnings cannot fail to fire those whose aspirations are like our own. Unless we act now we shall awake from our complacency to find that our effort has been too little and too late.

Mr. Speaker, I have now completed my report of progress. I have outlined what is intended when we reconvene. The program is as simple as simplicity itself. It is to win the battle for the hearts and minds of men in foreign climes with the same classics of democracy that won the hearts and minds of the men and women who built these United States. I look forward hopefully to the 2d session of the 84th Congress.

SECTION 1032 OF THE INTERNAL REVENUE CODE OF 1954

Mr. MILLS. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas.

There was no objection.

Mr. MILLS. Mr. Speaker, early this spring it came to my attention that the tax services and commercial publications were advertising as a loophole a section of the Internal Revenue Code of 1954 about which I had long had misgivings. That section is section 1032 which provides as follows:

(a) Nonrecognition of Gain or Loss: No gain or loss shall be recognized to a corporation on the receipt of money or other property in exchange for stock (including treasury stock) of such corporation.

(b) Basis: For basis of property acquired by a corporation in certain exchanges for its stock, see section 362.

The terms of this provision operate to permit corporations who trade in their own stock for a profit to escape taxation on the gains derived from such activity. The only offsetting liability imposed for this generosity is the denial of any losses incurred from such activity.

The issuance of stock by a corporation has never been treated for tax purposes as an event giving rise to the recognition of taxable gain or deductible loss for the sound reason that the proceeds of such transactions produce capital and do not give rise to income. However, until the enactment of section 1032 of the Internal Revenue Code of 1954 treasury stock had always been dealt with by Treasury regulations interpreting the general provisions of the law defining gross income. These regulations which, with minor changes, date from May 2, 1934—Treasury Decision 4430, XII–1 C. B. 36—provide as follows:

Section 39.22 (a)–15: Acquisition or disposition by a corporation of its own capital stock. (a) Whether the acquisition or disposition by a corporation of shares of its own capital stock gives rise to taxable gain or deductible loss depends upon the real nature of the transaction, which is to be ascertained from all its facts and circumstances. The receipt by a corporation of the subscription price of shares of its capital stock upon their original issuance gives rise to neither taxable gain nor deductible loss, whether the subscription or issue price be in excess of, or less than, the par or stated value of such stock.

(b) However, if a corporation deals in its own shares as it might in the shares of another corporation, the resulting gain or loss is to be computed in the same manner as though the corporation were dealing in the shares of another. So also if the corporation receives its own stock as consideration upon the sale of property by it, or in satisfaction of indebtedness to it, the gain or loss resulting is to be computed in the same manner as though the payment had been made in any other property. Any gain derived from such transactions is subject to tax, and any loss sustained is allowable as a deduction where permitted by the provisions of the Internal Revenue Code.

The Tax Court has applied these regulations uniformly, holding that a corporation was not dealing in its shares as it might the shares of another corporation where motivated by a nonprofit business purpose requiring the use of its stock. The Circuit Courts of Appeal, with equal uniformity, have refused to follow the motive test laid down by the Tax Court, holding, instead, that any disposition of treasury stock gives rise to taxable gain or deductible loss except in the case of a capital readjustment actually involving retirement and reissuance of shares.

The rule of the tax court applied the regulation literally to determine whether or not the corporation was trading in its own shares as it might in the shares of another for profit. As so applied the regulation turned on substance rather than form, and application was premised upon a search inquiring into the facts and circumstances surrounding the transaction in treasury stock for purpose of determining whether or not the transaction was motivated by no more than a desire for profit. The rule of the circuit courts, on the other hand, turned only upon whether or not the corporation went through the mechanics of actually retiring its treasury stock and issuing new stock. Finally, in *Burrus Mills, Incorporated* (22 T. C. 881 (1954)), the tax court, after remarking upon the futility of its position, in the face of repeated reversals in circuit courts of appeal reversed its position and adopted that of the courts of appeal. The resulting uniformity was shortlived for on the following day the Court of Claims decided the case of *Anderson, Clayton & Company* v. *U. S.* (122 F. Supp. 837 (1954)), holding that a sale of treasury stock to executives at a profit for the purpose of keeping control in the active management group did not result in taxable gain. The Supreme Court of the United States granted certiorari on February 7, 1955. I am told that this and 11 other

cases, involving a total of $830,000, are awaiting the decision of the Supreme Court.

The differences between authorized but unissued stock and treasury stock, while usually unappreciated by those outside the legal profession, are fundamental to an understanding of why treasury stock is so much in demand for corporate business purposes.

A corporation desiring to issue new stock must comply with many laws and regulations which exist for the protection of stockholders which are not applicable in the case of treasury stock. For example, the disposition of treasury stock lies completely within the discretion of the board of directors who may dispose of it without considering the wishes of stockholders or considering stockholders' preemptive rights. In addition, the directors may sell treasury stock for less than its par or stated value. Treasury stock is usually nonassessable and free of many of the State and Federal security regulations applicable to unissued stock and last, but not least, the Federal stamp tax imposed on the transfer of such stock is less than that imposed upon the issuance of stock. To these traditional incentives for a corporation acquiring and dealing in its own stock, section 1032 has made another and far more profitable addition. The corporation can now by law deal in its own shares and enjoy its profits free of taxation.

These, and other considerations, are not taken into account by those who argue that there is no practical difference between a purchase and resale of a corporation's stock and the purchase and retirement of stock followed by the issuance of new shares. The logic of bookkeeping may, indeed, take no cognizance of the differences, but this cannot obscure the practical differences inherent in the very nature of the two types of stock.

The differences in tax treatment accorded transactions involving newly issued stock and treasury stock by the statutes and courts led corporations holding both authorized but unissued stock and treasury stock to use the treasury stock only if the price they had paid for it was less than its cost, thus producing a tax loss. However, if the price paid for the treasury stock was less than its current market price, the authorized but unissued stock would be used to accomplish their purpose, thus avoiding the capital gain tax. In this manner, corporate taxpayers were enabled to eat their cake and have it, too. This coupled with the uncertainty produced by the conflict between the Tax Court and the courts of appeal described above, gave rise to section 1032.

When I drew the tax avoidance possibilities of section 1032 to the attention of the Secretary of the Treasury, he replied, under date of June 6, 1955, denying the existence of the loophole in the following language:

> The Treasury staff has reveiwed again section 1032 of the Internal Revenue Code which you asked me to look at because it was alleged to be a loophole that would result in large revenue losses. We believe this is not the case and that the new rules adopted in 1954 are better than the old law. Under the old law, companies could take a tax loss on sales of treasury stock if they had a loss on it, but if there was a gain involved, instead of selling treasury stock and having a tax to pay on the gain, they could simply issue new stock which did not result in any taxable gain. Thus the old law really provided a loophole because companies could take losses but avoid taxes on gains. The opportunity to handle transactions to the taxpayer's advantage was noted in the report of the joint Treasury and Congressional Staff Committee in 1953 which studied this point of the tax law.
>
> Corporations typically buy and use their own stock only for limited purposes, in connection with mergers, or stock option and bonus plans. These transactions can be and often are handled by newly issued stock and are then clearly capital transactions. The fact that they may buy their own stock and use it instead of new stock does not change the real character of the transactions.
>
> The Securities and Exchange Commission holds that any gain or loss arising from dealings in treasury stock affects the capital account and should not be reported in income or in earned surplus. Thus the old tax rule was directly contrary to what was required for reports to stockholders and the public.
>
> There are relatively few instances where corporations deal in their own stock for profit and loss. If officers arrange for a corporation to buy up its own stock because of inside information, both the corporation and its officers are liable to the same sort of penalties under the Securities and Exchange Act as the officers would be if they traded in the stock for their own account.
>
> We shall continue to watch the operation of this and all other provisions of the tax law. If any abuses arise we shall promptly report them to the Congress.

Although I have a high regard for the Secretary, as a member of the tax-writing Ways and Means Committee, I feel qualified through actual experience to recognize the inaccuracies of the Secretary's opinions with respect to the existence of a loophole and I was under the impression that his statements regarding the operation of the laws administered by the Securities and Exchange Commission were incorrect. To verify my impression I wrote to the Securities and Exchange Commission on June 7, 1955, asking if there was any law or regulation imposing a penalty on a corporation buying and selling its own stock similar to the penalty imposed upon the officers or directors of corporations who indulge in inside dealings. On this point the Securities and Exchange Commission replied as follows:

> There is no law or regulation which imposes upon a corporation that buys and sells its own stock the penalty that is imposed upon officers and directors who trade in such stock, such as provided by section 16 (b) of the Securities Exchange Act of 1934. In this connection rule X-16A-4 (b) exempts from the provisions of section 16 (b) securities reacquired by an issuer for its account during the time they are held by the issuer. Clearly, the issuer could not recover trading profits from itself.

The Securities and Exchange Commission also supplied me with the information that of hundreds of thousands of corporations required to register, only 376 companies subject to the Public Utilities Holding Company Act of 1935 and 354 companies subject to the Investment Company Act of 1940 are subject to restrictions imposed by the Securities and Exchange Commission regarding the acquisition and sale of the companies' own stock. The Securities and Exchange Commission has similar authority with respect to securities issued by closed-end investment companies. It appears that the SEC's statement is directly contrary to that of the Secretary of the Treasury. The rest of the Secretary's statements are similarly subject to criticism because they are not directed to the subject at hand. For example, it is true that the Securities and Exchange Commission holds that gain or loss arising from dealings in treasury stock affects the capital account of a corporation and should not be treated as income or earned surplus. However, this ruling is premised upon the requirements not of taxation but business reporting. The logic of bookkeeping may require such profits to be excluded from the operating income of a corporation, but the logic of taxation was, until section 1032, and should now be, equally adamant in requiring such profits to be included in income for the purpose of determining the corporation's income tax. These profits should also be included in earnings and profits of the corporation for purposes of determining the amount of dividends to be taxed to the corporation's shareholders. Surely, the Secretary of the Treasury could not believe that earned surplus for purposes of bookkeeping is equivalent to earnings and profits, or that the considerations governing taxation are always identical to those adopted by accountants in their theoretical analyses. Yet, to read his letter, one would think he does.

The Secretary of the Treasury assures me in his letter that there are relatively few instances where corporations deal in their own stock for a profit. However, he does not attempt to prove his point with statistics, and his statement would seem to be contradicted by the fact that 11 cases, involving $830,000, are currently pending before the courts. Untold others involving presection 1032 law are yet to be processed before assessments can be made. If only those companies listed on the New York Stock Exchange are taken into account, the amount of Treasury stock held is tremendous and the volume of trading in such shares is more than substantial.

It is my belief that the enactment of section 1032 has served to increase the volume of trade in treasury stock, and such trade will continue to increase in volume now that such transactions are no longer subject to the capital gains tax. Section 1032 is more than a loophole. It is an open sesame to speculation by a corporation in its own stock—an invitation to reap untaxed profits.

The law existing prior to the enactment of section 1032 had its imperfections and uncertainties. This, I do not deny. But section 1032 is worse as a cure than the disease. Under the old law, corporations were not freed from the reporting requirement with respect to dealings in treasury stock generally imposed by the tax laws. This provided a source of information as to the number of corporations dealing in their

own stock and as to the number and value of the shares involved. This requirement, together with the fact that corporations were required to pay taxes on any gain derived from dealing in their own shares, acted as a brake on the number of companies indulging in such activity.

Putting the best face possible upon section 1032, it is a poor substitute for the Treasury regulations which its authors intended it to replace. The provision is not as broad as the regulations. It mentions neither the tax consequences to a corporation on acquisition of its own capital stock nor the consequences to the corporation when such stock is exchange for services rather than money or property. If the objectives of the section had any justification at all, that justification lies only in the fact that a corporation should be entitled to reward the services of its employees through incentive plans involving the corporation's stock.

The tax laws have long been designed to encourage such incentive programs. However, section 1032 fails to include services as one of the considerations for which a corporation can gain its benefits. Yet a loophole is wide open in it for transactions involving money or property.

I believe that it is possible to deal with the problems proposed by the old Treasury regulations without granting the carte blanche of untaxed profits awarded by section 1032. For that reason, I renew my request to the Secretary of the Treasury for a review of section 1032, for a review of the workings of section 1032 in conjunction with subchapter C of chapter 1 of the Internal Revenue Code of 1954, and urge him to make recommendations for bringing that section into line with the sound administrative and fiscal principles which should govern our tax laws.

SUPPLEMENTAL APPROPRIATIONS FOR THE FISCAL YEAR ENDING JUNE 30, 1956

Mr. CANNON submitted a conference report and statement on the bill (H. R. 7278) making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. COOPER in two instances and to include a report from the Treasury Department with respect to the tax treatment of cooperatives.

Mr. VINSON, and to include an address made by Hon. DEWEY SHORT before the Post-Graduate Medical Society at Houston, Tex.

Mr. MULTER and to include extraneous matter.

Mr. MULTER, the remarks he expects to make in Committee of the Whole today and to include extraneous matter.

Mr. SIKES and to include other material.

Mr. WALTER and to include an article.

Mr. FALLON.

Mr. REECE of Tennessee (at the request of Mr. BROWN of Ohio) and include certain material.

Mr. RADWAN (at the request of Mr. ARENDS).

Mr. MILLER of Nebraska.

Mr. POWELL (at the request of Mr. MADDEN) in two instances and to include extraneous matter.

Mr. PATMAN, his remarks made in Committee of the Whole and to include extraneous matter.

Mr. HÉBERT (at the request of Mr. MULTER) and to include extraneous matter.

Mrs. KELLY of New York (at the request of Mr. ZABLOCKI) and to include extraneous matter.

Mr. ZABLOCKI.

Mr. MACK of Washington and to include extraneous matter.

Mr. THOMSON of Wyoming.

Mr. DODD and to include extraneous matter.

Mr. MCDONOUGH.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 366. An act for the relief of Bart Krijger; to the Committee on the Judiciary.

S. 421. An act for the relief of Jose Alvarez; to the Committee on the Judiciary.

S. 433. An act for the relief of Markos Demetrius Spanos; to the Committee on the Judiciary.

S. 912. An act to amend the Act of April 23, 1930, relating to a uniform retirement date for authorized retirements of Federal personnel, and the Foreign Service Act of 1946, as amended; to the Committee on Post Office and Civil Service.

S. 1105. An act for the relief of Mrs. Lieselotte Emilie Dailey; to the Committee on the Judiciary.

S. 1118. An act for the relief of Katherine Lajimodiere (nee Schneeberger); to the Committee on the Judiciary.

S. 1125. An act for the relief of Stephen Fodo; to the Committee on the Judiciary.

S. 1226. An act for the relief of Soterios Christopoulos; to the Committee on the Judiciary.

S. 1299. An act for the relief of Mrs. Esteni Rodriguez Estopinan de Witlicki; to the Committee on the Judiciary.

S. 1348. An act for the relief of Anna Jerman Bonito; to the Committee on the Judiciary.

S. 1357. An act for the relief of Ingeburg Edith Stallings (nee Nitzki); to the Committee on the Judiciary.

S. 1594. An act for the relief of Dosinda Gonzalez Mendez; to the Committee on the Judiciary.

S. 1676. An act for the relief of Antonio Domenico Narciso Bianchi; to the Committee on the Judiciary.

S. 1682. An act for the relief of Maria Del Carmen Intriago Martinez; to the Committee on the Judiciary.

S. 1706. An act for the relief of Spyridon Saintoufis and his wife Efrossini Saintoufis; to the Committee on the Judiciary.

S. 1732. An act for the relief of Panagiotis Nicolas Lalos and his wife, Antyro Panagiotis Lalos; to the Committee on the Judiciary.

S. 1787. An act for the relief of Edith Kalwies; to the Committee on the Judiciary.

S. 1818. An act to limit the amount of land on Federal irrigation projects which may be exchanged under the act of August 13, 1953; to the Committee on Interior and Insular Affairs.

S. 1882. An act for the relief of Constantine Salmon; to the Committee on the Judiciary.

S. 1888. An act for the relief of Cesare Picco; to the Committee on the Judiciary.

S. 1905. An act for the relief of Winston Bros. Co. and the Utah Construction Co. and the J. A. Terteling & Sons, Inc.; to the Committee on the Judiciary.

S. 1917. An act to authorize the construction within Grand Teton National Park of an alternate route to United States Highway 89, also numbered U. S. 187 and U. S. 26 and the conveyance thereof to the State of Wyoming, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 1933. An act for the relief of Dr. Elpidio Dosado, Aurelia, Deanna, Elpidio, Jr., and Ambrosio Dosado; to the Committee on the Judiciary.

S. 1972. An act for the relief of William Theodore and Emily Sansur Saad; to the Committee on the Judiciary.

S. 1973. An act for the relief of Toufic N. Jildeh; to the Committee on the Judiciary.

S. 1983. An act for the relief of Myra Louise Dew; to the Committee on the Judiciary.

S. 2036. An act for the relief of Rosa Roppo; to the Committee on the Judiciary.

S. 2053. An act for the relief of Ivan Gerasko; to the Committee on the Judiciary.

S. 2060. An act to amend the act of March 3, 1901 (31 Stat. 1449), as amended, to incorporate in the Organic Act of the National Bureau of Standards the authority to use the working capital fund, and to permit certain improvements in fiscal practices; to the Committee on Interstate and Foreign Commerce.

S. 2197. An act to authorize the Secretary of the Interior to distribute equally to members of the Kaw Tribe of Indians certain moneys to the credit of the tribe in the United States Treasury; to the Committee on Interior and Insular Affairs.

S. 2556. An act to provide assistance for certain landless Indians in the State of Montana; to the Committee on Interior and Insular Affairs.

S. 2569. An act to provide certain basic authority for the Department of State; to the Committee on Foreign Affairs.

S. 2575. An act for the relief of Mrs. Gertrud Hildegard Nichols; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 291. An act to extend the retirement income tax credit to members of the Armed Forces;

H. R. 542. An act to amend the Internal Revenue Code;

H. R. 727. An act to authorize the conveyance of certain land to the Pecwan Union School District for use as the site of a school;

H. R. 898. An act to provide for the approval of deeds executed by the heirs of Anna Hollywood Fickz;

H. R. 910. An act to authorize and direct the sale of certain land in Alaska to John Ekonomos, of the Fairbanks precinct, Alaska;

H. R. 939. An act for the relief of Laura Safir;

H. R. 999. An act for the relief of Nurith Spier;

H. R. 1159. An act for the relief of Anna Histed (nee Wiesneth);

H. R. 1160. An act for the relief of Vittorio Capano;

H. R. 1408. An act for the relief of Caterina Ruello;

H. R. 1976. An act for the relief of Luigi Tomasella;

H. R. 2788. An act for the relief of Miguel Sandoval-Michel (also known as Arturo Rodriguez-Gomez);

H. R. 2851. An act to make cornmeal and wheat flour available to needy persons;

H. R. 3437. An act to amend the Internal Revenue Code of 1954 to provide for a maximum manufacturers' excise tax on the leases of certain automobile utility trailers;

H. R. 3587. An act granting the consent of the Congress to the negotiation of a compact relating to the waters of the Klamath River by the States of Oregon and California;

H. R. 3626. An act for the relief of Ilse Werner;

H. R. 3712. An act to extend the period during which claims for floor stocks refunds may be filed with respect to certain manufacturers' excise taxes which were reduced by the Excise Tax Reduction Act of 1954;

H. R. 3822. An act to amend title V of the Agricultural Act of 1949, as amended;

H. R. 3856. An act for the relief of Leopoldine Simonetti;

H. R. 3956. An act for the relief of Elizabeth Rotics Whitney;

H. R. 3990. An act to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development, and utilization of the water resources of Alaska;

H. R. 4718. An act to authorize and direct the issuance of patent to Robert W. Retherford, of Anchorage, Alaska, to certain land in Alaska;

H. R. 4970. An act for the relief of Edeltraudt Margot Gallagher, nee Hackelberg;

H. R. 5080. An act for the relief of Florence E. McConnell;

H. R. 5767. An act for the relief of Sally S. Shulman or Zell Sholman;

H. R. 5936. An act to provide wage credits under title II of the Social Security Act for military service before April 1956, and to permit application for lump-sum benefits under such title to be made within 2 years after interment or reinterment in the case of servicemen dying overseas before April 1956;

H. R. 6002. An act for the relief of Helene Rapp;

H. R. 6036. An act for the relief of Mrs. Florentine Kintzel;

H. R. 6886. An act to amend the act of October 19, 1949, entitled "An act to assist States in collecting sales and use taxes on cigarettes";

H. R. 6896. An act for the relief of Luisa Guidi Miller;

H. R. 7148. An act to amend the Internal Revenue Codes so as to provide a personal exemption with respect to certain dependents in the Republic of the Philippines; and

H. R. 7224. An act making appropriations for Mutual Security for the fiscal year ending June 30, 1956, and for other purposes.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did, on July 28, 1955, present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 3338. An act to amend section 1 of the act of March 12, 1914;

H. R. 4808. An act to authorize the transmission through the mails of certain keys, identification devices, and small articles, and for other purposes;

H. R. 6454. An act to amend the joint resolution approved August 30, 1954, relating to the establishment of the Woodrow Wilson Centennial Celebration Commission, and for other purposes; and

H. J. Res. 157. Joint resolution to establish a Commission on Government Security.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BENNETT of Michigan (at the request of Mr. MEADER), on account of serious illness of his father.

Mr. MCGREGOR (at the request of Mr. MCCULLOCH), on account of sickness and death in the family.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 17 minutes p. m.), under its previous order, the House adjourned until tomorrow, Saturday, July 30, 1955, at 10:30 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1048. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal and list or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

1049. A letter from the Postmaster General, transmitting a draft of proposed legislation entitled "A bill to revise, codify, and enact into law, title 39 of the United States Code, entitled 'The Postal Service'"; to the Committee on the Judiciary.

1050. A letter from the Comptroller General of the United States, transmitting a report on the audit of the government of the Virgin Islands of the United States for the fiscal year ended June 30, 1954, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act, 1950 (31 U. S. C. 67); to the Committee on Government Operations.

1051. A letter from the Secretary of the Interior, transmitting a report on the Ventura project, California, pursuant to section 9 (a) of the Reclamation Project Act of 1939 (53 Stat. 1187) (H. Doc. No. 222); to the Committee on Interior and Insular Affairs and ordered to be printed with illustrations.

1052. A letter from the Secretary of the Interior, transmitting a copy of an order canceling $2,178 of delinquent irrigation operation and maintenance assessments against the land of Ambrose Smartlowat, allotment No. 2701, Wapato Indian irrigation project, Yakima County, Wash., pursuant to the act of Congress approved July 1, 1932 (47 Stat. 564; 25 U. S. C. 386a); to the Committee on Interior and Insular Affairs.

1053. A letter from the Chairman, United States Atomic Energy Commission, transmitting the 18th Semiannual Report of the United States Atomic Energy Commission, pursuant to the Atomic Energy Act of 1954; to the Joint Committee on Atomic Energy.

1054. A letter from the Assistant Chief of Engineers for Civil Works, Department of the Army, relative to a report on the Arkansas, White, and Red River Basins—a report on the conservation and development of the water and land resources, pursuant to Public Law 516, 81st Congress; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee of conference. H. R. 4249. A bill for the relief of Orrin J. Bishop (Rept. No. 1569). Ordered to be printed.

Mr. WALTER: Committee on the Judiciary. Report pursuant to House Resolution 22 pertaining to an Intergovernmental Committee for European Migration and Immigration to the United States; without amendment (Rept. No. 1570). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. House Joint Resolution 194. Joint resolution to designate the General Grant tree (known as the Nation's Christmas Tree) in Kings Canyon National Park, Calif., as a national shrine, and for other purposes; with amendment (Rept. No. 1571). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6804. A bill to authorize the Secretary of the Interior to distribute equally to members of the Kaw Tribe of Indians certain moneys to the credit of the tribe in the United States Treasury; with amendment (Rept. No. 1572). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'NEILL: Committee on Rules. House Resolution 330. Resolution for consideration of H. R. 7126, a bill to provide grants to assist States to meet the cost of poliomyelitis vaccination programs, and for other purposes; without amendment (Rept. No. 1574). Referred to the House Calendar.

Mr. ENGLE. Committee on Interior and Insular Affairs. S. 1906. An act to authorize the Pueblos of San Lorenzo and Pojoaque in New Mexico to sell certain lands to the Navaho Tribe, and for other purposes; without amendment (Rept. No. 1575). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 756. An act to authorize the appropriation of accumulated receipts in the Federal aid to wildlife-restoration fund established by the Pittman-Robertson Act and to authorize the expenditure of funds apportioned to a State under such act for the management of wildlife areas and resources; without amendment (Rept. No. 1576). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. S. 2049. An act to provide recognition of the 50th anniversary of the Devils Tower National Monument, Wyo., the first national monument, established by the President of the United States pursuant to the Antiquities Act of 1906; to authorize the addition of certain land to the monument, to permit land exchanges, and for other purposes; without amendment (Rept. No. 1577). Referred to the Committee of the Whole House on the State of the Union.

Mr. LONG: Joint Committee on Disposition of Executive Papers. Report pursuant to act approved July 6, 1945 (59 Stat. 434; 57 Stat. 380); without amendment (Rept. No. 1578). Ordered to be printed.

Mr. LONG: Joint Committee on Disposition of Executive Papers. Report pursuant to act approved July 6, 1945 (59 Stat. 434; 57 Stat. 380); without amendment (Rept. No. 1579). Ordered to be printed.

Mr. LONG: Joint Committee on Disposition of Executive Papers. Report pursuant to act approved July 6, 1945 (59 Stat. 434; 57 Stat. 380); without amendment (Rept. No. 1580). Ordered to be printed.

Mr. BLATNIK: Committee on Public Works. H. R. 6686. A bill providing for a preliminary examination and survey by the Secretary of the Army for the purpose of controlling water chestnut infestation in the upper Chesapeake Bay tributaries; without amendment (Rept. No. 1581). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. S. 180. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Washita River Basin reclamation project, Oklahoma; without amendment (Rept. No. 1582). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 5806. A bill to authorize the Secretary of the Interior to execute a repayment contract with the Yuma Mesa Irrigation and Drainage District, Gila project, Arizona, and for other purposes; with amendment (Rept. No. 1583). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee of conference. H. R. 5078. A bill for the relief of the estate of Victor Helfenbein (Rept. No. 1584). Ordered to be printed.

Mr. LANE: Committee of conference. H. R. 1003. A bill for the relief of Mrs. Lorenza O'Malley (de Amusategui), Jose Maria de Amusategui O'Malley, and the legal guardian of Ramon de Amusategui O'Malley (Rept. No. 1585). Ordered to be printed.

Mr. CANNON: Committee of conference. H. R. 7278. A bill making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes (Rept. No. 1586). Ordered to be printed.

Mr. BARDEN: Committee on Education and Labor. H. R. 2840. A bill to promote the further development of public library service in rural areas; without amendment (Rept. No. 1587). Referred to the Committee of the Whole House on the State of the Union.

Mr. PATMAN: Select Committee on Small Business. Report pursuant to House Resolution 114, pertaining to Washington Square Southeast slum-clearance project; without amendment (Rept. No. 1588). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 7433. A bill to provide assistance for certain landless Indians in the State of Montana; without amendment (Rept. No. 1589). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H. R. 5556. A bill authorizing a preliminary examination and survey of McGirts Creek, Fla., for flood control; without amendment (Rept. No. 1590). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. S. 1899. An act to authorize the improvement of the Amite River and its tributaries; without amendment (Rept. No. 1591). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H. R. 6256. A bill granting the consent of Congress to the States of Kansas and Oklahoma to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Arkansas River and its tributaries as they affect such States; with amendments (Rept. No. 1592). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLATNIK: Committee on Public Works. H. R. 7596. A bill to provide for the disposal of federally owned property at obsolescent canalized waterways and for other purposes; without amendment (Rept. No. 1593). Referred to the Committee of the Whole House on the State of the Union.

Mr. SIMPSON of Pennsylvania: Committee on Ways and Means. H. R. 4582. A bill to amend the Internal Revenue Code of 1954 with respect to deductions from gross income of amounts contributed to employees trusts; with amendments (Rept. No. 1594). Referred to the Committee of the Whole House on the State of the Union.

Mr. MASON: Committee on Ways and Means. H. R. 7036. A bill to amend section 37 of the Internal Revenue Code of 1954 so as to conform its provisions respecting retirement income tax credit to the corresponding liberalized provisions of the Social Security Amendments of 1954, and to extend its provisions to members of the Armed Forces; with amendment (Rept. No. 1595). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOPER: Committee on Ways and Means. H. R. 7094. A bill to amend section 120 of the Internal Revenue Code of 1939 (relating to unlimited deduction for charitable contributions); with amendments (Rept. No. 1596). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOPER: Committee on Ways and Means. H. R. 7466. A bill to amend paragraph 367 of the Tariff Act of 1930 which defines substitutes for jewels in imported watch movements; without amendment (Rept. No. 1597). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOPER: Committee on Ways and Means. H. R. 5265. A bill to exempt certain additional foreign travel from the tax on the transportation of persons; with amendments (Rept. No. 1598). Referred to the Committee of the Whole House on the State of the Union.

Mr. CURTIS of Missouri: Committee on Ways and Means. H. R. 7247. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of gain in certain railroad reorganizations; with amendments (Rept. No. 1599). Referred to the Committee on the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ENGLE: Committee on Interior and Insular Affairs. S. 1745. An act authorizing the Secretary of the Interior to issue a patent in fee to Nellie Ohlerking Archambeau Moran; without amendment (Rept. No. 1573). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLATNIK:

H. R. 7717. A bill to promote the welfare of the American Indian citizens of Minnesota and to facilitate the orderly termination of Federal supervision and control over Indians and Indian property in that State, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. McMILLAN:

H. R. 7718. A bill to authorize the Capital Transit Co., under certain conditions, to surrender its franchise, and for other purposes; to the Committee on the District of Columbia.

By Mr. PATTERSON:

H. R. 7719. A bill to amend section 1321 of the Internal Revenue Code of 1954 relating to involuntary liquidation of LIFO inventories; to the Committee on Ways and Means.

By Mr. DEMPSEY:

H. R. 7720. A bill to amend and supplement the Federal Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes; to the Committee on Public Works.

By Mr. ABBITT:

H. R. 7721. A bill to repeal the manufacturers' excise tax on pencils and pens; to the Committee on Ways and Means.

By Mr. BROYHILL:

H. R. 7722. A bill to authorize the Capital Transit Co., under certain conditions, to surrender its franchise, and for other purposes; to the Committee on the District of Columbia.

By Mr. CARNAHAN:

H. R. 7723. A bill to authorize the Secretary of Agriculture to convey certain lands in Phelps County, Mo., to the Chamber of Commerce of Rolla, Mo.; to the Committee on Agriculture.

By Mr. CELLER:

H. R. 7724. A bill to provide that the Congregation Shearith Israel Cemetery, on St. James Place below Chatham Square in New York City, shall be a national shrine; to the Committee on Interior and Insular Affairs.

By Mr. COOPER:

H. R. 7725. A bill to provide a lower rate of tax on certain business income from foreign sources, and to postpone tax on income from foreign branches until withdrawn from the country where earned; to the Committee on Ways and Means.

By Mr. COON:

H. R. 7726. A bill to authorize construction by the Secretary of the Interior of the Crooked River Federal reclamation project, Oregon; to the Committee on Interior and Insular Affairs.

By Mr. CURTIS of Massachusetts:

H. R. 7727. A bill to authorize the extension of patents covering inventions whose practice was prevented or curtailed during certain emergency periods by service of the patent owner in the Armed Forces or by production controls; to the Committee on the Judiciary.

By Mr. DAWSON of Illinois (by request):

H. R. 7728. A bill to provide that the Department of the Navy shall not be required to reimburse the Reconstruction Finance Corporation for the transfer of certain real property at Columbus, Ohio; to the Committee on Government Operations.

By Mr. EVINS:

H. R. 7729. A bill to authorize the coinage of 10-cent pieces in commemoration of the late Cordell Hull; to the Committee on Banking and Currency.

By Mr. FRELINGHUYSEN:

H. R. 7730. A bill to establish a Joint Committee on Foreign Intelligence; to the Committee on Rules.

By Mrs. GRIFFITHS:

H. R. 7731. A bill to create a Department of Urban Affairs and for other purposes; to the Committee on Government Operations.

By Mr. HALEY:

H. R. 7732. A bill to amend section 406 of the Federal Food, Drug, and Cosmetic Act (Public Law 717, 75th Cong.) as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. HUDDLESTON:

H. R. 7733. A bill to amend section 17 of the War Claims Act of 1948 so as to increase the classes of persons entitled to receive payment of certain claims under such section, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KEARNS:

H. R. 7734. A bill to amend the act entitled "An act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of international conventions, and for other purposes," approved July 5, 1946; to the Committee on the Judiciary.

By Mr. O'NEILL:

H. R. 7735. A bill to amend section 5051 (a) of the Internal Revenue Code of 1954 to aid small business and discourage continued concentration in the brewing industry; to the Committee on Ways and Means.

By Mr. VAN ZANDT (by request):

H. R. 7736. A bill to amend the Career Compensation Act of 1949, as amended, to correct certain deficiencies; to the Committee on Armed Services.

By Mr. YATES:

H. R. 7737. A bill to amend the Internal Revenue Code of 1954 and the Internal Revenue Code of 1939 to provide an exclusion from gross income in the case of damages recovered pursuant to suits under the antitrust laws; to the Committee on Ways and Means.

By Mr. ASPINALL:

H. J. Res. 415. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. HOLIFIELD:

H. J. Res. 416. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H. J. Res. 417. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. BLATNIK:

H. J. Res. 418. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. CELLER:

H. J. Res. 419. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. CLARK:

H. J. Res. 420. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. EDMONDSON:

H. J. Res. 421. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. JOHNSON of Wisconsin:

H. J. Res. 422. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. SAYLOR:

H. J. Res. 423. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. SCOTT:

H. J. Res. 424. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. WIER:

H. J. Res. 425. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. MOSS:

H. J. Res. 426. Joint resolution to authorize the President to proclaim as Civil Service Week the week beginning January 17, 1956, in commemoration of the 73d anniversary of the American civil-service system; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mrs. CHURCH: Memorial of the State of Illinois, 69th General Assembly, House Resolution 99, endorsing the concept embodied in House Joint Resolution 228, which provides that each State keep 1 percent of all Federal taxpayments collected therein for the sole purpose of using such funds for school and educational purposes; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURNSIDE:

H. R. 7738. A bill for the relief of Scott Berry; to the Committee on the Judiciary.

By Mr. DONOVAN:

H. R. 7739. A bill for the relief of Eileen Mary McCarthy; to the Committee on the Judiciary.

By Mr. HIESTAND:

H. R. 7740. A bill for the relief of the United States Flare Corp., C. D. Wailes Corp. & Associates; to the Committee on the Judiciary.

By Mrs. KELLY of New York:

H. R. 7741. A bill for the relief of Kenneth Phillips (also known as Euncie Francesco Martin); to the Committee on the Judiciary.

By Mr. MACDONALD:

H. R. 7742. A bill for the relief of Rosaria Di Maio; to the Committee on the Judiciary.

By Mr. MOSS:

H. R. 7743. A bill for the relief of Jose Medina-Galvan; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H. R. 7744. A bill for the relief of Fausto Palumbo; to the Committee on the Judiciary.

By Mr. ZELENKO:

H. R. 7745. A bill for the relief of Joseph (Josip) Torbar; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Address of Hon. Dewey Short, Member of Congress, Seventh Missouri District, Before the Postgraduate Medical Assembly of South Texas, at the Shamrock Hotel in Houston, Tex., on Tuesday, July 19, 1955

EXTENSION OF REMARKS

OF

HON. CARL VINSON

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 29, 1955

Mr. VINSON. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include therewith an address by the Honorable DEWEY SHORT, ranking minority member of the Committee on Armed Services, before the Postgraduate Medical Assembly of South Texas at the Shamrock Hotel in Houston, Tex. I believe that every Member of the Congress will be as impressed as I was with the reasoning of the distinguished gentleman from Missouri concerning many of the medical problems that confront our Nation and the Armed Forces today.

The address follows:

Mr. Chairman, ladies and gentlemen, it is with some trepidation that I appear before this distinguished gathering today. I have tremendous respect for doctors, not only doctors of medicine, doctors of osteopathy, doctors of philosophy, doctors of dentistry, but also for doctors of divinity. But rarely in my life have I appeared before a group who quite recently would probably have very cheerfully cut my throat—and who possess the skill to do the job neatly.

I am referring, of course, to the recent extension of the doctors' draft law which passed the House and was signed into law on June 30.

In my own small way, I undoubtedly have contributed to the potential displacement of some of you for a 2-year period.

It is an unfortunate, discriminatory piece of legislation, this doctors' draft law, but I want to assure you that it is absolutely essential.

Perhaps it is the penalty you share for belonging to a very select organization. As physicians and surgeons you hold an extremely responsible position in our economy. You have studied long and hard; you have met the best competition and only the finest survive.

And because your services are so much in demand, it was necessary for us in the Congress to enact legislation to compel you to serve in the Armed Forces even though you are beyond the regular draft age.

Now I want to discuss this subject with you today because it is important not only to

you and your colleagues, but also to the civilian population and our armed services.

Statistically, we had no choice but to extend the doctors' draft law. The draft age has been reduced to 46, from the old age of 51, and from what I can gather from the facts that have been presented to us, doctors will be taken up to that age during the next 2 years.

We eased the situation with regard to physicians and dentists who are now over 35 and who previously applied for a commission in the medical or dental corps and were rejected for physical reasons, but we could not make that provision retroactive for those now serving on active duty. That also is discriminatory—for the doctor who was able to stay out of service, and who meets the criteria of this amendment, will not have to serve, while the doctor who is now serving on active duty who otherwise could have met the criteria, must remain on active duty until he completes his obligated period of service.

Wherever we turn in this whole manpower problem, we face inconsistencies and discrimination; even the regular draft act is discriminatory. Some must serve and others are deferred. Those who are healthy must go; those who are disabled remain behind. Those who are engaged in essential industry are deferred; those who are not, must serve.

This whole idea of compulsory service is repugnant to me and always will be, but I am also practical enough to realize that our Nation must possess an armed force capable of defending this Nation should that occasion arise. And the health of our armed services must be paramount in our thinking.

One of the serious problems that we face in this Nation is a shortage of doctors; and as far as I am concerned, there is a maldistribution of practicing physicians.

I do not believe that our medical schools are adequate in size to graduate the number of doctors that our economy requires. And unfortunately, since we are all human beings the natural tendency of many physicians is to go to larger cities where the patients are in a small area and where the level of income is high enough to justify charging reasonable fees.

That means that we have areas in this country that are inadequately staffed with doctors. And as far as I can see, that situation will remain with us and grow worse unless we take positive steps in increase the input of medical students and the output of medical school graduates. I would like to see that accomplished with as little Federal interference as possible.

It is not my purpose to deliver a sermon, but I would like to give you some of my ideas with regard to this whole problem of medical care.

Obviously, we cannot continue the doctors draft law for an indefinite period. Therefore the armed services must find a procurement method other than the doctors draft law.

Now so long as we have the regular draft law in effect we will be able to obtain a fair share of medical school graduates, since anyone who is deferred for any reason under the regular draft remains liable for induction up to age 35. But we can't depend entirely upon medical school graduates as a source of doctors for our armed services because then we would be depending entirely upon young men who have just completed their internships. The armed services need specialists and experienced physicians just as much as any other group of people. But we are not attracting experienced physicians and specialists in our Armed Forces on a career basis. And that calls for a little self-analysis.

Why aren't we getting more doctors to make a career of the armed services? Is it economic?

Yes, partly. It is a little hard to compare a major's pay with the $15,000 net income annually of the average practicing physician in the United States.

But I don't believe it is entirely economic. Pay is not everything. I think it may also involve the dignity of the profession, the constant changes of station, and perhaps to some extent, the unintentional subjugation of professional initiative.

I am convinced that the average doctor has a unique personality of his own; a rugged individualist—if you will. He has to possess that sort of personality, otherwise he would never have had the courage and stamina and determination to spend 4 years in college, 4 years in medical school, a year of internship, and 2, 3, and 4 years in residency training before he considered himself qualified to practice medicine.

And I suppose the average physician is not willing to enter into a form of regimentation in which his own personal attainments and ability will not be rewarded in proportion to his achievements. I believe that, too, may be a factor in this medical procurement problem in the armed services.

I don't know the full answer, although I can assure you that it is being studied carefully with a hope that some solution can be found. Basically, the medical situation in our armed services is one of supply and demand. So long as the demand exceeds the supply, the attractiveness of service life will undoubtedly take a back seat to the normal civilian life where the physician is his own boss.

The ultimate solution to the whole problem of supplying doctors for our Armed Forces and also for the civilian economy is a substantial increase in the number of doctors.

While the doctors draft law was under consideration in the House and in the Senate, Members of Congress were besieged with telegrams and letters from doctors urging the elimination of the doctors draft law. The contention was made that if dependent medical care were abolished and all other persons now entitled to medical care from service doctors were denied this benefit, there would be no need for a doctors draft law.

Well, I want to discuss that subject because it is of fundamental importance to you and to the Armed Forces. The number of individuals who are theoretically entitled to medical care from service doctors is large. But when you compare the actual statistics of medical care furnished to persons other than service personnel it soon becomes apparent that the existing legal entitlement is not being abused. As a matter of fact, if all medical care were abolished for all personnel now entitled to medical care from the armed services other than armed services personnel and their dependents, we would only be able to eliminate about 40 of the 10,000 physicians now serving on active duty with the armed services and the Public Health Service. And if we abolished all dependent medical care in the United States, we would only eliminate an additional 581 doctors from the armed services and the Public Health Service.

The next contention was that the ratio of physicians to armed services personnel is unrealistic—too high. It is now approximately 3.044 per thousand and you will hear statements made that this is so much greater than the civilian population that it obviously can be substantially reduced.

Well, ladies and gentlemen, medicine in the armed services is not confined solely to treating servicemen who are ill. Sometimes we all overlook the very basic reason that we have an armed force. We constantly strive to impose upon our armed services the same business standards that apply to the United States Steel Corp., General Motors, Humble Oil, and countless other groups in the country. But you can't compare a producing corporation with an insurance policy. Our Armed Forces exist so that those corporations and the people who work for those corporations, and the doctors and dentists and veterinarians, and small-business owners, and farmers, and railroad engineers, and students, and mothers and fathers, and everybody else in this United States, can continue to live in freedom. Of course, maintaining our Armed Forces is costly. Fantastically expensive. And, of course, there is waste. Of course, there is duplication, unnecessary transportation, administrative mistakes, poor decisions, bad buying, but we are dealing with an organization which employs almost 5 million people, an organization that spends 65 cents out of every Federal tax dollar, an organization that spends between forty and fifty billion dollars annually, an organization whose expenditures exceed the income of 18 of the largest corporations in the United States.

The Armed Forces isn't a business operation. It exists for the sole purpose of preserving this Nation. And in order to preserve this Nation we have to have men mentally and physically fit to perform all types of duty.

We have to have doctors who know how to prepare for the medical support of an amphibious operation. We have to have doctors who know all of the medical problems of logistical support of a land operation; we have to have doctors who are familiar with the human physical limitations in the problems of space; we have to have doctors who are experts in field sanitation, preventive medicine; and all of our doctors must have some conception of what a military organization is, how it functions, and what their responsibilities would be if they were called upon to take command of a medical battalion.

So, all the time of a doctor in the Armed Forces is not confined to the treatment of people who are ill; perhaps some doctors spend most of their time treating patients, but when that doctor is serving in that capacity another doctor is studying a supply problem, or a study involving the results of underwater demolition, or the proper way to treat victims of nuclear warfare.

So, it is not quite fair to our armed services to compare the ratio of physicians to the civilian population and then conclude that the ratio in our armed services should more nearly approach that ratio. The problem in our Armed Forces is to keep our people healthy and not wait to treat them after they are sick.

I am not trying to defend poor administration, for I would be the first to admit that there are undoubtedly a few places in the Armed Forces where improvement can be made in the proper utilization of physicians and their skills. And I can fully appreciate how a pediatrician feels when he is called upon to leave his own practice only to end up in a dispensary treating the children of service personnel. And that, of course, leads me to the various problems of dependent medical care.

Now, traditionally we have provided, on a space and facilities available basis, medical care to the dependents of service personnel. But I don't know of anything that would more adversely affect the morale of our Armed Forces than to eliminate this entitlement. On the other hand, it is obvious that we cannot continue in good conscience to draft individuals and ask them to treat the dependents of our service personnel. The number involved is not great—581 is the approximate figure, but even if we eliminate 581, that would be 581 less doctors over the age of 35 who would have to be ordered to active duty. So there we are on the horns of a dilemma. Can we jeopardize the morale of our Armed Forces to the extent of eliminating dependent medical care in order to alleviate to some extent the situation with regard to the drafting of doctors over the age of 35?

Well, obviously the answer for the next 2 years is that the Congress was not willing to jeopardize the career attractiveness of many thousands of experienced men in order to reduce to just a small extent the number of physicians who will be required to serve in our Armed Forces who are now over the age of 35. But we recognize the fact that we must find a solution to dependent medical care. Obviously, we are again on the horns of another kind of a dilemma. For if we abolish all dependent medical care in the Armed Forces, then many of the physicians who now are willing to stay in the Armed Forces until reaching retirement age will leave, since the present diversification of their practice may well be reduced to such an extent that they will prefer to leave the armed services and surrender the years of service they have built up toward retirement.

The average service doctor in a period of several years of service will treat service personnel who are basically healthy—perhaps an appendix now and then, a few bad colds, pneumonia, broken arms, broken legs, perhaps now and again a case of tuberculosis or a heart condition. But if the service doctor is treating just service personnel, he is not going to have much experience in gynecology, pediatrics, geriatrics, and many of the other types of medicine that are found in younger or older age groups.

So, what is the answer to that problem? I am not sure that I can give you the answer, although I can give you a few personal observations. First of all, I think it is incumbent upon us in the Congress to adopt some type of group health-insurance program. In this way the dependent will be assured of medical care by civilian physicians even though the dependent is separated from the service member and in an area where no service facilities are available. On the other hand, unless some adequate program can be worked out in overseas areas, the dependents will continue to expect treatment from American doctors. It is possible that this can be worked out on a contract basis, but in some areas the only doctor available will be a service doctor, and he will be expected to treat dependents as well as service personnel.

Now whether this group program will supplement the present system or be a substitute for the present program, is the question. I would suspect that unless some method can be found to procure more doctors for the Armed Forces this system, if adopted, will at least for the time being, have to be a substitute rather than a supplement to the present system.

If we procure more doctors from the civilian economy on a career basis, at least we will eliminate the readjustment necessary in local communities throughout the Nation where practicing physicians are called into the service. In other words, if a doctor on his own initiative decides to make the service a career, his patients will usually have sufficient advance notice to make all the adjustment necessary, but when a doctor is taken from a community for a 2-year period with the full intent of returning to that community, there is often a void that cannot be filled. And at that point, the civilian community suffers.

If dependents are in an area where there are civilian physicians available and if they can go to civilian physicians under a health insurance program, that will ease the situation, to a very limited extent, but to some extent with respect to the number of doctors required in uniform.

On the other hand, it will give the dependent a benefit that she does not now enjoy and that is a year-round entitlement to medical care and not just on a space and facilities available basis.

To me, it is the only practical solution to the immediate problem and yet we have had no experience on this large a scale upon which to base such a program. While it is easy to criticise the Department of Defense and the Congress for failure to take action on this problem now, I think from what I have said here today you can see some of the ramifications. If we abolish all dependent medical care, we reduce the attractiveness of service medicine. If we continue to draft doctors, we not only disrupt the individual doctors, but in many cases, the local community in which he is practicing.

We must solve this medical problem in the armed services, not only for the immediate future, but for the years ahead.

I want to mention that considerable progress in medical manpower utilization has been made by the Assistant Secretary of Defense, Dr. Berry, and his assistant, Dr. Cushing, with the cooperation of a medical advisory committee and I am convinced that there is today a much better utilization of medical personnel than ever existed before. Some further progress can be made but I am afraid that insofar as the number of doctors required is concerned, we have just about reached the minimum.

I mentioned earlier that I considered the average physician to be a rugged individualist. I realize that that may be an unpopular term in this present day and age. Perhaps it is wrong to depend entirely upon one's self for a livlihood; perhaps I am living in the dark ages, but I cannot help but feel that all of the notable achievements of this century, and the past centuries, can be attributed to men and women who felt an obligation to their nation, their families, and themselves. They did not feel that being born entitled them to dependence upon the nation for a livelihood and for the better things in life.

We have become an extremely security-conscious people in the past few years and while much progress in social fields has been made, I sometimes wonder if it is not being made at the cost of the loss of individual initiative. And yet some of the social gains have been brought about by necessity, as well as public demand.

And very possibly, the next large field will be that of medicine.

I know it is unnecessary for me to tell you that socialized medicine, or any other name that you may wish to call a program of free medical care, is on the horizon. I can think of nothing that would do more to stop the progress of medicine than for this Nation to engage in a program of national socialized medicine. On the other hand you, as doctors, have made this Nation health conscious; you have stressed medical examinations, early treatment, danger signs, annual X-rays, and as a result you have made every person in this country extremely aware of the necessity for prompt and adequate medical care. As a result the health of the Nation has prospered. The average age of men and women of this country has increased and this in turn has increased the national income. But having started this very desirable awareness of the need for proper medical treatment, it is incumbent upon you as private citizens, as advocates of the free enterprise system—yes, as members of a capitalistic team—to meet those demands through the free enterprise system. If that demand is not met by you as private practicing physicians, or by you as groups of private practicing physicians, then it will be done for you by the Federal Government.

That is the history of this Nation and nothing you or I can say will stop it. It is only what you and I do to fill the needs of the people through the free enterprise system that that system will continue to exist as we know it.

It is for you to decide as leaders in your communities, as men respected and loved by your patients, your friends, and your neighbors, as to where and how and when we are going ahead. It can be done by direction of the Federal Government or it can be done through the free enterprise system and the cooperation of the Federal Government, but as sure as I am standing here today, it will be done.

You will have to make the choice—and I believe I know what your choice will be.

Crowded Days for George Bender

EXTENSION OF REMARKS
OF
HON. KARL E. MUNDT
OF SOUTH DAKOTA
IN THE SENATE OF THE UNITED STATES
Friday, July 29, 1955

Mr. MUNDT. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an interesting article written about one of our colleagues, which appeared in the Clevelander of July 1955.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CROWDED DAYS FOR GEORGE BENDER

(By Larston D. Farrar)

When exuberant GEORGE BENDER, one of Cleveland's most noted native sons, squeaked through to victory in the hot Senate race last year, Republicans from coast to coast cheered. He had performed a feat that seemed almost incredible, considering how the Democratic tide rolled through New York, Pennsylvania, and even sloshed over into Michigan, where a veteran Republican Senator, Homer Ferguson, became part of the flotsam and jetsam.

The Democrats, chagrined at the loss of an expected Senate seat, turned to jeering. They referred to "laughing boy BENDER," and "giggling George," and said that he would make a clown of himself in the Senate as many of them had said he had become in the House of Representatives by perennially plugging for the late Senator Robert A. Taft, Republican, of Ohio, for the Republican presidential nomination. (Senator BENDER gained national fame in two presidential elections by leading the Taft band that played I'm Looking Over a Four-Leaf Clover, and many Democrats said that proved he should be in a circus).

But those who had watched GEORGE BENDER at work for years in Ohio were less surprised than people outside the State. His fellow-Ohioans—friend and foe alike—knew that underneath the curly pompadour and behind his smiling—almost puckish—countenance, there was a determined mind at work, and plenty of pituitary fluid to give him the energy that modern politics demands.

A PERSONAL VICTORY

Also, they knew, he had had to measure his financial resources in thousands of dollars, instead of millions, as many winners in other years had done. They realized that his victory, however narrow, was more in the nature of a tribute to his long years of activity and his tremendous capacity for friendship than because of other major political considerations. GEORGE BENDER always has won personal victories since he first entered politics. He has been a party man, particularly in late years, but there were times when he ran one way and the Republican Party ran another. He won and the party lost, and he steadily built a bigger and bigger following. Finally, he took over the party—in Cuyahoga County, at least—by dint of his own skill and hard work, helped by friends who were imbued with the same ideas of government as he held.

His interest in public affairs began when he was in high school—when Theodore Roosevelt visited Cleveland in 1912. George was one of the youngsters privileged to meet with Theodore Roosevelt, and when "Teddy" said he was planning to run for President again, George enlisted in his cause and became a zealous school-boy orator for that famous campaign. From that time, young BENDER went everywhere and did everything to learn the art of politics. In 1920, he ran for the State Senate and, at 23, became one of the youngest men ever elected for that body.

THE MAN FOR THE OFFICE

In 1930, he sought election to Congress from his home district, but lost to a veteran Democratic Congressman by a very small margin. In 1938, when Robert A. Taft first was elected to the United States Senate, GEORGE BENDER was at his side running for Congressman-at-large. The two men had met—and had become friends—in the Ohio Senate, and George had lent every effort to Taft's election.

Again and again, GEORGE BENDER ran for Congress and won. Only in 1948, when a Democratic tide was running, were his hopes dashed. But in all those years—as chairman of the Cuyahoga County Republican Central Committee—he was a powerful figure in Cleveland and in Ohio, and it was taken for granted that, when the office of Senator Taft was vacated by death, GEORGE BENDER was the man to hold high the Republican banner.

Surprisingly agile and fit for a man of 58, Senator BENDER today looks very little older than he did in 1938. A few more gray hairs fleck his temples, and he is not quite as bouncy as he once was but GEORGE BENDER still enjoys remarkably good health. He is 5 feet, 11 inches tall, weighs a normal 210 pounds ("I haven't gained or lost weight for years") and his blue eyes are clear as ever.

Senator BENDER's life today is crowded—and it's all work, although he enjoys every moment of it. He hasn't had time for golf, fishing, or other recreation for years, preferring to spend his time in building his political and business fences and keeping them in good repair. Long years ago, he founded the George H. Bender Co., general insurance, in Cleveland, and it has become one of the leaders in the general insurance field there. At the same time he has been rearing a family—two lovely daughters, both now married, who live on the 14-acre Bender estate at Chagrin Falls.

He meets regularly at breakfasts with the Ohio delegation in Congress, and he also spends an inordinate amount of time sitting in committee meetings. Lately his has been the voice of an outraged and long-suffering public on the Senate Permanent Investigations Subcommittee, which has delved into graft and corruption in connection with operations of the Quartermaster Corps. Time and time again Senator BENDER has expressed in short, ugly words the feeling of revulsion toward the graft payers and the graft getters in high places, thus making his name known to millions of other people over the Nation who feel as he does.

"I've always known that political life was demanding," he said recently. "But life in the Senate takes far more study and energy than even in the House of Representatives. My day is not my own from morning until late evening. I strive to do all that is required of me, as does every other Senator, but I am certain that they agree with me that it isn't possible for a man in this building to do everything he ought to do."

Senator BENDER gives the impression—whether speaking to a large audience or to a friend in his office—that he has great inner reserves that have helped him in his steady rise to fame and fortune, and on which he draws for the carrying out of his duties today. It's not surprising, therefore, to learn that GEORGE BENDER began his life and lived his early years in a large family headed by religious parents. He was 1 of 5 boys, all of whom have made their mark in the civic life of Cleveland. They were reared in the vicinity of 40th near Woodland, and their parents took the boys to the Congregational Church across town for morning church services and to the closer Presbyterian Church for evening services. George later became an elder in the Presbyterian Church. But when he married and had a home of his own in Cleveland Heights, he and his family attended the Church of the Savior (Methodist), where he became a steward. A vital interest in the things of the spirit always has served as one of the inner resources on which GEORGE BENDER has called in either political victory or defeat.

To those who want to know what kind of a Senator GEORGE BENDER is making, the answer is ready: He is making the good showing that his House service presaged. He is outstripping his fellow freshmen Senators in work and he is revealing a far-above-average capacity for leadership.

To many in Ohio, this will be no news. They keep up with GEORGE BENDER through his weekly newsletter, This Week In Washington, in which he clarifies many of the national and international issues that cry for his simple expression. His "Question of the Week," carried as the last item in this newsletter, has captured its own audience. Newsmen have quoted it more than once, and people have smiled, or sobered, depending upon the question. Some of the typical questions asked are: "Now that the Democrats have renominated Stevenson, who will be his running mate?" "Can the Four Power meeting be held in Hiroshima?" "Whatever happened to color TV?" "American families are paying 20 percent of their income for debts. Are you paying your share?" Have you booked your passage in an atom ship, plane or submarine?"

If you can answer these questions, don't send the replies to him. GEORGE BENDER already is overworked. But he has the drive to go on. Clevelanders can be proud of George. They may yet be even prouder.

WHO IS LARSON D. FARRAR?

Mr. Farrar has been covering news from Washington, D. C., for the last 13 years. He is employed by the American Press magazine as its Washington correspondent.

He first came to Washington in 1945 as Washington correspondent for the Gannett newspapers. He has written for many magazines and trade papers, including the Reader's Digest and the Saturday Evening Post. Before becoming a Washington correspondent, he was associate editor of the Nation's Business and was secretary of the chambers of commerce in Corinth, Miss., and Johnson City, Tenn.

Greetings to Pakistan

EXTENSION OF REMARKS

OF

HON. ADAM C. POWELL, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 29, 1955

Mr. POWELL. Mr. Speaker, I rise today to send greetings to the country of Pakistan and to their Prime Minister, the Honorable Quaid-e-Azam Mohammed Ali Jinnah on the occasion of the anniversary of independence of that nation, August 14, 1947. I wish to extend my salutations to the people of Pakistan today because the Congress will have adjourned before the date of the event.

Pakistan has demonstrated its dedication to the ideals of democracy and from its birth as a new nation has drawn inspiration from the United States in its efforts to resolve its problems. Through a positive policy designed to promote better understanding and closer cooperation between other nations and themselves, Pakistan has received substantial aid from the United States and has drawn closer to the American people.

Under the inspired leadership of Quaid-e-Azam Mohammed Ali Jinnah the Pakistan nation achieved its goal of independence. I wish to applaud the success of Pakistan's efforts in the attainment of the high ideals which they have set for themselves and wish for them continued progress in the future.

I could not conclude without noting the great role Mohammed Ali played in Bandung in setting the record straight as regards Chou En Lai and Red China. I also would like to point out that Mohammed Ali is one of the principal exponents along with the Prime Minister of India, Mr. Nehru, in presenting a plan for relaxing tensions between Red China and the United States. Finally, my greetings to the Ambassador from Pakistan, His Excellency Syed Amjad Ali.

The So-Called Refugee Act

EXTENSION OF REMARKS

OF

HON. FRANCIS E. WALTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 29, 1955

Mr. WALTER. Mr. Speaker, the agitation in behalf of the so-called Refugee Act, precipitated by President Eisenhower's requests for still greater leniencies, unmasks the act for what it is: a fraudulent gesture of political hypocrisy.

For all its purported humanitarian aims, the act is a crudely concocted piece of old-fashioned pork-barreling on an international level. By itself and in combination with the proposals for revision it represents a clear and dangerous attempt to circumvent the carefully constructed legislation which now stands as this Nation's basic policy on immigration.

The people of the United States were duped when they were told of its need. The fact is that during the past 3 years, immigration pressures from the outside have continuously diminished, and the conditions upon which the displaced persons laws of 1948 and 1950 were predicated have all but disappeared.

A recently released State Department report states bluntly that despite the broadest interpretations as to qualifications, there are not enough applicants to us up even the visas provided for originally in the Refugee Act—a total of 209,000. There is no mass of starving,

tortured humanity pounding at our doors.

DEMAND FOR VISAS REDUCED

Let me cite a few excerpts from the State Department report issued by the Administrator of the refugee program, Scott McLeod:

In Germany, he reports:

East German escapees, constituting the largest single bloc of potentially qualified aliens in West Germany, have the same working rights as West Germans. Greatly improved economic conditions in Germany will reduce the demand for visas under the act as many refugees are being integrated into the local economy.

Not only the regular immigration quota for people born in Germany—which is 25,000 a year—is open and visas are currently available, but preference portions of every immigration quota for Eastern European countries are open just as well.

Of the 2,000 visas allocated for Polish refugees residing in England, only 250 have been applied for.

In the Netherlands "the initiative shown by the Dutch Government in repairing the flood damage and in caring for the inhabitants of the flood areas, plus full employment, make it difficult for applicants to qualify as refugees."

The improved conditions that have enabled these peoples to become adjusted and integrated should be a source of tremendous pride to the American people. This has come about almost wholly as a result of the $38 billion which we have provided, in a genuine humanitarian endeavor, to promote recovery abroad.

The Senate and House conferees on the refugee bill, at the time of its enactment, stressed that it was not to be considered a "mandate to issue the full number of visas. These are maximum limitations, not quotas to be filled." But instead of taking satisfaction in the fact that the crisis has ended, the sponsors of the new recommendations are expressing great concern now that the goal of 209,000 additional immigrants may not be met. The refugee act as a consequence is being transformed into a grotesque Cinderella's shoe.

To justify the changes, the President explained that a "number of the provisions of the act require amendment if the act's objectives are to be fully met."

Let us examine some of the proposed changes and see how they would destroy even the limited safeguards of the original law.

The act of 1953 established a genuine hardship test for qualification as a refugee and requires that the prospective immigrant is not firmly resettled and is in urgent need of assistance for the essentials of life. It clearly did not wish to provide a better bet for persons who merely felt they could improve their lot in the Eldorado of America. The amendment proposals would upset this test completely.

Under the act of 1953, provisions for immigrant status, with the subsequent privilege of becoming citizens, were extended to 5,000 alien residents who lawfully entered the United States before July 1, 1953, and who cannot return to their homelands because of the peril of persecution. The demand that they had entered the country legally would seem a small enough one in exchange for the privilege conferred upon them. The amendment bills, however, would eliminate this requirement and bestow this privilege on any alien, including the ship jumpers and those who have simply sneaked across the border.

Closely allied to this is another proposal to eliminate the present requirement for complete information regarding the 2 years immediately preceding the application for entry of each prospective immigrant. Such a change would strike at the heart of our security system. Refugee camps in Germany are permeated with Communist agents ordered by the Soviets to adopt new undercover lives in Europe and America to carry out underground activities. Only the most careful scrutiny of past records can bring about the detection of these agents. Eliminating this provision in the 1953 act would prove of inestimable aid to Communist infiltration tactics which we have now begun to combat with increasing success.

When I was in Berlin recently, the Chief of the United States Counter Intelligence Corps, entrusted with the responsibility for the security investigations under the Refugee Act, was appalled at suggestions that the 2-year requirement be dropped. He recommended instead that it be extended to 5 years.

WOULD BECOME PUBLIC CHARGE

The act of 1953 specified that each prospective immigrant be sponsored by a responsible citizen, or citizens, who would guarantee that the new arrival would not displace someone else from a job or home. The obligation would rest solely upon the sponsors. Interestingly enough, there has been a notable lack of such sponsors. In the new proposals, sponsorship could be undertaken by approved organizations. In the case of public or semipublic agencies, the immigrant would automatically become a public charge, a situation which immigration laws throughout our history have been designed to prevent.

Another measure includes the Presidential recommendation to suspend the health requirements of our immigration laws to permit the entry of persons afflicted by tuberculosis, one of Europe's most rampant diseases. "We in the United States no longer regard tuberculosis with dread," the President declared. The United States Public Health Service lists it as one of the Nation's most fearsome killers, with an annual death toll of around 25,000. We have been battling this scourge with tremendous expenditures of money and medical talent. It has cost us untold wealth in the form of men and women lost to productive labor through its ravages. Are we now to import it deliberately?

The welfare of this Nation, in regard to augmenting our population from outside sources, is, I believe, best served by the diligently constructed immigration law, of which I am proud indeed to have been a coauthor together with the late and beloved Senator McCarran. This law provides the best coordination of our responsibility to ourselves as a nation and of our responsibility to the rest of the world. It permits us to remain of the same fiber that proved over the last stormy half century too tough to be subverted or conquered by any brand of totalitarianism.

The enactment of that law stands as an accomplishment which should not be subjected to partisan and demagogic ventures which can result only in the defeat of our purposes both here and abroad.

Clearing the Record of the Committee on Tax Exempt Foundations

EXTENSION OF REMARKS
OF
HON. B. CARROLL REECE
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES

Friday, July 29, 1955

Mr. REECE of Tennessee. Mr. Speaker, I received a letter from Dr. Robert E. Cushman, professor of government, Cornell University, which I wish to have printed in the RECORD for the purpose of correcting an error which occurred in report of the Committee on Tax Exempt Foundations. I am very glad to present this for Dr. Cushman for the purpose of clearing the record and overcoming the injustice which came about by reason of the error in printing. I express my regrets to Dr. Cushman:

MARCH 28, 1955.

Hon. B. CARROLL REECE,
House Office Building,
Washington, D. C.

DEAR MR. REECE: I am writing you about what I suppose you would call in Congress a point of "personal privilege."

To identify myself, I am Robert E. Cushman, a professor in Cornell University, and I directed the substantial study of certain civil liberty problems for the support of which the Rockefeller Foundation made an initial grant of $110,000 in 1948. This was one of the grants which was scrutinized and commented on by your committee in its study of tax-exempt foundations.

In the printed report of your committee (House Rept. 2681, 83d Cong., 2d sess., December 1954), an obvious mistake has been made with respect to my name, under which a total of six citations appear.

At the bottom of page 263, my name appears, with an initial item relating to a quotation from me made by Judge Edgerton (United States court of appeals, District of Columbia) in his dissent in the Barsky case. This is entirely correct.

Beginning at the top of page 264, however, appear five citations which do not belong under my name. Living as I do in an upstate New York city, it has taken me some little time, and quite a little outside help, to track down what seems to have caused this mistake. It seems probable that you intended these five items to be listed under the name of Mrs. Hallie Flanagan Davis, now professor of drama at Smith College, and that the name was somehow lost in manuscript or proof. For example, my photograph does not appear in the December 23, 1940, issue of the Daily Worker (as the last citation states), while hers does. The Daily Worker on that date reviewed a book of hers, and printed her picture in connection with the review. The four other items listed on page

264 also appear relevant to Mrs. Davis. In the first two citations in particular, not only does her name appear (while mine does not) but she was Director of the National Theater project under WPA, while I have never in my life had any connection with the theater or any theater group.

To anyone who has ever gotten copy ready for the printer, or dealt with printer's proofs, it is clear what must have happened here. At some stage in the process the name Davis must have been dropped out, leaving these five citations under the immediately preceding name, Cushman. It will probably take someone in your office only a very short time to check back and verify all this. This is an understandable mistake, and I am entirely sure that it was through either error or accident that these items are attributed to me, when they clearly relate to another person.

I am sure you will agree that I am entitled to have this error in the committee report corrected, and I am also sure that you will wish to make the correction.

I have no desire for any publicity or fanfare about this matter. If you were to read into the CONGRESSIONAL RECORD a statement roughly to the effect that an error in the committee report had been brought to your attention, and that the items beginning on the top of page 264 of the report do not belong under the name of Robert E. Cushman, but under another name, I should feel satisfied. I feel, however, that fairness demands that such a correction should appear in an official Government document, so that I can refer to that correction if criticism arising out of the original erroneous citations are directed against me.

I have given this matter no publicity. It seemed to me only courteous and fair to bring it first to your attention. I do so in the belief that you will wish to make the correction, in some appropriate form, to which I am clearly entitled.

Very sincerely yours,

ROBERT E. CUSHMAN.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 2, 1955.

Mr. ROBERT E. CUSHMAN,
Department of Government,
Cornell University, Ithaca, N. Y.

DEAR PROFESSOR CUSHMAN: I have your letter of March 28 and I shall be glad to request permission to insert the correction in the CONGRESSIONAL RECORD when the House convenes after the recess.

Of course I regret any typographical error in the citation in the report that attended to put you in a bad light.

With kind regards,

Sincerely,

CARROLL REECE.

Freight Rate Controversies Involving North Atlantic Ports

EXTENSION OF REMARKS
OF
HON. GEORGE H. FALLON
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES

Friday, July 29, 1955

Mr. FALLON. Mr. Speaker, there have recently come to my attention remarks made on the floor of this House by my colleague from Clinton, Mass., dealing with the port of Boston and its freight rate relationships to other ports on the eastern seaboard, including my constituent port of Baltimore.

I am greatly disturbed by my colleague's statement that he intends to make his views known to the Interstate Commerce Commission and urge the elimination of alleged discriminatory rate by putting the port of Boston on a parity with every other port on the northeastern seaboard and that he proposes to render every assistance in his power to that end.

I have always considered the Interstate Commerce Commission to be an independent quasi-judicial body, reaching its decisions in rate controversies only on the record made before it in formal proceedings, without regard to sectional or political considerations. To my mind, Congress in establishing the Commission, appointed it to act as steward of the transportation policy of the Nation as a whole as we have expressed it. Our constitutional powers in that respect have been delegated since 1887 to the Commission and since its establishment we have always considered it to be the body best qualified by training and experience to determine such matters.

My constituent port of Baltimore has an equal stake with the port of Boston or any other port of the United States in the foreign commerce of our great Nation. For myself and for my colleagues in Maryland, I desire to express our confidence and that of our constituents in the ability of the Commission to decide the freight rate controversies now before it involving the North Atlantic ports in an unbiased manner in the national interest. Rather than acquaint the Commission with our personal views as to the merits of these controversies we shall observe the normal channels of presentation of Baltimore's case through testimony, briefs, and oral arguments on a formal record.

Greetings to Indonesia

EXTENSION OF REMARKS
OF
HON. ADAM C. POWELL, JR.
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Friday, July 29, 1955

Mr. POWELL. Mr. Speaker, I rise today to send greetings to the country of Indonesia and to especially extend my best wishes to President Sukarno on the occasion of the celebration of their anniversary of independence, August 17, 1955. I salute Indonesia today because the Congress will not be in session on the date of the event.

Ten years ago, on August 17, 1945, the Indonesians proclaimed their independence from the Dutch, and only after several years of hard and bitter struggling they received international recognition which they so richly deserve.

Under the colonial regime, Indonesian economy was characterized by production of raw materials for the benefit of their colonial exploiters. Under Dutch rule the average Indonesian laborer earned less than 3 cents a day; the country's death rate was one of the highest in the world, with the same situation prevailing in reference to infant and child mortality. Out of every 3 children born, only 1 on the average had hope of surviving beyond the age of 18. In addition to these deplorable facts, the health, sanitation, and educational conditions left much to be desired. Indonesia suffered from high incidences of diseases and over 93 percent of the population was illiterate.

What is the record since Indonesia gained its independence? The Indonesians have taken significant steps forward in the economic development of their country. Because of better maternal and child care, disease preventive and curative measures, the death rate has declined considerably. In respect to education and literacy noteworthy progress has been made. The Indonesian Government can point with pride to the fact that after a few years of independence half of the people can now read and write, whereas formerly this group constituted less than 8 percent of the population. The Indonesians are aware of the importance of educational development to the whole problem of economic development and to the attainment of the ideals of democracy.

To promote the development of the country the Indonesian Government has undertaken a program of gradual industrialization of the island and in keeping with this project many new factories have been established. The purpose of this program is to balance the economy by decreasing the country's dependence upon the export of raw materials. It is well known that underdeveloped countries which rely upon the export trade for the great portion of their income prosper or suffer according to the fluctuation of prices of raw materials on the world market.

The Indonesian Government reports that production is increasing in all areas and substantial gains have been made in agricultural production. Comparison of production statistics for tin, petroleum, bauxite, rubber, fish, and other food crops for the past decade with the figures for the colonial era reflects notable increases.

Mr. Ganis Harsono, press attaché of the Embassy of Indonesia, briefly delineated the more pressing problems facing the new state on the morrow of independence:

> Right after the independence we had to start everything from scratch. The army, the navy, the air force had to be established. Diplomatic relations with the outside world had to be made overnight. The budget was almost nonexistent, and the new state was heavily burdened by a $1 billion debt to the Netherlands, made by the previous colonial government. Cities damaged by the war had to be reconstructed. With being complacent, the result of 5 years' hard work was not bad indeed. At this point, we still have not overcome our growing pains. Difficulties are there, but we are sure we can cope with them.

Through hard work and sacrifice the Indonesian people are forging ahead, overcoming gradually almost insurmountable barriers. To date they have made small, but insignificant achieve-

ments. Such gains along the road to economic development are indicative of the thinking of the Indonesian Government and the people, and while they are small, they can go a long way to raise the standard of living of the Indonesians.

I wish to applaud the efforts which the Indonesian people are putting forth in the achievement of their goals of economic development and wish for them continued progress and success in their endeavors. Finally, I wish to extend my greetings to his Excellency, the Ambassador from Indonesia, Mokearto Notowidigdo.

East Texan Ernest L. Kurth, One of Nation's Builders

EXTENSION OF REMARKS

OF

HON. STUART SYMINGTON

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Friday, July 29, 1955

Mr. SYMINGTON. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement by the senior Senator from Texas [Mr. JOHNSON] on the subject East Texan Ernest L. Kurth, One of Nation's Builders, together with a newspaper article and an editorial on the same subject attached to the statement of the Senator from Texas.

There being no objection, the statement, with the attached article and editorial, was ordered to be printed in the RECORD, as follows:

EAST TEXAN ERNEST L. KURTH, ONE OF NATION'S BUILDERS

(Statement by Senator JOHNSON of Texas)

On Monday of this week one of East Texas' most respected and beloved citizens, a constructive builder all his life, observed his 70th birthday.

I refer to Mr. Ernest L. Kurth, of Lufkin—Mr. East Texas in person.

As lumberman, manufacturer, business executive, financier, and far-seeing civic worker, Mr. Kurth has made a deep and lasting imprint on Texas and, indeed, on the whole South. No better example could be found of that tribe of men who have built our Nation and brought it to its present stature in the world.

Ernest L. Kurth has always looked to the future. Characteristically, he spent his 70th birthday at work on big projects of importance to many people.

I am proud to join his thousands of friends in saying "happy birthday" to a man I am proud to know as a Texan and as a personal friend.

I attach hereto an editorial from the Houston Chronicle and a news story from the Dallas News on Mr. Kurth's birthday, in order that all Senators may gain some idea of the career of this man who is truly a giant among men.

[From the Dallas (Tex.) News of July 25, 1955]

NEWSPRINT PIONEER—KURTH TOO BUSY TO MARK BIRTHDAY

(By Robert M. Hayes)

LUFKIN, TEX.—The man who gave Texas a new industry—the manufacture of newsprint—will observe his seventieth birthday anniversary Monday.

But Ernest L. Kurth, head of the Angelina County Lumber Co., the Southland Paper Mills and a key figure in at least a score of other enterprises, won't have time for any special observance. In fact, he won't even be in Lufkin. He's in New Mexico on a business trip.

His friends say the 70-year-old industrialist has no thought of slowing up. On the other hand both his lumber mill and paper mill are in the midst of a $15 million expansion and modernization program.

Kurth, described by Gov. Allan Shivers as "Mr. East Texas" was born at Kurth Station near Corrigan in Polk County on July 25, 1885. He was educated in the Lufkin public schools and at Southwestern University, Georgetown. Soon after his graduation he went to work as a bookkeeper for the Angelina County Lumber Co., then owned by his father, J. H. Kurth. Today he is recognized internationally as an authority on timber production and forest conservation.

Kurth's success in bringing a newsprint mill to Texas is typical of his achievement in many fields.

Some 15 years ago when the United States was still largely dependent upon foreign importations for its supply of newsprint, Kurth heard of experiments being conducted by a Savannah, Ga., chemist, Dr. Charles Holmes Herty, to produce newsprint out of Southern pine.

Herty and a fellow scientist, Francis Patrick Garvin, discovered that southern yellow pine did not, as previously thought, contain too much pitch or resin.

Kurth saw the possibilities of the Herty-Garvin idea. If it worked it would mean the profitable utilization of millions of cut-over lands in East Texas which at that time were of little value.

After getting pledges from southern newspaper publishers to take 50,000 tons of newsprint in the first 5 years of the planned mill, Kurth undertook the task of getting the project financed. Prospective investors were dubious, some of them told Kurth frankly they thought he was crazy.

But the Lufkin man never gave up. Largely through his efforts the money was pledged and in 1939 the mill was completed with a single unit. Since then it has been twice expanded and another expansion is under way. In spite of his many business activities, Kurth has always found time for community problems. He is active in his local chamber of commerce and has served as president of the east Texas Chamber of Commerce. Hundreds of east Texas youngsters owe their education to Kurth scholarships.

Several years ago Kurth was named "man of the year" as the outstanding Southern industrialist. More than a thousand business leaders from over the Nation gathered in Lufkin to pay their respects to him.

It was about that time someone coined what probably is Kurth's most descriptive title: the titan of the tall timber.

E. L. KURTH, EAST TEXAS LEADER, ATTAINS 70 YEARS OF ACHIEVEMENT

On Monday, July 25, Ernest L. Kurth of Lufkin will observe the anniversary of his birth 70 years ago in a now nonexistent village in Corrigan in Polk County. His parents moved into Angelina County while he was still a child and there his father established a sawmill outside Lufkin.

Today, the son of that founder is known throughout the Nation as the pioneer who first envisioned the manufacture of newsprint from yellow pine and who established and now heads as president the Southland Paper Mills of Lufkin.

Earlier he had attained his stature as one of the leaders of the Texas lumber industry as president of the Angelina County Lumber Co., a position he retains.

Texas has produced many giants. She has sent her sons into the world of banking, commerce, and industry to reflect the glory of their native State. Not so with Ernest L. Kurth. He chose to remain in the region where he was born whence, through his industry, his vision and his imagination, his fame has radiated into the world he eschewed. His name today is as readily known in Wall Street or in Washington as it is in the streets of Lufkin.

His eminence was achieved through no accident. It is the result of a determination and a genius for hard work plus a refusal to permit handicaps which might halt ordinary men to thwart him. The same vigor that marked him in his prime guides him today. And so, in the evening of life, when most men are looking forward to retirement, Ernest Kurth is planning for the future. His two huge plants are presently under expansion in a construction program that will cost more than $15 million.

Ernest L. Kurth is a giant of whom Texas can justly brag.

Government Clinics

EXTENSION OF REMARKS

OF

HON. A. L. MILLER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 29, 1955

Mr. MILLER of Nebraska. Mr. Speaker, every other year during adjournment it has been my custom to hold a government clinic in each of the 38 county-seat towns in my district. These meetings are not political, but merely question-and-answer periods to give folks an opportunity to visit with their Representative, ask questions about government, and to render a report of my stewardship in Congress.

The first hour is devoted to school students, entitled "Youth Wants To Know." The last hour is for adults who may attend. Following is the schedule of clinics for the first 2 weeks:

Monday, September 19: Scottsbluff, 2 to 4 p. m.; Kimball, 7 to 9 p. m.

Tuesday, September 20: Sidney, 2 to 4 p. m.; Bridgeport, 7 to 9 p. m.

Wednesday, September 21: Harrisburg, 2 to 4 p. m.; Alliance, 7 to 9 p. m.

Thursday, September 22: Harrison, 2 to 4 p. m.; Chadron, 7 to 9 p. m.

Friday, September 23: Rushville, 2 to 4 p. m.; Myannis, 7 to 9 p. m.

Monday, September 26: Valentine, 2 to 4 p. m.; Ainsworth, 7 to 9 p. m.

Tuesday, September 27: Springview, 2 to 4 p. m.; Bassett, 7 to 9 p. m.

Wednesday, September 28: Butte, 2 to 4 p. m.; O'Neill, 7 to 9 p. m.

Thursday, September 29: Bartlett, 2 to 4 p. m.; St. Paul, 7 to 9 p. m.

Friday, September 30: Greeley, 10 to 12 a. m.; Taylor 2 to 4 p. m.

The meetings will be held in the county court house unless otherwise indicated. The public is invited.

Merry-Go-Round on the Niagara

EXTENSION OF REMARKS

OF

HON. EDMUND P. RADWAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 29, 1955

Mr. RADWAN. Mr. Speaker, on March 30 of this year, I introduced a bill which would authorize immediate construction of power development works on the Niagara River. As anyone can see from a mere reading of the bill, it was completely nonpartisan and noncontroversial in character. Its sole purpose was to break the disastrous stalemate which has plagued this essential project for the 5 years since February 1950 when a treaty with Canada made the project possible.

Canada did not waste its opportunity. It has virtually completed the project which will permit it to generate $60 million worth of hydroelectric power per year—plus our equal United States share, until we are in a position to use it. And we have not even started, as the 5-year-old argument of who shall own and operate the power project on this side of the border, continues to stymie its development.

My bill was designed to break that log jam without offending anyone. It did not determine who would own and operate the project—but provided only for an immediate start on construction, on a neutral basis, so that the 4 to 5 years it would take for construction, could be utilized for the settlement of the arguments and the project would be finished when the arguments were settled, and not just beginning.

Over $300 million worth of much-needed electrical power for defense, industrial, and domestic use has run wastefully over the falls since the treaty was signed in 1950. Three hundred million dollars worth will run over the falls before the project is finished, if it were started today. Twenty million dollars worth has run over the falls since I introduced my bill.

It seemed impossible last March that this bill could fail of passage—and yet almost unbelievably, it looks as though neither it nor any other bill for redevelopment of the Niagara will be passed this session of Congress. Even if it passed next session, a year from now, we will have to watch $60 million worth of power run over the falls between now and then.

The Young Men's Republican Club of Erie County, N. Y., promptly recognized the overwhelming merit of the Radwan bill when they passed a resolution last June urging its immediate enactment. So also did the Buffalo Evening News when it editorialized last May:

> Only Congress can settle (this deadlock), and the signs that it will bestir itself to do it this year are none too encouraging. * * * All of which attests the supreme economic folly of stalling any more years before even getting the project under construction on our side. Whether or not Congress can make up its mind which party should operate the development, once built, there is no good reason why the actual construction cannot proceed at once * * * If the Harriman-Moses group and the private-enterprise advocates can muster their forces for an immediate showdown this year, well and good. But if nothing more than another deadlock results, we simply will have wasted valuable construction time. Whether as immediate insurance that something will get started, or as a deadlock-breaker to be passed later in the session if it develops that neither the private nor public-power advocates can have their way, we think the Radwan bill deserves to be taken seriously and supported as an alternative approach by all those who are sincerely interested in getting some kind of Niagara power development expedited.

The anticipated deadlock has occurred, as I feared it would.

Not a single argument was advanced against the merits of my bill. The strongest statement against it was that it was unnecessary, because one of the permanent bills, calling for construction and operation would be passed this session. Well, they have not been. Only the Lehman bill stands a chance of passing in the Senate, and no one expects it to pass the House, at least this session. If and when a permanent bill is passed, it will be subject to time-consuming litigation.

A recent article in the Buffalo Evening News is headlined "Power Use in Buffalo Area Hits New Peak for Summer." It is a fitting obituary for what has happened to Niagara power this year. But come January 1, I shall press for the only sure-fire solution to this deadlock—immediate passage of my bill for immediate construction of the project. Let us stop this merry-go-round on the Niagara.

South Dakota Paces the Uranium Industry

EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Friday, July 29, 1955

Mr. MUNDT. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement which I have prepared, entitled "South Dakota Paces the Uranium Industry," together with some material relating thereto.

There being no objection, the statement and material were ordered to be printed in the RECORD, as follows:

SOUTH DAKOTA PACES THE URANIUM INDUSTRY

Mr. MUNDT. At this time I should like to call to the attention of my colleagues in the Senate the newest development of America's rapidly growing uranium mining industry. I am referring to the groundbreaking ceremonies held recently at Edgemont, S. Dak., for construction of a $2½ million uranium-processing mill—the first in the Nation to be built outside the Colorado Plateau area.

And I should like to comment, in particular on vision, patience, and perseverance shown by the citizens of Edgemont and the surrounding area in South Dakota's Southern Black Hills. Only a couple of years ago the vision of South Dakota's uranium possibilities was tenaciously held by the handful of pioneer prospectors from Edgemont who laboriously worked their claims and constantly explored the ever-expanding limits of known uranium-bearing ore deposits.

Their patience through these early years of prospecting, and their perseverance in spite of all subsequent obstacles, has now resulted in construction of this new processing mill. Surely this will stand as a monument to the untiring efforts of many, many people in the Black Hills area of western South Dakota and eastern Wyoming.

To further document the tremendous progress of this new uranium mining industry in recent years, I want to place in the RECORD two specific items.

The first is an editorial appearing in the Hot Springs Star, of Hot Springs, S. Dak., which comments on the future potential of uranium development in the Black Hills.

The second item is an article entitled "Black Hills Seen as a Top U-Ore Producer" as written by LeRoy F. Holst, public relations director of the Edgemont Mining & Uranium Corp., and as published in a recent issue of the Uranium Information Digest.

[From the Hot Springs (S. Dak.) Star]

A BRIGHT FUTURE NOW EVEN BRIGHTER

Friday, June 23, is destined to be a memorable day for Fall River County—in fact for all of South Dakota.

It is on that day that Gov. Joe Foss will break the ground and construction of the uranium processing mill at Edgemont will begin. We are among those who believe that uranium mining and processing are destined to become vital forces in South Dakota's economy—not only in the southwestern section of the State but in other parts as well. With the surface barely scratched, the mining industry alone brought added prosperity to this area, and it is noticeable not only in Edgemont, but in Hot Springs and other nearby cities as well. With new and richer fields being uncovered every day, with new mining corporations being formed almost weekly, and now with construction beginning on the processing mill, the bright future we have to face in this area becomes even brighter. As the prospectors, the miners, and the stockholders continue to prosper, so will we all, from this new-found source of wealth.

Already new jobs have been created, and with the development of the mill we may expect that trend to continue. More jobs will mean more people, and hand-in-hand will come additional business for all of us, as well as the development of new enterprises.

The battle for the location of the uranium processing mill was a long and a bitter one with every resource in Wyoming used to promote the location at Newcastle. There is no doubt but what the known rich ore-bearing fields of the Edgemont area and the established stockpile had its effect on determining the location of the mill, but not to be forgotten are the efforts of the people of the county and the State who recognized this new industry for what it is and expended time and energy in selling the Edgemont area. Of no little consequence in the blessing of this enterprise were the efforts of Senators Mundt and Case, Congressman Berry and

Gov. Joe Foss. Theirs was the selling job at the top level and the proof is with us Friday of their accomplishment.

This, it is said, is the land of opportunity. In the uranium story there certainly is the proof, as much of what was once thought to be barren, rocky hillsides, are found to be rich, carnotite-bearing ore bodies with a potential of millions of dollars. Yes, the future is a bright one for southwestern South Dakota.

In Edgemont they say, "Like the horseless carriage, uranium is here to stay." Of that there is no doubt. The ground-breaking for the mill at Edgemont Friday serves as a welcoming celebration, not only for the mill but for the entire new industry that is uranium. It is as important to Hot Springs as it is to Edgemont, and this city should turn out en masse.

BLACK HILLS SEEN AS A TOP UNITED STATES U-ORE PRODUCER

(By Leroy F. Holst)

With the uranium potential of the carnotite-rich Edgemont area, in the Southern Hills, supplemented by that of the radioactive lignite deposits to the north, operators of the Black Hills feel that these age-old geological formations may well prove to be one of the Nation's top sources of uranium.

Although the Northern Hills ore occurs in such vast quantities that engineers use acre-feet for measurement, instead of tons, and the average grade for the field has been estimated at 0.40 percent, it may be some time before operations will be feasible. Classified as a coal reserve by the Department of the Interior under Public Law 585, this agency and the AEC are holding conferences to determine whether new legislation is required to handle uranium mining or whether this can be done by administrative ruling.

The AEC is confident that a process will be developed to satisfactorily and economically procure uranium from lignite, according to Senator FRANCIS CASE, Republican, of South Dakota, and that a plant will be constructed in Harding County to handle uranium production for the commission. With 10 companies doing exploration and development work in this area, a recent core drilling on one of 1,500 claims revealed a 2-foot vein which assayed 7.16 percent.

Operators in the Edgemont area, however, have surmounted most of their problems and, with half a dozen mining companies in production, continuous stockpiling at the Edgemont buying station was one of the major factors favoring this city's apparently successful bid for a 200-ton processing mill.

Senator KARL E. MUNDT, Republican, of South Dakota, and Congressman E. Y. BERRY, Republican, of South Dakota, were active in presenting Edgemont's case before the Commission, based on the substantial uranium potential of the area, ideal transportation facilities, and the stockpiling at the buying station.

Contract for the mill is being negotiated with Mines Development Inc., of Denver, who will finance construction and operation of the plant. Cost of and location of the mill will be disclosed as soon as the contract is signed.

Upon completion, the mill will have approximately 100 employees and will process 200 tons of ore a day. With continued stockpiling from the area's producers, the mill will have a considerable reserve which may preclude any shutdowns.

Art Ludwig and E. J. Brockman, pioneer prospectors and operators of the Edgemont area, have been active in exploration, development, and production since early in 1952. Watching the transition of the Edgemont area from cattle country to a highly important center of the uranium industry, they have a justifiable pride in the roles they have played in this dramatic metamorphosis.

In the late spring of 1952, the partners hit the well-known jackpot.

With a steady stream of ore, which assayed as high as 0.50 percent, on its way to the nearest processing mill at Rifle, Colo., their income climbed steadily. Expansion of old operations began and new ones were started with installations of modern mining equipment.

A new strike was made last summer which received nationwide publicity. Called the Gould Strike, it is located in the Chilson Canyon area about 12 miles northeast of Edgemont and may well prove to be one of the richest carnotite ore-bearing properties in the Black Hills. With but 10 of the lease's 960 acres drilled for exploratory purposes, some assays show uranium oxide content as high as 2 percent.

Reorganization of the Edgemont Mining Co., Inc., was effected last October with the issuance of 3 million shares of common stock for public offering. The entire issue was oversubscribed within 24 hours and it is now being traded on the open market. The officers of the new organization, Edgemont Mining & Uranium Corp., are: E. J. Brockman, Edgemont, chairman of the board; Art Ludwig, Edgemont, president; Ray C. Ludwig, of Englewood, Colo., executive vice president; Walter D. Jorgensen, Aurora, Colo., secretary-treasurer with William W. Schoonmaker, and Harold D. Stickney, Edgemont, directors.

Included in the firm's expansion plans are purchases, totaling $225,000, of new equipment and $75,000 earmarked for airborne reconnaisance of all its properties, to ascertain the most profitable sites for new operations.

Edgemont Mining & Uranium Corp., has interests in approximately 2,400 acres in Fall River and Custer Counties, located in the Southern Black Hills of the southwestern corner of South Dakota. Holdings of the company have grossed approximately $400,000 to date.

The ore body on the Gould lease is being mined by the Pictograph Mining & Uranium Co., Inc., under a profit-sharing contract, made in June 1954 to run a maximum of 2¼ years.

The Virginia C group, which comprises six lode mining claims, is under lease to EMU to August 1957 with option to extend to 1962. One of the largest producers in the Black Hills, the ore shipped from the Virginia C operation has averaged 0.30 percent uranium oxide and 0.75 vanadium oxide. Both stripping and underground operations have been used at the C.

Another of Edgemont Mining's large producers is the Lundberg lease, situated about 1 mile northeast of the Virginia C, which covers 11 claims. These claims are leased to March 1957 and renewable for an additional 5 years. About 50 percent of the tonnage produced and shipped from this property was strip mined from surface deposits ranging in thickness from 1 to 6 feet. Present production is being mined from a sandstone bed about 1 foot thick and averaging 0.24 percent in uranium oxide.

The Pilsner group, comprising 16 lode claims owned by Edgemont Mining, is the only property of the corporation in Custer County. Production on the Pilsner holdings has been accomplished through stripping operations and the ore has assayed as high as 0.33 percent uranium oxide.

Comprising a full section, the Taylor lease is held by EMU under two 5-year leases, dated September 1952 and May 1953, with options to renew for an additional 5-year period. Sixty of the 640 acres have been explored by drilling and bulldozing and many carnotite deposits have been found in many areas of the entire northern half of the section.

Averaging 0.20 percent, the ore from this property has been produced from an ore body just a few feet below the surface. Discontinued during the winter months, operations will be resumed in late spring. Because of the shallow stripping, production costs on this operation have been low, averaging $5 per ton of ore.

The Cradall group of 4 lode claims, of approximately 80 acres, is an Edgemont Mining & Uranium Corp., owned property. Assessment work in March of last year resulted in a shipment of strip mined carnotite ore from surface deposits, which assayed 0.26 in uranium oxide and 0.43 percent in vanadium oxide. The corporation plans extensive exploratory drilling and development of this property during the summer.

One other property, the Hamilton lease, is held under a 5-year lease by the corporation with option to renew for an additional 5 years. Three miles north of the Virginia C, very little exploratory drilling has been effected on this lease but the 5 claims of 100 acres show great promise.

Pictograph Mining Co., another pioneer mining operation in the Edgemont district, was reorganized and incorporated early this year as Pictograph Mining & Uranium Co., Inc. The holdings of the new corporation include the original carnotite discovery site in the Southern Hills. Known as the Pictograph claim, this property is located in the Craven Canyon area of Fall River County. Within 4 years, this discovery has certainly changed the economic picture of the Edgemont district. With a total of 4,500 acres, all in Fall River County, Pictograph is planning exploratory drilling on an extensive scale, to start late this spring.

One of the properties adjoins the well-known Virginia C mine and the corporation holds great expectations of rich production from this holding. Officers of Pictograph Mining & Uranium Co., Inc., are: Matthew J. Brown, president; Lawrence Rhodes, vice president; Marvin Cummings, secretary and treasurer; and Art Ludwig, director.

Sodak Uranium & Mining Co., Inc., was incorporated under the laws of Delaware on November 15, 1954, with the following officers: C. J. Ortmayer, chairman of the board; Clyde R. Boyle, president; W. E. Haldane, vice president; Paul H. Russell, secretary and treasurer; with directors Jack O. Jones and Munroe F. Pofcher completing the directorate.

Formerly a partnership, in which Ortmayer and Boyle were interested, the new corporation plans considerable expansion of its exploratory drilling program, previously carried on by the partners. During 1955, Sodak expects to complete 100,000 feet of drilling in the Edgemont area as well as in Butte and Cooke Counties, Wyo. The corporation has approximately 16,000 acres in these 3 regions and, with 2 additional drills on order, the expanded program should be under way in the near future. Sodak also plans additional surveys by airborne reconnaissance in South Dakota, Wyoming, and Colorado.

The Black Hills Uranium Corp. was incorporated in January of this year by pioneer prospectors and operators of the area, who make up the new corporation's group of officers. They are: Roy E. Chord, president; Eugenia Chord, vice president; Charles M. Weber, secretary and treasurer; and Gordon Kamerer, director.

Although properties of the corporation have not been completely explored, a substantial tonnage has been mined and a very considerable tonnage remains to be mind, as evidenced by drilling data and over 50 surface exposures.

At the present time, Black Hills has two operations which have been in continuous production, Hold Up No. 15 and Hot Point No. 3, with the ore assaying 0.24 percent

uranium oxide. The corporation also has Kados No. 3, Hot Point, Nos. 1–2 and 7, High Pockets No. 6, Green Slipper No. 5, Shamrock No. 4, and Clarabelle, Nos. 1, 2, 3, 4, and 5. Most of these will be under production by the end of the summer.

Mining operations and reconnaisance on the corporation's Red Canyon and Craven Canyon holdings have been under the supervision of Carl Bayes, consulting engineer of Urbana, Ill., and this spring will find much exploratory activity on Black Hills Uranium Corp.'s properties.

The corporation's claims were recently involved in a claim-jumping suit that was given widespread publicity. Judgment in the suit, heard in the district court at Hot Springs, S. Dak., in January, was in favor of the plaintiffs, Roy E. Chord and the Black Hills Uranium Corp.

The first load of carnotite ore to be sold from South Dakota was taken from Hot Point No. 2 and shipped to Rifle, Colo., by Roy Chord on January 28, 1952. This test load averaged 0.75 percent uranium oxide and, like most of the ore in the Edgemont district, was very low in lime content.

Mining Research Corp., headed by Clifton W. Livingston, president, was formed to conduct research on in-situ leaching of uranium ores and to develop processes for treating low-grade uranium ores. The corporation acquired leases in the Edgemont area from various landowners and consolidated its holdings in a block comprising approximately 7,000 acres. In association with Shannon Oil and Freemont Oil Co.'s Mining Research Corp. also acquired nearly 100,000 acres of unexplored land in the Carlyle, Aladdin, New Haven, Hulette, and Missouri Buttes areas along the outcrops of the Fall River, Fuson, and Lakota formations, on the north west flank of the Black Hills uplift.

The rapid development of the Edgemont district forced the corporation either to abandon the research program it had consistently pursued, or to restrict itself to research. Accordingly, milling agreements were entered into with Edgemont Mining & Black Hills Uranium Corp. These agreements affect the major portion of the ore reserves of the district. A study was then made, covering the economic factors that determined the proper location for an Edgemont mill. As a result of this survey, the best available mill site was purchased. The services of E. C. Bitzer, former metallurgical consultants to the Atomic Energy Commission, were obtained, and Knowles & Associates, of New York City, were engaged to undertake the preliminary design of the mill.

An agreement was then entered into with Climax Molybdenum Co. in which Livingston Metals Corp. (to be controlled by Climax) was formed for the purpose of constructing a mill at Edgemont, if a satisfactory contract could be secured from the Atomic Energy Commission. Land acquired in the Black Hills by Mining Research is included under the Livingston Metals agreement.

Rosebud Oil, Inc., on February 1, 1955, took over 76 full claims in the Edgemont mining district, held by the McLeod Mining Co. A South Dakota corporation, capitalized for $50,000, Rosebud has 900 acres of proven oil properties in Weston County, Wyo., with 11 producing wells. The corporation has far-flung uranium properties, with 1,900 acres under lease near Santa Fe, N. Mex.; 650 claims in Grand and San Juan Counties, Utah, and 111 claims in Harding County, in the Northern Hills.

Rosebud has outlined considerable exploratory drilling on the former McLeod Mining Co. claims this spring. A Dry Forks Canyon mine, in the Moab district of Utah, was opened the latter part of March.

The McLeod Co. was under profit-sharing contract to Edgemont Mining to work EMU's Freeze Out No. 4 mine, in the Pilsner Group, until weather conditions precluded further operations, on February 1. Rosebud will resume work on the contract as soon as weather permits, according to word from the firm's headquarters at Huron, S. Dak. Ore from the Freeze Out No. 4, located about 22 miles from Edgemont, has averaged 0.20 percent uranium oxide, with occasional assays of 0.33 percent.

Sacred to the Sioux for centuries, their Paha Sapa, or Black Hills, were to be forever kept free of white settlement under the famous treaty of 1868. Nullification of this treaty, drawn up between Agalala Sioux Chief Red Cloud and the Federal Government, was affected through the steady encroachment of the whites, following discovery of gold on French Creek, in 1874. Much blood was shed, as a result of this gold, climaxed by the Custer massacre on the Little Big Horn, June 25, 1876.

Today, producers in the Black Hills continue to mine and sell, to the Government, exceptionally high-grade ore, samples of which have run as high as 12.67 percent (chemical assay by AEC) in uranium oxide.

The Smog Problem

EXTENSION OF REMARKS
OF
HON. GORDON L. McDONOUGH
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, July 29, 1955

Mr. McDONOUGH. Mr. Speaker, Los Angeles and the whole of southern California is confronted with one major problem which so personally affects every man, woman, and child living in the area that I believe the average man on the street, if asked to name the one problem he considers most serious in Los Angeles as it affects him individually, would reply without hesitation "The smog problem."

Smog, the result of a complex and little understood air pollution, has descended upon southern California like a plague blotting out the usual sunny skies which were the pride of all Californians a few short years ago. It has come, most experts agree, as a result of the tremendous expansion of population and industrial growth with all the increases in motor vehicle traffic, waste disposal, and other necesary community processes which, unless properly supervised and controlled, can contribute to the serious contamination of the air such as we are now experiencing.

I sponsored H. R. 3680 in the House to authorize the Department of Health, Education, and Welfare to conduct an intensified research into the causes, hazards, and effects upon the health and welfare of the people of air pollution, and to develop effective methods for its prevention and control. Senator THOMAS KUCHEL sponsored a similar bill in the Senate.

Because the Senate acted on this legislation before the House considered the bill I introduced and other House legislation relating to this subject, the Senate bill was brought to the House floor for consideration and passed, becoming Public Law 159 of the 84th Congress.

This legislation which I sponsored and supported is the first major step on a nationwide scale toward solving the smog problem and eliminating one of the most serious threats to the health and well-being of the people, not only in southern California, but in all parts of our Nation. It also definitely establishes the responsibility of the Federal Government to join with State and local governments in the fight to control and eliminate dangerous air pollution.

Under the provisions of the Smog Act, a 5-year program of research has been established which will be carried on for the entire period under the supervision of the Department of Health, Education, and Welfare. The act also includes an appropriation of $5 million a year to carry on the meticulous research necessary to determine the causes of air pollution such as smog, and its effects on the health of the people, as well as to develop methods to control and eradicate dangerous air pollution. The total appropriation for the 5-year period will total $25 million.

This is an incidental expense when consideration is given to the enormous benefits to each and every citizen which can result if we solve the problem of effective control and elimination of air pollution. In fact the county of Los Angeles alone has reported appropriations of more than $2½ millions toward research in its effort to control air pollution since 1947, and is now maintaining more than 200 employees in this work at an annual cost of nearly $2 million.

The program set up under the Smog Act will make possible technical and financial aid for a joint effort by the Federal Government and the States and local governments and will provide for the collection and dissemination of information resulting from research which will be valuable to local agencies in their efforts to eliminate pollution from the air.

It is my hope that as a result of the scientific research and exhaustive investigation which will be carried on in all parts of the Nation under the new program, we will finally find an effective method of controlling and eliminating smog and other conditions caused by air pollution.

When the problem of air pollution is finally solved, we will have overcome one of the most serious threats to human health and welfare which has resulted from the tremendous expansion of both population and industry in this atomic age of the 20th century.

Let's Give President's Highway Program a Green Light

EXTENSION OF REMARKS
OF
HON. RUSSELL V. MACK
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Friday, July 29, 1955

Mr. MACK of Washington. Mr. Speaker, editors of the Nation in their editorials in the daily press are expressing deep disappointment over the failure of this Congress to give a green light to President Eisenhower's expanded high-

way program in order to provide the Nation more, better, and safer highways.

The editors and the people generally are and should be disappointed. The failure of the Congress to provide for safer highways in effect sentences several thousand Americans to die needlessly each year in traffic accidents, who, were better highways provided, would live out longer lives.

Testimony before the Public Works Committee during the road hearings was to the effect that the President's highway program, at a minimum, would cut the death and accident toll on our highways by at least 10 percent. This means that 3,500 to 4,000 American lives a year would be saved if adequate highways were provided. Also, that the million Americans now injured in traffic accidents each year conservatively would be reduced by at least 100,000.

This great unnecessary waste in life and limb, with its misery, pain, and wasteful costs, which if stopped or even lessened by better roads, would more than pay for the cost of building these better and safer highways.

President Eisenhower showed himself a great humanitarian when he, after the defeat of the highway bill, told Congress and the country that he "devoutly hoped" Congress would reconsider the action by which it scuttled the much-needed expanded highway program.

Editorials in newspapers coming into the Nation's Capital indicate the editors of the Nation agree with the President and not with the Congress which has turned a deaf ear to the President's humanitarian pleas for better and safer roads.

Appended here is a typical editorial deploring the failure of Congress to act affirmatively on the President's highway program.

The editor of the Herald Tribune, of New York City, writing on the failure of the Democratic Party to act on highway legislation, editorially said:

RED LIGHT ON ROADS

The Democratic Party climbed to marvelously high moral ground to wage its battle against President Eisenhower's highway program. Its members were a little unaccustomed to the altitude. All through the legislative session, however, they managed to make noises indicating that its provisions for extrabudgetary financing were deceptive and conveying the impression that—perish the thought—a spendthrift had found his way into the White House.

It would be funny if we didn't need the roads so badly.

President Eisenhower's program recognized that highway construction had never recovered ground lost during the war and that this fact, combined with annual gains in the number of vehicles registered, was bringing us face to face with a real emergency. Automobiles are basic to the American economy, and if roads are not provided for them to operate on every one is going to suffer.

The President's plan was for a massive effort to catch up, financed in part by the issuance of $21 billion in bonds that would not be part of the national debt, and that would be paid by the revenues from certain taxes.

Although the Democrats opposed it on the aforesaid moral grounds, one suspects that the proposal's really fatal flaw was that it was too good, that the opposition couldn't bear to help the President solve the problem so cleanly and get the credit for it.

At any rate, their counterproposal was for vastly more of the same old Federal aid, accompanied by increased taxes on fuels, tires, and heavy vehicles. The only trouble was that their own members didn't have what it took to stand up against the vocal opponents of the new levies and the whole business collapsed—and much to the leaders' surprise—on the floor of the House.

All of which leaves the country stalled in the traffic, with plenty of time to mull over how to vote next time.

Dedication of General John J. Pershing Plaque

EXTENSION OF REMARKS
OF
HON. ROMAN L. HRUSKA
OF NEBRASKA
IN THE SENATE OF THE UNITED STATES
Friday, July 29, 1955

Mr. HRUSKA. Mr. President, I ask unanimous consent that there be printed in the CONGRESSIONAL RECORD my remarks as made in Los Angeles, Calif., on July 25, 1955. The occasion was the dedication of a memorial plaque on Pershing Square, in that city, honoring Gen. John J. Pershing, after whom the square was named.

The program was under the sponsorship of Woodmen of the World Life Insurance Society, of Omaha, Nebr. It was holding its national convention in Los Angeles at the time, under the leadership of its president, Farrar Newberry.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF UNITED STATES SENATOR ROMAN L. HRUSKA AT DEDICATION OF GENERAL JOHN J. PERSHING PLAQUE, PERSHING SQUARE, LOS ANGELES, CALIF., JULY 25, 1955

The American people are grateful for the safe return of our President Eisenhower to the Nation's Capital. They are grateful, too, for his most recent efforts in the incessant search for peace, which has been pursued by him and his administration so capably and persistently.

While there are optimistic statements on the outcome of the Geneva Conferences, it is much too early to properly appraise them. This inability to judge so early is something which thoughtful people had in mind even before Geneva talks started. We were told, and rightly so, that a readymade, beribboned, and complete solution to the world's ills could not and would not be expected. It will still be a long, torturous process before the goal is reached.

In spite of all this, great gains were made in Geneva.

First, leaders of the nations at the conference recognized the terrific force of the universal, common desire for peace held by the rank and file of the peoples of the world. These leaders recognize that their people expect and demand that something be done by them. They have responded to this desire for peace.

Our President was right when he stated that he came to Geneva with something more powerful than the Army, Navy, and Air Forces which he commanded in Europe 11 years ago. This something was the good will of America, the great hopes of America—the aspirations of America for peace.

Secondly, the Geneva talks proved that there is foundation for some hope that war is not necessarily inevitable. There is hope that the leaders of nations will realize and act upon the stern truth which every thinking individual knows, to wit: the futility of armed conflict, and the fact that everyone loses and no one gains from it.

Geneva in itself may not have solved much. It does lay foundation for much. It will be followed by further conferences on lower levels where further progress can be made.

President Eisenhower acted and spoke boldly. It is heartening to know that he did so fully aware of the dangers of meeting with Soviet Russia's leaders, who have so often in the past proved themselves to be unreliable, deceitful, and treacherous. They must be and will be dealt with accordingly.

But the stakes of gains toward peace are so great, that every avenue and hope for peace, however faint they may be, should be fully and thoroughly explored and pursued. We can be confident that they will be in the same stable and capable and farseeing fashion which has characterized our foreign policy under President Eisenhower to date.

America's position in world leadership which exists, whether we like it or not and whether we strive for it or not, was a long time in formation. One of the big features of that growth was our entry into World War I and the military successes which this country had in it.

General John J. Pershing whom we honor here today was one of the most potent of all the personalities who were active in that period. His ability and leadership did much for America's standing in the eyes of the world. When we consider our fortunate position on the world scene it is fitting that we give General Pershing due credit and that we honor him as we do.

The placing of historical markers serves several purposes. Among them are these: to inform, to remind, and to inspire.

Today as we dedicate this plaque honoring Gen. John J. Pershing, there is a wealth of material for fulfilling all of these purposes, for this general is one of the most outstanding of America's. His life and works arouse not only feelings of gratitude for service rendered in time of crisis, but admiration for the variety and duration of his activities for his country.

This great patriot died at the age of 88 in the year 1948. His life span had then covered more than one-half of the duration of our Republic under the Federal Constitution. And what a jampacked, thrilling, and significant life was packed into those fourscore and 8 years.

It was exclusively a military career. His first taste of the art and the hellishness of war was at the age of 4 when he stood in the doorway of his home in Linn County, Mo., and watched the sweaty, weary, blood-streaked men stagger home from Appomattox. Seventeen years later, he entered the United States Military Academy at West Point. He remained in active military service continuously and without interruption until his retirement in 1924, a period of 43 years.

This career from cadet to commander in chief of the American Expeditionary Forces, to Chief of Staff, and to the General of the Armies sought a wide range of activity. He led his men through almost every kind of campaign: Indian wars in the Southwest, the Moros in the Philippines, against Pancho Villa in Mexico, and finally as Commander in Chief of the AEF in Europe against the German Armies. The slogan of "Join the Navy and see the world" was not in Pershing's case considered the sole property of one branch of the armed services.

Perhaps the first time he came in wide and popular notice was in 1914–15 during the Mexican border troubles. He was sent out after Pancho Villa after a number of raids by the illusive and colorful figure. Pershing caught up with the culprit, only to get orders to let him go. It was this campaign which did much to result in his appointment as head of the AEF.

In addition to the service in the Spanish-American War, in the Indian hostilities in the the southwest country of the United States, in Mexico, in the Philippines, in Hawaii, and other places, he was assigned and served briefly in Europe as early as 1908 as observer of the Balkan military activities.

The background, training, and experience which he got in the military field campaigns, as well as teacher at West Point and the University of Nebraska, and as administrator at desk work in Washington and elsewhere, all built up to qualifications which served in mighty good stead in later years.

In 1905 and after his brilliantly effective Moro campaign in the Philippines, he was promoted by President Theodore Roosevelt from captain to brigadier general over 862 officers. This brought about a great storm of comment and criticism even though some of his contemporaries were similarly promoted; Gen. Leonard Wood, for example, who was promoted over 91 seniors; Gen. J. F. Bell over 1,031 seniors; William Crozier over 493 seniors, and others. Later events, of course, justified the choice and preference thus extended.

All of his powers and talents were called for to full limit when he assumed command of the American Expeditionary Forces in Europe. His first great trial and battle was not with the enemy, but with the generals and the military forces of the Allies. They wanted the American soldiers to serve as replacements within the Allied Forces rather than as a force of their own. This was stubbornly resisted by General Pershing because he knew that the effect of such a policy would be disastrous upon the morale of the men and to the place of our Nation in the eyes of the world. He stubbornly held out until the American forces were trained and mobilized in full force at which time they entered the conflict under their own flag, although under the supreme command of Marshall Foch.

After the war he served as Chief of Staff at home and was made General of the Armies. Even after his retirement from active service in 1924, he continued his role of adviser and counselor in military affairs and one of the biographers states:

"His service to his country was beyond measure; the strategy of today's United States Army is, in large part, his concept."

It is so fitting that the Omaha Woodmen Life Insurance Co. with its home offices in Omaha, Nebr., should sponsor this significant and meaningful occasion of dedication. Pershing shortly after his graduation from West Point was assigned to the University of Nebraska as professor of military science. Those were tough years for any military organization and especially so in the Middle West, but he breathed new life into the classes and into his drill companies. Shortly after his arrival in Nebraska, National Competitive Drills for college military organizations were held in nearby Omaha, the home office city of Omaha Woodmen Life Insurance Society, incidentally. With great effort he assembled enough support from faculty as well as his student body to enter a drill company into that competition. That company won the Omaha Cup and a cash prize of $1,500. While in Nebraska University he attended classes in the law school and graduated law school in the year 1893 there. It had been one of his early ambitions to study the law and this was fulfilled in Nebraska's capital city. It is significant to note that during all the years which followed, he maintained his legal residence in Lincoln, Nebr., at 1748 B Street.

One of the memorials to his affiliation with and affection for Nebraska is the "Pershing Rifles" which has its national headquarters at the University of Nebraska in Lincoln. It is a national honorary military society founded in 1894.

There is another reason why it is fitting that this occasion should be under the auspices of the Omaha Woodmen Life Insurance Society. This great patriotic and fraternal organization has long had its policy the honoring of great Americans and the encouragement and promotion of the study of American history.

In the past it has honored notable Americans such as Presidents John Tyler, Zachary Taylor, Andrew Johnson, James K. Polk, and William Howard Taft by suitable placement and dedication of plaques and markers. Two other generals have been similarly honored. Namely Grenville Dodge and Nathan Bedford Forrest.

The leadership of the Omaha Woodmen Life Insurance Society is to be highly commended for the patriotic program which they have developed and which they are following so well. The membership of this great organization is likewise to be commended for supporting this program so enthusiastically and so loyally. The entire Nation is the recipient of a great deal of benefit as a result.

In the name of the public generally, I extend our thanks together with our appreciation.

Treasury Department Report Relating to Cooperatives

EXTENSION OF REMARKS
OF

HON. JERE COOPER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, July 29, 1955

Mr. COOPER. Mr. Speaker, due to the wide interest in the tax treatment of cooperatives, I am including in the CONGRESSIONAL RECORD a letter dated July 26, 1955, which I have received from the Secretary of the Treasury, wherein he sets forth some problems which have arisen relative to the tax treatment of cooperatives and his suggestions for meeting these problems:

THE SECRETARY OF THE TREASURY,
Washington, July 26, 1955.

Hon. JERE COOPER,
Chairman, Committee on Ways and Means, House of Representatives, House Office Building, Washington, D. C.

MY DEAR MR. CHAIRMAN: Recent Court decisions have made it clear that certain tax legislation which the Congress enacted in 1951 is not working out as the Congress intended.

Public Law 183, 82d Congress, 1st session (now embodied in secs. 521 and 522 of the Internal Revenue Code of 1954) eliminated the tax exemption of cooperatives which had existed previously. A study of the legislative history of this law shows that it had the clearly intended objective of taxing all cooperatives' income in the year earned, either to the cooperative or to the individual member.

Prior law had permitted cooperatives to accumulate necessary reserves tax free. In the 1951 law the Congress removed the allowance for tax-free reserves and provided that cooperatives were to be taxed on earnings at the regular corporate rates. However, in computing taxable income they were allowed deductions not only for cash distributions to their patrons but also for allocations made to patrons of their proportionate shares of the income of the cooperative. The allocations could take any of many forms, including certificates of beneficial interest, and promissory notes with or without due dates or interest.

In taking this action in 1951, the Congress apparently relied on rulings of the Internal Revenue Service that patronage allocations were taxable to patrons when made, regardless of their form. Accordingly, the 1951 act made no specific reference to the taxability of refunds in the hands of patrons. Congress apparently assumed that the rulings of the Internal Revenue Service were valid, that cash refunds would be taxable currently to the patrons in full, and that noncash allocations, in whatever form, also would be taxable currently to the patrons at face amounts.

It thus was intended in 1951 that the cooperative income should be taxable as it was earned either to the cooperative itself, or to its members. Such income was to be taxable to the cooperative as a corporation unless paid in cash or otherwise allocated as patronage refunds, in which cases it was assumed to be taxable to the patrons or members.

However, several courts now have held that when allocation certificates issued to patron-members have no fair market value, they are not properly includible in the taxable income of the patron-members when issued. Notwithstanding the nontaxibility of these allocations to the members, they remain currently deductible by the cooperative under the clear terms of the 1951 act. It therefore is possible for cooperatives to take current tax deductions for certificates which are nontransferable, nonredeemable, and noninterest bearing, and not taxable to anyone. Cooperatives thereby may retain earnings, for indefinite periods of time, with no liability for income tax by either the cooperative or its members. Thus, the 1951 act has failed to accomplish its purpose and, contrary to Congressional intent, in at least some instances cooperatives may retain earnings with no tax imposed either on them or their members.

The general plan of the 1951 legislation, to tax all income from cooperatives' operations as it is earned either to the cooperative or to its patron-members, might now be made effective by appropriate action of Congress in the following manner.

It could be provided that cooperatives could take deductions in computing their taxable income only for (a) cash distributions and (b) noncash allocations issued in such form or under such circumstances as would make them currently taxable to the patron-members receiving them, and (c) the amount deductible by the cooperative itself should not exceed the amount so currently taxable to patron-members.

This would not interfere with the proper function or financing of cooperatives, but would make it certain that all income is taxed in one place or the other as it is earned. The traditional handling of cooperative affairs would not be impeded.

Some difficulties are involved in requiring patron-members to pay tax currently on noncash allocations. Where the patron-member gets no cash distribution, he may not have funds to pay the tax. The Internal Revenue Service has received numerous complaints from individual patron-members who object to paying tax on noncash allocations. Many people naturally consider only cash receipts and expenditures in making their income-tax returns.

These difficulties can be eliminated by the adoption of a withholding system comparable to that on wages and salaries. The tax could be withheld at the bottom rate for individuals (now 20 percent). As in the case of wages and salaries, refunds automatically would be made to those entitled to them and additional taxes paid by those subject to higher tax rates. Withholding at source would help both patron-members in payment of their taxes and the Treasury in its enforcement and administration problems.

The preceding changes would implement the intent and purposes of the act of 1951. They would make it sure that noncash allocations would be taxable, and that tax would actually be paid on behalf of the recipients. Further wholly-tax-free additions to the capital of cooperatives would be prevented.

Cooperatives still would be able to retain for their business use the entire amount of their earnings, subject only to the 20 percent withheld and paid on the tax liabilities of patron-members, by allocating all earnings to their patron-members in the form of taxable certificates. At some appropriate time your committee may desire to undertake a careful study to determine whether or not this result is in the public interest, in view of the alleged competitive situation existing between cooperatives in competition with corporate businesses which can expand their activities by retained earnings only after paying tax at the full corporate rate, or by sale of securities to the investing public.

The Treasury Department will be glad to be of such assistance as we can to you and your staffs in any consideration that you may give to the various aspects of this subject.

Sincerely yours,

G. M. HUMPHREY,
Secretary of the Treasury.

Smuggling of Heroin Into the United States

EXTENSION OF REMARKS
OF
HON. HERBERT H. LEHMAN
OF NEW YORK
IN THE SENATE OF THE UNITED STATES
Friday, July 29, 1955

Mr. LEHMAN. Mr. President, some weeks ago, I received a letter from Mr. Andre Fontaine, the editor of the Bluebook magazine, sending me a copy of an article published in his magazine, in which it was asserted that the Italian Government was facilitating the smuggling of a great flood of heroin into the United States.

In order to obtain some informed comment on the observations contained in this article, I wrote to the State Department. I have received from the Department a very interesting reply containing reference to some official reports on the measures the Italian Government has undertaken to inhibit and restrain the narcotics traffic and the export of illicit drugs to the United States.

I am sure we will all be pleased to know that the Italian Government is taking active and forceful steps to stamp out this evil trade, which is a source of such concern to the entire country.

I ask unanimous consent that the communication from the State Department, which I have just referred to, together with my letter to Mr. Fontaine, editor of Bluebook magazine, be printed in the CONGRESSIONAL RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

JULY 6, 1955.

Mr. ANDRE FONTAINE,
Editor, Bluebook Magazine,
New York, N. Y.

DEAR MR. FONTAINE: As you will recall from our previous correspondence, I sent your letter and the article entitled "How Italy's Government Lets Heroin Flood United States," contained in the June issue of Bluebook, to the Department of State for its consideration and comments.

I have just received a very interesting reply from Assistant Secretary of State Thruston B. Morton, and I am enclosing Secretary Morton's letter for your information. I am pleased at the concern which is evident in Secretary Morton's reply with regard to this very important narcotics problem. Obviously the Bluebook article has been studied with great care by the State Department, and I am sure it will have a salutary effect in maintaining proper concern for meeting this vital problem.

Thank you again for sending me this very informative and provocative article. You may be sure I will continue to watch developments in this matter with great interest.

Yours very sincerely,

———.

DEPARTMENT OF STATE,
Washington, June 30, 1955.

The Honorable HERBERT H. LEHMAN,
United States Senate.

DEAR SENATOR LEHMAN: I have received your communication of June 3, 1955, enclosing a letter, dated May 19, 1955, from Mr. André Fontaine, together with a copy of the June issue of the Bluebook.

As indicated in the testimony of Mr. Harry Anslinger, the United States Narcotics Commissioner, before the Senate Subcommittee on Narcotics on June 3, the Bluebook article in many respects presents a picture of the Italian narcotics situation as it existed a few years ago, but it does not reflect the present state of things. In the past 2 or 3 years very great progress has been made by the Italian Government. This is confirmed by the report of the Committee on Seizures of the United Nations Commission on Narcotic Drugs which was adopted by the Commission at its 10th session in New York on May 5, 1955. An extract from this report reads as follows:

"ITALY

"50. The observer from Italy reported to the Committee on the narcotics situation in his country. Of the 36 kilograms of narcotics seized in 1954, 35 were of foreign origin, indicating that Italy was rapidly becoming a country of transit rather than origin. He assured the Committee that the Italian Government had intensified its struggle against the illicit traffic. A central bureau of narcotics had been set up in accordance with a new law passed in November 1954, and this office would coordinate activities throughout the country.

"51. In addition, the observer reported that his government had taken energetic measures to prevent diversion from licit drug factories. One of these measures was to institute in each drug factory a permanent control system to be enforced by the fiscal police.

"52. As regards the Migliardi case, the Committee was informed that the firm involved in the case (S. A. Schiaparelli) had lost its license to manufacture narcotic drugs and that the principal culprit, Migliardi, had recently surrendered to the authorities and had received a sentence of 11 years' imprisonment.

"53. The Committee desires to record its warm appreciation of the measures introduced by the Italian Government for the suppression of the illicit traffic and recommends that these be recognized in the Commission's report."

It should be noted that the United Nations Commission on this occasion expressed deep concern over the illicit traffic centering on certain other countries. The above-expressed views of the United Nations Commission were supported by Mr. Anslinger, the United States representative on that Commission.

The Department of State, in cooperation with the United States Bureau of Narcotics, has investigated the charge made in the Bluebook article that the Italian Government condones or protects illicit heroin manufacture and trade, and finds the evidence to be to the contrary at the present time. In July 1951 the Italian Government issued an order suspending the production of heroin in Italy. This order has been in force ever since. The most flagrant violator of the order has been severely punished by the Italian courts (the Migliardi case referred to above). According to the United States Bureau of Narcotics, the Italian Government is satisfactorily cooperating with United States narcotic agents in their efforts to prevent the flow of heroin and other narcotics through illicit channels into the United States.

It is to be noted that international organizations of which most of the nations of the world are members have recommended the extension of additional safeguards against the manufacture, trade and use of heroin to countries, including Italy, which have not yet adopted these further measures. In the case of Italy the safeguard most urgently needed is the permanent prohibition of the manufacture of heroin, as recommended by the World Health Organization and the Economic and Social Council of the United Nations. The United States Government has always supported these recommendations and it will continue to do so through the medium of the international organizations which have been established for this purpose.

Mr. Fontaine's letter and the Bluebook are returned herewith.

Sincerely yours,

THRUSTON B. MORTON,
Assistant Secretary
(For the Secretary of State).

Letters From the Department of Health, Education, and Welfare Relating to Provisions of the Social-Security Laws Dealing With Sharecroppers and Migrant Agricultural Laborers

EXTENSION OF REMARKS
OF
HON. JERE COOPER
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Friday, July 29, 1955

Mr. COOPER. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I am inserting two letters which I have received from the Commissioner of Social Security relating to crop-sharing arrangements and migrant agricultural labor:

DEPARTMENT OF HEALTH,
EDUCATION AND LABOR,
SOCIAL SECURITY ADMINISTRATION,
Washington, D. C., July 5, 1955.

Hon. JERE COOPER,
Chairman, Ways and Means Committee, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: This is to confirm, as requested by you, the informal discussions that have been held with you and Congressman MILLS by representatives of the Department of the Treasury and representatives of this Department on the interpretation of normal crop-share arrangements for coverage purposes under the Federal Insurance Contributions Act and the Social Security Act. You requested that prompt consideration be given to this matter so that information would be available in the near future

to persons entering into crop-sharing arrangements.

In accordance with your request, we are glad to confirm your understanding of the provisions as they apply to crop-sharing arrangements. Under the interpretation agreed upon between the two agencies, an individual who undertakes to produce a crop or livestock on land belonging to another for a proportionate share of the crop produced or of the proceeds from the crop will be considered an independent contractor and not an employee. His net earnings from the crop-share arrangement will be creditable for social-security purposes if they amount to $400 or more for the year. On the other hand, a landowner receiving a crop share, or the proceeds thereof, from such an arrangement will be considered as receiving rentals from real estate. Since such rentals are excluded from coverage under the Social Security Act, the landowner will not receive social-security credits as a result of the crop-share arrangement. This interpretation accords with views as expressed by you and Congressman MILLS in our informal discussions.

It is proposed to underwrite this interpretation through the promulgation of regulations by both this Department and the Department of the Treasury. Fundamental agreement has been reached regarding all essential aspects of this matter. Phraseology designed to implement the agreed-upon interpretation will be incorporated in the body of the regulations now being developed covering the amendments to the Social Security Act and the Internal Revenue Code which were amended during the year 1954. In the meantime, both agencies propose to follow in current rulings the effect of the proposed regulations.

We must point out, however, that this interpretation is restricted to crop-sharing arrangements where the share-farmer agrees to do substantially all of the physical labor incident to the production of the crop or livestock during substantially all of its growing period for a proportionate share thereof. Where the agreement between the parties provides that the individual undertaking the physical labor incident to the production of the crop is to be compensated at a specified rate of pay or is to receive a fixed sum of money or a stipulated quantity of the commodities produced (as distinguished from a percentage share of the crop, or the proceeds therefrom), the regulations will not apply. The regulations also will not be applicable, of course, where the parties enter into a valid partnership agreement or joint venture in regard to the farming enterprise.

Whenever the circumstances of any case make the agreed-upon interpretation inapplicable, the case will be disposed of upon the basis of such principles and interpretations as will be pertinent to determination of the social-security status of the parties.

If you wish additional information or if we can be of further service, please call upon us.

Sincerely yours,

CHARLES I. SCHOTTLAND,
Commissioner.

JULY 5, 1955.

HON. JERE COOPER,
Chairman, Committee on Ways and Means, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: On April 28, 1955, when we talked with you and Congressman MILLS about certain farm coverage questions, you requested information dealing with the administration of the social-security amendments of 1954 and their application to farm laborers in general and particularly to migrant and short-term employees.

As you well know, the amended law liberalized the tests for determining whether or not remuneration for agricultural labor is wages after 1954. The test is now on a yearly basis and requires that an employee be paid $100 cash wages in a calendar year by one employer. Payments in kind, such as board and lodging, do not count for social-security purposes. Under the new law, only the cash wage is considered with respect to agricultural labor and such factors as the period or the regularity of the service, previously in the law, are of no concern or consequence. Thus, migrant workers, day haul workers, and other intermittent or short-term farm workers are not covered unless they are paid at least $100 in cash wages for agricultural labor in the year by one employer.

The $100 annual cash wage test for farm employees, as you will recall, was established by Congress to cover additional farm workers and, at the same time, keep the reporting and recordkeeping problems for farm employers to a minimum by excluding the most casual and incidental employment. This test, of course, differs from the coverage requirements in business and industry where all earnings up to $4,200, including certain payments in kind, are counted for social-security purposes.

The purpose of the $100 cash wage test in respect to minimizing record-keeping difficulties was kept fully in mind in designing the recordkeeping and reporting requirements. These requirements have been worked out jointly by the Internal Revenue Service and this Bureau and are outlined in Internal Revenue Circulars A and Ag, which are tax guides for agricultural employers.

On page 7, of Circular Ag, item 8 states, in part:

"You should keep the following records on each employee to whom you pay, or expect to pay, $100 or more cash wages in the year for agricultural labor;

"(a) The name and social-security account number of the employee;

"(b) The payments to the employee of cash wages for agricultural labor; and

"(c) The amount, if any, deducted as employee tax.

"If a record was not required to be kept because you did not expect to pay the employee as much as $100 in a year (for example, a migrant harvester or other short-term worker), but it develops that he will be paid that much, you should begin keeping records for that employee including, as a starting point, the best available information or estimate of the amount you previously paid him in the year."

The same instructions are included in Circular A.

Circular A, item 7, on pages 5 and 6, provides instructions for the filing of returns involving agricultural employees. This item states, in part:

"Every employer who pays taxable cash wages after 1954 for agricultural labor will make a return on form 943 for each calendar year, beginning with the first year in which he pays such wages. In January following each calendar year the employer must report on form 943 the taxes, if any, payable with the return, and must list on such return the social-security account number and name of each employee to whom he paid taxable wages in the year for agricultural labor, and the total amount of such wages paid to the employee * * *.

The return on form 943 is the only return the employer will file for a calendar year if he incurs less than $100 total liability in the first 9 months of the year for employer tax and employee tax on wages for agricultural labor. * * *

"An employer whose tax liability on wages for agricultural labor amounts to as much as $100 at the end of the first, second, or third quarter of the year must also file a return on form 943A after the close of the quarter in which the $100 liability is reached. Form 943A is a tax return only, and does not include any listing of employee's names, account numbers, and wages. Any taxes required to be reported in a return on form 943A are payable with such return and are not to be included in the return on form 943 due after the close of the year."

We are aware that some special problems arise in identifying and keeping earnings records for migrant, day haul, and other intermittent and short-term workers, especially where payment is made on an item or piecework basis. We have discussed these problems with a number of farm employers in different parts of the country and have made available to them simple techniques of identity and earnings accumulations.

One of the simpler systems used by employers in recording the taxable wages paid consists of cards which contain space for entering each employee's social-security account number and name, with a three-column arrangement for entering the cash payments. As the employee is paid, the amount is entered in the appropriate space. When the employee leaves, at the end of the day or at some other designated time, he presents the card to his employer who retains it for use in preparing his annual tax return.

Descriptions of this and of other systems have been made available to the district offices of the Bureau of Old-Age and Survivors Insurance for use in answering specific inquiries regarding recordkeeping devices. Recordkeeping forms have been made available to, and may be obtained from, State agricultural extension services, and business firms and agencies that publish farm recordkeeping aids.

With regard to the employee tax deductions, the law gives the employer a choice of deducting the employee tax for all wages, or he can begin making the required deductions as employees reach the $100 cash wage amount. If the employer deducts the employee tax and the $100 wage test is not met, or deducts more than the correct amount, he should repay the employee. Where the employer is unable to locate the employee or for other reasons cannot repay the worker, Circular Ag, page 7, item 7, paragraph 3, contains the following instructions:

"If you are unable for any reason to repay an overcollection to the employee by the end of the year, you must pay the amount of the overcollection to the district director in January following the year. You should furnish the district director a statement, explaining the overcollection, and showing the employee's account number (if known), name, and the amount you overcollected and did not repay to him. If you are required to file a return on form 943 for the year, your payment and statement should accompany the return. Please write the statement on a separate sheet of paper and not on the form 943."

Since the employer is not required to trace the worker for purposes of making a refund of tax contributions, the worker can secure his refund directly from the Internal Revenue Service if he cannot locate the employer.

Progress has been made in developing criteria for determining the identity of the employer for reporting and tax liability purposes, where the workers are recruited by third persons known, for example, as labor contractors, crew leaders, row bosses, and the like.

The identification of the employer responsible for paying the tax is made by determining whether the farm operator or the labor contractor has final authority to control the workers as to when, where, and how the job is to be done. Thus the labor contractor would be the employer when he agrees to perform all or a designated part of the farming operations, free of direction and control by the farm operator, for a stipulated sum or portion of the crop. As an employer, any workers he might hire to carry out the terms of his contract would be his employees. In this instance, his tax-paying, reporting, and recordkeeping responsibilities would be the same as those of any other employer of farm employees.

Of course, where the labor contractor simply makes workers available to the farmer and receives a stipulated fee for that service, he would be acting, in effect, as an independent labor broker and the farm operator would be the employer of the labor. Where he recruits the labor force on behalf of the farm operator and assists him in the work on the farm, under the general supervision of the farm operator, he is an employee the same as the farm workers he recruits.

We have received excellent cooperation from farm organizations throughout the country in the dissemination of information about the program, and on the whole the administration of the new coverage provision is progressing well. While there are still problems to be met in recordkeeping for migrant and other short-term farm employees, we are confident that these problems can be solved satisfactorily. Our experience shows that the continued protection of these workers under social security is not only desirable but entirely practical.

If we can be of further service to you, please call on us.

Sincerely yours,

CHARLES I. SCHOTTLAND,
Commissioner.

The Harris Natural Gas Bill

EXTENSION OF REMARKS
OF
HON. E. KEITH THOMSON
OF WYOMING
IN THE HOUSE OF REPRESENTATIVES
Friday, July 29, 1955

Mr. THOMSON of Wyoming. Mr. Speaker, in all honesty and sincerity, I believe that the Members of Congress, who voted for the Harris natural gas bill (H. R. 6645) can take justifiable pride in having protected the best interest of the consumer by their action. In the limited time that was available to me during the debate, I pointed out a few of the many practical reasons why this is true, and anyone who has worked closely with the industry, either representing the industry or representing the public, realizes that it is true.

There is one additional matter that I think should be called to the attention of those who stood for private enterprise as opposed to Government controls that pertains not only to the best interest of the consumer, but also to the matter of States rights. It is a real example of how a State regulatory body, close to the people whom it serves and unconfused by diversified pressure, can best serve them.

Under the Phillips decision, before the Harris bill was passed, the State regulatory commission in my State, called the Wyoming Public Service Commission, was completely divested of the necessary authority to protect its people. Remember, we operated for 16 years from passage of the Natural Gas Act to June of 1954 under the theory that the Federal Power Commission had no authority whatsoever over the price of gas at the wellhead or at any other time until it entered the interstate transmission line. It was not until after the Phillips case that many of us received increases due to the increased cost of the gas as it entered the transmission line. Why was this true? Simply because of this. It is well settled public utility law that the regulatory body will not reward the utility for the utility's own improvidence if the regulatory agency is doing its duty to the public. It is also well settled that confiscation does not begin as long as the utility is allowed some return, even though smaller than the court might think fair. This gave to the State or local regulatory bodies a wide area in which to operate, generally considered at some place between 4 percent and 10 percent in determining the rate of return that they would allow the utility to make in profits. Now prior to the Phillips case when the Cheyenne Light Fuel & Power Co., the utility which imports its gas from Texas to sell to my constituents, asked for a rate increase because they had contracted to buy gas for 10 cents, the Public Service Commission of Wyoming could say to them, "New York City buys its gas for 7.8 cents per thousand cubic feet. Other sales are made for even below 7 cents. If you are such an imprudent operator as to be paying 10 cents, we will penalize you by only allowing you to earn at the rate of 4 percent on your overall investment." If, on the other hand, the utility was successful in purchasing gas for 5 cents per thousand cubic feet, the Commission could say to them, "Because of your good operation and prudence, we will let you earn at 10 percent."

Until the Phillips case, this permitted effective control by the people really interested in the consumer and closest to the consumer. After the Phillips case, what happened? The Federal Power Commission, in effect, said that 11 cents per thousand cubic feet was a fair and reasonable price to pay at the source for the natural gas. The public utility commission was powerless to look behind this decision. It had to allow this 11 cents as a part of the cost of operation to the utility. It had to allow a rate increase based to some extent upon this increased cost of operation. It just so happens in the case of the local utility that they have the complete affiliate setup. Think what this would have made possible if carried to the ultimate. Had we not passed the Harris bill and thereby returned to the public service commission in our own States and the regulatory bodies in some instances in our own cities the right and authority to protect our best interest and the best interest of the consuming public, there might have been no end to cost of gas rate increases.

The Harris bill is a good bill for all of America. It is a triumph for free enterprise and the American system that has given us the best standard of living in the world. It is a triumph for States rights. It will redound to the benefit of the consumer.

Mr. Speaker, this is certainly in no way intended to be critical of those fine Members who, in good faith, voted against passage of the Harris bill. Those whose purpose was to mislead by misinformation did a methodical and masterful job.

The only one who will be disappointed when all the facts are on the table is the person who stands for Government control, for big centralized Federal Government, and for ultimate ownership of our natural resources by the Federal Government. This I believe in all sincerity.

A United States Congressman

EXTENSION OF REMARKS
OF
HON. EDNA F. KELLY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, July 29, 1955

Mrs. KELLY of New York. Mr. Speaker, the August edition of the Catholic Digest, a well written and edited magazine of national circulation, features an excellent article on our distinguished colleague, TORBERT MACDONALD, of Massachusetts. I am proud to serve with him in the House of Representatives. I congratulate the gentleman and I commend the Catholic Digest for the presentation of a most enjoyable and interesting story. The photographs that accompany the article are quite unusual and they make a vivid contribution to the story.

In the short time that he has been a Member of the House, Mr. MACDONALD has proven his ability and his determination to follow in the footsteps of those great statesmen from the Commonwealth of Massachusetts who have left their mark of influence on American education, industry, religion, literature, law, and culture.

I include the story from the Catholic Digest:

A UNITED STATES CONGRESSMAN—MEET REPRESENTATIVE MACDONALD—HE HAS A JOB LIKE YOUR MAN'S JOB IN CONGRESS

SAM RAYBURN leaned toward the microphone on the Speaker's rostrum, and said: "If the Members will rise, I will now administer the oath of office."

In every part of the Hall, Representatives rose in waves from their seats. The steady buzz of conversation faded into silence. All but 7 of the 435 Representatives were on hand to take the oath of office. It was the opening day of the 84th Congress of the United States.

RAYBURN knew personally most of the men and women standing before him. There was the usual crop of new faces, too—56 of them, to be exact. In the fifth row on the Democrats' side of the aisle was one of the freshmen, TORBERT MACDONALD, of Massachusetts.

At noon that Wednesday, January 5, the clerk had called the roll; first, to see if a quorum was present; then a second time, to elect a Speaker of the House of Representatives.

You can find MACDONALD'S first vote on page 8 of the CONGRESSIONAL RECORD. RAYBURN received 228 to JOE MARTIN'S 198. In the list of those voting for Democrat RAYBURN, under M, you'll find "MCCARTHY, MCCORMACK, MCDOWELL, MCMILLAN, MACDONALD."

Just 8 days later, TORBERT MACDONALD was elected to the House Committee on Interstate and Foreign Commerce. Looking on from the gallery that afternoon were his pretty wife, former movie star Phyllis Brooks, his two eldest children, and his proud parents.

He was the first Democrat elected from Massachusetts' traditionally Republican Eighth Congressional District. The eighth takes in some wealthy Boston suburbs; but Democrat MACDONALD won last November's election. His margin: 9,000 votes.

Some 2 weeks after the session opened, his Democratic colleagues elected MACDONALD majority whip for the New England congressional delegation.

Many parents dissuade sons or daughters from entering politics. A Congressman is

not always regarded with respect. Yet, the successful politician who is elected to the House of Representatives has enormous power and responsibility.

The average Congressman represents 373,400 citizens. During the last 5 years he has had a vote in the spending of an average of $58,600,000,000 a year. And he has a hand in making decisions which ultimately touch the lives of most of the earth's inhabitants.

If there is such a person as an average Congressman, he is somewhat past middle age, more often than not has already served a few years in Congress, and usually has had some political experience prior to his election. It is safe to generalize, then, that the average Congressman is no babe in the political forest.

Three-fourths of the legislators in the average session of Congress are college graduates; many are lawyers; more than half are veterans.

It isn't easy to obtain information about the national and racial backgrounds of Congressmen. Their religious backgrounds are better known. A survey of the 77th Congress revealed that some 71 percent of the Members were Protestants, 18 percent Catholics, and just over 1 percent Jews. MACDONALD is a Catholic.

Although the House of Representatives does not begin its sessions until noon, the average Representative is at his desk early in the morning. If he wants to keep his hand on the pulse of public opinion in his home State, he must examine his mail carefully. Most Congressmen answer every letter.

During the morning, visitors from back home drop in at the Representative's office; and other Congressmen may visit him to discuss legislation. As the session moves forward, each Member of Congress must participate in committee meetings. Many such meetings begin during the morning, and continue most of the day. This accounts for some absences from the floor of the House.

To assist him with his work, the Congressman has an office staff which usually includes one administrative assistant and several secretaries.

Like a majority of his congressional colleagues, TORBETT MACDONALD, of Massachusetts, is a lawyer. After graduating from Harvard law school in 1946, he served as legal assistant to Eric Johnston, then czar of the movie industry.

Then he became, successively, a New England trial attorney for the National Labor Relations Board; a legal adviser to the congressional labor committee for its European survey; and legal adviser to his old friend, Senator JOHN KENNEDY, in connection with a 1953 labor-and-manpower survey of defense in Western Europe.

When the Democrats were looking around for a candidate to oppose the Republican incumbent in the Eighth Congressional District, they asked MACDONALD if he would take the nomination. He accepted—and won, much to the surprise of even his own State Democratic committee.

As a teen-ager, MACDONALD learned leadership in athletics. His first try was a flop. He went out for high-school football in his hometown, Malden, Mass., but failed even to make the squad.

However, the next year he transferred to the nearby Medford High School and made the State's all-scholastic eleven. A natural athlete, he also became captain of the Medford track team and a star basketball player.

After his high-school graduation in 1934, MACDONALD attended Phillips Andover Academy, where he was put on the scholastic honor roll, and became captain of the baseball team as well.

For 4 straight years, he starred in baseball, football, and track at Harvard. In 1939 he ran on the Harvard-Yale track team that toured Europe. The following year he was captain of the Harvard football squad.

When he was graduated in 1940, he turned down a Rhodes scholarship; instead, he signed, for a handsome bonus, as an outfielder with the New York Yankees.

"I traveled with the Yankees for that summer," he recalls. "But their regular outfielders then were Keller, DiMaggio, and Heinrich. You can see what chance I had of breaking into the line-up."

He entered Harvard Law school in the fall of 1940; and paid for his tuition with his summer baseball bonus and salary.

When the Yanks gave MACDONALD another bid in 1942 for spring training, he gave them a final no; he hasn't donned a glove since, except to toss a few balls around with his son, Torbert, Jr.

In January 1942, MACDONALD quit law school to enlist in the Navy. He served with Torpedo Squadron 12 in the South Pacific; received a leg wound, and won the Silver Star for gallantry in action.

Shortly after his discharge as a Navy lieutenant in 1945, he married Phyllis Brooks, whom he had met before the war while she appeared in a play in Boston. Although she was one of the better-known Hollywood stars at the time, she quit her career when she married.

"She's a really marvelous girl," says her admiring husband. "I had to go back to law school to get my degree. We had to live on practically nothing. But she never complained. A happy family life is more important to her than anything else."

The Macdonalds have purchased a home in Washington, D. C., where they live with their 3 children, Torbert, Jr., 9; Laurie, 7; and Brian, 2 years old.

Congressman MACDONALD's background is fairly typical of that of his colleagues in the House.

Let Us Not Be Taken In by Communist Smiles

EXTENSION OF REMARKS
OF
HON. CLEMENT J. ZABLOCKI
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Friday, July 29, 1955

Mr. ZABLOCKI. Mr. Speaker, during recent weeks, our newspapers and other mediums of communication have been filled with accounts of the new friendly attitude of the Communist leaders.

Our people have seen numerous photographs of smiling Red dignitaries attending various parties, visiting western factories and farms, and sitting down at a conference table with our Chief Executive and with other leaders of the free world to discuss world problems. They have been reminded of the alleged friendship between the Soviet army chief and our President.

It seems to me that this publicity campaign has given many people the impression that world tensions are easing, that the Communists may be ready to negotiate peaceful solutions to various world problems, and that the era of peaceful coexistence may be just around the corner.

In my opinion, there is absolutely no justification for such optimism at the present time. We must face reality. We must realize that Communist policies have not changed, even though a few Communist leaders have decided to smile at photographers. We must remember that the cold war is not over, but that it is still raging with intense fury in many parts of the globe.

Mr. Speaker, the Reds had consented to come to Geneva, to a highly-publicized but very uneventful conference. The Soviets came, advanced a few proposals, and listened to others suggested by the leaders of the free world. They did not negotiate any issues, and they made no concessions. On the contrary, it appears that the commies may have received some concessions from our side of the conference table.

The fact that we have agreed to negotiate with Red China is in one sense, a victory for the Soviet leaders who have persistently championed the cause of the recognition of the Mao Tse-tung government. and worked for the admission of Communist China to the United Nations. It further appears that we are getting ready to expand free world trade with the Communists, and perhaps send some of our exports to Soviet Russia to bail them out of their economic difficulties. These considerations may at least partially account for the smiles on the faces of Communist leaders.

If we look at the other side of the ledger, we will find no evidence of any change of heart on the part of the Communists.

In Europe, there has been no easing of the Soviet grip on the Communist-dominated nations behind the Iron Curtain. As a matter of fact, fresh Soviet troops are moving into East Germany and the people there have been told openly that German unification can only be accomplished at the price of German withdrawal from NATO.

In the Far East, the situation is even graver: the desire to terminate hostilities as promptly as possible, and to seek world peace, has resulted in concessions to the Reds in Korea, in Indochina, and in the Formosa Straits. These Communist gains are now being solidified and extended.

In northern Korea, Red military power is being amassed in direct violation of the truce terms.

In Indochina, truce terms are being repeatedly and continuously violated by the steady accumulation of Communist military strength in North Vietnam, and by the aggressive Red campaign in Laos.

In the Formosa Straits, the Chinese Communists continue to bombard the coastal islands held by Chiang Kai-shek, and are concentrating great fighting power within striking distance of Formosa.

In Indonesia, the Communists are fomenting internal strife and appear to be gaining strength.

In Malaya, the Communists have stepped up guerrilla warfare against British and have paralyzed Singapore with riots, strikes, and bloodshed.

Similar developments are taking place in other parts of the world, where the Communists are fomenting strikes and disorders, engaging in subversion, and endeavoring to take over local and national governments.

Do these actions resemble the behavior of peace-loving men?

Let us not delude ourselves, the Communists have not relented and they have not to date changed their policies. The cold war goes on, while the Soviet leaders are trying to charm us with their friendly smiles.

As another instance, I would like to recall last week's shooting down of an unarmed Israeli passenger plane, which strayed off its course and crossed the Iron Curtain. Fifty-eight persons, including 12 Americans, perished in that tragic disaster, caused willfully by trigger-happy Communist border guards in Bulgaria.

In the thought that it may prove of interest to my colleagues, I would like at this point to insert an editorial which appeared in the Milwaukee Journal of July 28, entitled "Red Smiles and Cold Murder":

RED SMILES AND COLD MURDER

The 58 victims who were shot down in flames in the Israeli airliner give the lie to the smile of friendship that world communism has turned to non-Communist nations.

Here is a new example of what Lloyd George used to call the "brutality of barbarians." Here is new proof, if any is needed, that the Communist world still lives by the law of bandits rather than by the law of the family of civilized nations. If any change is coming, it isn't here yet.

In a civilized nation a plane off its course is ignored, unless it is in need of help—in which case help is given. But the Bulgarian Communists, like headhunters lying in wait on a jungle trail, consider it fair game for murder.

This was no military plane. It was a passenger airliner. It was no plane of one of the Western nations that Communists say they fear. It was a plane of little Israel, a threat to no Communist nation. It was a plane largely passengered by persons seeking refuge in Israel—persons to whom the heart of the civilized world goes out in support of their desire for a land of their own.

Whether it was flying off a course well inside Bulgaria, as the Bulgarians claim, or just inside the border, as Greek observers claim, isn't important. That's no excuse for coldly shooting down a passenger plane to start with.

This is not the first victim of Communists treating planes like targets. The only thing different here is that Bulgaria admitted the shooting quickly, said it is "sorry" and will investigate. But in every other respect it is typical Communist barbarism—and that means a barbarism that has been promulgated from the Kremlin.

The wreckage of that Israeli plane and the charred bodies of its passengers speak more loudly to the world of Communist philosophy than any smiles and soft words, any cocktail parties, and assurances of friendly intentions by a Khrushchev or a Bulganin. For the world, it wipes the smile from the Kremlin face.

Until these brutal tactics end, and the U. S. S. R. and Soviet-controlled countries act like peaceful and civilized nations, no honeyed words mean anything.

Mr. Speaker, it is my sincere hope that world tensions will be truly relaxed, and that we may make some true progress toward the attainment of world peace. It is my earnest belief, however, that we cannot afford to consider those goals as being even partially attained until the Communists demonstrate, through concrete actions and policies, their readiness and willingness to act like peaceful and civilized nations.

Until that stage is reached, let us not be deceived by empty smiles or by clever doubletalk. The security of our Nation, of the entire Christian civilization, may well depend on our abiilty to look reality straight into the face, and to meet it unflinchingly. This is no time for daydreaming, or for wishful thinking.

Judicial Review of Veterans' Claims

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 29, 1955

Mr. MULTER. Mr. Speaker, I wish to speak briefly of the United States war veteran and simple justice. The problems of our citizens who have given of their time and ability in the armed services are well known to all. The veteran has rightfully been allowed a variety of pensions, benefits, loans, and services under our laws that date back many years, including special enactments following both World Wars and the Korean conflict. The Congress has tried to provide young men and women who were called upon to protect the rest of us, a fair, if not always adequate substitute for all they gave up.

Nevertheless, we have somehow erred in proceeding toward this goal. The present laws under which veterans' benefits are administered give complete and decisive authority to the Administrator of Veterans' Affairs. Once a proceeding has been considered and decided by this office, the matter is settled—fully, finally, and without appeal. Is this the type of justice with which we should confront our veterans?

The Veterans' Administration had not made a record as a liberal Government agency. Yet, even if this were not so, commonsense and fairness would require a resort to a higher authority than the Board of Veterans' Appeals, an agency, wholly within and part of the Veterans' Administration. No man is infallible, and in the course of thousands of administrative proceedings a small number will inevitably be denied their just rewards. No matter how small the number, each statistic represents a man or a woman who has not been dealt with equitably by his Government. We should try to prevent such situations from arising and where they arise, they should be speedily remedied.

The remedy is encompassed in H. R. 2023, a bill which I introduced on January 11 of this year, and which was referred to the House Judiciary Committee.

The purpose of the bill is to confer upon the Court of Claims jurisdiction to render judgment upon any claim for a benefit or payment under any law administered by the Veterans' Administration, if such claim has been disallowed, in whole or in part, by a decision of the Administrator of Veterans' Affairs.

All the judicial safeguards of a civil proceeding will be assured. In addition, such a resort to the Court of Claims will act as a spur to greater care within the Veterans' Administration. It also will be of considerable psychological value to the veteran. He will then know that the Veterans' Administration is not the sole agency to hear his case. All this will make for more efficiency and more certain justice.

The Veterans' Administration has issued an advisory report to the Committee on the Judiciary disapproving H. R. 2023. The opposition falls neatly into three categories: First, That making all denied claims eligible for judicial review would impose an unbearable burden on the Court of Claims; second, that the administrative expense of defending the Veterans' Administration's position in court would be excessive; third, that past legislation of the Congress and court opinions based on that legislation are in opposition to the proposed bill.

These objections arise from and are based on an underlying policy feeling that looks upon veterans' benefits and compensation as gifts of the Government, given, so to speak, out of the goodness of its—the Veterans' Administration's—heart. This is precisely what H. R. 2023 seeks to change.

I do not feel that the Government is guilty of giving handouts when it authorizes compensation for service-connected disabilities, pensions for non-service-connected disabilities, vocational rehabilitation, education and training, subsistence allowance, readjustment allowance, guaranties or insurance of loans, out-patient medical treatment, artificial limbs, hospitalization, seeing-eye dogs, electronic and mechanical equipment for the blind, specially adapted housing for disabled veterans, reimbursement of burial expenses, and so on. On the contrary, these are not handouts given in exchange for nothing. They are payments only in part for what has been given up in its defense.

Whatever the present legislative policy in these matters, it is about time that we readjust our thinking in veterans' matters. These men and women should not be placed in the position of begging for compensation and benefits. The Government, as the agency of the people, is morally obligated to treat its veterans with the greatest possible care. All that H. R. 2023 attempts to do is to make this moral obligation a legal obligation as well.

Society, unfortunately, finds it difficult to enforce moral obligations, no matter how great they may be. We are lucky, however, to have an institutionalized procedure, in the form of our court system, to attempt to make justice keep pace with moral duty.

The strict legal argument that the United States Government is a sovereign and, therefore, may not be sued without its permission is a cold argumentative device that is persuasive only in the realm of political theory. It has nothing whatever to do with human affairs. Should we run our Government on the basis of past procedure and prevailing theory when individual sacrifices are being evaluated and compensated? Should

we look upon the veteran's obligation to defend his country as a privilege, and his right to be compensated for his losses as an act of kindness?

H. R. 2023 answers "No." To do otherwise is to impose a double standard. If a citizen is obligated to fight for his country, the country must certainly be considered obligated to compensate him for all his losses. Surely there is no lack of justice or logic in that. As for the arguments as to the judicial burden and the expense of litigation, the former involves time and the latter involves money. Neither should be excessive and neither is comparable to the other values involved—human dignity and simple justice.

I urge the Committee on the Judiciary to consider this bill and report it as quickly as possible.

The National Debt

EXTENSION OF REMARKS
OF
HON. ROBERT L. F. SIKES
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Friday, July 29, 1955

Mr. SIKES. Mr. Speaker, this is heralded as the year of America's greatest prosperity. Unquestionably America does enjoy great prosperity. It is a time when Government income should reflect this optimistic picture with a resultant balanced budget and a reduction in the national debt. Actually we do find Government revenues up—but so are Government expenditures. While business prosperity generates more Federal income, United States spending happily absorbs the increased receipts. Instead of a reduction in the amount of the national debt, we find that it continues to mount. If we cannot now have fiscal responsibility and a balanced budget, when may it be expected? The outlook is not in any sense one to encourage confidence in the Nation's fiscal management.

The job of finding ways to reduce spending has gotten tougher just since last January. While reductions in the year just past were sharper than the President planned 18 months ago—in January 1954—they did not measure up to what Mr. Eisenhower predicted in January 1955.

Specifically, the President foresaw this outcome in his budget message just 7 months ago:

Income was to be $59 billion.

Outgo was to be trimmed to $63.5 billion from $67.8 billion the year before.

The deficit was to be $4.5 billion.

Now, with the year over, you can see how it came out:

Income was $60.3 billion.

Outgo was $64.5 billion.

The deficit turned out to be $4.2 billion.

Income, in other words, was up $1.3 billion from the January estimate. An end to the business recession—a vigorous upturn—did that for the administration.

Yet spending was up almost as much, a billion dollars, from the January expectations.

Actually, the $64.5 billion of spending represents not an upturn in spending, but a failure to slash outlays as sharply as expected.

Despite this record, the fact is that spending cuts were substantially smaller than the President predicted in his January 1955 budget message.

The failure to reduce spending is raising questions as to whether the administration will balance the budget even during its fourth year in office.

A Session-End Review of Klein Mission Report

EXTENSION OF REMARKS
OF
HON. THOMAS J. DODD
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Friday, July 29, 1955

Mr. DODD. Mr. Speaker, two events—one recently passed and one to occur shortly—move me to these remarks today. The event recently passed is the summit meeting of the national leaders of the United States, Great Britain, France, and the Soviet Union in Geneva, a meeting much in the minds and prayers of the peoples of the world who share a common desire to live in peace. The event in the immediate offing is the adjournment of the Congress which, as has been the custom in recent years, will be followed by visits of many of our colleagues abroad on study missions and other congressional business.

Late last year Gen. Julius Klein, of Chicago, served as a consultant to the Committee on Appropriations and to the Subcommittee of the Armed Forces Committee on Appropriations of the United States Senate. In that capacity, and without pay or reimbursement for his expenses, General Klein made a survey of the general political situation in most of the West European countries and prepared a detailed report on his findings, accompanied by a series of excellent and worthwhile recommendations.

His report, which received wide acclaim in the Nation's press, was published early this January.

A few months ago, five Members of the other body from both parties—Senators BRIDGES, HUMPHREY, KEFAUVER, SYMINGTON, and WILEY[1]—discussed the Klein Report and its recommendations at great length. In addition to praising the selfless work of General Klein and the service he rendered his country, they remarked on the technical proficiency of the report and those of its recommendations which have already been put into effect.

Now, it is too early to attempt an evaluation of the results of the summit conference in Geneva. Many reports were colored, some of them were influenced by the wishful thinking of correspondents who reflected the peoples' yearning for peace and security, while others mirrored the pessimism of those who have seen too many international conferences produce no more than an avalanche of words and victories only on the propaganda battlefront.

I hold, Mr. Speaker, that we can perform our duties only as effectively as our information is accurate and reliable. It behooves us, therefore, as many of us travel abroad, to widen our knowledge to the best of our ability. And may I suggest to my honorable colleagues that in their quest for this type of knowledge the report on General Klein's European mission is an excellent guide. His statements are well documented with facts backed up by several decades of firsthand knowledge in international affairs, military matters, and politics.

Perhaps the best yardstick of the value of this report lies in the batting average as it applies to how many of the Klein recommendations have been put into effect. While some of these recommendations may well have been realized in any event, nevertheless, the value of such a study as the Klein Report can be evaluated from its success—and the use to which it still must be put.

I am a Democrat; General Klein is a Republican. While we do not share the same political affiliation and disagree on some issues, I find myself in the same position as Senators HUMPHREY, KEFAUVER, and SYMINGTON in recognizing the merit and value of General Klein's work.

With the imminent conclusion of this 1st session of the 84th Congress, I believe it would be well to review here the ultimate disposition of the recommendations of General Klein, which were first published as we gathered here for the convening of this Congress.

Recommendation 1:

That Congress maintain in Europe a professional staff of modest size * * * to study and observe the administrative aspects of American programs in Europe and report to appropriate congressional committees at times when pertinent legislation is being considered.

Development: Widespread favorable comment in newspapers and official circles. Members of Congress on survey trips, made more aware of the handicaps involved in obtaining a maximum of information during brief visits, are considered likely to revive consideration of this recommendation

Recommendation 2:

That an official on the cabinet level be designated * * * to achieve a more effective and economical alinement of our diplomatic and administrative agencies overseas.

Development: President Eisenhower has designated the Honorable Joseph W. Dodge as the top-level official to coordinate American policy overseas.

Recommendations 3:

(a) That we redefine, especially for governments of foreign countries, the functions and responsibilities of our ambassadors, reinvesting these officials with the authority they should properly exercise. * * * (b) That we broaden the jurisdiction of our ambassadors and provide them with the necessary staffs to permit them to assume actual authority for cultural, economic, informational activities now being carried on in

[1] Gen. Julius Klein's European Mission—A Job Well Done—CONGRESSIONAL RECORD of March 30, April 1, 1955, pp. 4037–4043, 4212.

countries where they are stationed by other agencies.

Development: Following his Latin-American tour, Vice President NIXON concurred in this recommendation. The dissolution of the Foreign Operations Administration, with assumption of its functions by a newly-created agency within the Department of State, its concrete progress in the direction of this recommendation.

Recommendation 4:

To increase our diplomatic effectiveness abroad and to develop an adequate reservoir of skilled personnel for our Foreign Services requires that * * * (a) consideration be given to a reevaluation of existing salary levels * * * (b) in such fields as economic and cultural relations, efforts be made to borrow skilled specialists from American industry * * *(c) * * * existing Federal laws be reexamined with a view toward amendment that will permit the Nation to avail itself of skilled specialists on short-term tours of duty * * * (d) consideration be given to providing compensation adequate to attract trained specialists * * *(e) a training program be instituted, utilizing the skills and experience of existing Federal agencies and private institutions.

Development: A letter from Mr. I. S. Carpenter, Jr., Assistant Secretary of State, advises that the Foreign Service is being revitalized, salary levels raised, and other of General Klein's recommendations are in the process of being implemented.

Recommendation 5:

(a) That offshore purchasing be centered in a single operating agency, the General Services Administration * * *; (b) that the experienced judgment and skills of the General Services Administration be brought into play to assume many of the purchasing and procurement responsibilities now being borne by individual agencies; (c) that consideration be given to insure that the joint committee made up of GSA, military, and economic agency representatives meets agency needs efficiently and economically * * *; (d) that, while GSA participation in the case of military purchasing can relieve the armed services of heavy burdens * * * control of the development of specifications and inspection of finished products * * * must necessarily remain with military services; (e) that recommendations contained in congressional reports, such as the Bridges-Symington report, be followed to their conclusion.

Development: Findings of the Hoover Commission and congressional committees during this session of the Congress confirm the wisdom of this recommendation; further action is anticipated.

Recommendation 6:

That we intensify our efforts to shift to native media the main burden of Europe's defense against the ideological onslaughts of communism; (b) that those of our information activities aimed at countries behind the Iron Curtain concentrate on special appeals to induce defections from Communist regimes by scientists, technicians, engineers, and skilled personnel generally; (c) that exploratory talks be held with our friends in the free world to develop an allied information program * * * (d) that * * * efforts be made to staff all overseas information posts with persons who have practical rather than academic experience * * * and that * * * overseas personnel be rotated to the United States periodically; (e) that our existing program be carefully appraised to determine whether it is adequately serving the political objectives on which it is based.

Development: A letter from United States Information Agency Director Theodore Streibert indicates that these recommendations are being followed.

Recommendation 7:

(a) That American economic policy be more clearly defined to avoid misinterpretations which are being exploited by the Communists, especially in their efforts to lure trade to the East; (b) that American technical aid in retailing and distributive methods be intensified with the objective of increasing the vast untapped consumer markets within the European nations themselves.

Development: Legislation creating the International Development Corporation; money grants reduced in preference to technical aid; Government technical assistance supplemented by private agencies (for example, Pan American World Airways assistance to Pakistan airline and TWA and Pan American assistance to Lufthansa, the German airline).

Recommendation 8:

(a) Intensification of the interchange-of-persons program at all levels; (b) encouragement of European tourist and business travel to the United States through cooperation with the established American travel industry; (c) reexamination of existing law with a view toward facilitating and, with all safeguards of our interests, expanding the opportunities for foreign travel to the United States * * *; (d) an evaluation of our present exchange student and foreign visitors program to ascertain whether we are receiving the fullest possible benefits from it.

Development: Congressional interest manifested by legislation, committee action, and floor speeches. Attention and commendation in important periodicals insure continuing pressure for accomplishment.

Recommendation 9:

That increased attention be paid to political opposition parties in Europe while adequate relations are maintained with government party leadership.

Development: Reports indicate that this recommendation is being followed.

Recommendation 10:

That appropriate congressional committees consult with a selected number of experienced American radio and press correspondents abroad.

Development: It was stressed that such conferences be unofficial for the protection of the correspondents themselves, and there is thus no official record of such consultations. Members of Congress have, however, individually expressed approval of this recommendation.

Recommendation 11:

(a) Establish and maintain unchallengeable supremacy in airpower * * * (b) Ground Forces * * * in adequate numbers to cope with any conceivable emergency * * * (c) * * * both qualitative and quantitative superiority for our Naval Establishment (d) * * * present commitments of United States Ground Forces to Europe be reevaluated, as European military manpower contributions grow * * *, to determine the feasibility of reducing the present United States Ground Force Establishment on the Continent, leaving major emphasis of the United States contribution to air and naval forces; (e) that we continue to maintain a portion of our Ground Forces in Europe * * * as a deterrent symbol to Communist aggression.

Development: This recommendation being generally followed.

Recommendation 12:

(a) * * * maintain our country's lead in the development of trained scientific and technological personnel, (b) that a high-level conference of military authorities and educators be called for the purpose of devising a program * * * to initiate the training of scientific and technological manpower required for future security needs, (c) that such a program be sufficiently flexible to allow for the productive integration of those selected for training in the Nation's peacetime industrial facilities.

Development: General Klein submitted additional testimony on this recommendation to Senate Committee on Labor and Public Welfare. Congressional committee and White House Conference on Education pursuing this recommendation.

Recommendation 13:

Anti-Communist exiles and refugees * * *; (a) that a careful survey be made to determine how best to assist these heroic enemies of communism in maintaining a cohesive, efficient adjunct of the free world's total defense effort against Communist aggression; (b) that they be encouraged to retain their national identification; (c) that such facilities and assistance as are warranted by their capabilities for aiding the defense of the free world be extended.

Development: Officials and private individuals concerned with this question have expressed approval and indicated their desire to see the recommendation implemented.

Recommendation 14:

(a) That an advisory group—

Similar to the Air Coordinating Committee—

be created in the field of maritime transportation; (b) that a study be made of the feasibility of coordinating the activities of the proposed Maritime Coordinating Committee with those of the Air Coordinating Committee, to avoid duplication, the objective in view to be the preventing of overlapping, duplication, and wasteful competition in the two transportation fields.

Development: Some discussion along this line, but no concrete action as yet.

Recommendation 15:

General MacArthur's views be invited by both our highest policymaking authorities and appropriate congressional committees.

Development: Widespread editorial and congressional support evinced but no specific consultations of the order suggested.

Recommendation 16:

(a) That United States policy in the Middle East be directed toward integrating this area in the total structure of Western European defense; (b) that United States aid to states in the Middle East be predicated on the readiness of recipient countries to join in the free world's defense system; (c) * * * every effort should be exerted to discourage the revival of armed hostilities between the State of Israel and the Arab nations; (d) that in no case should we extend aid to any country in the area unless a recipient state effectively guarantees that United States aid will not be used for aggressive purposes.

Development: Approval expressed in responsible quarters, but no indication that the State Department has altered its policies.

Recommendation 17:

That increased attention be given to furthering the hemispheric solidarity between the United States and her Latin American neighbors.

Development: Vice President NIXON's recent tour was an active expression of the suggested policy and increasing attention is being brought to bear upon the quest for closer relations with our Latin neighbors.

Recommendation 18:

That a careful study be made to determine how best to utilize the facilities of the Intergovernmental Committee for European Migration and * * * strengthening the ICEM personnel structure and screening procedures.

Development: Avoidable frictions arose in administrative circles because of failure to heed the spirit of this recommendation. The attention now centered on the problem presages action.

Recommendation 19:

That United States policy to continue to aim at strengthening the United Nations.

Development: Commanding sentiment favors.

Recommendation 20:

(a) That United States aid to France * * * be geared to the current needs of United States policy objectives * * * (b) that we continue to maintain our military installations in France and advance such aid as may be required by the military necessity.

Development: This policy being firmly followed with the further extension of a strong position with respect to South Vietnam.

Recommendation 21:

(a) That the people of the Saar be given the opportunity * * * to determine the future political status of their territory; (b) that the people of the Saar also be given the opportunity to express themselves politically through parties of their choice; (c) that a representative of the people of the Saar participate fully in any and all international discussions affecting the status of this area.

Developments: It must be reported regretfully that the temperate course recommended is being ignored and the mistakes made in the past with regard to the Saar are being repeated.

Recommendation 22:

(a) That trade, rather than aid, form the cornerstone of our policy toward Germany * * * (b) * * * Congress expedite the legislation for the return of property to German citizens now held by the Alien Property Custodian * * * (c) that we continue to manifest our support for German unification through free all-German elections; * * * (d) we take the lead in proposing the Federal Republic for membership in the United Nations * * * (e) * * * that adequate safeguard be maintained to assure that German militarism will never again become a threat to peace or an instrument of aggression.

Development: Following the recent conferences here in Washington between American and German officials, the State Department has recommended the return of property up to $10,000 in value. Legislation for full return is presently pending in both Houses of Congress; hearings have already been held by House Foreign Affairs Committee. Other points of recommendations have received strong support or form present policy.

Recommendation 23:

That military authorities of the Federal Republic of Germany be invited to send selected officers and officer candidates of the Federal German Army for training.

Development: Though the embryonic stage of the German Army has provided no opportunity for implementation of this recommendation, the suggestion was well received by affected authorities and efforts toward implementation can be predicted.

Recommendation 24:

That consideration be given to including Spain in our offshore procurement program, particularly with a view toward increasing the western community's capabilities for arms production.

Development: This course being adopted as United States policy.

Passing events have borne out General Klein's keen evaluation of NATO. The Nation can indeed be grateful that it has as the guardians of our security on our European flank General Greunther and his associates.

I could go on to discuss other aspects of the Klein Report but I am certain that my colleagues will continue to often refer to this survey. I do hope that the executive departments, as recommended in the debate this spring in the other body, will carry forth the recommendations of General Klein wherever they will aid the peace and prosperity of our Nation.

The Klein Report has indeed been a contribution to American political policy. It is hoped that Gen. Julius Klein will continue to be called upon for his services in this manner.

Louisiana State Vets Honor Al Labiche

EXTENSION OF REMARKS

OF

HON. F. EDWARD HEBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 29, 1955

Mr. HÉBERT. Mr. Speaker, today I want to make the House acquainted with an old friend of mine and a combat veteran who has just been elected State commander of the American Legion in Louisiana, Albert Labiche, of New Orleans.

Here is the typical American story.

Al Labiche was the father of two children when he went off to the war. He was a happy-go-lucky sort of a guy when he went away. When he came back he was a seasoned soldier who had been through the roughest and the toughest of the campaigns around the Bulge.

In typical American fashion, however, he picked up his life in the busy industrial world which he had left and became a renewed force in his community. His endeavors and his talents were given to all civic movements and he served his city as foreman of the grand jury at a time when service was not what could be called very desirable because of local political conditions. But Al Labiche did his job and did it well.

Now he has been honored by being named the State commander of the American Legion for Louisiana, an honor and a tribute which justifies my grasping this opportunity to introduce him to the entire membership of this body.

I saw Albert Labiche in Paris less than a fortnight after Germany had surrendered. Specifically it was a Sunday (May 20, 1945) morning at the Hotel Rafel. This is what I wrote in my account of Europe immediately following the end of the war under the title of "I Went, I Saw, I Heard":

Albert Labiche came by and we had breakfast. He is going to have plenty to relate when he goes back to New Orleans.

When the war can make a tough, hard-boiled soldier out of a guy like Albert Labiche it can accomplish anything and there is little wonder that victory has come to us.

Carefree, gay, laughing—almost irresponsible, I have never known anybody Albert Labiche didn't like. Today I saw a hardened tough soldier who had 7 weeks in the frontlines at Aachen.

An American father of 2 children, drafted into the army when past the age of 30 and now a veteran of frontline action. That's the kind of stuff Americans are made of and the kind of stuff which wins wars for America, make no mistake about it.

That was written 10 years ago almost to the day, give a few days. That was 1945.

Now this is what the New Orleans Item wrote about Albert Labiche in an editorial only a few short days ago after he had been elected State commander of the American Legion. This is 1955:

STATE VETS HONOR AL LABICHE, A NATURAL AS LEGION CHIEF

Albert V. Labiche is a natural for State commander of the American Legion, and the veterans who chose him at the convention in Alexandria on Sunday are to be commended.

A father of 2 daughters, now 21 and 19, Al went into World War II service as a buck private. He came out in 1945 as a staff sergeant with three battle stars, the combat infantry badge, and a purple heart (for shrapnel that ripped through his hand).

He fought in France, Belgium, and Holland, where he was wounded, as a doughboy in an armored division. Al was there.

On being mustered out, he became active in the Legion, helping organize the Arthur Scott Post and serving on various State and National committees.

But his service to his community has extended to many other fields. He was a first-rate foreman of the Orleans Parish grand jury 2 years ago, in the very midst of the police uproar.

(In addition to its investigative work, the jury made two noteworthy recommendations: that police pay be raised and that a system be set up to provide overlapping service on grand juries so as to avoid the traditional break in continuity.)

Vice president of the store which bears the family name, Al Labiche is prominent in the community's business life.

He is a past president of the Radio and Television Association, a director of an insurance company and of a bank.

The kids of New Orleans know Al, too, for his ardent support of sandlot sports. This interest goes back to the days when Al, himself, was a star prep school fullback; a plucky one, too, who could run 106 yards for a touchdown—with a broken collarbone.

A believer in teamwork, a fine citizen, and a leader, Al Labiche will give the State Legion high-caliber service as its new commander.